

STEP ENERGY SERVICES LTD. REPORTS THIRD QUARTER 2025 RESULTS

Calgary, Alberta –November 5, 2025 – STEP Energy Services Ltd. (the “Company” or “STEP”) (TSX: STEP) is pleased to announce its financial and operating results for the three and nine months ended September 30, 2025. The following Press Release should be read in conjunction with the management’s discussion and analysis (“MD&A”) and the unaudited condensed consolidated financial statements and notes thereto as at September 30, 2025 (the “Financial Statements”). Readers should also refer to the “Forward-looking information & statements” legal advisory and the section regarding “Non-IFRS Measures and Ratios” at the end of this Press Release. All financial amounts and measures are expressed in Canadian dollars unless otherwise indicated. Additional information about STEP is available on the SEDAR+ website at www.sedarplus.ca, including the Company’s Annual Information Form for the year ended December 31, 2024 dated March 11, 2025 (the “AIF”).

CONSOLIDATED HIGHLIGHTS

FINANCIAL REVIEW

(\$000s except percentages and per share amounts)	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Consolidated revenue	\$ 227,237	\$ 255,991	\$ 762,981	\$ 807,512
Net income (loss)	\$ 6,782	\$ (5,460)	\$ 36,786	\$ 46,366
Per share-basic	\$ 0.09	\$ (0.08)	\$ 0.51	\$ 0.65
Per share-diluted	\$ 0.09	\$ (0.08)	\$ 0.50	\$ 0.62
Adjusted EBITDA ⁽¹⁾	\$ 45,166	\$ 49,369	\$ 138,895	\$ 162,196
Adjusted EBITDA % ⁽¹⁾	20%	19%	18%	20%
Free Cash Flow ⁽¹⁾	\$ 23,290	\$ 28,404	\$ 72,789	\$ 102,347
Per share-basic ⁽¹⁾	\$ 0.32	\$ 0.40	\$ 1.01	\$ 1.43
Per share-diluted ⁽¹⁾	\$ 0.31	\$ 0.40	\$ 0.98	\$ 1.38

⁽¹⁾ Adjusted EBITDA, Free Cash Flow, Free Cash Flow per share-basic and Free Cash Flow per share-diluted are non-IFRS financial measures, Adjusted EBITDA % is a non-IFRS financial ratio. These metrics are not defined and have no standardized meaning under IFRS. See Non-IFRS Measures and Ratios.

(\$000s except shares)	September 30,	December 31
	2025	2024
Cash and cash equivalents	\$ 2,511	\$ 4,362
Working capital (including cash and cash equivalents) ⁽¹⁾	\$ 77,897	\$ 35,355
Total assets	\$ 599,981	\$ 580,635
Total long-term financial liabilities ⁽¹⁾	\$ 64,224	\$ 83,394
Net Debt ⁽¹⁾	\$ 36,302	\$ 52,668
Shares outstanding	72,876,902	72,037,391

⁽¹⁾ Working Capital, Total long-term financial liabilities and Net Debt are non-IFRS financial measures. They are not defined and have no standardized meaning under IFRS. See Non-IFRS Measures and Ratios.

OPERATIONAL REVIEW

(\$000s except days, proppant, pumped, horsepower and units)	Three months ended		Nine months ended	
	September 30,	September 30,	September 30,	September 30,
	2025	2024	2025	2024
Fracturing services				
Fracturing operating days ⁽¹⁾⁽²⁾	345	360	1,144	1,304
Proppant pumped (tonnes) ⁽³⁾	524,000	594,000	1,844,700	2,064,000
Fracturing crews	6	7	6	7
Dual fuel horsepower ("HP"), end of period	369,550	367,050	369,550	367,050
Total HP, end of period	478,400	490,000	478,400	490,000
Coiled tubing services				
Coiled tubing operating days ⁽¹⁾	1,260	1,340	3,871	4,060
Active coiled tubing units, end of period	21	22	21	22
Total coiled tubing units, end of period	35	35	35	35

⁽¹⁾ An operating day is defined as any coiled tubing or fracturing work that is performed in a 24-hour period, exclusive of support equipment.

⁽²⁾ Includes operational results from terminated operations of the U.S. fracturing cash generating unit ("CGU") of nil and 54 days for the three and nine months ended September 30, 2025 (11 and 200 days for three and nine months ended September 30, 2024).

⁽³⁾ Includes proppant pumped (tonnes) from terminated operations of the U.S. fracturing cash generating unit ("CGU") of nil and 155,330 for the three and nine months ended September 30, 2025 (21,000 and 430,000 for three and nine months ended September 30, 2024).

