



TRICAN WELL SERVICE LTD. Q1 2021 INTERIM REPORT



Management's Discussion & Analysis
Three Months Ended March 31, 2021





MANAGEMENT'S DISCUSSION AND ANALYSIS – FIRST QUARTER

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This management's discussion and analysis ("MD&A") is dated May 12, 2021. It should be read in conjunction with the unaudited condensed consolidated interim financial statements and notes of Trican Well Service Ltd. ("Trican" or the "Company") as at and for the three months ended March 31, 2021 and 2020 as well as the audited consolidated financial statements and notes as at and for the years ended December 31, 2020 and 2019. Additional information relating to the Company, including the Company's Annual Information Form ("AIF") for the year ended December 31, 2020, is available online at www.sedar.com.

The Company recast prior year comparative results for the year ended December 31, 2020 to reflect an understatement in the recognition of the Canadian Emergency Wage Subsidy ("CEWS") program in the second, third and fourth quarters of 2020. Additional information relating to the recast is available in Note 13 of the Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2021 and 2020.

Basis of Presentation: Unless otherwise noted, all financial information is reported in Canadian dollars and has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Certain figures have been reclassified to conform to the current year presentation in this MD&A.

Non-GAAP Measures: Trican makes reference to adjusted EBITDA and adjusted EBITDA percentage. These measures are not defined terms under IFRS and are considered non-GAAP measures. Management believes that, in addition to net income / (loss), adjusted EBITDA and adjusted EBITDA percentage are useful supplemental measures to our investors as management relies on adjusted EBITDA to better translate historical variability in Trican's principal business activities into future financial forecasts. Non-GAAP financial measures do not have a standardized meaning under IFRS and may not be comparable to similar financial measures presented by other issuers. These financial measures are reconciled to IFRS measures in the *Non-GAAP Measures* section of this MD&A.

Other Non-Standard Financial Terms: Trican makes use of other financial terms such as Revenue per Job and Non-Cash Working Capital. These terms and / or calculation of amounts related to these terms may not be comparable to other issuers. These terms are described in the *Other Non-Standard Financial Terms* section of this MD&A.

Common Industry and Company Specific Terms: For a list of abbreviations and capitalized terms that may be used in this MD&A, refer to the *Common Industry Terms* section of this MD&A.

Risks and Forward-Looking Statements: The Company's financial and operational performance is potentially affected by a number of factors, including, but not limited to, the factors described in the *Business Risks* section in this MD&A, the Risk Factors described in the AIF, and the Company's other disclosure documents.

This MD&A includes forward-looking information based on the Company's current expectations, estimates, projections and assumptions. This information is subject to a number of risks and uncertainties, many of which are beyond the Company's control. Users of this information are cautioned that the actual results may differ materially from this forward-looking information. Refer to the *Forward-Looking Statements* section in this MD&A for information on material risk factors and assumptions underlying our forward-looking information.

OVERVIEW

Headquartered in Calgary, Alberta, Trican has a highly trained workforce dedicated to safety and operational excellence which provides a comprehensive array of specialized pressure pumping services critical for the exploration and development of oil and gas reserves.

Financial Review¹

| (\$ millions, except per share amounts and total job count ² . The following are stated in thousands: weighted average shares, proppant pumped ² and HHP ²) | Three months ended | | |
|---|----------------------|-------------------------|-------------------|
| | March 31, 2021 | March 31, 2020 | December 31, 2020 |
| (Unaudited) | | | |
| Revenue | \$148.0 | \$191.8 | \$102.8 |
| Gross profit / (loss) | 11.2 | 3.8 | (2.7) |
| Adjusted EBITDA ² | 27.3 | 9.5 | 16.1 |
| Weighted average shares outstanding - basic | 255,310 | 268,324 | 257,172 |
| Weighted average shares outstanding - diluted | 258,373 | 268,324 | 257,172 |
| Profit / (loss) from continuing operations | 1.7 | (154.5) | (21.9) |
| Per share - basic | \$0.01 | (\$0.58) | (\$0.09) |
| Per share - diluted | \$0.01 | (\$0.58) | (\$0.09) |
| Profit / (loss) for the period | 5.9 | (154.9) | (22.3) |
| Per share - basic | \$0.02 | (\$0.58) | (\$0.09) |
| Per share - diluted | \$0.02 | (\$0.58) | (\$0.09) |
| Total proppant pumped (tonnes) ² | 334 | 285 | 229 |
| Internally sourced proppant pumped (tonnes) ² | 239 | 285 | 162 |
| Total Job Count ² | 1,992 | 2,665 | 1,545 |
| Hydraulic Pumping Capacity (HHP) ² | 570 | 572 | 570 |
| Active Crewed (HHP) ² | 179 | 321 | 190 |
| Active, Maintenance/Not Crewed (HHP) ² | 98 | 69 | 85 |
| Parked (HHP) ² | 293 | 182 | 295 |
| | | | |
| (\$ millions) | As at March 31, 2021 | As at December 31, 2020 | |
| Cash and cash equivalents | \$22.6 | \$22.6 | |
| Current assets - other | \$142.7 | \$105.5 | |
| Current portion of lease liabilities | \$3.2 | \$3.5 | |
| Current liabilities - other | \$68.6 | \$57.2 | |
| Lease liabilities - non-current portion | \$9.6 | \$10.3 | |
| Total assets | \$585.1 | \$568.9 | |

¹ The Company recast prior year comparative results for the year ended December 31, 2020 to reflect an understatement in the recognition of the Canadian Emergency Wage Subsidy ("CEWS") program in the second, third and fourth quarters of 2020. Additional information relating to the recast is available in Note 13 of the Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2021 and 2020.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

FINANCIAL AND OPERATING HIGHLIGHTS

First Quarter Highlights

- Consolidated revenue from continuing operations was \$148.0 million in Q1 2021, a 23% decrease compared to Q1 2020.
- Net profit from continuing operations for Q1 2021 was \$1.7 million (Q1 2020 – net loss from continuing operations of \$154.5 million). The year-over-year improvement in Q1 2021 compared to Q1 2020 primarily related to reduced impairments of \$0.1 million (Q1 2020 - \$151.7 million).
- Adjusted EBITDA² for the three months ended March 31, 2021, was \$27.3 million, compared to \$9.5 million for the three months ended March 31, 2020. Adjusted EBITDA² for the three months ended March 31, 2021, was positively affected by reduced fixed costs and higher operating efficiencies, no severance costs (Q1 2020 - \$4.7 million), and the recognition of \$5.5 million from the Canadian Emergency Subsidy ("CES") programs (Q1 2020 - nil).
- Financial position and liquidity:
 - Cash and cash equivalents of \$22.6 million (December 31, 2020 - \$22.6 million);
 - Positive non-cash working capital of \$70.8 million (December 31, 2020 - \$44.9 million);
 - At March 31, 2021, the Company had no bank debt outstanding (December 31, 2020 - nil);
 - The Company's strong balance sheet and liquidity provides significant financial flexibility to improve its competitive position and invest in profitable growth to deliver shareholder value.
- On March 3, 2021, the Company completed the sale of its software business for cash consideration of approximately \$6.5 million. The Company recognized a gain of \$4.2 million on the sale. Total aggregate cash consideration from the sale of the software business, surplus and non-core asset sales was \$6.9 million (Q1 2020 - \$14.5 million).
- At March 31, 2021, our outstanding share balance was 255,206,979 (December 31, 2020 - 255,735,611), which includes the repurchase and cancellation of 1,006,200 shares in Q1 2021 at a weighted average price per share of \$1.71, pursuant to the Company's Normal Course Issuer Bid ("NCIB"). During Q1 2020, 4,758,600 common shares were purchased at a weighted average price per share of \$1.04.
- In Q1 2021, Trican introduced the first fracturing pumper in Canada with a CAT Tier 4 Dynamic Gas Blending ("DGB") engine that displaces up to 85% of the diesel used in a conventional pumper with clean burning natural gas, reducing carbon dioxide and particulate matter emissions.
- Subsequent to March 31, 2021, the Company announced an expansion of its capital budget to \$40 million, which will include the building of the first low emissions fracturing fleet in Canada powered by Tier 4 DGB engines.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

