



# Condensed Consolidated Financial Statements

For the three months ended  
March 31, 2023

**SECURE**

**SECURE ENERGY SERVICES INC.**

**Consolidated Statements of Financial Position**

<i>As at (unaudited in \$ millions)</i>	<b>Notes</b>	<b>March 31, 2023</b>	<b>December 31, 2022</b>
<b>Assets</b>			
<b>Current assets</b>			
Cash		23	12
Accounts receivable and accrued receivables		438	449
Inventories		110	100
Prepaid expenses and other current assets		19	15
		<b>590</b>	<b>576</b>
Property, plant and equipment	<b>4</b>	1,509	1,513
Right-of-use assets		76	71
Intangible assets		161	163
Goodwill		345	351
Deferred tax asset		136	150
Other assets		13	16
<b>Total Assets</b>		<b>2,830</b>	<b>2,840</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities		361	404
Interest payable	<b>6</b>	16	2
Lease liabilities		27	28
Asset retirement obligations		18	20
Other liabilities		5	5
		<b>427</b>	<b>459</b>
Revolving credit facility	<b>5</b>	406	346
Secured and unsecured notes	<b>6</b>	571	573
Lease liabilities		91	84
Asset retirement obligations		99	95
Other liabilities		17	17
<b>Total Liabilities</b>		<b>1,611</b>	<b>1,574</b>
<b>Shareholders' Equity</b>			
Issued capital	<b>7</b>	1,610	1,676
Share-based compensation reserve		44	50
Foreign currency translation reserve		30	30
Deficit		(465)	(490)
<b>Total Shareholders' Equity</b>		<b>1,219</b>	<b>1,266</b>
<b>Total Liabilities and Shareholders' Equity</b>		<b>2,830</b>	<b>2,840</b>

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

**SECURE ENERGY SERVICES INC.**

**Consolidated Statements of Comprehensive Income**

<i>(unaudited, in \$ millions except share and per share data)</i>	Notes	Three months ended March 31,	
		2023	2022
Revenue	14	1,907	1,750
Cost of sales	9	1,780	1,649
<b>Gross margin</b>		<b>127</b>	<b>101</b>
General and administrative expenses	9	36	34
Transaction and related costs	9	3	9
<b>Operating profit</b>		<b>88</b>	<b>58</b>
Interest, accretion and finance costs	10	23	25
Other income	11	(8)	(14)
<b>Income before tax</b>		<b>73</b>	<b>47</b>
Current tax expense		3	—
Deferred tax expense		15	9
<b>Net income</b>		<b>55</b>	<b>38</b>
<b>Other comprehensive gain (loss)</b>			
Foreign currency translation adjustment		—	(1)
<b>Total comprehensive income</b>		<b>55</b>	<b>37</b>
Basic and diluted net income per common share		0.18	0.12
Weighted average shares outstanding - basic	7	306,517,269	308,833,319
Weighted average shares outstanding - diluted	7	310,026,987	312,043,772

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

**SECURE ENERGY SERVICES INC.**

**Consolidated Statements of Changes in Shareholders' Equity**

<i>(unaudited, in \$ millions)</i>	Notes	Issued capital	Share-based compensation reserve	Foreign currency translation reserve	Deficit	Total Shareholders' Equity
<b>Balance at December 31, 2022</b>		1,676	50	30	(490)	1,266
Net income		—	—	—	55	55
Dividends declared	7	—	—	—	(30)	(30)
Exercise of share units	7	3	(12)	—	—	(9)
Share-based compensation for equity-settled awards	8	—	6	—	—	6
Shares acquired and cancelled under normal course issuer bid ("NCIB")	7	(69)	—	—	—	(69)
<b>Balance at March 31, 2023</b>		1,610	44	30	(465)	1,219
<b>Balance at December 31, 2021</b>		1,670	48	24	(636)	1,106
Net income		—	—	—	38	38
Dividends declared	7	—	—	—	(2)	(2)
Foreign currency translation adjustment		—	—	(1)	—	(1)
Exercise of share units	7	9	(9)	—	—	—
Share-based compensation for equity-settled awards	8	—	4	—	—	4
<b>Balance at March 31, 2022</b>		1,679	43	23	(600)	1,145

