

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the financial condition and results of operations should be read in conjunction with the condensed consolidated financial statements and notes thereto of CES Energy Solutions Corp. ("CES" or the "Company") for the three and nine months ended September 30, 2026, and 2025, and CES' 2025 Annual Information Form. Readers should also refer to the "Forward-looking Information & Statements" legal advisory and the sections regarding "Non-GAAP Measures and Other Financial Measures" and "Operational Definitions" at the end of this MD&A. This MD&A is dated November 12, 2026, and incorporates all relevant Company information to that date. Amounts are stated in Canadian dollars unless otherwise noted.

USE OF NON-GAAP MEASURES AND OTHER FINANCIAL MEASURES

This MD&A contains certain financial measures that are not recognized by Canadian generally accepted accounting principles ("GAAP"), and which are used by Management to evaluate CES' financial performance, financial position and cash flow. These non-GAAP measures and other financial measures do not have a standardized meaning prescribed under IFRS® Accounting Standards as issued by the International Accounting Standards Board ("IASB"), and therefore may not be comparable to similar measures presented by other entities. Securities regulations require that non-GAAP financial measures are clearly defined, qualified and reconciled with their most closely comparable GAAP measure. Please refer to the section titled "Non-GAAP Measures and Other Financial Measures" for further information on the definition, calculation and reconciliation of the non-GAAP measures and other financial measures contained in this MD&A.

BUSINESS OF CES

CES is a leading provider of technically advanced consumable chemical solutions throughout the life-cycle of the oilfield. This includes total solutions at the drill-bit, at the point of completion and stimulation, at the wellhead and pump-jack, and finally through to the pipeline and midstream market. Key solutions include corrosion inhibitors, demulsifiers, H_2S scavengers, paraffin control products, surfactants, scale inhibitors, biocides and other specialty products. Further, specialty chemicals are used throughout the pipeline and midstream industry to aid in hydrocarbon movement and manage transportation and processing challenges including corrosion, wax build-up and H_2S.

CES operates in all major basins throughout the United States ("US"), including the Permian, Eagleford, Haynesville, Bakken, Marcellus and Scoop/Stack, as well as in the Western Canadian Sedimentary Basin ("WCSB") with an emphasis on servicing the ongoing major resource plays in the Montney, Duvernay, Deep Basin and SAGD. In the US, CES operates under the trade names AES Drilling Fluids ("AES"), AES Completion Services, Jacam Catalyst LLC ("Jacam Catalyst"), and Superior Weighting Products ("Superior Weighting"). In Canada, CES operates under the trade names Canadian Energy Services, CES Completion Services, PureChem Services ("PureChem"), StimWrx Energy ("StimWrx"), Sialco Materials ("Sialco"), and Clear Environmental Solutions ("Clear").

CES continues to invest in research and development of new technologies and in the top-end scientific talent that can develop and refine these technologies. CES operates 14 separate lab facilities across North America: two in Houston, Texas; one in each of Midland, Texas; Gardendale, Texas; Sterling, Kansas; Casper, Wyoming; Roosevelt, Utah; Dickinson, North Dakota; Johnstown, Colorado; Calgary, Alberta; Grande Prairie, Alberta; Nisku, Alberta; Carlyle, Saskatchewan; and Delta, British Columbia. In the US, CES' main chemical manufacturing and reacting facility is located in Sterling, Kansas with additional low temperature reacting and chemical blending capabilities just outside of Midland, Texas and chemical blending capabilities in Sonora, Texas. In Canada, CES has a chemical manufacturing and reacting facility located in Delta, British Columbia with additional chemical blending capabilities located in Carlyle, Saskatchewan; Nisku, Alberta; and Grande Prairie, Alberta. CES also leverages third party partner relationships to drive innovation in the consumable fluids and chemicals business.

FINANCIAL HIGHLIGHTS

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	% Change	**2026**	2025	% Change
Revenue						
United States[1]	**534,611**	409,389	31 %	**1,469,402**	1,217,407	21 %
Canada[1]	**250,211**	213,832	17 %	**711,010**	612,236	16 %
Total Revenue	**784,822**	623,221	26 %	**2,180,412**	1,829,643	19 %
Net income	**73,324**	40,489	81 %	**162,111**	136,425	19 %
per share - basic	***0.35***	*0.19*	84 %	***0.77***	*0.62*	24 %
per share - diluted	***0.35***	*0.18*	94 %	***0.76***	*0.61*	25 %
Adjusted EBITDAC[2]	**139,980**	103,320	35 %	**370,861**	291,471	27 %
Adjusted EBITDAC[2] % of Revenue	***17.8 %***	*16.6 %*	1.2 %	***17.0 %***	*15.9 %*	1.1 %
Funds Flow from Operations[2]	**128,355**	85,754	50 %	**287,527**	240,223	20 %
Change in non-cash working capital	**(106,368)**	(34,111)	212 %	**(136,007)**	(62,495)	118 %
Cash provided by (used in) operating activities	**21,987**	51,643	(57)%	**151,520**	177,728	(15)%
Free Cash Flow[2]	**(8,390)**	27,190	(131)%	**49,659**	88,072	(44)%
Capital expenditures						
Expansion Capital[1]	**13,183**	8,804	50 %	**50,888**	40,108	27 %
Maintenance Capital[1]	**7,218**	6,187	17 %	**23,725**	25,747	(8)%
Total capital expenditures	**20,401**	14,991	36 %	**74,613**	65,855	13 %
Dividends declared	**11,468**	9,169	25 %	**34,639**	28,051	23 %
per share	***0.0550***	*0.0425*	29 %	***0.1650***	*0.1275*	29 %
Common Shares Outstanding						
End of period - basic	**208,512,325**	215,738,676		**208,512,325**	215,738,676	
End of period - fully diluted[2]	**210,121,586**	218,358,865		**210,121,586**	218,358,865	
Weighted average - basic	**209,512,298**	218,234,502		**210,161,353**	221,611,575	
Weighted average - diluted	**211,120,879**	220,845,867		**212,026,880**	224,460,031	

	As at				
Financial Position	**September 30, 2026**	June 30, 2026	% Change	December 31, 2025	% Change
Total assets	**1,890,859**	1,789,460	6 %	1,617,858	17 %
Long-term debt	**457,076**	392,978	16 %	382,299	20 %
Long-term financial liabilities[3]	**521,069**	465,442	12 %	453,753	15 %
Total Debt[2]	**565,478**	513,012	10 %	496,636	14 %
Working Capital Surplus[2]	**837,939**	761,308	10 %	693,407	21 %
Net Debt[2]	**(272,461)**	(248,296)	10 %	(196,771)	38 %
Shareholders' equity	**911,402**	883,678	3 %	801,524	14 %

[1]Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" contained within this MD&A.
[2]Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Adjusted EBITDAC is Net income, for Funds Flow from Operations and Free Cash Flow is Cash provided by (used in) operating activities, for Shares Outstanding, End of period - fully diluted is Common Shares outstanding, and for Total Debt, Net Debt, and Working Capital Surplus is Long-term financial liabilities. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" contained within this MD&A.
[3]Includes long-term portions of the Senior Facility, the Senior Notes, lease obligations, deferred acquisition consideration, and cash settled incentive obligations.

Highlights for the three and nine months ended September 30, 2026, in comparison to the three and nine months ended September 30, 2025, for CES are as follows:

- **Revenue:** Revenue in the third quarter set a new record at $784.8 million, representing a sequential increase of $70.7 million or 10% compared to $714.1 million in Q2 2026, and an increase of $161.6 million or 26% compared to $623.2 million in Q3 2025. For the nine months ended September 30, 2026, CES generated record revenue of $2.2 billion, an increase of $350.8 million or 19% relative to the nine months ended September 30, 2025. The increases over prior year comparative periods were driven by continued contributions from recent large customer awards, strong market share positions, and continued strength in service intensity, resulting in an overall uptick in revenue despite operators demonstrating continued capital discipline in a higher energy price environment.

    - **Revenue - US:** Revenue generated in the US during Q3 2026 set a new quarterly record at $534.6 million, representing a sequential increase of $37.6 million or 8% compared to Q2 2026, and an increase of $125.2 million or 31% compared to Q3 2025. For the nine months ended September 30, 2026, revenue generated in the US of $1.5 billion was up 21% relative to the nine months ended September 30, 2025. US revenues for both the three and nine month periods benefited from contributions from recent customer awards and acquisitions, higher production levels, and continued strong market positioning. US Drilling Fluids Market Share of 25% and 26% for the three and nine months ended September 30, 2026, respectively, compared to 26% and 25% for the three and nine months ended September 30, 2025, respectively.

    - **Revenue - Canada:** Revenue generated in Canada during Q3 2026 set a new quarterly record at $250.2 million, representing a sequential increase of $33.1 million or 15% compared to Q2 2026 as is expected on a seasonal basis, and an increase of $36.4 million or 17% compared to Q3 2025. For the nine months ended September 30, 2026, revenue generated in Canada of $711.0 million was up 16% relative to the nine months ended September 30, 2025. Canadian revenues for both the three and nine month periods benefited from continued strong market share and higher service intensity, with the nine month period further benefitting from a non-recurring project in the second quarter. Canadian Drilling Fluids Market Share of 43% and 41% for the three and nine months ended September 30, 2026, respectively, compared to 42% and 40% for the three and nine months ended September 30, 2025, respectively.

- **Adjusted EBITDAC:** Adjusted EBITDAC set a new quarterly record at $140.0 million, an increase of 35% compared to Q3 2025, and 17% compared to Q2 2026. Adjusted EBITDAC as a percentage of revenue of 17.8% improved from 16.6% in Q3 2025, and 16.7% in Q2 2026. For the nine months ended September 30, 2026, Adjusted EBITDAC increased 27% to $370.9 million from $291.5 million for the nine months ended September 30, 2025. The improvements to Adjusted EBITDAC and Adjusted EBITDAC percentage for both the three and nine months ended September 30, 2026, when compared to the prior year periods, were driven by record revenue levels, prudent fixed cost levels, operational efficiencies, continued increased service intensity, and certain favorable standard cost revaluations on inventory. The nine month period further benefitted from a favorable comparison to prior year which saw negative impacts from personnel investments to support new business initiatives and the impact of the Canadian forest fires.

- **Net Income:** Net income for the three and nine months ended September 30, 2026, increased 81% to $73.3 million and 19% to $162.1 million, respectively, relative to the comparable prior year periods of 2025. The increase in both the three and nine month periods were driven by record revenue and strong margins, with the nine month period being partially offset by other finance costs associated with the redemption of the 6.875% Senior Notes.

