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High Arctic Announces 2025 Third Quarter Results

CALGARY, Alberta – November 7, 2025, High Arctic Energy Services Inc. (TSX: HWO) (the “Corporation” or “High Arctic”) released its third quarter 2025 financial and operating results. The unaudited condensed interim consolidated financial statements, and the management discussion & analysis (“MD&A”), for the three and nine months ended September 30, 2025 will be available on SEDAR+ at www.sedarplus.ca, and on High Arctic’s website at www.haes.ca. All amounts are denominated in thousands of Canadian dollars (“CAD”), unless otherwise indicated.

Lonn Bate, Interim Chief Executive Officer commented:

“High Arctic is pleased to have delivered Q3 financial and operational results, driven by strong execution across a number of our 2025 strategic objectives. Q3 2025 results benefited from the provision of significant high-pressure stimulation work for a new customer which contributed to top-line growth and margin expansion. Improved financial performance was achieved as producers continued to deploy capital in developing their Duvernay assets while overall industry activity levels have softened compared to 2024. Our current service offerings and facility locations uniquely position us to provide our customers with the assets they need while allowing us to maintain a high-level of customer service.

Additionally, Team Snubbing, of which High Arctic maintains a 42% equity interest, achieved a step-change in financial performance following a key contract award in Alaska and increased activity levels in their Canadian business, resulting in a record quarter for them in terms of revenue and net income.

With the senior management changes announced in the quarter, High Arctic has enhanced our leadership capacity with dedicated Canadian management enabling us to further focus on the execution of the Corporation’s strategic initiatives.”

In the following, the three months ended September 30, 2025 may be referred to as the “quarter” or “Q3 2025” and the comparative three months ended September 30, 2024 may be referred to as “Q3 2024”. References to other quarters may be presented as “QX 20XX” with X/XX being the quarter/year to which the commentary relates. Additionally, the nine months ended September 30, 2025 maybe referred to as “YTD” or “YTD-2025”. References to other nine-month periods ended September 30 may be presented as “YTD-20XX” with XX being the year to which the nine-month period ended September 30 commentary relates.

2025 Q3 Highlights

- Revenue from continuing operations of \$2,930, an increase of 17% compared to Q3 2024.
- Increased oilfield services operating margin percentage for Q3 2025 to 54.4% compared to 51.5% in Q3 2024.
- Realized Adjusted EBITDA from continuing operations of \$757 in the quarter, 26% of Q3 2025 revenue and a 98% increase from Q3 2024 Adjusted EBITDA.
- Maintained a strong track record of operational excellence and safety, as evidenced by the continuation of recordable incident-free work.
- High Arctic’s 42% equity share of Team Snubbing’s net income for Q3 2025 was \$756, significantly higher than the \$105 recognized in Q3 2024. Team Snubbing continues to benefit from an increase in customer activity, particularly in its operations in Alaska.
- Maintained strong financial liquidity throughout the current year quarter, exiting Q3 2025 with positive working capital of \$4,183, inclusive of cash of \$3,052.

2025 YTD Highlights

- Revenue from continuing operations of \$7,656, a decrease of 5% compared to YTD-2024.
- Achieved an increase in oilfield services operating margin percentage for YTD-2025 of 52.4% compared to 48.8% for YTD-2024.
- Realized Adjusted EBITDA from continuing operations of \$1,743 for YTD-2025, 23% of YTD-2025 revenue and a 163% increase from YTD-2024 Adjusted EBITDA.
- Maintained operational excellence and safety, as evidenced by the continuation of recordable incident-free work.
- Achieved expected improvements in general and administrative expenses, a reduction of 44% compared to the YTD-2024 period.
- High Arctic's share of Team Snubbing's net income for YTD-2025 was \$420 compared to a net loss of \$294 for YTD-2024.

2025 Strategic Objectives

The Corporation's 2025 strategic objectives, which are unchanged from Q2 2025, include:

- Relentless focus on safety excellence and quality service delivery;
- Grow the core businesses through selective and opportunistic investments;
- Actively manage direct operating costs and general and administrative costs;
- Steward capital to preserve balance sheet strength and financial flexibility; and
- Execute on accretive acquisitions or strategic alternatives in Canada to drive shareholder value.

Outlook

The third quarter of 2025 was a very busy and positive quarter for High Arctic. The tactical equipment additions made in 2025 to the rentals business enabled the business to secure and provide high-pressure stimulation assets to a new customer active in increasing their Duvernay production levels that drove higher year over year revenues and margins for the quarter. Additionally, Team Snubbing saw activity in both Canada and the US pick up as work that was deferred in Canada earlier in the year resumed and recent contract awards in the US saw a snubbing package go back to work for the majority of the quarter. Although High Arctic's revenues, Adjusted EBITDA and liquidity position are not directly impacted by the results of Team Snubbing because of its minority equity ownership, the management of the liquidity/capitalization of Team Snubbing, including its debt leverage levels continue to be a top priority for High Arctic. Finally, the senior management changes that were made in the quarter resulted in the full separation from High Arctic Overseas Holdings Corp. following the Arrangement, allowing management to focus on the execution of Corporation's strategic objectives.

