

Condensed Consolidated Financial Statements

As at and for the three months ended March 31, 2024



SECURE

SECURE ENERGY SERVICES INC.

Consolidated Statements of Financial Position

<i>As at (unaudited in \$ millions)</i>	Notes	March 31, 2024	December 31, 2023
Assets			
Current assets			
Cash and cash equivalents		264	12
Restricted cash	6	32	—
Accounts receivable and accrued receivables		509	357
Inventories	7	263	144
Prepaid expenses and other current assets		18	14
Assets held for sale	4	—	663
		1,086	1,190
Property, plant and equipment	8	1,160	1,170
Right-of-use assets		94	101
Intangible assets		77	68
Goodwill		201	199
Deferred tax asset		—	89
Other assets		27	27
Total Assets		2,645	2,844
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities		537	377
Customer prepayments		31	—
Current tax payable		25	—
Lease liabilities		24	27
Asset retirement obligations		15	15
Other liabilities		2	3
Liabilities directly associated with assets held for sale	4	—	50
		634	472
Revolving credit facility	9	—	415
Secured and unsecured notes	10	294	551
Lease liabilities		101	109
Asset retirement obligations		113	96
Deferred tax liabilities		22	—
Other liabilities		13	15
Total Liabilities		1,177	1,658
Shareholders' Equity			
Issued capital	11	1,407	1,517
Share-based compensation reserve		49	54
Foreign currency translation reserve		30	27
Deficit		(18)	(412)
Total Shareholders' Equity		1,468	1,186
Total Liabilities and Shareholders' Equity		2,645	2,844

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	
		2024	2023
			March 31,
Revenue	18	2,849	1,907
Cost of sales	13	2,733	1,780
Gross margin		116	127
General and administrative expenses	13	44	36
Transaction and related costs	13	—	3
Operating profit		72	88
Interest, accretion and finance costs	14	18	23
Gain on asset divestiture	4	(520)	—
Other expense (income)	15	14	(8)
Income before tax		560	73
Current tax expense		27	3
Deferred tax expense		111	15
Net income		422	55
Other comprehensive loss			
Foreign currency translation adjustment		(3)	—
Total comprehensive income		419	55
Earnings per share			
Basic net income per common share		1.50	0.18
Diluted net income per common share		1.47	0.18
Weighted average shares outstanding - basic	11	281,557,907	306,517,269
Weighted average shares outstanding - diluted	11	286,486,941	310,026,987

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
Balance at January 1, 2024		1,517	54	27	(412)	1,186
Net income		—	—	—	422	422
Dividends declared	11	—	—	—	(28)	(28)
Foreign currency translation adjustment		—	—	3	—	3
Exercise of share units	11	16	(16)	—	—	—
Share-based compensation for equity-settled awards	12	—	11	—	—	11
Shares acquired and cancelled under normal course issuer bid ("NCIB")	11	(126)	—	—	—	(126)
Balance at March 31, 2024		1,407	49	30	(18)	1,468
Balance at January 1, 2023		1,676	50	30	(490)	1,266
Net income		—	—	—	55	55
Dividends declared	11	—	—	—	(30)	(30)
Exercise of share units		3	(12)	—	—	(9)
Share-based compensation for equity-settled awards		—	6	—	—	6
Shares acquired and cancelled under NCIB	11	(69)	—	—	—	(69)
Balance at March 31, 2023		1,610	44	30	(465)	1,219

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,	
		2024	2023
Cash flows from (used in) operating activities			
Net income		422	55
Adjustments for non-cash items:			
Depreciation, depletion and amortization	13	45	54
Share-based compensation		14	9
Interest, accretion and finance costs	14	18	23
Gain on asset divestiture	4	(520)	—
Other expense (income)	15	20	(11)
Current and deferred tax expense		126	18
Interest paid		(17)	(9)
Asset retirement costs incurred		—	(3)
Funds flow from operations		108	136
Change in non-cash working capital		(68)	(39)
Change in restricted cash	6	(32)	—
Net cash flows from operating activities		8	97
Cash flows (used in) from investing activities			
Purchase of property, plant and equipment	8	(19)	(46)
Proceeds from dispositions, net of transaction costs	4	1,129	22
Current tax expense related to dispositions		(15)	—
Business acquisition	5	(7)	—
Change in non-cash working capital		15	(1)
Net cash flows from (used in) investing activities		1,103	(25)
Cash flows (used in) from financing activities			
(Repayment) draw of credit facilities	9	(421)	60
Settlement of notes	10	(571)	—
Issuance of unsecured notes	10	300	—
Financing fees	10	(6)	—
Lease liability principal payments		(7)	(8)
Dividends declared	11	(28)	(30)
Repurchase and cancellation under NCIB	11	(126)	(69)
Settlement of share units		—	(14)
Net cash flows used in financing activities		(859)	(61)
Increase in cash and cash equivalents		252	11
Cash and cash equivalents, beginning of period		12	12
Cash and cash equivalents, end of period		264	23
Supplementary Cash Flow Information			
Income taxes paid		4	—

