



**CES Energy**  
Solutions

**Condensed Consolidated Financial Statements**

**For the Three Months Ended March 31, 2021 and 2020**

**CES Energy Solutions Corp.**

Condensed Consolidated Statement of Financial Position (unaudited)

(stated in thousands of Canadian dollars)

|   | As at          |                   |
|---|----------------|-------------------|
|   | March 31, 2021 | December 31, 2020 |
| <b>ASSETS</b>                               |                |                   |
| Current assets                              |                |                   |
| Cash  | —              | 18,251            |
| Accounts receivable                         | 220,942        | 159,113           |
| Income taxes receivable                     | 722            | 1,192             |
| Inventory                                   | 179,581        | 178,558           |
| Prepaid expenses and deposits               | 14,267         | 16,425            |
|   | <b>415,512</b> | <b>373,539</b>    |
| Property and equipment (note 4)             | 265,034        | 274,159           |
| Right of use assets (note 5)                | 39,061         | 40,280            |
| Intangible assets                           | 42,780         | 46,913            |
| Deferred income tax asset                   | 55,064         | 57,424            |
| Other assets                                | 14,631         | 14,831            |
| Goodwill                                    | 50,116         | 50,742            |
|   | <b>882,198</b> | <b>857,888</b>    |
| <b>LIABILITIES AND SHAREHOLDERS' EQUITY</b> |                |                   |
| Current liabilities                         |                |                   |
| Accounts payable and accrued liabilities    | 111,419        | 79,979            |
| Financial derivative liability              | 248            | 1,111             |
| Income taxes payable                        | 751            | 885               |
| Current portion of lease obligations        | 18,288         | 19,152            |
|   | <b>130,706</b> | <b>101,127</b>    |
| Long-term debt (note 6)                     | 288,439        | 284,685           |
| Lease obligations                           | 13,061         | 13,260            |
| Deferred income tax liability               | 2,262          | 2,322             |
| Other long-term liabilities (note 9)        | 1,572          | 831               |
|   | <b>436,040</b> | <b>402,225</b>    |
| Commitments (note 10)                       |                |                   |
| Shareholders' equity                        |                |                   |
| Common shares (note 8)                      | 657,503        | 663,275           |
| Contributed surplus                         | 36,090         | 38,052            |
| Deficit                                     | (386,558)      | (391,680)         |
| Accumulated other comprehensive income      | 139,123        | 146,016           |
|   | <b>446,158</b> | <b>455,663</b>    |
|   | <b>882,198</b> | <b>857,888</b>    |

The accompanying notes are an integral part of these condensed consolidated financial statements.

**CES Energy Solutions Corp.**

Condensed Consolidated Statements of Net Income (Loss) and Comprehensive Loss (unaudited)  
(stated in thousands of Canadian dollars, except per share amounts)

|   | Three Months Ended March 31, |           |
|---|------------------------------|-----------|
|   | 2021                         | 2020      |
| Revenue   | 260,626                      | 349,447   |
| Cost of sales   | 203,030                      | 281,780   |
| Gross margin  | 57,596                       | 67,667    |
| General and administrative expenses   | 44,193                       | 53,065    |
| Operating profit  | 13,403                       | 14,602    |
| Finance costs   | 5,743                        | 6,333     |
| Impairment of goodwill  | —                            | 248,905   |
| Other gain  | (63)                         | (562)     |
| Income (loss) before taxes  | 7,723                        | (240,074) |
| Current income tax expense  | 900                          | 339       |
| Deferred income tax expense (recovery)  | 1,701                        | (14,693)  |
| Net income (loss)   | 5,122                        | (225,720) |
| Other comprehensive income (loss) (items that may be subsequently reclassified to profit and loss): |                              |           |
| Unrealized foreign exchange (loss) gain on translation of foreign operations                        | (6,740)                      | 66,311    |
| Change in fair value of other assets, net of tax  | (153)                        | (292)     |
| Comprehensive loss  | (1,771)                      | (159,701) |
| Net income (loss) per share (note 8)  |                              |           |
| Basic   | 0.02                         | (0.86)    |
| Diluted   | 0.02                         | (0.86)    |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**CES Energy Solutions Corp.**Condensed Consolidated Statements of Changes in Equity (unaudited)  
(stated in thousands of Canadian dollars)