- **Shareholder Returns:** During the quarter, CES returned $47.5 million to shareholders (Q3 2025 - $45.4 million), through $35.9 million in shares repurchased under its NCIB and its quarterly dividend of $11.6 million (Q3 2025 - $36.1 million and $9.3 million, respectively). For the nine months ended September 30, 2026, CES returned $98.1 million to shareholders (Q3 2025 - $114.3 million), through $66.0 million in shares repurchased under its NCIB and its quarterly dividend of $32.1 million (Q3 2025 - $88.7 million and $25.6 million, respectively).

- **Funds Flow from Operations:** CES generated a quarterly record of $128.4 million in Funds Flow from Operations in Q3 2026, compared to $85.8 million generated in Q3 2025. For the nine months ended September 30, 2026, CES generated $287.5 million of Funds Flow from Operations compared to $240.2 million in 2025. Funds Flow from Operations excludes the impact of working capital, and is reflective of the continued strong financial results for the three and nine months ended September 30, 2026.

- **Cash Flow From Operations:** For the three and nine months ended September 30, 2026, net cash provided by operating activities totaled $22.0 million and $151.5 million, respectively, compared to $51.6 million and $177.7 million, respectively, for the three and nine months ended September 30, 2025. The decreases to Cash Flow From Operations for both the three and nine months ended September 30, 2026, were driven by higher working capital investments to support record revenue levels, partially offset by strong financial performance relative to the 2025 comparable period.

- **Free Cash Flow:** CES consumed $8.4 million in Free Cash Flow in Q3 2026, compared to $27.2 million generated in Q3 2025. For the nine months ended September 30, 2026, CES generated $49.7 million of Free Cash Flow compared to $88.1 million in 2025. The decrease for both the three and nine month periods were driven by elevated working capital requirements to support record revenue levels and increased capital expenditures. Free Cash Flow includes the impact of quarterly working capital variations, net of capital expenditures, and lease repayments.

- **Working Capital Surplus:** As at September 30, 2026, CES had a Working Capital Surplus of $837.9 million, which increased from $761.3 million at June 30, 2026, and $693.4 million at December 31, 2025. The increase in Working Capital Surplus during the quarter was driven by record revenue levels, which resulted in increased accounts receivable and inventory levels, partly offset by higher accounts payable and accrued liabilities reflecting higher revenue levels, increased input costs, and timing of payments. The Company continues to focus on working capital optimization benefiting from the high quality of its customers, diligent internal credit monitoring processes, and strategic procurement initiatives.

- **Total Debt:** As at September 30, 2026, CES had Total Debt of $565.5 million compared to $513.0 million at June 30, 2026, and $496.6 million at December 31, 2025. Included in Total Debt at September 30, 2026, is the Senior Facility of $162.1 million (December 31, 2025 - $109.3 million), $300.0 million of Senior Notes (December 31, 2025 - $275.0 million), and lease obligations of $97.3 million (December 31, 2025 - $99.2 million). The increase in Total Debt compared to both June 30, 2026, and December 31, 2025, was driven by increased investments in working capital, partially offset by strong financial performance compared to the prior quarters.

- **Senior Notes:** On June 15, 2026, the Company completed the private placement of $300.0 million of 5.625% senior unsecured notes due on June 15, 2033 (the "Senior Notes"), for net proceeds after offering expenses and commission of $294.8 million. The Company used the proceeds from the issuance of the Senior Notes to repay the $275.0 million 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 $285.6 million, comprising principal of $275.0 million, accrued unpaid interest of $1.2 million, and applicable redemption premium of $9.5 million due on redemption. The Company recorded $11.2 million 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.

- **Senior Credit Facility:** On November 6, 2026, the Company amended, extended, and upsized its syndicated revolving and operating credit facilities (the "Amended Senior Facility"). The Amended Senior Facility, the total size of which is approximately C$ equivalent $750.0 million, is available to the Company’s Canadian and US subsidiaries as co-borrowers and may be drawn in Canadian or US dollars. The Amended Senior Facility matures on November 6, 2031, and is secured by substantially all of the Company’s assets, and includes customary terms, conditions and covenants. In connection with the amendment, terms and covenants were improved, including the removal of the Total Net Debt to trailing EBITDA covenant, to better align with the increased scale and credit quality of the Company.

- **Net Debt:** Working Capital Surplus exceeded Total Debt at September 30, 2026, by $272.5 million (December 31, 2025 - $196.8 million). As of the date of this MD&A, the Company had total long-term debt of approximately $487.0 million, comprised of a net draw on its Senior Facility of approximately $187.0 million and its outstanding $300.0 million Senior Notes due June 15, 2033.

OUTLOOK

The resilient demand drivers from developing countries, growing LNG and AI related power requirements, and increasing importance of energy security, combined with depletion of existing resources, reduced investment in the upstream oil and gas sector over recent years, and diminished available high-quality inventory, has necessitated increased service intensity and advanced chemical treatment for available resources. The result is a continuation of constructive end markets for CES' products and services which enhance drilling and production performance.

In light of economic uncertainty and global tensions, including, most recently, significant supply disruptions arising from the ongoing conflict in Iran and the broader Middle East over the past several months, energy supply-demand dynamics have remained resilient and these conditions have underscored the importance of energy security and maximization of production from existing available resources. While the ultimate duration and resolution of these developments remain uncertain, the reduction in global oil supply has contributed to higher spot and forecasted energy prices. Industry fundamentals continue to support critical drilling and production activity for oil and natural gas as depressed global exploration activity, diminishing high-quality drilling locations, and the ongoing underinvestment in new supply provide cautious optimism for higher pricing and increased activity levels over the mid to longer term. In the meantime, customers continue to closely monitor short term and forecasted oil and gas price levels in the context of their production economics and potential increases in activity levels. While the current political landscape and impact of recently imposed tariffs in both the US and Canada continue to generate potential near term uncertainty, including within the energy sector, CES' business model provides relative insulation due to its significant proportion of revenue derived in the US versus Canada, its vertically integrated business models in both countries, and flexible supply chain capabilities.

CES expects to benefit from secular trends in upstream activity, increased service intensity levels, and adoption of advanced critical chemical solutions by capitalizing on its established infrastructure, industry leading positioning, vertically integrated business model, and strategic procurement practices.

Commensurate with current record revenue levels, CES expects 2026 capital expenditures, net of proceeds on disposals of assets, to be approximately $100.0 million, weighted towards expansion capital to support sustained activity levels and business development opportunities, and expects this to increase to approximately $105.0 million to $110.0 million in 2027. CES plans to continue its disciplined and prudent approach to capital expenditures and will adjust its plans as required to support prudent growth initiatives throughout divisions.

CES has continued to proactively manage both the duration and the flexibility of its debt. In November 2026, CES amended, extended, and upsized its Senior Facility, with improved terms and a maturity extension until November 2031. In June 2026, CES issued $300.0 million of 5.625% Senior Notes due June 15, 2033, using the proceeds from the issuance to repay the existing $275.0 million of 6.875% Senior Notes due May 24, 2029. The combination of the Senior Facility and the Senior Notes further strengthens the Company's capital structure, reduces the cost of capital, and effectively addresses CES' near-term and foreseeable longer-term requirements. CES routinely considers its capital structure, including increasing or decreasing the capacity of its Senior Facility, issuance or redemption of Senior Notes, and other potential financing options.

CES' underlying business model is capex light and asset light, enabling the generation of significant surplus free cash flow. As our customers endeavor to maintain or grow production in the current environment, CES will leverage its established infrastructure, business model, and nimble customer-oriented culture to deliver superior products and services to the industry. CES sees the consumable chemical market increasing its share of the oilfield spend as operators continue to: drill longer reach laterals and drill them faster; expand and optimize the utilization of pad drilling; increase the intensity and size of their fracs; and require increasingly technical and specialized chemical treatments to effectively maintain existing cash flow generating wells and treat growing production volumes and water cuts from new wells.

RESULTS FOR THE PERIODS

Revenue and Operating Activities

Geographical revenue information relating to the Company's activities and key operating metrics are as follows:

	Revenue					
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	% Change	**2026**	2025	% Change
United States[1]	**534,611**	409,389	31 %	**1,469,402**	1,217,407	21 %
Canada[1]	**250,211**	213,832	17 %	**711,010**	612,236	16 %
	784,822	623,221	26 %	**2,180,412**	1,829,643	19 %

[1]Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" for further detail.

	Key Operating Metrics					
	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	% Change	**2026**	2025	% Change
US	**39,325**	35,060	12 %	**38,365**	34,770	10 %
Canada	**10,991**	10,031	10 %	**11,444**	9,798	17 %
Total Treatment Points[1]	**50,316**	45,091	12 %	**49,809**	44,568	12 %
US	**13,207**	12,428	6 %	**38,929**	36,982	5 %
Canada	**8,846**	7,233	22 %	**22,403**	20,420	10 %
Total Operating Days[1]	**22,053**	19,661	12 %	**61,332**	57,402	7 %
US	**144**	135	7 %	**143**	136	5 %
Canada	**96**	79	22 %	**82**	75	9 %
Total Average Rig Count[1]	**240**	214	12 %	**225**	211	7 %
US industry rig count[2]	**576**	525	10 %	**548**	551	(1)%
Canadian industry rig count[3]	**224**	189	19 %	**202**	186	9 %
US DF Market Share[1]	**25 %**	26 %	(1)%	**26 %**	25 %	1 %
Canadian DF Market Share[1]	**43 %**	42 %	1 %	**41 %**	40 %	1 %

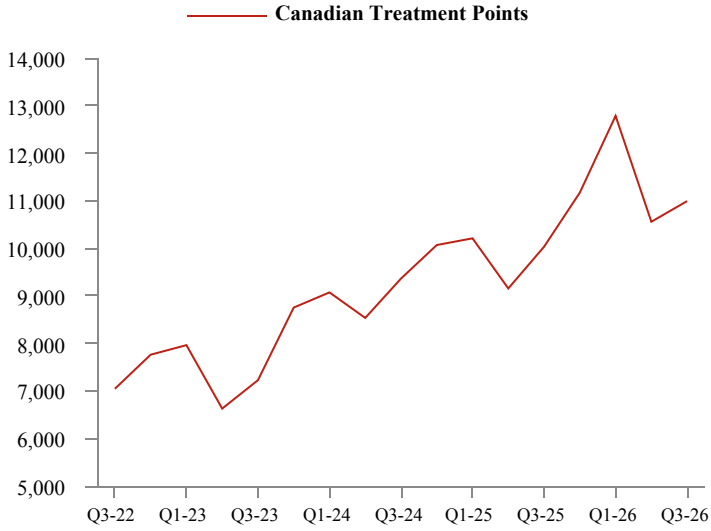
[1]*Refer to "Operational Definitions" for further detail.*
[2]*Based on the monthly average of Baker Hughes published weekly land data for the United States in the referenced period.*
[3]*Based on the monthly average of CAOEC published weekly data for Western Canada in the referenced period.*

