

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars)

	Note	September 30 2025 (unaudited)	December 31 2024 (audited)
ASSETS			
Current assets:			
Cash and cash equivalents		\$ 57,087	\$ 38,419
Accounts receivable		161,605	149,048
Inventory		136,965	104,091
Prepaid expenses and deposits		21,010	17,640
		376,667	309,198
Property, plant and equipment		633,410	622,499
Deferred income tax asset		1,257	1,958
Goodwill		4,053	4,053
		\$ 1,015,387	\$ 937,708
LIABILITIES & SHAREHOLDERS' EQUITY			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 167,093	\$ 125,106
Deferred revenue		80,417	47,225
Contingent consideration on business acquisition	4	1,752	2,878
Income taxes payable		3,693	4,508
Dividends payable		3,705	3,429
Current portion of lease liabilities		6,472	6,368
Current portion of long-term debt	5	–	40,947
		263,132	230,461
Long-term debt	5	90,000	70,000
Lease liabilities		8,197	9,171
Deferred income tax liability		59,947	57,033
Shareholders' equity:			
Share capital	6	232,264	239,269
Contributed surplus		5,790	5,279
Accumulated other comprehensive loss		(14,304)	(11,219)
Non-controlling interest		286	245
Retained earnings		370,075	337,469
		594,111	571,043
		\$ 1,015,387	\$ 937,708

The notes on pages 6 to 13 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF INCOME

Unaudited (in thousands of Canadian dollars except per share amounts)

	Note	Three months ended Sept 30		Nine months ended Sept 30	
		2025	2024	2025	2024
REVENUE		\$ 260,702	\$ 241,940	\$ 763,027	\$ 659,960
Cost of services		203,044	178,530	583,858	491,092
Selling, general and administration		13,571	13,337	40,877	37,512
Other income		(543)	(844)	(1,232)	(720)
Share-based compensation	7	1,983	518	2,795	1,940
Depreciation		23,295	23,091	69,000	66,186
Operating income		19,352	27,308	67,729	63,950
Gain on sale of property, plant and equipment		260	144	2,062	1,144
Finance costs, net		(1,195)	(2,330)	(3,921)	(6,318)
Net income before income taxes		18,417	25,122	65,870	58,776
Current income tax expense		3,248	2,072	10,916	7,090
Deferred income tax expense		585	3,344	4,332	1,063
Total income tax expense		3,833	5,416	15,248	8,153
Net income		\$ 14,584	\$ 19,706	\$ 50,622	\$ 50,623
Net income (loss) attributable to:					
Shareholders of the Company		\$ 14,504	\$ 19,731	\$ 50,581	\$ 50,685
Non-controlling interest		80	(25)	41	(62)
Income per share					
Basic	6	\$ 0.39	\$ 0.51	\$ 1.35	\$ 1.29
Diluted		\$ 0.38	\$ 0.50	\$ 1.33	\$ 1.26

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three months ended Sept 30		Nine months ended Sept 30	
	2025	2024	2025	2024
Net income	\$ 14,584	\$ 19,706	\$ 50,622	\$ 50,623
Foreign currency translation	5,391	(31)	(3,085)	7,271
Total other comprehensive income (loss) for the period	5,391	(31)	(3,085)	7,271
Total comprehensive income	\$ 19,975	\$ 19,675	\$ 47,537	\$ 57,894
Total comprehensive income (loss) attributable to:				
Shareholders of the Company	\$ 19,895	\$ 19,700	\$ 47,496	\$ 57,956
Non-controlling interest	80	(25)	41	(62)

The notes on pages 6 to 13 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

As at and for the nine months ended September 30, 2025 and 2024, and year ended December 31, 2024
Unaudited (in thousands of Canadian dollars)

