PRESS RELEASE **November 6, 2024**
FOR IMMEDIATE DISTRIBUTION

CES ENERGY SOLUTIONS CORP. ANNOUNCES STRONG Q3 2024 RESULTS WITH RECORD REVENUE AND ADJUSTED EBITDAC AND DECLARES CASH DIVIDEND

CES Energy Solutions Corp. ("CES" or the "Company") **(TSX: CEU) (OTC: CESDF)** is pleased to announce strong financial results for the three and nine months ended September 30, 2024, with record quarterly revenue and Adjusted EBITDAC. The Company's Board of Directors also approved a quarterly dividend of $0.030 per share, which will be paid on January 15, 2025, to the shareholders of record at the close of business on December 31, 2024. Third quarter highlights include:

- Record quarterly revenue of $606.5 million, increased 13% year over year
- Record quarterly Adjusted EBITDAC of $102.5 million at a 16.9% margin, increased 28% year over year
- Cash Flow from Operations of $72.9 million and Free Cash Flow of $40.1 million
- Conservative leverage of 1.14x Total Debt/Adjusted EBITDAC
- Returned $53.1 million to shareholders through $7.1 million in dividends and $46.0 million in the repurchase of 6.0 million shares representing approximately 2.5% of outstanding shares

CES' third quarter, record setting results demonstrate the significant merits of its unique business model. During the quarter, CES continued to provide mission critical chemical solutions enabling our customers to succeed in an era of high service intensity levels, and increasingly complex drilling fluids and production chemical technology requirements.

CES' performance is characterized by strong levels of financial resilience, cash flow generation, and profitability inherent in its capex light, asset light, consumable chemicals business model supported by industry leading people, infrastructure, and technology. CES continues to provide valuable solutions to increasingly complicated drilling programs which require higher levels of service intensity, effectively overcoming a lower US industry rig count. Attractive growth was also achieved by delivering superior production chemical services and technology to active, results oriented, high quality customers as they continue to maximize returns on their producing wells through effective chemical treatments.

Adjusted EBITDAC margin of 16.9% resulted from continued levels of high service intensity, an attractive product mix, and adoption of innovative, technologically advanced products supported by a prudent cost structure, effective supply chain management, and vertically integrated business model.

CES remains confident in its ability to continue generating strong surplus free cash flow, supported by its financial performance, outlook, and capital structure, and furthermore, on November 6, 2024, the Company's Board of Directors approved a quarterly dividend of $0.030 per share, which will be paid on January 15, 2025, to the shareholders of record at the close of business on December 31, 2024.

Third Quarter Results

In the third quarter, CES generated record revenue of $606.5 million, representing a sequential increase of $53.3 million or 10% compared to Q2 2024, off of seasonally lower activity levels in Canada as anticipated, and an increase of $70.0 million or 13% compared to $536.5 million in Q3 2023. For the nine months ended September 30, 2024, CES generated revenue of $1.7 billion, an increase of $138.2 million or 9% relative to the nine months ended September 30, 2023. The increase from the prior year comparative periods was driven by increasing service intensity levels, higher production chemical volumes, and strong market share positions, resulting in an overall uptick in revenue despite softening industry rig counts in the US.

Revenue generated in the US during Q3 2024 set a new quarterly record at $402.6 million, representing a sequential increase of $11.7 million or 3% compared to Q2 2024, and an increase of $41.2 million or 11% compared to Q3 2023. For the nine months ended September 30, 2024, revenue generated in the US was up 7% to $1.2 billion relative to the nine months ended September 30, 2023. US revenues for both the three and nine month periods benefited from higher production levels and increased service intensity, which more than offset the impact of decreased industry drilling activity. CES continued to maintain its strong industry positioning, achieving US Drilling Fluids Market Share of 22% for both the three and nine months ended September 30, 2024, compared to 21% and 20% for the three and nine months ended September 30, 2023, respectively.