First Quarter 2021 vs Fourth Quarter 2020 Sequential Overview

Revenue in the first quarter of 2021 increased 44%, or \$45.2 million, from the fourth quarter 2020 revenue levels. The first quarter experienced increased activity levels compared to the previous quarter as a result of stronger commodity prices.

| (Unaudited) | Three months ended | | |
|---|--------------------|----------------|-------------------|
| | March 31, 2021 | March 31, 2020 | December 31, 2020 |
| WTI - Average Price (US\$/bbl) ² | \$58.14 | \$45.78 | \$42.70 |
| AECO-C Spot Average Price (C\$/mcf) ² | \$2.94 | \$1.93 | \$2.52 |
| WCS - Average Price (C\$/bbl) ² | \$58.54 | \$37.24 | \$40.80 |
| Condensate - Average Price (C\$/bbl) ² | \$74.98 | \$59.58 | \$55.95 |
| Average Exchange Rate (US\$/C\$) ² | \$0.79 | \$0.74 | \$0.77 |
| Canadian Average Drilling Rig Count ² | 146 | 185 | 89 |

Source: Bloomberg, Bank of Canada, Rig Locator

The average WTI price of US\$58.14/bbl in Q1 2021 was 36% higher relative to the US\$42.70/bbl in Q4 2020. Oil prices have recovered to near pre-pandemic levels, with the WTI price exceeding US\$60/bbl in Q1 2021 for the first time since January 2020. The WTI price stayed above US\$60/bbl for 27 of the 61 trading days in Q1 2021, supported by reduced production from North American producers and continued production restraint from the OPEC+ group of oil producing countries. Natural gas prices were up 17%, increasing to C\$2.94/mcf in Q1 2021 from C\$2.52/mcf in Q4 2020. Gas prices were supported by a bout of harsh winter weather across much of North America in mid Q1 2021, leading to high demand, large storage withdrawals and price spikes to over C\$6/mcf. These commodity prices have significantly boosted our customer cash flows, which has translated into increased drilling and completions activity. The average rig count increased to 146 in Q1 2021 from 89 in Q4 2020, a sequential increase of 64%. The rig count escalated quickly in the quarter, nearly doubling in the first week of Q1 2021 relative to the last week in Q4 2020. The rig count stayed relatively consistent from mid-January to mid-March, before declining with the onset of the seasonal Spring Break Up conditions.

First quarter demand for pressure pumping services improved sequentially across all service lines. Trican's personnel were able to keep equipment and supply chains operating smoothly throughout the quarter with no disruption to customer schedules through even the coldest temperatures in the quarter. Proppant pumped, which is one of the best metrics to represent demand for hydraulic fracturing by our customers, increased by 46% sequentially, increasing to 334,000 tonnes from 229,000 tonnes in Q4 2020. The increase in proppant pumped was partially attributable to the Company's success in securing large pad-based jobs in the first quarter. These jobs have multiple wells that are fractured on one location, providing steady and highly efficient utilization relative to smaller jobs that require equipment to travel between locations, in addition to the time required to set up on each location. In response to strong customer demand, the Company activated an additional fracturing crew in early January resulting in six fracturing crews operating for most of the first quarter.

In Q1 2021, Trican introduced the first fracturing pumper in Canada with a Tier 4 DGB engine that displaces up to 85% of the diesel used in a conventional pumper with clean burning natural gas, reducing carbon dioxide and particulate matter emissions. This pumper was trialed on multiple customer locations and received positive feedback on performance, fuel savings and contribution to customer ESG objectives. In addition to this next generation Tier 4 pumper, the Company prioritizes utilization on its fleet of conventional dual fuel pumpers as part of our commitment to reducing emissions and working with our customers to meet their ESG objectives.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

Utilization on our crewed equipment was 81% in Q1 2021 compared to 60% in Q4 2020. The Company exited the first quarter with six fracturing crews and 179,000 active crewed HHP, from five crews and 190,000 active crewed HHP at the end of the fourth quarter.

Cementing benefited from the sharp rise in rig count at the start of the quarter, which provided steady utilization through much of January and February, before slowing in mid-March due to the seasonal Spring Break Up slow down. The Company saw tonnage pumped on the average job increase by 20% in Q1 2021 relative to Q4 2020, reflective of Trican's strong position in the deep, technically challenging work found in the Montney and Deep Basin areas. Coiled tubing operating days increased 36% in Q1 2021 from Q4 2020. A significant portion of these operating days came from a 122 well CBM program that started in early Q4 2020 and ran through to the end of Q1 2021. Steady utilization on this program, as well as other longer term customer projects increased operational efficiency and were key in delivering relatively strong results in the quarter.

Gross Profit and adjusted EBITDA² for the first quarter of 2021 were \$11.2 million and \$27.3 million, respectively, an improvement over the Q4 2020 gross loss of \$2.7 million and adjusted EBITDA² of \$16.1 million. Sequentially improved Q1 2021 financial results are supported by the operating leverage realized from increased activity levels. Trican recognized \$5.5 million (Q4 2020 - \$6.5 million) from the CES programs in the quarter.

Net profit in Q1 2021 of \$5.9 million was an improvement from the net loss of \$22.3 million in Q4 2020. Q4 2020 net loss was negatively affected by specific asset impairments of \$22.3 million related to non-financial assets that were not expected to return to active cash generating use. Q1 2021 net profit was positively affected by the sale of the Company's software business unit, realizing a net gain of \$4.2 million on the divestiture.

OUTLOOK

Trican has a constructive view on the balance of the year, but is proceeding cautiously. The recovery in commodity prices has significantly improved customer cash flows, but the restrained rig count is indicative of the strong capital discipline that is being exercised by many oil and gas producers as they focus on improving returns to shareholders. Trican views the recent consolidation seen at the producer level as a positive catalyst for our strategy of differentiation from competitors. The scale and sophistication of the consolidated companies will increase and will demand a service provider that has the technical, operational and fiscal capacity to meet their needs. The growing importance of ESG was notable in the company announcements, and these stated ESG commitments align well with Trican's commitment to being an ESG leader in the pressure pumping industry.

The Company's recent announcement that it will build and deploy a 30,000 HHP Tier 4 DGB engine powered fracturing fleet is evidence of the Company's ability to meet the ESG requirements of the industry's leading producers. Highly efficient operations along with the large dual fuel engine fleet and idle reduction technology reduce well costs and emissions, while our new chemistries will reduce fresh water usage, key metrics for forward thinking oil and gas producers that have strong ESG programs.

The Company has a solid base of work across all service lines from existing customers that should lead to stronger year-over-year results in the second quarter. The second quarter is traditionally the weakest quarter for oilfield services companies due to Spring Break Up conditions which limit movement of heavy equipment. The current rig count is higher than 2020 levels and utilization has been relatively robust through the early part of the second quarter, and is anticipated to remain so provided weather conditions remain favourable.

The near-term concern over the COVID-19 pandemic is expected to ease in the second half of the year, both on a national and global level, as vaccine deliveries begin to accelerate. Commodity prices are forecasted to remain steady, with increased production expected to only match the increased demand. We anticipate that our customers will continue their capital disciplined approach and expect that our crews will be busy through Q3 and Q4. The

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

Company's recently announced Tier 4 DGB engine powered fleet is expected to be deployed into the field in Q4 2021.

