



Q3 2025 MANAGEMENT'S DISCUSSION & ANALYSIS CALFRAC WELL SERVICES



Three and Nine Months Ended September 30, 2025

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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 November 13, 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 and nine months ended September 30, 2025 and 2024. It should be read in conjunction with the interim consolidated financial statements for the three and nine months ended September 30, 2025, as well as the audited consolidated financial statements and MD&A for the year ended December 31, 2024.

Readers should also refer to the "Forward-Looking Statements" legal advisory at the end of this MD&A. All financial amounts and measures presented are expressed in Canadian dollars unless otherwise indicated. The definitions of certain non-GAAP measures used are included on page 18.

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 operating segments during the three months ended September 30, 2025, were as follows:

Segment	Active (000's hhp)	Idle (000's hhp)	Total (000's hhp)	Crewed Fleets (#)
North America	879	168	1,047	10
Argentina	168	—	168	4
Total	1,047	168	1,215	14

- The Company's North America segment provides fracturing services to oil and natural gas companies operating in the Williston Basin located in North Dakota as well as the broader Rockies region, which includes the Piceance Basin in Colorado, the Uinta Basin in Utah, and the Powder River Basin in Wyoming. Additionally, the Company services customers operating in the San Juan Basin in New Mexico. Calfrac also provides fracturing services in the United States to natural gas-focused customers operating in the Appalachia Basin in Pennsylvania, Ohio, and West Virginia. The Company provides fracturing and coiled tubing services to a diverse group of oil and natural gas exploration and production companies operating in the Western Canadian Sedimentary Basin, primarily in Alberta, northeast British Columbia, and southeast Saskatchewan. At September 30, 2025, Calfrac's North America segment had 10 fracturing fleets utilizing combined active and total horsepower of approximately 0.9 million and 1.0 million, respectively. The Company also had six active coiled tubing units in North America.
- Calfrac's Argentina segment provides fracturing, coiled tubing, cementing, and other well stimulation services to oil and natural gas companies operating in the Neuquén and Comodoro Rivadavia regions. The Company operated the equivalent of four fracturing spreads, including two large and two smaller fleets varying in size, utilizing approximately 168,000 active and total horsepower, nine active cementing units, and six active coiled tubing units in Argentina at September 30, 2025.
- At September 30, 2025, Calfrac's continuing operations had 14 crewed fracturing fleets utilizing combined active horsepower of approximately 1.0 million. The Company had the ability to operate the equivalent of five Tier IV dynamic gas blending ("DGB") fleets in North America at the end of the third quarter.

HIGHLIGHTS – CONTINUING OPERATIONS

	Three Months Ended Sep. 30,			Nine Months Ended Sep. 30,		
	2025	2024	Change	2025	2024	Change
(C\$000s, except per share amounts)	(\$)	(\$)	(%)	(\$)	(\$)	(%)
<i>(unaudited)</i>						
Revenue	323,408	430,109	(25)	1,095,756	1,186,252	(8)
Adjusted EBITDA ⁽¹⁾	48,468	65,039	(25)	180,762	156,482	16
Cash flows provided by operating activities	30,099	16,519	82	96,597	37,518	157
Capital expenditures	32,815	22,509	46	115,781	137,334	(16)
Net income (loss)	4,295	(6,687)	NM	27,416	14,959	83
Per share – basic	0.05	(0.08)	NM	0.32	0.17	88
Per share – diluted	0.05	(0.08)	NM	0.32	0.17	88
As at			Sep. 30,	Dec. 31,		Change
			2025	2024		
(C\$000s)			(\$)	(\$)		(%)
<i>(unaudited)</i>						
Cash and cash equivalents			579	44,045		(99)
Working capital, calculated as:						
Excluding cash and cash equivalents and the current portion of long-term debt			257,601	229,856		12
Including cash and cash equivalents and the current portion of long-term debt			(51,851)	123,901		NM
Total consolidated assets, end of period			1,227,322	1,234,840		(1)
Long-term debt, end of period			310,031	320,908		(3)
Net debt ⁽¹⁾⁽²⁾			329,630	300,347		10
Total equity, end of period			667,899	653,330		2

⁽¹⁾ Refer to “Non-GAAP Measures” on page 18 for further information.

⁽²⁾ Refer to note 10 of the consolidated interim financial statements for further information.

THIRD QUARTER OVERVIEW

In the third quarter of 2025, the Company:

- generated revenue of \$323.4 million, a decrease of 25 percent from the third quarter in 2024, resulting primarily from lower activity in Argentina, combined with a reduced operating footprint in North America;
- reported Adjusted EBITDA of \$48.5 million versus \$65.0 million in the third quarter of 2024, mainly due to lower overall industry activity within the Vaca Muerta shale play in Argentina, offset partially by improved margin performance in North America resulting from measures that were taken to align the Company’s operating footprint with expected activity levels and fixed cost reductions;
- generated cash flow from operating activities of \$30.1 million versus \$16.5 million in the third quarter of 2024. The improvements in cash generation reflected lower cash taxes and improvements in working capital management;
- reported net income from continuing operations of \$4.3 million or \$0.05 per share diluted compared to a net loss of \$6.7 million or \$0.08 per share diluted during the third quarter in 2024. The higher net income was primarily due to a reduction in current taxes in Argentina, combined with lower depreciation in North America as the comparable quarter included \$8.3 million of depreciation related to the replacement of certain key components prior to the end of their estimated useful lives;
- amended and restated its credit agreement with its syndicate of lenders to include a new \$120.0 million delay draw term loan (the “Term Loan”);

- increased period-end working capital, excluding cash and cash equivalents and current portion of long-term debt, to \$257.6 million from \$229.9 million at December 31, 2024, primarily due to the timing of customer collections in North America; and
- incurred capital expenditures from continuing operations of \$32.8 million, which included \$19.9 million towards its equipment additions in Argentina including fracturing, coiled tubing and wireline.