Revenue generated in Canada during Q3 2024 set a new quarterly record at $203.9 million, representing a sequential increase of $41.6 million or 26% compared to Q2 2024, as is expected on a seasonal basis, and an increase of $28.8 million or 16% compared to Q3 2023. For the nine months ended September 30, 2024, revenue generated in Canada was up 12% to $567.1 million relative to the nine months ended September 30, 2023. Canadian revenues for both the three and nine month periods benefited from higher industry activity and production chemical volumes year over year. Canadian Drilling Fluids Market Share of 35% and 33% for the three and nine months ended September 30, 2024, respectively, compared to 34% and 35% for the three and nine months ended September 30, 2023, respectively.

Adjusted EBITDAC set a quarterly record at $102.5 million, representing a sequential increase of 7% compared to Q2 2024, and an increase of 28% compared to Q3 2023. Adjusted EBITDAC as a percentage of revenue of 16.9% in Q3 2024 compares to 17.3% recorded in Q2 2024 and ahead of the 15.0% recorded in Q3 2023. For the nine months ended September 30, 2024, Adjusted EBITDAC was up 29.8% to $300.0 million from $231.2 million in the nine months ended September 30, 2023, and Adjusted EBITDAC as a percentage of revenue increased to 17.2% from 14.4% a year ago. Adjusted EBITDAC improvements for both the three and nine month periods were driven by record revenue levels combined with strong margins, resulting from increased service intensity, an attractive product mix, effective supply chain management, and continued adoption of innovative, technologically advanced products, supported by a prudent cost structure and vertically integrated business model.

Net income for the three and nine months ended September 30, 2024, increased 21% to $46.6 million, and 42% to $149.3 million, respectively, relative to prior year comparative periods, driven by strong activity levels combined with improved margins and prudent management of expenses.

During the quarter, CES returned $53.1 million to shareholders (Q3 2023 - $46.3 million), through $46.0 million in shares repurchased under its NCIB and its quarterly dividend of $7.1 million (2023 - $40.0 million and $6.3 million, respectively). For the nine months ended September 30, 2024, CES returned $83.8 million to shareholders (2023 - $68.3 million), through $63.8 million in share repurchases under its NCIB and $20.0 million in dividends paid (2023 - $51.8 million and $16.5 million, respectively).

For Q3 2024, net cash provided by operating activities totaled $72.9 million compared to $99.9 million during the three months ended September 30, 2023. For the nine months ended September 30, 2024, net cash provided by operating activities of $242.4 million compared to $262.5 million for the nine months ended September 30, 2023. The decreases in net cash provided by operating activities for both the three and nine month periods were driven by larger required investments into working capital to support record revenue levels, partially offset by improvements to the cash conversion cycle for both reference periods.

CES generated $88.5 million in Funds Flow from Operations in Q3 2024, compared to $61.6 million generated in Q2 2024 and an increase of 53% from $57.9 million generated in Q3 2023. For the nine months ended September 30, 2024, CES generated $224.2 million of Funds Flow from Operations compared to $183.5 million in 2023. Funds Flow from Operations excludes the impact of working capital, and is reflective of the continued strong surplus free cash flow generated in 2024.

CES generated $40.1 million in Free Cash Flow in Q3 2024, compared to $54.8 million generated in Q2 2024, and $75.6 million generated in Q3 2023. For the nine months ended September 30, 2024, CES generated $152.3 million of Free Cash Flow compared to $196.4 million in 2023. The decrease for both the three and nine month periods were driven by larger required investments into working capital to support record revenue levels. Free Cash Flow includes the impact of quarterly working capital variations, net of capital expenditures and lease repayments.

As at September 30, 2024, CES had a Working Capital Surplus of $633.3 million, which decreased from $639.6 million at June 30, 2024, and increased from $632.8 million as at December 31, 2023. The movement during the quarter was driven by increases in accounts receivable and inventory, partially offset by increase in accounts payable and accrued liabilities, in line with the sequential and year over year increases in activity levels. The Company continues to focus on working capital optimization benefiting from the high quality of its customers and diligent internal credit monitoring processes.

