CES Energy Solutions

Condensed Consolidated Financial Statements

For the Three and Six Months Ended June 30, 2026 and 2025

CES Energy Solutions Corp.
Condensed Consolidated Statement of Financial Position (unaudited)
(stated in thousands of Canadian dollars)

	As at	
	June 30, 2026	December 31, 2025
ASSETS		
Current assets		
Accounts receivable	**569,333**	528,809
Financial derivative asset (note 9)	**37,270**	22,363
Income taxes receivable	**604**	262
Inventory	**478,309**	414,942
Prepaid expenses and deposits	**48,658**	33,413
	1,134,174	999,789
Property and equipment (note 4)	**414,825**	382,218
Right of use assets (note 5)	**102,297**	105,188
Intangible assets	**44,492**	41,351
Deferred income tax asset	**1,353**	1,457
Other assets	**24,594**	22,532
Goodwill	**67,725**	65,323
	1,789,460	1,617,858
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	**353,985**	288,475
Dividends payable (note 10)	**11,567**	8,965
Income taxes payable	**7,314**	8,942
Current portion of deferred acquisition consideration	**6,938**	3,439
Current portion of lease obligations	**40,632**	39,444
	420,436	349,265
Long-term debt (note 6)	**392,978**	382,299
Lease obligations	**55,590**	59,798
Deferred acquisition consideration	**1,616**	4,811
Deferred income tax liability	**19,904**	13,316
Other long-term liabilities (note 8)	**15,258**	6,845
	905,782	816,334
Commitments (note 11)		
Shareholders' equity		
Common shares (note 7)	**348,812**	371,995
Contributed surplus	**35,631**	36,683
Retained earnings	**255,920**	190,304
Accumulated other comprehensive income	**243,315**	202,542
	883,678	801,524
	1,789,460	1,617,858

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

CES Energy Solutions Corp.

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Revenue	**714,084**	573,991	**1,395,590**	1,206,422
Cost of sales	**540,707**	439,491	**1,060,574**	925,846
Gross margin	**173,377**	134,500	**335,016**	280,576
General and administrative expenses	**88,469**	75,680	**193,833**	147,597
Operating profit	**84,908**	58,820	**141,183**	132,979
Finance costs (income) (note 6)	**32,180**	(5,164)	**24,392**	12,365
Other (income)	**(105)**	(55)	**(124)**	(193)
Income before taxes	**52,833**	64,039	**116,915**	120,807
Current income tax expense	**9,202**	10,674	**21,832**	22,818
Deferred income tax expense	**5,106**	1,531	**6,296**	2,053
Net income	**38,525**	51,834	**88,787**	95,936
Other comprehensive income (items that may be subsequently reclassified to net income):				
Unrealized foreign exchange gain (loss) on translation of foreign operations	**22,485**	(53,534)	**40,933**	(54,366)
Change in fair value of other assets, net of tax	**339**	430	**(160)**	409
Comprehensive income	**61,349**	(1,270)	**129,560**	41,979
Net income per share (note 7)				
Basic	**0.18**	0.23	**0.42**	0.43
Diluted	**0.18**	0.23	**0.42**	0.42

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)

	Six Months Ended June 30,	
	2026	2025
COMMON SHARES		
Balance, beginning of period	**371,995**	502,045
Issued pursuant to stock-based compensation (note 7)	**6,774**	8,029
Issued pursuant to stock settled director fees	**82**	84
Common shares repurchased and canceled through NCIB (note 7)	**(30,039)**	(52,630)
Balance, end of period	**348,812**	457,528
CONTRIBUTED SURPLUS		
Balance, beginning of period	**36,683**	37,246
Reclassified pursuant to stock-based compensation (note 7)	**(6,774)**	(8,029)
Stock-based compensation expense (note 8)	**5,722**	5,045
Balance, end of period	**35,631**	34,262
RETAINED EARNINGS		
Balance, beginning of period	**190,304**	22,597
Net income	**88,787**	95,936
Dividends declared (note 10)	**(23,171)**	(18,882)
Balance, end of period	**255,920**	99,651
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance, beginning of period	**202,542**	252,342
Reclassification of cumulative translation adjustment relating to foreign operations	—	(239)
Unrealized foreign exchange gain (loss) on translation of foreign operations	**40,933**	(54,366)
Change in fair value of other assets, net of tax	**(160)**	409
Balance, end of period	**243,315**	198,146
	883,678	789,587