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non- controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2023		\$ 251,283	\$ 4,805	\$ (25,506)	\$ 521	\$ 299,655	\$ 530,758
Net income (loss)		-	-	-	(76)	60,801	60,725
Other comprehensive income		-	-	14,287	-	-	14,287
<i>Transactions with shareholders, recorded directly in equity</i>							
Dividends (\$0.36 per common share)		-	-	-	-	(13,974)	(13,974)
Repurchase of common shares	6	(13,814)	-	-	-	(8,089)	(21,903)
Issue of share capital from exercise of stock options		1,800	(1,805)	-	-	(924)	(929)
Partnership distributions		-	-	-	(200)	-	(200)
Share-based compensation relating to stock options	7	-	2,279	-	-	-	2,279
		(12,014)	474	-	(200)	(22,987)	(34,727)
Balance at December 31, 2024		\$ 239,269	\$ 5,279	\$ (11,219)	\$ 245	\$ 337,469	\$ 571,043
Net income		-	-	-	41	50,581	50,622
Other comprehensive loss		-	-	(3,085)	-	-	(3,085)
<i>Transactions with shareholders, recorded directly in equity</i>							
Dividends (\$0.30 per common share)		-	-	-	-	(11,218)	(11,218)
Repurchase of common shares	6	(8,091)	-	-	-	(5,900)	(13,991)
Issue of share capital from exercise of stock options		1,086	(531)	-	-	(857)	(302)
Share-based compensation	7	-	1,042	-	-	-	1,042
		(7,005)	511	-	-	(17,975)	(24,469)
Balance at September 30, 2025		\$ 232,264	\$ 5,790	\$ (14,304)	\$ 286	\$ 370,075	\$ 594,111

	Note	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Loss	Non- controlling Interest	Retained earnings	Total Equity
Balance at December 31, 2023		\$ 251,283	\$ 4,805	\$ (25,506)	\$ 521	\$ 299,655	\$ 530,758
Net income (loss)		-	-	-	(62)	50,685	50,623
Other comprehensive income		-	-	7,271	-	-	7,271
<i>Transactions with shareholders, recorded directly in equity</i>							
Dividends (\$0.27 per common share)		-	-	-	-	(10,545)	(10,545)
Repurchase of common shares	6	(11,908)	-	-	-	(6,291)	(18,199)
Issue of share capital from exercise of stock options		1,188	(1,472)	-	-	(153)	(437)
Partnership distributions		-	-	-	(200)	-	(200)
Share-based compensation	7	-	1,940	-	-	-	1,940
		(10,720)	468	-	(200)	(16,989)	(27,441)
Balance at September 30, 2024		\$ 240,563	\$ 5,273	\$ (18,235)	\$ 259	\$ 333,351	\$ 561,211

The notes on pages 6 to 13 are an integral part of these condensed interim consolidated financial statements.

CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

Unaudited (in thousands of Canadian dollars)

	Note	Three months ended Sept 30		Nine months ended Sept 30	
		2025	2024	2025	2024
Cash provided by (used in):					
Operations:					
Net income for the period		\$ 14,584	\$ 19,706	\$ 50,622	\$ 50,623
Add (deduct) items not affecting cash:					
Depreciation		23,295	23,091	69,000	66,186
Share-based compensation	7	1,983	518	2,795	1,940
Gain on sale of property, plant and equipment		(260)	(144)	(2,062)	(1,144)
Finance costs, net		1,195	2,330	3,921	6,318
Foreign currency translation		(902)	(999)	(2,834)	(336)
Current income tax expense		3,248	2,072	10,916	7,090
Deferred income tax expense		585	3,344	4,332	1,063
Income taxes paid		(2,366)	(1,827)	(11,984)	(12,718)
Cashflow		41,362	48,091	124,706	119,022
Changes in non-cash working capital items:					
Accounts receivable		(919)	(1,109)	(12,560)	(9,689)
Inventory		(35,741)	3,527	(32,874)	(18,180)
Prepaid expenses and deposits		(5,699)	(2,637)	(3,370)	(28)
Accounts payable and accrued liabilities		25,827	9,029	31,266	21,896
Deferred revenue		32,677	3,452	31,987	14,156
Cash provided by operating activities		57,507	60,353	139,155	127,177
Investing:					
Purchase of property, plant and equipment		(17,157)	(14,700)	(77,926)	(65,038)
Cash paid on acquisition	4	–	–	–	(47,350)
Proceeds on disposal of property, plant and equipment		1,016	156	3,910	1,705
Changes in non-cash working capital items		2,231	(441)	8,389	3,260
Cash used in investing activities		(13,910)	(14,985)	(65,627)	(107,423)
Financing:					
Advances of long-term debt	5	–	5,000	30,000	65,000
Repayment of long-term debt	5	(10,000)	(513)	(50,947)	(21,534)
Repayment of lease liabilities		(1,790)	(1,742)	(5,611)	(5,134)
Dividends to shareholders		(3,723)	(3,496)	(10,942)	(10,290)
Repurchase of common shares		(3,988)	(5,183)	(13,721)	(17,853)
Shares issued on exercise of stock options		174	–	174	64
Partnership distributions		–	–	–	(200)
Interest paid		(1,341)	(2,319)	(3,813)	(15,863)
Cash used in financing activities		(20,668)	(8,253)	(54,860)	(5,810)
Change in cash and cash equivalents		22,929	37,115	18,668	13,944
Cash and cash equivalents, beginning of period		34,158	24,764	38,419	47,935
Cash and cash equivalents, end of period		\$ 57,087	\$ 61,879	\$ 57,087	\$ 61,879

