For Immediate Release: July 29, 2021

CWC ENERGY SERVICES CORP. ANNOUNCES SECOND QUARTER 2021 OPERATIONAL AND FINANCIAL RESULTS AND RECORD Q2 ADJUSTED EBITDA

CALGARY, ALBERTA – (TSXV: CWC) CWC Energy Services Corp. ("CWC" or the "Company") announces the release of its operational and financial results for the three and six months ended June 30, 2021. The Financial Statements and Management Discussion and Analysis ("MD&A") for the three and six months ended June 30, 2021 are filed on SEDAR at www.sedar.com.

Financial and Operational Highlights

$ thousands, except shares, per share amounts, and margins	Three months ended June 30, 2021	2020	Change %	Six months ended June 30, 2021	2020	Change %
FINANCIAL RESULTS						
Revenue						
Contract Drilling	3,424	1,318	160%	10,742	13,989	(23%)
Production Services	13,073	2,648	394%	30,424	23,517	29%
	16,497	3,966	316%	41,166	37,506	10%
Other income	2,579	1,788	44%	3,644	1,788	104%
Adjusted EBITDA[1]	2,489	(1,397)	n/m[3]	7,343	4,111	79%
Adjusted EBITDA margin (%)[1]	15%	(35%)		18%	11%	
Impairment of assets	-	-	n/m[3]	(1,296)	(25,451)	(95%)
Net loss	(759)	(3,734)	80%	(312)	(22,911)	99%
Net loss margin (%)[2]	(5%)	(94%)	90%	(1%)	(61%)	60%
Capital expenditures	1,434	720	99%	2,709	3,525	(23%)
Per share information:						
Weighted average number of shares outstanding – basic and diluted	504,534,525	507,543,333		505,286,936	509,239,883	
Adjusted EBITDA[1] per share - basic and diluted	$ 0.00	$ (0.00)		$ 0.01	$ 0.01	
Net income (loss) per share - basic and diluted	$ (0.00)	$ (0.01)		$ (0.00)	$ (0.04)	

$ thousands, except ratios	June 30, 2021	December 31, 2020
FINANCIAL POSITION AND LIQUIDITY		
Working capital (excluding debt)[1]	8,844	12,069
Working capital (excluding debt) ratio[1]	2.3:1	2.9:1
Total assets	193,127	202,223
Total long-term debt (including current portion)	21,187	30,231
Shareholders' equity	157,357	157,977

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.

(2) Net income (loss) margin is a Non-IFRS Measure which is calculated as net income (loss) divided by total revenue.

(3) Not meaningful.

Highlights for the Three Months Ended June 30, 2021

- Average Q2 2021 crude oil price, as measured by West Texas Intermediate ("WTI"), of US$66.19/bbl was 14% higher than the Q1 2021 average price of US$58.13/bbl (Q2 2020: US$27.95/bbl) and the price differential between Canadian heavy crude oil, as represented by Western Canadian Select ("WCS"), and WTI maintained a differential in the range of US$10.35/bbl to US$12.79/bbl during the second quarter of 2021. Natural gas prices, as measured by AECO, remained unchanged with an average of $2.94/GJ in both Q1 and Q2 2021 (Q2 2020: $1.90/GJ).
- CWC's Canadian drilling rig utilization in Q2 2021 of 9% (Q2 2020: 11%) was lower than the Canadian Association of Energy Contractors ("CAOEC") industry average of 15% (Q2 2020: 4%). Average revenue per operating day of $24,392 resulted in revenue of $1.3 million (Q2 2020: $1.3 million) from the Canadian drilling operations. CWC's two U.S. drilling rigs had 61 operating days in Q2 2021 (Q2 2020: nil operating days) resulting in U.S. Contract Drilling revenue of $2.1 million with an average revenue per operating day of US$28,196. Service rig utilization in Q2 2021 of 47% (Q2 2020: 8%) was driven by 20,463 operating hours which were 407% higher than the 4,037 operating hours in Q2 2020. Service rig operating hours was the fifth highest Q2 operating hours in the Company's 16 year history.
- Revenue of $16.5 million, an increase of $12.5 million (316%) compared to $4.0 million in Q2 2020. During Q2 2021, the Company earned $1.7 million in revenue on 115 oil and gas sites requiring well decommissioning under the Alberta Site Rehabilitation Program ("SRP") and 13 oil and gas sites under the Saskatchewan Accelerated Site Closure Program ("ASCP"). The $1.0 billion Alberta SRP, the $400 million ASCP and the $100 million B.C. Dormant Sites Reclamation Program ("DSRP") provide grants to eligible oilfield service contractors to perform well, pipeline, and oil and gas site closure and reclamation work, creating jobs and supporting the environment until December 31, 2022. CWC's Production Services segment is well positioned to provide well decommissioning work on these inactive wells.
- Adjusted EBITDA(1) of $2.5 million, an increase of $3.9 million compared to ($1.4 million) in Q2 2020. Q2 2021 Adjusted EBITDA of $2.5 million sets a new record for Q2 Adjusted EBITDA in the Company's 16 year history.
- Net loss of $0.8 million, a decrease of $2.9 million compared to a net loss of $3.7 million in Q2 2020.