|  | Three Months Ended March 31, |           |
|--|------------------------------|-----------|
|  | 2021                         | 2020      |
| <b>COMMON SHARES</b>   |                              |           |
| Balance, beginning of period   | 663,275                      | 660,174   |
| Issued pursuant to stock-based compensation (note 9)                         | 3,688                        | 2,144     |
| Issued pursuant to stock settled director fees                               | 14                           | 15        |
| Common shares repurchased and canceled through NCIB (note 8)                 | (9,474)                      | (4,805)   |
| Balance, end of period   | 657,503                      | 657,528   |
| <b>CONTRIBUTED SURPLUS</b>   |                              |           |
| Balance, beginning of period   | 38,052                       | 42,686    |
| Reclassified pursuant to stock-based compensation (note 8)                   | (3,688)                      | (2,144)   |
| Stock-based compensation expense (note 9)                                    | 1,726                        | 3,574     |
| Balance, end of period   | 36,090                       | 44,116    |
| <b>DEFICIT</b>   |                              |           |
| Balance, beginning of period   | (391,680)                    | (165,829) |
| Net income (loss)  | 5,122                        | (225,720) |
| Dividends declared   | —                            | (2,948)   |
| Balance, end of period   | (386,558)                    | (394,497) |
| <b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>                                |                              |           |
| Balance, beginning of period   | 146,016                      | 142,279   |
| Unrealized foreign exchange (loss) gain on translation of foreign operations | (6,740)                      | 66,311    |
| Change in fair value of other assets, net of tax                             | (153)                        | (292)     |
| Balance, end of period   | 139,123                      | 208,298   |
|  | 446,158                      | 515,445   |

*The accompanying notes are an integral part of these condensed consolidated financial statements.*

**CES Energy Solutions Corp.**Condensed Consolidated Statements of Cash Flows (unaudited)  
(stated in thousands of Canadian dollars)

|   | Three Months Ended March 31, |                 |
|---|------------------------------|-----------------|
|   | 2021                         | 2020            |
| <b>CASH PROVIDED BY (USED IN):</b>                            |                              |                 |
| <b>OPERATING ACTIVITIES:</b>                                  |                              |                 |
| Net income (loss)   | 5,122                        | (225,720)       |
| Adjustments for:  |                              |                 |
| Depreciation and amortization                                 | 17,558                       | 20,052          |
| Stock-based compensation (note 9)                             | 3,397                        | 3,574           |
| Other non-cash loss   | 258                          | 12,293          |
| Deferred income tax expense (recovery)                        | 1,701                        | (14,693)        |
| (Gain) loss on disposal of assets                             | (611)                        | 114             |
| Gain on repurchase of senior unsecured notes                  | (12)                         | —               |
| Impairment of goodwill  | —                            | 248,905         |
| Change in non-cash working capital (note 11)                  | (33,195)                     | (32,188)        |
|   | <b>(5,782)</b>               | <b>12,337</b>   |
| <b>FINANCING ACTIVITIES:</b>                                  |                              |                 |
| Repurchase of senior unsecured notes                          | (988)                        | —               |
| Repayment of lease obligations                                | (5,182)                      | (6,020)         |
| Increase in Senior Facility                                   | 4,403                        | 14,210          |
| Shareholder dividends   | —                            | (3,940)         |
| Common shares repurchased and cancelled through NCIB (note 8) | (9,474)                      | (4,805)         |
|   | <b>(11,241)</b>              | <b>(555)</b>    |
| <b>INVESTING ACTIVITIES:</b>                                  |                              |                 |
| Investment in property and equipment                          | (2,685)                      | (12,797)        |
| Investment in intangible assets                               | (283)                        | (400)           |
| Investment in other assets                                    | —                            | 276             |
| Deferred acquisition consideration                            | —                            | (150)           |
| Proceeds on disposal of assets                                | 1,740                        | 1,289           |
|   | <b>(1,228)</b>               | <b>(11,782)</b> |
| <b>CHANGE IN CASH</b>   | <b>(18,251)</b>              | <b>—</b>        |
| Cash, beginning of period                                     | 18,251                       | —               |
| Cash, end of period   | —                            | —               |
| <b>SUPPLEMENTARY CASH FLOW DISCLOSURE</b>                     |                              |                 |
| Interest paid   | 585                          | 2,324           |
| Income taxes paid   | 483                          | 1,544           |

The accompanying notes are an integral part of these condensed consolidated financial statements.

