



**Condensed Consolidated Financial Statements**

**For the Three and Six Months Ended June 30, 2024 and 2023**

**CES Energy Solutions Corp.**

Condensed Consolidated Statement of Financial Position (unaudited)  
(stated in thousands of Canadian dollars)

	As at	
	June 30, 2024	December 31, 2023
<b>ASSETS</b>		
Current assets		
Accounts receivable	417,094	441,836
Financial derivative asset (note 9)	27,280	5,085
Income taxes receivable	272	66
Inventory	411,741	408,600
Prepaid expenses and deposits	27,931	25,185
	<b>884,318</b>	<b>880,772</b>
Property and equipment (note 4)	334,351	306,475
Right of use assets (note 5)	89,436	75,640
Intangible assets	24,197	25,993
Deferred income tax asset	7,759	16,467
Other assets	17,948	18,510
Goodwill	55,269	53,408
	<b>1,413,278</b>	<b>1,377,265</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	231,734	234,349
Financial derivative liability	—	120
Dividends payable (note 10)	7,056	5,901
Income taxes payable	5,923	7,638
Current portion of deferred acquisition consideration	2,733	1,423
Current portion of lease obligations	30,709	27,980
Current portion of long-term debt (note 6)	—	20,800
	<b>278,155</b>	<b>298,211</b>
Long-term debt (note 6)	306,317	369,816
Lease obligations	54,550	45,121
Deferred acquisition consideration	—	1,320
Deferred income tax liability	1,553	1,643
Other long-term liabilities (note 8)	10,831	3,159
	<b>651,406</b>	<b>719,270</b>
Commitments (note 11)		
Shareholders' equity		
Common shares (note 7)	584,176	593,005
Contributed surplus	34,982	37,462
Deficit	(52,250)	(140,771)
Accumulated other comprehensive income	194,964	168,299
	<b>761,872</b>	<b>657,995</b>
	<b>1,413,278</b>	<b>1,377,265</b>

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

**CES Energy Solutions Corp.**Condensed Consolidated Statements of Net Income and Comprehensive Income (unaudited)  
(stated in thousands of Canadian dollars, except per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Revenue	<b>553,196</b>	515,842	<b>1,141,774</b>	1,073,538
Cost of sales	<b>412,171</b>	400,392	<b>855,089</b>	841,775
Gross margin	<b>141,025</b>	115,450	<b>286,685</b>	231,763
General and administrative expenses	<b>85,015</b>	64,029	<b>157,979</b>	125,288
Operating profit	<b>56,010</b>	51,421	<b>128,706</b>	106,475
Finance costs	<b>(5,121)</b>	6,453	<b>1,798</b>	16,935
Other (income) loss	<b>(681)</b>	41	<b>(1,727)</b>	118
Income before taxes	<b>61,812</b>	44,927	<b>128,635</b>	89,422
Current income tax expense	<b>9,261</b>	3,597	<b>17,004</b>	6,874
Deferred income tax expense	<b>4,396</b>	7,429	<b>9,018</b>	15,645
Net income	<b>48,155</b>	33,901	<b>102,613</b>	66,903
Other comprehensive income (items that may be subsequently reclassified to net income):				
Unrealized foreign exchange gain (loss) on translation of foreign operations	<b>8,423</b>	(16,179)	<b>27,499</b>	(16,664)
Change in fair value of other assets, net of tax	<b>(53)</b>	269	<b>(834)</b>	517
Comprehensive income	<b>56,525</b>	17,991	<b>129,278</b>	50,756
Net income per share (note 7)				
Basic	<b>0.20</b>	0.13	<b>0.44</b>	0.26
Diluted	<b>0.20</b>	0.13	<b>0.43</b>	0.26