Highlights for the Six Months Ended June 30, 2021

- CWC's Canadian drilling rig utilization for the first six months of 2021 of 29% (2020: 32%) exceeded the CAOEC industry average of 21% (2020: 19%). Canadian activity levels for the first six months of 2021 decreased 10% to 372 drilling rig operating days from seven Canadian drilling rigs (2020: 412 drilling rig operating days). Average revenue per operating day of $22,714 resulted in revenue of $8.4 million from the Canadian drilling operations. U.S. drilling rig activity levels for the first six months of 2021 were 63 drilling rig operating days from two U.S. drilling rigs for a utilization of 17% (2020: 40%). U.S. Contract Drilling revenue of $2.3 million represented 21% of CWC's total Contract Drilling revenue in the first six months of 2021 with the average revenue per operating day of US$29,652 from U.S. operations. CWC's service rig utilization for the first six months of 2021 of 55% (2020: 32%) was driven by 47,547 operating hours which were 38% higher than the 34,479 operating hours in 2020.
- Revenue of $41.2 million, an increase of $3.7 million (10%) compared to $37.5 million in the first six months of 2020.
- Adjusted EBITDA(1) of $7.3 million, an increase of $3.2 million (79%) compared to $4.1 million in the first six months of 2020.
- Net loss of $0.3 million, a decrease of $22.6 million compared to $22.9 million in the first six months of 2020. The decrease in net loss is primarily due to a charge for impairment of assets of $25.5 million taken in Q1 2020.
- For the six months ended June 30, 2021, the Company purchased 2,249,500 (2020: 5,382,500) common shares under the Normal Course Issuer Bid ("NCIB") which were cancelled and returned to treasury (2020: 5,482,000 common shares were cancelled and returned to treasury).

(1) Please refer to the "Reconciliation of Non-IFRS Measures" section for further information.

Operational Overview

Contract Drilling

CWC Ironhand Drilling, the Company's Contract Drilling segment, has a fleet of nine telescopic double drilling rigs with depth ratings from 3,200 to 5,000 metres. Eight of nine rigs have top drives, three have pad rig walking systems, three have 7,500 psi pumping systems and one has carbon reduction bi-fuel capabilities. All of the drilling rigs are well suited for the most active depths for horizontal drilling in the WCSB, including the Montney, Cardium, Duvernay and other deep basin horizons. The Company also operates in select United States basins including the Eagle Ford, Denver-Julesburg and Bakken. One of the Company's strategic initiatives is to continue to increase the capabilities of its existing fleet to meet the growing demands of E&P customers for faster drilling times and more environmentally friendly solutions at a cost effective price while providing a sufficient internal rate of return for CWC's shareholders.