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

(stated in thousands of Canadian dollars, except for share and per share amounts)

---

### 1. The Company

CES Energy Solutions Corp. (the “Company” or “CES”) is a company domiciled in Canada and was incorporated under the Canada Business Corporations Act on November 13, 1986. CES’ principal place of business is located at Suite 1400, 332 – 6<sup>th</sup> Avenue SW, Calgary, Alberta, Canada T2P 0B2. The condensed consolidated financial statements of the Company as at and for the three months ended March 31, 2021 and 2020 comprise the accounts of the Company and its subsidiaries (together referred to as the “Company” or “CES”).

CES’ core business is to design, implement, and manufacture technically advanced consumable fluids and specialty chemicals for the North American oil and gas industry. CES operates under the following trade names and brands: AES Drilling Fluids, Jacam Catalyst, Superior Weighting Products, Canadian Energy Services, PureChem Services, StimWrx Energy Services, Sialco Materials Ltd, and Clear Environmental Solutions.

### 2. Basis of Presentation

#### *Statement of Compliance*

These condensed consolidated financial statements have been prepared by management of the Company in accordance with International Accounting Standard (“IAS”) 34, “*Interim Financial Reporting*”. These condensed consolidated financial statements include all necessary disclosures required for interim financial statements but do not include all disclosures required for annual financial statements. Therefore, these condensed consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2020. These condensed consolidated financial statements were authorized for issue by the Company’s Board of Directors on May 12, 2021.

### 3. Significant Accounting Policies, Estimates and Judgments

These condensed consolidated financial statements have been prepared following the same accounting principles and methods of computation as outlined in the Company’s consolidated financial statements for the year ended December 31, 2020. A description of accounting standards and interpretations that have been adopted by the Company can be found in the notes of the annual consolidated financial statements for the year ended December 31, 2020.

The preparation of the condensed consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. These condensed consolidated financial statements include estimates, which by their nature, are uncertain. These assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant. While there has been increased economic optimism in the early part of 2021 as the global economy continued to show signs of recovery from the impacts of the COVID-19 pandemic, current market conditions may result in additional uncertainties, risks and complexities in management’s determination of the estimates and assumptions used to prepare CES’ financial results. As the COVID-19 pandemic continues, management cannot reasonably estimate the length or severity of the impact on CES. As such, actual results may differ from estimates and the effect of such differences may be material.

### 4. Property and Equipment

---

|                                       |                |
|---------------------------------------|----------------|
| <b>Balance at December 31, 2020</b>   | <b>274,159</b> |
| Additions                             | 2,826          |
| Transfers                             | 679            |
| Disposals, net of amortization        | (580)          |
| Amortization                          | (9,684)        |
| Effect of movements in exchange rates | (2,366)        |
| <b>Balance at March 31, 2021</b>      | <b>265,034</b> |

---

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

(stated in thousands of Canadian dollars, except for share and per share amounts)

### 5. Right of Use Assets

|                                       |               |
|---------------------------------------|---------------|
| <b>Balance at December 31, 2020</b>   | <b>40,280</b> |
| Additions                             | 4,984         |
| Transfers                             | (679)         |
| Disposals, net of amortization        | (1,189)       |
| Amortization                          | (4,080)       |
| Effect of movements in exchange rates | (255)         |
| <b>Balance at March 31, 2021</b>      | <b>39,061</b> |

### 6. Long-Term Debt

The Company's long-term debt is comprised of the following balances:

|   | As at          |                   |
|---|----------------|-------------------|
|   | March 31, 2021 | December 31, 2020 |
| Senior Facility   | 4,443          | —                 |
| Senior unsecured notes due Oct 21, 2024 bearing interest at 6.375% payable semi-annually ("Senior Notes") | 287,954        | 288,954           |
|   | <b>292,397</b> | 288,954           |
| Less: unamortized debt issue costs  | <b>(3,958)</b> | (4,269)           |
| Long-term debt  | <b>288,439</b> | 284,685           |

#### Senior Facility

The Company has a syndicated senior facility (the "Senior Facility"), which is comprised of a Canadian facility of \$170,000 and US facility of US\$50,000. The Senior Facility matures on September 28, 2022, subject to certain terms and conditions, and the Senior Facility may be extended by one year upon agreement of the lenders and the Company.

