BRI-CHEM

Bri-Chem Announces 2026 Second Quarter Financial Results

Edmonton, Canada, August 14, 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 second quarter financial results.

(in '000s except per share amounts)	Three months ended 2026	June 30 2025	Change $	%	Six months ended 2026	June 30 2025	Change $	%
Financial performance								
Sales	**$ 15,505**	$ 20,534	$ (5,029)	(24%)	**$ 32,072**	$ 40,443	$ (8,371)	(21%)
Adjusted EBITDA[1]	**184**	1,045	(861)	(82%)	**996**	1,511	(515)	(34%)
As a % of revenue	**1%**	5%			**3%**	4%		
Operating earnings	**29**	772	(743)	(96%)	**672**	748	(77)	(10%)
Adjusted net (loss) / earnings [1]	**(479)**	60	(539)	(895%)	**(281)**	(558)	277	(50%)
Net (loss) / earnings	**$ (470)**	$ 157	$ (627)	(400%)	**$ (384)**	$ (255)	$ (129)	51%
Per diluted share								
Adjusted EBITDA [1]	**$ 0.01**	$ 0.04	$ (0.03)	(76%)	**$ 0.04**	$ 0.06	$ (0.02)	(35%)
Adjusted net (loss) / earnings [1]	**$ (0.02)**	$ 0.01	$ (0.03)	(245%)	**$ (0.01)**	$ (0.02)	$ 0.01	(48%)
Net (loss) / earnings	**$ (0.02)**	$ 0.02	$ (0.04)	(252%)	**$ (0.01)**	$ (0.01)	$ -	0%
Financial position								
Total assets					**$ 41,314**	$ 53,404	$ (12,089)	(23%)
Working capital					**5,421**	11,136	(5,716)	(51%)
Long-term debt					**-**	6,399	(6,399)	(100%)
Shareholders equity					**$ 20,632**	$ 19,405	$ 1,227	6%

[1] *Non-GAAP financial measure. Refer to “Non-GAAP Financial Measures” in this press release.*

Key Q2 2026 highlights include:

- Consolidated sales for the three months ended June 30, 2026 were $15.5 million, representing a 24% decrease from the prior year. The decrease is primarily due to decreased sales in the US fluids distribution division and decreased activity levels attributable to a few specific customers.

- Consolidated gross margin for the three months ended June 30, 2026 decreased by $981 thousand compared to the same period last year. The gross margin dollar decrease is primarily related to the decrease in US fluid distribution sales in the quarter.

- Adjusted EBITDA for the second quarter 2026 decreased by $861 thousand when compared to the same period in the prior year and operating earnings decreased by $743 thousand for the three months ended June 30, 2026 compared to the prior year primarily due to a decrease in margin realized in the quarter.

- Adjusted net loss per diluted share for the three months ended June 30, 2026 was $0.02 per share compared to adjusted net earnings of $0.01 per diluted share for same period last year.

- Working capital, as at June 30, 2026, was $5.4 million which is a decrease of 51% decrease over the same period in the prior year. The decrease in working capital relates to classification of long-term debt as current in Q2 2026 that was not in Q2 2025.

Summary for the three months ended June 30, 2026:

Consolidated sales for the three months ended June 30, 2026 were $15.5 million compared to $20.5 million for the same period in 2025, representing a $5 million decrease over the comparable period. Revenue was impacted by lower US fluid distribution sales, due to decreased activity levels attributable to a few specific customers.

Bri-Chem's Canadian drilling fluids distribution division generated sales of $1.8 million for the three months ended June 30, 2026, which was lower than the comparable prior period by 1%. The $9 thousand decrease in sales quarter over quarter is the result of decreased sales to a specific customer in tandem with record rainfall in June in Alberta, which was offset by large increases of sales activity from further incumbent customers. Bri-Chem's United States drilling fluids distribution division generated sales of $7.4 million for the three months ended June 30, 2026, compared to sales of $12.3 million for the comparable period in 2025, representing a quarterly decrease of 40%. US fluids and distribution sales decreased, due to decreased activity levels attributable to a few specific customers. The active number of US operating land rigs in Q2 2026 averaged 539, compared to a 2025 Q2 average of 556 representing a decrease of approximately 3% (Source: Baker Hughes).