	Three months ended							
OPERATING HIGHLIGHTS	**Jun. 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**	**Sep. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Sep. 30, 2019**
Drilling Rigs – Canada								
Total drilling rigs, end of period	7	7	7	7	7	7	7	7
Revenue per operating day[1]	$24,392	$22,497	$21,452	$19,214	$19,382	$22,849	$22,161	$20,685
Drilling rig operating days	54	317	248	28	68	344	232	130
Drilling rig utilization %[2]	9%	50%	39%	4%	11%	54%	36%	19%
CAOEC industry average utilization %	15%	27%	16%	9%	4%	35%	23%	23%
Wells drilled	7	28	23	4	4	26	18	12
Average days per well	7.75	11.3	10.8	7.1	17.1	13.2	12.9	10.9
Meters drilled (thousands)	26.6	112.4	88.5	13.7	20.2	99.6	75.6	39.6
Meters drilled per day	490	354	356	483	295	290	326	304
Average meters per well	3,800	4,014	3,848	3,412	5,053	3,831	4,199	3,300
Drilling Rigs – United States								
Total drilling rigs, end of period	2	2	2	2	2	2	2	2
Revenue per operating day (US$)[1]	$28,196	$80,000[3]	-	-	-	$25,139	$34,448[3]	$27,159
Drilling rig operating days	61	2	-	-	-	144	56	155
Drilling rig utilization %[2]	33%	1%	-	-	-	79%	31%	84%
Wells drilled	4	-	-	-	-	10	5	16
Average days per well	15	-	-	-	-	14.4	11.3	9.7
Meters drilled (thousands)	17.4	-	-	-	-	40.5	14.5	50.7
Meters drilled per day	287	-	-	-	-	282	258	327
Average meters per well	4,343	-	-	-	-	4,053	2,942	978

(1) Revenue per operating day is calculated based on operating days (i.e. spud to rig release basis). New or inactive drilling rigs are added based on the first day of field service.
(2) Drilling rig utilization is calculated based on operating days (i.e. spud to rig release basis).
(3) Revenue is enhanced by one-time recovery of mobilization costs.

Canadian Contract Drilling revenue of $1.3 million for Q2 2021 (Q2 2020: $1.3 million) was achieved with a utilization rate of 9% (Q2 2020: 11%), compared to the CAOEC industry average of 15% (Q2 2020: 11%). CWC completed 54 Canadian drilling rig operating days in Q2 2021, 14% lower than 68 Canadian drilling rig operating days in Q2 2020.

U.S. Contract Drilling revenue of $2.1 million for Q2 2021 (Q2 2020: $nil) was achieved with a utilization rate of 33% with 61 U.S. drilling rig operating days (Q2 2020: nil).

Production Services

With a fleet of 145 service rigs, CWC is one of the largest well servicing companies in Canada as measured by active fleet and operating hours. CWC's service rig fleet consists of 75 single, 56 double, and 14 slant rigs providing services which include completions, maintenance, workovers and well decommissioning with depth ratings from 1,500 to 5,000 metres. In 2021, CWC chose to park 77 of its service rigs and focus its sales and operational efforts on the remaining 68 active service rigs due to the reduction in the number of service rigs currently required to service the WCSB and the tight labour market experienced in the industry for service rig crews.

CWC's fleet of 10 swabbing rigs operate under the trade name CWC Swabtech. The swabbing rigs are used to remove liquids from the wellbore and allow reservoir pressures to push the commodity up the tubing. The Company chose to park five of its swabbing rigs and focus its sales and operational efforts on the remaining five active swabbing rigs.

	Three months ended							
OPERATING HIGHLIGHTS	**Jun. 30, 2021**	**Mar. 31, 2021**	**Dec. 31, 2020**	**Sep. 30, 2020**	**Jun. 30, 2020**	**Mar. 31, 2020**	**Dec. 31, 2019**	**Sep. 30, 2019**
Service Rigs								
Active service rigs, end of period	68	66	81	82	82	83	84	84
Inactive service rigs, end of period	77	79	64	63	63	62	62	64
Total service rigs, end of period	145	145	145	145	145	145	146	148
Operating hours	20,463	27,087	22,273	15,859	4,037	30,442	33,656	29,528
Revenue per hour	$623	$630	$645	$605	$619	$666	$664	$644
Revenue per hour excluding top volume customers	$663	$668	$659	$623	$653	$673	$682	$660
Service rig utilization %(1)	47%	64%	42%	29%	8%	56%	62%	52%
Swabbing Rigs								
Active swabbing rigs, end of period	5	5	5	5	5	5	5	5
Inactive swabbing rigs, end of period	5	7	7	7	7	7	8	8
Total swabbing rigs, end of period	10	12	12	12	12	12	13	13
Operating hours	1,137	976	1,339	686	513	1,088	1,141	865
Revenue per hour	$282	$286	$280	$271	$288	$300	$282	$284
Swabbing rig utilization %(1)	35%	30%	41%	21%	16%	33%	35%	19%

(1) Effective September 1, 2019, the CAOEC changed its methodology on how it calculates service rig utilization. Service rig and swabbing rig utilization is now calculated based on 10 operating hours a day x number of days per quarter x 5 days a week divided by 7 days in a week to reflect maximum utilization available due to hours of service restrictions on rig crews. Utilization percentages have been retroactively updated to reflect this new CAOEC methodology. Service and swabbing rigs requiring their 24,000 hour recertification, refurbishment or have been otherwise removed from service for greater than 90 days are excluded from the utilization calculation until their first day back in field service.