As at March 31, 2021, the maximum available draw on the Senior Facility was \$170,000 on the Canadian facility and US\$50,000 on the US facility. As at March 31, 2021, the Company had a net draw of \$4,107 on the Senior Facility (December 31, 2020 - net cash balance of \$18,251) with capitalized transaction costs of \$336 (December 31, 2020 - \$392). Transaction costs attributable to the Senior Facility are recorded as part of the Senior Facility and amortized to finance costs over the remaining term.

The covenant calculations as at March 31, 2021 and December 31, 2020, are as follows:

|  | As at          |                   |
|--|----------------|-------------------|
|  | March 31, 2021 | December 31, 2020 |
| Net Senior Debt                              | 23,764         | 2,456             |
| EBITDA for the four quarters ended           | 74,048         | 92,327            |
| Ratio  | 0.321          | 0.027             |
| Maximum                                      | 2.500          | 2.500             |
| EBITDA for the four quarters ended           | 74,048         | 92,327            |
| Interest Expense for the four quarters ended | 20,774         | 22,155            |
| Ratio  | 3.564          | 4.167             |
| Minimum                                      | 2.500          | 2.500             |

#### Senior Notes

During the three months ended March 31, 2021, the Company repurchased and canceled \$1,000 of its Senior Notes for an aggregate purchase price of \$988 resulting in a gain of \$12 recorded against finance costs. As at March 31, 2021, the Company

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

(stated in thousands of Canadian dollars, except for share and per share amounts)

had \$287,954 of remaining outstanding principal on its Senior Notes due October 21, 2024. The Senior Notes incur interest at a rate of 6.375% per annum and interest is payable semi-annually on April 21 and October 21. The Senior Notes are unsecured, ranking equal in right of payment to all existing and future unsecured indebtedness, and have been guaranteed by the Company's current and future subsidiaries. The Senior Notes contain certain early redemption options, whereby the Company can choose to redeem all of or a portion of at various redemption prices, which include the principal amount plus any accrued and unpaid interest to the applicable redemption date. The Company has the ability to redeem all of its outstanding Senior Notes on or after October 21, 2021. Certain restrictions exist relating to items such as making restricted payments and incurring additional debt.

As at March 31, 2021, the Company was in compliance with the terms and covenants of its lending agreements. For the three months ended March 31, 2021, the Company recorded \$5,455 (2020 - \$6,877) in interest expense related to its long-term debt and lease balances, including the amortization of debt issue costs.

Scheduled principal payments on the Company's long-term debt at March 31, 2021, are as follows:

|                     |                |
|---------------------|----------------|
| 2021 - 9 months     | —              |
| 2022                | 4,443          |
| 2023                | —              |
| 2024                | 287,954        |
| 2025                | —              |
| 2026 and thereafter | —              |
|                     | <b>292,397</b> |

### 7. Government Grants

During the three months ended March 31, 2021, the Company qualified for the Canada Emergency Wage Subsidy ("CEWS") program and recognized \$1,714 (2020 - \$nil) as a reduction to wage expense, with an allocation of \$914 and \$800 to cost of sales and general and administrative expenses, respectively.

### 8. Share Capital

#### a) Authorized

The Company is authorized to issue an unlimited number of common shares.