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

SECURE ENERGY SERVICES INC.

Notes to the Condensed Consolidated Financial Statements (unaudited) For the three months ended March 31, 2024 and 2023

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” and is a constituent of the S&P/TSX Composite Index. 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.

SECURE is a leading waste management 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, mining 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 Waste Management reportable segment includes a network of waste processing facilities, produced water pipelines, industrial landfills, waste transfer stations, metal recycling facilities, and specialty chemicals. 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 emulsions, metal recycling, drilling waste management and production chemicals.

SECURE’s Energy Infrastructure reportable segment 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.

In western Canada, the level of activity 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 waste volumes received and specialty chemical sales. The second quarter has generally been the slowest quarter as a result of spring break-up. 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 have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. 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, 2023.

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 24, 2024.

2. MATERIAL ACCOUNTING POLICIES

The material 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, 2023. 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, recoverability of assets, depreciation, depletion and amortization, asset retirement obligations, inventories, deferred income taxes, and fair value of derivative financial instruments. Readers are cautioned that the preceding list is not exhaustive and other items may also be affected by estimates and judgments.

4. ASSET DIVESTITURE

In December 2023, the Corporation entered into a definitive agreement (the “Divestiture Agreement”) with a subsidiary of Waste Connections, Inc. to sell 29 facilities all formerly owned by Tervita Corporation (the “Facilities”) for \$1.075 billion in cash plus certain adjustments as provided in the Divestiture Agreement. The Corporation closed the sale on February 1, 2024 (the “Sale Transaction”).

All assets and liabilities of the Facilities were classified as held for sale as a disposal group (the “Disposal Group”) at December 31, 2023. The value of the assets comprising the Disposal Group were presented at the lower of the carrying amount and fair value less costs to sell.

The following table summarizes the financial impact of the divestiture:

Consideration for the divestiture	Carrying value	Assets held for sale December 31, 2023
Cash consideration - divested assets	1,075	
Cash consideration - other adjustments	74	
Total consideration	1,149	
Assets and liabilities divested:		
Accounts receivable and accrued receivable	56	69
Inventories	1	1
Property, plant and equipment (Note 8)	380	372
Right-of-use assets	2	1
Intangible assets	84	85
Goodwill	135	135
Assets divested / held for sale	658	663
Other liabilities	11	11
Lease liabilities	—	1
Asset retirement obligations	38	38
Liabilities divested / associated with assets held for sale	49	50
Transaction costs	20	
Gain on asset divestiture	520	

For the three months ended March 31, 2024, the Corporation incurred costs of \$20 million consisting of legal and advisory fees, severance and restructuring costs related to the Sale Transaction.

5. BUSINESS ACQUISITION

On March 1, 2024, SECURE completed the acquisition of a specialty chemical company for a total purchase price of \$11 million, comprising \$7 million in cash and \$4 million in contingent consideration, dependent on achieving specified future financial targets. Under the purchase agreement, SECURE acquired the assets and assumed certain obligations and liabilities associated with the specialty chemical business. The primary assets acquired were intangible assets valued at \$9 million and recognition of goodwill of \$2 million. The acquisition of the specialty chemical business was accounted for using the acquisition method pursuant to IFRS 3, "Business Combinations". Under the acquisition method, assets and liabilities are measured at their estimated fair value on the date of acquisition.

6. RESTRICTED CASH

At March 31, 2024, the Corporation had a total of \$32 million classified as restricted cash, which is held within a margin trading account. This amount represents funds that are reserved as collateral to secure open positions in financial instruments, as required by our brokerage agreement. The amount was required in the current period in relation to the crude oil inventory (Note 7) position, and offsetting financial instruments that were held at March 31, 2024.