As at September 30, 2024, CES had Total Debt, inclusive of lease obligations, of $439.3 million compared to $405.1 million at June 30, 2024, and $469.6 million at December 31, 2023. Total Debt is primarily comprised of a net draw on its Senior Facility of $137.1 million (June 30, 2024 - $110.6 million and December 31, 2023 - $140.6 million), $200.0 million of Senior Notes, and lease obligations of $94.4 million (June 30, 2024 - $85.3 million and December 31, 2023 - $73.1 million). The increase in Total Debt in the quarter is driven by the increase in activity under the renewed NCIB, the completion of the Hydrolite acquisition, and larger working capital requirements associated with elevated quarterly activity levels, partially offset by continued strong financial performance and ongoing efforts to optimize working capital cycles. Working Capital Surplus exceeded Total Debt at September 30, 2024, by $193.9 million (December 31, 2023 - $163.1 million). As of the date of this MD&A, the Company had total long-term debt of approximately $375.0 million, comprised of a net draw on its Senior Facility of approximately $175.0 million and its outstanding $200.0 million Senior Notes due May 24, 2029.

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. Operating as AES Completion Services, the acquisition augments the full-cycle service offerings of the Company's operations by providing solutions between the drilling and production phases and will be enhanced by CES' advanced technology and supply chain capabilities, extensive customer reach in its North American platform, and vertically integrated business model. The aggregate purchase price was $15.0 million consisting of $10.2 million in cash consideration and $4.8 million in deferred consideration, which is payable in cash as an earn-out upon achieving certain EBITDA thresholds over a twenty-four month period post close.

Outlook

The demand trends of developing countries and global demand requirements to support eventual energy transition initiatives, combined with depletion of existing resources, reduced investment in the upstream oil and gas sector over recent years, and diminished available inventory quality has necessitated increased service intensity for available resources thereby resulting in continued constructive end markets for CES services which enhance drilling and production performance. This environment has led to stable commodity prices and a favorable outlook for CES' primary North American target market.

Despite economic uncertainty and ongoing global conflicts, energy industry fundamentals continue to support critical drilling and production activity for oil and natural gas. Moreover, current depressed global inventories and fewer high-quality drilling locations provide cautious optimism for suitable pricing, despite potential economic headwinds and geopolitical instability impacting customer spending plans. Currently, oil prices are sustained by increasing global demand and limited supply growth and while natural gas has demonstrated price weakness since early 2023, we anticipate a sustained period of elevated gas drilling activity in the US and Canada as projects under construction come online.

CES continues to be optimistic in its outlook for the remainder of the year as it expects to benefit from stable upstream activity, increased service intensity levels, adoption of advanced critical chemical solutions, and continued strength in commodity pricing across North America 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 capital expenditures, net of proceeds on disposals of assets, to be approximately $85.0 million for 2024, weighted towards expansion capital to support higher activity levels and business development opportunities and expects this level to decline back to approximately $75.0 million for 2025. 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 proactively managed both the duration and the flexibility of its debt. In May 2024, CES successfully issued $200.0 million of Senior Notes due May 24, 2029. The net proceeds from the issuance of the Senior Notes, together with draws on the Company's Senior Facility were used to repay the $250.0 million secured Canadian Term Loan Facility on more attractive terms, and provided maturity extension to 2029. This further strengthens the Company's capital structure and reduces the cost of capital alongside its previously amended and extended Senior Facility due April 2026. The combination of the Senior Notes and the Senior Facility 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.

Conference Call Details

With respect to the third quarter results, CES will host a conference call / webcast at 9:00 am MT (11:00 am ET) on Thursday, November 7, 2024. A recording of the live audio webcast of the conference call will also be available on our website at www.cesenergysolutions.com. The webcast will be archived for approximately 90 days.