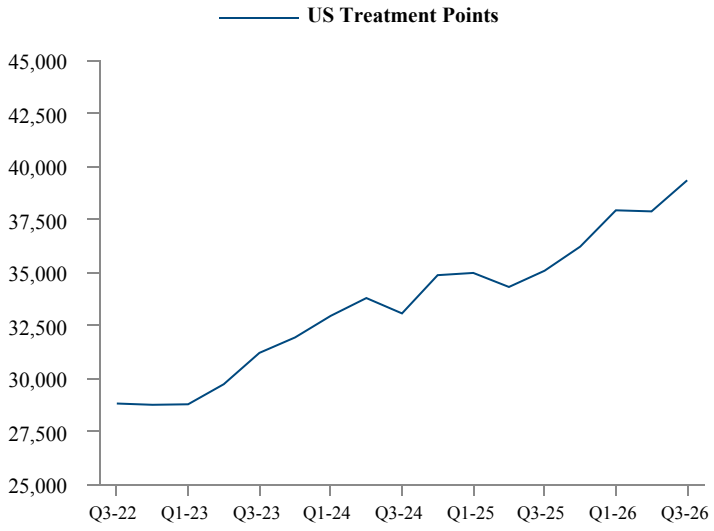
Revenue in the US for both the three and nine months ended September 30, 2026, set quarterly and year to date records at $534.6 million and $1.5 billion, respectively, increasing by 31% and 21%, respectively, relative to the 2025 comparative periods. These results benefited from contributions from recent customer awards and acquisitions, continued strong market share, and higher production levels. CES maintained its strong industry positioning achieving US Drilling Fluids Market Share of 25% and 26% for the three and nine months ended September 30, 2026, respectively, compared to 26% and 25% for the three and nine months ended September 30, 2025, respectively. The US production chemicals business also saw strong sales in both the three and nine months ended September 30, 2026, following increases of 12% and 10%, respectively, in treatment points for the three and nine month periods.

Revenue in Canada for both the three and nine months ended September 30, 2026, set quarterly and year to date records at $250.2 million and $711.0 million, respectively, increasing by 17% and 16%, respectively, relative to the 2025 comparative periods. Both the three and nine month periods benefited from increased market share and higher production levels, with the nine month period further benefitting from a non-recurring project in the second quarter. CES maintained its strong industry positioning achieving Canadian Drilling Fluids Market Share of 43% and 41% for the three and nine months ended September 30, 2026, respectively, compared to 42% and 40% for the three and nine months ended September 30, 2025, respectively. Canadian production chemicals also saw strong sales following increases of 10% and 17%, respectively, in treatment points for the three and nine month periods ended September 30, 2026.

Included in revenue generated in Canada for the three and nine months ended September 30, 2026, is $5.5 million and $21.5 million, respectively (2025 - $2.1 million and $6.8 million, respectively), of revenue generated by Clear, the Company's Environmental Services segment. The increase for the three and nine month periods were primarily driven by a single short term project in the second quarter. Clear is a vertically integrated environmental service provider, providing environmental consulting, water management and water transfer services, as well as drilling fluids waste disposal services. The financial results of Clear are otherwise not material and as such have been aggregated with the consolidated results of the Company throughout this MD&A.

Although absolute Treatment Points are a guiding indicator of activity levels for the production chemical business, these individual treated wells increasingly exhibit higher volumes of produced oil, natural gas, and associated water, which correspondingly requires higher volumes of production chemicals. These favorable characteristics are associated with increased measured depths and higher production volume attributes of many modern wells. As evidenced by the graphs below, Treatment Points have continued to generally trend upward, and are affected by Q2 seasonality in Canada.





Cost of Sales and Gross Margin

Gross Margin represents the operating profit earned on revenue after deducting the associated costs of sales including cost of products, operational labour, operational related depreciation, transportation, and all other operational related costs. Margins vary due to changes in the type of products sold, relative product mix, well type, geographic area, and nature of activity. Generally, labour costs, although a significant component of cost of sales, have less of an impact on CES' margins than other cost elements such as product costs. Use of consultants and the variable component of compensation for employees provide CES with a means to manage seasonal activity swings, as well as overall fluctuations in the demand for CES' products and services.

The table below details the calculation of Adjusted Gross Margin relative to Gross Margin determined in accordance with IFRS.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Change	**2026**	2025	Change
Gross Margin	**192,808**	148,288	44,520	**527,824**	428,864	98,960
Gross Margin % of revenue[1]	**25 %**	24 %	1 %	**24 %**	23 %	1 %
Adjust for:						
Depreciation included in cost of sales	**24,681**	22,278	2,403	**71,426**	64,174	7,252
Adjusted Gross Margin[2]	**217,489**	170,566	46,923	**599,250**	493,038	106,212
Adjusted Gross Margin[2] % of revenue	**28 %**	27 %	1 %	**27 %**	27 %	— %

[1]Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" for further detail.
[2]Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Adjusted Gross Margin is Gross Margin. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" contained within this MD&A.

For the three and nine months ended September 30, 2026, Adjusted Gross Margin increased to $217.5 million and $599.3 million, respectively, from $170.6 million and $493.0 million, respectively, for the three and nine months ended September 30, 2025. As a percentage of revenue, Adjusted Gross Margin of 28% and 27% for the three and nine months ended September 30, 2026, respectively, compared to 27% for both the three and nine months ended September 30, 2025, respectively. The results for both the three and nine month periods were underscored by record activity levels over a partially fixed cost base and continued service intensity, partially offset by higher input costs.

General and Administrative Expenses ("G&A")
The table below details the calculation of Adjusted General and Administrative Costs ("Adjusted G&A") relative to general and administrative expenses under IFRS.

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Change	**2026**	2025	Change
General and administrative expenses	**93,789**	82,697	11,092	**287,622**	230,294	57,328
G&A expenses % of revenue[1]	**12 %**	13 %	(1)%	**13 %**	13 %	— %
Adjust for:						
Stock-based compensation	**11,597**	11,043	554	**45,341**	15,962	29,379
Depreciation & amortization	**4,683**	4,408	275	**13,892**	12,765	1,127
Adjusted General and Administrative Costs[2]	**77,509**	67,246	10,263	**228,389**	201,567	26,822
Adjusted G&A costs[2] % of revenue	**10 %**	11 %	(1)%	**10 %**	11 %	(1)%

[1]Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" for further detail.
[2]Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Adjusted General and Administrative Costs is General and Administrative Expenses. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" contained within this MD&A.

The increases in Adjusted General and Administrative Costs for the three and nine months ended September 30, 2026, are primarily reflective of increased activity levels and associated headcount in support of record revenue levels. As a percentage of revenue, Adjusted G&A costs of 10% for both the three and nine months ended September 30, 2026, respectively, were improved from 11% for both of the comparable thee and nine month periods in 2025, as the increase in the fixed cost base was supported by record revenue levels.

Stock-Based Compensation

Stock-based compensation expense, which includes both equity-settled and cash-settled awards, increased by $0.6 million for the three months ended September 30, 2026, compared to the same period in 2025. The increase in the quarter was primarily driven by the Company's cash-settled compensation plan, reflecting the continued strength in the Company's share price in the current quarter relative to the prior year period. For the nine months ended September 30, 2026, stock-based compensation expense increased by $29.4 million compared to 2025. The increase in the nine month period was primarily attributable to the Company's cash-settled compensation plan, reflecting an increase in the Company's share price in the current year relative to a decrease in the prior year. Both periods are impacted by the timing and pricing of equity-settled and cash-settled grants issued under the Company's stock-based compensation plans.

Finance Costs

For the three and nine months ended September 30, 2026, and 2025, finance costs were comprised of the following:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Interest on debt, net of interest income	**8,530**	8,294	**24,881**	25,084
Amortization of debt issue costs	**339**	371	**1,196**	1,162
Foreign exchange (gain) loss	**(475)**	6,943	**10,585**	(11,094)
Financial derivative (gain) loss	**(3,502)**	(10,189)	**(18,628)**	2,593
Other finance costs	**—**	—	**11,250**	39
Finance costs	**4,892**	5,419	**29,284**	17,784

Interest expense

Finance costs for the three and nine months ended September 30, 2026, include interest on debt, net of interest income, of $8.5 million and $24.9 million, respectively, compared to $8.3 million and $25.1 million, respectively, for the comparative 2025 periods. The increase in the three month period was driven by an increased principal outstanding of Senior Notes, partially offset by lower average draw levels on CES' Senior Facility. The decrease in the nine month period was driven by lower average draw levels on CES' Senior Facility and lower interest rates on the Company's outstanding Senior Notes, partially offset by an increased principal outstanding of Senior Notes.

Foreign exchange gains and losses

Finance costs for the three and nine months ended September 30, 2026, include a foreign exchange gain of $0.5 million and a foreign exchange loss of $10.6 million, respectively, compared to a foreign exchange loss of $6.9 million and a foreign exchange gain of $11.1 million, respectively for the comparative 2025 periods. Foreign exchange gains and losses are primarily related to the Company's USD denominated balances held in Canada which were impacted by a depreciating USD in the three month period ended September 30, 2026, relative to an appreciation in the USD in the comparative period in 2025. In the nine month period ended September 30, 2026, the Company's USD denominated balances held in Canada were impacted by an appreciating USD compared to a depreciation in the USD in the comparative period in 2025.

Financial derivative gains and losses

Finance costs for the three and nine months ended September 30, 2026, include net derivative gains of $3.5 million and $18.6 million, respectively, compared to a net derivative gain of $10.2 million and a net derivative loss of $2.6 million, respectively, for the comparative 2025 periods, relating to the Company's foreign currency and equity derivative contracts. The movement in the three month period was driven by a smaller increase in the Company's share price in the current quarter relative to the prior year comparative period. The movement in the nine month period was driven by an increase in the Company's share price relative to a decrease in the prior year comparative period. As of September 30, 2026, the Company had a financial derivative asset of $17.4 million (December 31, 2025 - $22.4 million). CES has a Board approved hedging and derivative policy that sets out the guidelines and parameters Management follows when approaching its risk management strategies.