In the nine months ended September 30, 2025, the Company:

- generated revenue of \$1.1 billion, a decrease of 8 percent from the first nine months in 2024, resulting from job mix and lower pricing in North America offset partially by higher revenue in Argentina due to the addition of a second large fracturing fleet;
- reported Adjusted EBITDA of \$180.8 million versus \$156.5 million in the comparable period in 2024 mainly as a result of a larger operating scale in Argentina, offset partially by lower utilization in North America; and
- incurred capital expenditures of \$115.8 million, which included approximately \$79.5 million of expansion capital in Argentina and the Company's fracturing fleet modernization program in North America, including auxiliary support equipment.

SUBSEQUENT TO THE QUARTER

AMENDMENTS TO CREDIT AGREEMENT

On November 13, 2025, the Company and its lenders amended the credit agreement to (i) reduce the shareholder contribution condition to drawing the \$120.0 million Term Loan (the "Term Loan Drawdown") from \$50.0 million to \$35.0 million, and (ii) allow the Company to draw up to \$15.0 million from either the existing syndicated or operating facility to repay Calfrac Holdings LP's outstanding 10.875% second lien secured notes (the "Second Lien Notes") concurrent with the Term Loan Drawdown (together with the Term Loan Drawdown the "Credit Facility Drawdowns").

RIGHTS OFFERING

Additionally, the Board of Directors approved a rights offering ("Rights Offering") on November 13, 2025 to the holders of common shares of the Company to raise aggregate gross proceeds of \$35.0 million. Under the terms of the Rights Offering, eligible holders of common shares will receive one transferable right (each, a "Right") for each common share held as of the record date. Each Right will entitle the holder thereof to subscribe for 0.1514872 of one common share at a subscription price of \$2.69 per whole common share. As a result, approximately 6.6 Rights are required to subscribe for one whole common share at the subscription price. The subscription price represents a 15% discount to the volume weighted average trading price of the common shares on the Toronto Stock Exchange for the last five trading days preceding the announcement of the Rights Offering.

In connection with the Rights Offering, the Company has entered into a standby purchase agreement with George Armoyan, Ronald P. Mathison, Charles Pellerin, EdgePoint Investment Group Inc., and Brian Luborsky, whereby such shareholders, certain of whom are insiders of the Company, have agreed to collectively purchase any common shares that are not subscribed for under the Rights Offering to ensure that the Company will have realized gross proceeds of \$35.0 million (the "Standby Purchase Agreement").

The completion of the Rights Offering, which is anticipated to be on or about December 23, 2025, will allow the Company to complete the Credit Facility Drawdowns. The net proceeds of the Rights Offering are expected to be used together with the Credit Facility Drawdowns to repay the outstanding Second Lien Notes on or about December 23, 2025. The completion of the Rights Offering is conditional upon the satisfaction of certain conditions, including, but not limited to, the receipt of all necessary regulatory approvals, including the final acceptance of the Toronto Stock Exchange.

In conjunction with announcing the Rights Offering, Calfrac Holdings LP will issue a voluntary redemption notice to holders of the Second Lien Notes (the "Redemption Notice").

A summary of the Rights Offering, the Standby Purchase Agreement, and Redemption Notice is included in the Company's November 14, 2025 press release announcing the Rights Offering, which is available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile. Further details on the Rights Offering, including eligibility requirements for shareholders to participate and the procedures to be followed by shareholders in order to subscribe for common shares, will be included in

a Rights Offering Circular, a Rights Offering Notice, a Notice to Ineligible Holders, and the Standby Purchase Agreement, which will be available on SEDAR+ (www.sedarplus.ca) under the Company's issuer profile.

FINANCIAL OVERVIEW – CONTINUING OPERATIONS

THREE MONTHS ENDED SEPTEMBER 30, 2025 VERSUS 2024

NORTH AMERICA

Three Months Ended September 30,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	237,587	289,225	(18)
Adjusted EBITDA ⁽¹⁾	34,016	31,372	8
Adjusted EBITDA (%) ⁽¹⁾	14.3	10.8	32
Fracturing revenue per job (\$)	32,031	35,452	(10)
Number of fracturing jobs	7,164	7,906	(9)
Active pumping horsepower, end of period (000s)	879	1,009	(13)
Idle pumping horsepower, end of period (000s)	168	111	51
Total pumping horsepower, end of period (000s)	1,047	1,120	(7)
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⁾	1.3773	1.3641	1

⁽¹⁾ Refer to “Non-GAAP Measures” on page 18 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

Revenue from Calfrac’s operations in North America decreased to \$237.6 million during the third quarter of 2025 from \$289.2 million in the respective quarter of 2024. The Company operated an average of 10 fracturing fleets during the third quarter versus 13 fleets in the comparable quarter of 2024 to align with a decrease in oil-directed activity within North America. Pricing in the oil-focused regions of North America was also lower relative to the third quarter of 2024, which contributed to the 18 percent reduction in revenue. In addition, coiled tubing revenue was lower by 9 percent from the third quarter in 2024 mainly due to a decline in activity.

ADJUSTED EBITDA

The Company’s operations in North America generated Adjusted EBITDA of \$34.0 million or 14 percent of revenue during the third quarter of 2025 compared to \$31.4 million or 11 percent of revenue in the same period in 2024. Despite lower revenue, the Company generated higher Adjusted EBITDA than the comparable quarter in 2024 primarily due to a higher number of operating days per fleet and the impact of reductions in support personnel within North America that were enacted during the second and third quarters of 2025.