7. INVENTORIES

	March 31, 2024	December 31, 2023
Crude oil and natural gas liquids	173	45
Specialty chemicals	72	81
Metals	7	5
Spare parts and supplies	11	14
Less: Assets held for sale	—	(1)
Total inventories	263	144

Crude oil and natural gas liquids consists of inventory stored at terminals.

8. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2024
Balance at December 31, 2023	1,170
Additions	45
Change in asset retirement obligations	13
Disposals	(10)
Depreciation and depletion	(36)
Transfers	(24)
Foreign exchange effect	2
Balance at March 31, 2024	1,160

9. REVOLVING CREDIT FACILITY

SECURE's credit facilities at March 31, 2024, 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, 2024, and December 31, 2023, were as follows:

	March 31, 2024	December 31, 2023
Amount drawn on Revolving Credit Facility	—	419
Unamortized financing costs	(3)	(4)
Total credit facility	(3)	415

	March 31, 2024	December 31, 2023
Maximum amount available	850	850
Less: Amount drawn on Revolving Credit Facility	—	(419)
Less: Letters of credit	(99)	(87)
Available amount ⁽¹⁾	751	344

⁽¹⁾ Subject to covenant restrictions discussed below.

On February 5, 2024, the Corporation fully repaid the outstanding balance of \$421 million on the credit facility with proceeds from the Sale Transaction.

As at March 31, 2024, the Corporation has liquidity of \$1,015 million, consisting of \$264 million in cash and \$751 million in capacity on its credit facilities (\$356 million as at December 31, 2023, consisting of \$12 million in cash and \$344 million in capacity on its credit facilities).

The following table outlines the Corporation's covenant ratios as at March 31, 2024:

	March 31, 2024	Covenant
Senior Debt to EBITDA	(0.2)	not to exceed 2.75
Total Debt to EBITDA	0.5	not to exceed 4.5
Interest coverage	5.1	not to be less than 2.5

10. SECURED AND UNSECURED NOTES

On February 22, 2024, the Corporation used proceeds from the Sale Transaction and redeemed all outstanding 2025 senior secured notes at the redemption price of 105.50% of the principal amount, plus accrued and unpaid interest. The total payment was \$223 million, comprised of principal of \$207 million (US\$153 million), unpaid interest of \$5 million and a premium of \$11 million.

On March 22, 2024 the Corporation closed an offering of \$300 million aggregate principal amount of 6.75% senior unsecured notes due March 22, 2029 (the "2029 unsecured notes") at an issue price of \$100.00,

representing a yield of 6.75%. The Corporation used the net proceeds of the offering, along with cash on hand, to fund the redemption of the outstanding 2026 unsecured notes at the redemption price of 103.63% of the principal amount, plus accrued and unpaid interest. The total payment was \$358 million, comprised of principal of \$340 million, unpaid interest of \$6 million and a premium of \$12 million, resulting in a loss on extinguishment of debt of \$16 million recorded in other expense in the consolidated statement of comprehensive income.

The interest payments on the 2029 unsecured notes occur in March and September during the term of the debt.

The secured and unsecured notes balances included on the statements of financial position at March 31, 2024, and December 31, 2023, were as follows:

	Issuance	Maturity	March 31, 2024	December 31, 2023
2025 senior secured notes	Nov 2020		—	203
Fair value premium on 2025 senior secured notes			—	11
2026 unsecured notes	July 2021		—	340
Premium on issuance of 2026 unsecured notes			—	1
2029 unsecured notes	Mar 2024	Mar 2029	300	—
Unamortized financing costs			(6)	(4)
Total unsecured and senior secured notes			294	551

As at March 31, 2024, the fair value of the 2029 unsecured notes was \$303 million, based on third party observable quotes and may not reflect the actual amounts payable by SECURE.

11. SHAREHOLDERS' EQUITY

Issued and outstanding

(\$ millions except for shares)	Number of Shares	Amount
Balance at December 31, 2023	287,627,549	1,517
RSUs and PSUs exercised	3,499,225	—
Transfer from reserves in equity	—	16
Shares cancelled under NCIB	(12,055,510)	(126)
Balance at March 31, 2024	279,071,264	1,407

The Corporation declared dividends to holders of common shares for the three months ended March 31, 2024 of \$28 million (three months ended March 31, 2023: \$30 million). On March 15, 2024, the Corporation declared a dividend in the amount of \$0.10 per common share. At March 31, 2024, the dividend payable of \$28 million was included within accounts payable and accrued liabilities. Subsequent to March 31, 2024, the Corporation paid out this dividend to holders of common shares on record on April 1, 2024.