The Company periodically enters into equity derivative contracts to mitigate equity price risk, primarily related to the cash-based portion of the stock-based compensation plan. The equity derivatives mitigate exposure to fluctuations in share price by fixing the future settlement cost on a portion of the cash-settled plan.

The following table details the outstanding equity derivative contracts as of September 30, 2026:

Period	Price	Contract	Notional Principal	Number of Shares
July 2027	9.0313	Swap	10,783	1,194,001
July 2028	9.7912	Swap	7,813	798,001
July 2029	16.5325	Swap	4,022	243,280
Total	10.1190		22,618	2,235,282

The Company periodically uses USD forward purchase contracts to manage its exposure to upcoming USD denominated purchases pursuant to its Canadian and US operations. The Company had no outstanding foreign exchange contracts as of September 30, 2026.

Other finance costs
Finance costs for the nine months ended September 30, 2026, includes the $11.2 million (2025 - nil) redemption premium and unwind of deferred financing costs and unamortized debt premium on the 2029 Senior Notes that were redeemed on June 15, 2026.

Current and Deferred Income Taxes
Income tax expense is related to taxable income in Canada, the US, and other international jurisdictions.

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Current income tax expense	**17,176**	2,782	**39,008**	25,600
Deferred income tax expense	**3,816**	16,821	**10,112**	18,874
Total income tax expense	**20,992**	19,603	**49,120**	44,474

Current income tax expense increased for the three and nine months ended September 30, 2026, relative to the comparable 2025 periods, primarily due to higher taxable earnings in the US and Canada and the impact of the US tax reform on the prior year US current income taxes. Deferred income tax expense decreased for the three and nine months ended September 30, 2026, relative to the comparable 2025 periods, primarily due to temporary difference movements and the impact of the US tax reform on the prior year US deferred income taxes, partially offset by changes in the recognition of deferred tax assets.

Working Capital Surplus
As at September 30, 2026, CES had a Working Capital Surplus of $837.9 million, which increased from $761.3 million at June 30, 2026, and $693.4 million at December 31, 2025. The increase in Working Capital Surplus during the quarter was driven by record revenue levels, which resulted in increased accounts receivable and inventory levels, partly offset by higher accounts payable and accrued liabilities reflecting higher revenue levels, increased input costs, and timing of payments. The Company continues to focus on working capital optimization benefiting from the high quality of its customers, diligent internal credit monitoring processes, and strategic procurement initiatives.

Total Debt
As at September 30, 2026, CES had Total Debt of $565.5 million compared to $513.0 million at June 30, 2026, and $496.6 million at December 31, 2025. Included in Total Debt at September 30, 2026, is the Senior Facility of $162.1 million (December 31, 2025 - $109.3 million), $300.0 million of Senior Notes (December 31, 2025 - $275.0 million), and lease obligations of $97.3 million (December 31, 2025 - $99.2 million). The increase in Total Debt compared to both June 30, 2026, and December 31, 2025, was driven by increased investments in working capital, partially offset by strong financial performance compared to the prior quarters.

QUARTERLY FINANCIAL SUMMARY

The following is a summary of selected financial information of the Company for the last eight completed quarters:

	Three Months Ended							
	Sep 30, 2026	Jun 30, 2026	Mar 31, 2026	Dec 31, 2025	Sep 30, 2025	Jun 30, 2025	Mar 31, 2025	Dec 31, 2024
Revenue								
United States[1]	**534,611**	497,014	437,777	434,879	409,389	405,557	402,461	390,203
Canada[1]	**250,211**	217,070	243,729	229,630	213,832	168,434	229,970	215,181
Revenue	**784,822**	714,084	681,506	664,509	623,221	573,991	632,431	605,384
Net income	**73,324**	38,525	50,262	68,298	40,489	51,834	44,102	41,855
per share - basic	***0.35***	*0.18*	*0.24*	*0.32*	*0.19*	*0.23*	*0.20*	*0.18*
per share - diluted	***0.35***	*0.18*	*0.24*	*0.32*	*0.18*	*0.23*	*0.19*	*0.18*
Adjusted EBITDAC[2]	**139,980**	119,167	111,714	113,170	103,320	88,253	99,898	103,174
Adjusted EBITDAC % of Revenue[2]	**17.8 %**	16.7 %	16.4 %	17.0 %	16.6 %	15.4 %	15.8 %	17.0 %
per share - basic[2]	***0.67***	*0.57*	*0.53*	*0.53*	*0.47*	*0.40*	*0.44*	*0.46*
per share - diluted[2]	***0.66***	*0.56*	*0.53*	*0.53*	*0.47*	*0.39*	*0.44*	*0.45*
Dividends declared	**11,468**	11,567	11,604	8,965	9,169	9,347	9,535	6,760
per share	***0.0550***	*0.0550*	*0.0550*	*0.0425*	*0.0425*	*0.0425*	*0.0425*	*0.0300*
Common Shares Outstanding								
End of period - basic	**208,512,325**	210,317,332	210,984,617	210,949,911	215,738,676	219,940,242	224,363,433	225,329,085
End of period - fully diluted[2]	**210,121,586**	212,001,038	212,741,385	213,473,163	218,358,865	222,588,682	227,403,807	228,948,223
Weighted average - basic	**209,512,298**	210,769,953	210,209,468	212,911,936	218,234,502	221,616,603	225,058,610	226,704,896
Weighted average - diluted	**211,120,879**	212,451,441	212,415,830	215,433,353	220,845,867	224,261,923	228,354,820	230,379,790

[1]*Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" for further detail.*
[2]*Non-GAAP measure that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Adjusted EBITDAC is Net income, and for Shares Outstanding, End of period - fully diluted is Common shares outstanding. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" contained within this MD&A.*

Seasonality of Operations

The Western Canadian drilling industry is subject to seasonality with activity usually peaking during the winter months in the first and last quarters of any given calendar year. As temperatures rise in the spring, the ground thaws and becomes unstable, resulting in government road bans, which severely restrict activity in the second quarter. These seasonal trends typically lead to quarterly fluctuations in Canadian operating results and working capital requirements, which should be considered in any quarter over quarter analysis of the Company. The overall seasonality of the Company's operations has, and will continue to become less pronounced as a result of expansion in the US and increased diversification of operations away from the drill-bit.

LIQUIDITY AND CAPITAL RESOURCES

Long-Term Debt

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

	As at	
	September 30, 2026	December 31, 2025
Senior Facility	**163,241**	110,837
Senior Notes - 2029, 6.875%	**—**	275,000
Senior Notes - 2033, 5.625%	**300,000**	—
	463,241	385,837
Unamortized debt issue costs	**(6,165)**	(5,758)
Unamortized debt premium	**—**	2,220
Total long-term debt	**457,076**	382,299

Senior Facility

On November 6, 2026, the Company amended, extended, and upsized its syndicated revolving and operating credit facilities (the "Amended Senior Facility"). The Amended Senior Facility, the total size of which is approximately C$ equivalent $750.0 million, is available to the Company's Canadian and US subsidiaries as co-borrowers and may be drawn in Canadian or US dollars. The Amended Senior Facility matures on November 6, 2031, and is secured by substantially all of the Company's assets, and includes customary terms, conditions and covenants. In connection with the amendment, the Total Net Debt to trailing EBITDA covenant that previously applied to the Senior Facility was removed.

As at September 30, 2026, the Company has syndicated and operating credit facilities (the "Senior Facility") of approximately C$ equivalent $550.0 million, comprised of a Canadian facility of $400.0 million and a US facility US$110.0 million and had a net draw of $162.1 million (December 31, 2025 - $109.3 million), with capitalized transaction costs of $1.1 million (December 31, 2025 - $1.5 million). 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 September 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	**1.223**	Not to exceed 4.0
Net Senior Debt to EBITDA for the four quarters ended	**0.524**	Not to exceed 3.0
EBITDA to Interest Expense, for the four quarters ended	**13.557**	Must exceed 2.5

Senior Notes

On June 15, 2026, the Company completed the private placement of $300.0 million of 5.625% senior unsecured notes due on June 15, 2033 (the "Senior Notes"), for a net proceeds after offering expenses and commission of $294.8 million. 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 $275.0 million 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 $285.6 million, comprising principal of $275.0 million, accrued unpaid interest of $1.2 million, and applicable redemption premium of $9.5 million. The Company recorded $11.2 million 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 September 30, 2026, are as follows:

2026 - 3 months	—
2027	—
2028	163,241
2029	—
2030 and thereafter	300,000
	463,241

As at November 6, 2026, the scheduled principal payments on the Company's long-term debt is comprised of $163.2 million due in 2031 in respect of the Amended Senior Facility and $300.0 million due in 2033 in respect of the Senior Notes.

For the three and nine months ended September 30, 2026, the Company recorded $9.0 million and $26.7 million, respectively (2025 - $8.9 million and $26.9 million respectively), in interest expense related to its long-term debt and lease balances, including the amortization of debt issue costs.

Other Indebtedness

The following table details the remaining contractual maturities of the Company's financial liabilities as of September 30, 2026:

	Payments Due By Period[1]					
	Less than 3 months	3 months to 1 year	1-2 years	2-5 years	5+ years	**Total**
Accounts payable and accrued liabilities	346,194	16,822	—	—	—	**363,016**
Dividends payable[2]	11,468	—	—	—	—	**11,468**
Income taxes payable	6,905	8,694	—	—	—	**15,599**
Deferred acquisition consideration	—	2,929	1,613	—	—	**4,542**
Senior Facility	—	—	—	163,241	—	**163,241**
Senior Notes[3]	—	—	—	—	300,000	**300,000**
Interest on Senior Notes	8,438	8,437	16,875	50,625	33,750	**118,125**
Lease obligations[4]	7,967	33,513	31,834	22,245	1,733	**97,292**
Commitments[5]	23,110	13,945	11,970	17,036	—	**66,061**
Other long-term liabilities	—	—	6,139	429	—	**6,568**
	404,082	84,340	68,431	253,576	335,483	**1,145,912**

[1] Payments denominated in foreign currencies have been translated using the September 30, 2026, exchange rate.
[2] Dividends declared as of September 30, 2026.
[3] The Senior Notes are due on June 15, 2033.
[4] Lease obligations reflect principal payments and excludes any associated interest portion.
[5] Commitments include amounts relating to inventory, and other lease-related items including short-term leases, leases of low-value assets, and variable payments associated with long-term leases.