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 June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income	**38,525**	51,834	**88,787**	95,936
Adjustments for:				
Depreciation and amortization	**28,125**	25,487	**55,954**	50,253
Stock-based compensation (note 8)	**3,640**	2,854	**5,722**	5,045
Other non-cash loss (income)	**11,028**	(4,367)	**(6,882)**	5,342
Deferred income tax expense	**5,106**	1,531	**6,296**	2,053
Gain on disposal of assets	**(887)**	(689)	**(1,943)**	(4,160)
Loss on 6.875% Senior Notes redemption	**11,238**	—	**11,238**	—
Funds flow from operations	**96,775**	76,650	**159,172**	154,469
Change in non-cash working capital (note 12)	**(36,331)**	(10,656)	**(29,639)**	(28,384)
	60,444	65,994	**129,533**	126,085
FINANCING ACTIVITIES:				
Net proceeds from Senior Notes issuance (note 6)	**294,755**	—	**294,755**	—
6.875% Senior Notes redemption (note 6)	**(284,455)**	—	**(284,455)**	—
Repayment of lease obligations	**(11,739)**	(11,333)	**(22,234)**	(20,871)
(Decrease) increase in Senior Facility	**(5,494)**	19,596	**(11,818)**	28,381
Shareholder dividends	**(11,604)**	(9,535)	**(20,569)**	(16,295)
Common shares repurchased and canceled through NCIB (note 7)	**(13,346)**	(31,336)	**(30,039)**	(52,630)
	(31,883)	(32,608)	**(74,360)**	(61,415)
INVESTING ACTIVITIES:				
Investment in property and equipment	**(27,711)**	(21,859)	**(53,488)**	(52,105)
Investment in intangible assets	**(2,108)**	(3,327)	**(5,459)**	(6,191)
Investment in other assets	**(1,109)**	(3,281)	**(1,188)**	(3,060)
Deferred acquisition consideration	—	—	—	(2,871)
Business combination	—	(6,975)	—	(6,975)
Proceeds on disposal of assets	**2,367**	2,056	**4,962**	6,532
	(28,561)	(33,386)	**(55,173)**	(64,670)
CHANGE IN CASH:	—	—	—	—
Cash, beginning of period	—	—	—	—
Cash, end of period	—	—	—	—
SUPPLEMENTARY CASH FLOW DISCLOSURE				
Interest paid	**14,443**	11,931	**18,001**	17,362
Income taxes paid	**17,338**	11,589	**25,430**	28,149

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

1. The Company

CES Energy Solutions Corp. (the "Company" or "CES") is a company domiciled in Canada and is incorporated under the Business Corporations Act (Alberta). CES' principal place of business is located at Suite 1400, 332 – 6th Avenue SW, Calgary, Alberta, Canada T2P 0B2. The condensed consolidated financial statements of the Company as at and for the three and six months ended June 30, 2026 and 2025 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, AES Completion Services, Jacam Catalyst, Superior Weighting Products, Canadian Energy Services, PureChem Services, StimWrx Energy Services, Sialco Materials, 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"* and accordingly, do not include all disclosures required for annual financial statements. 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, 2025. These condensed consolidated financial statements were authorized for issue by the Company's Board of Directors on August 6, 2026.

3. Material Accounting Policy Information, 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 annual consolidated financial statements for the year ended December 31, 2025. 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, 2025.

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. As such, actual results may differ from estimates and the effect of such differences may be material. Significant estimates and judgments used in the preparation of these condensed consolidated financial statements remained unchanged from those disclosed in the Company's annual consolidated financial statements for the year ended December 31, 2025.