THIRD QUARTER 2025 HIGHLIGHTS

- Consolidated revenue for the three months ended September 30, 2025 of \$227.2 million, was down from revenue of \$256.0 million for the three months ended September 30, 2024 and in line with revenue from \$228.0 million for the three months ended June 30, 2025.
- Net income for the three months ended September 30, 2025 was \$6.8 million (\$0.09 diluted income per share) compared to net loss of \$5.5 million (\$0.08 diluted loss per share) in the same period of 2024 and net income of \$5.9 million (\$0.08 diluted income per share) for the three months ended June 30, 2025. Included in net income for three months ended September 30, 2025 was:
 - share based compensation expense of \$3.7 million, compared to \$1.7 million during the three months ended June 30, 2025 and \$1.0 million during the three months ended September 30, 2024;
 - net loss from terminated U.S. fracturing operations of \$10.1 million, compared to \$5.0 million during the three months ended June 30, 2025, and \$26.9 million during the three months ended September 30, 2024, and;
 - impairment expense of \$4.6 million on assets held for sale and inventory write down of \$3.0 million in operating expenses for terminated operations. This compares to an impairment expense of \$12.7 million during the three months ended September 30, 2024. There was no impairment recorded during the three months ended June 30, 2025.
- For the three months ended September 30, 2025, Adjusted EBITDA was \$45.2 million (20% of revenue) compared to \$49.4 million (19% of revenue) in Q3 2024 and \$34.8 million (15% of revenue) in Q2 2025.
- Free Cash Flow for the three months ended September 30, 2025 was \$23.3 million compared to \$28.4 million in Q3 2024 and \$17.3 million in Q2 2025.
- During the third quarter of 2025, STEP did not repurchase any shares. For the year to date, STEP repurchased 783,200 shares at an average price of \$4.32 per share under its Normal Course Issuer Bid ("NCIB").
- STEP continues to strengthen its balance sheet while investing into the long-term sustainability of the business:
 - The Company had Net Debt of \$36.3 million at September 30, 2025, compared to \$52.7 million at December 31, 2024 and \$43.9 million at June 30, 2025.
 - The Company invested \$19.0 million for the three months ended September 30, 2025, into sustaining and optimization capital budget expenditures, ensuring that the fleet maintains a high level of operational readiness while also selectively investing into technology to further STEP's strategy of displacing diesel with natural gas.
- Working Capital as at September 30, 2025, of \$77.9 million was \$42.5 million higher than the \$35.4 million as at December 31, 2024, and \$0.9 million higher than the \$77.0 million as at June 30, 2025. Working capital fluctuations are typical and are influenced by activity levels and timing of client receipts.

- On September 25, 2025, the Company announced the receipt of a non-binding offer (the "Offer") from ARC Financial Corp. ("ARC") to acquire, through one or more funds managed by ARC, 100% of the issued and outstanding common shares in the capital of STEP not currently managed or owned, directly or indirectly, by ARC for a purchase price of \$5.50 in cash per share. Funds managed by ARC currently own, directly or indirectly, or exercise control or direction over 55.22% of the issued and outstanding common shares of STEP. STEP also received from ARC copies of signed voting support agreements relating to the Offer among the limited partnerships comprising ARC Energy Fund 8 (a private equity fund advised by ARC Financial Corp.), 2659160 Alberta Ltd., and (i) MMCAP International Inc. SPC, (ii) XIB Arbitrage Master Fund and XIB International Aster Fund, by their advisor XIB Asset Management Inc., and (iii) Groundlayer Capital Inc.. Subsequent to the quarter end, STEP announced on October 17, 2025 that it entered into a definitive arrangement agreement with 2659160 Alberta Ltd. and the limited partnerships comprising ARC Energy Fund 8, following the unanimous approval of STEP's board of directors of the arrangement agreement. Upon the successful completion of this transaction it is expected that the Company's shares will be delisted from trading on the TSX and STEP would cease to be a reporting issuer.

THIRD QUARTER 2025 OVERVIEW

Commodity prices were volatile throughout the third quarter of 2025, with oil prices trading in a wide range and natural gas prices declining quarter over quarter. The decline in natural gas prices is due to slower than anticipated LNG uptake, muted industrial demand, and seasonal facility and pipeline maintenance. Oil prices were impacted by a combination of supply increases by members of the Organization of the Petroleum Exporting Countries ("OPEC") and 10 non-OPEC allies such as Russia (collectively "OPEC+"), rising global inventories, and ongoing geopolitical tensions, including hostilities in the Middle East and new sanctions on Russian energy exports. Oil prices traded in a wide range from \$57 to \$75 (USD) per barrel, with the benchmark West Texas Intermediate ("WTI") crude price averaging \$64.97 (USD) per barrel in Q3 2025, up from \$63.68 (USD) per barrel in Q2 2025. Henry Hub averaged \$3.07 (USD) per MMBtu in Q3 2025, down from \$3.51 (USD) per MMBtu in Q2 2025, while AECO-C Daily averaged approximately \$0.61 (CAD) per Mcf in Q3 2025, down from \$1.75 (CAD) per Mcf in Q2 2025.

Oilfield service levels are primarily reflected in drilling rig counts publicly reported by Baker Hughes and estimates made by Primary Vision for fracturing crews in the U.S. Land based drilling rigs in the U.S. averaged 525 rigs in the third quarter, down from 556 rigs in the second quarter. Canadian rig counts were up due to seasonal recovery, averaging 176 during the third quarter, compared to 127 in the spring break up affected second quarter. U.S. fracturing fleets declined in the third quarter to an average of 170, down from 192 in the second quarter of 2025.

STEP's consolidated revenue in the third quarter was \$227.2 million, in line with the \$228.0 million in the second quarter of 2025 and down from with the \$256.0 million recorded in the same period from the prior year. The fracturing service line had strong utilization through the quarter, with 345 operating days across six crews, pumping 524 thousand tons of sand. Coiled tubing services were also well utilized, operating 1,260 days across 21 units.

Adjusted EBITDA of \$45.2 million (20% Adjusted EBITDA) was up from the \$34.8 million (15% Adjusted EBITDA) in the second quarter of 2025 and down from \$49.4 million (19% Adjusted EBITDA) in the same period last year.

Net income was \$6.8 million in Q3 2025 (\$0.09 diluted income per share), higher than the \$5.9 million in Q2 2025 (\$0.08 diluted income per share) and the \$5.5 million net loss in Q3 2024 (\$0.08 diluted loss per share). Net income included \$3.7 million in share-based compensation expense (Q2 2025 - \$1.7 million, Q3 2024 - \$1.0 million) and \$1.7 million in finance costs (Q2 2025 - \$1.7 million, Q3 2024 - \$4.3 million). Included in net income were \$10.1 million of expenses related to STEP's terminated operations, including impairment expense of \$4.6 million (Q2 2025 - nil, Q3 2024 - \$12.7 million) and \$3.0 million in operating expense related to inventory write down.