Bri-Chem's Canadian blending and packaging division generated sales of $3.6 million for the three months ended June 30, 2026, compared to Q2 2025 sales of $4 million, representing a quarterly decrease of 10%. The decrease in sales relates to excessive rainfall in the current period. US blending and packaging sales for the three months ended June 30, 2026 were $2.8 million compared to $2.5 million in the prior year. The 12% increase is due to an increase in sales to new and returning customers.

Operating earnings for the three months ended June 30, 2026 was $29 thousand which is a decrease from the operating earnings of $772 thousand in the same period in the prior year. Adjusted EBITDA was $184 thousand for Q2 2026 compared to $1 million for Q2 2025. The decrease is primarily driven by lower margins realized in the quarter. Adjusted EBITDA as a percentage of sales was 1% for the quarter, which is a decrease over the 5% in Q2 2025.

OUTLOOK

Management was disappointed with the Company's financial progress during the quarter, particularly as a result of the loss of revenue in the United States. The decline in U.S. revenue was greater than management had anticipated in its forecasts associated with the discontinuance of the Company's oil-based mud ("OBM") manufacturing activities, resulting in a more significant impact on the Company's financial results than originally expected. While the decision to discontinue OBM manufacturing remains an important component of the Company's strategy to simplify its operations and focus on more attractive opportunities, management recognizes that the pace and magnitude of the associated revenue decline have presented greater challenges than initially forecast.

Canadian operations demonstrated considerably greater resilience during the quarter and would have shown further improvement had the business not been affected by excessive levels of rainfall experienced during June. Management remains encouraged by the underlying performance of the Canadian operations and the progress being made in improving the efficiency of the business.

Looking ahead, management expects the North American drilling environment to remain relatively stable through the balance of 2026, with limited overall growth in industry activity. Spears and Associates' current outlook calls for North American rig counts to remain relatively unchanged for the remainder of the year, with the expected seasonal increase in Canadian activity largely offset by lower U.S. activity. Against this backdrop, Bri-Chem's focus for the balance of the year will remain on improving the quality and profitability of its revenue base rather than relying on significant increases in overall market activity.

Management remains firmly committed to the initiatives outlined in its January shareholder letter and to furthering the actions necessary to align the Company's cost structure with realized revenue levels. This includes continued reductions in overhead, further evaluation of the Company's operating footprint, disciplined inventory management, and optimization of its product mix.

OBM manufacturing has been significantly reduced, the Company continues to maintain an OBM facility and certain related overhead costs on a temporary basis. Management believes maintaining the facility is necessary while the Company seeks a suitable purchaser for the remaining OBM business and associated inventory, in order to preserve the value and marketability of the inventory.

Management recognizes that the financial progress achieved to date has not yet resulted in satisfactory levels of profitability. Accordingly, the Company will continue to execute and refine the initiatives outlined in its January shareholder letter until satisfactory and sustainable profitability levels are achieved. The Company's priorities for the balance of 2026 remain focused on improving operating performance, protecting cash flow, strengthening working capital management, and ensuring that overhead costs are appropriately aligned with realized results.

While the current market outlook does not anticipate a material increase in overall North American drilling activity, management believes that continued execution of its strategic initiatives, combined with a leaner and more flexible cost structure, can position Bri-Chem for improved profitability as market conditions evolve. Management remains committed to restoring profitable revenue opportunities where appropriate, maintaining disciplined cost control, and preserving balance sheet strength 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 17 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:

	Three months ended June 30		Six months ended June 30	
(in 000's)	2026	2025	2026	2025
Net (loss) earnings	**$ (470)**	$ 157	**$ (384)**	$ (255)
Less:				
Deferred tax (recovery)	**(9)**	(97)	**103**	(303)
Adjusted net (loss) earnings	**(479)**	60	**(281)**	(558)
Add:				
Financing costs	**367**	656	**697**	1,381
Income tax expense	**36**	34	**72**	65
Depreciation and amortization	**260**	295	**508**	622
Adjusted EBITDA	**$ 184**	$ 1,045	**$ 996**	$ 1,510