North American toll-free: 1-(844)-763-8274
International / Toronto callers: (647)-484-8814
Link to Webcast: http://www.cesenergysolutions.com/

Financial Highlights

	Three Months Ended September 30,			Nine Months Ended September 30,		
($000s, except per share amounts)	**2024**	2023	% Change	**2024**	2023	% Change
Revenue						
United States(1)	**402,632**	361,469	11 %	**1,181,230**	1,105,899	7 %
Canada(1)	**203,887**	175,048	16 %	**567,063**	504,156	12 %
Total Revenue	**606,519**	536,517	13 %	**1,748,293**	1,610,055	9 %
Net income	**46,638**	38,552	21 %	**149,251**	105,455	42 %
per share - basic	***0.20***	*0.15*	33 %	***0.64***	*0.42*	52 %
per share - diluted	***0.20***	*0.15*	33 %	***0.63***	*0.41*	54 %
Adjusted EBITDAC(2)	**102,537**	80,218	28 %	**300,016**	231,214	30 %
Adjusted EBITDAC(2) % of Revenue	***16.9 %***	*15.0 %*	1.9 %	***17.2 %***	*14.4 %*	2.8 %
Funds Flow from Operations(2)	**88,510**	57,851	53 %	**224,235**	183,471	22 %
Change in non-cash working capital	**(15,650)**	42,071	(137)%	**18,198**	79,016	(77)%
Cash provided by (used in) operating activities	**72,860**	99,922	(27)%	**242,433**	262,487	(8)%
Capital expenditures						
Expansion Capital(1)	**20,484**	16,026	28 %	**52,923**	39,295	35 %
Maintenance Capital(1)	**5,349**	4,170	28 %	**17,100**	15,230	12 %
Total capital expenditures	**25,833**	20,196	28 %	**70,023**	54,525	28 %
Dividends declared	**6,886**	6,021	14 %	**20,978**	17,436	20 %
per share	***0.030***	*0.025*	20 %	***0.090***	*0.070*	29 %
Common Shares Outstanding						
End of period - basic	**229,525,039**	240,859,525		**229,525,039**	240,859,525	
End of period - fully diluted(2)	**233,530,844**	246,637,289		**233,530,844**	246,637,289	
Weighted average - basic	**233,176,879**	248,808,899		**234,233,827**	252,460,491	
Weighted average - diluted	**237,181,631**	254,588,996		**238,630,864**	258,398,150	

	As at				
Financial Position	**September 30, 2024**	June 30, 2024	% Change	December 31, 2023	% Change
Total assets	**1,473,994**	1,413,278	4 %	1,377,265	7 %
Total long-term debt	**332,999**	306,317	9 %	390,616	(15)%
Long-term financial liabilities(3)	**399,630**	371,698	8 %	419,416	(5)%
Total Debt(2)	**439,334**	405,140	8 %	469,619	(6)%
Working Capital Surplus(2)	**633,262**	639,605	(1)%	632,764	— %
Net Debt(2)	**(193,928)**	(234,465)	(17)%	(163,145)	19 %
Shareholders' equity	**746,309**	761,872	(2)%	657,995	13 %

[1] Supplementary Financial Measure. Supplementary Financial Measures are provided herein because Management believes they assist the reader in understanding CES' results. Refer to "Non-GAAP Measures and Other Financial Measures" contained herein.

[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 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 herein.

[3] Includes long-term portion of the Senior Facility, the Canadian Term Loan Facility, the Senior Notes, lease obligations, deferred acquisition consideration, and cash settled incentive obligations.

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, H2S 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 H2S.

CES operates in all major basins throughout the United States ("US"), including the Permian, Eagleford, 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: 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"), Proflow Solutions ("Proflow"), and Superior Weighting Products ("Superior Weighting"). In Canada, CES operates under the trade names Canadian Energy Services, PureChem Services ("PureChem"), StimWrx Energy Services Ltd. ("StimWrx"), Sialco Materials Ltd. ("Sialco"), and Clear Environmental Solutions ("Clear").

Non-GAAP Measures and Other Financial Measures

CES uses certain supplementary information and measures not recognized under IFRS 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 herein, 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 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 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.