Production Services revenue of $13.1 million in Q2 2021, up $10.5 million (394%) compared to $2.6 million in Q2 2020. The revenue increase in Q2 2021 was a result of the increase in industry activity, as governments relaxed the previously implemented global health solutions to slow the spread of the COVID-19 virus.

CWC's service rig utilization in Q2 2021 of 47% (Q2 2020: 8%) with 20,463 operating hours was 407% higher than the 4,037 operating hours in Q2 2020. Average revenue per hour of $623 in Q2 2021 was $4 per hour (1%) higher than the $619 per hour in Q2 2020. Q2 2021 average revenue per hour of $663 excluding the Company's top volume customers was $10 per hour (2%) higher than Q2 2020 average revenue per hour of $653.

CWC's swabbing rig utilization in Q2 2021 of 35% (Q2 2020: 16%) with 1,137 operating hours was 122% higher than the 513 operating hours in Q2 2020. Average revenue per hour for swabbing rigs of $282 in Q2 2021 was $6 per hour (2%) lower compared to $288 in Q2 2020.

Capital Expenditures

$ thousands	Three months ended June 30, 2021	2020	Change $	Change %	Six months ended June 30, 2021	2020	Change $	Change %
Capital expenditures								
Contract drilling	1,040	308	732	238%	1,995	1,094	901	82%
Production services	390	412	(22)	(5%)	710	2,405	(1,695)	(70%)
Other equipment	4	-	4	n/m[1]	4	26	(22)	(85%)
	1,434	720	714	99%	2,709	3,525	(816)	(23%)
Growth capital	734	(318)	1,052	331%	991	1,017	(26)	(3%)
Maintenance and infrastructure capital	700	1,038	(338)	(33%)	1,718	2,508	(790)	(31%)
Total capital expenditures	1,434	720	714	99%	2,709	3,525	(816)	(23%)

[1] Not meaningful

Capital expenditures of $1.4 million in Q2 2021, an increase of $0.7 million compared to $0.7 million in Q2 2020.

Capital expenditures of $2.7 million for the six months ended June 30, 2021, a decrease of $0.8 million compared to $3.5 million in the same period of 2020.

Outlook

In March 2020, the World Health Organization declared a global health pandemic due to COVID-19. In response to the COVID-19 outbreak, governments around the world implemented measures to control the spread of the virus from Q2 2020 through Q2 2022 including closure of non-essential businesses, restricting travel and encouraging citizens to stay-at-home. These government actions contributed to a significant deterioration in the global economy including a material decline in the demand for crude oil, which initially resulted in a significant decrease in oil prices. The decline in oil prices negatively affected current and forecasted drilling and production service activities in Canada and the United States. In response to the decline in oil prices, OPEC+ and G20 oil producing nations reduced crude oil production resulting in a rebound in crude oil prices from the low US$20/bbl in April 2020 to over US$74/bbl in June 2021. In June 2021, Canadian provincial governments began to loosen their economic restrictions as the rising number of vacinated Canadians helped reduce the number of active cases of COVID-19. Although optimism for the global economy rebounding has begun, caution remains as the number of active COVID-19 cases in certain areas of the world have recently increased as a result of the emergence of more infectious variants of the virus and the lower vacination rates in certain countries. Such cautious optimism is reflected in the July 2021 OPEC+ agreement to add back approximately 4 million barrels per day of curtailed production in increments of 400,000 barrels per day each month into 2022, thereby eliminating the remaining COVID-19 induced production curtailments.

With the OPEC+'s gradual monthly increase in crude oil production, crude oil prices are likely to remain strong as the supply and demand of global crude oil will either tighten or be in relative balance. Such an outlook would be positive for the North American energy services industry for the remainder of 2021 and into 2022 as it is anticipated that E&P companies will increase their capital expenditure programs.