Free Cash Flow was \$23.3 million in Q3 2025 (\$0.31 diluted Free Cash Flow per share), sequentially higher than the \$17.3 million (\$0.24 diluted Free Cash Flow per share) in Q2 2025 and lower than the \$28.4 million (\$0.40 diluted Free Cash Flow per share) in Q3 2024. Working capital increased by \$0.9 million from the second quarter of 2025, ending the quarter at \$77.9 million, which is significantly higher than the \$35.4 million at the end of the fourth quarter of 2024. The build in working capital is typical with the majority of the increase in the current year due to an increase in activity, resulting in higher accounts receivable, partially offset by an increase in current liabilities. Net Debt decreased to \$36.3 million from \$52.7 million at the

close of 2024. Net Debt is now at its lowest level since Q1 of 2018 and is down over \$270 million from the peak in 2018. The decrease in Net Debt combined with the slight decrease in Adjusted EBITDA from Q3 2024 resulted in a 12-month trailing Funded Debt to Adjusted Bank EBITDA of 0.35:1.00, well under the limit of 3:1 in the Company's Credit Facilities (as defined in *Capital Management – Debt* below).

Late in the first quarter of 2025, management committed to a plan to terminate the Company's U.S. fracturing operations. Active operations were terminated and equipment has been marshalled to STEP's yards for sale or transfer to Canada. Certain costs associated with legacy fracturing operations and decommissioning were incurred in the third quarter, resulting in Adjusted EBITDA from terminated operations of negative \$3.6 million, which is not included in the Q3 reported Adjusted EBITDA of \$45.2 million. The depressed state of the U.S. fracturing market has also reduced the value of the assets held for sale, necessitating further impairment of the remaining assets.

SIGNIFICANT EVENT

On September 25, 2025, STEP announced the receipt of a non-binding offer from ARC proposing to acquire all issued and outstanding common shares of STEP not already owned or controlled by ARC, for cash consideration of \$5.50 per share. Funds managed by ARC currently own, directly or indirectly, or exercise control or direction over 55.22% of the issued and outstanding common shares of STEP. ARC subsequently entered into voting support agreements with minority shareholders representing approximately 32.11% of total shares and 71.71% of the minority shares, bringing the total ownership and support to 87.33%.

In response to the offer, STEP's board of directors formed a special committee of independent directors (the "Special Committee") consisting of Mr. Edward LaFehr (Chair), Mr. James Harbilas and Ms. Rachel Moore to review and consider the Offer, with Mr. Michael Kelly acting as an advisor. The Special Committee engaged Peters & Co. Limited as its financial advisor and Burnet, Duckworth & Palmer LLP as its legal advisor. Stikeman Elliott LLP is acting as legal advisor to STEP.

Following a comprehensive review, the Special Committee unanimously determined that the proposed transaction is in the best interests of the Company and recommended that the board approve the execution of a definitive arrangement agreement (the "Arrangement"). On October 17, 2025, STEP announced that it had entered into the Arrangement with ARC, which was unanimously approved by the board.

The Arrangement remains subject to the approval by the holders of Shares (the "Shareholders"), including the approval of holders of the Minority Shares, court approval and customary closing conditions. Further details regarding the Arrangement are provided in the management information circular (the "Circular"), which was sent to Shareholders on November 3, 2025, in connection with the special meeting of Shareholders (the "STEP Meeting") to be held virtually on December 12, 2025.

Closing of the Arrangement is expected to occur on or about December 16, 2025, following the STEP Meeting and upon satisfaction of all conditions precedent, including receipt of the final order of the Court of King's Bench of Alberta. Following completion of the Arrangement, it is expected that the Shares will be delisted from trading on the TSX and an application will be made for STEP to cease to be a reporting issuer.

MARKET OUTLOOK

The fourth quarter is expected to start strong, with high utilization anticipated for the first half of the quarter before slowing as clients wind down their annual capital programs. The seasonal holiday slowdown may start a bit earlier given the pressure on commodity prices, but STEP expects that this impact will be relatively muted based on client commentary.

Fracturing job mix is expected to remain consistent with the prior quarter, with high intensity operations focused on the Montney and Duvernay. Coiled tubing activity will see lighter utilization in the quarter as because of the slowdown in fracturing activity in Canada and the U.S. STEP's Canadian, coiled tubing services will be impacted by the various public labour actions taking place in British Columbia, which are delaying issuance of the permits STEP requires to transport its specialized coiled tubing equipment.

STEP will focus on cost control in the quarter, while also preparing for a highly utilized first quarter in 2026. The Company experienced high utilization across much of 2025, so the equipment and field professionals will benefit from the slowdown. The fracturing schedule in Q1 2026 is almost fully booked, a reflection of STEP's focus on securing longer term work agreements with leading producers in the basin. Coiled tubing services are expected to be similarly booked for the first quarter of 2026. Pricing for contracted fracturing work remains under pressure in response to lower commodity prices and surplus service

capacity in the basin, which will likely result in margin compression relative to the same period in 2025. Coiled tubing prices have stabilized and are expected to increase in 2026 in response to the considerable cost inflation experienced in 2025.

