Condensed Consolidated Financial Statements

For the three months ended March 31, 2022

SECURE ENERGY

SECURE ENERGY SERVICES INC.
Consolidated Statements of Financial Position

As at (unaudited, in $ millions)	Notes	March 31, 2022	December 31, 2021
Assets			
Current assets			
Cash		**20**	10
Accounts receivable and accrued receivables		**455**	345
Inventories		**92**	100
Prepaid expenses and other current assets		**18**	11
		585	466
Property, plant and equipment	**4**	**1,575**	1,646
Right-of-use assets		**67**	71
Intangible assets		**176**	180
Goodwill		**349**	349
Deferred tax asset		**208**	217
Other assets		**10**	8
Total Assets		**2,970**	2,937
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		**376**	279
Interest payable	**6**	**22**	4
Lease liabilities		**26**	27
Asset retirement obligations		**19**	19
Other liabilities		**4**	4
		447	333
Revolving credit facility	**5**	**363**	452
Secured and unsecured notes	**6**	**747**	755
Lease liabilities		**79**	82
Asset retirement obligations		**145**	171
Other liabilities	**6**	**44**	38
Total Liabilities		**1,825**	1,831
Shareholders' Equity			
Issued capital	**7**	**1,679**	1,670
Share-based compensation reserve		**43**	48
Foreign currency translation reserve		**23**	24
Deficit		**(600)**	(636)
Total Shareholders' Equity		**1,145**	1,106
Total Liabilities and Shareholders' Equity		**2,970**	2,937

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

SECURE ENERGY SERVICES INC.

Consolidated Statements of Comprehensive Income (Loss)

For the three months ended March 31,

(unaudited, in $ millions except share and per share data)	Notes	2022	2021 Restated (Note 2)
Revenue	14	1,750	661
Cost of sales	9	1,649	636
Gross margin		101	25
General and administrative expenses	9	34	17
Transaction and related costs	9	9	4
Operating profit		58	4
Interest, accretion and finance costs	10	25	5
Other income	11	(14)	—
Income (loss) before tax		47	(1)
Current tax expense		—	—
Deferred tax expense		9	—
Net income (loss)		38	(1)
Net income (loss) attributable to:			
Shareholders of SECURE		38	—
Non-controlling interest		—	(1)
Other comprehensive loss			
Foreign currency translation adjustment		(1)	(2)
Total comprehensive income (loss)		37	(3)
Total comprehensive income (loss) attributable to:			
Shareholders of SECURE		37	(2)
Non-controlling interest		—	(1)
Basic and diluted net income (loss) per common share		0.12	(0.01)
Weighted average shares outstanding - basic	7	308,833,319	159,540,722
Weighted average shares outstanding - diluted	7	312,043,772	159,540,722

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

SECURE ENERGY SERVICES INC.

Consolidated Statements of Changes in Shareholders' Equity

(unaudited, in $ millions)	Note	Issued capital	Share-based compensation reserve	Foreign currency translation reserve	Non-controlling interest	Deficit	Total Shareholders' Equity
Balance at January 1, 2022		**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**
Balance at March 31, 2022		**1,679**	**43**	**23**	**—**	**(600)**	**1,145**
Balance at January 1, 2021		**1,038**	**51**	**24**	**30**	**(426)**	**717**
Net loss		—	—	—	(1)	—	**(1)**
Dividends declared		—	—	—	—	(1)	**(1)**
Foreign currency translation adjustment		—	—	(2)	—	—	**(2)**
Exercise of share units		10	(10)	—	—	—	**—**
Share-based compensation for equity-settled awards		—	1	—	—	—	**1**
Balance at March 31, 2021		**1,048**	**42**	**22**	**29**	**(427)**	**714**

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

SECURE ENERGY SERVICES INC.