In June 2021, CWC released its inaugural Environmental, Social and Governance ("ESG") Report. Our commitment to ESG and sustainability has shown improvement over the last three years as outlined in our report. We will continue to work towards advancing these efforts further in future years, especially in the area of emission reductions and establishing goals and targets. Management is confident that CWC will be regarded as a leader on ESG and sustainability matters in our oilfield services industry.

CWC is experiencing a strong start to Q3 2021 with both the number of drilling rigs and service rigs back to the peak activity levels experienced this past winter in Q1 2021. While there are many positives to look forward to for the remainder of 2021, capitalizing upon them will primarily be constrained by the amount of available field labour or rig crews that CWC will be able to staff up. The labour market continues to be extremely tight even as field labour wage increases have been implemented by the industry and recovered from our E&P customers.

CWC continues to remain focused on its operational and financial performance in the short-term, but recognizes the need to pursue opportunities to create medium and longer-term value for CWC's shareholders. With the support of the Board of Directors, management continues to actively pursue consolidation opportunities in North America. CWC cautions that there can be no guarantees that strategic opportunities will result in a transaction, or if a transaction is undertaken, as to its terms or timing.

About CWC Energy Services Corp.

CWC Energy Services Corp. is a premier contract drilling and well servicing company operating in Canada and the United States with a complementary suite of oilfield services including drilling rigs, service rigs, and swabbing rigs. The Company's corporate office is located in Calgary, Alberta, with a U.S. office in Denver, Colorado and operational locations in Nisku, Grande Prairie, Slave Lake, Sylvan Lake, Drayton Valley, Lloydminster, Provost and Brooks, Alberta. The Company's shares trade on the TSX Venture Exchange under the symbol "CWC".

For more information, please contact:

CWC Energy Services Corp.
610, 205 – 5th Avenue SW
Calgary, Alberta T2P 2V7
Telephone: (403) 264-2177
Email: info@cwcenergyservices.com

Duncan T. Au, FCPA, FCA, CFA
President & Chief Executive Officer

Stuart King, CPA, CA
Chief Financial Officer

Forward-Looking Information

This News Release contains certain forward-looking information and statements within the meaning of applicable Canadian securities legislation. Certain statements contained in this News Release, including most of those contained in the section titled "Outlook" and including statements which may contain such words as "anticipate", "could", "continue", "should", "seek", "may", "intend", "likely", "plan", "estimate", "believe", "expect", "will", "objective", "ongoing", "project" and similar expressions are intended to identify forward-looking information or statements. In particular, this News Release contains forward-looking statements including management's assessment of future plans and operations, planned levels of capital expenditures, expectations as to activity levels, expectations on the sustainability of future cash flow and earnings, expectations with respect to crude oil and natural gas prices, activity levels in various areas, expectations regarding the level and type of drilling and production and related drilling and well services activity in the WCSB and U.S. basins, expectations regarding entering into long term drilling contracts and expanding its customer base, and expectations regarding the business, operations, revenue and debt levels of the Company in addition to general economic conditions. Although the Company believes that the expectations and assumptions on which such forward-looking information and statements are based are reasonable, undue reliance should not be placed on the forward-looking information and statements because the Company can give no assurances that they will prove to be correct. Since forward-looking information and statements address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks including the implications of the COVID-19 health pandemic on the Company's business, operations and personnel. These factors and risks include, but are not limited to, the risks associated with the COVID-19 health pandemic and their implications on the demand and supply in the drilling and oilfield services sector (i.e. demand, pricing and terms for oilfield drilling and services; current and expected oil and gas prices; exploration and development costs and delays; reserves discovery and decline rates; pipeline and transportation capacity; weather, health, safety and environmental risks), significant expansion measures to stop the spread of COVID-19 further restricting or prohibiting the operations of the Company's facilities and operations, actions to ensure social distancing due to COVID-19, the Company's cash saving initiatives, integration of acquisitions, competition, and uncertainties resulting from potential delays or changes in plans with respect to acquisitions, development projects or capital expenditures and changes in legislation, including but not limited to tax laws, royalties and environmental regulations, stock market volatility and the inability to access sufficient capital from external and internal sources. Accordingly, readers should not place undue reliance on the forward-looking statements. Readers are cautioned that the foregoing list of factors is not exhaustive. Additional information on these and other factors that could affect the Company's financial results are included in reports on file with applicable securities regulatory authorities and may be accessed through SEDAR at www.sedar.com. The forward-looking information and statements contained in this News Release are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information or statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. Any forward-looking statements made previously may be inaccurate now.