The notes on pages 6 to 13 are an integral part of these condensed interim consolidated financial statements.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024
Unaudited (tabular amounts in thousands of Canadian dollars)

1. Reporting Entity

Total Energy Services Inc. (the “Company”) is incorporated under the Business Corporations Act (Alberta) and its head office is located in Calgary, Alberta at Suite 1000, 734 – 7th Avenue S.W. The condensed interim consolidated financial statements include the accounts of the Company, its subsidiaries and aboriginal partnerships established in Canada, the United States of America (the “United States”) and Australia.

The Company provides a variety of products and services to the energy and other resource industries primarily in Canada, the United States and Australia, including contract drilling services, the rental and transportation of equipment used in energy and other industrial operations, the fabrication, sale, rental and servicing of gas compression and process equipment and well servicing.

2. Basis of Presentation

Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34, “Interim Financial Reporting” of International Financial Reporting Standards (“IFRS”) and using the accounting policies outlined in the Company’s audited consolidated financial statements for the year ended December 31, 2024 (the “2024 Financial Statements”). These condensed interim consolidated financial statements do not include all the necessary annual disclosures and should be read in conjunction with the 2024 Financial Statements.

These condensed interim consolidated financial statements were approved by the Board of Directors on November 12, 2025.

Seasonality

A significant portion of the Company’s field operations are conducted in Canada where the ability to move heavy equipment is dependent on ground conditions. As warm weather returns in the spring, the winter’s frost comes out of the ground rendering many secondary roads incapable of supporting the weight of heavy equipment until such roads have thoroughly dried out. The duration of this “spring breakup” has a direct impact on the Company’s activity levels and operating results in Canada. In addition, many exploration and production areas in northern Canada are accessible only in winter months when the ground is frozen hard enough to support equipment. The timing of freeze up and spring breakup affects the ability to move equipment in and out of these areas. As a result, late March through May is traditionally the Company’s slowest period in Canada. Additionally, wet weather in Australia, normally in the first quarter, can restrict the Company’s Australian operations. Consequently, quarterly operating results may not be indicative of full year operating results.

3. Segmented Information

The Company manages its business in five reportable segments: Contract Drilling Services, Rental and Transportation Services, Compression and Process Services, Well Servicing and Corporate. For each of the reporting segments, the Company’s Chief Operating Decision Maker reviews internal management reports on at least a quarterly basis. Corporate includes activities related to corporate and public company affairs.

Inter-segment pricing is determined on an arm’s length basis.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024

Unaudited (tabular amounts in thousands of Canadian dollars)

As at and for the three months ended September 30, 2025	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 82,374	\$ 21,041	\$ 125,801	\$ 31,486	\$ –	\$ 260,702
Cost of services	59,867	11,371	107,078	24,728	–	203,044
Selling, general and administration	2,582	2,230	3,706	2,032	3,021	13,571
Other income	–	–	–	–	(543)	(543)
Share-based compensation	–	–	–	–	1,983	1,983
Depreciation	12,156	5,376	3,121	2,495	147	23,295
Operating income (loss)	7,769	2,064	11,896	2,231	(4,608)	19,352
Gain (loss) on sale of property, plant and equipment	(4)	183	80	1	–	260
Finance Income (costs), net	15	(49)	(126)	(13)	(1,022)	(1,195)
Net income (loss) before income taxes	7,780	2,198	11,850	2,219	(5,630)	18,417
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	440,485	167,067	306,589	90,928	10,318	1,015,387
Total liabilities	72,987	32,099	157,376	5,947	152,867	421,276
Capital expenditures	10,929	1,025	1,582	3,599	22	17,157