Capital Expenditures and Divestitures

Capital expenditures for the period ended March 31, 2021, of \$6.9 million (Q4 2020 - \$4.2 million) were focused primarily on sustaining capital, along with certain projects that brought immediate efficiencies and cost reductions to our operations. These capital expenditures were funded with cash flow as well as proceeds from our software business and surplus or obsolete assets of \$6.9 million in Q1 2021. (Q4 2020 - \$2.6 million)

The recently announced upgrade of a 30,000 HHP conventional diesel powered fleet to a Tier 4 DGB engine powered fleet in conjunction with ongoing sustaining capital expenditures will increase the capital budget to approximately \$40 million for 2021. The capital budget is expected to be fully funded from available cash resources and free cash flow generated through the year.

Trican is prepared to respond to increased customer capital spending and has significant financial flexibility to add equipment to respond to additional customer demand if full cycle returns can be achieved. Our strong balance sheet and reduced fixed cost structure also give the flexibility to withstand some market turbulence if conditions were to weaken.

We will continue to manage our balance sheet prudently, ensuring financial returns are commensurate with any balance sheet risk assumed. Our ability to generate strong operating cash flows and our financial flexibility will provide required capital to allow for selective investments that meet our return hurdle rate. This may also include ongoing participation in our NCIB program.

Hydraulic Fracturing Asset Requirements

Trican's hydraulic fracturing equipment is specifically designed to meet the demands of the higher intensity regions of the WCSB, including the Montney, Duvernay and Deep Basin formations. These regions account for approximately 80% of the required hydraulic horsepower demand in Canada. Additionally, Trican's fleet also includes an industry leading 170,000 HHP of conventional dual fuel engine fracturing pumps, which displace higher particulate diesel fuel with cleaner burning natural gas. The existing dual fuel fleet will be complemented by an additional 30,000 HHP when the Tier 4 DGB fleet enters the basin in Q4 2021. These investments reflect Trican's commitment to becoming an industry leader in ESG practices by reducing our environmental footprint of our operations.

The Company's fleet of hydraulic fracturing pumps at March 31, 2021, is presented in the table below:

| Fracturing Fleet: | Type of Pump | At March 31, 2021 | | |
|-------------------------------|-------------------|-------------------|----------------|------------|
| | | Pumps (#) | HHP | % of Fleet |
| Continuous Duty ² | 2,700 / 3,000 HHP | 127 | 347,400 | 61 % |
| Mid Tier ² | 2,500 HHP | 89 | 222,500 | 39 % |
| Legacy Tier ² | 2,250 HHP | — | — | — % |
| Total Fracturing Fleet | | 216 | 569,900 | |

Primary Objectives

The goal remains to achieve top quartile return on invested capital in our sector. Our primary objectives are:

- **Strengthen Existing Businesses:** Maintain our market leading position in fracturing and cementing service lines and strengthen auxiliary service lines, specifically coiled tubing.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

- Environmental, Social, and Governance: Deepen the integration of ESG into our business to improve value for our stakeholders. We will differentiate with new technologies to reduce our environmental impact. We will build strong community relationships in the areas we live and work in.
- Shareholder Return: Continue our disciplined investment into future growth, ensuring full-cycle return hurdles can be met before investing in new equipment and sell excess and permanently stranded capital equipment, further strengthening the balance sheet.
- Cost Control and Efficiency Gains: Control and reduce costs for ourselves and our client through efficiency improvements and scale.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

COMPARATIVE QUARTERLY INCOME STATEMENTS

Continuing Operations¹

(\$ thousands, except total job count², and revenue per job², unaudited)

| Three months ended | March 31, 2021 | Percentage of revenue | March 31, 2020 | Percentage of revenue | December 31, 2020 | Percentage of revenue |
|---|------------------|-----------------------|----------------|-----------------------|-------------------|-----------------------|
| Revenue | \$147,987 | 100 % | \$191,794 | 100 % | \$102,766 | 100 % |
| Cost of sales | | | | | | |
| Cost of sales | 113,720 | 77 % | 159,814 | 83 % | 81,142 | 79 % |
| Cost of sales – Depreciation and amortization | 23,090 | 16 % | 28,230 | 15 % | 24,350 | 24 % |
| Gross profit / (loss) | 11,177 | 8 % | 3,750 | 2 % | (2,726) | (3)% |
| Administrative expenses | 7,664 | 5 % | 12,504 | 7 % | 6,686 | 7 % |
| Administrative expenses – Depreciation | 1,063 | 1 % | 1,335 | 1 % | 1,114 | 1 % |
| Impairment – Non-financial assets | — | — % | 141,065 | 74 % | 22,331 | 22 % |
| Impairment / (recovery) – Trade receivables | 88 | — % | 10,573 | 6 % | (603) | (1)% |
| Other loss / (income) | 104 | — % | (218) | — % | (1,496) | (1)% |
| Results from operating activities | 2,258 | 2 % | (161,509) | (84)% | (30,758) | (30)% |
| Finance costs | 537 | — % | 1,127 | 1 % | 731 | 1 % |
| Foreign exchange (gain) / loss | (25) | — % | (184) | — % | 331 | — % |
| Profit / (loss) before income tax | 1,746 | 1 % | (162,452) | (85)% | (31,820) | (31)% |
| Income tax expense / (recovery) | 74 | — % | (7,972) | (4)% | (9,895) | (10)% |
| Profit / (loss) from continuing operations | \$1,672 | 1 % | (\$154,480) | (81)% | (\$21,925) | (21)% |
| Adjusted EBITDA ² | \$27,267 | 18 % | \$9,533 | 5 % | \$15,978 | 16 % |
| Total job count ² | 1,992 | | 2,665 | | 1,545 | |
| Revenue per job ² | 74,365 | | 71,968 | | 66,515 | |
| Total proppant pumped (tonnes) ² | 334,000 | | 285,000 | | 229,000 | |

Sales Mix

| Three months ended (unaudited) | March 31, 2021 | March 31, 2020 | December 31, 2020 |
|--------------------------------|----------------|----------------|-------------------|
| % of Total Revenue | | | |
| Fracturing | 76 % | 73 % | 72 % |
| Cementing | 16 % | 17 % | 18 % |
| Coiled Tubing | 8 % | 8 % | 9 % |
| Other | — % | 2 % | 1 % |
| Total | 100 % | 100 % | 100 % |

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First Quarter 2021 Overview (Compared to Prior Year)

Revenue

Consolidated revenue from continuing operations for Q1 2021 was \$148.0 million, a \$43.8 million decrease compared to Q1 2020. Our customers are exercising tight capital discipline as they seek to return value to shareholders, which reduced their drilling and completion programs in Q1 2021 relative to Q1 2020.

Trican operated six hydraulic fracturing crews in Q1 2021, and closed the quarter with 179,000 active crewed HHP, down from eight crews in Q1 2020 with 321,000 active crewed HHP. Proppant pumped increased from 285,000 tonnes in Q1 2020 to 334,000 tonnes in Q1 2021. The increase in proppant pumped per crew came as a result of higher pumping efficiencies and pad-based projects that resulted in high utilization throughout the quarter.

The WCSB drilling rig count for Q1 2021 averaged 146 rigs, down 27% from 185 in Q1 2020. Cementing activity tracks the rig count, and the number of jobs in Q1 2021 decreased by 22%. The Company operated 17 cementing units in Q1 2021, down from the 20 operating in Q1 2020. The Company reduced the number of active coiled tubing crews from nine in Q1 2020 to six crews in Q1 2021, but more efficient operations resulted the number of days per crews increasing by 55% from Q1 2020 levels.

Revenue per job on a combined service line basis was marginally higher on a year-over-year basis. The increase in customer supplied proppant had a negative impact on revenue (the Company earns revenue selling proppant to customers) but was offset by larger jobs and increased efficiencies across all service lines.