ARGENTINA

Three Months Ended September 30,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	85,821	140,884	(39)
Adjusted EBITDA ⁽¹⁾	19,192	37,463	(49)
Adjusted EBITDA (%) ⁽¹⁾	22.4	26.6	(16)
Fracturing revenue per job (\$)	96,455	91,597	5
Number of fracturing jobs	474	837	(43)
Active pumping horsepower, end of period (000s)	168	139	21
Idle pumping horsepower, end of period (000s)	—	—	—
Total pumping horsepower, end of period (000s)	168	139	21
Active coiled tubing units, end of period (#)	6	6	—
Idle coiled tubing units, end of period (#)	—	—	—
Total coiled tubing units, end of period (#)	6	6	—
Active cementing units, end of period (#)	9	10	(10)
Idle cementing units, end of period (#)	—	1	(100)
Total cementing units, end of period (#)	9	11	(18)
US\$/C\$ average exchange rate ⁽²⁾	1.3773	1.3641	1

⁽¹⁾ Refer to "Non-GAAP Measures" on page 18 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

Calfrac's Argentinean operations generated revenue of \$85.8 million during the third quarter of 2025 versus \$140.9 million in the comparable quarter in 2024. The 39 percent decrease in revenue was primarily due to a year-over-year slowdown in industry activity stemming from customer budget exhaustion in the Vaca Muerta shale play, which lowered activity across all three of the Company's service lines.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of \$19.2 million during the third quarter of 2025 compared to \$37.5 million in the same quarter of 2024 which also led to a decline in the Company's Adjusted EBITDA margins to 22 percent from 27 percent in the third quarter of 2024 mainly due to lower utilization stemming from customer budget exhaustion in the Vaca Muerta shale play.

CORPORATE

Three Months Ended September 30,	2025	2024	Change
(C\$000s)	(\$)	(\$)	(%)
(unaudited)			
Adjusted EBITDA ⁽¹⁾	(4,740)	(3,796)	25
% of revenue from continuing operations	(1.5)	(0.9)	67

⁽¹⁾ Refer to "Non-GAAP Measures" on page 18 for further information.

ADJUSTED EBITDA

Corporate expenses during the third quarter of 2025 were \$4.7 million, an increase of \$0.9 million from the third quarter of 2024, primarily due to higher performance-based compensation expenses.

DEPRECIATION

For the three months ended September 30, 2025, depreciation expense from continuing operations of \$29.7 million was \$5.1 million lower than the corresponding quarter in 2024. The comparable quarter included \$8.3 million of depreciation related to the replacement of certain key components prior to the end of their estimated useful lives. Depreciation in the third quarter in 2025 did not include the same depreciation impact as the Company revised its depreciation policy related to these components on October 1, 2024. Excluding these amounts, depreciation increased by \$3.2 million primarily due to a higher asset base in North America and Argentina following the completion of its Tier IV modernization program and the addition of a second large fracturing fleet in Argentina.

FOREIGN EXCHANGE GAINS AND LOSSES

The Company recorded a foreign exchange loss from continuing operations of \$8.6 million during the third quarter of 2025 versus a loss of \$6.1 million in the comparative three-month period of 2024. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in pesos in Argentina and net monetary assets or liabilities that were held in U.S. dollars in Canada. The foreign exchange loss during the third quarter was mainly due to net monetary assets that were held in pesos in Argentina as the peso devalued against the U.S. dollar during this period.

INTEREST

The Company recorded net interest expense from continuing operations of \$6.8 million for the third quarter of 2025 compared to \$9.1 million in the comparable period in 2024. Reported interest expense was lower than the comparable period primarily due to lower interest expense related to the Company's long-term debt combined with higher interest income. The Company's interest expense during the third quarter of 2025 included \$1.4 million of interest income generated primarily in Argentina compared to \$0.4 million in the comparable quarter in 2024.

INCOME TAXES

The Company had a current income tax recovery from continuing operations of \$2.0 million during the third quarter of 2025, which mainly related to tax deductions in Argentina arising from the settlement of historical intercompany invoices, offset partially by withholding taxes incurred in North America. Calfrac also recorded a deferred tax recovery of \$0.9 million in the United States due to the net loss incurred in that country during the quarter.

LIQUIDITY AND CAPITAL RESOURCES – CONTINUING OPERATIONS

	Three Months Ended Sep. 30,		Nine Months Ended Sep. 30,	
	2025	2024	2025	2024
(C\$000s)				
(unaudited)				
Cash provided by (used in):				
Operating activities	30,099	16,519	96,597	37,518
Investing activities	(29,249)	(24,668)	(107,358)	(133,317)
Financing activities	(48,435)	(13,064)	(14,161)	86,539
Effect of exchange rate changes on cash and cash equivalents	(4,534)	(7,612)	(14,449)	(7,634)
Decrease in cash and cash equivalents	(52,119)	(28,825)	(39,371)	(16,894)

All amounts in the table above exclude the results from the Company's Russia operations.

OPERATING ACTIVITIES

The Company's cash provided by operating activities for the three months ended September 30, 2025 was \$30.1 million versus \$16.5 million in 2024. The increase was primarily due to \$4.9 million of working capital outflows during the quarter versus a cash outflow of \$18.7 million in the comparable quarter in 2024 offset partially by lower operating results in Argentina. The changes in non-cash working capital requirements during the quarter were mainly due to the timing of collections and a different customer mix in North America.

INVESTING ACTIVITIES

Calfrac's net cash used in investing activities was \$29.2 million during the three months ended September 30, 2025, which included \$19.9 million towards its equipment additions in Argentina including fracturing, coiled tubing and wireline. Capital expenditures from continuing operations were \$32.8 million for the three months ended September 30, 2025 versus \$22.5 million in the comparable quarter in 2024.