Consolidated Statements of Cash Flows

For the three months ended March 31,

(unaudited, in $ millions)	Notes	2022	2021 Restated (Note 2)
Cash flows from operating activities			
Net income (loss)		**38**	(1)
Adjustments for non-cash items:			
Depreciation, depletion and amortization	**9**	**56**	29
Interest, accretion and finance costs	**10**	**25**	5
Other income	**11**	**(14)**	—
Current and deferred tax expense		**9**	—
Share-based compensation	**8**	**5**	3
Interest paid		**(6)**	(5)
Asset retirement costs incurred		**(6)**	(1)
Funds flow from operations		**107**	30
Change in non-cash working capital		**(7)**	(6)
Net cash flows from operating activities		**100**	24
Cash flows from (used in) investing activities			
Purchase of property, plant and equipment	**4**	**(13)**	(6)
Proceeds from dispositions	**11**	**22**	—
Change in non-cash working capital		**(1)**	3
Net cash flows from (used in) investing activities		**8**	(3)
Cash flows used in financing activities			
Repayment of credit facilities	**5**	**(90)**	(7)
Lease liability principal payments		**(6)**	(3)
Dividends declared	**7**	**(2)**	(1)
Net cash flows used in financing activities		**(98)**	(11)
Effect of foreign exchange on cash		**—**	—
Increase in cash		**10**	10
Cash, beginning of period		**10**	7
Cash, end of period		**20**	17

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

Notes to the Condensed Consolidated Financial Statements (unaudited)
For the three months ended March 31, 2022 and 2021

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 provides industry leading midstream infrastructure and environmental and fluid management to predominantly upstream oil and natural gas companies operating in western Canada and certain regions in the United States ("U.S."). SECURE's Midstream Infrastructure reportable segment includes a network of midstream processing and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada, North Dakota and Oklahoma. SECURE's midstream infrastructure operations generate cash flows from oil production processing and disposal, produced water disposal, and crude oil storage, logistics, and marketing. The Environmental and Fluid Management reportable segment includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste management and disposal, onsite abandonment, environmental solutions for site remediation and reclamation, bio-remediation, water treatment & recycling, emergency response, rail services, metal recycling services, as well as fluid management for drilling, completion and production activities.

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 the heavy equipment required for drilling and well servicing activities, and the level of activity of the Corporation's customers may, consequently, be reduced. In addition, 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 midstream infrastructure and fluid management 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. Environmental management 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, 2022. 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, 2021.

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 27, 2022.

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, 2021. Unless otherwise stated, these policies have been consistently applied to all periods presented.

Voluntary change in accounting policy

Under the Corporation's previous accounting policy, SECURE used a risk-free interest rate based on the Bank of Canada published bond rates in the measurement of the present value of its asset retirement obligations. As disclosed in the annual audited consolidated financial statements for the year ended December 31, 2021, effective July 1, 2021, the Corporation elected to change its policy for the measurement of asset retirement obligations to utilize a credit-adjusted risk-free interest rate. The use of a credit-adjusted risk-free rate results in reliable and more relevant information for the readers of the consolidated financial statements as this methodology provides a more accurate representation of the value at which such liabilities could be transferred to a third party, provides a better indication of the risk associated with such obligations, and increases the comparability of the Corporation's financial statements to those of its peers.

Management has applied the voluntary change in accounting policy retrospectively, including the restatement of certain comparative amounts in these condensed consolidated financial statements. The tables below present the impact of the change in accounting policy to the consolidated statements of comprehensive income (loss) and the consolidated statements of cash flows for the three months ended March 31, 2021, for each of the line items impacted.

Impacts on the Consolidated Statement of Comprehensive Income (Loss)

	Previous policy	Adjustments	Restated
Cost of sales [(1)]	637	(1)	636
Interest, accretion and finance costs	4	1	5
Net loss	(1)	—	(1)

[(1)] The change in accounting policy impacted depreciation and depletion which is included in cost of sales.

Impacts on the Consolidated Statements of Cash Flows

	Previous policy	Adjustments	Restated
Net loss	(1)	—	(1)
Non-cash operating activities	37	—	37

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 or liability 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

	March 31, 2022
Balance - beginning of period	**1,646**
Additions	13
Change in asset retirement obligations	(23)
Disposals	(6)
Depreciation and depletion	(53)
Foreign exchange effect	(2)
Balance - end of period	**1,575**

5. REVOLVING CREDIT FACILITY

SECURE's credit facilities at March 31, 2022, consist of an $800 million three-year revolving credit facility (the "Revolving Credit Facility") with nine financial institutions (with a maturity date of July 2, 2024) and a $30 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, 2022, and December 31, 2021, were as follows:

	March 31, 2022	December 31, 2021
Amount drawn on Revolving Credit Facility	370	460
Unamortized financing costs	(7)	(8)
Total credit facility	**363**	**452**

	March 31, 2022	December 31, 2021
Maximum amount available	830	830
Less: Amount drawn on Revolving Credit Facility	(370)	(460)
Less: Letters of credit	(90)	(91)
Available amount [(1)]	**370**	**279**

[(1)] Subject to covenant restrictions discussed below.

