Bri-Chem Announces 2026 Third Quarter Financial Results

Edmonton, Canada, November 12, 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 third quarter financial results.

	Three months ended September 30		Change		Nine months ended September 30		Change	
(in '000s except per share amounts)	2026	2025	$	%	2026	2025	$	%
Financial performance								
Sales	**$ 18,351**	$ 18,192	$ 159	1%	**$ 50,423**	$ 58,637	$ (8,214)	(14%)
Adjusted EBITDA[(1)]	**925**	836	89	11%	**1,921**	2,346	(425)	(18%)
As a % of revenue	**5%**	5%			**4%**	4%		
Operating earnings	**680**	576	103	18%	**1,352**	1,324	27	2%
Adjusted net earnings / (loss) [(1)]	**314**	16	298	1832%	**33**	(542)	575	(106%)
Net (loss) / earnings	**$ 423**	$ 160	$ 263	164%	**$ 39**	$ (95)	$ 134	(141%)
Per diluted share								
Adjusted EBITDA [(1)]	**$ 0.03**	$ 0.03	$ -	0%	**$ 0.07**	$ 0.09	$ (0.02)	(23%)
Adjusted net earnings / (loss) [(1)]	**$ 0.01**	$ 0.01	$ -	0%	**$ 0.00**	$ (0.02)	$ 0.02	(98%)
Net earnings / (loss)	**$ 0.02**	$ 0.01	$ 0.01	104%	**$ 0.00**	$ (0.01)	$ 0.01	(100%)
Financial position								
Total assets					**$ 42,580**	$ 48,855	$ (6,276)	(13%)
Working capital					**6,241**	10,790	(4,548)	(42%)
Long-term debt					**-**	6,331	(6,331)	(100%)
Shareholders equity					**$ 21,042**	$ 19,547	$ 1,494	8%

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

Key Q3 2026 highlights include:

- Consolidated sales for the three months ended September 30, 2026 were $18.4 million, representing a $159 thousand increase from the prior year. The increase is primarily due to increased sales in the US fluids blending and packaging division offset by decreased sales in the fluids distribution divisions due to warehouse closures.

- Consolidated gross margin for the three months ended September 30, 2026 decreased by $505 thousand compared to the same period last year. The gross margin dollar decrease is primarily related to the conscious decision to liquidate oil-based mud (OBM) below cost offset by increased realized margins in the other divisions.

- Adjusted EBITDA for the third quarter 2026 increased by $89 thousand when compared to the same period in the prior year and operating earnings increased by $103 thousand for the three months ended September 30, 2026 compared to the prior year primarily due to a decrease in salaries and selling, general, & admin expenses offset by the overall decrease to margin realized in the quarter.

- Adjusted net earnings per diluted share for the three months ended September 30, 2026 was $0.01 per share which is consistent with same period last year.

- Working capital, as at September 30, 2026, was $6.2 million which is a 42% decrease over the same period in the prior year. The decrease in working capital relates to classification of long-term debt as current in Q3 2026 that was not in Q3 2025.

Summary for the three months ended September 30, 2026:

Consolidated sales for the three months ended September 30, 2026 were $18.4 million compared to $18.2 million for the same period in 2025, representing a $159 thousand increase over the comparable period. The increase is primarily due to increased sales in the US fluids blending and packaging division offset by decreased sales in the fluids distribution divisions due to warehouse closures.

Bri-Chem's Canadian drilling fluids distribution division generated sales of $2.1 million for the three months ended September 30, 2026, which was lower than the comparable prior period by 8%. The $184 thousand decrease in sales quarter over quarter is the result of decreased sales to a specific customer which was offset by increases of sales activity from further incumbent customers. Bri-Chem's United States drilling fluids distribution division generated sales of $8.9 million for the three months ended September 30, 2026, compared to sales of $9.5 million for the comparable period in 2025, representing a quarterly decrease of 6%. 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 Q3 2026 averaged 576, compared to a 2025 Q3 average of 525 representing an increase of approximately 10% (Source: Baker Hughes).