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

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

	Six Months Ended June 30,	
	2024	2023
<b>COMMON SHARES</b>		
Balance, beginning of period	593,005	658,820
Issued pursuant to stock-based compensation (note 7)	8,851	2,632
Issued pursuant to stock settled director fees	86	85
Common shares repurchased and canceled through NCIB (note 7)	(17,766)	(11,807)
Balance, end of period	584,176	649,730
<b>CONTRIBUTED SURPLUS</b>		
Balance, beginning of period	37,462	34,866
Reclassified pursuant to stock-based compensation (note 7)	(8,851)	(4,813)
Stock-based compensation expense (note 8)	6,371	5,057
Balance, end of period	34,982	35,110
<b>DEFICIT</b>		
Balance, beginning of period	(140,771)	(272,076)
Net income	102,613	66,903
Dividends declared (note 10)	(14,092)	(11,415)
Balance, end of period	(52,250)	(216,588)
<b>ACCUMULATED OTHER COMPREHENSIVE INCOME</b>		
Balance, beginning of period	168,299	187,439
Unrealized foreign exchange gain (loss) on translation of foreign operations	27,499	(16,664)
Change in fair value of other assets, net of tax	(834)	517
Balance, end of period	194,964	171,292
	761,872	639,544

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

## CES Energy Solutions Corp.

Condensed Consolidated Statements of Cash Flows (unaudited)

(stated in thousands of Canadian dollars)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<b>CASH PROVIDED BY (USED IN):</b>				
<b>OPERATING ACTIVITIES:</b>				
Net income	48,155	33,901	102,613	66,903
Adjustments for:				
Depreciation and amortization	20,948	17,883	40,643	36,793
Stock-based compensation (note 8)	4,066	3,332	6,371	5,057
Other non-cash (income) loss	(15,577)	1,993	(21,748)	3,493
Deferred income tax expense	4,396	7,429	9,018	15,645
Gain on disposal of assets	(428)	(1,543)	(1,172)	(2,271)
Funds flow from operations	61,560	62,995	135,725	125,620
Change in non-cash working capital (note 12)	21,685	26,332	33,848	36,945
	83,245	89,327	169,573	162,565
<b>FINANCING ACTIVITIES:</b>				
Repayment of lease obligations	(8,348)	(6,161)	(16,048)	(11,621)
Repayment of Canadian Term Loan Facility	(250,000)	—	(250,000)	—
Net proceeds from Senior Notes issuance	195,647	—	195,647	—
Increase (decrease) in Senior Facility	5,938	(46,620)	(29,224)	(88,185)
Shareholder dividends	(7,036)	(5,103)	(12,937)	(10,193)
Settlement of restricted share units	—	—	—	(2,181)
Repurchase and cancellation under NCIB (note 7)	—	(7,593)	(17,766)	(11,807)
	(63,799)	(65,477)	(130,328)	(123,987)
<b>INVESTING ACTIVITIES:</b>				
Investment in property and equipment	(20,693)	(18,874)	(41,680)	(33,151)
Investment in intangible assets	(1,786)	(370)	(1,903)	(456)
Distribution of (investment in) other assets	1,447	(7,514)	1,464	(7,613)
Deferred acquisition consideration	—	—	—	(1,518)
Proceeds on disposal of assets	1,586	2,908	2,874	4,160
	(19,446)	(23,850)	(39,245)	(38,578)
<b>CHANGE IN CASH:</b>				
Cash, beginning of period	—	—	—	—
Cash, end of period	—	—	—	—
<b>SUPPLEMENTARY CASH FLOW DISCLOSURE</b>				
Interest paid	6,446	14,140	17,947	18,519
Income taxes paid	16,618	7,130	19,032	8,092

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

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

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

---

### 1. The Company

CES Energy Solutions Corp. (the “Company” or “CES”) is a company domiciled in Canada and is incorporated under the Business Corporations Act (Alberta). CES’ principal place of business is located at Suite 1400, 332 – 6<sup>th</sup> Avenue SW, Calgary, Alberta, Canada T2P 0B2. The condensed consolidated financial statements of the Company as at and for the three and six months ended June 30, 2024 and 2023 comprise the accounts of the Company and its subsidiaries (together referred to as the “Company” or “CES”).