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

**SECURE ENERGY SERVICES INC.**  
**Consolidated Statements of Cash Flows**

<i>(unaudited, in \$ millions)</i>	Notes	Three months ended March 31,	
		2023	2022
<b>Cash flows from (used in) operating activities</b>			
Net income		55	38
Adjustments for non-cash items:			
Depreciation, depletion and amortization	9	54	56
Interest, accretion and finance costs	10	23	25
Other income	11	(11)	(14)
Current and deferred tax expense		18	9
Share-based compensation		9	5
Interest paid		(9)	(6)
Asset retirement costs incurred		(3)	(6)
Funds flow from operations		136	107
Change in non-cash working capital		(39)	(7)
<b>Net cash flows from operating activities</b>		<b>97</b>	<b>100</b>
<b>Cash flows (used in) from investing activities</b>			
Purchase of property, plant and equipment	4	(46)	(13)
Proceeds from dispositions	11	22	22
Change in non-cash working capital		(1)	(1)
<b>Net cash flows (used in) from investing activities</b>		<b>(25)</b>	<b>8</b>
<b>Cash flows (used in) from financing activities</b>			
Draw (repayment) of credit facilities	5	60	(90)
Lease liability principal payments and other		(8)	(6)
Dividends declared	7	(30)	(2)
Repurchase and cancellation under NCIB	7	(69)	—
Settlement of share units		(14)	—
<b>Net cash flows used in financing activities</b>		<b>(61)</b>	<b>(98)</b>
<b>Effect of foreign exchange on cash</b>			
		—	—
Increase in cash		11	10
Cash, beginning of period		12	10
<b>Cash, end of period</b>		<b>23</b>	<b>20</b>

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

## **SECURE**

### **Notes to the Condensed Consolidated Financial Statements (unaudited) For the three months ended March 31, 2023 and 2022**

#### **1. NATURE OF BUSINESS AND BASIS OF PRESENTATION**

##### **Nature of Business**

SECURE Energy Services Inc. (“SECURE” or “the Corporation”) is incorporated under the Business Corporations Act (Alberta). The Corporation’s common shares are traded on the Toronto Stock Exchange (“TSX”) under the symbol “SES”. The head office of the Corporation is located at 2300, 225 – 6th Avenue S.W., Calgary, Alberta, Canada, T2P 1N2. The registered office of the Corporation is located at 4500, 855 – 2nd Street S.W., Calgary, Alberta, Canada, T2P 4K7. On July 2, 2021, pursuant to a plan of arrangement under the Business Corporations Act (Alberta), SECURE acquired all of the issued and outstanding common shares of Tervita Corporation (“Tervita”) and subsequently Tervita was amalgamated with SECURE (the “Transaction”).

SECURE is a leading environmental and energy infrastructure business headquartered in Calgary, Alberta. The Corporation's extensive infrastructure network located throughout western Canada and North Dakota includes waste processing and transfer facilities, industrial landfills, metal recycling facilities, crude oil and water gathering pipelines, crude oil terminals and storage facilities. Through this infrastructure network, the Corporation carries out its principal business operations, including the processing, recovery, recycling and disposal of waste streams generated by our energy and industrial customers and gathering, optimization and storage of crude oil and natural gas liquids. The solutions the Corporation provides are designed not only to help reduce costs, but also lower emissions, increase safety, manage water, recycle by-products and protect the environment.

SECURE's common shares are listed on the TSX under the symbol “SES” and is a constituent of the S&P/TSX Composite Index.