On December 14, 2023, the Corporation renewed the previous NCIB, which was completed in September 2023 upon the Corporation acquiring the maximum number of common shares purchasable thereunder. Pursuant to the renewed NCIB, the Corporation is authorized to purchase and cancel up to a maximum of 23,196,967 common shares of the Corporation representing approximately 8% of the Corporation's outstanding shares as at December 8, 2023, or 10% of the Corporation's public float. The NCIB will terminate on December 13, 2024 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.

The table below summarizes the purchases under the NCIB for the three months ended March 31, 2024 and 2023:

	Three months ended March 31,	
	2024	2023
Shares repurchased and cancelled under the NCIB	12,055,510	9,595,200
Weighted average price per share	\$ 10.47	\$ 7.24
Total consideration	\$ 126	\$ 69

Subsequent to March 31, 2024, the Corporation repurchased 2,812,700 additional shares at a weighted average price per share of \$11.46 for a total of \$32 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, 2024	March 31, 2023
Weighted average number of shares - basic	281,557,907	306,517,269
Effect of dilution:		
RSUs and PSUs	4,929,034	3,509,718
Weighted average number of shares - diluted	286,486,941	310,026,987

The above calculation includes the effect of dilutive RSUs and PSUs for three months ended March 31, 2024 and 2023. The effect of 61,287 RSUs have been excluded as they are considered to be anti-dilutive.

12. 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, 2023.

The following table summarizes the units outstanding at March 31, 2024:

	RSUs	PSUs	DSUs
Balance at December 31, 2023	2,387,054	3,883,713	956,053
Granted	947,010	2,056,965	40,684
Reinvested dividends	24,154	39,307	6,328
Redeemed for common shares	(900,543)	(2,598,682)	—
Redeemed for cash	—	—	(211,171)
Forfeited	(176,318)	(129,474)	—
Balance at March 31, 2024	2,281,357	3,251,829	791,894

13. EXPENSES

The below table summarizes the disaggregation of expenses for the three months ended March 31, 2024 and 2023:

Three months ended March 31, 2024	Cost of Sales	General and Administrative Expense	Total
Employee compensation and benefits	47	18	65
Share-based compensation	—	14	14
Depreciation	29	2	31
Depletion	6	—	6
Amortization	7	1	8
Oil purchase/resale services expense	2,489	—	2,489
Other ⁽¹⁾	155	9	164
Total	2,733	44	2,777

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 ⁽¹⁾	180	12	192
Total	1,780	36	1,816

⁽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, disposal and utilities, net of tariff fees associated with oil pipelines.

Transaction and related costs

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

14. INTEREST, ACCRETION AND FINANCE COSTS

Interest, accretion and finance costs consists of the following for the three months ended March 31, 2024 and 2023:

	March 31, 2024	March 31, 2023
Interest on senior secured notes, unsecured notes and Revolving Credit Facility	13	19
Amortization of financing costs	1	—
Accretion of asset retirement obligations	2	3
Interest on obligations under leases	2	1
Interest, accretion and finance costs	18	23

15. OTHER EXPENSE (INCOME)

In the three months ended March 31, 2024, the Corporation realized a loss on debt extinguishment of \$16 million related to the 2026 unsecured notes (Note 10).

In the three months ended March 31, 2023, the Corporation recognized gains aggregating to \$9 million related to the sale of a water pumping business unit and a rail terminal.

16. CAPITAL MANAGEMENT

The capital structure of the Corporation consists of the following:

	March 31, 2024	December 31, 2023
Working capital ⁽¹⁾	518	150
Total debt	300	962
Shareholders' equity	1,468	1,186
	2,286	2,298

⁽¹⁾ Calculated as the difference between current assets (excluding assets held for sale) less accounts payable and accrued liabilities, and customer prepayments.

Principal debt consists of the following:

	March 31, 2024	December 31, 2023
Amount drawn on credit facilities (Note 9)	—	419
2025 senior secured notes (principal) (Note 10)	—	203
2026 unsecured notes (principal) (Note 10)	—	340
2029 unsecured notes (principal) (Note 10)	300	—
	300	962

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, share buybacks and stable cash flow so as to sustain the business for the long-term. Management considers the Corporation's working capital, total amounts drawn on debt facilities and shareholders' equity as the components of capital to be managed.

