

Bri-Chem Announces 2025 Annual and Fourth Quarter Financial Results

Edmonton, Canada, March 25, 2025 – Bri-Chem Corp. (“Bri-Chem” or “Company”) (TSX: BRY), a leading North American oilfield chemical distribution and blending company, is pleased to announce its 2025 annual and fourth quarter financial results.

(in '000s except per share amounts)	Three months ended December 31				Twelve months ended December 31			
	2025	2024	Change \$	%	2025	2024	Change \$	%
Financial performance								
Sales	\$ 16,963	\$ 20,618	\$ (3,655)	(18%)	\$ 75,601	\$ 83,072	\$ (7,471)	(9%)
Adjusted EBITDA ⁽¹⁾	1,840	(1,174)	3,014	(257%)	4,186	(323)	4,509	(1394%)
As a % of revenue	11%	(6%)			6%	0%		
Operating earnings / (loss)	1,210	(1,525)	2,735	(179%)	2,535	(816)	3,350	(411%)
Adjusted net earnings / (loss) ⁽¹⁾	662	(2,222)	2,884	(130%)	120	(5,121)	5,241	(102%)
Net earnings / (loss)	\$ 1,074	\$ (1,589)	\$ 2,663	(168%)	\$ 979	\$ (3,851)	\$ 4,830	(125%)
Per diluted share								
Adjusted EBITDA ⁽¹⁾	\$ 0.07	\$ (0.04)	\$ 0.11	(261%)	\$ 0.16	\$ (0.01)	\$ 0.17	(1396%)
Adjusted net earnings / (loss) ⁽¹⁾	\$ 0.02	\$ (0.08)	\$ 0.10	(121%)	\$ 0.00	\$ (0.19)	\$ 0.19	(99%)
Net earnings / (loss)	\$ 0.04	\$ (0.05)	\$ 0.09	(164%)	\$ 0.04	\$ (0.14)	\$ 0.18	(124%)
Financial position								
Total assets	\$ 43,356	\$ 58,166	\$ (14,810)	(25%)				
Working capital	5,060	4,459	601	13%				
Long-term debt	-	-	-	0%				
Shareholders equity	\$ 20,281	\$ 19,608	\$ 674	3%				

⁽¹⁾ Non-GAAP financial measure. Refer to “Non-GAAP Financial Measures” in this press release.

Key Q4 2025 highlights include:

- Consolidated sales for the three months ended December 31, 2025 were \$17 million, representing an 18% decrease from the prior year. The decrease is primarily due to decreased sales in the United States after a customer was sold to a competitor and the subsequent discontinuation of services.
- Consolidated gross margin for the three months ended December 31, 2025 increased by \$852 thousand compared to the same period last year. The gross margin dollar increase is primarily related to the increased realized margin in Canada for fluid distribution division.
- Adjusted EBITDA for the fourth quarter 2025 increased by \$3 million when compared to the same period in the prior year and operating earnings increased by \$2.7 million for the three months ended December 31, 2025 compared to the prior year due to a decrease in bad debt and foreign exchange expenses.
- Adjusted net earnings per diluted share for the three months ended December 31, 2025 was \$0.02 per share compared to adjusted net loss of \$0.08 per diluted share for same period last year.
- Working capital, as at December 31, 2025, was \$5.1 million compared to \$4.5 million on December 31, 2024, an increase of 13%. The increase in working capital relates to a decrease in accounts receivables and inventory which was offset by decreases in bank indebtedness and accounts payable.

Summary for the three months ended December 31, 2025:

Consolidated sales for the three months ended December 31, 2025 were \$17 million compared to \$20.6 million for the same period in 2024, representing a \$3.7 million decrease over the comparable period. Revenue was impacted by lower fluid distribution sales, arising from the sale of a United States customer to a competitor and the subsequent discontinuation of services.

Bri-Chem's Canadian drilling fluids distribution division generated sales of \$3.2 million for the three months ended December 31, 2025, which was higher than the comparable prior period by 56%. The 1.1 million increase in sales quarter over quarter is the result of an improved customer mix in addition to favourable sales return allowance adjustments. Bri-Chem's United States drilling fluids distribution division generated sales of \$7.3 million for the three months ended December 31, 2025, compared to sales of \$11.9 million for the comparable period in 2024, representing a quarterly decrease of 39%. US fluids and distribution sales decreased, arising from the sale of a United States customer to a competitor and the subsequent discontinuation of services. The active number of US operating land rigs in Q4 2025 averaged 527, compared to a 2024 Q4 average of 569 representing a decrease of approximately 7% (Source: Baker Hughes).

Bri-Chem's Canadian blending and packaging division generated sales of \$3.8 million for the three months ended December 31, 2025, compared to Q4 2024 sales of \$4.7 million, representing a quarterly decrease of 19%. The decrease in sales relates to 3rd party contract work realized in 2024 that was diminished or discontinued in the current period. US blending and packaging sales for the three months ended December 31, 2025 were \$2.7 million compared to \$1.9 million in the prior year. The 37% increase is due to an increase in sales to new and returning customers.

Operating earnings for the three months ended December 31, 2025 was \$1.2 million which is an increase from the operating loss of \$1.5 million in the same period in the prior year. Adjusted EBITDA was \$1.8 million for Q4 2025 compared to negative \$1.2 million for Q4 2024. The increase is primarily driven by a lower expense realized across operating expenses as Management continues to streamline operations and reduce overhead. Adjusted EBITDA as a percentage of sales was 11% for the quarter, which is an increase from negative 6% in Q4 2024.