In Canada, the level of activity in the oilfield is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter’s frost comes out of the ground (commonly referred to as “spring break-up”), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. This limits the movement of heavy equipment and the transportation of heavy waste loads is restricted, resulting in smaller loads and a general reduction in the volume of waste delivered to SECURE’s facilities. Accordingly, while the Corporation’s facilities are open and accessible year-round, spring break-up reduces the Corporation’s environmental infrastructure and oilfield service activity levels. In the areas in which the Corporation operates, the second quarter has generally been the slowest quarter as a result of spring break-up. Oilfield service project activity tends to be lower in the first half of the year due to the previously described factors and challenges of completing excavation work on frozen terrain in the first quarter. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

##### **Basis of Presentation**

The condensed consolidated financial statements of SECURE have been prepared by management in accordance with International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”) in effect at the closing date of March 31, 2023. The condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the annual audited consolidated financial statements for the year ended December 31, 2022.



These condensed consolidated financial statements are recorded and presented in Canadian dollars (\$), which is SECURE’s functional currency, and have been prepared on a historical cost basis, except for certain items that have been measured at fair value. All values are rounded to the nearest million dollars (\$ millions), except where otherwise indicated. These condensed consolidated financial statements were approved by SECURE’s Board of Directors on April 26, 2023.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The significant accounting policies adopted in the preparation of these condensed consolidated financial statements are the same as those set out in the annual audited consolidated financial statements for the year ended December 31, 2022. Unless otherwise stated, these policies have been consistently applied to all periods presented.

**3. ESTIMATES AND JUDGMENTS**

The timely preparation of the Corporation’s condensed consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported assets, liabilities, revenues, expenses, gains, losses, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset, liability or equity affected in future periods. The estimates and underlying assumptions are reviewed by management on an ongoing basis, with any adjustments recognized in the period in which the estimate is revised.

The key estimates and judgments concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets, liabilities and equity include those related to the determination of cash generating units, depreciation, depletion and amortization, recoverability of assets, asset retirement obligations and accretion, other provisions and contingent liabilities, inventories, share-based compensation, deferred income taxes, provision for expected credit losses, fair value of derivative financial instruments, and net investments in foreign subsidiaries. Readers are cautioned that the preceding list is not exhaustive and other items may also be affected by estimates and judgments.

**4. PROPERTY, PLANT AND EQUIPMENT**

	<b>March 31, 2023</b>
<b>Balance - beginning of period</b>	<b>1,513</b>
Additions	76
Change in asset retirement obligations	(1)
Disposals	(7)
Depreciation and depletion	(42)
Transfers	(30)
<b>Balance - end of period</b>	<b>1,509</b>

## 5. REVOLVING CREDIT FACILITY

SECURE's credit facilities at March 31, 2023, consist of an \$800 million revolving credit facility (the "Revolving Credit Facility") with nine financial institutions and matures in July 2025. In addition, SECURE maintains a \$50 million unsecured letter of credit facility guaranteed by Export Development Canada.

The credit facility balances included on the statements of financial position at March 31, 2023, and December 31, 2022, were as follows:

	March 31, 2023	December 31, 2022
Amount drawn on Revolving Credit Facility	412	352
Unamortized financing costs	(6)	(6)
<b>Total credit facility</b>	<b>406</b>	<b>346</b>

	March 31, 2023	December 31, 2022
Maximum amount available	850	830
Less: Amount drawn on Revolving Credit Facility	(412)	(352)
Less: Letters of credit	(98)	(92)
<b>Available amount <sup>(1)</sup></b>	<b>340</b>	<b>386</b>

<sup>(1)</sup> Subject to covenant restrictions discussed below.

As at March 31, 2023, the Corporation has liquidity of \$363 million, consisting of \$23 million in cash and \$340 million in capacity on its credit facilities (\$398 million as at December 31, 2022, consisting of \$12 million in cash and \$386 million in capacity on its credit facilities). The following table outlines the Corporation's covenant ratios as at March 31, 2023:

	March 31, 2023	Covenant
Senior Debt to EBITDA	0.9	not to exceed 2.75
Total Debt to EBITDA	1.9	not to exceed 4.5
Interest coverage	6.0	not to be less than 2.5

## 6. SECURED AND UNSECURED NOTES

As at March 31, 2023, SECURE's secured and unsecured notes consist of the following:

- US\$162 million aggregate principal amount of 11.00% senior second lien secured notes due December 1, 2025 (the "2025 senior secured notes") which are subordinate to the Revolving Credit Facility and are secured by substantially all tangible and intangible assets owned by the Corporation; and
- \$340 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026 (the "2026 unsecured notes").