Newly adopted accounting standards

On January 1, 2026, CES adopted amendments to IFRS 9, *Financial Instruments*, and IFRS 7, *Financial Instruments: Disclosures* to address the classification and measurement of financial instruments, with an emphasis to clarify the date of recognition and derecognition of financial asset and liabilities. This amendment does not have a material impact on the consolidated financial statements.

Future accounting policy changes

In April 2024, the IASB issued IFRS 18, *Presentation and Disclosures in Financial Statements, to replace* IAS 1, *Presentation of Financial Statements.* The new standard establishes a revised structure for the consolidated statements of net income and comprehensive income, required disclosure for certain non-GAAP measures, referred to as management-defined performance measures ("MPMs"), and enhanced guidance on the aggregation and disaggregation of line items in the financial statements and the accompanying notes. IFRS 18 is effective January 1, 2027, with early adoption permitted. The standard will be applied retrospectively, with certain transition provisions. Management is currently reviewing the impact the standard will have on the consolidated financial statements.

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

4. Property and Equipment

Balance at December 31, 2025	**382,218**
Additions	54,038
Disposals, net of depreciation	(1,021)
Depreciation	(32,025)
Effect of movements in exchange rates	11,615
Balance at June 30, 2026	**414,825**

5. Right of Use Assets

Balance at December 31, 2025	**105,188**
Additions	17,713
Disposals, net of depreciation	(2,546)
Depreciation	(20,286)
Effect of movements in exchange rates	2,228
Balance at June 30, 2026	**102,297**

6. Long-Term Debt

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

	As at	
	June 30, 2026	December 31, 2025
Senior Facility	**99,481**	110,837
Senior Notes - 2029, 6.875%	—	275,000
Senior Notes - 2033, 5.625%	**300,000**	—
	399,481	385,837
Unamortized debt issue costs	**(6,503)**	(5,758)
Unamortized debt premium	—	2,220
Total long-term debt	**392,978**	382,299

Senior Facility

The Company has syndicated and operating credit facilities (the "Senior Facility"), the total size of which is approximately C$ equivalent $550,000, consisting of a Canadian facility of $400,000 and a US facility US$110,000. The Senior Facility matures on November 24, 2028, and is secured by substantially all of the Company's assets, and includes customary terms, conditions and covenants.

As at June 30, 2026, the Senior Facility had a net draw of $98,190 (December 31, 2025 - $109,345), with capitalized transaction costs of $1,291 (December 31, 2025 - $1,492). Transaction costs attributable to the Senior Facility are recorded as part of the facility and amortized to finance costs over the remaining term. As at June 30, 2026, the Company was in compliance with the terms and covenants of its lending agreements, as outlined below:

		Covenant
Total Net Debt to EBITDA for the four quarters ended	**1.246**	Not to exceed 4.0
Net Senior Debt to EBITDA for the four quarters ended	**0.415**	Not to exceed 3.0
EBITDA to Interest Expense, for the four quarters ended	**11.907**	Must exceed 2.5

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

Senior Notes

On June 15, 2026, the Company completed the private placement of $300,000 of 5.625% senior unsecured notes due on June 15, 2033 (the "Senior Notes"), for net proceeds after offering expenses and commission of $294,755. The refinancing decreases CES' annual interest costs, extends its debt maturity profile, and provides additional financing flexibility. The Company used the proceeds from the issuance of the Senior Notes to repay the $275,000 of 6.875% Senior Unsecured Notes due May 24, 2029 (the "2029 Senior Notes") and partially repay amounts outstanding under the Senior Facility. The 2029 Senior Notes were redeemed for total consideration of $285,646, comprising principal of $275,000, accrued unpaid interest of $1,191, and applicable redemption premium of $9,455. The Company recorded $11,238 in other finance costs relating to the applicable redemption premium and unwind of deferred financing costs and unamortized debt premium on the 2029 Senior Notes.