Calfrac's Board of Directors approved a 2025 capital budget totalling approximately \$135.0 million plus an additional \$30.0 million of capital commitments that were delayed from the Company's 2024 capital program. As a result of reductions to the Company's North American operating footprint made during the second quarter, capital expenditures in 2025 are expected to decrease from \$165.0 million to \$145.0 million due to a reduced operating scale in North America.

FINANCING ACTIVITIES

Net cash used by financing activities for the three months ended September 30, 2025 was \$48.4 million compared to \$13.1 million in the comparable quarter in 2024. During the quarter, the Company repaid \$45.0 million on its revolving credit facilities and paid lease principal payments of \$2.1 million.

LIQUIDITY

As at September 30, 2025, the Company had revolving credit facilities with a syndicate of lenders comprised of a \$215.0 million syndicated facility and a \$35.0 million operating facility. At the end of the third quarter, the Company had \$99.1 million in available liquidity under its credit facilities. Additionally, the Company has access to an undrawn \$120.0 million Term Loan.

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

On August 7, 2025, the Company and its lenders amended and restated the credit agreement to include the \$120.0 million Term Loan. The full amount of the Term Loan is available for a single drawdown at any time prior to January 15, 2026, provided the Company satisfies certain conditions precedent, including meeting certain debt ratios and liquidity requirements, and shareholders of the Company having contributed \$50.0 million in debt or equity, as more particularly described in note 4 of the interim consolidated financial statements. Once drawn, the full amount of the Term Loan is required to be repaid commencing in the third fiscal quarter following such drawdown, in equal quarterly principal payments designed to fully amortize the Term Loan to zero prior to its maturity. The Company may also prepay principal

without penalty, however, any principal repaid may not be re-drawn. The interest rates for the Term Loan range from 3.75 percent to 4.25 percent above the base rates for CORRA-based loans, and a standby fee of 0.75 percent applies until the date of the drawdown. The maturity date of the amended credit facilities is the earlier of: (i) January 15, 2026, the date that is two months prior to the maturity date of the Second Lien Notes, and (ii) July 1, 2028.

On November 13, 2025, the Company and its lenders further amended the credit agreement to reduce the shareholder contribution condition to drawing the Term Loan from \$50.0 million to \$35.0 million and allow the Company to draw up to \$15.0 million from either the syndicated or operating facility to repay the Second Lien Notes concurrent with the drawing of the Term Loan. In light of the continually evolving laws and sanctions with respect to Russia, the amendment also clarified the permissible scope of activities under the credit agreement with respect to the Company's discontinued operations in Russia.

The Company is subject to certain financial covenants relating to leverage and the generation of cash flow in respect of its available credit facilities under the credit agreement. These covenants are monitored on a monthly basis. As shown in the table below, the Company was in compliance with its financial covenants associated with its credit facilities at September 30, 2025.

As at September 30,	Covenant	Actual
	2025	2025
Interest Coverage Ratio not to fall below ⁽¹⁾	2.75x	5.09x
Funded Debt to Bank EBITDA not to exceed ⁽²⁾⁽³⁾	3.00x	0.96x
Total Debt to Bank EBITDA not to exceed ⁽²⁾⁽³⁾	4.00x	2.02x

⁽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 18.

During the first quarter of 2025, the Company reclassified its Second Lien Notes from long-term debt to current liabilities to reflect the maturity date of March 15, 2026. In addition, the Company's draw on its revolving credit facilities was reclassified from long-term debt to current liabilities, in accordance with the two-month springing maturity provision under the credit agreement. See note 4 of the interim consolidated financial statements for further details.

At September 30, 2025, the Company had a cash position of \$0.6 million from continuing operations. The Company faces certain restrictions on the amount and timing of cash that can be repatriated out of Argentina. While the rules are expected to continue to moderate favourably, the current stability of the Argentine peso and the reformed cash repatriation regime has enhanced the Company's flexibility to repay new and historical intercompany liabilities. As a result, the Company repatriated \$38.8 million during the third quarter and \$52.8 million during the nine months ended September 30, 2025. The Company's cash balance excludes all cash held in Russia (see note 3 of the interim consolidated financial statements). The Company is not expecting to repatriate any cash amounts from Russia other than through any proceeds received through a sale of its Russian business.

On November 13, 2025, the Board of Directors approved the Rights Offering to raise aggregate gross proceeds of \$35.0 million. Under the terms of the Rights Offering, eligible holders of common shares will receive one transferable Right for each common share held as of the record date. Each Right will entitle the holder thereof to subscribe for 0.1514872 of one common share at a subscription price of \$2.69 per whole common share. As a result, approximately 6.6 Rights are required to subscribe for one whole common share at the subscription price. The subscription price represents a 15% discount to volume weighted average trading price of the common shares on the Toronto Stock Exchange for the last five trading days preceding the announcement of the Rights Offering.

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

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

The effect of changes in foreign exchange rates on the Company's cash and cash equivalents during the three months ended September 30, 2025 was a loss of \$4.5 million versus a loss of \$7.6 million in the comparable period in 2024. The loss

was due to the impact of foreign exchange rate movements on cash, working capital and monetary liabilities held by the Company in U.S. dollars and Argentinean pesos during the quarter.

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 November 13, 2025, the Company had issued and outstanding 85,889,459 common shares, 798,672 performance share units, 1,863,569 performance stock options, and 2,054,991 stock options.