The secured and unsecured notes balances included on the statements of financial position at March 31, 2023, and December 31, 2022, were as follows:

	Principal	Issuance	Maturity	March 31, 2023	December 31, 2022
2025 senior secured notes	US\$162	Nov 2020	Dec 2025	219	219
Fair value premium on 2025 senior secured notes				16	18
2026 unsecured notes	\$340	July 2021	Dec 2026	340	340
Premium on issuance of 2026 unsecured notes				1	1
Unamortized financing costs				(5)	(5)
<b>Total unsecured and senior secured notes</b>				<b>571</b>	<b>573</b>



As at March 31, 2023, the fair value of the 2025 senior secured and 2026 unsecured notes was \$235 million and \$332 million, respectively. The fair value of the 2025 senior secured and 2026 unsecured notes is based on third party observable quotes and may not reflect the actual amounts payable by SECURE.

## 7. SHAREHOLDERS' EQUITY

### Issued and outstanding

(\$ millions except for shares)	Number of Shares	Amount
<b>Balance at December 31, 2022</b>	<b>309,381,452</b>	<b>1,676</b>
RSUs and PSUs exercised	1,032,594	—
Transfer from reserves in equity	—	3
Shares cancelled under NCIB	(9,595,200)	(69)
<b>Balance at March 31, 2023</b>	<b>300,818,846</b>	<b>1,610</b>

The Corporation declared dividends to holders of common shares for the three months ended March 31, 2023 of \$30 million (March 31, 2022: \$2 million). On March 15, 2023, the Corporation declared a dividend in the amount of \$0.10 per common share. Subsequent to March 31, 2023, the Corporation paid out this dividend to holders of common shares on record on April 1, 2023.

On December 8, 2022, the Corporation commenced an NCIB, under which the Corporation may purchase for cancellation up to a maximum of 22,055,749 common shares of the Corporation representing approximately 7.1% of the Corporation's outstanding shares as at December 7, 2022, or 10% of the Corporation's public float. The NCIB will terminate on December 13, 2023 or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or terminated at the Corporation's election.

For the three months ended March 31, 2023, the Corporation purchased 9,595,200 common shares at a weighted average price per share of \$7.24 for a total of \$69 million under the terms of the NCIB. Subsequent to March 31, 2023, the Corporation has purchased 3,983,500 additional shares at a weighted average price per share of \$6.60 for a total of \$26 million.

### Basic and Diluted Income Per Share

The following reflects the share data used in the basic and diluted income per share computations:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Weighted average number of shares - basic	306,517,269	308,833,319
Effect of dilution:		
RSUs and PSUs	3,509,718	3,210,453
Weighted average number of shares - diluted	310,026,987	312,043,772

The above calculation includes the effect of all RSUs and PSUs for the three months ended March 31, 2023 and 2022.

## 8. SHARE-BASED COMPENSATION PLANS

### Unit Incentive Plans

The Corporation has a Unit Incentive Plan (“UIP”) under which the Corporation may grant incentive units, comprised of RSUs and PSUs to employees and consultants, and a deferred share unit (“DSU”) plan for non-employee directors of the Corporation. The terms of these plans remain unchanged from those disclosed in the annual audited consolidated financial statements for the year ended December 31, 2022.