The Senior Notes incur interest at a rate of 5.625% per annum and interest is payable semi-annually on June 15 and December 15. 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 June 15, 2029. 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. Certain restrictions exist relating to items such as making restricted payments and incurring additional debt.

Scheduled principal payments on the Company's long-term debt at June 30, 2026, are as follows:

2026 - 6 months	—
2027	—
2028	99,481
2029	—
2030 and thereafter	300,000
	399,481

For the three and six months ended June 30, 2026, the Company recorded $8,745 and $17,656, respectively, (2025 - $8,990 and $17,991, respectively) in interest expense related to its long-term debt and lease balances, including the amortization of debt issue costs.

7. Share Capital

a) Authorized and issued common shares

The Company is authorized to issue an unlimited number of common shares. A summary of the changes to common share capital is presented below:

	Six Months Ended June 30, 2026		Year Ended December 31, 2025	
	Number of Shares	**Amount**	Number of Shares	Amount
Balance, beginning of period	**210,949,911**	**371,995**	225,329,085	502,045
Issued pursuant to stock-based compensation	**1,424,994**	**—**	2,400,708	—
Contributed surplus related to stock-based compensation	**—**	**6,774**	—	9,891
Issued pursuant to stock settled director fee	**5,527**	**82**	20,637	166
Common shares repurchased and canceled through NCIB	**(2,063,100)**	**(30,039)**	(16,800,519)	(140,107)
Balance, end of period	**210,317,332**	**348,812**	210,949,911	371,995

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

b) Normal Course Issuer Bid ("NCIB")

On July 22, 2025, the Company renewed the previous NCIB to repurchase for cancellation up to 18,911,524 common shares, being 10.0% of the public float of common shares at the time of renewal. The renewed NCIB had a termination date of July 21, 2026, 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. A summary of the Company's NCIB program, excluding any associated taxes on share repurchases, is presented below:

	Renewed NCIB July 22, 2025 to June 30, 2026	Six Months Ended June 30, 2026	Since Inception July 17, 2018 to June 30, 2026
Common shares repurchased and canceled through NCIB	10,265,000	2,063,100	88,093,106
Cash outlay	108,031	29,952	405,448
Average price per share	10.52	14.52	4.60

On July 22, 2026, the Company renewed the previous NCIB to repurchase for cancellation up to 18,139,079 common shares, being 10.0% of the public float of common shares at the time of renewal. The renewed NCIB will terminate on July 21, 2027, 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.

As at June 30, 2026, the Company has repurchased 88,093,106 or approximately 33% of the common shares outstanding since inception of the NCIB programs on July 17, 2018, at a weighted average price of $4.60 per share. Subsequent to June 30, 2026, the Company repurchased 735,000 additional shares at a weighted average price of $16.60 for a total of $12,203.

c) Net income per share

In calculating the basic and diluted net income per share for the three and six months ended June 30, 2026 and 2025, the weighted average number of shares used in the calculation is shown in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Net income	**38,525**	51,834	**88,787**	95,936
Weighted average number of shares outstanding:				
Basic shares outstanding	**210,769,953**	221,616,603	**210,491,259**	223,328,099
Effect of dilutive shares	**1,681,488**	2,645,320	**1,996,129**	2,968,967
Diluted shares outstanding	**212,451,441**	224,261,923	**212,487,388**	226,297,066
Net income per share - basic	**0.18**	0.23	**0.42**	0.43
Net income per share - diluted	**0.18**	0.23	**0.42**	0.42

For the three and six months ended June 30, 2026, and 2025, there were no anti-dilutive RSUs.

8. Stock-Based Compensation

For the three and six months ended June 30, 2026, stock-based compensation expense of $6,134 and $33,744, respectively, (2025 - $3,946 and $4,919, respectively) was recorded in general and administrative expenses relating to the Company's stock-based compensation plans. As at June 30, 2026, a total of 10,515,867 common shares were reserved for issuance under the Company's Restricted Share Unit Plan and Stock Settled Director Fee Program, of which 8,832,161 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 RSUs will be entitled to the dividend equivalents in the form of additional RSUs on each dividend payment date, to be held in the RSU account until such time as the awards have vested.