Reconciliation of Non-IFRS Measures

$ thousands, except shares, per share amounts and margins	Three months ended June 30, 2021	Three months ended June 30, 2020	Six months ended June 30, 2021	Six months ended June 30, 2020
NON-IFRS MEASURES				
Adjusted EBITDA:				
Net loss	(759)	(3,734)	(312)	(22,911)
Add:				
Stock based compensation	167	139	343	272
Finance costs	246	780	505	1,464
Depreciation and amortization	2,581	2,595	5,277	5,767
Impairment of assets	-	-	1,296	25,451
Loss (gain) on sale of equipment	418	(77)	206	974
Income tax expense (recovery)	(164)	(1,100)	28	(6,906)
Adjusted EBITDA[1]	2,489	(1,397)	7,343	4,111
Adjusted EBITDA per share – basic and diluted[1]	$ 0.00	$ 0.00	$ 0.01	$ 0.01
Adjusted EBITDA margin (Adjusted EBITDA/Revenue)[1]	15%	(35%)	18%	11%
Weighted average number of shares outstanding – basic and diluted	504,534,525	507,543,333	505,286,936	509,239,883
Gross margin:				
Revenue	16,497	3,966	41,166	37,506
Less: Direct operating expenses	13,116	3,999	30,664	27,614
Gross margin[2]	3,381	(33)	10,502	9,892
Gross margin percentage[2]	20%	(1%)	26%	26%

$ thousands	June 30, 2021	December 31, 2020
Working capital (excluding debt):		
Current assets	15,638	18,323
Less: Current liabilities	(7,510)	(7,004)
Add: Current portion of long-term debt	716	750
Working capital (excluding debt) [3]	8,844	12,069
Working capital (excluding debt) ratio[3]	2.3:1	2.9:1
Net debt:		
Long-term debt	20,471	29,481
Less: Current assets	(15,638)	(18,323)
Add: Current liabilities	7,510	7,004
Net debt [4]	12,343	18,162

(1) Adjusted EBITDA (earnings before interest and finance costs, income tax expense, depreciation, amortization, gain or loss on disposal of asset, impairment of assets, goodwill impairment, stock based compensation and other one-time non-cash gains and losses) is not a recognized measure under IFRS. Management believes that in addition to net income, Adjusted EBITDA is a useful supplemental measure as it provides an indication of the Company's ability to generate cash flow in order to fund working capital, service debt, pay current income taxes, repurchase common shares under the Normal Course Issuer Bid, and fund capital programs. Investors should be cautioned, however, that Adjusted EBITDA should not be construed as an alternative to net income (loss) determined in accordance with IFRS as an indicator of the Company's performance. CWC's method of calculating Adjusted EBITDA may differ from other entities and accordingly, Adjusted EBITDA may not be comparable to measures used by other entities. Adjusted EBITDA margin is calculated as Adjusted EBITDA divided by revenue and provides a measure of the percentage of Adjusted EBITDA per dollar of revenue. Adjusted EBITDA per share is calculated by dividing Adjusted EBITDA by the weighted average number of shares outstanding as used for calculation of earnings per share.

(2) Gross margin is calculated from the statement of comprehensive income (loss) as revenue less direct operating costs and is used to assist management and investors in assessing the Company's financial results from operations excluding fixed overhead costs. Gross margin percentage is calculated as gross margin divided by revenue. The Company believes the relationship between revenue and costs expressed by the gross margin percentage is a useful measure when compared over different financial periods as it demonstrates the trending relationship between revenue, costs and margins. Gross margin and gross margin percentage are non-IFRS measures and do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies.

(3) Working capital (excluding debt) is calculated based on current assets less current liabilities excluding the current portion of long-term debt. Working capital (excluding debt) is used to assist management and investors in assessing the Company's liquidity. Working capital (excluding debt) does not have any meaning prescribed under IFRS and may not be comparable to similar measures provided by other companies. Working capital (excluding debt) ratio is calculated as current assets divided by the difference of current liabilities less the current portion of long-term debt.

(4) Net debt is calculated based on long-term debt less current assets plus current liabilities. Net debt is not a recognized measure under IFRS and does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures provided by other companies. Management believes net debt is a useful indicator of a company's debt position.