Cost of Sales

Cost of sales includes materials, products, transportation, repair costs, unit and base costs, personnel benefits expense and depreciation of equipment. The following table provides a summary of cost of sales:

| Three months ended, (\$ thousands, unaudited) | March 31, 2021 | Percentage of revenue | March 31, 2020 | Percentage of revenue |
|--|-------------------|--------------------------|-------------------|--------------------------|
| Personnel expenses | \$27,975 | 19 % | \$41,410 | 22 % |
| Personnel expenses - CEWS | (4,165) | (3)% | — | — % |
| Direct costs | 90,140 | 61 % | 118,404 | 62 % |
| Direct costs - CERS | (230) | — % | — | — % |
| Cost of sales | 113,720 | 77 % | 159,814 | 84 % |
| Cost of sales - Depreciation and amortization | 23,090 | 16 % | 28,230 | 15 % |
| Total cost of sales | \$136,810 | 93 % | \$188,044 | 99 % |

Total cost of sales for Q1 2021 decreased 27% when compared to Q1 2020, primarily due to the decline in the Company's overall activity levels. Costs were further reduced through significant internal cost reduction efforts, including significant reductions to the number of fixed and support personnel.

- Personnel expenses primarily relate to field-based employees, operational support personnel (i.e. mechanics), senior operational personnel salaries, and associated employee benefits. The decrease in personnel expenses was primarily a result of:
 - The decrease in active equipment due to lower operating activity resulting in lower direct operational field labour;
 - The Company aligned support personnel levels with the reduced equipment and activity levels reducing support personnel levels by 45% relative to Q1 2020; and
 - The Company's Cost of sales benefited by \$4.4 million from the CES programs (Q1 2020 - nil), which was accounted for as a reduction to personnel and rent expenses.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

- Direct costs primarily relate to repairs and maintenance, product costs, fuel, trucking expenses, and travel expenses for our operational personnel. The overall decrease in direct expenses was primarily a result of:
 - The decrease in active equipment due to lower operating activity; and
 - Minimizing repair and maintenance costs to equipment needed for near term revenue generating activities. A key item that can affect the variability of repair and maintenance expenses are stainless steel fluid ends, of which we incurred a cost of \$2.3 million for the three months ended March 31, 2021 (Q1 2020 - \$4.0 million).
- Depreciation and amortization expense for the three months ended March 31, 2021, decreased by \$5.1 million to \$23.1 million compared to \$28.2 million for the three months ended March 31, 2020, due to a decrease in the depreciable asset base of the Company's property and equipment.

Administrative Expenses

| Three months ended, (\$ thousands, unaudited) | March 31, 2021 | Percentage of revenue | March 31, 2020 | Percentage of revenue |
|--|---------------------------|----------------------------------|-------------------|--------------------------|
| Personnel expenses | \$4,137 | 3 % | \$5,705 | 3 % |
| Personnel expenses - CEWS | (1,039) | (1)% | — | — % |
| Personnel expenses - Severance | — | — % | 4,704 | 2 % |
| Personnel expenses - Cash-settled Share-based compensation | 1,854 | 1 % | (1,854) | (1)% |
| Personnel expenses - Equity-settled Share-based compensation | 752 | 1 % | 630 | — % |
| General and organizational expenses | 2,019 | 1 % | 3,319 | 2 % |
| General and organizational expenses - CERS | (59) | — % | — | — % |
| Administrative expenses | 7,664 | 5 % | 12,504 | 6 % |
| Administrative expenses - Depreciation | 1,063 | 1 % | 1,335 | 1 % |
| Total administrative expenses | \$8,727 | 6 % | \$13,839 | 7 % |

Administrative expenses for the three months ended March 31, 2021 decreased 37% relative to the comparative prior year period. The Company has undergone significant restructuring to bring increased efficiency to the business, specifically targeting fixed salary costs such as personnel expenses - other, which are \$1.5 million lower in Q1 2021 relative to Q1 2020. The Company believes a majority of these restructuring efforts are now complete resulting in no severance costs for Q1 2021 (Q1 2020 - \$4.7 million). General and organizational expenses are lower due to the Company's ongoing efforts to improve efficiency and reduce fixed costs. Administrative expenses for the three months ended March 31, 2021 benefited from the recognition of \$1.1 million (Q1 2020 - nil) from the CES programs.

Cash-settled share-based compensation includes restricted share unit expenses, deferred share unit expenses and performance share unit expenses. Increases or decreases in these expenses are correlated to the number of vested units and the movement in Trican's share price. The increase in the Company's share price resulted in a corresponding increase to cash-settled share-based compensation expense in Q1 2021 relative to the comparative quarter in Q1 2020. Equity-settled share based compensation expenses is higher compared to the prior year period due to options granted and exercisable at the end of the period.

Administrative expenses, as a percentage of revenue, increased in Q1 2021 due to significantly lower revenue compared to the prior year, and the fixed nature of certain administrative costs.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

Overall Results Summary

The Company experienced significant changes in its Q1 2021 financial results when compared to the prior year period:

- Gross profit for Q1 2021 improved to \$11.2 million compared to \$3.8 million for the first quarter of 2020 primarily due to significant cost reduction efforts, the recognition of \$4.4 million (Q1 2020 - nil) from the CES programs recorded within cost of sales, and \$5.1 million reduction in depreciation expense as a result of a decrease in the depreciable asset base of the Company's property and equipment.
- Net profit in Q1 2021 of \$5.9 million improved compared to the net loss of \$154.9 million in Q1 2020. Improvements to the Company's Q1 2021 net profit relative to Q1 2020 are primarily due to reduced impairments in Q1 2021, which only totaled \$0.1 million compared to \$151.7 million in Q1 2020. The Company recognized a gain of \$4.2 million on the sale of its software business in Q1 2021.
- Adjusted EBITDA² for Q1 2021 was \$27.3 million compared to \$9.5 million for the first quarter of 2020. Adjusted EBITDA² included no severance expense in Q1 2021 (Q1 2020 - \$4.7 million) and a significantly reduced impairment of trade receivables of only \$0.1 million (Q1 2020 - \$10.6 million). The Company also benefited from a lower cost structure in Q1 2021 and \$5.5 million (Q1 2020 - nil) recognized from the CES programs.

First Quarter 2021 Other Expenses and Income (Compared to Prior Year)

Other income

Other income for the three months ended March 31, 2021, primarily related to the \$0.1 million loss (Q1 2020 - \$0.4 gain) from the disposition of property and equipment.

Impairment - Trade receivables

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses ("ECL"). The calculation reflects the probability-weighted outcome, the time value of money and reasonable supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. For the three months ended March 31, 2021, the Company recognized a \$0.1 million impairment of trade receivables (Q1 2020 - \$10.6 million).

Finance Costs

Finance costs for the first quarter of 2021 decreased 52% when compared to the same period of 2020. The decrease of \$0.6 million is due decrease to the average balance of the net revolving credit facility, which remained undrawn for the quarter ended March 31, 2021, (Q1 2020 - \$51.9 million). Finance costs during the first quarter of 2021 primarily relate to interest on lease liabilities, standby fees and amortization of debt issue costs.

Foreign Exchange

There was a minor foreign exchange gain in the first quarter of 2021 compared to a \$0.2 million gain recorded for the same period of 2020. The foreign exchange fluctuations primarily related to the Company's US\$ denominated accounts payable.