Bri-Chem's Canadian blending and packaging division generated sales of $3.7 million for the three months ended September 30, 2026, which remains consistent with the prior year. Sales to a returning customer offset decreased sales with incumbent customers. US blending and packaging sales for the three months ended September 30, 2026 were $3.6 million compared to $2.7 million in the prior year. The 34% increase is due to increased activity in the quarter with a specific customer.

Operating earnings for the three months ended September 30, 2026 was $680 thousand which is an increase from the operating earnings of $576 thousand in the same period in the prior year. Adjusted EBITDA was $925 thousand for Q3 2026 compared to $836 thousand for Q3 2025. The increase is primarily driven by lower salaries and SG&A expenses offset by decreased realized margins. Adjusted EBITDA as a percentage of sales was 5% for the quarter, which remains consistent with the 5% in Q3 2025.

OUTLOOK

During the third quarter of 2026, Bri-Chem continued to make progress on the operational and financial initiatives intended to return the Company to sustainable profitability. Management was encouraged by the margin improvements realized during the quarter, with all divisions demonstrating significant improvements when normalized for the impact of the OBM inventory liquidation. These improvements, together with the completion of the remaining oil-based mud ("OBM") inventory liquidation and notable reductions in selling, general and administrative ("SG&A") expenses and salaries and benefits costs, represent important milestones in the Company's ongoing restructuring efforts.

Management considers the Company's net earnings result for the quarter acceptable in the context of the change management initiatives underway and the progress achieved in realigning the business to current market conditions. While further work remains to establish consistent and sustainable profitability, the results achieved during the quarter provide encouraging evidence that the Company's cost reduction measures and renewed focus on margin quality are beginning to deliver the intended benefits.

The liquidation of the remaining OBM inventory represents a significant step in simplifying the Company's operations and reducing the financial and operational commitments associated with the discontinuance of OBM manufacturing. With this milestone achieved, management remains focused on further improving the efficiency of the Company's distribution network, optimizing its product mix and maintaining a disciplined

cost structure. The Company will continue to emphasize prudent inventory procurement and working capital management, with a focus on protecting cash flow and ensuring that capital is allocated to its most productive uses.

Looking ahead to the fourth quarter of 2026 and early 2027, management expects Canadian drilling activity to benefit from the typical seasonal increase associated with winter drilling conditions. The timing and magnitude of this increase will depend on weather conditions, site accessibility, commodity prices and producer spending decisions. U.S. drilling activity is expected to remain more dependent on producer capital allocation and prevailing market economics. Baker Hughes' weekly rig count data provides an important indicator of industry activity; however, management recognizes that rig counts do not necessarily translate directly into demand for drilling fluids and chemical products. Accordingly, the Company's outlook remains grounded in expected seasonal activity patterns and a measured assessment of market conditions, rather than an assumption of material growth in overall drilling activity.

Against this backdrop, Bri-Chem's priorities for the balance of 2026 and into 2027 will remain focused on sustaining the margin improvements achieved to date, preserving the lower SG&A and salaries and benefits cost base, and continuing to align operating expenses with realized revenue levels. Management will also maintain its focus on disciplined inventory management, cash flow generation, working capital efficiency and further opportunities to simplify operations without compromising the Company's ability to serve its customers.

Management believes the progress achieved during the third quarter demonstrates that the Company's change management initiatives are moving in the intended direction. While sustainable profitability will require continued execution and remains subject to fluctuations in drilling activity and customer demand, Bri-Chem enters the final quarter of 2026 with improved margins across all divisions, reduced operating costs and the OBM inventory liquidation completed. The Company will continue to build on these improvements, with the objective of establishing a leaner, more efficient and financially resilient business capable of delivering sustainable profitability and 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 September 30		Nine months ended September 30	
(in 000's)	2026	2025	2026	2025
Net earnings (loss)	**$ 423**	$ 160	**$ 39**	$ (95)
Less:				
Deferred tax (recovery)	**(109)**	(144)	**(6)**	(447)
Adjusted net earnings (loss)	**314**	16	**33**	(542)
Add:				
Financing costs	**304**	571	**1,001**	1,952
Income tax expense	**58**	(27)	**130**	38
Depreciation and amortization	**249**	276	**757**	898
Adjusted EBITDA	**$ 925**	$ 836	**$ 1,921**	$ 2,346