High Arctic's business is driven by the underlying economics associated with its customers' cash flows. These cash flows are driven by their oil and natural gas commodity price hedging and expectations. As customers embark on drilling new oil and natural gas wells, High Arctic's business outlook is reliant on decisions on the subsequent activity to complete these wells for production. Therefore, the financial and operational performance of High Arctic's rental assets and investment in the snubbing industry are highly dependent on fundamentals associated with both drilling and hydraulic fracturing completion trends in the western Canadian sedimentary basin.

As the industry enters the final quarter of 2025, activity and well licensing have softened when compared to 2024 levels. Customer capital allocation decisions to complete wells continue to show signs of deferral. These deferrals have been influenced by factors that include industry consolidation with successor entities revisiting previously planned projects, OPEC's continued increase of oil to global supply, global trade tariffs, and geopolitical risks that have collectively served to increase investment uncertainty.

While global economic uncertainty persists, Canada's energy industry has opportunities for future growth, due in part to recent energy infrastructure developments. The completion of the Trans Mountain pipeline system expansion in 2024, and the commencement, and subsequent output ramp-up of west coast LNG exports are positive developments supporting improved long-term fundamentals for High Arctic's business and the upstream energy services.

In summary, the Corporation expects to continue to build on the positive results achieved in the third quarter of 2025 as it executes on its strategic objectives, with progress to date being evidenced by our strong safety performance, balance sheet preservation, general and administrative expense reductions, selective capital expenditure investments supporting organic growth in the rentals business, and oversight of its equity investments.

Results Overview

The following is a summary of select financial information of the Corporation:

(thousands of Canadian Dollars, except per share amounts)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2025	2024	2025	2024
Operating results from continuing operations:				
Revenue – continuing operations	2,930	2,506	7,656	8,027
Net income (loss) - continuing operations	931	125	516	(1,402)
<i>Per share (basic & diluted) ⁽¹⁾</i>	<i>0.07</i>	<i>0.01</i>	<i>0.04</i>	<i>(0.11)</i>
Oilfield services operating margin - continuing operations ⁽²⁾	1,541	1,241	3,854	3,782
<i>Oilfield services operating margin as a % of revenue ⁽²⁾</i>	<i>54.4%</i>	<i>51.5%</i>	<i>52.4%</i>	<i>48.8%</i>
EBITDA - continuing operations ⁽²⁾	1,545	528	2,343	(705)
<i>Per share (basic & diluted) ^{(1) (4)}</i>	<i>0.12</i>	<i>0.04</i>	<i>0.19</i>	<i>(0.06)</i>
Adjusted EBITDA - continuing operations ⁽²⁾	757	383	1,743	662
<i>Per share (basic & diluted) ^{(1) (4)}</i>	<i>0.06</i>	<i>0.03</i>	<i>0.14</i>	<i>0.05</i>
Operating income (loss) - continuing operations ⁽²⁾	108	1	(274)	(2,432)
<i>Per share (basic & diluted) ^{(1) (4)}</i>	<i>0.01</i>	<i>0.00</i>	<i>(0.02)</i>	<i>(0.20)</i>
Cash flow from continuing operations:				
Cash flow from (used in) operating activities – continuing operations	551	487	958	(42)
<i>Per share (basic & diluted) ^{(1) (4)}</i>	<i>0.04</i>	<i>0.04</i>	<i>0.08</i>	<i>0.00</i>
Funds flow from (used in) operating activities – continuing operations ⁽²⁾	744	640	1,549	(46)
<i>Per share (basic & diluted) ^{(1) (4)}</i>	<i>0.06</i>	<i>0.05</i>	<i>0.12</i>	<i>0.00</i>
Capital expenditures - continuing operations	173	630	966	1,445

As at

(thousands of Canadian Dollars, except per share amounts and common shares outstanding)	Sept 30, 2025	Dec 31, 2024
Financial position:		
Working capital ⁽²⁾	4,183	2,692
Cash and cash equivalents	3,052	3,123
Total assets	29,912	30,867
Long-term debt (non-current)	3,047	3,178
Shareholders' equity	22,039	21,105
<i>Per share ⁽⁵⁾</i>	<i>1.74</i>	<i>1.70</i>
Common shares outstanding ⁽³⁾⁽⁵⁾	12,696,959	12,448,166