#### b) Issued and outstanding

A summary of the changes to common share capital is presented below:

| <i>Common Shares</i>                                    | <b>Three Months Ended<br/>March 31, 2021</b> |                | <b>Year Ended<br/>December 31, 2020</b> |          |
|---|--|----------------|---|----------|
|   | <b>Number of<br/>Shares</b>                  | <b>Amount</b>  | Number of<br>Shares                     | Amount   |
| Balance, beginning of period                            | <b>258,264,857</b>                           | <b>663,275</b> | 263,956,291                             | 660,174  |
| Issued pursuant to stock-based compensation             | <b>2,466,700</b>                             | —              | 3,699,275                               | —        |
| Contributed surplus related to stock-based compensation | —  | <b>3,688</b>   | —                                       | 14,302   |
| Issued pursuant to stock settled director fee           | <b>10,903</b>                                | <b>14</b>      | 49,868                                  | 50       |
| Common shares repurchased and canceled through NCIB     | <b>(6,327,126)</b>                           | <b>(9,474)</b> | (9,440,577)                             | (11,251) |
| Balance, end of period                                  | <b>254,415,334</b>                           | <b>657,503</b> | 258,264,857                             | 663,275  |

#### Normal Course Issuer Bid ("NCIB")

On July 16, 2020, the Company announced the renewal of its previous NCIB, which ended on July 16, 2020, to repurchase for cancellation up to 19,025,236 common shares, being 7.5% of the public float of common shares at the time of renewal. The renewed NCIB will terminate on July 20, 2021 or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or is terminated at the Company's election.



## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

(stated in thousands of Canadian dollars, except for share and per share amounts)

Since the July 16, 2020 commencement of the Company's current NCIB program, the Company repurchased 13,442,426 common shares up to March 31, 2021, at an average price of \$1.18 per share for a total amount of \$15,920,073.

Since inception of the Company's NCIB programs on July 17, 2018, and up to March 31, 2021, the Company has repurchased 26,369,306 common shares at an average price of \$2.03 per share for a total amount \$53,403. For the three months ended March 31, 2021 the Company repurchased 6,327,126 common shares at an average price of \$1.50 for a total amount of \$9,474.

Subsequent to March 31, 2021, the Company repurchased 508,400 additional shares at a weighted average price of \$1.55 for a total of \$788.

### c) *Net income per share*

In calculating the basic and diluted net income (loss) per share for the three months ended March 31, 2021 and 2020, the weighted average number of shares used in the calculation is shown in the table below:

|  | Three Months Ended March 31, |             |
|--|------------------------------|-------------|
|  | 2021                         | 2020        |
| Net income (loss)                              | 5,122                        | (225,720)   |
| Weighted average number of shares outstanding: |                              |             |
| Basic shares outstanding                       | 255,244,854                  | 262,711,372 |
| Effect of dilutive shares                      | 8,503,479                    | —           |
| Diluted shares outstanding                     | 263,748,333                  | 262,711,372 |
| Net income (loss) per share - basic            | \$0.02                       | (\$0.86)    |
| Net income (loss) per share - diluted          | \$0.02                       | (\$0.86)    |

Excluded from the calculation of dilutive shares for the three months ended March 31, 2021 are 5,333,956 of Share Rights (2020 - 9,689,346) that are considered anti-dilutive.

## 9. Stock-Based Compensation

For the three months ended March 31, 2021, stock-based compensation expense of \$3,397 (2020 – \$3,574) was recorded in general and administrative expenses relating to the Company's stock-based compensation plans. As at March 31, 2021, a total of 12,720,767 common shares were reserved for issuance under the Company's Restricted Share Unit Plan and Stock Settled Director Fee Program, of which 2,985,693 common shares remained available for grant.

### a) *Restricted Share Unit ("RSU") Plan*

CES' RSU Plan provides incentives to eligible employees, officers, and directors of the Company through the issuance of RSUs. The RSUs generally vest from one year, and up to three years, on the anniversary from the date of grant, subject to other such vesting schedules or conditions as determined by the Board of Directors. Throughout the vesting period, holders of Restricted Shares will be entitled to the dividend equivalents in the form of additional Restricted Shares on each dividend payment date, to be held in the RSU account until such time as the awards have vested.