The following table summarizes the units outstanding at March 31, 2023:

	RSUs	PSUs	DSUs
<b>Balance at December 31, 2022</b>	2,132,941	3,851,100	700,104
Granted	1,029,330	1,622,047	72,508
Reinvested dividends	30,089	54,287	9,869
Redeemed for common shares	(652,634)	(379,960)	—
Redeemed for cash	(158,814)	(1,553,281)	—
Forfeited	(98,751)	(42,093)	—
<b>Balance at March 31, 2023</b>	<b>2,282,161</b>	<b>3,552,100</b>	<b>782,481</b>

The fair value of the RSUs, PSUs and DSUs issued is determined using the five day volume weighted average share price at the grant date.

## 9. EXPENSES

The below table summarizes the disaggregation of expenses for the three months ended March 31, 2023 and 2022:

Three months ended March 31, 2023	Cost of Sales	General and Administrative Expense	Total
Employee compensation and benefits	56	14	70
Share-based compensation	—	9	9
Depreciation	38	1	39
Depletion	9	—	9
Amortization	6	—	6
Oil purchase/resale services expense	1,491	—	1,491
Other <sup>(1)</sup>	180	12	192
<b>Total</b>	<b>1,780</b>	<b>36</b>	<b>1,816</b>

Three months ended March 31, 2022	Cost of Sales	General and Administrative Expense	Total
Employee compensation and benefits	42	19	61
Share-based compensation	—	5	5
Depreciation	34	3	37
Depletion	16	—	16
Amortization	3	—	3
Oil purchase/resale services expense	1,391	—	1,391
Other <sup>(1)</sup>	163	7	170
<b>Total</b>	<b>1,649</b>	<b>34</b>	<b>1,683</b>

<sup>(1)</sup> Other includes the remaining expenses not listed separately in the table above. The majority of these expenses are cost of products, repairs and maintenance, trucking and disposal and utilities, net of tariff fees associated with oil pipelines.

## Transaction and related costs

The Corporation incurred Transaction related costs of \$3 million for the three months ended March 31, 2023 consisting of \$1 million related to legal and advisory fees for the competition review process, and \$2 million of integration costs. The integration costs primarily related to the implementation of a new enterprise resource planning system. For the three months ended March 31, 2022, transaction and related costs amounted to \$9 million.

## 10. INTEREST, ACCRETION AND FINANCE COSTS

Interest, accretion and finance costs consists of the following for the three months ended March 31, 2023 and 2022:

	Three Months Ended	
	March 31, 2023	March 31, 2022
Interest on senior secured notes, unsecured notes and Revolving Credit Facility	19	20
Amortization of debt issuance costs	—	1
Accretion of asset retirement obligations	3	3
Interest on obligations under leases	1	1
<b>Interest, accretion and finance costs</b>	<b>23</b>	<b>25</b>

## 11. OTHER INCOME

In the three months ended March 31, 2023, the Corporation recognized gains within other income related to the sale of a water pumping business unit and a rail terminal. In the three months ended March 31, 2022, the Corporation sold unused land and realized a gain of \$15 million, which was also recorded within other income.

## 12. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of the following:

	March 31, 2023	December 31, 2022
Working capital <sup>(1)</sup>	213	170
Total debt	971	911
Shareholders' equity	1,219	1,266
	<b>2,403</b>	<b>2,347</b>

<sup>(1)</sup> Calculated as the difference between current assets less accounts payable and accrued liabilities and interest payable.

Principal debt consists of the following:

	March 31, 2023	December 31, 2022
Amount drawn on credit facilities	412	352
2025 senior secured notes (principal)	219	219
2026 unsecured notes (principal)	340	340
	<b>971</b>	<b>911</b>

The Corporation's objective in capital management is to ensure adequate sources of capital are available to carry out its planned capital program, while maintaining operational activity, payment of dividends and stable cash flow so as to sustain the business for the long-term. Management considers the Corporation's working capital (current assets less accounts payable and accrued liabilities and interest payable), total amounts drawn on debt facilities and shareholders' equity as the components of capital to be managed.