As at March 31, 2022, the Corporation has liquidity of $390 million consisting of $20 million in cash and $370 million in capacity on its credit facilities.

Amounts borrowed under the Revolving Credit Facility are secured by substantially all tangible and intangible assets owned by the Corporation and bear interest at SECURE's option of either the Canadian prime rate plus 1.50% to 3.00% or the bankers' acceptance rate plus 2.50% to 4.00%, depending, in each case, on the ratio of Total Debt to EBITDA as defined in the Revolving Credit Facility. Interest on $130 million of the Revolving Credit Facility has been fixed at 5.5% per annum through the use of interest rate swaps until July 31, 2022. The Revolving Credit Facility is subject to customary terms, conditions and covenants, including the following financial covenants:

- the Senior Debt to EBITDA ratio is not to exceed (i) 3.00 to 1.0 for the first fiscal quarter immediately following the effective date (September 30, 2021) and the next two fiscal quarters immediately thereafter (December 31, 2021, and March 31, 2022) and (ii) 2.75 to 1.0 at the end of each fiscal quarter thereafter;
- the Total Debt to EBITDA ratio is not to exceed (i) 4.75 to 1.0 for the first fiscal quarter immediately following the effective date and the next two fiscal quarters immediately thereafter and (ii) 4.50 to 1.0 at the end of each fiscal quarter thereafter; and
- the Interest Coverage Ratio (defined as EBITDA to Interest charges) is not to be less than 2.50 to 1.0.

The Revolving Credit Facility also requires that the aggregate principal amount of all unsecured notes, senior secured notes, and the principal amount outstanding under the Revolving Credit Facility, will not exceed $1.5 billion.

Total Debt as defined by the Revolving Credit Facility includes the aggregate of all debt (including lease liabilities) minus the aggregate amount of readily available cash, cash equivalents and investment grade securities in excess of $5 million. Senior Debt is defined as Total Debt excluding the principal amount outstanding under the 2025 senior secured notes and the principal amount outstanding under any unsecured notes, including the 2026 unsecured notes (Note 6).

EBITDA is defined by the Revolving Credit Facility as earnings before interest, taxes, depreciation, depletion and amortization, and is adjusted for non-recurring losses, any non-cash impairment charges and any other non-cash charges, and acquisitions on a pro-forma basis. Interest charges are defined to include interest expense on Total Debt. At March 31, 2022, the Corporation was in compliance with all financial covenants contained in the Revolving Credit Facility. The following table outlines the Corporation's covenant ratios as at March 31, 2022:

	March 31, 2022	Covenant
Senior Debt to EBITDA	1.2	not to exceed 3.0
Total Debt to EBITDA	2.9	not to exceed 4.75
Interest coverage	3.8	not to be less than 2.5

6. SECURED AND UNSECURED NOTES

SECURE's secured and unsecured notes consist of the following:

- US$300 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, 2022, and December 31, 2021, were as follows:

	Principal	Issuance	Maturity	March 31, 2022	December 31, 2021
2025 senior secured notes	US$300	Nov 2020	Dec 2025	375	380
Fair value premium on 2025 senior secured notes				38	41
2026 unsecured notes	$340	July 2021	Dec 2026	340	340
Premium on issuance of 2026 unsecured notes				1	1
Unamortized financing costs				(7)	(7)
Total unsecured and senior secured notes				**747**	**755**

As at March 31, 2022, the fair value of the 2025 senior secured and 2026 unsecured notes was $425 million and $343 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.

The Corporation has entered into cross currency swaps ("CCS") to hedge foreign exchange exposure on the U.S. denominated 2025 senior secured notes, fixing the exchange rate on US$300 million principal repayments and a portion of the interest payments. The liability balance of these derivative contracts amounted to $25 million at March 31, 2022 ($19 million at December 31, 2021) and was recorded in other liabilities on the consolidated statements of financial position.

7. SHAREHOLDERS' EQUITY

($ millions except for shares)	Number of Shares	Amount
Balance at December 31, 2021	**308,158,691**	**1,670**
Restricted Share Units ("RSUs") and Performance Share Units ("PSUs") exercised	1,642,164	—
Transfer from reserves in equity	—	9
Balance at March 31, 2022	**309,800,855**	**1,679**

The Corporation declared dividends to holders of common shares for the three months ended March 31, 2022, of $2 million (2021: $1 million).