The long-term outlook for oilfield services is very constructive. North America is expected to considerably expand its LNG export capacity through the coming decade, with Canada finally expected to participate in the growth that has driven the U.S. natural gas market with the expected addition of up to 4.5 BCF/day of capacity, complementing Canada's first LNG project, LNG Canada, which has capacity of 2.1 BCF/day. The demand from LNG, plus the rapid demand growth coming from the power generation sector, is expected to support natural gas prices at more sustainable levels. Long term oil demand is expected to grow, although there are some near term headwinds expected in late 2025 and into 2026.

FINANCIAL REVIEW

(\$000's except per share amounts)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Fracturing	\$ 148,464	\$ 175,888	\$ 526,043	\$ 559,972
Coiled tubing	78,773	80,103	236,938	247,540
Total revenue	227,237	255,991	762,981	807,512
Operating expenses	177,569	203,628	604,354	614,673
Depreciation and amortization	17,003	25,866	57,791	72,489
Total operating expenses	194,572	229,494	662,145	687,162
Gross profit	32,665	26,497	100,836	120,350
Selling, general and administrative	11,853	9,533	34,057	31,708
Depreciation and amortization	120	146	379	460
Total selling, general and administrative	11,973	9,679	34,436	32,168
Results from operating activities	20,692	16,818	66,400	88,182
Finance costs	1,688	4,336	5,398	10,016
Foreign exchange loss (gain)	1,287	(63)	(621)	1,954
Unrealized (gain) loss on derivatives	(1,159)	802	(500)	(1,865)
Gain on disposal of property and equipment	(211)	(1,218)	(1,413)	(4,382)
Impairment of assets	4,588	12,735	4,588	12,735
Amortization of intangible assets	77	10	292	30
Income before income tax	14,422	216	58,656	69,694
Income tax expense	7,640	5,676	21,870	23,328
Net income (loss)	6,782	(5,460)	36,786	46,366
Net Income (loss) per share – basic	\$ 0.09	\$ (0.08)	\$ 0.51	\$ 0.65
Net Income (loss) per share – diluted	\$ 0.09	\$ (0.08)	\$ 0.50	\$ 0.62
Adjusted EBITDA ⁽¹⁾	\$ 45,166	\$ 49,369	\$ 138,895	\$ 162,196
Adjusted EBITDA % ⁽¹⁾	20%	19%	18%	20%

⁽¹⁾ Adjusted EBITDA is a non-IFRS financial measure and Adjusted EBITDA % is a non-IFRS financial ratio. They are not defined and have no standardized meaning under IFRS. See Non-IFRS Measures and Ratios.

Revenue

For the three and nine months ended September 30, 2025, revenue decreased 11% to \$227.2 million and 6% to \$763.0 million compared to \$256.0 million and \$807.5 million for the three and nine months ended September 30, 2024.

Alignment with large scale operators continues to provide a strong baseline of utilization for fracturing and coiled tubing operations in both the quarter and for the year to date. STEP operated six fracturing crews during the quarter, down from seven for the same period of the prior year. Fracturing operating days for the quarter were down 4% and have decreased by

12% for the year to date. The reduction in fracturing crews and operating days is associated with the termination of U.S. fracturing operations during 2025. Fracturing revenue was down 16% for the quarter but only declined by 6% for the year to date which correlated with the decreased proppant pumped both in Canadian fracturing and as a result of the termination of the U.S fracturing operation in 2025.

Coiled tubing operating days for the quarter were down 6% and have decreased by 5% for the year to date. New technology offerings and strategic client alignment in all operating basins have allowed the Company to maintain utilization levels per active units despite the decrease in activity in the market as whole.

Operating expenses

Operating expenses includes employee costs, direct operating expenses such as repairs, transportation and facility costs, material and inventory costs, depreciation of equipment and share-based compensation for operational employees. The following table provides a summary of operating expenses:

(\$000's)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Employee costs	\$ 51,381	\$ 55,524	\$ 169,906	\$ 183,575
Share-based compensation	475	588	1,255	1,346
Operating expenses	49,933	54,154	167,348	176,307
Material and inventory costs	75,780	93,362	265,845	253,445
Operating expenses	177,569	203,628	604,354	614,673
Depreciation and amortization	17,003	25,866	57,791	72,489
Total operating expenses	\$ 194,572	\$ 229,494	\$ 662,145	\$ 687,162

Employee costs and general operating expenses decreased compared to the prior year for both the quarter and year to date primarily due to the wind down of U.S. fracturing operations.

Material and inventory costs for the year to date increased significantly compared to the prior year as changes in sand mix, increases in STEP supplied sand and currency fluctuations increased the cost of materials. Material inventory costs for the quarter to date decreased compared to the prior year quarter primarily because of a decrease in STEP supplied proppant in Canadian operations.

Selling, general and administrative expenses

The following table provides a summary of selling, general and administrative expenses:

(\$000's)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Employee costs	\$ 6,077	\$ 6,003	\$ 20,594	\$ 19,895
Share-based compensation	3,230	382	5,417	2,522
Allowance for doubtful accounts expense (recovery)	108	(60)	348	327
General expenses	2,438	3,208	7,698	8,964
Selling, general and administrative expenses	11,853	9,533	34,057	31,708
Depreciation and amortization	120	146	379	460
Total selling, general and administrative expenses	\$ 11,973	\$ 9,679	\$ 34,436	\$ 32,168

Selling, general and administrative expenses increased from the prior year for both the quarter and year to date. Share-based compensation expense was significantly higher in the third quarter of 2025 compared to the same period of 2024 driven by a higher share price in Q3 2025 compared to the Q3 2024. For both the quarter and year to date, the higher employee costs in 2025 compared to the prior year have been largely offset by reduced general expenses.