**CES Energy Solutions Corp.**

Notes to the Condensed Consolidated Financial Statements (unaudited)  
(stated in thousands of Canadian dollars, except for share and per share amounts)

A summary of changes under the RSU plan is presented below:

|                              | Three Months Ended March 31, 2021 |               | Year Ended December 31, 2020 |               |
|------------------------------|-----------------------------------|---------------|------------------------------|---------------|
|                              | Restricted Share Units            | Average Price | Restricted Share Units       | Average Price |
| Balance, beginning of period | 8,432,088                         | \$1.77        | 6,411,540                    | \$3.79        |
| Granted during the period    | 3,818,527                         | 1.91          | 5,941,372                    | 0.93          |
| Reinvested during the period | —                                 | —             | 72,224                       | 3.52          |
| Vested during the period     | (2,466,700)                       | 1.50          | (3,699,275)                  | 3.87          |
| Forfeited during the period  | (48,841)                          | 2.77          | (293,773)                    | 3.63          |
| Balance, end of period       | 9,735,074                         | \$1.89        | 8,432,088                    | \$1.77        |

The stock-based compensation costs for RSUs granted are based on the five day volume weighted average share price at the date of grant.

*b) Phantom Share Unit ("PSU") Plan*

Effective June 23, 2020, the Company implemented the PSU Plan, which provides cash-settled incentives to eligible non-executive employees and consultants of the Company through the issuance of PSUs. The PSUs generally vest over three years, on the anniversary from the date of grant, subject to other such vesting schedules or conditions as determined by the Plan Administrator. Throughout the vesting period, holders of PSUs will be entitled to the dividend equivalents in the form of additional PSUs on each dividend payment date, to be held in the PSU account until such time as the awards have vested.

A summary of changes under the PSU plan is presented below:

|                              | Three Months Ended March 31, 2021 | Year Ended December 31, 2020 |
|------------------------------|-----------------------------------|------------------------------|
|                              | Phantom Share Units               | Phantom Share Units          |
| Balance, beginning of period | 4,726,795                         | —                            |
| Granted during the period    | 13,275                            | 4,829,781                    |
| Forfeited during the period  | (17,604)                          | (102,986)                    |
| Balance, end of period       | 4,722,466                         | 4,726,795                    |

The stock-based compensation expense recorded for the three months ended March 31, 2021 was reduced by an estimated weighted average forfeiture rate of 3.72% per year at the date of grant.

Included in the stock-based compensation expense for the three months ended March 31, 2021 is an expense of \$1,671 (2020 - \$nil) relating to the Company's PSU Plan. As at March 31, 2021, \$1,974 was included in accounts payable and accrued liabilities and \$1,572 was included in other long-term liabilities for outstanding PSUs.

## 10. Commitments

The Company has commitments related to short-term leases, leases of low-value assets, variable payments associated with long-term leases, and capital commitments with payments due as follows:

|                  |       |
|------------------|-------|
| Less than 1 year | 2,424 |
| 1-5 years        | 94    |
| 5+ years         | —     |
| Total            | 2,518 |

*Payments denominated in foreign currencies have been translated using the March 31, 2021 exchange rate*

The Company is involved in litigation and disputes arising in the normal course of operations. Management is of the opinion that any potential litigation will not have a material adverse impact on the Company's financial position or results of operations and, therefore, the commitment table does not include any provisions for outstanding litigation and potential claims.

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)  
(stated in thousands of Canadian dollars, except for share and per share amounts)

### 11. Supplemental Information

The changes in non-cash working capital were as follows:

|  | Three Months Ended March 31, |                 |
|--|------------------------------|-----------------|
|  | 2021                         | 2020            |
| (Increase) decrease in current assets                                    |                              |                 |
| Accounts receivable (includes income taxes receivable)                   | (61,359)                     | (55,518)        |
| Inventory  | (1,023)                      | (627)           |
| Prepaid expenses and deposits  | 2,158                        | (458)           |
| Increase (decrease) in current liabilities                               |                              |                 |
| Accounts payable and accrued liabilities (includes income taxes payable) | 30,375                       | (1,397)         |
| Effects of movement in exchange rate                                     | (3,052)                      | 25,376          |
|  | <b>(32,901)</b>              | <b>(32,624)</b> |
| Relating to:   |                              |                 |
| Operating activities   | (33,195)                     | (32,188)        |
| Investing activities   | 294                          | (436)           |

For the three months ended March 31, 2021 and 2020, changes in non-cash working capital relating to investing activities have been included in “Investment in property and equipment” on the Condensed Consolidated Statements of Cash Flows.