### 13. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

	1 year or less	1-5 years	5 years and thereafter	Total
Crude oil transportation	52	154	65	271
Crude oil storage	10	52	17	79
Capital commitments	14	—	—	14
<b>Total contractual obligations</b>	<b>76</b>	<b>206</b>	<b>82</b>	<b>364</b>

#### Crude oil transportation commitments

Included in this number are committed crude oil volumes for pipeline throughput at certain of the Corporation's pipeline connected terminals. This amount reflects the total payment that would have to be made should the Corporation not deliver the committed pipeline volumes.

#### Crude oil storage commitment

SECURE has an arrangement for crude oil storage capacity at a major oil hub in western Canada. This amount is payable regardless of utilization.

#### Capital commitments

The amounts include various capital purchases for use in the Corporation's current and future capital projects. All amounts are current and due within one year.

#### Contingencies

During the normal course of business, SECURE is involved in various legal proceedings. The claims are reviewed individually and are reflected in the Corporation's Annual consolidated financial statements if material and more likely than not to be incurred. With unresolved claims currently outstanding, the legal process of these claims has not advanced sufficiently to the point where it is practicable to assess the timing and financial effect of these claims, if any. SECURE does not anticipate that the financial position, results of operations or operations of the Corporation will be materially affected by the resolution of these legal proceedings.

#### Transaction update

On March 9, 2021 the Corporation announced an arrangement agreement to acquire Tervita. On July 2, 2021, pursuant to a plan of arrangement under the Business Corporations Act (Alberta), SECURE acquired all of the issued and outstanding common shares of Tervita and subsequently Tervita was amalgamated with SECURE.

On June 29, 2021, the Commissioner of Competition filed an application under Section 92 of the Competition Act (the "Section 92 Application") with the Competition Tribunal (the "Tribunal") and served SECURE with a notice of application to block the closing of the Transaction under Section 92 of the Competition Act. That application was unsuccessful and at the hearing of the Section 92 Application, the Commissioner sought the divestiture of 41 facilities.

On March 3, 2023 the Tribunal issued its decision regarding the Section 92 Application. The Tribunal issued an order requiring SECURE to divest 29 facilities all formerly owned by Tervita (the "Facilities"). On March 24, 2023, SECURE filed a Notice of Appeal to the Federal Court of Appeal. On March 31, 2023, SECURE received a partial stay of the Tribunal's order which will remain in place until the appeal is complete.

The Tribunal's order to divest of the Facilities, if not overturned or modified on appeal, could have a material impact on the business, financial condition or results of operations of the Corporation. SECURE would expect to receive sale proceeds relating to such divestitures which could mitigate, in whole or in part, any such impact.

## 14. SEGMENT REPORTING

During the three months ended March 31, 2023, the Corporation realigned its reporting structure to reflect changes in the aggregation of operating segments following the completion of the Tervita post-merger integration in 2022. The results of the Corporation are now being reported in the following three operating segments:

1. Environmental Waste Management (“EWM”) Infrastructure includes a network of waste processing facilities, produced water pipelines, industrial landfills, waste transfer and metal recycling facilities. Through this infrastructure network, the Corporation carries out business operations including the processing, recovery, recycling and disposal of waste streams generated by our energy and industrial customers. Services include produced and waste water disposal, hazardous and non-hazardous waste processing and transfer, treatment of crude oil and metal recycling.
2. Energy Infrastructure includes a network of crude oil gathering pipelines, terminals and storage facilities. Through this infrastructure network, the Corporation engages in the transportation, optimization, terminalling and storage of crude oil.
3. Oilfield Services includes drilling fluid management, and project management services. Drilling fluid management include products, equipment and services to enhance drilling performance. Project management services provide equipment contracting services supporting the energy, mining, forestry, rail, pipeline, government and civil industries across Canada.

These reportable segments of the Corporation have been derived because they are the segments: (a) that engage in business activities from which revenues are earned and expenses are incurred; (b) whose operating results are regularly reviewed by the Corporation’s chief operating decision makers, identified as the Chief Executive Officer and the President, to make decisions about resources to be allocated to each segment and assess its performance; and (c) for which discrete financial information is available. The Corporation has aggregated certain operating segments into the above noted reportable segments through examination of the Corporation’s performance which is based on the similarity of services and goods provided and economic characteristics exhibited by the operating segments.