Income Taxes

The Company recorded an income tax expense of \$0.1 million during the first quarter of 2021 reflecting the improvement in net profit in Q1 2021, compared to an income tax recovery of \$8.0 million for the first quarter of 2020. As the Company has not recognized the value of its tax loss carry-forwards, the effective tax rate on net profit will be reduced as the value of these carry-forwards are recognized.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

LIQUIDITY AND CAPITAL RESOURCES

Working Capital and Cash Requirements

As at March 31, 2021, the Company had a working capital (current assets less current liabilities) balance of \$93.5 million compared to \$67.5 million as at December 31, 2020. Cash on hand remained unchanged compared to December 31, 2020. The primary drivers of the change in working capital are attributable to:

- \$39.7 million increase in trade and other receivables, primarily due to increased activity compared to December 31, 2020;
- \$2.9 million decrease in inventory, due to the Company's ongoing efforts to reduce spare parts inventory ;
- \$1.8 million increase in other current assets, following the reallocation of the vendor take back loan from long term assets as the borrower has indicated that it will be repaid within twelve months;
- \$1.4 million decrease in prepaid expenses as a result of the amortization of prepaid items; and
- \$11.5 million increase in trade and other payables, primarily due to increased activity compared to December 31, 2020.

At March 31, 2021, the Company's working capital and available operating credit facilities exceed the level required to manage timing differences between cash collections and cash payments.

Availability of the revolving credit facility is dependent on compliance with certain covenants. As at March 31, 2021, the Company is in compliance with all terms of the revolving credit facility. Based on currently available information, the Company expects to maintain compliance with the covenants and will have sufficient liquidity during the next year, and beyond, to support its ongoing operations.

Operating Activities

Cash flow from continuing operations was \$1.7 million for the three months ended March 31, 2021 (March 31, 2020 - \$13.3 million). The cash flows provided by continuing operations were lower primarily due to a build in working capital brought on by the increase in the Company's overall operating activity.

Investing Activities

Capital expenditures related to continuing operations for the three months ended March 31, 2021, totalled \$6.9 million (March 31, 2020 - \$5.9 million) and proceeds from the sale of surplus, non-core property and equipment, including the software business totalled \$6.9 million for the three months ended March 31, 2021 (March 31, 2020 - \$14.5 million).

Capital expenditures for the three months ended March 31, 2021 related primarily to maintaining the productive capability of Trican's active equipment and to make selective upgrades to the fleet to improve efficiencies or reduce costs. Trican regularly reviews its capital equipment requirements and will continue to follow its policy of adjusting the capital budget on a quarterly basis to reflect changing operating conditions, cash flow, and capital equipment needs. Growth capital investments will only be made if the investments meet minimum economic investment hurdle rates. See *Outlook* for further discussion.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

Financing Activities

Revolving Credit Facility ("RCF")

On November 30, 2020, Trican entered into an agreement with a syndicate of five Canadian banks which amended and extended its RCF (the "Extended RCF").

The Extended RCF matures December 5, 2022, a date that may be extended on an annual basis upon agreement of the RCF lenders, and the Company may draw up to \$125.0 million (December 31, 2020 – \$125.0 million). The Extended RCF also features an uncommitted accordion of \$125.0 million (December 31, 2020 – \$125.0 million), which is accessible subject to approval by the syndicate of lenders. The Extended RCF has a General Security Agreement registered against the assets of the Company and bears interest at the applicable Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 100 to 350 basis points (December 31, 2020 – Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 100 to 350 basis points).

At March 31, 2021, the undrawn and accessible amount of the RCF, subject to financial covenants, is \$124.7 million (December 31, 2020 – \$124.7 million accessible) due to the Company's \$0.3 million letters of credit outstanding as at March 31, 2021.

As at March 31, 2021, the Company had available a \$20.0 million (December 31, 2020 – \$20.0 million) swing line facility with its lead bank, which is included within the \$125.0 million borrowing capacity of the RCF described above. As at March 31, 2021, there was nil drawn on the swing line facility (December 31, 2020 – nil).

As at March 31, 2021, the Company had available a \$10.0 million (December 31, 2020 – \$10.0 million) Letter of Credit facility with its syndicate of banks included within the \$125.0 million borrowing capacity of the RCF described above. As at March 31, 2021, Trican had \$0.3 million in letters of credit outstanding (December 31, 2020 – \$0.3 million).

The Company is required to comply with covenants that affect how much can be drawn on the Extended RCF. Trican is required to comply with the following leverage and interest coverage ratio covenants, the calculation is based on the last twelve months:

- Leverage Ratio <3.5x
- Interest Coverage Ratio >2.5x

At March 31, 2021, Trican was in compliance with the required debt covenant ratios.

The Leverage Ratio is defined as debt excluding Non-Recourse Debt plus Letter of Credit facility minus cash divided by Bank EBITDA. As at March 31, 2021, the Leverage Ratio was 0.0 (December 31, 2020 – 0.0).

The Interest Coverage Ratio is defined as Bank EBITDA divided by interest expense. As at March 31, 2021, the Interest Coverage Ratio was 28.6 (December 31, 2020 – 14.1).

Bank EBITDA is a Non-GAAP measure that is only calculated for purposes of the Company's financial covenants. Certain non-cash expenses (including depreciation, amortization, impairment expenses, equity-settled stock based compensation), certain personnel based expenses such as severance and certain other items, are permitted to be normalized to adjusted EBITDA² to arrive at Bank EBITDA for covenant calculation purposes. In accordance with the definition under the Extended RCF, the covenant calculation excludes the impact of certain leases recognized under IFRS 16.

Lease Liabilities

Details in respect of the Company's right-of-use liabilities are more fully described in note 4 of the consolidated financial statements.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

Share Capital

As at May 12, 2021, Trican had 255,326,196 common shares and 17,059,555 employee stock options outstanding.

Normal Course Issuer Bid

On October 1, 2020, the Company announced the renewal of its NCIB program, commencing October 5, 2020, to purchase up to 20.3 million of its common shares for cancellation before October 4, 2021.

All purchases are to be made at the prevailing market price at the time of purchase and are subject to a maximum daily purchase volume of 157,504 (being 25% of the average daily trading volume of the common shares traded on the TSX for the six months ending August 31, 2020 of 630,019 common shares), except as otherwise permitted under the TSX NCIB rules. All common shares purchased under the NCIB are returned to treasury for cancellation.

For the three months ended March 31, 2021, the Company purchased and canceled 1,006,200 common shares at a weighted average price per share of \$1.71 (March 31, 2020 - 4,758,600 common shares at a weighted average price per share of \$1.04). The purchases made in the three months ended March 31, 2021, were funded primarily through the disposition of non-core assets and from operating cash flow.

Other Commitments and Contingencies

The Company has commitments for financial liabilities and various lease agreements, with minimum payments due as of March 31, 2021, as follows:

| March 31, 2021 (Stated in thousands) | Carrying Value | Less than 1 year | 1 to 3 years | 4 to 5 years | Greater than 5 years | Total |
|--|-----------------------|-------------------------|---------------------|---------------------|-----------------------------|-----------------|
| Trade and other payables | \$68,632 | \$68,632 | \$— | \$— | \$— | \$68,632 |
| RCF (including interest) | — | — | — | — | — | — |
| Lease liabilities - current | 3,229 | 4,026 | — | — | — | 4,026 |
| Lease liabilities - non-current | 9,647 | — | 5,111 | 3,926 | 2,448 | 11,485 |
| Total commitments | \$81,508 | \$72,658 | \$5,111 | \$3,926 | \$2,448 | \$84,143 |

In addition to the above commitments, as at March 31, 2021, the Company has committed to capital expenditures of \$2.3 million.

Management is satisfied that the Company has sufficient liquidity and capital resources, including \$125 million of liquidity from the Company's undrawn RCF and cash on hand, to meet the Company's obligations and commitments as they come due. See *Outlook* section for further discussion on the Company's capital expenditure plans and the *Liquidity Risk* section for a discussion surrounding risks around funding availability.