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, and Adjusted EBITDAC % of Revenue are calculated as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2024	2023	**2024**	2023
Net income	**46,638**	38,552	**149,251**	105,455
Adjust for:				
Depreciation and amortization	**22,414**	18,399	**63,057**	55,192
Current income tax expense	**11,829**	2,995	**28,833**	9,869
Deferred income tax expense	**3,507**	6,251	**12,525**	21,896
Stock-based compensation	**10,624**	7,794	**38,754**	15,522
Finance costs	**7,388**	7,303	**9,186**	24,238
Other loss (income)	**137**	(1,076)	**(1,590)**	(958)
EBITDAC	**102,537**	80,218	**300,016**	231,214
Adjusted EBITDAC	**102,537**	80,218	**300,016**	231,214
Adjusted EBITDAC % of Revenue	***16.9 %***	*15.0 %*	***17.2 %***	*14.4 %*
Adjusted EBITDAC per share - basic	***0.44***	*0.32*	***1.28***	*0.92*
Adjusted EBITDAC per share - diluted	***0.43***	*0.32*	***1.26***	*0.90*

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,	
	2024	2023	**2024**	2023
Cash provided by (used in) operating activities	**72,860**	99,922	**242,433**	262,487
Adjust for:				
Change in non-cash operating working capital	**15,650**	(42,071)	**(18,198)**	(79,016)
Maintenance Capital(1)	**(5,349)**	(4,170)	**(17,100)**	(15,230)
Repayment of lease obligations	**(8,906)**	(8,195)	**(24,954)**	(19,816)
Distributable Earnings	**74,255**	45,486	**182,181**	148,425
Dividends declared	**6,886**	6,021	**20,978**	17,436
Dividend Payout Ratio	**9 %**	13 %	**12 %**	12 %

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

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,	
	2024	2023	**2024**	2023
Cash provided by (used in) operating activities	**72,860**	99,922	**242,433**	262,487
Adjust for:				
Change in non-cash operating working capital	**15,650**	(42,071)	**(18,198)**	(79,016)
Funds Flow from Operations	**88,510**	57,851	**224,235**	183,471

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, 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,	
	2024	2023	**2024**	2023
Cash provided by (used in) operating activities	**72,860**	99,922	**242,433**	262,487
Adjust for:				
Expansion Capital(1)	**(20,484)**	(16,026)	**(52,923)**	(39,295)
Maintenance Capital(1)	**(5,349)**	(4,170)	**(17,100)**	(15,230)
Repayment of lease obligations	**(8,906)**	(8,195)	**(24,954)**	(19,816)
Proceeds on disposal of assets	**1,954**	4,047	**4,828**	8,207
Free Cash Flow	**40,075**	75,578	**152,284**	196,353

1 Supplementary Financial Measure. Supplementary Financial Measures are provided herein 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,	
	2024	2023	**2024**	2023
Cash used for investment in property and equipment	**26,158**	20,739	**67,838**	53,890
Adjust for:				
Proceeds on disposal of assets	**(1,954)**	(4,047)	**(4,828)**	(8,207)
Net Cash used for investment in property and equipment	**24,204**	16,692	**63,010**	45,683

Working Capital Surplus - is a non-GAAP measure that is calculated as current assets less current liabilities, excluding the current portion of finance lease obligations, current portion of 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 Canadian Term Loan Facility, the Senior Notes, both current and non-current portions of lease obligations, both current and non-current portions of 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 determined in accordance with IFRS.

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

	As at	
	September 30, 2024	December 31, 2023
Long-term financial liabilities[1]	**399,630**	419,416
Current portion of lease obligations	**34,646**	27,980
Current portion of long-term debt	—	20,800
Current portion of deferred acquisition consideration	**5,058**	1,423
Total Debt	**439,334**	469,619
Deduct Working Capital Surplus:		
Current assets	**920,138**	880,772
Current liabilities[2]	**(286,876)**	(248,008)
Working Capital Surplus	**633,262**	632,764
Net Debt	**(193,928)**	(163,145)

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

Total Debt/Adjusted EBITDAC – is a non-GAAP ratio that Management believes to be a useful measure of the Company's liquidity and leverage levels, and is calculated as Total Debt divided by Adjusted EBITDAC for the most recently ended four quarters. Total Debt and Adjusted EBITDAC are non-GAAP measures that do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other entities. Total Debt and Adjusted EBITDAC are calculated as outlined above.