### 12. Geographical Information

Geographical information relating to the Company’s activities is as follows:

|               | Revenue                      |                |
|---------------|------------------------------|----------------|
|               | Three Months Ended March 31, |                |
|               | 2021                         | 2020           |
| United States | 168,047                      | 227,958        |
| Canada        | 92,579                       | 121,489        |
|               | <b>260,626</b>               | <b>349,447</b> |

  

|        | Long-Term Assets <sup>(1)</sup> |                   |
|--------|---------------------------------|-------------------|
|        | March 31, 2021                  | December 31, 2020 |
|        | United States                   | 284,512           |
| Canada | 127,110                         | 131,203           |
|        | <b>411,622</b>                  | <b>426,925</b>    |

<sup>1</sup>Includes: Property and equipment, right of use assets, intangible assets, other assets and goodwill

### 13. Related Parties

During the three months ended March 31, 2021, CES paid rent of \$35 (2020 - \$27) to an executive officer of the Company for use of a temporary rental property. These transactions have been accounted for at the exchange amount being the amount agreed to by the related parties, which approximates the arm’s length equivalent fair value.

# CES Energy Solutions Corp.

## Information

---

### STOCK EXCHANGE LISTINGS

The Toronto Stock Exchange  
Trading Symbol: CEU

### OTC

Trading Symbol: CESDF

### BOARD OF DIRECTORS

Kyle D. Kitagawa<sup>1,2</sup>  
Chairman

John M. Hooks<sup>2</sup>

Spencer D. Armour III<sup>1,2,3</sup>

Philip J. Scherman<sup>1</sup>

Stella Cosby<sup>2,3</sup>

Thomas J. Simons

<sup>1</sup>Member of the Audit Committee

<sup>2</sup>Member of the Compensation, Corporate Governance and  
Nominating Committee

<sup>3</sup>Member of the Health, Safety and Environment  
Committee

### EXECUTIVE OFFICERS

Thomas J. Simons  
President & Chief Executive Officer

Anthony M. Aulicino  
Chief Financial Officer

Kenneth E. Zinger  
Chief Operating Officer & President, Canadian Operations

Richard Baxter  
President, US Drilling Fluids

Vernon J. Disney  
President, US Production Chemicals

### CORPORATE SECRETARY

Matthew S. Bell

### AUDITORS

Deloitte LLP  
Chartered Professional Accountants, Calgary, AB

### BANKERS

Scotiabank Canada, Calgary, AB

### LEGAL COUNSEL

Stikeman Elliot, LLP, Calgary, AB  
Crowe & Dunlevy, Oklahoma City, OK

### REGISTRAR & TRANSFER AGENT

Computershare Investor Services Inc.  
Calgary, AB and Toronto, ON

### CORPORATE OFFICE

Suite 1400, 332 – 6<sup>th</sup> Avenue SW  
Calgary, AB T2P 0B2  
Phone: 403-269-2800  
Toll Free: 1-888-785-6695  
Fax: 403-266-5708

### US BUSINESS UNITS

AES Drilling Fluids  
Suite 230, 11767 Katy Freeway  
Houston, TX 77079  
Phone: 281-556-5628  
Fax: 281-589-7150

Jacam Catalyst LLC  
11999 East Highway 158  
Gardendale, TX 79758  
Phone: 432-563-0727  
Fax: 432-224-1038

### CANADIAN BUSINESS UNITS

Canadian Energy Services and PureChem Services  
Suite 1400, 332 – 6<sup>th</sup> Avenue SW  
Calgary, AB T2P 0B2  
Phone: 403-269-2800  
Toll Free: 1-888-785-6695  
Fax: 403-266-5708

Sialco Materials Ltd.  
6605 Dennett Place  
Delta, BC V4G 1N4  
Phone: 604-940-4777  
Toll Free: 1-800-335-0122  
Fax: 604-940-4757

Clear Environmental Solutions  
Suite 720, 736 – 8th Avenue SW  
Calgary, AB T2P 1H4  
Phone: 403-263-5953  
Fax: 403-229-1306

[www.cesenergysolutions.com](http://www.cesenergysolutions.com)