The Company is involved in litigation and disputes arising in the normal course of operations. Management is of the opinion that any potential litigation it is aware of will not have a material adverse impact on the Company's financial position or results of operations and therefore, provisions for any outstanding litigation or potential claims are included in accounts payable and accrued liabilities.

As of the date of this MD&A, Management is satisfied that CES has sufficient liquidity and capital resources to meet the long-term payment obligations of its outstanding loans and commitments. To support growth in the business and related working capital needs CES routinely considers its capital structure, including increasing or decreasing the capacity of its Senior Facility, issuing new senior notes, and other potential financing options. CES assesses its requirements for capital on an ongoing basis and there can be no guarantee that CES will not have to obtain additional capital to finance the expansion plans of the business or to finance future working capital requirements. In the event that additional capital is required, based on the market conditions at the time, it may be difficult to issue additional equity or increase credit capacity and the cost of any new capital may exceed historical norms and/or impose more stringent covenants and/or restrictions on CES. CES continues to focus on evaluating credit capacity, credit counterparties, and liquidity to ensure its ability to meet its ongoing commitments and obligations.

Summary of Statements of Cash Flows

The following table summarizes the Company's Statements of Cash Flows for the three and nine months ended September 30, 2026, and 2025:

	Three Months Ended September 30,			Nine Months Ended September 30,		
	2026	2025	Change	**2026**	2025	Change
Net cash provided by (used in)						
Operating Activities	**21,987**	51,643	(29,656)	**151,520**	177,728	(26,208)
Investing Activities	**(27,148)**	(20,748)	(6,400)	**(82,321)**	(85,418)	3,097
Financing Activities	**5,161**	(30,895)	36,056	**(69,199)**	(92,310)	23,111

Cash Flows from Operating Activities

For the three and nine months ended September 30, 2026, net cash provided by operating activities totaled $22.0 million and $151.5 million, respectively, compared to $51.6 million and $177.7 million, respectively, for the three and nine months ended September 30, 2025. The decreases to Cash Flow From Operations for both the three and nine months ended September 30, 2026, were driven by higher working capital investments to support record revenue levels, partially offset by strong financial performance relative to the 2025 comparable period.

Cash Flows from Investing Activities

For the three months ended September 30, 2026, net cash flows used in investing activities totaled $27.1 million, compared to $20.7 in Q3 2025. The increase in three month period was driven by higher investments in property and equipment to support record revenue levels in the period. For the nine months ended September 30, 2026, net cash flows used in investing activities totaled $82.3 million compared with $85.4 million for the nine months ended September 30, 2025. The decrease in the nine month period was driven by higher investments in business combinations and deferred acquisition consideration in the comparable 2025 period, partially offset by higher investments in property and equipment to support record revenue levels in the current period. Details of cash used for investment in property and equipment are as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Expansion Capital[(1)]	**13,183**	8,804	**50,888**	40,108
Maintenance Capital[(1)]	**7,218**	6,187	**23,725**	25,747
Total investment in property and equipment	**20,401**	14,991	**74,613**	65,855
Change in non-cash investing working capital	**(233)**	226	**(957)**	1,468
Cash used for investment in property and equipment	**20,168**	15,217	**73,656**	67,322
Adjust for:				
Proceeds on disposal of assets	**(2,344)**	(1,817)	**(7,306)**	(8,349)
Net cash used for investment in property and equipment[(2)]	**17,824**	13,400	**66,350**	58,973

[1]*Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" for further detail.*

[2]*Non-GAAP measure or ratio that does not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. The most directly comparable GAAP measure for Net cash used for investment in property and equipment is Cash used for investment in property and equipment. Refer to the section entitled "Non-GAAP Measures and Other Financial Measures" contained within this MD&A.*

Expansion Capital expenditures for both the three and nine months ended September 30, 2026, included additions for field and processing equipment, facilities and warehouse equipment, and vehicles and rolling stock to support growth throughout the business, particularly in the US. Maintenance Capital expenditures for both the three and nine months ended September 30, 2026, primarily included the replacement of field and warehouse equipment, and vehicles and rolling stock throughout the business to support existing activity levels.

Historically, the long-term capital investments required for CES to execute its business plan are not significant in relation to the total revenue and EBITDAC generated by the Company and the majority of capital expenditures are made at the discretion of CES based on the timing and the expected overall return on the investment. CES expects 2026 capital expenditures, net of proceeds on disposals of assets, to be approximately $100.0 million, weighted towards expansion capital to support sustained activity levels and business development opportunities, and expects this to increase to approximately $105.0 million to $110.0 million in 2027. CES plans to continue its disciplined and prudent approach to capital expenditures and will adjust its plans as required to support prudent growth initiatives throughout divisions.

Cash Flows from Financing Activities

For the three and nine months ended September 30, 2026, cash flows generated by financing activities totaled $5.2 million and cash flows used by financing activities totaled $69.2 million, respectively, compared to cash flows used by financing activities of $30.9 million and $92.3 million, respectively, for the comparable 2025 periods. The shift to cash generated by financing activities for the three month period was driven by increased draws on the Senior Facility to facilitate record revenue levels and associated investments in working capital, partially offset by higher dividend payments compared to the prior year period. The movement in cash flows used by financing activities for the nine month period was driven by a more measured pace for common share repurchases under the Company's NCIB and net proceeds on the issuance of the 5.625% Senior Notes, partially offset by a higher dividend compared to the comparable 2025 period.

Dividend Policy

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

	Dividend Record Date	Dividend Payment Date	Per Common Share	**Total**
March 2026	Mar 31	Apr 15	$0.0550	**11,604**
June 2026	Jun 30	Jul 15	$0.0550	**11,567**
September 2026	Sept 30	Oct 15	$0.0550	**11,468**
Total dividends declared			$0.1650	**34,639**

For the three and nine months ended September 30, 2026, the Company's Dividend Payout Ratio averaged 11% and 15%, respectively, compared to 13% and 15%, respectively, for the 2025 comparable periods. The decrease in the Company's Dividend Payout Ratio in both the three and nine month periods were driven by an increase to Distributable Earnings, partially offset by a 29% increase to dividends declared, from $0.0425 to $0.0550 per share, starting in Q1 2026. Refer to "Non-GAAP Measures and Other Financial Measures" for further details on the calculation of Dividend Payout Ratio.

CES will continue to be protective of its balance sheet and provide liquidity to fund potential growth initiatives by being prudent with its cash dividend going forward. Through the course of the year, dividends declared as a proportion of net income and Distributable Earnings will vary based on the Company's financial performance. During periods of relatively strong financial performance, typically associated with higher activity levels, dividends declared as a percentage of net income and Distributable Earnings will decrease, and likewise, during periods of relatively weaker financial performance dividends declared as a percentage of net income and Distributable Earnings will increase. Dividends are funded by cash provided by operating activities. During periods of insufficient cash availability, due to relatively weaker financial performance or changes in the level of working capital, dividends may be funded by available cash or through CES' credit facilities.

Management and the Board of Directors review the appropriateness of dividends on a quarterly basis taking into account, among other considerations, the applicable solvency requirements under corporate legislation; current and anticipated industry conditions; and particularly, growth opportunities requiring Expansion Capital, management's forecast of Distributable Earnings, its forecasted Dividend Payout Ratio, and forecasted capital to be deployed under its NCIB. At this time, CES intends to continue to pay cash dividends to shareholders. In addition, future expansion, investments, acquisitions, or future share repurchases under CES' NCIB program may be funded internally by allocating a portion of cash flow in conjunction with, or in replacement of, external sources of capital such as debt or the issuance of equity. To the extent that CES deploys cash flow to finance these activities, the amount of cash dividends to shareholders may be affected. Alternatively, to the extent that CES' sustainable operating after tax cash flow improves, the amount of cash dividends to shareholders may be increased. Over the long-term, CES' business model has historically shown it can support a proportion of cash flow from operations being paid out as a dividend or through share repurchases as the long-term Expansion Capital investments and Maintenance Capital expenditures required for CES to execute its business plan have not been significant in relation to the total revenue and Adjusted EBITDAC generated. Refer to "Non-GAAP Measures and Other Financial Measures" for further details on the calculation of Distributable Earnings.

NCIB

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. A summary of the Company's NCIB program, excluding any associated taxes on share repurchases, is presented below:

	Renewed NCIB July 22, 2026 to September 30, 2026	Nine Months Ended September 30, 2026	Since Inception July 17, 2018 to September 30, 2026
Common shares repurchased and canceled through NCIB	1,575,000	4,023,100	90,053,106
Cash outlay	28,965	65,234	440,730
Average price per share	18.39	16.21	4.89

As at September 30, 2026, the Company has repurchased 90,053,106 or approximately 33% of the common shares outstanding since inception of the NCIB programs on July 17, 2018, at a weighted average price of $4.89 per share. Subsequent to September 30, 2026, the Company repurchased 1,047,700 additional shares at a weighted average price of $19.46 for a total of $20.4 million.

Share Capital and Stock-Based Compensation Plans

A summary of the Company's common shares and stock-based compensation plans outstanding is as follows:

	As at		
	November 12, 2026	September 30, 2026	December 31, 2025
Common shares outstanding	207,528,600	208,512,325	210,949,911
Restricted Share Unit Plan ("RSU")	1,554,506	1,609,261	2,523,252
Phantom Share Unit Plan ("PSU")	2,978,726	2,978,726	4,663,290

NON-GAAP MEASURES AND OTHER FINANCIAL MEASURES

The accompanying consolidated financial statements have been prepared in accordance with IFRS. Certain supplementary information and measures not recognized under IFRS are also provided in this MD&A where Management believes they assist the reader in understanding CES' results. These measures are calculated by CES on a consistent basis unless otherwise specifically explained. These measures do not have a standardized meaning under IFRS and may therefore not be comparable to similar measures used by other issuers.

Non-GAAP financial measures and non-GAAP ratios have the definition set out in National Instrument 52-112 "Non-GAAP and Other Financial Measures Disclosure". The non-GAAP measures, non-GAAP ratios and supplementary financial measures used in this MD&A, with IFRS measures, are the most appropriate measures for reviewing and understanding the Company's financial results. The non-GAAP measures and non-GAAP ratios are further defined for use throughout this MD&A as follows:

EBITDAC - is a non-GAAP measure that has been reconciled to net income for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. EBITDAC is defined as net income before interest, taxes, depreciation and amortization, finance costs, other income (loss), stock-based compensation, and impairment of goodwill, which are not reflective of underlying operations. EBITDAC is a metric used to assess the financial performance of an entity's operations. Management believes that this metric provides an indication of the results generated by the Company's business activities prior to how these activities are financed, how the Company is taxed in various jurisdictions, and how the results are impacted by foreign exchange, derivatives, and non-cash charges. This non-GAAP financial measure is also used by Management as a key performance metric supporting decision making and assessing divisional results.