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

Three Months Ended	Dec. 31, 2023	Mar. 31, 2024	Jun. 30, 2024	Sep. 30, 2024	Dec. 31, 2024	Mar. 31, 2025	Jun. 30, 2025	Sep. 30, 2025
<i>(C\$000s, except per share and operating data)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
<i>(unaudited)</i>								
Financial								
Revenue	421,402	330,096	426,047	430,109	381,230	370,057	402,291	323,408
Adjusted EBITDA ⁽¹⁾	62,591	26,057	65,386	65,039	34,512	55,317	76,977	48,468
Net income (loss)	13,202	(2,903)	24,549	(6,687)	(6,424)	7,796	15,325	4,295
Per share – basic	0.16	(0.03)	0.29	(0.08)	(0.07)	0.09	0.18	0.05
Per share – diluted	0.15	(0.03)	0.29	(0.08)	(0.07)	0.09	0.18	0.05
Capital expenditures	49,397	48,072	66,753	22,509	32,955	42,132	40,834	32,815
Working capital (end of period) ⁽²⁾	202,252	215,474	260,234	289,456	229,856	266,087	249,751	257,601
Working capital (end of period) ⁽³⁾	236,392	273,712	303,889	307,139	123,902	(59,545)	(51,159)	(51,851)
Total equity (end of period)	615,903	623,743	653,498	643,776	653,330	660,262	655,814	667,899
Operating (end of period)								
Active pumping horsepower (000s)	1,173	1,090	1,103	1,148	1,155	1,051	1,045	1,047
Idle pumping horsepower (000s)	72	156	156	111	—	116	161	168
Total pumping horsepower (000s)	1,245	1,246	1,259	1,259	1,155	1,167	1,206	1,215
Active coiled tubing units (#)	11	11	11	12	12	12	12	12
Idle coiled tubing units (#)	1	1	1	1	—	—	—	—
Total coiled tubing units (#)	12	12	12	13	12	12	12	12
Active cementing units (#)	10	10	10	10	10	9	9	9
Idle cementing units (#)	1	1	1	1	1	—	—	—
Total cementing units (#)	11	11	11	11	11	9	9	9

⁽¹⁾ Refer to "Non-GAAP Measures" on page 18 for further information.

⁽²⁾ Working capital excludes cash and cash equivalents and the current portion of long-term debt.

⁽³⁾ Working capital calculated as current assets minus current liabilities.

VOLATILITY OF INDUSTRY CONDITIONS

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

SEASONALITY OF BUSINESS

The Company's North American business is seasonal. Historically, the lowest activity 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 the first quarter. 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 the first quarter into the second quarter, and appears to be normalizing the impacts of spring-up break-up that had previously been significant. The cadence of quarterly activity has a direct influence on the amount of working capital required by the business.

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).

FINANCIAL OVERVIEW – CONTINUING OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 2025 VERSUS 2024

NORTH AMERICA

Nine Months Ended September 30,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	725,501	871,705	(17)
Adjusted EBITDA ⁽¹⁾	72,049	100,643	(28)
Adjusted EBITDA (%) ⁽¹⁾	9.9	11.5	(14)
Fracturing revenue per job (\$)	29,116	35,563	(18)
Number of fracturing jobs	24,081	23,791	1
Active pumping horsepower, end of period (000s)	879	1,009	(13)
Idle pumping horsepower, end of period (000s)	168	111	51
Total pumping horsepower, end of period (000s)	1,047	1,120	(7)
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⁾	1.3988	1.3604	3

⁽¹⁾ Refer to "Non-GAAP Measures" on page 18 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

Revenue from Calfrac's North American operations decreased to \$725.5 million during the first nine months of 2025 from \$871.7 million in the comparable period in 2024. The Company's North American activity throughout the first nine months of 2025 was impacted by extreme cold weather during the first quarter, the deferral of certain work programs in response to uncertainty surrounding potential changes to the tariff regime and a decrease in oil-based completions due to lower commodity prices. To address the seasonal challenges in the Rockies region, the Company reduced its North American operating footprint from 13 to 11 active fracturing fleets to begin the year and further decreased to 10 active fleets during the third quarter. The Company recommenced operations servicing the natural gas-focused Appalachian basin in January, which partially offset the lower revenue experienced in the Rockies region. Pricing in North America was also lower relative to the comparable period in 2024, which contributed to the 17 percent reduction in revenue. However, a larger number of smaller jobs were completed in western Canada which impacted the reported fracturing revenue per job. Coiled tubing revenue was consistent with the first nine months in 2024 as slightly higher activity was offset by the completion of smaller jobs.

ADJUSTED EBITDA

The Company's operations in North America generated Adjusted EBITDA of \$72.0 million during the first nine months of 2025 compared to \$100.6 million in the comparable period in 2024. This decrease in Adjusted EBITDA was primarily due to lower fracturing fleet utilization over a smaller operating footprint in North America combined with a decrease in year-over-year pricing levels.

ARGENTINA

Nine Months Ended September 30,	2025	2024	Change
<i>(C\$000s, except operational and exchange rate information)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(%)</i>
<i>(unaudited)</i>			
Revenue	370,255	314,547	18
Adjusted EBITDA ⁽¹⁾	121,036	68,222	77
Adjusted EBITDA (%) ⁽¹⁾	32.7	21.7	51
Fracturing revenue per job (\$)	99,668	84,083	19
Number of fracturing jobs	2,224	2,090	6
Active pumping horsepower, end of period (000s)	168	139	21
Idle pumping horsepower, end of period (000s)	—	—	—
Total pumping horsepower, end of period (000s)	168	139	21
Active coiled tubing units, end of period (#)	6	6	—
Idle coiled tubing units, end of period (#)	—	—	—
Total coiled tubing units, end of period (#)	6	6	—
Active cementing units, end of period (#)	9	10	(10)
Idle cementing units, end of period (#)	—	1	(100)
Total cementing units, end of period (#)	9	11	(18)
US\$/C\$ average exchange rate ⁽²⁾	1.3988	1.3604	3

⁽¹⁾ Refer to "Non-GAAP Measures" on page 18 for further information.