- (1) The weighted average number of common shares used in calculating both basic and diluted net income (loss) per share, EBITDA (Earnings before interest, tax, depreciation and amortization) per share, Adjusted EBITDA per share, operating income (loss) per share, cash flow from operating activities per share, and funds flow from operating activities per share is detailed in Note 13(b) of the Financial Statements.
- (2) Readers are cautioned that oilfield services operating margin, oilfield services operating margin as percentage of revenue, EBITDA (earnings before interest, tax, depreciation, and amortization), Adjusted EBITDA, operating income (loss), funds flow from operating activities and working capital do not have standardized meanings prescribed by IFRS. See "Non-IFRS Measures" for additional details on the calculations of these measures.
- (3) Pursuant to the de facto four-to-one consolidation of the Corporation's outstanding common shares effective August 12, 2024, the number of common shares outstanding and all per-share amounts have been retroactively adjusted to effect the common share consolidation for all prior period comparatives.
- (4) The number of weighted average common shares used in per share basic calculations for the three months ended September 30, 2025, was 12,696,959 (12,696,959 diluted per share) and for the three months ended September 30, 2024, was 12,448,166 (12,448,270 diluted per share). The number of weighted average common shares used in the per share basic calculation for the nine months ended September 30, 2025 was 12,638,634 (12,638,634 diluted per share) and for the nine months ended September 30, 2024 was 12,338,676 (12,338,676 diluted per share).
- (5) Shareholders' equity per share calculated based on common shares outstanding as at the relevant date.

2025 Q3 Summary

- Revenue from continuing operations for Q3 2025 was \$2,930, an increase of \$424 or 17% when compared to \$2,506 in Q3 2024.
- Revenue was positively impacted by the addition of a significant amount of high-pressure stimulation work performed for a new customer.
- Oilfield services operating margin from continuing operations was \$1,541 in the current year quarter compared to \$1,241 realized in the prior year quarter.
- Operating margin percentage improved to 54.4% for Q3 2025 compared to 51.5% for Q3 2024, benefiting from improved higher margin revenues, strong operational expense management and a reduction in lower margin third-party rentals in the current year quarter.
- Adjusted EBITDA from continuing operations was \$757 in the current year quarter compared to \$383 in the prior year quarter. The increase in Adjusted EBITDA from continuing operations in the quarter was primarily due to the improvements achieved in oilfield services operating margin as noted above.
- Operating income from continuing operations of \$108 for Q3 2025 compared to \$1 in Q3 2024. The increase in operating income is attributable to improved operational and financial performance of the rental services segment, which more than offset higher general and administrative expense and depreciation and amortization expenses.
- Net income from continuing operations was \$931 in Q3 2025 compared to net income from continuing operations of \$125 in Q3 2024. Net income from continuing operations was impacted by the same items impacting operating income, as above, combined with higher income from equity-accounted investments and a larger gain on the disposal of property and equipment, offset by reduced interest income and a reduction of losses on foreign exchange.

2025 Third Quarter YTD Summary

- Revenue from continuing operations for YTD-2025 was \$7,656 compared to \$8,027 in YTD-2024.
 - YTD revenue has been negatively impacted by softer customer demand for the first half of 2025 which was partially offset by improvements realized in Q3 2025 as noted above. Weaker revenue in the first half of 2025 was driven primarily by slower customer activity levels due to the deferral of oil and gas drilling completions activity as certain customers undertook a cautious approach to the timing of the deployment of their 2025 capital budgets given volatility in oil and natural gas prices and global economic uncertainty, including impacts from ongoing geopolitical events.
- Year to date oilfield services operating margin from continuing operations was \$3,854 in 2025 compared to \$3,782 for YTD-2024.
 - Operating margin percentage improved to 52.4% for YTD-2025 compared to 48.8% for YTD-2024, benefiting from improved higher margin revenues in Q3 2025, strong operational expense management and a reduction in lower margin third-party rentals in the current year.
- Year to date Adjusted EBITDA from continuing operations was \$1,743 compared to \$662 in the prior year period. Adjusted EBITDA from continuing operations benefitted from the improvements in oilfield services operating margin as noted above.
- Operating loss from continuing operations for YTD-2025 was \$274 compared to \$2,432 in YTD-2024. The significant reduction in the operating loss is due to improved operational and financial performance of the rental services segment, particularly in Q3 2025, combined with a significant reduction in general and administrative expenses. YTD-2024 general and administrative expenses were impacted by elevated corporate and professional fees related to the Arrangement and integration costs related to the acquisition of Delta.
- Net income from continuing operations for YTD-2025 was \$516 compared to a net loss of \$1,402 in YTD-2024. Net income from continuing operations was impacted by the same items impacting operating loss, as above, combined with a higher income from equity-accounted investments, a larger gain on the disposal of property and equipment, a positive fair value adjustment related to contingent consideration, offset by reduced interest income.