The audited consolidated financial statements for the year ended December 31, 2022 results were reported under three reportable segments, Midstream Infrastructure, Environmental and Fluid Management, and Corporate. Changes between the three reportable segments reported at December 31, 2022 and the four reportable segments reported as at and for the three months ended March 31, 2023 are as follows:

- EWM Infrastructure includes business units that were previously included in the Midstream Infrastructure segment (all except for Energy Infrastructure) as well as business units which were previously in the Environmental and Fluid Management segment including: landfills, waste transfer and metal recycling facilities.
- Energy Infrastructure was previously included in the Midstream Infrastructure segment.
- Oilfield Services includes drilling fluid management, and project management services which were previously included in the Environmental and Fluid Management segment.
- The Corporation reports activities not directly attributable to an operating segment under Corporate. Corporate division expenses consist of public company costs, share-based compensation, interest and finance costs, and personnel, office and other administrative costs relating to corporate employees and officers. There has been no change to what is included within the Corporate segment.

Accounting policies used for segment reporting are consistent with the accounting policies used for the preparation of the Corporation’s annual audited consolidated financial statements. Comparative information has been presented to conform to the current segmented reporting information. No changes were implemented with respect to the consolidated data as a result of the presentation of prior periods.

The following tables present the financial performance by reportable segment and includes a measure of segment profit or loss regularly reviewed by management for the three months ended March 31, 2023 and 2022.

<b>Three months ended March 31, 2023</b>	<b>EWM Infrastructure</b>	<b>Energy Infrastructure</b>	<b>Oilfield Services</b>	<b>Corporate</b>	<b>Total</b>
Revenue excluding oil purchase and resale	256	52	108	—	416
Oil purchase and resale	—	1,491	—	—	1,491
<b>Total revenue</b>	<b>256</b>	<b>1,543</b>	<b>108</b>	<b>—</b>	<b>1,907</b>
Cost of sales excluding items listed separately below	(143)	(1,496)	(88)	—	(1,727)
<b>Segment profit margin</b>	<b>113</b>	<b>47</b>	<b>20</b>	<b>—</b>	<b>180</b>
G&A expenses excluding items listed separately below	(5)	(1)	(7)	(13)	(26)
Depreciation, depletion and amortization <sup>(1)</sup>	(44)	(5)	(5)	—	(54)
Share-based compensation <sup>(1)</sup>	—	—	—	(9)	(9)
Interest, accretion and finance costs	(3)	—	—	(20)	(23)
Transaction and related costs	—	—	—	(3)	(3)
Other income	3	—	5	—	8
<b>Income (loss) before tax</b>	<b>64</b>	<b>41</b>	<b>13</b>	<b>(45)</b>	<b>73</b>

<b>Three months ended March 31, 2022</b>	<b>EWM Infrastructure</b>	<b>Energy Infrastructure</b>	<b>Oilfield Services</b>	<b>Corporate</b>	<b>Total</b>
Revenue excluding oil purchase and resale	229	40	90	—	359
Oil purchase and resale	—	1,391	—	—	1,391
<b>Total revenue</b>	<b>229</b>	<b>1,431</b>	<b>90</b>	<b>—</b>	<b>1,750</b>
Cost of sales excluding items listed separately below	(128)	(1,395)	(73)	—	(1,596)
<b>Segment profit margin</b>	<b>101</b>	<b>36</b>	<b>17</b>	<b>—</b>	<b>154</b>
G&A expenses excluding items listed separately below	(9)	(2)	(4)	(11)	(26)
Depreciation, depletion and amortization <sup>(1)</sup>	(46)	(5)	(4)	(1)	(56)
Share-based compensation <sup>(1)</sup>	—	—	—	(5)	(5)
Interest, accretion and finance costs	(3)	—	—	(22)	(25)
Transaction and related costs	—	—	—	(9)	(9)
Other (expense) income	(1)	—	4	11	14
<b>Income (loss) before tax</b>	<b>42</b>	<b>29</b>	<b>13</b>	<b>(37)</b>	<b>47</b>

<sup>(1)</sup> Depreciation, depletion and amortization, and share-based compensation have been allocated to cost of sales and general and administrative expenses on the Consolidated Statements of Comprehensive Income based on function of the underlying asset or individual to which the charge relates.

