

Bri-Chem Announces 2026 First Quarter Financial Results

Edmonton, Canada, May 13, 2026 – Bri-Chem Corp. (“Bri-Chem” or “Company”) (TSX: BRY), a leading North American oilfield chemical distribution and blending company, is pleased to announce its 2026 first quarter financial results.

(in '000s except per share amounts)	Three months ended		Change	
	2026	March 31 2025	\$	%
Financial performance				
Sales	\$ 16,567	\$ 19,909	\$ (3,342)	(17%)
Adjusted EBITDA ⁽¹⁾	812	465	347	75%
As a % of revenue	5%	2%		
Operating earnings / (loss)	642	(23)	666	(2847%)
Adjusted net earnings / (loss) ⁽¹⁾	198	(618)	816	(132%)
Net earnings / (loss)	\$ 86	\$ (412)	\$ 498	(121%)
Per diluted share				
Adjusted EBITDA ⁽¹⁾	\$ 0.03	\$ 0.02	\$ 0.01	57%
Adjusted net earnings / (loss) ⁽¹⁾	\$ 0.02	\$ (0.02)	\$ 0.04	(172%)
Net earnings / (loss)	\$ 0.01	\$ (0.02)	\$ 0.03	(194%)
Financial position				
Total assets	\$ 43,514	\$ 54,247	\$ (10,733)	(20%)
Working capital	5,380	10,341	(4,962)	(48%)
Long-term debt	-	6,493	(6,493)	(100%)
Shareholders equity	\$ 20,721	\$ 19,041	\$ 1,680	9%

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

Key Q1 2026 highlights include:

- Consolidated sales for the three months ended March 31, 2026 were \$17 million, representing a 17% 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 March 31, 2026 decreased by \$168 thousand compared to the same period last year. The gross margin dollar decrease is primarily related to the decrease in sales in the quarter.
- Adjusted EBITDA for the first quarter 2026 increased by \$347 thousand when compared to the same period in the prior year and operating earnings increased by \$666 thousand for the three months ended March 31, 2026 compared to the prior year due to a decrease in SG&A and wages expenses offset by decreased margin and increased foreign exchange expense.
- Adjusted net earnings per diluted share for the three months ended March 31, 2026 was \$0.02 per share compared to adjusted net loss of \$0.02 per diluted share for same period last year.
- Working capital, as at March 31, 2026, was \$5.4 million which is a decrease of 48% decrease over the same period in the prior year. The decrease in working capital relates to classification of long-term debt as current in Q1 2026 that was not in Q1 2025.

Summary for the three months ended March 31, 2026:

Consolidated sales for the three months ended March 31, 2026 were \$17 million compared to \$20 million for the same period in 2025, representing a \$3.3 million decrease over the comparable period. Revenue was impacted by lower US 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 \$2.9 million for the three months ended March 31, 2026, which was higher than the comparable prior period by 6%. The \$154 thousand increase in sales quarter over quarter is the result of an improved sales to a returning customer. Bri-Chem's United States drilling fluids distribution division generated sales of \$7.1 million for the three months ended March 31, 2026, compared to sales of \$10.8 million for the comparable period in 2025, representing a quarterly decrease of 34%. 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 Q1 2026 averaged 531, compared to a 2025 Q1 average of 572 representing a decrease of approximately 7% (Source: Baker Hughes).

Bri-Chem's Canadian blending and packaging division generated sales of \$4.1 million for the three months ended March 31, 2026, compared to Q1 2025 sales of \$4.4 million, representing a quarterly decrease of 7%. The decrease in sales relates to 3rd party contract work realized in 2025 that was diminished or discontinued in the current period. US blending and packaging sales for the three months ended March 31, 2026 were \$2.4 million compared to \$2 million in the prior year. The 23% increase is due to an increase in sales to new and returning customers.

Operating earnings for the three months ended March 31, 2026 was \$642 thousand which is an increase from the operating loss of \$23 thousand in the same period in the prior year. Adjusted EBITDA was \$812 thousand for Q1 2026 compared to \$465 thousand for Q1 2025. The increase is primarily driven by decreases in SG&A and wages expenses offset by decreased margin and increased foreign exchange expense. Adjusted EBITDA as a percentage of sales was 5% for the quarter, which is an increase over the 2% in Q1 2025.

OUTLOOK

The Company continued to focus on maintaining a disciplined operational cost structure during the quarter, sustaining reduced overhead levels following the previously completed closure of underperforming warehouse locations across Canada and the United States. These efforts are aimed at preserving the benefits of a streamlined distribution network while ensuring alignment with current market demand. In parallel, Bri-Chem continued to advance the orderly wind-down of its oil-based mud ("OBM") product lines. While certain residual activities remain, management's efforts are focused on managing this business toward full discontinuance. This transition supports a strategic shift toward higher-margin opportunities, including the introduction and commercialization of proprietary drilling fluid technologies and core chemical distribution products. The Company also continued to streamline inventory levels across its warehouse network through enhanced procurement discipline and improved demand forecasting, contributing to more efficient working capital utilization in what was otherwise a comparable first quarter.

Looking ahead, Bri-Chem anticipates a measured operating environment as the North American energy sector continues to navigate commodity price volatility and disciplined capital spending by producers. Industry activity levels in both Canada and the United States remained relatively consistent with the prior

year quarter, and current expectations point to broadly stable drilling activity through the near term, with the potential for modest improvement as commodity prices stabilize.

Management is encouraged by the initial impact of the changes implemented to date and believes these actions are beginning to position the Company for improved operating performance. At the same time, management remains committed to continued execution and refinement of its strategic plan, including further evaluation of its operating footprint, product mix, and cost structure. Bri-Chem will maintain its focus on disciplined cost management, balance sheet strength, and operational execution as it works toward delivering sustainable, long-term value for its stakeholders.

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	
	2026	March 31 2025
Net earnings (loss)	\$ 86	\$ (412)
Less:		
Deferred tax (recovery)	112	(206)
Adjusted net earnings (loss)	198	(618)
Add:		
Financing costs	330	726
Income tax expense	36	31
Depreciation and amortization	248	328
Adjusted EBITDA	\$ 812	\$ 465