The tax regulations and legislation in the various jurisdictions that the Company operates in, or has previously operated in, are continually changing. As a result, there are usually some tax matters under review. Management believes that it has adequately met, provided and/or recognized tax assets and liabilities based on the Company's interpretation of relevant tax legislation and regulations and likelihood of recovery and/or payment.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

SUMMARY OF QUARTERLY RESULTS¹

| (\$ millions, except per share amounts, adjusted EBITDA % ² , utilization, crews and total job count. The following are stated in \$ thousands: outstanding shares, proppant pumped, HHP, and revenue per job) | 2021 | 2020 | | | | 2019 | | |
|---|---------|----------|----------|----------|-----------|----------|----------|----------|
| | | Q1 | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 |
| (Unaudited) | | | | | | | | |
| Revenue from continuing operations | \$148.0 | \$102.8 | \$74.1 | \$28.4 | \$191.8 | \$163.3 | \$129.9 | \$105.2 |
| Weighted average shares outstanding - basic | 255,310 | 255,736 | 258,895 | 264,726 | 266,731 | 271,490 | 282,328 | 289,262 |
| Weighted average shares outstanding - diluted | 258,373 | 255,736 | 258,895 | 264,726 | 266,731 | 271,490 | 282,328 | 289,262 |
| Profit / (loss) from continuing operations | \$1.7 | (\$21.9) | (\$23.8) | (\$27.5) | (\$154.5) | (\$19.5) | (\$16.0) | (\$31.9) |
| Per share - basic | \$0.01 | (\$0.09) | (\$0.09) | (\$0.10) | (\$0.58) | (\$0.07) | (\$0.06) | (\$0.11) |
| Per share - diluted | \$0.01 | (\$0.09) | (\$0.09) | (\$0.10) | (\$0.58) | (\$0.07) | (\$0.06) | (\$0.11) |
| Profit / (loss) for the period | \$5.9 | (\$22.3) | (\$24.1) | (\$27.6) | (\$154.9) | (\$20.9) | (\$16.7) | (\$29.0) |
| Per share - basic | \$0.02 | (\$0.09) | (\$0.09) | (\$0.10) | (\$0.58) | (\$0.07) | (\$0.06) | (\$0.10) |
| Per share - diluted | \$0.02 | (\$0.09) | (\$0.09) | (\$0.10) | (\$0.58) | (\$0.07) | (\$0.06) | (\$0.10) |
| Adjusted EBITDA ² | \$27.3 | \$16.1 | \$0.0 | (\$5.3) | \$9.5 | \$14.6 | \$3.5 | (\$16.5) |
| Adjusted EBITDA % ² | 18 % | 16 % | 0 % | (19)% | 5 % | 9 % | 3 % | (14)% |
| Proppant pumped ² (tonnes) | 334 | 229 | 127 | 50 | 285 | 262 | 166 | 138 |
| Internally sourced proppant pumped ² (tonnes) | 239 | 162 | 127 | 33 | 285 | 241 | 166 | 138 |
| Hydraulic Fracturing capacity (HHP) ² | 570 | 570 | 572 | 569 | 572 | 583 | 583 | 593 |
| Active crewed HHP ² | 179 | 190 | 200 | 166 | 321 | 324 | 297 | 347 |
| Active, maintenance, not crewed HHP ² | 98 | 85 | 114 | 172 | 69 | 67 | 86 | 235 |
| Parked HHP ² | 293 | 295 | 258 | 231 | 182 | 192 | 200 | 11 |
| Average active, crewed HHP ¹ | 186 | 105 | 60 | 17 | 155 | 155 | 105 | 73 |
| Hydraulic Fracturing Crews ² | 6.0 | 5.0 | 3.0 | 2.0 | 8.0 | 8.0 | 8.0 | 9.0 |
| Hydraulic Fracturing Utilization ² | 81 % | 60 % | 53 % | 25 % | 84 % | 71 % | 57 % | 27 % |
| Coiled Tubing Crews ² | 6.0 | 6.0 | 3.0 | 3.0 | 9.0 | 9.0 | 9.0 | 8.0 |
| Total Job Count ² | 1,992 | 1,545 | 765 | 293 | 2,665 | 2,147 | 1,988 | 1,150 |
| Revenue per Job ² | 74.4 | 66.5 | 96.8 | 96.8 | 70.6 | 74.2 | 63.3 | 84.8 |

Q1 2021 results were much stronger as activity and revenue increased sequentially. The higher leverage on our fixed cost structure, combined with \$5.5 million from the CES programs, resulted in adjusted EBITDA² climbing to 18% of revenue, the highest level in the comparative quarters. Q4 2020 saw improved demand for Trican's services as commodity prices stabilized. Despite improved demand, results were negatively affected by specific asset impairment charges of \$22.3 million. Loss from continuing operations for Q4 2020 was partially offset by the recognition of \$6.5 million from the CES programs. Q3 2020 had a soft recovery as the Company was able to reactivate some equipment, although it also incurred \$11.7 million in severance costs. Adjusted EBITDA² for Q3 2020 was supported by recognition of \$6.8 million from the CEWS program to offset personnel expenses.

¹The Company recast prior year comparative results for the year ended December 31, 2020 to reflect a change in the recognition of the Canadian Emergency Wage Subsidy ("CEWS") program in the second, third and fourth quarter of 2020. Additional information relating to the recast is available in Note 13 of the Condensed Consolidated Interim Financial Statements for the three months ended March 31, 2021 and 2020

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

Q2 2020 was negatively affected by continued weak demand for the Company's services following the steep decline in demand for oil and gas products as a result of the Market Events. The Company recognized \$6.5 million through the CEWS program to offset personnel expenses. In Q1 2020 the Company was negatively affected by the Market Events, which led to the impairment of \$141.1 million for non-financial assets, \$10.6 million impairment loss on trade receivables related to the change in the Company's customer credit risk and \$4.7 million of severance costs associated with employee reductions. Pipeline construction delays and ongoing imposed supply quotas for our customers' oil production contributed to reduced operating activity throughout all quarters in 2019.

BUSINESS RISKS

A discussion of certain business risks faced by Trican may be found under the "Risk Factors" section of our AIF and "Business Risks" in our MD&A for the year ended December 31, 2020, which are available under Trican's profile at www.sedar.com. Other than risks described within this MD&A, including within this section, the Company's risk factors and management of those risks has not changed substantially from the most recently filed AIF.

COVID-19

On March 11, 2020, the World Health Organization declared the COVID-19 outbreak a global pandemic. COVID-19's impact on global markets was significant through the year and as the situation continues to evolve, the magnitude of its effects on the economy, on Trican's financial and operational performance and on our personnel is uncertain at this time.

In late March 2020, Trican responded to the significant global impacts of the COVID-19 pandemic with a series of operational measures including extensive capacity reductions and reductions in capital spending for 2020.

Significant health and safety measures have been implemented at Trican's offices, facilities and work sites, grounded in the recommendations of public health officials. These include restricting all travel, mandating self-isolation for returned travelers and any employees exhibiting symptoms or exposed to the virus, implementing physical distancing parameters between individuals, increasing cleaning and sanitization in workplaces, and where possible, instructing employees to work remotely to reduce interpersonal contact. The energy sector, including Trican's services, have been deemed an essential service in all the jurisdictions where Trican operates.

The Company continues to closely monitor the COVID-19 situation and should the duration, spread or intensity of the pandemic continue to develop throughout the remainder of 2021, further negative impacts on supply chain, personnel, market pricing and customer demand can be expected. These factors may impact the Company's operating plan, liquidity and cash flows, and the valuation of long-lived assets.