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, 2024	December 31, 2023
Common shares outstanding	**229,525,039**	236,042,566
Restricted share units outstanding, end of period	**4,005,805**	5,342,676
Shares outstanding, end of period - fully diluted	**233,530,844**	241,385,242

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 press release 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.

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.

Cautionary Statement

Except for the historical and present factual information contained herein, the matters set forth in this press release, 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 press release, 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 press release. 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. The 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. The material assumptions in making forward-looking statements include, but are not limited to, assumptions relating to demand levels and pricing for the oilfield consumable chemical offerings of the Company; fluctuations in the price and demand for oil and natural gas; anticipated activity levels of the Company's significant customers; commodity pricing; general economic and financial market conditions; the successful integration of recent acquisitions; the Company's ability to finance its operations; levels of drilling and other activity in the WCSB, the Permian and other US basins, the effects of seasonal and weather conditions on operations and facilities; changes in laws or regulations; currency exchange fluctuations; the ability of the Company to attract and retain skilled labour and qualified management; and other unforeseen conditions which could impact the Company's business of supplying oilfield consumable chemistry to the Canadian and US markets and the Company's ability to respond to such conditions.

In particular, this press release contains forward-looking information pertaining to the following: the certainty and predictability of future cash flows, profitability and earnings; expectations that Adjusted EBITDAC will exceed the sum of expenditures on interest, taxes and capital expenditures; expectations of capital expenditures in 2024 and 2025; expectations that Adjusted EBITDAC will provide sufficient free cash flow to pay down the Company's Senior Facility and repurchase common shares pursuant to the Company's NCIB; expectations regarding CES' revenue and surplus free cash flow generation and the potential use of such free cash flow including to increase its dividend or repurchase the common shares of the Company; expectations regarding end market activity levels; the strength of the Company's balance sheet, the achievement of the Company's strategic objectives, and the generation of shareholder value; expectations regarding industry conditions and the Company's ability to generate free cash flow to sustain and increase the quarterly dividend; CES' ability to execute on financial goals relating to its balance sheet, liquidity, working capital and cost structure; the sufficiency of liquidity and capital resources to meet long-term payment obligations; CES' ability to increase or maintain its market share; optimism with respect to future prospects for CES; impact of CES' vertically integrated business model on future financial performance; supply and demand for CES' products and services, including expectations for growth in CES' production and specialty chemical sales, expected growth in the consumable chemicals market; industry activity levels; expectations regarding service intensity in the upstream oil and gas sector; expectations regarding the adoption of advanced critical chemical solutions; continued strength in commodity prices; oil and gas inventory levels; reduced availability of high quality drilling locations; expectations regarding OPEC production quotas; anticipated drilling activity for natural gas projects; development of new technologies; expectations regarding CES' growth opportunities in Canada the US and overseas; expectations regarding the performance or expansion of CES' operations and working capital optimization; expectations relating to general economic conditions, interest rates and geopolitical risk; expectations regarding end markets for production chemicals and drilling fluids in Canada and the US; expectations regarding demand for CES' services and technology; access to debt and capital markets and cost of capital; impacts of the Company's issuance of Senior Notes on the Company's capital structure and reduced cost of capital; expectations regarding capital allocation including the use of surplus free cash flow, debt reduction through the repayment of the Company's Senior Facility; investments in current operations, issuing dividends, or market acquisitions; expectations regarding the timing and amount of common shares repurchased pursuant to the Company's NCIB; CES' ability to continue to comply with covenants in debt facilities; 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; 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; currency risk as a result of fluctuations in value of the US 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, policies relating to the oil and gas industry, or trade policies; 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; and the other factors considered under "Risk Factors" in CES' Annual Information Form for the year ended December 31, 2023, dated February 29, 2024, and "Risks and Uncertainties" in CES' MD&A for the three and nine months ended September 30, 2024, dated November 6, 2024.*

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