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

### 2. Basis of Presentation

#### *Statement of Compliance*

These condensed consolidated financial statements have been prepared by management of the Company in accordance with International Accounting Standard (“IAS”) 34, “*Interim Financial Reporting*” and accordingly, do not include all disclosures required for annual financial statements. These condensed consolidated financial statements should be read in conjunction with the most recent audited annual consolidated financial statements and the notes thereto for the year ended December 31, 2023. These condensed consolidated financial statements were authorized for issue by the Company’s Board of Directors on August 8, 2024.

### 3. Material Accounting Policy Information, Estimates and Judgments

These condensed consolidated financial statements have been prepared following the same accounting principles and methods of computation as outlined in the Company’s annual consolidated financial statements for the year ended December 31, 2023. A description of accounting standards and interpretations that have been adopted by the Company can be found in the notes of the annual consolidated financial statements for the year ended December 31, 2023.

The preparation of the condensed consolidated financial statements requires management to make assumptions and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. These condensed consolidated financial statements include estimates, which by their nature, are uncertain. These assumptions and associated estimates are based on historical experience and other factors that are considered to be relevant. As such, actual results may differ from estimates and the effect of such differences may be material. Significant estimates and judgements used in the preparation of these condensed consolidated financial statements remained unchanged from those disclosed in the Company’s annual consolidated financial statements for the year ended December 31, 2023.

### 4. Property and Equipment

<b>Balance at December 31, 2023</b>	<b>306,475</b>
Additions	43,361
Transfers	(117)
Disposals, net of depreciation	(946)
Depreciation	(22,687)
Effect of movements in exchange rates	8,265
<b>Balance at June 30, 2024</b>	<b>334,351</b>

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

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

### 5. Right of Use Assets

<b>Balance at December 31, 2023</b>	<b>75,640</b>
Additions	27,929
Transfers	117
Disposals, net of depreciation	(1,113)
Depreciation	(14,704)
Effect of movements in exchange rates	1,567
<b>Balance at June 30, 2024</b>	<b>89,436</b>

### 6. Long-Term Debt

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

	As at	
	June 30, 2024	December 31, 2023
Senior Facility	112,046	142,458
Canadian Term Loan Facility <sup>(1)</sup>	—	250,000
Senior Notes	200,000	—
	<b>312,046</b>	392,458
Less: unamortized debt issue costs	(5,729)	(1,842)
Total long-term debt	<b>306,317</b>	390,616

<sup>(1)</sup>Canadian Term Loan Facility as at December 31, 2023 includes current portion of \$20,800.

#### Senior Facility and Canadian Term Loan

As at June 30, 2024, following the repayment in full of the \$250,000 Canadian Term Loan Facility on May 24, 2024, the Company has a syndicated and operating credit facility (the "Senior Facility") of approximately C\$ equivalent \$450,000. The Senior Facility matures on April 25, 2026, is secured by substantially all of the Company's assets, and includes customary terms, conditions and covenants.

As at June 30, 2024, the Senior Facility is comprised of a Canadian facility of \$300,000 and a US facility of US\$110,000 and had a net draw of \$110,598 (December 31, 2023 - net draw of \$140,616), with capitalized transaction costs of \$1,448 (December 31, 2023 - \$1,842). Transaction costs attributable to the Senior Facility are recorded as part of the facility and amortized to finance costs over the remaining term.

#### Senior Notes

On May 24, 2024, the Company completed the private placement of \$200,000 of 6.875% senior unsecured notes (the "Senior Notes") due on May 24, 2029, for net proceeds after offering expenses and commission of \$195,647. The Company used the proceeds from the issuance of the Senior Notes, along with amounts available under the Senior Facility, to repay the Canadian Term Loan Facility.

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 May 24, 2026. Interest is payable on the Senior Notes semi-annually on May 24 and November 24. 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.

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

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

As at June 30, 2024, 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	<b>1.155</b>	Not to exceed 4.0
Net Senior Debt to EBITDA for the four quarters ended	<b>0.482</b>	Not to exceed 3.5
EBITDA to Interest Expense, for the four quarters ended	<b>7.872</b>	Must exceed 2.5

For the three and six months ended June 30, 2024, the Company recorded \$9,315 and \$19,228 (2023 - \$10,484 and \$20,732, respectively) in interest expense related to its long-term debt and lease balances, including the amortization of debt issue costs.