Credit Risk and Dependence on Major Customers

The Company's accounts receivable are due from customers that operate in the oil and gas exploration and production industry and are subject to typical industry credit risks that include commodity price fluctuations and the customers' ability to secure appropriate financing. Standard payment terms for the industry are 30-60 days from the invoice date. The Company has a customer base of more than 60 exploration and production entities, ranging from large multinational public entities to small private companies. For the three months ended March 31, 2021, one major customer accounted for 35.1% of the Company's revenue (three months ended March 31, 2020 – two major customers accounted for 21.0%). As at March 31, 2021, one major customer accounted for 39.4% of the Company's trade accounts receivable (December 31, 2020 – one major customer accounted for 29.0%).

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

Liquidity Risk

Liquidity risk is the risk the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management, which includes monitoring forecasts of the Company's cash and cash equivalents and borrowing facilities on the basis of projected cash flow. This is generally carried out at the consolidated level in accordance with practices and policies established by the Company.

The Company's ability to borrow from the RCF is dependent on compliance with covenants of the Amended RCF agreement. As at March 31, 2021, the Company is in compliance with all terms of the revolving credit facility. Based on currently available information, the Company expects to maintain compliance with the covenants and will have sufficient liquidity during the next year to support its ongoing operations.

The current economic climate may lead to further adverse changes in cash flows, working capital levels and/or bank indebtedness balances. These and other factors may adversely affect the Company's liquidity and the Company's ability to generate income and cash flows in the future:

- Material declines in revenue and cash flows as a result of a decline in commodity prices;
- Reduced capital programs by our customers;
- Increased risk of non-performance by the Company's customers and suppliers;
- Interruptions in operations as we adjust personnel to the dynamic environment.

The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the financial effect on the Company is not known at this time. Estimates and judgments made by management in the preparation of the financial statements are difficult in the context of the current operating environment and are subject to a higher degree of measurement uncertainty during this volatile period.

CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND NEW POLICIES

The critical judgments and estimates used in preparing the Consolidated Interim Financial Statements are described in our 2020 Annual MD&A and there have been no material changes to our critical accounting judgments and estimates during the three months ended March 31, 2021. The Company's International Financial Reporting Standards (IFRS) accounting policies and future accounting pronouncements are provided in note 2 of the Annual Consolidated Financial Statements as at and for the years ended December 31, 2020, and 2019.

Internal Controls Over Financial Reporting

There have been no changes in Trican's internal control over financial reporting ("ICFR") that occurred during the three months ended March 31, 2021, which have materially affected or are reasonably likely to materially affect the Company's ICFR.

² See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

NON-GAAP MEASURES

Certain terms in this MD&A, including adjusted EBITDA and adjusted EBITDA percentage, do not have any standardized meaning as prescribed by IFRS and therefore, are considered non-GAAP measures and may not be comparable to similar measures presented by other issuers.

Adjusted EBITDA

Adjusted EBITDA is a non-GAAP term and has been reconciled to profit / (loss) for the applicable financial periods, being the most directly comparable measure calculated in accordance with IFRS. Management relies on adjusted EBITDA to better translate historical variability in our principal business activities into future forecasts. By isolating incremental items from net income, including income / expense items related to how the Company chooses to manage financing elements of the business, management can better predict future financial results from our principal business activities. The items included in this calculation have been specifically identified as they are either non-cash in nature, subject to significant volatility between periods, and / or not relevant to our principal business activities. Items adjusted in the non-GAAP calculation of adjusted EBITDA, are as follows:

- Non-cash expenditures, including depreciation, amortization, impairment of non-financial assets, and equity-settled share-based compensation;
- Consideration as to how we chose to generate financial income and incur financial expenses, including foreign exchange expenses and finance costs;
- Taxation in various jurisdictions; and
- Other income / expense which generally result from the disposition of equipment, as these transactions generally do not reflect quarterly operational field activity.

| (\$ thousands, unaudited) | Three months ended | | |
|--|--------------------|-------------------|----------------------|
| | March 31, 2021 | March 31, 2020 | December 31, 2020 |
| Profit / (loss) from continuing operations (IFRS financial measure) | \$1,672 | (\$154,480) | (\$21,925) |
| Adjustments: | | | |
| Cost of sales – Depreciation and amortization | 23,090 | 28,230 | 24,350 |
| Administrative expenses – Depreciation | 1,063 | 1,335 | 1,114 |
| Income tax expense / (recovery) | 74 | (7,972) | (9,895) |
| Finance costs and amortization of debt issuance costs | 537 | 1,127 | 731 |
| Foreign exchange (gain) / loss | (25) | (184) | 331 |
| Impairment – Non-financial assets | — | 141,065 | 22,331 |
| Other loss / (income) | 104 | (218) | (1,496) |
| Administrative expenses – Other: equity-settled share-based compensation | 752 | 630 | 558 |
| Adjusted EBITDA | \$27,267 | \$9,533 | \$16,099 |

Adjusted EBITDA %

Adjusted EBITDA % is determined by dividing adjusted EBITDA by revenue from continuing operations. The components of the calculation are presented below:

| (\$ thousands, unaudited) | Three months ended | | |
|---------------------------|--------------------|-------------------|----------------------|
| | March 31, 2021 | March 31, 2020 | December 31, 2020 |
| Adjusted EBITDA | \$27,267 | \$9,533 | \$16,099 |
| Revenue | \$147,987 | \$191,794 | \$102,766 |
| Adjusted EBITDA % | 18 % | 5 % | 16 % |

OTHER NON-STANDARD FINANCIAL TERMS

In addition to the above non-GAAP financial measures, this MD&A makes reference to the following non-standard financial terms. These terms may differ and may not be comparable to similar terms used by other companies.

Revenue Per Job

Calculation is determined based on total revenue from continuing operations divided by total job count. This calculation may fluctuate based on both pricing, sales mix and method with which the client requests its invoices be prepared.

Working Capital Release

Term that refers to a reduction to working capital balances primarily resulting from a reduction to inventory levels and cash collections related to collections of accounts receivable exceeding outgoing payments for accounts payable.

COMMON INDUSTRY TERMS

The following is a list of abbreviations, terms and other items that are commonly referred to in the oilfield services business and internally at Trican. The terms, calculations and definitions may differ from those used by other oilfield services businesses and may not be comparable. Some of the terms which may be used in this MD&A, or prior MD&As, are as follows:

Measurement:

| | |
|------------|-------------------------|
| Tonne | Metric tonne |
| MCF or mcf | One thousand cubic feet |
| BBL or bbl | Barrel of oil |

Places and Currencies:

| | |
|------------------|--|
| US | United States |
| \$ or C\$ or CAD | Canadian dollars |
| US\$ or USD | United States dollars |
| WCSB | Western Canadian Sedimentary Basin (an oil and natural gas producing area of Canada generally considered to cover a region from south west Manitoba to north east BC). |
| Montney/Duvernay | An oil and natural gas formation in the WCSB with oilfield activity focused in north west Alberta and north east BC. |

| | |
|------------|--|
| Deep Basin | A natural gas and liquids rich formation in the WCSB with oilfield activity primarily focused in north west Alberta. |
| Cardium | A light oil formation in the WCSB with oilfield activity primarily focused in west central Alberta. |
| Bakken | A light oil formation in the WCSB with oilfield activity focused in south eastern Saskatchewan, and for purposes of this MD&A, excludes the US Bakken. |
| Shaunavon | A light oil formation in the WCSB with oilfield activity primarily focused in south western Saskatchewan. |
| Viking | A light oil formation in the WCSB with oilfield activity primarily focused in central Alberta and west central Saskatchewan. |