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

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

	Six Months Ended June 30, 2026		Year Ended December 31, 2025	
	Restricted Share Units	**Average Price**	Restricted Share Units	Average Price
Balance, beginning of period	**2,523,252**	**5.36**	3,619,138	3.96
Granted during the period	**571,481**	**18.08**	1,244,436	7.04
Reinvested during the period	**13,967**	**7.11**	60,386	5.11
Vested during the period	**(1,424,994)**	**4.76**	(2,400,708)	4.11
Balance, end of period	**1,683,706**	**10.20**	2,523,252	5.36

Included in the stock-based compensation expense for the three and six months ended June 30, 2026, is an expense of $3,640 and $5,722, respectively, (2025 - $2,854 and $5,045, respectively) relating to the Company's RSU Plan. The stock-based compensation costs for RSUs granted are based on the five day volume weighted average share price at the date of grant. The amount of compensation expense associated with awards granted during the six months ended June 30, 2026, was reduced by an estimated weighted average forfeiture rate of 0.54% (2025 - 0.30%) per year at the date of grant.

b) Phantom Share Unit ("PSU") Plan

CES' PSU Plan 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 record 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:

	Six Months Ended June 30, 2026	Year Ended December 31, 2025
	Phantom Share Units	Phantom Share Units
Balance, beginning of period	**4,663,290**	5,025,015
Granted during the period	**4,931**	2,302,560
Reinvested during the period	**28,786**	99,194
Vested during the period	**(46,024)**	(2,662,075)
Forfeited during the period	**(73,733)**	(101,404)
Balance, end of period	**4,577,250**	4,663,290

Included in the stock-based compensation expense for the three and six months ended June 30, 2026 , is an expense of $2,494 and $28,022, respectively, (2025 - an expense of $1,092 and a recovery of $126, respectively) relating to the Company's PSU Plan. The amount of compensation expense associated with awards granted during the six months ended June 30, 2026, was reduced by an estimated weighted average forfeiture rate of 2.68% (2025 - 2.77%) per year at the date of grant. As at June 30, 2026, $41,238 (December 31, 2025 - $22,415) was included in accounts payable and accrued liabilities and $15,258 (December 31, 2025 - $6,845) was included in other long-term liabilities for outstanding PSUs.

9. Financial Derivatives

The Company periodically enters into foreign currency and equity derivative contracts to manage its exposure to upcoming USD denominated purchases and mitigate equity price risk, respectively. As of June 30, 2026, the Company had a financial derivative asset of $37,270 (December 31, 2025 - $22,363) relating to outstanding derivative contracts. A summary of financial derivative gains and losses recognized in finance costs is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
Financial derivative (loss) gain	**(6,784)**	(3,412)	**15,126**	(12,782)

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

At June 30, 2026, the Company had the following foreign exchange USD forward purchase contracts outstanding:

Period	Notional Balance	Contract Type	Settlement	Average USDCAD Exchange Rate
July 2026	US$1,000	Deliverable Forward	Physical Purchase	1.3554
August 2026	US$1,000	Deliverable Forward	Physical Purchase	1.3554
September 2026	US$1,000	Deliverable Forward	Physical Purchase	1.3554
Total	US$3,000			1.3554

As at June 30, 2026, the Company also had $26,500 outstanding USD forward purchase contracts at an exchange rate of 1.4178, matured in July 2026, as a result of USDCAD swaps entered into in June 2026, which allowed the Company to utilize excess CAD cash flow to pay down previously outstanding USD draws on the Senior Facility.