As at and for the three months ended September 30, 2025	Canada	United States	Australia	International	Total
Revenue	\$ 125,564	\$ 71,214	\$ 63,924	\$ –	\$ 260,702
Non-current assets ⁽²⁾	371,460	129,973	136,030	–	637,463

As at and for the three months ended September 30, 2024	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 86,634	\$ 19,437	\$ 110,567	\$ 25,302	\$ –	\$ 241,940
Cost of services	63,727	9,165	86,723	18,915	–	178,530
Selling, general and administration	2,358	2,144	4,587	1,444	2,804	13,337
Other income	–	–	–	–	(844)	(844)
Share-based compensation	–	–	–	–	518	518
Depreciation	12,287	5,145	2,788	2,446	425	23,091
Operating income (loss)	8,262	2,983	16,469	2,497	(2,903)	27,308
Gain on sale of property, plant and equipment	14	51	79	–	–	144
Finance costs, net	(17)	(43)	(109)	(19)	(2,142)	(2,330)
Net income (loss) before income taxes	8,259	2,991	16,439	2,478	(5,045)	25,122
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	434,030	163,853	284,919	76,899	4,042	963,743
Total liabilities	84,042	26,558	111,634	6,473	173,825	402,532
Capital expenditures	9,184	2,269	1,076	2,171	–	14,700

As at and for the three months ended September 30, 2024	Canada	United States	Australia	International	Total
Revenue	\$ 117,704	\$ 82,514	\$ 41,722	\$ –	\$ 241,940
Non-current assets ⁽²⁾	364,318	131,534	125,330	–	621,182

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

(2) Includes property, plant and equipment and goodwill.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024

Unaudited (tabular amounts in thousands of Canadian dollars)

As at and for the nine months ended September 30, 2025	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 244,683	\$ 60,251	\$ 365,250	\$ 92,843	\$ –	\$ 763,027
Cost of services	176,498	32,196	300,916	74,248	–	583,858
Selling, general and administration	8,048	6,614	11,764	5,484	8,967	40,877
Other income	–	–	–	–	(1,232)	(1,232)
Share-based compensation	–	–	–	–	2,795	2,795
Depreciation	36,621	15,464	9,071	7,173	671	69,000
Operating income (loss)	23,516	5,977	43,499	5,938	(11,201)	67,729
Gain on sale of property, plant and equipment	1,043	216	424	379	–	2,062
Finance income (costs), net	35	(132)	(335)	(40)	(3,449)	(3,921)
Net income (loss) before income taxes	24,594	6,061	43,588	6,277	(14,650)	65,870
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	440,485	167,067	306,589	90,928	10,318	1,015,387
Total liabilities	72,987	32,099	157,376	5,947	152,867	421,276
Capital expenditures	44,213	15,276	3,630	14,756	51	77,926

As at and for the nine months ended September 30, 2025	Canada	United States	Australia	International	Total
Revenue	\$ 340,039	\$ 245,964	\$ 173,249	\$ 3,775	\$ 763,027
Non-current assets ⁽²⁾	371,460	129,973	136,030	–	637,463

As at and for the nine months ended September 30, 2024	Contract Drilling Services	Rentals and Transportation Services	Compression and Process Services	Well Servicing	Corporate ⁽¹⁾	Total
Revenue	\$ 235,734	\$ 59,614	\$ 297,547	\$ 67,065	\$ –	\$ 659,960
Cost of services	171,011	29,933	238,453	51,695	–	491,092
Selling, general and administration	7,424	6,567	11,508	4,002	8,011	37,512
Other income	–	–	–	–	(720)	(720)
Share-based compensation	–	–	–	–	1,940	1,940
Depreciation	34,669	15,228	7,999	7,269	1,021	66,186
Operating income (loss)	22,630	7,886	39,587	4,099	(10,252)	63,950
Gain (loss) on sale of property, plant and equipment	115	844	209	(24)	–	1,144
Finance costs, net	(55)	(130)	(321)	(64)	(5,748)	(6,318)
Net income (loss) before income taxes	22,690	8,600	39,475	4,011	(16,000)	58,776
Goodwill	–	2,514	1,539	–	–	4,053
Total assets	434,030	163,853	284,919	76,899	4,042	963,743
Total liabilities	84,042	26,558	111,634	6,473	173,825	402,532
Capital expenditures	30,762	7,442	15,263	11,571	–	65,038

As at and for the nine months ended September 30, 2024	Canada	United States	Australia	International	Total
Revenue	\$ 294,720	\$ 260,102	\$ 102,184	\$ 2,954	\$ 659,960
Non-current assets ⁽²⁾	364,318	131,534	125,330	–	621,182

(1) Corporate includes the Company's corporate activities and obligations pursuant to long-term credit facilities.