⁽²⁾ Source: Bank of Canada.

REVENUE

Calfrac's Argentinean operations generated revenue of \$370.3 million during the first nine months of 2025 versus \$314.5 million in the comparable period in 2024. The 18 percent increase in revenue was primarily due to the commencement of the Company's second unconventional fracturing fleet in the Vaca Muerta shale play during the first quarter of 2025. This new fracturing fleet in Argentina operated on a spot basis during the first nine months of the year and delivered strong operating and financial performance. The Company also experienced activity growth across its other service lines as the Company permanently transferred equipment from Las Heras to Neuquén to meet growing demand for unconventional completions operations in the Vaca Muerta shale play.

ADJUSTED EBITDA

The Company's operations in Argentina generated Adjusted EBITDA of \$121.0 million or 33 percent of revenue during the first nine months of 2025 versus \$68.2 million or 22 percent of revenue in the comparable period in 2024. This increase was primarily due to the change in operating scale in the Vaca Muerta shale play as well as the realization of higher spot pricing during the first six months of 2025 before activity levels declined in the third quarter.

CORPORATE

Nine Months Ended September 30,	2025	2024	Change
(C\$000s)	(\$)	(\$)	(%)
(unaudited)			
Adjusted EBITDA ⁽¹⁾	(12,323)	(12,383)	—
% of revenue from continuing operations	(1.1)	(1.0)	10

⁽¹⁾ Refer to "Non-GAAP Measures" on page 18 for further information.

ADJUSTED EBITDA

Corporate expenses from continuing operations were \$12.3 million during the first nine months in 2025 and were consistent with the comparable period in 2024.

DEPRECIATION

Depreciation expense from continuing operations increased by \$3.2 million from \$90.9 million in 2024 to \$94.1 million during the first nine months of 2025. The comparable period included \$8.3 million of depreciation related to the replacement of certain key components prior to the end of their estimated useful lives. Depreciation in the comparable period in 2025 did not include the same depreciation impact as the Company revised its depreciation policy related to these components on October 1, 2024. Excluding these amounts, depreciation increased by \$11.5 million primarily due to a higher asset base in North America and Argentina.

FOREIGN EXCHANGE GAINS AND LOSSES

The Company recorded a foreign exchange loss from continuing operations of \$16.8 million during the first nine months of 2025 versus a loss of \$4.6 million in the comparative period of 2024. Foreign exchange gains and losses arise primarily from the translation of net monetary assets or liabilities that were held in pesos in Argentina and net monetary assets or liabilities that were held in U.S. dollars in Canada. The foreign exchange loss during the first nine months of 2025 was mainly due to net monetary assets that were held in pesos in Argentina as the peso devalued against the U.S. dollar during this period, combined with the revaluation of net monetary assets that were held in U.S. dollars in Canada as the Canadian dollar strengthened relative to the U.S. dollar.

INTEREST

The Company's interest expense from continuing operations of \$22.7 million during the first nine months of 2025 was \$0.3 million lower than the comparable period in 2024. The decrease in reported interest expense, excluding interest income, was \$2.5 million primarily due to lower average debt levels during the period. The Company's reported interest expense included \$2.2 million of interest income generated in Argentina versus \$4.4 million of interest income in the comparable period in 2024.

INCOME TAXES

The Company recorded an income tax expense from continuing operations of \$11.8 million during the first nine months in 2025 compared to an expense of \$12.1 million in the comparable period in 2024. The Company had current tax expense of \$25.2 million which was primarily related to Argentina. The Company recorded a deferred tax recovery of approximately \$13.5 million in the United States due to the loss incurred during the period.

OUTLOOK

NORTH AMERICA

Overall industry activity in North America is expected to decline heading into the fourth quarter as the normal cycle of customer budget exhaustion takes hold. The industry also faces macroeconomic headwinds, including the ongoing trade uncertainties and OPEC+ supply increases, affecting the outlook for crude oil prices. The Company is currently operating 10 fracturing fleets in North America but utilization is expected to wane towards the end of the year and into the first quarter. As in recent years, activity in the Rockies region is limited during the first quarter due to the difficult operating conditions present in the area during the winter months. The Company expects to see a moderate increase in oil-directed activity over the course of 2026. However, the outlook is difficult to predict as there are many complex dynamics at play and most customers are currently working through their 2026 capital plans. Natural gas activity is expected to be relatively stable with a positive outlook heading into 2026 based upon the expected demand arising from the increased LNG take away capacity in North America.

The completion of the Company's Tier IV fleet modernization program in the second quarter resulted in Calfrac operating the equivalent of five next-generation Dynamic Gas Blending fleets in North America. This equipment remains in high demand and leaves the Company well-positioned for 2026 as the impact of fleet attrition for legacy pressure pumping equipment continues across the industry. The Company's capital spending programs for 2026 will be significantly lower than the past few years, but the Company will continue to evaluate next-generation equipment alternatives to augment its operating fleet over the longer term.

ARGENTINA

Activity and revenue are expected to sequentially decline during the fourth quarter primarily due to customer budget exhaustion in the Vaca Muerta shale play resulting from record E&P capital spending in the first half of the year. The outlook for 2026 remains very positive as the Vaca Muerta is one of the premier resource plays in the world that is currently in the early stages of its development. The recent mid-term election outcome further supports the positive outlook over the coming years. The completion of the Company's 2025 capital program will result in the addition of a second unconventional dual-fuel fracturing fleet for the full year in 2026 as well as enhance Calfrac's coiled tubing and wireline operating scale which will be dedicated to customers focused on the Vaca Muerta shale play.