Terminated Operations

Results from consolidated operations include the results from the terminated operations presented below. In the first quarter of 2025, the U.S. fracturing CGU was subject to changes in business conditions that materially impacted its expected economic performance. As a result, STEP decided to exit this market and terminated all further work related to these operations. Significant expenses in the third quarter related primarily to the disposal of surplus inventory and further impairment of the Tier 2 diesel and dual fuel powered fracturing equipment classified as assets held for sale. The results of the terminated operations are as follows:

(\$000's)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Revenues	\$ -	\$ 2,908	\$ 13,650	\$ 63,747
Operating expenses	3,638	7,414	19,691	56,951
Selling, general and administrative	8	1,063	1,612	3,993
Depreciation and amortization	1,661	10,427	7,503	28,955
Share based compensation expense (recovery)	16	114	(242)	268
Impairment of property and equipment	4,588	12,735	4,588	12,735
Other expense (recoveries)	222	(389)	(360)	(1,978)
Expenses	\$ 10,133	\$ 31,364	\$ 32,792	\$ 100,924
Loss from terminated U.S. fracturing operations	(10,133)	(28,456)	(19,142)	(37,177)
Income tax recoveries from terminated U.S. fracturing operations	-	(1,584)	-	(2,684)
Net loss from terminated U.S. fracturing operations, net of taxes	\$ (10,133)	\$ (26,872)	\$ (19,142)	\$ (34,493)

(\$000's)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
U.S. Fracturing services terminated operations				
Fracturing operating days ⁽¹⁾	-	11	54	200
Proppant pumped (tonnes)	-	21,000	155,330	430,000
Fracturing crews	-	1	-	1

(1) An operating day is defined as any coiled tubing or fracturing work that is performed in a 24-hour period, exclusive of support equipment.

NON-IFRS MEASURES AND RATIOS

This Press Release includes terms and performance measures commonly used in the oilfield services industry that are not defined under IFRS. The terms presented are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These non-IFRS measures have no standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. The non-IFRS measures should be read in conjunction with the Company's quarterly financial statements and Annual Financial Statements and the accompanying notes thereto.

"Adjusted EBITDA" is a financial measure not presented in accordance with IFRS and is equal to net (loss) income before finance costs, depreciation and amortization, (gain) loss on disposal of property and equipment, current and deferred income tax provisions and recoveries, equity and cash settled share-based compensation, transaction costs, unrealized (gain) loss on derivatives, foreign exchange (gain) loss, impairment losses and Adjusted EBITDA from terminated operations⁽¹⁾. "Adjusted EBITDA %" is a non-IFRS ratio and is calculated as Adjusted EBITDA divided by revenue. Adjusted EBITDA and Adjusted EBITDA % are presented because they are widely used by the investment community as they provide an indication of the results generated by the Company's normal course business activities prior to considering how the activities are financed and the results are taxed. The Company uses Adjusted EBITDA and Adjusted EBITDA % internally to evaluate operating and segment performance, because management believes they provide better comparability between periods.

⁽¹⁾ STEP has used an expanded definition of Adjusted EBITDA since its Q1 2025 MD&A that excludes the Adjusted EBITDA from terminated operations in order to provide clarity on the Company's normal course business activities to users of these documents. As a reminder, in Q1 2025, the U.S. fracturing CGU was subject to changes in business conditions that materially impacted its expected future economic performance. As a result, STEP began an orderly process to terminate operations of this CGU following completion of the work scope in Q1 2025. The Company expects to transfer the U.S. fracturing CGU's recently refurbished Tier 4 dual fuel equipment to Canada and will dispose of the remaining equipment over the next several quarters. As not all the equipment is being disposed of, the accounting presentation does not meet the test for the IFRS standard for discontinued operations.

The following table presents a reconciliation of the non-IFRS financial measure of Adjusted EBITDA to the IFRS financial measure of net income (loss):

(\$000s except percentages)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net income (loss)	\$ 6,782	\$ (5,460)	\$ 36,786	\$ 46,366
Add (deduct):				
Depreciation and amortization	17,200	26,022	58,462	72,979
Gain on disposal of equipment	(211)	(1,218)	(1,413)	(4,382)
Finance costs	1,688	4,336	5,398	10,016
Income tax expense	7,640	5,676	21,870	23,328
Share-based compensation – Cash settled	2,482	(360)	3,122	510
Share-based compensation – Equity settled	1,223	1,330	3,550	3,358
Foreign exchange loss (gain)	1,287	(63)	(621)	1,954
Unrealized (gain) loss on derivatives	(1,159)	802	(500)	(1,865)
Impairment of assets	4,588	12,735	4,588	12,735
Adjusted EBITDA from terminated operations ⁽¹⁾	3,646	5,569	7,653	(2,803)
Adjusted EBITDA	\$ 45,166	\$ 49,369	\$ 138,895	\$ 162,196
Adjusted EBITDA %	20%	19%	18%	20%

⁽¹⁾ Adjusted EBITDA from terminated operations is calculated in the same manner as the calculation of Adjusted EBITDA but does not include non-applicable items, such as unrealized (gain) loss on derivatives nor foreign exchange losses (gain) amounts. The calculation of Adjusted EBITDA from terminated operations is as follows:

(\$000s except percentages)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net loss from terminated U.S. fracturing operations, net of taxes	\$ (10,133)	\$ (26,872)	\$ (19,142)	\$ (34,493)
Add (deduct):				
Depreciation and amortization	1,661	10,427	7,503	28,955
Gain (loss) on disposal of equipment	141	(699)	(534)	(2,582)
Finance costs	81	310	174	604
Income tax recovery	-	(1,584)	-	(2,684)
Share based compensation - equity settled	16	114	(242)	268
Impairment of assets	4,588	12,735	4,588	12,735
Adjusted EBITDA from terminated operations	\$ (3,646)	\$ (5,569)	\$ (7,653)	\$ 2,803

"Free Cash Flow" is a financial measure not presented in accordance with IFRS and is equal to net cash provided by operating activities adjusted for changes in non-cash Working Capital from operating activities, sustaining capital expenditures, term loan principal repayments and lease payments (net of sublease receipts). The Company may deduct or include additional items in its calculation of Free Cash Flow that are unusual, non-recurring or non-operating in nature. Free Cash Flow is presented as

this measure is widely used in the investment community as an indication of the level of cash flow generated by ongoing operations. Management uses Free Cash Flow to evaluate the adequacy of internally generated cash flows to manage debt levels, invest in the growth of the business or return capital to shareholders. The following table presents a reconciliation of the non-IFRS financial measure of Free Cash Flow to the IFRS financial measure of net cash provided by operating activities.