(2) Includes property, plant and equipment and goodwill.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024

Unaudited (tabular amounts in thousands of Canadian dollars)

4. Business acquisition

On January 17, 2024 the Company's wholly owned subsidiary Savanna Energy Services Pty Ltd. ("Savanna Australia") entered into an agreement with SLB to acquire all of the shares of Saxon Energy Services Australia Pty Ltd. ("Saxon") for U.S. \$37.0 million (CAD \$50.1 million) cash (the "Acquisition"). This Acquisition was completed on March 7, 2024 (the "Effective Acquisition Date").

The Acquisition has been accounted for as a business combination using the acquisition method whereby the net assets acquired, and liabilities assumed are recorded at fair value. The purchase price allocation was based on management's best estimates of fair values of Saxon's assets and liabilities as at the Effective Acquisition Date.

	March 7, 2024
Trade accounts receivable and accrued receivables	\$ 10,478
Inventory	3,824
Property, plant and equipment	48,532
Deferred tax asset	1,775
Accounts payable and other liabilities	(14,554)
Net assets acquired	50,055
Cash paid on acquisition	47,350
Contingent consideration	2,705
Total consideration	\$ 50,055

The fair values of trade accounts receivable and other current assets, and accounts payable and other liabilities approximate their carrying values due to the short-term maturity of the instruments. Fair value of property plant and equipment was determined by utilizing current market information for similar equipment, adjusted for the specific design, mechanical condition and marketability of such equipment. Key assumptions underlying managements' estimate of fair value include expectations as to future market conditions in the oil and gas industry, expected useful lives of equipment, discount rates, recoverability of available tax pools and collectability of accounts receivable.

Depreciation of property, plant and equipment acquired was recognized in the condensed interim consolidated statement of income from the Effective Acquisition Date and is consistent with the Company's existing depreciation estimates.

Acquisition costs of \$0.5 million have been charged to selling, general and administration expenses in the consolidated statement of comprehensive income in 2024.

Contingent consideration, less any claims that might arise, is payable upon resolution of those outstanding claims. Contingent consideration was reduced during the first quarter of 2025 by \$1.0 million as a result of the resolution of certain outstanding claims.

Saxon contributed \$65.8 million to consolidated revenues and \$2.8 million to consolidated net income from the Effective Acquisition Date to December 31, 2024.

Had the acquisition occurred on January 1, 2024, Saxon would have contributed \$79.5 million to consolidated revenues and \$4.6 million to consolidated net income for the year ended December 31, 2024.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024

Unaudited (tabular amounts in thousands of Canadian dollars)

5. Long-term Debt

At September 30, 2025 the Company's long-term debt consisted of the following:

	September 30 2025		December 31 2024	
	Interest rate	Principal amount	Interest rate	Principal amount
Credit Facility	4.50%	\$ 90,000	5.23%	\$ 70,000
Mortgage loan (2025 maturity)		–	3.10%	40,947
	4.50%	90,000	4.45%	110,947
Less current portion		–		40,947
		\$ 90,000		\$ 70,000