Adjusted EBITDAC - is a non-GAAP measure that is defined as EBITDAC noted above, adjusted for specific items that are considered to be non-recurring in nature. Management believes that this metric is relevant when assessing normalized operating performance.

Adjusted EBITDAC % of Revenue - is a non-GAAP ratio calculated as Adjusted EBITDAC divided by revenue. Management believes that this metric is a useful measure of the Company's normalized operating performance relative to its top line revenue generation and a key industry performance measure.

Adjusted EBITDAC per share (basic and diluted) - is a non-GAAP ratio calculated as Adjusted EBITDAC divided by the weighted average number of basic and diluted shares outstanding, respectively. Adjusted EBITDAC is a non-GAAP measure. Management believes it is a useful measure of the Company's normalized operating performance on a per share basis.

Readers are cautioned that EBITDAC and Adjusted EBITDAC should not be considered to be more meaningful than net income determined in accordance with IFRS. EBITDAC, Adjusted EBITDAC, Adjusted EBITDAC % of Revenue and Adjusted EBITDAC per share are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Net income	**73,324**	40,489	**162,111**	136,425
Adjust for:				
Depreciation and amortization	**29,364**	26,686	**85,318**	76,939
Current income tax expense	**17,176**	2,782	**39,008**	25,600
Deferred income tax expense	**3,816**	16,821	**10,112**	18,874
Stock-based compensation	**11,597**	11,043	**45,341**	15,962
Finance costs	**4,892**	5,419	**18,034**	17,745
Other finance costs	**—**	—	**11,250**	39
Other (income) loss	**(189)**	80	**(313)**	(113)
EBITDAC	**139,980**	103,320	**370,861**	291,471
Adjusted EBITDAC	**139,980**	103,320	**370,861**	291,471
Adjusted EBITDAC % of Revenue	***17.8 %***	*16.6 %*	***17.0 %***	*15.9 %*
Adjusted EBITDAC per share - basic	***0.67***	*0.47*	***1.77***	*1.32*
Adjusted EBITDAC per share - diluted	***0.66***	*0.47*	***1.75***	*1.30*

Distributable Earnings - is a non-GAAP measure that is defined as cash provided by operating activities, adjusted for change in non-cash operating working capital less Maintenance Capital and repayment of lease obligations. Distributable Earnings is a measure used by Management and investors to analyze the amount of funds available to distribute to shareholders as dividends or through the NCIB program before consideration of funds required for growth purposes.

Dividend Payout Ratio - is a non-GAAP ratio that is defined as dividends declared as a percentage of Distributable Earnings. Management believes it is a useful measure of the proportion of available funds committed to being returned to shareholders in the form of a dividend relative to the Company's total Distributable Earnings.

Readers are cautioned that Distributable Earnings should not be considered to be more meaningful than cash provided by operating activities determined in accordance with IFRS. Distributable Earnings and Dividend Payout Ratio are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Cash provided by (used in) operating activities	**21,987**	51,643	**151,520**	177,728
Adjust for:				
Change in non-cash operating working capital	**106,368**	34,111	**136,007**	62,495
Maintenance Capital[(1)]	**(7,218)**	(6,187)	**(23,725)**	(25,747)
Repayment of lease obligations	**(12,320)**	(11,279)	**(34,554)**	(32,150)
Distributable Earnings	**108,817**	68,288	**229,248**	182,326
Dividends declared	**11,468**	9,169	**34,639**	28,051
Dividend Payout Ratio	**11 %**	13 %	**15 %**	15 %

[1]*Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" for further detail.*

Adjusted Gross Margin - is a non-GAAP measure that has been reconciled to Gross Margin for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. It represents Gross Margin under IFRS adjusted to exclude depreciation included in cost of sales as it relates to assets associated with operations and operating related activities, as well as adjusted for specific items that are considered to be non-recurring in nature. Management believes that this metric assists in determining CES' profitability prior to charges for depreciation. This non-GAAP financial measure is also used by Management to quantify the operating costs inherent in the Company's business activities, prior to operational related depreciation.

Adjusted Gross Margin % of Revenue - is a non-GAAP ratio that is calculated as Adjusted Gross Margin divided by revenue. Management believes that this metric is a useful measure of the Company's normalized cost of sales relative to its top line revenue generation. Readers are cautioned that Adjusted Gross Margin should not be considered to be more meaningful than Gross Margin determined in accordance with IFRS. Adjusted Gross Margin and Adjusted Gross Margin % of Revenue are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
$000s	**2026**	2025	**2026**	2025
Gross Margin	**192,808**	148,288	**527,824**	428,864
Gross Margin % of revenue	**25 %**	24 %	**24 %**	23 %
Adjust for:				
Depreciation included in cost of sales	**24,681**	22,278	**71,426**	64,174
Adjusted Gross Margin	**217,489**	170,566	**599,250**	493,038
Adjusted Gross Margin % of revenue	**28 %**	27 %	**27 %**	27 %

Adjusted General & Administrative Costs - is a non-GAAP measure that has been reconciled to General and Administrative expenses for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. Adjusted G&A costs excludes stock-based compensation, which is not reflective of underlying operations, depreciation and amortization, as it relates to assets not associated with operations and operating related activities, and specific items that are considered to be non-recurring in nature. Management believes that Adjusted G&A costs and Adjusted G&A costs % of Revenue assist in demonstrating CES' profitability.

Adjusted General & Administrative Costs % of Revenue - is a non-GAAP ratio that is calculated as Adjusted General and Administrative costs divided by revenue. Management believes that this metric is a useful measure of the Company's normalized G&A relative to its top line revenue generation. Readers are cautioned that Adjusted G&A costs should not be considered to be more meaningful than G&A expenses determined in accordance with IFRS. Adjusted G&A costs and Adjusted G&A costs % of Revenue are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
General and administrative expenses	**93,789**	82,697	**287,622**	230,294
G&A expenses % of revenue	**12 %**	13 %	**13 %**	13 %
Adjust for:				
Stock-based compensation	**11,597**	11,043	**45,341**	15,962
Depreciation & amortization	**4,683**	4,408	**13,892**	12,765
Adjusted General and Administrative Costs	**77,509**	67,246	**228,389**	201,567
Adjusted G&A Costs % of revenue	**10 %**	11 %	**10 %**	11 %

Funds Flow from Operations - is a non-GAAP measure that has been reconciled to Cash provided by (used in) operating activities for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. Funds Flow from Operations is defined as cash flow from operations before changes in non-cash operating working capital and represents the Company's after tax operating cash flows. Readers are cautioned that this measure is not intended to be considered more meaningful than cash provided by operating activities or other measures of financial performance calculated in accordance with IFRS. Funds Flow from Operations is used by Management to assess operating performance and leverage, and is calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Cash provided by (used in) operating activities	**21,987**	51,643	**151,520**	177,728
Adjust for:				
Change in non-cash operating working capital	**106,368**	34,111	**136,007**	62,495
Funds Flow from Operations	**128,355**	85,754	**287,527**	240,223

Free Cash Flow - is a non-GAAP measure that has been reconciled to Cash provided by (used in) operating activities for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. Free Cash Flow is defined as cash flow from operations adjusted for capital expenditures and repayment of lease obligations, net of proceeds on disposal of assets, and represents the Company's core operating results in excess of required capital expenditures. Readers are cautioned that this measure is not intended to be considered more meaningful than cash provided by operating activities, comprehensive income (loss), or other measures of financial performance calculated in accordance with IFRS.

Free Cash Flow is used by Management to assess operating performance and leverage, and is calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Cash provided by (used in) operating activities	**21,987**	51,643	**151,520**	177,728
Adjust for:				
Expansion Capital[(1)]	**(13,183)**	(8,804)	**(50,888)**	(40,108)
Maintenance Capital[(1)]	**(7,218)**	(6,187)	**(23,725)**	(25,747)
Repayment of lease obligations	**(12,320)**	(11,279)	**(34,554)**	(32,150)
Proceeds on disposal of assets	**2,344**	1,817	**7,306**	8,349
Free Cash Flow	**(8,390)**	27,190	**49,659**	88,072

[1]*Supplementary Financial Measure. Supplementary Financial Measures are provided in this MD&A because Management believes they assist the reader in understanding CES' results.*

Net Cash Used for Investment in Property and Equipment - is a non-GAAP measure that has been reconciled to Cash used for investment in property and equipment, being the most directly comparable measure calculated in accordance with IFRS. Management believes that this metric is a key measure to assess the total capital required to support ongoing business operations. Readers are cautioned that this measure is not intended to be considered more meaningful than cash used for investment in property and equipment or other measures of financial performance calculated in accordance with IFRS. Net Cash Used for Investment in Property and Equipment is calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2026	2025	**2026**	2025
Cash used for investment in property and equipment	**20,168**	15,217	**73,656**	67,322
Adjust for:				
Proceeds on disposal of assets	**(2,344)**	(1,817)	**(7,306)**	(8,349)
Net Cash used for investment in property and equipment	**17,824**	13,400	**66,350**	58,973

Working Capital Surplus - is a non-GAAP measure that is calculated as current assets less current liabilities, excluding the current portions of lease obligations, long-term debt, and deferred acquisition consideration. Management believes that this metric is a key measure to assess operating performance and leverage of the Company and uses it to monitor its capital structure.

Net Debt and Total Debt - are non-GAAP measures that Management believes are key metrics to assess liquidity of the Company and uses them to monitor its capital structure. Net Debt represents Total Debt, which includes the Senior Facility, the Senior Notes, both current and non-current portions of lease obligations, and deferred acquisition consideration, non-current portion of cash settled incentive obligations, offset by the Company's cash position, less Working Capital Surplus.

Readers are cautioned that Total Debt, Working Capital Surplus, and Net Debt should not be construed as alternative measures to Long-term financial liabilities as determined in accordance with IFRS.