Non-IFRS Measures

This Press Release contains references to certain financial measures that do not have a standardized meaning prescribed by IFRS and may not be comparable to the same or similar measures used by other companies. High Arctic uses these financial measures to assess performance and believes these measures provide useful supplemental information to shareholders and investors. These financial measures are computed on a consistent basis for each reporting period and include EBITDA (Earnings before interest, tax, depreciation and amortization), Adjusted EBITDA, oilfield services operating margin and margin percentage, operating income (loss), funds flow from operating activities and working capital. These do not have standardized meanings.

These financial measures should not be considered as an alternative to, or more meaningful than, net income (loss), cash from operating activities, current assets or current liabilities, cash and/or other measures of financial performance as determined in accordance with IFRS.

For additional information regarding non-IFRS measures, including their use to management and investors and reconciliations to measures recognized by IFRS, please refer to the Corporation's MD&A, which is available online at www.sedar.com and through High Arctic's website at www.haes.ca.

Forward-Looking Statements

This Press Release contains forward-looking statements. When used in this document, the words "may", "would", "could", "will", "intend", "plan", "anticipate", "believe", "seek", "propose", "estimate", "expect", and similar expressions are intended to identify forward-looking statements. Such statements reflect the Corporation's current views with respect to future events and are subject to certain risks, uncertainties, and assumptions. Many factors could cause the Corporation's actual results, performance, or achievements to vary from those described in this Press Release.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying forward-looking statements prove incorrect, actual results may vary materially from those described in this Press Release as intended, planned, anticipated, believed, estimated or expected. Specific forward-looking statements in this Press Release include, among others, statements pertaining to the following: general economic and business conditions, which will include, among other things, the outlook for the energy industry inclusive of commodity prices, producer activity levels (inclusive of drilling and completions activity) and general energy supply and demand fundamentals that may impact the energy industry as a whole and more specifically as it relates to the Corporation's customers in western Canada and Alaska, United States; expectations related to current and future LNG export projects and the impact, if any, on future pricing; the impact, if any, of geo-political events, changes in government, changes to tariffs or related trade policies and the potential impact on the Corporation's ability to execute its 2025 strategic objectives; projections of market prices and costs; the Corporation's ability to seek and execute accretive acquisitions including the timing thereof and the potential operational and financial benefits; management of general and administrative costs; the performance of the Corporation's investment in Team Snubbing; operational and financial performance of the Corporation's Canadian rental equipment business in 2025; the Corporation's expectation for customer activity levels for 2025; scaling the Corporation's Canadian business; execution on one or more corporate transactions; and estimated credit risks.

With respect to forward-looking statements contained in this Press Release, the Corporation has made assumptions regarding, among other things, its ability to: maintain its ongoing relationship with major customers; successfully market its services to current and new customers; devise methods for, and achieve its primary objectives; source and obtain equipment from suppliers; successfully manage, operate, and thrive in an environment which is facing uncertainty; remain competitive in all its operations; attract and retain skilled employees; obtain equity and debt financing on satisfactory terms and manage its liquidity risk; raise capital and manage its debt finance agreements; manage general and administrative costs; maintain a strong balance sheet and related financial flexibility; scale the Canadian business; and seek and execute accretive acquisitions in a timely manner and achieve operational and financial benefits therefrom.

Important factors that could cause our actual results and financial condition to differ materially from those indicated in the forward-looking statements include, among others, the following: economic and financial conditions, including volatility in commodity prices; volatility in interest and exchange rates and capital markets; the level of demand and financial performance of the energy industry; changes in customer demand; and developments and changes in laws and regulations, including in the energy industry.

The Corporation's actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set out in the most recent AIF filed on SEDAR+ at www.sedarplus.ca.

The forward-looking statements contained in this Press Release are expressly qualified in their entirety by this cautionary statement. These statements are given only as of the date of this Press Release. The Corporation does not assume any obligation to update these forward-looking statements to reflect new information, subsequent events or otherwise, except as required by law.

About High Arctic Energy Services

High Arctic is an energy services provider. High Arctic provides pressure control equipment and equipment supporting the high-pressure stimulation of oil and gas wells and other oilfield equipment on a rental basis to exploration and production companies, from its bases in Whitecourt and Red Deer, Alberta. Additionally, High Arctic maintains a minority equity interest in Team Snubbing, a leading provider of well-control services to the oil and gas drilling industry with operations in western Canada and Alaska, US.

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