Scheduled principal payments on the Company's long-term debt at June 30, 2024, are as follows:

2024 - 6 months	—
2025	—
2026	112,046
2027	—
2028 and thereafter	200,000
	<b>312,046</b>

### 7. Share Capital

#### a) Authorized

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

#### b) Issued and outstanding

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

	Six Months Ended June 30, 2024		Year Ended December 31, 2023	
	Number of Shares	Amount	Number of Shares	Amount
Balance, beginning of period	<b>236,042,566</b>	<b>593,005</b>	254,515,682	658,820
Issued pursuant to stock-based compensation	<b>3,701,206</b>	—	3,262,192	(2,181)
Contributed surplus related to stock-based compensation	—	<b>8,851</b>	—	7,136
Issued pursuant to stock settled director fee	<b>21,231</b>	<b>86</b>	59,592	171
Common shares repurchased and canceled through NCIB	<b>(4,576,130)</b>	<b>(17,766)</b>	(21,794,900)	(70,941)
Balance, end of period	<b>235,188,873</b>	<b>584,176</b>	236,042,566	593,005



## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

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

### Normal Course Issuer Bid (“NCIB”)

On July 21, 2023, the Company renewed the previous NCIB, under which it was authorized to repurchase for cancellation up to 18,719,430 common shares, being 10.0% of the public float of common shares at the time of renewal. The renewed NCIB had a termination date of on July 20, 2024, or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or is terminated at the Company’s election. As at June 30, 2024, the Company has repurchased the maximum number of common shares and has completed the current NCIB. A summary of the Company’s NCIB program is presented below:

	Renewed NCIB July 21, 2023 to June 30, 2024	Six Months Ended June 30, 2024	Since Inception July 17, 2018 to June 30, 2024
Common shares repurchased and canceled through NCIB	18,719,430	4,576,130	58,629,387
Cash outlay	68,534	17,766	154,046
Average price per share	3.66	3.88	2.63

On July 22, 2024, the Company renewed the previous NCIB to repurchase for cancellation up to 19,198,719 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, 2025, 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. Subsequent to June 30, 2024, the Company repurchased 1,498,200 additional shares at weighted average price of \$7.90 for a total of \$11,841.

### c) Net income per share

In calculating the basic and diluted net income per share for the three and six months ended June 30, 2024 and 2023, the weighted average number of shares used in the calculation is shown in the table below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Net income	48,155	33,901	102,613	66,903
Weighted average number of shares outstanding:				
Basic shares outstanding	235,162,870	253,756,497	234,768,108	254,316,550
Effect of dilutive shares	4,240,026	4,541,283	4,639,550	6,017,483
Diluted shares outstanding	239,402,896	258,297,780	239,407,658	260,334,033
Net income per share - basic	0.20	0.13	0.44	0.26
Net income per share - diluted	0.20	0.13	0.43	0.26

For the three and six months ended June 30, 2024, there were no anti-dilutive RSUs and Share Rights (2023 - 1,525,274 and nil, respectively).

## 8. Stock-Based Compensation

For the three and six months ended June 30, 2024, stock-based compensation expense of \$18,489 and \$28,130, respectively (2023 – \$4,589 and \$7,728, respectively) was recorded in general and administrative expenses relating to the Company’s stock-based compensation plans. As at June 30, 2024, a total of 11,759,444 common shares were reserved for issuance under the Company’s Restricted Share Unit Plan and Stock Settled Director Fee Program, of which 7,517,769 common shares remained available for grant.