On March 15, 2022, the Corporation declared a dividend in the amount of $0.0075 (0.75 cents) per common share. Subsequent to March 31, 2022, the Corporation paid out this dividend to holders of common shares on record on April 1, 2022.

Basic and Diluted Income (Loss) Per Share

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

	March 31, 2022	March 31, 2021
Weighted average number of shares - basic	**308,833,319**	159,540,722
Effect of dilution:		
RSUs and PSUs	**3,210,453**	—
Weighted average number of shares - diluted	**312,043,772**	159,540,722

The above calculation includes the effect of all RSUs and PSUs for the three months ended March 31, 2022. For the three months ended March 31, 2021, the effect of all RSUs and PSUs have been excluded as they are considered to be anti-dilutive.

8. SHARE-BASED COMPENSATION 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, 2021.

The following table summarizes the units outstanding at March 31, 2022:

	RSUs	PSUs	DSUs
Balance at December 31, 2021	1,578,111	3,418,184	1,136,200
Granted	1,223,270	1,619,070	53,986
Reinvested dividends	1,936	4,514	1,608
Redeemed for common shares	(780,770)	(861,394)	—
Redeemed for cash	—	—	(62,906)
Forfeited	(40,000)	(10,342)	—
Balance at March 31, 2022	**1,982,547**	**4,170,032**	**1,128,888**

The fair value of the RSUs and PSUs 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, 2022 and 2021:

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 [(1)]	163	7	**170**
Total	**1,649**	**34**	**1,683**

Three months ended March 31, 2021	Cost of Sales	General and Administrative Expense	Total
Employee compensation and benefits	16	6	**22**
Share-based compensation	—	3	**3**
Depreciation [(2)]	25	2	**27**
Depletion	2	—	**2**
Oil purchase/resale services expense	529	—	**529**
Other [(1)]	64	6	**70**
Total	**636**	**17**	**653**

[(1)] 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.

[(2)] Prior year amounts have been restated, refer to Note 2 for additional information.

Transaction and related costs

The Corporation incurred and expensed Transaction and related costs of $9 million for the three months ended March 31, 2022, consisting of $6 million related to legal and advisory fees for the completion of the Transaction, including the competition review process, and $3 million of integration costs. The integration costs primarily related to severance. For the three months ended March 31, 2021, transaction and related costs amounted to $4 million.

10. FINANCE COSTS

Interest, accretion and finance costs consists of the following for the three months ended March 31, 2022 and 2021:

	March 31, 2022	March 31, 2021
Interest on senior secured notes, unsecured notes and Revolving Credit Facility	20	4
Amortization of debt issuance costs	1	—
Accretion of asset retirement obligations [(1)]	3	1
Interest on obligations under leases	1	—
Interest, accretion and finance costs	**25**	**5**

[(1)] Prior year amounts have been restated, refer to Note 2 for additional information.

11. OTHER INCOME

In the three months ended March 31, 2022, the Corporation sold assets, and realized a gain of $15 million which is recorded within other income. The assets sold were primarily unused land near Bruderheim, Alberta.

12. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of the following:

	March 31, 2022	December 31, 2021
Working capital [(1)]	187	183
Amount drawn on credit facilities	370	460
2025 senior secured notes (principal)	375	380
2026 unsecured notes (principal)	340	340
Shareholders' equity	1,145	1,106
	2,417	2,469

[(1)] Calculated as the difference between current assets less accounts payable and accrued liabilities and interest payable.

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	35	105	12	152
Crude oil storage	10	41	38	89
Capital commitments	10	—	—	10
Total contractual obligations	**55**	**146**	**50**	**251**

Crude oil transportation commitments

Included in this number are committed crude oil volumes for pipeline throughput at certain of the Corporation's pipeline connected full service 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 and other

The amounts relate to 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 legal proceedings, with several 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 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, which, was amended post-closing of the Transaction to seek the divestiture of unspecified assets. A hearing of the Section 92 Application is scheduled to occur before the Competition Tribunal in the second quarter of 2022. SECURE believes the resolution of such proceedings will not be material to the Corporation's financial results.

14. SEGMENT REPORTING

As at March 31, 2022, the Corporation reports results in the following two reportable segments:

- **Midstream Infrastructure** includes a network of midstream processing and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada, North Dakota and Oklahoma. SECURE's midstream infrastructure operations generate cash flows from oil production processing and disposal, produced water disposal, and crude oil storage, logistics, and marketing.
- **Environmental and Fluid Management** includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste management and disposal, onsite abandonment, environmental solutions for site remediation and reclamation, bio-remediation, waste treatment and recycling, emergency response, rail services, metal recycling services, as well as fluid management for drilling, completion and production activities.