## Assets and Liabilities

<b>As at March 31, 2023</b>	<b>EWM Infrastructure</b>	<b>Energy Infrastructure</b>	<b>Oilfield Services</b>	<b>Corporate</b>	<b>Total</b>
Current assets	221	169	170	30	590
Property, plant and equipment	1,130	294	75	10	1,509
Right-of-use assets	44	—	23	9	76
Intangible assets	146	15	—	—	161
Goodwill	270	61	14	—	345
Total assets	1,811	539	282	198	2,830
Current liabilities	214	116	60	37	427
Total liabilities	329	142	78	1,062	1,611

<b>As at December 31, 2022</b>	<b>EWM Infrastructure</b>	<b>Energy Infrastructure</b>	<b>Oilfield Services</b>	<b>Corporate</b>	<b>Total</b>
Current assets	214	174	172	16	576
Property, plant and equipment	1,148	275	79	11	1,513
Right-of-use assets	37	1	24	9	71
Intangible assets	148	15	—	—	163
Goodwill	270	61	20	—	351
Total assets	1,817	526	295	202	2,840
Current liabilities	266	116	65	12	459
Total liabilities	371	143	80	980	1,574

## Geographical Financial Information

	<b>Canada</b>		<b>U.S.</b>		<b>Total</b>	
Three months ended March 31,	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
Revenue	<b>1,894</b>	1,739	<b>13</b>	11	<b>1,907</b>	1,750
As at March 31, 2023 and December 31, 2022	<b>2023</b>	2022	<b>2023</b>	2022	<b>2023</b>	2022
Total non-current assets	<b>2,144</b>	2,166	<b>96</b>	98	<b>2,240</b>	2,264



## CORPORATE INFORMATION

### DIRECTORS

Rene Amirault  
Mark Bly<sup>(3) (4)</sup>  
Mick Dilger - Chairman  
Wendy Hanrahan  
Joseph Lenz<sup>(1) (3)</sup>  
Brad Munro<sup>(2) (4)</sup>  
Kevin Nugent<sup>(1) (4)</sup>  
Susan Riddell Rose<sup>(2) (4)</sup>  
Jay Thornton<sup>(2) (3)</sup>  
Deanna Zumwalt<sup>(1) (3)</sup>

<sup>1</sup> Audit Committee

<sup>2</sup> Human Resources and Compensation Committee

<sup>3</sup> Corporate Governance & Nominating Committee

<sup>4</sup> Environment, Social & Governance Committee

### OFFICERS

Rene Amirault  
*Chief Executive Officer*

Allen Gransch  
*President*

Chad Magus  
*Chief Financial Officer*

Corey Higham  
*Chief Operating Officer*

Michael Callihoo  
*General Counsel and Corporate Secretary*

### STOCK EXCHANGE

Toronto Stock Exchange  
Symbol: SES

### AUDITORS

KPMG LLP  
Calgary, Alberta

### LEGAL COUNSEL

Bennett Jones LLP  
Calgary, Alberta

### LEAD BANKERS

ATB Financial  
National Bank of Canada  
Canadian Imperial Bank of Commerce  
Bank of Montreal  
TD Canada Trust

### TRANSFER AGENT AND REGISTRAR

Odyssey Trust Company  
Calgary, Alberta

James Anderson  
*Senior Vice President, Fluids Management*

David Engel  
*Senior Vice President, Industrial Landfills, Waste Transfer Facilities & Projects*

Rhonda Rudnitski  
*Vice President, Environment, Social & Governance*