On June 19, 2017 the Company entered into a three-year \$225 million revolving syndicated credit facility (the "Credit Facility"). Following several renewals and at the request of the Company the Credit Facility was reduced to \$170 million and the maturity date extended to November 10, 2026. The Credit Facility includes a Canadian \$18 million operating line, an Australian \$2 million operating line and a Canadian \$150 million revolving facility. The Company has the option to increase such facility by \$75 million subject to certain terms and conditions, including the agreement of the lenders to increase their commitments. The Credit Facility bears interest at the banks' Canadian prime rate plus 0.25% to 1.25%, bankers' acceptances, letters of credit, LIBOR or BBSY advances plus a 1.5% to 2.5% stamping fee. The applicable interest rate within such ranges is dependent on certain financial ratios of the Company. A standby fee ranging from 0.25% to 0.5% per annum is paid quarterly on the unused portion of the facility depending on certain financial ratios of the Company. In January of 2024, term CORRA rates have replaced bankers' acceptances and SOFR rates have replaced LIBOR, with no changes in pricing or premiums. At September 30, 2025, the applicable interest rate on amounts drawn on the Credit Facility was 4.50% and the standby rate was 0.25%. Letters of credit ("LOC") of \$0.3 million were outstanding at September 30, 2025 which reduces the amount of credit available under the Credit Facility by an equivalent amount.

At September 30, 2025 amounts owing under the Credit Facility were denominated in Canadian dollars. Subsequent to September 30, 2025 the Credit Facility was extended to January 10, 2029.

In August of 2018 a U.S. \$20 million letter of credit facility was established (the "LOC Facility"). LOCs issued pursuant to the LOC Facility do not reduce availability under the Credit Facility. In April of 2020 this facility was reduced at the request of the Company to U.S. \$10 million. At September 30, 2025 \$2.9 million Canadian dollars of LOCs were outstanding under the LOC Facility (December 31, 2024: \$2.5 million).

In addition to the Credit Facility, a subsidiary of the Company has established a \$5 million revolving operating credit facility with a member of the Credit Facility lenders' syndicate. At September 30, 2025 this facility was undrawn and fully available.

The Company's ability to access the Credit Facility is dependent, among other conditions, on compliance with the following financial ratios, the definitions and thresholds for which are further described below:

	September 30, 2025	Threshold
Twelve-month trailing Bank EBITDA to interest expense	36.47	minimum 3.00
Total Senior Debt to twelve-month trailing Bank EBITDA	0.25	maximum 3.00

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024

Unaudited (tabular amounts in thousands of Canadian dollars)

Readers are cautioned that the ratios described above do not have standardized meanings under IFRS as the computation of these ratios excludes amounts from certain non-guarantor subsidiaries and limited partnerships partially owned by the Company. Key definitions for the purpose of calculating the Company's financial debt covenants are as follows:

- Bank EBITDA is determined (on a 12-month trailing basis) as earnings before finance expenses, income taxes, depreciation, share-based compensation and certain non-recurring and non-cash income and expenses as defined in the credit agreement and excludes amounts from certain non-guarantor subsidiaries and the limited partnerships partially owned by the Company.
- Senior Debt is determined as total long-term debt (including the current portions thereof but excluding the mortgage loans and certain other obligations identified in the credit agreement) minus cash on hand.

The Credit Facility is secured by a general security agreement over all the present and future property of the Company and its subsidiaries.

Mortgage Loan (2025 maturity) was a loan that matured on April 29, 2025 that was amortized over 20 years with blended monthly principal and interest payments of approximately \$279,800. This loan bore interest at a fixed rate of 3.10% and was secured by certain of the Company's real estate. This loan was repaid in full (\$40.4 million plus accrued and unpaid interest) on April 29, 2025 by utilizing available cash and the Credit Facility.

At September 30, 2025 the Company was in compliance with all debt covenants.

6. Share Capital

(a) Common Share Capital

Common shares of Total Energy Services Inc.

(i) *Authorized:*

Unlimited number of common voting shares, without nominal or par value.

Unlimited number of preferred shares.

(ii) *Common shares issued:*

	Number of shares (thousands)	Amount
Balance, December 31, 2023	39,975	\$ 251,283
Repurchased and cancelled	(2,197)	(13,814)
Share options exercised	322	1,800
Balance, December 31, 2024	38,100	\$ 239,269
Repurchased and cancelled	(1,257)	(7,889)
Repurchased and not cancelled	-	(202)
Share options exercised	207	1,086
Balance, September 30, 2025	37,050	\$ 232,264

During the nine months ended September 30, 2025, 1,270,746 shares (September 30, 2024: 1,801,696 shares) were repurchased under the Company's normal course issuer bid at an average price of \$11.35 (September 30, 2024: \$9.76) per share including commissions, 14,000 of which were cancelled in October 2025.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024

Unaudited (tabular amounts in thousands of Canadian dollars)