### a) Restricted Share Unit (“RSU”) Plan

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

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

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

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

	Six Months Ended June 30, 2024		Year Ended December 31, 2023	
	Restricted Share Units	Average Price	Restricted Share Units	Average Price
Balance, beginning of period	5,342,676	\$2.50	5,922,363	\$1.83
Granted during the period	2,536,292	4.71	3,279,159	2.83
Reinvested during the period	63,931	3.00	183,236	2.35
Vested during the period	(3,701,206)	2.39	(4,042,082)	1.76
Forfeited during the period	(18)	2.67	—	—
Balance, end of period	4,241,675	\$3.92	5,342,676	\$2.50

Included in the stock-based compensation expense for the three and six months ended June 30, 2024, is an expense of \$4,066 and \$6,371, respectively (2023 - \$3,332 and \$5,057, respectively) relating to the Company's RSU Plan. The stock-based compensation costs for RSUs granted are based on the five day volume weighted average share price at the date of grant. The amount of compensation expense recorded for the six months ended June 30, 2024, was reduced by an estimated weighted average forfeiture rate of 0.48% (2023 - 0.80%) per year at the date of grant.

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

CES' PSU Plan provides cash-settled incentives to eligible non-executive employees and consultants of the Company through the issuance of PSUs. The PSUs generally vest over three years, on the anniversary from the date of grant, subject to other such vesting schedules or conditions as determined by the Plan Administrator. Throughout the vesting period, holders of PSUs will be entitled to the dividend equivalents in the form of additional PSUs on each dividend record date, to be held in the PSU account until such time as the awards have vested. A summary of changes under the PSU plan is presented below:

	Six Months Ended June 30, 2024	Year Ended December 31, 2023
	Phantom Share Units	Phantom Share Units
Balance, beginning of period	6,480,451	5,860,999
Granted during the period	—	3,908,971
Reinvested during the period	108,229	171,531
Vested during the period	(6,795)	(3,312,943)
Forfeited during the period	(20,382)	(148,107)
Balance, end of period	6,561,503	6,480,451

Included in the stock-based compensation expense for the three and six months ended June 30, 2024, is an expense of \$14,423 and \$21,759, respectively (2023 - \$1,257 and \$2,671, respectively) relating to the Company's PSU Plan. As at June 30, 2024, \$21,080 (December 31, 2023 - \$7,030) was included in accounts payable and accrued liabilities and \$10,831 (December 31, 2023 - \$3,159) was included in other long-term liabilities for outstanding PSUs.

## 9. Financial Derivatives

The Company periodically enters into foreign currency and equity derivative contracts to manage its exposure to upcoming USD denominated purchases and mitigate equity price risk, respectively. As of June 30, 2024, the Company had a financial derivative asset of \$27,280 (December 31, 2023 - \$5,085) relating to outstanding derivative contracts. A summary of financial derivative gains recognized in finance costs is presented below:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
Financial derivative gains	16,134	805	22,817	351

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

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

As at June 30, 2024, the Company had no foreign currency contracts outstanding. The following table details the outstanding equity derivative contracts as of June 30, 2024:

	Price	Contract	Notional Principal	Number of Units
July 2024	2.3437	Swap	5,351	2,283,159
November 2024	6.9597	Swap	13,919	2,000,000
July 2025	2.4219	Swap	3,887	1,605,074
July 2026	2.5629	Swap	2,501	975,771
	3.7381		25,658	6,864,004

### 10. Dividends

The Company declared dividends to holders of common shares for the six months ended June 30, 2024, as follows:

	Dividend Record Date	Dividend Payment Date	Per Common Share	Total
March 2024	Mar 29	Apr 15	0.030	7,036
June 2024	Jun 28	Jul 15	0.030	7,056
Total dividends declared			0.060	14,092

### 11. Commitments

The Company has commitments related to short-term leases, leases of low-value assets, variable payments associated with long-term leases, and inventory and capital commitments as at June 30, 2024, with payments due as follows:

Less than 1 year	22,918
1-5 years	—
5+ years	—
Total	22,918

*Payments denominated in foreign currencies have been translated using the June 30, 2024 exchange rate.*

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

## CES Energy Solutions Corp.

Notes to the Condensed Consolidated Financial Statements (unaudited)