“Free Cash Flow per share-basic” is a financial measure not presented in accordance with IFRS and is equal to Free Cash Flow divided by the weighted average number of shares outstanding – basic. Management uses Free Cash Flow per share-basic to evaluate the adequacy of internally generated cash flows to manage debt levels, invest in the growth of the business or return capital to shareholders on a normalized per basic share basis. The following table presents a reconciliation of the non-IFRS financial measure of Free Cash Flow per share-basic to the IFRS financial measure of net cash provided by operating activities.

“Free Cash Flow per share-diluted” is a financial measure not presented in accordance with IFRS and is equal to Free Cash Flow divided by the weighted average number of shares outstanding – diluted. Management uses Free Cash Flow per share-basic to evaluate the adequacy of internally generated cash flows to manage debt levels, invest in the growth of the business or return capital to shareholders on a normalized per diluted share basis. The following table presents a reconciliation of the non-IFRS financial measure of Free Cash Flow per share-basic to the IFRS financial measure of net cash provided by operating activities.

(\$000s)	Three months ended		Nine months ended	
	September 30, 2025	September 30, 2024	September 30, 2025	September 30, 2024
Net cash provided by operating activities	\$ 23,499	\$ 35,956	\$ 68,593	\$ 114,461
Add (deduct):				
Changes in non-cash working capital from operating activities	9,194	2,063	32,762	23,537
Sustaining capital	(7,073)	(7,187)	(21,248)	(27,898)
Lease payments (net of sublease receipts)	(2,330)	(2,428)	(7,318)	(7,753)
Free Cash Flow	\$ 23,290	\$ 28,404	\$ 72,789	\$ 102,347
Weighted average number of shares outstanding - basic	72,873,617	71,686,538	72,394,899	71,673,098
Free Cash Flow per share-basic	0.32	0.40	1.01	1.43
Weighted average number of shares outstanding - diluted	74,627,563	71,686,538	74,045,720	74,228,638
Free Cash Flow per share-diluted	0.31	0.40	0.98	1.38

“Working Capital”, “Total long-term financial liabilities” and “Net Debt” are financial measures not presented in accordance with IFRS. “Working Capital” is equal to total current assets less total current liabilities. “Total long-term financial liabilities” is comprised of loans and borrowings, long-term lease obligations and other liabilities. “Net Debt” is equal to loans and borrowings before deferred financing charges less cash and cash equivalents and CCS derivatives. The data presented is intended to provide additional information about items on the statement of financial position and should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

The following table represents the composition of the non-IFRS financial measure of Working Capital (including cash and cash equivalents).

(\$000s)	September 30, 2025	December 31, 2024
Current assets	\$ 193,535	\$ 145,107
Current liabilities	(115,638)	(109,752)
Working Capital (including cash and cash equivalents)	\$ 77,897	\$ 35,355

The following table presents the composition of the non-IFRS financial measure of total long-term financial liabilities.

(\$000s)	September 30, 2025	December 31, 2024
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Long-term loans	\$	38,891	\$	56,721
Long-term leases		14,206		18,021
Other long-term liabilities		11,127		8,652
Total long-term financial liabilities	\$	64,224	\$	83,394

The following table presents the composition of the non-IFRS financial measure of Net Debt.

(\$000s)	September 30, 2025	December 31, 2024
Loans and borrowings	\$ 38,891	\$ 56,721
Add back: Deferred financing costs	271	362
Less: Cash and cash equivalents	(2,511)	(4,362)
Less: CCS Derivatives liability (asset)	(349)	(53)
Net Debt	\$ 36,302	\$ 52,668

RISK FACTORS AND RISK MANAGEMENT

The oilfield services industry involves many risks, which may influence the ultimate success of the Company. The risks and uncertainties set out in the AIF and Annual MD&A are not the only ones the Company is facing. There are additional risks and uncertainties that the Company does not currently know about or that the Company currently considers immaterial which may also impair the Company's business operations and can cause the price of the Common Shares to decline. Readers should review and carefully consider the disclosure provided under the heading "Risk Factors" in the AIF and "Risk Factors and Risk Management" in the Annual MD&A, both of which are available on www.sedarplus.ca, and the disclosure provided in the MD&A under the headings "Market Outlook". In addition, global and national risks associated with market uncertainty due to changing tariffs and other trade barriers may adversely affect the Company by, among other things, reducing economic activity resulting in lower demand, and pricing, for crude oil and natural gas products, and thereby the demand and pricing for the Company's services. Other than as supplemented in this Press Release, the Company's risk factors, and management thereof has not changed substantially from those disclosed in the AIF and Annual MD&A.