The continued improvement in the Argentine economy over the past year has led to major cash repatriation reforms. As a result of the strong financial performance in Argentina during 2025 combined with these reforms, the Company transferred significant funds from Argentina to North America during the third quarter which contributed to a net \$45.0 million repayment of the Company's revolving credit facilities.

CORPORATE

Calfrac remains committed to its main strategic priority of reducing long-term debt through free cash flow generation. During the fourth quarter, the Company plans to raise gross proceeds of \$35.0 million through a Rights Offering and draw \$135.0 million under its available credit facilities to repay the Company's Second Lien Notes prior to the end of December 2025. Management also continues to maintain a stringent focus on cost management and will prudently allocate capital throughout the current cycle to enhance its service offerings while delivering on significant debt reduction.

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

In addition to monitoring and addressing, as applicable, the evolving laws and sanctions from the governments of Canada, the U.S., and other western nations, the Company's efforts to divest of its Russian operations have been impacted by domestic laws and sanctions of the Russian Federation, including without limitation, that any sale or any other transfer or alienation of its Russian subsidiary must be approved by the President of the Russian Federation pursuant to applicable decrees and rules setting out the requirements for exits of foreign investors from Russia (which are updated on a periodic basis). Within this dynamic context, the Company remains committed to the sale of its Russian subsidiary and is seeking to complete this transaction 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 September 30, 2025 (see note 3 of the interim 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 judgment, that based on the facts and circumstances, the Company continues to control and therefore consolidate the Russian subsidiary.

	Three Months Ended Sep. 30,			Nine Months Ended Sep. 30,		
	2025	2024	Change	2025	2024	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	48,031	38,520	25	122,146	116,970	4
Adjusted EBITDA	10,604	9,705	9	21,115	24,333	(13)
Adjusted EBITDA (%)	22.1	25.2	(12)	17.3	20.8	(17)

For additional information related to Calfrac's assets held for sale, see note 3 of the interim consolidated financial statements for the three and nine months ended September 30, 2025 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 is used by management to evaluate the performance of the Company and is also used as a basis for monitoring the Company's compliance with covenants under the credit agreement. Adjusted EBITDA for the period was calculated as follows:

	Three Months Ended Sep. 30,		Nine Months Ended Sep. 30,	
	2025	2024	2025	2024
(C\$000s)	(\$)	(\$)	(\$)	(\$)
(unaudited)				
Net income (loss) from continuing operations	4,295	(6,687)	27,416	14,959
Add back (deduct):				
Depreciation	29,712	34,837	94,085	90,865
Foreign exchange losses	8,583	6,062	16,819	4,578
Loss (gain) on disposal of property, plant and equipment	125	6,216	1,150	(168)
Restructuring charges	1,842	4,148	7,738	5,555
Stock-based compensation	—	1,271	(925)	5,574
Interest, net	6,800	9,089	22,705	23,015
Income taxes	(2,889)	10,103	11,774	12,104
Adjusted EBITDA from continuing operations	48,468	65,039	180,762	156,482
Less: IFRS 16 lease payments	(2,467)	(3,437)	(9,136)	(9,888)
Less: Bank EBITDA adjustments ⁽¹⁾	34,189	(39,775)	(47,572)	(48,351)
Bank EBITDA for covenant purposes	80,190	21,827	124,054	98,243

⁽¹⁾ Refer to note 4 of the Company's interim consolidated financial statements for the three and nine months ended September 30, 2025.

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

Net Debt is defined as long-term debt less unamortized debt issuance costs plus lease obligations, less cash and cash equivalents from continuing operations. The calculation of net debt is disclosed in note 10 to the Company's interim consolidated financial statements for the corresponding period.

OTHER NON-STANDARD FINANCIAL TERMS

MAINTENANCE AND EXPANSION CAPITAL

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

WORKING CAPITAL

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

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

Calfrac has various contractual lease commitments related to vehicles, equipment and facilities as well as purchase obligations for products, services and property, plant and equipment as disclosed in the Company's 2024 annual consolidated financial statements.

MATERIAL ACCOUNTING POLICIES AND ESTIMATES

This MD&A is based on the Company's interim consolidated financial statements for the three and nine months ended September 30, 2025, which were prepared in accordance with IFRS. Management is required to make assumptions, judgments and estimates in the application of IFRS. Calfrac's material accounting policies are described in note 2 to the Company's 2024 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 gained or the environment in which the Company operates changes. The accounting policies and practices requiring estimates that have a significant impact on the Company's financial results include the allowance for doubtful accounts receivable, depreciation, the fair value of financial instruments, impairment of property, plant and equipment, income taxes, stock-based compensation expenses, functional currency and cash-generating units.

Judgment is also used in the determination of the functional currency of each subsidiary and in the determination of cash-generating units.

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 \$1.9 million at September 30, 2025, 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, long-term debt and lease obligations.

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 quoted market price at September 30, 2025 was \$167.1 million, which approximated their face value (December 31, 2024 – \$171.6 million). The carrying value of the revolving credit facilities approximates its fair value as the interest rate is not significantly different from current interest rates for similar loans.

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

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

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

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

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

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

In 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, the Company has adjusted the Russian division's current and long-term assets to reflect their revised expected recoverable amount as at September 30, 2025. 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 Sep. 30,		Nine Months Ended Sep. 30,	
	2025	2024	2025	2024
<i>(C\$000s)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>	<i>(\$)</i>
Impairment of property, plant and equipment	1,194	590	7,499	1,767
Impairment of inventory	3,635	2,206	9,714	9,574
Impairment of other assets	4,850	5,093	5,933	10,568
	9,679	7,889	23,146	21,909

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 2024 annual consolidated financial statements, the Company reviews the carrying value of its property, plant and equipment at each reporting period for indicators of impairment. As well, the Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for an asset or CGU may no longer exist or may have decreased. If any such indication exists, the Company estimates the recoverable amount of that CGU to determine if the reversal of impairment loss is supported. As at September 30, 2025, the Company determined 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, 2024.