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

### 12. Supplemental Information

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
(Increase) decrease in current assets:				
Accounts receivable <sup>(1)</sup>	51,226	62,140	24,536	76,435
Inventory	(4,708)	27,923	(3,141)	19,451
Prepaid expenses and deposits	(11,222)	(16,238)	(2,746)	(8,595)
Increase (decrease) in current liabilities:				
Accounts payable and accrued liabilities <sup>(2)</sup>	(16,923)	(36,765)	3,342	(38,297)
Effects of movement in exchange rate	4,264	(10,202)	14,368	(10,871)
	<b>22,637</b>	<b>26,858</b>	<b>36,359</b>	<b>38,123</b>
Relating to:				
Operating activities	21,685	26,332	33,848	36,946
Investing activities	952	526	2,511	1,177

<sup>1</sup>Includes income taxes receivable.

<sup>2</sup>Includes income taxes payable and other long-term liabilities relating to the cash-settled PSU plan.

For the three and six months ended June 30, 2024 and 2023, changes in non-cash working capital relating to investing activities have been included in “Investment in property and equipment” on the condensed consolidated statements of cash flows.

### 13. Geographical Information

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

	Revenue		Revenue	
	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
United States	390,924	375,455	778,598	744,430
Canada	162,272	140,387	363,176	329,108
	<b>553,196</b>	<b>515,842</b>	<b>1,141,774</b>	<b>1,073,538</b>

	Long-Term Assets <sup>(1)</sup>	
	June 30, 2024	December 31, 2023
	United States	385,854
Canada	135,347	133,301
	<b>521,201</b>	<b>480,026</b>

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

### 14. Subsequent Event

On July 1, 2024, CES closed the acquisition of all of the business assets of Hydrolite Operating LLC. (“Hydrolite”). Hydrolite provides comprehensive completion fluids solutions, including advanced mixing plant services, onsite solids processing, and wholesale chemicals and kill mud, with a focus on servicing the Permian basin. The Hydrolite acquisition augments the full-cycle service offerings of the Company's operations and will be enhanced by CES' broad customer reach, extensive supply chain, and vertically integrated business model. The aggregate purchase price was approximately \$15,022. \$8,081 of cash consideration was settled on close of the acquisition. The remaining consideration includes customary post-close adjustments and deferred consideration, however as the acquisition closed subsequent to the end of the quarter, the Company has not yet finalized its assessment of the value of the assets acquired.

**STOCK EXCHANGE LISTINGS**

Toronto Stock Exchange  
Trading Symbol: CEU

OTC

Trading Symbol: CESDF

**BOARD OF DIRECTORS**

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

John M. Hooks<sup>2,3</sup>

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

Stella Cosby<sup>3,4</sup>

Ian Hardacre<sup>1,4</sup>

Joe Wright<sup>1,4</sup>

Kenneth E. Zinger

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

<sup>2</sup>Member of the Compensation Committee

<sup>3</sup>Member of the Corporate Governance and Nominating  
Committee

<sup>4</sup>Member of the Health, Safety and Environment  
Committee

**EXECUTIVE OFFICERS**

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

Anthony M. Aulicino  
Chief Financial Officer

James F. Strickland  
President, US Drilling Fluids

Vernon J. Disney  
President, US Production Chemicals

**CORPORATE SECRETARY**

Matthew S. Bell

**AUDITORS**

Deloitte LLP  
Calgary, AB

**BANKERS**

Scotiabank Canada, Calgary, AB

**LEGAL COUNSEL**

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

**REGISTRAR & TRANSFER AGENT**

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

**CORPORATE OFFICE**

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

**US BUSINESS UNITS**

AES Drilling Fluids  
Suite 800, 575 N Dairy Ashford  
Houston, TX 77079  
Phone: 281-556-5628  
Toll Free: 1-888-556-4533  
Fax: 281-589-7150

Jacam Catalyst LLC

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

**CANADIAN BUSINESS UNITS**

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

PureChem Services

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

Sialco Materials Ltd.

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

Clear Environmental Solutions

Suite 720, 736 – 8<sup>th</sup> Avenue SW  
Calgary, AB T2P 1H4  
Phone: 403-263-5953  
Fax: 403-229-1306

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