FORWARD-LOOKING INFORMATION & STATEMENTS

Certain statements contained in this Press Release constitute "forward-looking statements" or "forward-looking information" within the meaning of applicable securities laws (collectively, "forward-looking statements"). These statements relate to the expectations of management about future events, results of operations and the Company's future performance (both operational and financial) and business prospects. All statements other than statements of historical fact are forward-looking statements. The use of any of the words "anticipate", "plan", "contemplate", "continue", "estimate", "expect", "intend", "propose", "might", "may", "will", "shall", "project", "should", "could", "would", "believe", "predict", "forecast", "pursue", "potential", "objective" and "capable" and similar expressions are intended to identify forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. While the Company believes the expectations reflected in the forward-looking statements included in this Press Release are reasonable, such statements are not guarantees of future performance or outcomes and may prove to be incorrect and should not be unduly relied upon.

In particular, but without limitation, this Press Release contains forward-looking statements pertaining to: 2025 and 2026 industry conditions and outlook, including commodity pricing and demand for oil and gas; the effect of LNG facilities on export capacity, natural gas storage, industry activity levels, and natural gas prices; anticipated utilization and activity levels, revenue, pricing, and schedule; the impact of public sector union labour disputes on the permitting process for oilfield services; delivery timing and capabilities of NGx pumps, including fuel savings, and the Company's intent to invest in the technology; delivery timing and capacity of the Company's ultra-deep coiled tubing reel trailer; the Company's focus on cost control; the oil and gas industry's ability to withstand volatility; the Company's ability to transfer assets where economic returns are most favorable; the Company's ability to test and evaluate next generation technologies; the effect large clients and their programs may have on the Company's activity levels; the Company's intention to invest in the development of next generation coiled tubing and fracturing technologies; the effect of tariffs and other trade barriers, inflation and cost increases on the Company and its

margins; the Company's view that the NCIB is an effective means to provide value to shareholders; the impact of weather and break up on the Company's operations; the Company's ability to meet all financial commitments including interest payments over the next twelve months; the Company's plans regarding equipment; the Company's ability to manage its capital structure and adjust the Company's budget in light of market conditions; expected debt repayment and Funded Debt to Adjusted Bank EBITDA ratios; expected income tax and derivative liabilities; adequacy of resources to funds operations, financial obligations and planned capital expenditures; the Company's ability to retain its existing clients; the monitoring of impairment, amount and age of balances owing, and the Company's financial assets and liabilities denominated in U.S. dollars, and exchange rates; the Company's expected compliance with covenants under its Credit Facilities and its ability to satisfy its financial commitments thereunder.

The forward-looking information and statements contained in this Press Release reflect several material factors and expectations and assumptions of the Company including, without limitation: the effect of macroeconomic factors, including global energy security concerns and levels of oil and gas inventories; 2025 and 2026 activity levels; the effect of tariffs, trade barriers, and related market concerns; levels of oil and gas production and LNG demand and export capacity on the market for the Company's services; that the Company will continue to conduct its operations in a manner consistent with past operations; the Company will continue as a going concern; the general continuance of current or, where applicable, assumed industry conditions; pricing of the Company's services; the Company's ability to market successfully to current and new clients; actual performance and availability of the NGx; predictable effect of seasonal weather and break up on the Company's operations; the Company's ability to utilize its equipment; the Company's ability to collect on trade and other receivables; Client demand for dual fuel fleets and emissions reduction technologies; the Company's ability to obtain and retain qualified staff and equipment in a timely and cost effective manner; levels of deployable equipment; future capital expenditures to be made by the Company; future funding sources for the Company's capital program; the Company's future debt levels; the expected receipt of tax amounts previously paid by the Company; the availability of unused credit capacity on the Company's credit lines; the impact of competition on the Company; the Company's ability to obtain financing on acceptable terms; the Company's continued compliance with financial covenants; the amount of available equipment in the marketplace; and client activity levels and spending. The Company believes the material factors, expectations and assumptions reflected in the forward-looking information and statements are reasonable, but no assurance can be given that these factors, expectations and assumptions will prove correct.

Actual results could also differ materially from those anticipated in these forward-looking statements due to the risk factors set forth under the heading "Risk Factors" in the AIF and under the heading *Risk Factors and Risk Management* in this Press Release.

Any financial outlook or future orientated financial information contained in this Press Release regarding prospective financial performance, financial position or cash flows is based on the assumptions about future events, including economic conditions and proposed courses of action based on management's assessment of the relevant information that is currently available. Projected operational information, including the Company's capital program, contains forward looking information and is based on a number of material assumptions and factors, as are set out above. These projections may also be considered to contain future oriented financial information or a financial outlook. The actual results of the Company's operations will likely vary from the amounts set forth in these projections and such variations may be material. Readers are cautioned that any such financial outlook and future oriented financial information contains herein should not be used for purposes other than those for which it is disclosed herein.

The forward-looking information and statements contained in this Press Release speak only as of the date of the document, and none of the Company or its subsidiaries assumes any obligation to publicly update or revise them to reflect new events or circumstances, except as may be required pursuant to applicable laws. The reader is cautioned not to place undue reliance on forward-looking information.