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. The realizability of deferred income tax assets is an estimate and requires judgments to be made by management. 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 are 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 fair value of the deferred share units is recognized based on the market value of the Company's shares underlying such compensation program.

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 activities.

CASH-GENERATING UNITS

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

RELATED-PARTY TRANSACTIONS

The Company leases certain premises from a company controlled by Ronald P. Mathison. The rent charged for these premises during the nine months ended September 30, 2025 was \$0.7 million (nine months ended September 30, 2024 – \$0.7 million), as measured at the exchange amount, which is based on market rates at the time these lease arrangements were made.

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

The Company's IFRS accounting policies and future accounting pronouncements are provided in note 2 of the Company's 2024 consolidated annual financial statements.

INTERNAL CONTROL OVER FINANCIAL REPORTING

There have been no changes in the Company's internal control over financial reporting that occurred during the interim period ended September 30, 2025 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

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, which are specifically incorporated by reference herein.

The ongoing conflict between Russia and Ukraine has added a level of risk and uncertainty and additional restrictions around the operations of the Company's Russian subsidiary. As a result of these changes in circumstances, the risks, restrictions, and uncertainties surrounding banking and limitations on the ability to repatriate funds to Canada from Russia, the Company's ownership and control over its Russian subsidiary, the physical security of property, plant and equipment in Russia, collectability of accounts receivable, the regulatory approvals to complete a sale transaction and overall business and operational risks are being monitored and addressed as circumstances evolve. For additional information related to Calfrac's assets held for sale, see note 3 of the interim consolidated financial statements for the three and nine months ended September 30, 2025.

The Annual Information Form is available through the Internet on the Canadian System for Electronic Data Analysis and Retrieval (SEDAR+), which can be accessed at www.sedarplus.ca under the Company's issuer 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, or by facsimile at 403-266-7381.

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 prospects of, the global oil and gas industry, including the impacts of macroeconomic headwinds from ongoing trade uncertainty and OPEC+ supply increases on the outlook for crude oil prices; the supply and demand fundamentals of the pressure pumping industry; activity, demand, utilization and outlook for the Company's continuing operations, including reduced near-term demand for the Company's services in North America and Argentina, the positive outlook for the Argentina segment in 2026 and the expectation for a moderate rebound of activity in the North American segment over the course of 2026; operating and financing strategies; performance, priorities, metrics and estimates, including the Company's debt reduction priority and its continued evaluation of next-generation equipment alternatives; capital investment plans, including an expected under spend of the 2025 capital budget and a reduction in capital spending in 2026 from prior years; the Company's debt, liquidity and financial position, including with respect to the Rights Offering and the timing thereof; the ability to obtain all necessary corporate and regulatory approvals needed to complete the Rights Offering, the redemption of the Second Lien Notes and the Credit Facility Drawdowns, including the final acceptance of the TSX; statements related to the proposed use of the net proceeds of the Rights Offering and Credit Facility Drawdowns; the benefits to the Company of the Rights Offering, the Credit Facility Drawdowns and the redemption of the Second Lien Notes, including with respect to the Company's long-term debt levels; the Company's capital structure, restrictions under its lending documents and ability to raise capital; input costs, margin and service pricing trends and strategies; the Company's ability to repatriate cash from Argentina and the timing thereof; 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; future financial resources and performance; future costs or potential liabilities; the Company's service quality; accounting policies, practices, standards and judgements of the Company; treatment under government regulatory regimes; and the Company's expectations and intentions with respect to the foregoing.

These statements are derived from certain assumptions and analyses made by the Company based on its experience and perception of historical trends, current conditions, expected future developments and other factors that it believes are appropriate in the circumstances, including, but not limited to, the economic and political environment in which the Company operates, including the continued implementation of Argentina economic reforms and liberalization of its oil and gas industry as well as the current state of the trade 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 liquefied natural gas terminals 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 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; the continued effectiveness of cost reduction measures instituted by the Company; the Company's existing contracts and the status of current negotiations with key customers and suppliers; the likelihood that the current tax and regulatory regime will remain substantially unchanged; the Company's ability to complete the Rights Offering, the Second Lien Note redemption and the Credit Facility Drawdowns, the proceeds of the Rights Offering and the Credit Facility Drawdowns being sufficient to repay the Second Lien Notes in full, the timing for completing the Rights Offering, the Redemption and the Credit Facility Drawdowns, the standby purchasers having the financial ability to carry out their respective obligations under the Standby Purchase Agreement, no adverse change in the

United States to Canadian dollar currency exchange rate occurring prior to the repayment of the Second Lien Notes, and the ability of the Company to obtain regulatory approval for the Rights Offering in a timely manner.

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: the risk that any of the conditions of the Standby Purchase Agreement not being satisfied on a timely basis or the Standby Purchase Agreement is terminated in accordance with its terms; the Company's inability to satisfy all conditions precedent and obtain all necessary approvals to complete the Rights Offering; the Company's inability to satisfy all conditions necessary to complete the Credit Facility Drawdowns and the redemption of the Second Lien Notes; risks related to global economic conditions; geopolitical risks, including but not limited to, the continued impacts of the trade war between Canada and United States; 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; possible dilution from additional equity issuances; legal and regulatory risks, including but not limited to, federal, provincial and state legislative and regulatory initiatives and laws. Further information about these and other risks and uncertainties may be found under the heading "Business Risks" above and in the Rights Offering Circular, which will be available on the Company's issuer profile on SEDAR+ (www.sedarplus.ca).

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 issuer profile on SEDAR+ (www.sedarplus.ca).