Total Debt, Working Capital Surplus, and Net Debt are calculated as follows:

	As at	
	September 30, 2026	December 31, 2025
Long-term financial liabilities[1]	**521,069**	453,753
Current portion of lease obligations	**41,480**	39,444
Current portion of deferred acquisition consideration	**2,929**	3,439
Total Debt	**565,478**	496,636
Deduct Working Capital Surplus:		
Current assets	**1,228,022**	999,789
Current liabilities[2]	**390,083**	306,382
Working Capital Surplus	**837,939**	693,407
Net Debt	**(272,461)**	(196,771)

[1]Includes long-term portion of the Senior Facility, the Senior Notes, lease obligations, deferred acquisition consideration, and cash settled incentive obligations.
[2]Excludes current portion of lease liabilities and deferred acquisition consideration.

Shares outstanding, End of period - Fully Diluted - is a non-GAAP measure that has been reconciled to Common Shares outstanding for the financial periods, being the most directly comparable measure calculated in accordance with IFRS. This measure is not intended to be considered more meaningful than Common shares outstanding. Management believes that this metric is a key measure to assess the total potential shares outstanding for the financial periods and is calculated as follows:

	As at	
	September 30, 2026	December 31, 2025
Common shares outstanding	**208,512,325**	210,949,911
Restricted share units outstanding, end of period	**1,609,261**	2,523,252
Shares outstanding, end of period - fully diluted	**210,121,586**	213,473,163

Supplementary Financial Measures
A Supplementary Financial Measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company; (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio. Supplementary financial measures found within this MD&A are as follows:

Revenue - United States - comprises a component of total revenue, as determined in accordance with IFRS, and is calculated as revenue recorded from the Company's US divisions.

Revenue - Canada - comprises a component of total revenue, as determined in accordance with IFRS, and is calculated as revenue recorded from the Company's Canadian divisions.

Gross Margin % of Revenue - calculated as gross margin, as determined in accordance with IFRS, divided by revenue, as determined in accordance with IFRS, for the period.

General and Administrative Expenses % of Revenue - calculated as general and administrative expenses, as determined in accordance with IFRS, divided by revenue, as determined in accordance with IFRS, for the period.

Expansion Capital - comprises a component of total investment in property and equipment as determined in accordance with IFRS, and represents the amount of capital expenditure that has been or will be incurred to grow or expand the business or would otherwise improve the productive capacity of the operations of the business.

Maintenance Capital - comprises a component of total investment in property and equipment as determined in accordance with IFRS, and represents the amount of capital expenditure that has been or will be incurred to sustain the current level of operations.

OPERATIONAL DEFINITIONS

Operational terms used throughout this MD&A include:

Canadian DF Market Share - CES estimates its market share in Canada for its drilling fluids operations by comparing, on a semi-weekly basis, active rigs where CES was contracted to provide services to the total active rigs for Western Canada. The number of total active rigs for Western Canada is based on Canadian Association of Energy Contractors ("CAOEC") published data for Western Canada.

US DF Market Share - CES estimates its market share in the US for its drilling fluids operations by comparing, on a semi-weekly basis, active rigs where CES was contracted to provide services to the total active land rigs in the United States. The number of total active rigs in the United States is based on the weekly land based Baker Hughes North American Rotary Rig Count.

Operating Days - For its drilling fluids operations, CES estimates its Operating Days, which are revenue generating days, by multiplying the average number of active rigs where CES was providing drilling fluid services by the number of days in the period.

Average Rig Count - For its drilling fluids operations, CES estimates its Average Rig Count, which is the average monthly number of active rigs where CES was providing drilling fluids in the referenced period.

Treatment Points - Represents the average estimated number of unique wells or oilfield sites serviced monthly by CES in the referenced period with production and specialty chemicals.

CRITICAL ACCOUNTING JUDGMENTS AND ESTIMATES

As a routine element of the financial statement preparation process, Management is required to make estimates and assumptions based on information available as at the financial statement date. These estimates and assumptions affect the reported amounts of assets and liabilities, and the possible disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of revenue and expenses for the period. These estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. The current fluctuation in market conditions introduce additional uncertainties, risks and complexities in Management's determination of the estimates and assumptions used to prepare CES' financial results. As such, actual results may differ from estimates and the effect of such differences may be material. The impacts of such estimates are pervasive throughout the condensed consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods. The most significant estimates in CES' condensed consolidated financial statements have been set out in the Company's MD&A for the year ended December 31, 2025, and its audited annual consolidated financial statements and notes thereto for the year ended December 31, 2025.

MATERIAL ACCOUNTING POLICY INFORMATION

The Company's material accounting policy information can be found in Note 3 of the consolidated financial statements for the year ended December 31, 2025. There have been no new standards or interpretations issued during the three and nine months ended September 30, 2026, that materially impact the Company.

CORPORATE GOVERNANCE

Disclosure Controls and Procedures ("DC&P")

DC&P have been designed to provide reasonable assurance that information required to be reported by CES is gathered, recorded, processed, summarized and reported to senior management, including the President and Chief Executive Officer and Chief Financial Officer of CES, to allow timely decisions regarding required public disclosure by CES in its annual filings, interim filings, or other reports filed or submitted in accordance with Canadian securities legislation.

Internal Controls over Financial Reporting ("ICFR")

Management of CES is responsible for establishing and maintaining ICFR for CES to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. There have been no changes to CES' internal controls over financial reporting during the three and nine months ended September 30, 2026, that have materially affected, or are reasonably likely to materially affect, its internal controls over financial reporting.

While the President and Chief Executive Officer and Chief Financial Officer believe that CES' DC&P and ICFR provide a reasonable level of assurance that they are effective, they do not expect that the DC&P or ICFR will prevent all errors and fraud. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

For information regarding the corporate governance policies and practices of CES, the reader should refer to CES' 2025 Annual Report, CES' Annual Information Form dated March 10, 2026, in respect of the year ended December 31, 2025, and CES' Information Circular in respect of the June 16, 2026, Annual General and Special Meeting of shareholders each of which are available on the CES' SEDAR+ profile at www.sedarplus.ca.

RISKS AND UNCERTAINTIES AND NEW DEVELOPMENTS

CES' financial results described herein demonstrated the Company's capabilities in the markets in which the Company operates along with a proven defensible balance sheet and business model.

CES' customers are primarily North American oil and gas producers. Activity in the oil and gas industry is cyclical in nature. CES is directly affected by fluctuations in the level and complexity of oil and gas exploration and development activity carried on by its clients. In Canada, drilling activity is seasonal and, in turn, throughout North America it is directly affected by a variety of factors including: weather; natural disasters such as floods, tornadoes, and hurricanes; oil, natural gas, and natural gas liquids commodity prices; pipeline takeaway capacity; outcomes of major LNG projects; access to capital markets; government policies including, but not limited to, royalty, environmental, and industry regulations; and oil and natural gas demand fluctuations, which may be impacted by global political, military, economic, and social factors. Any prolonged or significant decrease in energy prices, economic activity or demand, or an adverse change in government regulations could have a significant negative impact on exploration and development drilling and completion activity in North America and, in turn, demand for CES' products and services.

As a provider of technically advanced consumable chemical solutions throughout the life-cycle of the oilfield, the volatility in activity experienced at the drill-bit, fracturing and completion stages is somewhat muted by the long-term and less variable revenue generated by CES at the pump-jack and wellhead during the production stage and in the mid-stream, pipeline and transportation phases. As CES grows these facets of its business, the predictability of its earnings should also increase. The revenue and general market consumption of consumable chemicals in these market segments is more stable and predictable than the drilling fluids market, however a material reduction in the demand for oil and gas may impact the demand for consumable chemicals as operators shut-in production.

Volatility in financial markets may impact the general availability of both credit and equity financing in the marketplace. World-wide political and economic risks are also intensifying, including the shift in US foreign policy and the use and threat of tariffs to achieve political and economic objectives. Should there be significant economic contraction as a result of changes to US foreign or tariff policy, if the conflict in Ukraine escalates or expands beyond Ukraine's borders, if conflict in the Middle East further intensifies and is prolonged, or if the trade and economic dispute between China and the United States continues, this could have a significant impact not only on credit and equity markets, but also on global supply chains and demand for CES' products and services.

Although there has been a significant recovery in capital markets as it relates to the oil and gas industry, if there is a significant economic slowdown in the broader economy, it may prove to be difficult under future market conditions to issue additional equity, maintain or increase credit capacity, or re-finance existing credit without significant costs. CES is also reliant on its Senior Facility to fund working capital and other growth initiatives. In the event CES' lenders are unable to, or choose not to continue to fund CES, it would impair CES' ability to operate until alternative sources of financing were obtained, as access to the Senior Facility is critical to the effective execution of CES' business plan. At September 30, 2026, CES is in compliance with terms and covenants of all of its lending agreements including the Senior Facility and Senior Notes indenture.

The ability of CES to sell and expand its services will also depend upon the ability to attract and retain qualified personnel as needed. The demand for skilled employees has increased in recent years and the supply of top quality, experienced talent has been limited. The unexpected loss of CES' key personnel, the inability to retain or recruit skilled personnel, or potential disruptions to our employees' ability to perform their duties as a result of unforeseen events such as natural disasters or impacts from global pandemics, could have an adverse effect on CES' results. CES addresses these risks by:

- attracting well trained and experienced professionals;
- offering competitive compensation at all levels;
- providing a variety of tools and technologies to enable employees to work remotely;
- ensuring a safe working environment with clearly defined standards and procedures; and
- offering its employees both internal and external training programs.

CES takes its health, safety, and environmental responsibilities seriously and has standards, policies, and procedures to address these risks. In addition, CES maintains insurance policies with respect to its operations providing coverage over what it considers to be material insurable risks. Although the Company maintains insurance policies, such insurance may not provide adequate coverage in all circumstances, nor are all such risks insurable. There can also be assurance that the Company will be able to maintain adequate insurance in the future at rates it considers reasonable and commercially justifiable. It is possible that the Company's insurance coverage will not be sufficient to address the costs arising out of the allocation of liabilities and risk of loss.

Significant changes in the oil and gas industry including economic conditions, commodity prices, environmental regulations, government policy, pipeline takeaway capacity, and other factors may adversely affect CES' ability to realize the full value of its accounts receivable. In addition, a concentration of credit risk exists in trade accounts receivable since they are predominantly with companies operating in the WCSB in Canada and in the Texas, Mid-continent, Rockies, and Northeast regions of the US. CES continues to attempt to mitigate the credit risk associated with its customer receivables by performing credit checks as considered necessary, managing the amount and timing of exposure to individual customers, reviewing its credit procedures on a regular basis, reviewing and actively following up on older accounts, and insuring trade credit risks where deemed appropriate. CES does not anticipate any significant issues in the collection of its customer receivables at this time outside of those which have already been provided for, but continues to monitor these risks on an ongoing basis. If oil and gas prices were to be depressed for an extended period of time, particularly with respect to pricing differentials affecting producers in the WCSB, and if access to capital markets remains weak for CES' customers, there would be a risk of increased bad debts. It is not possible at this time to predict the likelihood, or magnitude, of this risk.

