



Q4 2025 MANAGEMENT'S DISCUSSION & ANALYSIS



Three Months and Year Ended December 31, 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 March 18, 2026 and is a review of the Company's financial condition and results of operations based on International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

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

Readers should also refer to the "Forward-Looking Statements" legal advisory at the end of this MD&A. All financial amounts and measures presented are expressed in Canadian dollars unless otherwise indicated. The definitions of certain non-GAAP measures used are included on page 17.

CALFRAC'S BUSINESS FROM CONTINUING OPERATIONS

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

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

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

- The Company's North America segment provides fracturing services to oil and natural gas companies operating in the Williston Basin located in North Dakota as well as the broader Rockies region, which includes the Piceance Basin in Colorado, the Uinta Basin in Utah, and the Powder River Basin in Wyoming. Additionally, the Company services customers operating in the San Juan Basin in New Mexico. Calfrac also provides fracturing services in the United States to natural gas-focused customers operating in the Appalachia Basin in Pennsylvania, Ohio, and West Virginia. The Company provides fracturing and coiled tubing services to a diverse group of oil and natural gas exploration and production companies operating in the Western Canadian Sedimentary Basin, primarily in Alberta and northeast British Columbia. At December 31, 2025, Calfrac's North America segment had active and total horsepower of approximately 0.9 million and 1.1 million, respectively. The Company also had five active coiled tubing units in North America.
- Calfrac's Argentina segment provides fracturing, coiled tubing, cementing, and other well stimulation services to oil and natural gas companies operating in the Neuquén and Comodoro Rivadavia regions. The Company operated approximately 168,000 active and total horsepower, nine active cementing units, and five active coiled tubing units in Argentina at December 31, 2025. The Company also had one active wireline unit in Argentina.

HIGHLIGHTS – CONTINUING OPERATIONS

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

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

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

2025 OVERVIEW

In 2025, the Company:

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

FINANCIAL OVERVIEW – CONTINUING OPERATIONS

YEARS ENDED DECEMBER 31, 2025 VERSUS 2024

NORTH AMERICA

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

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

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

ARGENTINA

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

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

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

CORPORATE

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

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

ADJUSTED EBITDA

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

DEPRECIATION

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

FOREIGN EXCHANGE GAINS AND LOSSES

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

NET INTEREST

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

INCOME TAXES

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

LIQUIDITY AND CAPITAL RESOURCES – CONTINUING OPERATIONS

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

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

OPERATING ACTIVITIES

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

INVESTING ACTIVITIES

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

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

FINANCING ACTIVITIES

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

LIQUIDITY

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

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

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

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

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

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

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

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

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

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

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

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

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

EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS

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

OUTSTANDING SHARE DATA

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

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

SUMMARY OF QUARTERLY RESULTS – CONTINUING OPERATIONS

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

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

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

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

⁽⁴⁾ Working capital calculated as current assets minus current liabilities.

VOLATILITY OF INDUSTRY CONDITIONS

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

SEASONALITY OF BUSINESS

The Company's North American business is seasonal. Historically, the lowest activity was typically experienced during the second quarter of the year when road weight restrictions are in place due to “spring break-up” weather conditions and access to well sites may be reduced in Canada and the broader Rockies region in the United States where the Company operates. However, over the last few years, a trend has been developing in North Dakota and the broader Rockies region in the United States for customers to delay the ramp-up of their completion programs in the early part of the year due to increased costs and challenges operating in extreme cold weather that can prevail in the region in the first quarter. This trend, coupled with well site access enhancements, longer pad completions and the focus of core customers in Canada, has caused a shifting of activity levels for the Company from the first quarter into the second quarter, and appears to be normalizing the impacts of spring break-up that had previously been significant. Activity in the fourth quarter is typically

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

FOREIGN EXCHANGE FLUCTUATIONS

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

QUARTERLY CONSOLIDATED HIGHLIGHTS – CONTINUING OPERATIONS

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

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

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

FOURTH QUARTER 2025 OVERVIEW

In the fourth quarter of 2025, the Company:

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

FINANCIAL OVERVIEW – CONTINUING OPERATIONS

THREE MONTHS ENDED DECEMBER 31, 2025 VERSUS 2024

NORTH AMERICA

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

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

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

ARGENTINA

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

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

⁽²⁾ Source: Bank of Canada.

REVENUE

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

ADJUSTED EBITDA

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

CORPORATE

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

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

ADJUSTED EBITDA

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

DEPRECIATION

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

FOREIGN EXCHANGE GAINS AND LOSSES

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

NET INTEREST

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

INCOME TAXES

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

OUTLOOK

NORTH AMERICA

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

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

ARGENTINA

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

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

CORPORATE

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

ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

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

In addition to monitoring and addressing, as applicable, the evolving laws and sanctions from the governments of Canada, the U.S., and other western nations, the Company's efforts to divest of its Russian operations have been impacted by domestic laws and sanctions of the Russian Federation, including without limitation, that any sale or any other transfer or alienation of its Russian subsidiary must be approved by the President of the Russian Federation pursuant to applicable decrees and rules setting out the requirements for exits of foreign investors from Russia (which are updated on a periodic basis). Within this dynamic context, the Company remains committed to the sale of its Russian subsidiary and is seeking to complete this transaction as soon as possible while complying with all applicable laws and sanctions.

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

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

NON-GAAP MEASURES

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

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

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

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

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

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

OTHER NON-STANDARD FINANCIAL TERMS

MAINTENANCE AND EXPANSION CAPITAL

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

WORKING CAPITAL

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

CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

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

GREEK LITIGATION

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

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

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

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

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

LOSS ALLOWANCE PROVISION

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

DEPRECIATION

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

FINANCIAL INSTRUMENTS

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

FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES

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

CREDIT RISK

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

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

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

INTEREST RATE RISK

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

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

LIQUIDITY RISK

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

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

FOREIGN EXCHANGE RISK

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

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

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

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

IMPAIRMENT

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

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

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

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

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

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

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

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

INCOME TAXES

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

STOCK-BASED COMPENSATION

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

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

FUNCTIONAL CURRENCY

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

CASH-GENERATING UNITS

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

RELATED-PARTY TRANSACTIONS

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

CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

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

RECENT ACCOUNTING PRONOUNCEMENTS

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

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

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

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

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

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

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

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

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

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

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

BUSINESS RISKS

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

ADVISORIES

FORWARD-LOOKING STATEMENTS

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

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

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

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

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

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

ADDITIONAL INFORMATION

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