As at June 30, 2026, the Company had the following equity derivative contracts outstanding:

Period	Price	Contract	Notional Principal	Number of Units
July 2026	4.8078	Swap	9,262	1,926,490
July 2027	7.1119	Swap	6,761	950,721
July 2028	6.8348	Swap	3,791	554,721
	5.7737		19,814	3,431,932

10. Dividends

The Company declared dividends to holders of common shares for the six months ended June 30, 2026, as follows:

	Dividend Record Date	Dividend Payment Date	Per Common Share	**Total**
March 2026	Mar 31	Apr 15	0.055	**11,604**
June 2026	Jun 30	Jul 15	0.055	**11,567**
Total dividends declared			0.110	**23,171**

11. Commitments

The Company has commitments related to inventory and other lease-related items including short-term leases, leases of low-value assets, and variable payments associated with long-term leases as at June 30, 2026, with payments due as follows:

	Inventory	**Lease Related**	**Total**
Less than 1 year	40,939	3,380	44,319
1-5 years	29,350	106	29,456
5+ years	—	—	—
Total	**70,289**	**3,486**	**73,775**

Payments denominated in foreign currencies have been translated using the June 30, 2026, exchange rate.

The Company is also 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, provisions for outstanding litigation and potential claims are included in accounts payable and accrued liabilities.

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

12. Supplemental Information

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
(Increase) decrease in current assets:				
Accounts receivable[(1)]	**(16,976)**	46,059	**(40,866)**	4,634
Inventory	**(49,168)**	19,529	**(63,367)**	24,030
Prepaid expenses and deposits	**(13,087)**	(12,200)	**(15,245)**	(13,649)
Increase (decrease) in current liabilities:				
Accounts payable and accrued liabilities[(2)]	**30,381**	(40,661)	**72,161**	(20,320)
Effects of movement in exchange rate	**10,914**	(23,807)	**18,402**	(24,320)
	(37,936)	(11,080)	**(28,915)**	(29,625)
Relating to:				
Operating activities	**(36,331)**	(10,656)	**(29,639)**	(28,384)
Investing activities	**(1,605)**	(424)	**724**	(1,241)

[(1)]*Includes income taxes receivable.*

[(2)]*Includes income taxes payable and other long-term liabilities relating to the cash-settled PSU plan.*

For the three and six months ended June 30, 2026, and 2025, changes in non-cash working capital relating to investing activities have been included in "Investment in property and equipment" on the consolidated statements of cash flows.

13. Geographical Information

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

	Revenue			
	Three Months Ended June 30,		Six Months Ended June 30,	
	2026	2025	**2026**	2025
United States	**497,014**	405,557	**934,791**	808,018
Canada	**217,070**	168,434	**460,799**	398,404
	714,084	573,991	**1,395,590**	1,206,422

	Long-Term Assets[(1)]	
	June 30, 2026	December 31, 2025
United States	**496,261**	462,890
Canada	**157,672**	153,722
	653,933	616,612

[(1)]*Includes: Property and equipment, right of use assets, intangible assets, other assets and goodwill.*

STOCK EXCHANGE LISTINGS
Toronto Stock Exchange
Trading Symbol: CEU

OTC
Trading Symbol: CESDF

BOARD OF DIRECTORS
Kyle D. Kitagawa[1,2]
Chairman

John M. Hooks[2,3]

Spencer D. Armour III[2,3]

Stella Cosby[3,4]

Ian Hardacre[1,4]

Joe Wright[1,4]

Theresa Roessel[1]

Kenneth E. Zinger

[1]Member of the Audit Committee
[2]Member of the Compensation Committee
[3]Member of the Corporate Governance and Nominating Committee
[4]Member of the Health, Safety and Environment Committee

EXECUTIVE OFFICERS
Kenneth E. Zinger
President & Chief Executive Officer
President, Canadian Operations

Anthony M. Aulicino
Executive Vice President & Chief Financial Officer

Vernon J. Disney
President, US Production Chemicals

James F. Strickland
President, US Drilling Fluids

CORPORATE SECRETARY
Matthew S. Bell

AUDITORS
Deloitte LLP
Calgary, AB

BANKERS
Scotiabank Canada, Calgary, AB

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

REGISTRAR & TRANSFER AGENT
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Calgary, AB and Toronto, ON

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