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.

Accounting policies used for segment reporting are consistent with the accounting policies used for the preparation of the Corporation's condensed consolidated financial statements.

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, 2022, and 2021.

Three months ended March 31, 2022	**Midstream Infrastructure**	**Environmental and Fluid Management**	**Corporate**	**Total**
Revenue excluding oil purchase and resale service	158	201	—	359
Oil purchase and resale service	1,391	—	—	1,391
Total revenue	**1,549**	**201**	**—**	**1,750**
Cost of sales excluding items listed separately below	(1,449)	(147)	—	(1,596)
Segment profit margin	**100**	**54**	**—**	**154**
G&A expenses excluding items listed separately below	(8)	(7)	(11)	(26)
Depreciation, depletion and amortization (1)	(31)	(24)	(1)	(56)
Share-based compensation (1)	—	—	(5)	(5)
Interest, accretion and finance costs	(2)	(1)	(22)	(25)
Transaction and related costs	—	—	(9)	(9)
Other (expense) income	(1)	4	11	14
Income (loss) before tax	**58**	**26**	**(37)**	**47**

Three months ended March 31, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	51	81	—	132
Oil purchase and resale service	529	—	—	529
Total revenue	**580**	**81**	**—**	**661**
Cost of sales excluding items listed separately below	(550)	(59)	—	(609)
Segment profit margin	**30**	**22**	**—**	**52**
G&A expenses excluding items listed separately below	(4)	(4)	(4)	(12)
Depreciation, depletion and amortization [1] [2]	(19)	(9)	(1)	(29)
Share-based compensation [1]	—	—	(3)	(3)
Interest, accretion and finance costs [2]	(1)	—	(4)	(5)
Transaction and related costs	—	—	(4)	(4)
Income (loss) before tax	**6**	**9**	**(16)**	**(1)**

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

[2] Prior year amounts have been restated, refer to Note 2 for additional information.

As at March 31, 2022	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Current assets	297	285	3	**585**
Property, plant and equipment	1,304	256	15	**1,575**
Right-of-use assets	22	34	11	**67**
Intangible assets	152	24	—	**176**
Goodwill	248	101	—	**349**
Total assets	2,053	701	216	**2,970**
Current liabilities	286	125	36	**447**
Total liabilities	409	240	1,176	**1,825**

As at December 31, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Current assets	215	246	5	**466**
Property, plant and equipment	1,329	299	18	**1,646**
Right-of-use assets	23	37	11	**71**
Intangible assets	154	26	—	**180**
Goodwill	248	101	—	**349**
Total assets	1,968	709	260	**2,937**
Current liabilities	209	102	22	**333**
Total liabilities	304	237	1,290	**1,831**

Geographical Financial Information

	Canada		U.S.		Total	
Three months ended March 31,	**2022**	2021	**2022**	2021	**2022**	2021
Revenue	**1,739**	591	**11**	70	**1,750**	661
As at March 31, 2022 and December 31, 2021	**2022**	2021	**2022**	2021	**2022**	2021
Total non-current assets	**2,288**	2,371	**97**	100	**2,385**	2,471

CORPORATE INFORMATION

DIRECTORS
Rene Amirault
Mark Bly (3) (4)
Grant Billing – Chairman
Michael Colodner (1) (3)
Brad Munro (2) (4)
Kevin Nugent (1) (4)
Susan Riddell Rose (2) (4)
Jay Thornton (2) (3)
Deanna Zumwalt (1) (3)

[1] Audit Committee
[2] Human Resources and Compensation Committee
[3] Corporate Governance & Nominating Committee
[4] Environment, Social & Governance Committee

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

OFFICERS

Rene Amirault
President & Chief Executive Officer

Allen Gransch
Chief Operating Officer

Chad Magus
Chief Financial Officer

Michael Callihoo
General Counsel and Corporate Secretary

James Anderson
Senior Vice President, Fluids Management

David Engel
Senior Vice President, Landfill Solutions

Corey Higham
Senior Vice President, Midstream Operations

David Mattinson
Senior Vice President, Environmental Solutions

Mike Mikuska
Senior Vice President, Commercial & Transportation