CES' US footprint and size of operations continues to make up the majority of CES' business. CES' significant US presence provides for upside potential and reduces certain risks through diversification of operations. It also exposes the Company to additional specific risks including: currency risk with added exposure to fluctuations in the USD; regulatory risks associated with environmental concerns; and the future impact of increased regulatory requirements. In addition, the outcome of the US election has created additional uncertainty with respect to the regulatory environment as well as tariffs and other policies impacting trade between the US, Canada, and the rest of the world.

The Company's ability to provide services to its customers is also dependent upon the availability at reasonable prices of raw materials, which the Company purchases from various suppliers, many of whom are located in North America but also increasingly from overseas including Asia and the Middle East. The availability and supply of materials has been consistent in the past; however there have been increasing supply chain issues and disruptions which have periodically emerged. Coupled with increasing demand from the Company's customers, periodic shortages of certain materials have been experienced and costs have been affected. The Company does source some limited, non-exclusive products from the Middle East, and a significant escalation in the conflict between the United States, Israel and Iran, along with the impacts on neighboring countries may result in delays or the inability to source certain products. Notwithstanding, the Company can source these products from other regions should the conflict in the Middle East result in limitations for the Company to source such materials.

Additionally, increased political tensions relating to China and its relationship with the rest of the western world, could cause significant supply chain disruptions, particularly as the Company sources more materials from Asia. Moreover, disruptions to transportation networks, impacts from pandemics, shortages of transportation infrastructure (including container availability), or other disruptions to global supply chains may impact the Company's ability to deliver products and services to its customers. These disruptions may also impact global demand for oil and gas, which may in turn result in a reduction in drilling activity and production economics globally. CES continues to evaluate potential changes to customer activity levels and the potential impacts to our business.

The foregoing risks and uncertainties are not intended to be exhaustive. Reference should be made to CES' Annual Information Form dated March 10, 2026, for the year ended December 31, 2025, and in particular to the heading "Risk Factors" for further risks associated with the business, operations, and structure of CES, which is available on CES' SEDAR+ profile at www.sedarplus.ca.

FORWARD-LOOKING INFORMATION & STATEMENTS

Certain statements in this MD&A may constitute forward-looking information or forward-looking statements (collectively referred to as "forward-looking information"), which involves known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of CES, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking information. When used in this MD&A, such information uses such words as "may", "would", "could", "will", "intend", "expect", "believe", "plan", "anticipate", "estimate", and other similar terminology. This information reflects CES' current expectations regarding future events and operating performance and speaks only as of the date of the MD&A. Forward-looking information involves significant risks and uncertainties, should not be read as a guarantee of future performance or results, and will not necessarily be an accurate indication of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking information, including, but not limited to, the factors discussed below. Management of CES believes the material factors, expectations and assumptions reflected in the forward-looking information are reasonable but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking information contained in this document speaks only as of the date of the document, and CES assumes no obligation to publicly update or revise such information to reflect new events or circumstances, except as may be required pursuant to applicable securities laws or regulations.

In particular, this MD&A contains forward-looking information pertaining to the following: the Company’s expectations regarding future revenue, profitability, and cash flow generation; anticipated capital expenditures for 2026 and 2027, including maintenance and expansion capital, and the timing and allocation of such expenditures; the Company’s business strategy and ability to execute growth initiatives in Canada, the United States, and internationally; expectations regarding market demand, customer activity levels, and industry conditions in the oilfield consumable chemicals sector; seasonality in the WCSB and the impact on the Company’s operating results and working capital requirements; the impact of economic policy, tariffs, regulatory changes, and geopolitical risks on the energy sector, supply chains, and the Company; the Company’s ability to maintain or increase market share in drilling fluids and production chemicals; adoption and development of advanced chemical solutions and new technologies; investments in research and development and scientific talent; management of working capital and optimization processes; sufficiency of liquidity and capital resources to meet long-term payment obligations and support business development opportunities; access to debt and capital markets, cost of capital, and impacts of financing activities including Senior Notes and the Senior Facility, and the sufficiency of the Company's capital structure to address its near-term and longer-term requirements; anticipated drilling activity for natural gas projects and trends in upstream oil and gas activity; industry activity levels; the impact of new drilling techniques, longer reach laterals, increased service intensity, and hydraulic fracturing; expectations regarding resilient demand from developing countries, growing LNG and AI related power requirements, and the importance of energy security on end markets for oil and gas; OPEC+ production quotas; expectations regarding the end market outlook for the Company's products and services relating to service intensity, chemical treatment requirements, commodity prices, and global energy demand; the impact of fluctuating oil and gas pricing on production economics and the resulting impact on activity levels and spending plans; the impact of the escalation of armed conflict in the Middle East, including hostilities involving Iran and disruption to the Strait of Hormuz, and the uncertain duration and resolution of such conflict, on supply and demand dynamics, commodity pricing, and supply chains; the relative insulation of the Company's business model from tariff-related near term uncertainty; the effect of acquisitions and potential mergers; the performance and expansion of operations and business units; expectations regarding the benefits from secular trends in upstream activity; the timing and impact of adoption of new accounting standards and application of critical accounting estimates and judgments; management’s opinion of the impact of potential litigation or disputes; anticipated share repurchases under the Company's renewed NCIB; the use of equity derivative contracts to mitigate exposure to share price fluctuations under the cash-settled stock-based compensation plan; the ability to attract and retain qualified personnel; the sufficiency and adequacy of insurance coverage; the impact of supply chain disruptions, transportation infrastructure, and global events on operations; the business strategy regarding cash dividend payments and future dividend levels; and competitive conditions.

CES' actual results could differ materially from those anticipated in the forward-looking information as a result of the following factors: general economic conditions in the US, Canada, and internationally; geopolitical risk; fluctuations in demand for consumable fluids and chemical oilfield services, downturn in oilfield activity; oilfield activity in the Permian, the WCSB, and other basins in which the Company operates; a decline in frac related chemical sales; a decline in operator usage of chemicals on wells; decreased service intensity levels; an increase in the number of customer well shut-ins; a shift in types of wells drilled; volatility in market prices

for oil, natural gas, and natural gas liquids and the effect of this volatility on the demand for oilfield services generally; declines in prices for natural gas, natural gas liquids, and oil, and pricing differentials between world pricing, pricing in North America, and pricing in Canada; decisions by OPEC+ regarding production quotas, including setting of 2027 production baselines and quotas, the timing of any unwinding of remaining production cuts, the ability of members to produce and deliver barrels to market at quota levels, and the resulting impact on global supply and prices; the impact of the imposition, maintenance, or removal of sanctions on Russia and Iran and the potential for additional oil and gas supply to the global markets; the release of government-held strategic petroleum and refined product inventories, including coordinated releases by IEA member countries competition, and pricing pressures from customers in the current commodity environment; conflict, war and political and societal unrest that may impact CES' operations, supply chains as well as impact the market for oil and natural gas generally; the short-term and long-term impact of the escalation of armed conflict in the Middle East, including hostilities involving Iran, the breakdown of ceasefire arrangements, the United States naval blockade of Iran, attacks on regional oil infrastructure, and the closure, disruption of, or attacks on vessels transiting the Strait of Hormuz and the Bab al-Mandab Strait; currency risk as a result of fluctuations in value of the US or Canadian dollar; liabilities and risks, including environmental liabilities and risks inherent in oil and natural gas operations; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, shipping containers, and skilled management, technical and field personnel; the collectability of accounts receivable; ability to integrate technological advances and match advances of competitors; ability to protect the Company's proprietary technologies; availability of capital; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; the ability to successfully integrate and achieve synergies from the Company's acquisitions; changes in legislation and the regulatory environment, including uncertainties with respect to oil and gas royalty regimes, programs to reduce greenhouse gas and other emissions and regulations restricting the use of hydraulic fracturing; pipeline capacity and other transportation infrastructure constraints; changes to government mandated production curtailments; reassessment and audit risk and other tax filing matters; changes and proposed changes to US policies including tax policies or policies relating to the oil and gas industry, or trade policies; impact of tariffs on the global economy, supply chains, the energy industry, and the Company; international and domestic trade disputes, including restrictions on the transportation of oil and natural gas and regulations governing the sale and export of oil, natural gas and refined petroleum products; the impact of climate change policies in the regions which CES operates; the impact and speed of adoption of low carbon technologies; potential changes to the crude by rail industry; changes to the fiscal regimes applicable to entities operating in the US and WCSB; access to capital and the liquidity of debt markets; fluctuations in foreign exchange and interest rates, including the impact of changing interest rates on the broader economy; CES' ability to maintain adequate insurance at rates it considers reasonable and commercially justifiable; the impact of litigation which the Company is involved in; and the other factors considered under "Risk Factors" in CES' Annual Information Form dated March 10, 2026, for the year ended December 31, 2025, and "Risks and Uncertainties" in this MD&A.

Without limiting the foregoing, the forward-looking information contained in this MD&A is expressly qualified by this cautionary statement.

MARKET AND INDUSTRY DATA

Unless otherwise indicated, the market and industry data contained in this MD&A is based upon independent industry publications and websites or was based on estimates derived from the same along with the knowledge of and experience of management in the markets in which the Company operates. Government and industry publications and reports generally indicate that they have obtained their information from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. None of these sources have provided any form of consultation, advice or counsel regarding any aspect of, or is in any way whatsoever associated with, CES. Actual outcomes may vary materially from those forecasted in such reports or publications, and the prospect for material variation can be expected to increase as the length of the forecast period increases. While the Company believes this data can be reasonably relied on, market and industry data is subject to variations and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. The Company has not independently verified any of the data from third party sources referred to in this MD&A or ascertained the underlying assumptions relied upon by such sources.

ADDITIONAL INFORMATION

Additional information related to CES can be found on the System for Electronic Document Analysis and Retrieval (SEDAR+) at www.sedarplus.ca. Information is also accessible on CES' web site at www.cesenergysolutions.com.

STOCK EXCHANGE LISTINGS
Toronto Stock Exchange
Trading Symbol: CEU

OTC
Trading Symbol: CESDF

BOARD OF DIRECTORS
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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

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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

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