17. CONTRACTUAL OBLIGATIONS AND CONTINGENCIES

	1 year or less	1-5 years	5 years and thereafter	Total
Crude oil transportation	63	167	68	298
Crude oil storage	10	52	7	69
Capital commitments	4	—	—	4
Total contractual obligations	77	219	75	371

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.

The Corporation's crude oil and transportation commitments have been reduced by \$63 million due to the Sale Transaction and resulting transfer of certain commitments.

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 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.

18. SEGMENT REPORTING

The audited consolidated financial statements for the year ended December 31, 2023 included the Oilfield Services segment which included drilling fluid management, and project management services. As a result of the divestiture of the Projects business unit in December 2023, the drilling fluid management services business unit does not meet the quantitative thresholds to be reported as a separate segment, and as a result, this business unit is included in the Waste Management segment prospectively. No changes were implemented with respect to comparative information or the consolidated data.

The following tables present the financial performance by reportable segment and includes a measure of segment profit or loss regularly reviewed by management.

Three months ended March 31, 2024	Waste Management	Energy Infrastructure	Corporate	Total
Revenue excluding oil purchase and resale	296	64	—	360
Oil purchase and resale	—	2,489	—	2,489
Total revenue	296	2,553	—	2,849
Cost of sales excluding items listed separately below	(185)	(2,506)	—	(2,691)
Segment profit margin	111	47	—	158
G&A expenses excluding items listed separately below	(11)	(3)	(13)	(27)
Depreciation, depletion and amortization ⁽¹⁾	(39)	(5)	(1)	(45)
Share-based compensation ⁽¹⁾	—	—	(14)	(14)
Interest, accretion and finance costs	(3)	(1)	(14)	(18)
Gain on asset divestiture	—	—	520	520
Other expense	—	—	(14)	(14)
Income before tax	58	38	464	560

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

⁽¹⁾ 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

As at March 31, 2024	Waste Management	Energy Infrastructure	Corporate	Total
Current assets	331	439	316	1,086
Property, plant and equipment	860	289	11	1,160
Right-of-use assets	62	23	9	94
Intangible assets	70	7	—	77
Goodwill	144	57	—	201
Total assets	1,468	830	347	2,645
Current liabilities	177	360	97	634
Total liabilities	340	394	443	1,177

As at December 31, 2023	Waste Management	Energy Infrastructure	Oilfield Services	Corporate	Total
Current assets	237	128	144	18	527
Assets held for sale (Note 4)	588	75	—	—	663
Property, plant and equipment	821	287	51	11	1,170
Right-of-use assets	53	24	19	5	101
Intangible assets	62	6	—	—	68
Goodwill	142	57	—	—	199
Total assets	1,903	593	214	134	2,844
Current liabilities	160	126	59	77	422
Liabilities directly associated with assets held for sale (Note 4)	50	—	—	—	50
Total liabilities	341	170	71	1,076	1,658

Geographical Financial Information

	Canada		U.S.		Total	
	2024	2023	2024	2023	2024	2023
Three months ended March 31,						
Revenue	2,831	1,894	18	13	2,849	1,907
As at March 31, 2024 and December 31, 2023						
Total non-current assets	1,470	1,567	89	87	1,559	1,654

CORPORATE INFORMATION

DIRECTORS

Rene Amirault
Mark Bly ^{(3) (4)}
Mick Dilger - Chairman
Wendy Hanrahan ^{(1) (2)}
Joseph Lenz ^{(1) (3)}
Brad Munro ^{(2) (3)}
Susan Riddell Rose ^{(2) (4)}
Deanna Zumwalt ^{(1) (4)}

¹ Audit Committee

² Human Resources and Compensation Committee

³ Corporate Governance & Nominating Committee

⁴ Environment, Social & Governance Committee

OFFICERS

Rene Amirault
Chief Executive Officer

Allen Gransch
President

Chad Magus
Chief Financial Officer

Corey Higham
Chief Operating Officer

STOCK EXCHANGE

Toronto Stock Exchange
Symbol: SES

AUDITORS

KPMG LLP
Calgary, Alberta

LEGAL COUNSEL

McCarthy Tetrault 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

Michael Callihoo
Corporate Secretary and General Counsel

James Anderson
Senior Vice President, Specialty Chemicals

Rhonda Rudnitski
Vice President, Environment, Social & Governance