(b) Per Share Amounts

Basic and diluted earnings per share have been calculated based on the weighted average number of common shares outstanding as outlined below:

	Three months ended September 30		Nine months ended September 30	
	2025	2024	2025	2024
Net income for the period attributable to shareholders	\$ 14,504	\$ 19,731	\$ 50,581	\$ 50,685
Weighted average number of shares outstanding – basic	37,159	38,802	37,535	39,385
Income per share – basic	\$ 0.39	\$ 0.51	\$ 1.35	\$ 1.29
Net income for the period attributable to shareholders	\$ 14,504	\$ 19,731	\$ 50,581	\$ 50,685
Weighted average number of shares outstanding – basic	37,159	38,802	37,535	39,385
Share option dilution	731	687	553	701
Weighted average number of shares outstanding – diluted	37,890	39,489	38,088	40,086
Income per share – diluted	\$ 0.38	\$ 0.50	\$ 1.33	\$ 1.26

During the three and nine months ended September 30, 2025 there were no share options that were excluded from the diluted weighted average number of common shares calculation because their effect would have been anti-dilutive (September 30, 2024, 1,305,000 share options were excluded). The average market value of the Company's shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

7. Share-Based Compensation Plan

Share option transactions during 2025 and 2024 were as follows:

	Weighted average exercise price	Number of Options
Balance, December 31, 2023	\$ 7.61	4,109,997
Exercised	4.37	(322,364)
Surrendered	7.99	(931,967)
Forfeited	8.44	(128,333)
Balance, December 31, 2024	\$ 7.82	2,727,333
Exercised	3.96	(206,746)
Surrendered	5.38	(157,254)
Forfeited	7.46	(15,000)
Balance, September 30, 2025	\$ 8.32	2,348,333

A total of 1,883,333 outstanding options were exercisable at September 30, 2025 at a weighted average price of \$7.95 per option (September 30, 2024: 1,798,332 options at a weighted average price of \$6.22 per option).

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine months ended September 30, 2025 and 2024

Unaudited (tabular amounts in thousands of Canadian dollars)

8. Share Appreciation Rights (SARs)

On August 8, 2024 the Company implemented a share appreciation rights plan (“SAR”). A SAR entitles the holder to receive a cash payment equal to the difference between the stated exercise price and the market price of the company’s common shares on the date the SAR is exercised and is accounted for as a cash-settled award. SARs have a five-year life and vest annually over a three-year period.

The number of SARs expected to vest are measured at fair value at each reporting period on a mark-to-market basis. The recognition and valuation of SARs results in share-based compensation expense and a corresponding liability, which was included in accounts payable and accrued liabilities.

	Weighted average exercise price	Number of SARs
Balance, December 31, 2023	\$ –	–
Granted	9.42	1,140,000
Balance, December 31, 2024	\$ 9.42	1,140,000
Forfeited	\$ 9.42	(105,000)
Exercised	9.42	(30,000)
Issued	11.34	1,100,000
Balance, September 30, 2025	\$ 10.42	2,105,000

The SARs expire on various dates ranging from August 8, 2029 to August 5, 2030.

9. Financial Instruments

The Company’s financial instruments as at September 30, 2025 include cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends payable, contingent consideration on business acquisitions and long-term debt. The fair value of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, dividends payable, contingent consideration on business combinations, long-term debt and the Credit Facility approximate their carrying amounts due to their short terms to maturity.

10. Contingencies

In November of 2017 the Company received a Statement of Claim filed in the Alberta Court of Queen’s Bench by Her Majesty the Queen in Right of Alberta, by its agent, Alberta Investment Management Corporation (“AIMCo”) against the Company and Savanna Energy Services Corp. (“Savanna”), a wholly owned subsidiary of the Company. In early 2020 AIMCo amended its claim to remove the Company as a defendant. AIMCo’s claim relates to Savanna’s refusal to pay a \$6 million change of control penalty (the “Additional Penalty”) to AIMCo. The Company and Savanna have received legal advice that AIMCo’s claim for the Additional Penalty is not enforceable and have filed a statement of defense. Savanna has also filed a third-party claim against its former directors that seeks indemnity in the event that AIMCo is successful in its claim against Savanna. Following the completion of discoveries, Savanna has filed a counterclaim against AIMCo and certain former directors of Savanna for \$7.3 million.