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION

As at	September 30,	December 31,
Unaudited (in thousands of Canadian dollars)	2025	2024
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 2,511	\$ 4,362
Trade and other receivables	134,578	82,769
Income tax receivable	395	-
Inventory	40,983	49,546
Prepaid expenses and deposits	8,035	8,430
Assets held for sale	7,033	-
	193,535	145,107
Property and equipment	383,511	402,419
Right-of-use assets	22,069	27,539
Intangible assets	866	1,159
Other assets	-	4,411
	\$ 599,981	\$ 580,635
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current Liabilities		
Trade and other payables	\$ 100,795	\$ 86,208
Current portion of lease obligations	8,465	9,726
Income tax payable	3,937	8,280
Current portion of other liabilities	2,441	5,538
	115,638	109,752
Lease obligations	14,206	18,021
Other liabilities	11,127	8,652
Deferred tax liabilities	18,002	16,963
Loans and borrowings	38,891	56,721
	197,864	210,109
Shareholders' equity		
Share capital	448,094	447,987
Contributed surplus	40,468	40,471
Accumulated other comprehensive income	21,336	26,635
Deficit	(107,781)	(144,567)
	402,117	370,526
	\$ 599,981	\$ 580,635

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF NET INCOME AND OTHER COMPREHENSIVE INCOME (LOSS)

Unaudited (in thousands of Canadian dollars, except per share amounts)	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Revenue	\$ 227,237	\$ 255,991	\$ 762,981	\$ 807,512
Operating expenses	194,572	229,494	662,145	687,162
Gross profit	32,665	26,497	100,836	120,350
Selling, general and administrative expenses	11,973	9,679	34,436	32,168
Results from operating activities	20,692	16,818	66,400	88,182
Finance costs	1,688	4,336	5,398	10,016
Foreign exchange loss (gain)	1,287	(63)	(621)	1,954
Unrealized (gain) loss on derivatives	(1,159)	802	(500)	(1,865)
Gain on disposal of property and equipment	(211)	(1,218)	(1,413)	(4,382)
Impairment of assets	4,588	12,735	4,588	12,735
Amortization of intangible assets	77	10	292	30
Income before income tax	14,422	216	58,656	69,694
Income tax expense (recovery)				
Current	6,639	7,148	21,331	24,476
Deferred	1,001	(1,472)	539	(1,148)
Total income tax expense	7,640	5,676	21,870	23,328
Net income (loss)	6,782	(5,460)	36,786	46,366
Other comprehensive income				
Foreign currency translation gain (loss)	3,412	(2,246)	(5,299)	5,140
Total comprehensive income (loss)	\$ 10,194	\$ (7,706)	\$ 31,487	\$ 51,506
Net income (loss) per share:				
Basic	\$ 0.09	\$ (0.08)	\$ 0.51	\$ 0.65
Diluted	\$ 0.09	\$ (0.08)	\$ 0.50	\$ 0.62

CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS

Unaudited (in thousands of Canadian dollars)	For the three months ended September 30,		For the nine months ended September 30,	
	2025	2024	2025	2024
Operating activities:				
Net income (loss)	\$ 6,782	\$ (5,460)	\$ 36,786	\$ 46,366
Adjusted for the following:				
Depreciation and amortization	17,200	26,022	58,462	72,979
Share-based compensation expense	3,705	970	6,672	3,868
Unrealized foreign exchange loss	1,464	62	200	1,536
Unrealized (gain) loss on derivatives	(1,159)	802	(500)	(1,865)
Gain on disposal of property and equipment	(211)	(1,218)	(1,413)	(4,382)
Impairment of assets	4,588	12,735	4,588	12,735
Finance costs	1,688	4,336	5,398	10,016
Income tax expense	7,640	5,676	21,870	23,328
Income taxes paid	(7,411)	(2,547)	(26,175)	(17,808)
Cash finance costs paid	(1,593)	(3,359)	(4,533)	(8,775)
Funds flow from operations	32,693	38,019	101,355	137,998
Changes in non-cash working capital from operating activities	(9,194)	(2,063)	(32,762)	(23,537)
Net cash provided by operating activities	23,499	35,956	68,593	114,461
Investing activities:				
Purchase of property and equipment	(18,950)	(17,656)	(48,594)	(74,625)
Proceeds from disposal of equipment and vehicles	1,259	737	1,951	5,169
Changes in non-cash working capital from investing activities	4,134	(1,514)	4,801	(2,218)
Net cash used in investing activities	(13,557)	(18,433)	(41,842)	(71,674)
Financing activities:				
Repayment of loans and borrowings	(8,334)	(16,511)	(17,632)	(27,288)
Repayment of obligations under finance lease	(2,322)	(2,446)	(7,310)	(7,791)
Common shares repurchased	-	(6)	(3,446)	(7,957)
Net cash used in financing activities	(10,656)	(18,963)	(28,388)	(43,036)
Impact of exchange rate changes on cash and cash equivalents	(5)	(33)	(214)	(54)
Increase (decrease) in cash and cash equivalents	(719)	(1,473)	(1,851)	(303)
Cash and cash equivalents, beginning of the period	3,230	2,955	4,362	1,785
Cash and cash equivalents, end of the period	\$ 2,511	\$ 1,482	\$ 2,511	\$ 1,482

ABOUT STEP

STEP is an energy services company that provides coiled tubing, fluid and nitrogen pumping and hydraulic fracturing solutions. Our combination of modern equipment along with our commitment to safety and quality execution has differentiated STEP in plays where wells are deeper, have longer laterals and higher pressures. STEP has a high-performance, safety-focused culture and its experienced technical office and field professionals are committed to providing innovative, reliable and cost-effective solutions to its clients.

Founded in 2011 as a specialized deep capacity coiled tubing company, STEP has grown into a North American service provider delivering completion and stimulation services to exploration and production (“E&P”) companies in Canada and the U.S. Our Canadian services are focused in the Western Canadian Sedimentary Basin (“WCSB”), while in the U.S., our coiled tubing services are concentrated in the Permian and Eagle Ford in Texas, the Uinta-Piceance, and Niobrara-DJ basins in Colorado and the Bakken in North Dakota.

Our four core values; **Safety, Trust, Execution** and **Possibilities** inspire our team of professionals to provide differentiated levels of service, with a goal of flawless execution and an unwavering focus on safety.

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