OUTLOOK

Bri-Chem delivered a strong operational performance in the fourth quarter, reflecting early progress on the strategic initiatives outlined in the 3rd quarter MD&A and in the January letter to shareholders. During the quarter, the Company took decisive steps to improve operational efficiency and strengthen its financial position, including the closure of several underperforming warehouse locations across Canada and the United States. These actions are expected to reduce fixed costs and better align Bri-Chem's distribution network with current market demand. The Company also initiated the start of its discontinuance of certain oil-based mud product lines that historically generated unfavorable margin contributions. This rationalization enables Bri-Chem to focus on higher-margin drilling fluid technologies and core chemical distribution products that support sustainable profitability. In parallel, management continued to streamline inventory levels across its warehouse network through enhanced procurement discipline and improved demand forecasting, resulting in more efficient working capital utilization.

Looking ahead, Bri-Chem anticipates a measured but gradually improving operating environment as the North American energy sector adjusts to commodity price volatility and cautious capital spending by producers. Industry forecasts suggest drilling activity in both Canada and the United States will remain

relatively stable through the near term, with modest growth expected to emerge in early 2026 as commodity price stability supports incremental increases in drilling and completion programs.

Management remains committed to advancing the strategic priorities outlined earlier this year, including the ongoing review of all business units to ensure alignment with Bri-Chem's long-term profitability and growth objectives. With progress already achieved in optimizing its operating footprint, rationalizing product offerings, and improving working capital efficiency, Bri-Chem believes it is well positioned to build on the positive momentum generated in the fourth quarter as market conditions continue to stabilize through 2026.

About Bri-Chem

Bri-Chem has established itself, through a combination of strategic acquisitions and organic growth, as the North American industry leader for wholesale distribution and blending of oilfield drilling, completion, stimulation and production chemical fluids. We sell, blend, package and distribute a full range of drilling fluid products from 19 strategically located warehouses throughout Canada and the United States. Additional information about Bri-Chem is available at www.sedarplus.ca or at Bri-Chem's website at www.brichem.com.

To receive Bri-Chem news updates send your email to ir@brichem.com.

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Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking information or forward-looking statements (collectively, "forward-looking statements"). These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking statements and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially.

Although the Company believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed on the forward-looking statements because the Company can give no assurance that they will prove to be correct. By their nature, such forward-looking statements are subject to various risks and uncertainties, which could cause actual results to differ materially from the anticipated results or expectations expressed herein. These risks and uncertainties, include, but are not limited to general economic conditions, prevailing and anticipated industry conditions, access to debt and equity financing on acceptable terms, levels and volatility of commodity prices, maintained demand for drilling fluids, market forces, ability to achieve geographic expansion through new warehouse locations, anticipated impact of new warehouse locations, ability to obtain equipment from suppliers, ability to maintain negotiating power with suppliers and customers, ability to obtain and retain skilled personnel, competition from other industry participants and regulatory conditions. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date it is expressed in this press release or otherwise. Except as required by applicable law, the Company does not undertake any obligation to publicly update or to revise any of the forward-looking statements, whether as a result of new information, future

events or otherwise. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Non-GAAP Financial Measures

Bri-Chem uses certain measures in this press release which do not have any standardized meaning as prescribed by International Financial Reporting Standards (“IFRS”). These measures, which are derived from information reported in the Company’s financial statements, may not be comparable to similar measures presented by other reporting issuers. Investors are cautioned that these measures should not be construed as an alternative to net earnings and operating earnings determined in accordance with IFRS, and these measures should not be considered to be more meaningful than IFRS measures in evaluating the Company’s performance. These measures have been described and presented in this press release in order to provide shareholders and potential investors with additional information regarding the Company. These Non-IFRS measures are identified and defined as follows:

Adjusted Net Earnings (Loss), Adjusted Net Earnings (Loss) per share, Adjusted EBITDA, and Adjusted EBITDA per share.

Adjusted Net Earnings (Loss) are defined as net earnings/(loss) before non-recurring events, net of corporate income taxes (“**Adjusted Net Earnings (Loss)**”). Adjusted Net Earnings (Loss) per share is defined as Adjusted Net Earnings (Loss) divided by diluted weighted average common shares. Management believes that in addition to net earnings (loss), Adjusted Net Earnings (Loss) and Adjusted Net Earnings (Loss) per share are useful supplemental measures that represent normalized net earnings from the business so that financial statement users can make insightful comparisons between current periods and historical results.

Adjusted EBITDA is defined as earnings before interest, taxes, depreciation, amortization, impairment charges, share-based payments, and non-recurring events (“**Adjusted EBITDA**”). Adjusted EBITDA per share is defined as Adjusted EBITDA divided by diluted weighted average common shares. Management believes that in addition to net earnings, Adjusted EBITDA and Adjusted EBITDA per share are useful supplemental measures of operating performance that normalize financing, depreciation, income tax, and other non-recurring charges which are not controlled at the operating level. The following table provides a reconciliation of Net Earnings under IFRS, as disclosed in the interim financial statements, to Adjusted Net Earnings and Adjusted EBITDA:

(in 000's)	Three months ended December 31		Twelve months ended December 31	
	2025	2024	2025	2024
Net earnings (loss)	\$ 1,074	\$ (1,589)	\$ 979	\$ (3,851)
Less:				
Deferred tax (recovery)	(412)	(633)	(859)	(1,270)
Adjusted net earnings (loss)	662	(2,222)	120	(5,121)
Add:				
Financing costs	880	704	2,832	3,373
Income tax expense	46	31	84	147
Depreciation and amortization	252	313	1,150	1,278
Adjusted EBITDA	\$ 1,840	\$ (1,174)	\$ 4,186	\$ (323)