Common Business Terms:

| | |
|-----------------------------|---|
| AECO | The Alberta natural gas price traded on the Natural Gas Exchange, priced in C\$. The price is generally quoted per thousand cubic feet of natural gas (MCF). |
| CBM | Coal bed methane is an unconventional form of natural gas found in coal deposits or coal seams. |
| CLS | A light sweet crude conventionally produced in Western Canada. |
| Condensate | A blend of hydrocarbon liquids of low-density, which are usually found in a gaseous state. When extracted out of the gas field, the sudden drop of temperature condenses it and turns it into liquid. |
| Dynamic Gas Blending Engine | The 3512E CAT Dynamic Gas Blending (DGB) engine is a compression ignition diesel engine specifically designed to be fueled by diesel or a mixture of diesel and natural gas. A Tier 4 DGB Engine can operate on up to 85% natural gas and 15% diesel when under load. |
| Differentials | The difference between the WTI price and the prices received by producers of WCS and CLS. There are three main variables that drive price differences between the different benchmarks, namely (1) Quality, which is mostly defined by American Petroleum Institute (API) standards for density and sulphur content; (2) Marketability, which is governed by supply and demand fundamentals; and (3) Logistics, which refers to the transportation method used to get a specific crude from the producer to its final customer. |
| Dry Gas | Natural gas that produces little condensable heavier hydrocarbon compounds such as propane and butane when brought to the surface. |
| Dual Fuel Engine | A compression ignition diesel engine retrofitted with a kit to enable the fuel consumption of diesel or a mixture of diesel and natural gas. A Tier 2 Dual fuel engine can operate on up to 65% natural gas and 35% diesel when under load. |
| ESG | Environmental, Social, and Governance |
| Idle Reduction Technology | Idle Reduction Technology is an engine standby system that allows the powertrain to shut down during non-operating time. The system maintains engine readiness during non-operating time and restarts upon engine load request. |
| LNG | Liquified natural gas |
| Market Egress | The means that producers use to transport their oil and gas out of the WCSB, which is typically done through pipelines or train rail car. |

| | |
|---|---|
| Natural Gas Liquids | Natural gas liquids (NGL), typically found in liquids rich natural gas, include ethane, propane, butane, isobutane, pentane, and condensate. These liquids are produced as part of natural gas production, but their pricing is influenced by crude oil pricing rather than natural gas pricing. |
| OPEC | Organization of Petroleum Exporting Countries |
| Rig Count | The estimated average number of drilling rigs operating in the WCSB at a specified time. Sourced from the Baker Hughes North American Rotary Rig Count. |
| Spring Break Up | During the spring season in the WCSB, provincial governments and rural municipalities (or counties) ban heavy equipment from roads to prevent damage. It becomes difficult, and in some case impossible, to continue to work during this period and therefore activity in the oilfield is often reduced. |
| Stainless Steel Fluid End | Hydraulic fracturing pumpers have a multiplex pump that pressurizes fracturing fluid for transfer down the wellbore. The multiplex pump consists of a power end and a stainless steel fluid end. The power end houses a crankshaft that is connected to a spacer block that contains connecting rods that drive the individual plungers contained in the fluid end. The abrasive proppant and fluid mixture are pumped through the stainless steel fluid end at pressures of up to 15,000 pound-force per square inch (PSI), or 103 megapascals (MPa), which will cause wear on the stainless steel fluid end. It is a modular unit that can be replaced independent of the power end and spacer block. |
| WCS | A grade of heavy crude oil derived from of a mix of heavy crude oil and crude bitumen blended with diluents. The price of WCS is often used as a representative price for Canadian heavy crude oils. |
| WTI | The US\$ quoted price on the New York Stock Exchange for West Texas Intermediate crude oil is a trading classification of crude oil and a benchmark in oil prices. The price is generally quoted per barrel (bbl). |
| Company Specific Industry Terms: | |
| Active Crewed HHP | Represents the total HHP that Trican has activated or is currently operating. This figure is presented as at the end of a specified period. |
| Active, Maintenance/Not Crewed HHP | This is fracturing equipment that is in the periodic maintenance cycle, which includes equipment that has completed a routine maintenance period and is ready for work, but no available crew is available to operate the equipment. |
| Average Active, Crewed HHP | Fracturing equipment that has, on average, been active and crewed for the period. Fracturing equipment is considered active if it is on a customer location. |
| Cementing | After drilling a well, steel casing is inserted into the wellbore. Cement is then pumped down the pipe and circulated up the annulus to create a strong barrier of protection between the well and rock formations, preventing any unintended water or hydrocarbon migration in or out of the wellbore. |
| Coiled Tubing | Coiled tubing is a continuous length of steel pipe, spooled onto a large diameter reel. The pipe comes in a variety of sizes and can be run into any well. Coiled tubing is commonly used to convey tools, mill out fracturing ports or ball seats, and circulate liquids and gases into and out of the wellbore without relieving the wellbore pressure. |

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| Coiled Tubing Crews | The average number of 24-hour coiled tubing crews available for operations during the period. |
| Coiled Tubing Operating Days | The number of 24-hour periods (days) coiled tubing crews operate within a reporting period. |
| Growth Capital | Capital expenditures primarily for items that will expand our revenue and/or reduce our expenditures through operating efficiencies. |
| HHP | Hydraulic horsepower, which is generally the measure of an individual hydraulic fracturing pump and a company's hydraulic fracturing fleet size. |
| Hydraulic Fracturing | Many formations are too tight to produce oil and natural gas and require a stimulation process to extract the resources. In hydraulic fracturing, fluids carrying proppant are pumped into the ground with enough pressure to crack the rock. The proppant is left behind to hold open the cracks, while the fluid is flowed back allowing the oil and gas the ability to flow to the surface. |
| Hydraulic Fracturing Crews/Fracturing Crews | The number of 24-hour hydraulic fracturing crews operating at the end of a reporting period. |
| Hydraulic Fracturing Job Intensity | Generally measured in terms of the amount of hydraulic fracturing pumps required for a specific job and / or by the pressure rating generally measured in megapascals (MPa). The Company considers jobs at pressure ratings below 50 MPa to be low intensity jobs, 50 to 65 MPa as moderate intensity jobs, and jobs greater than 65 MPa to be high intensity rate jobs. |
| Hydraulic Fracturing Utilization | The number of fracturing crews that are operating (Fracturing job revenue day) in proportion to the Company's total fracturing crews available for specified period. |
| Hydraulic Fracturing Pump Capability | The pressure pumping industry utilizes different types of pumps to complete hydraulic fracturing services for its customers. Some of the most common types of pumps are as follows: <u>Continuous Duty</u> : Capable of operating efficiently and on a continuous duty basis and for competitive prices in approximately 80% of the WCSB (based on 2020 wells drilled data and our internal estimates). Currently not a strategic priority to operate a continuous duty pump in low HHP intensity formations such as the Viking. <u>Mid Tier</u> : Capable of operating efficiently and on an intermittent duty basis in approximately 70% of the WCSB (based on 2020 wells drilled data and our internal estimates). <u>Legacy/2250</u> : Capable of operating efficiently in approximately 20% of the WCSB (based on 2020 wells drilled data and our internal estimates). |
| Hydraulic Pumping Capacity | Refers to the total available HHP in the Trican hydraulic fracturing fleet. |
| Infrastructure Capital | Capital expenditures primarily for the improvement of operational and base infrastructure. |
| Internally Sourced Proppant Pumped | Proppant purchased by the Company and resold to its customers in conjunction with a Fracturing operation utilizing the Company's equipment. Certain of the Company's customers purchase proppant directly from third party suppliers. As the Company does not generate revenue from selling proppant to these customers, this metric assists in evaluating changing job mix with changing revenue levels. |
| Market Events | Term used to collectively refer to the negative impacts of the COVID-19 health pandemic and volatility of commodity prices. |

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| Parked HHP | Fracturing equipment that is not included in the Active Crewed HHP category or the Active, Maintenance/not crewed HHP category and would require minimal reactivation costs to move into the Active Crewed HHP category. |
| Pressure Pumping | Pressure pumping includes completion and production services that are performed on oil and gas wells and are delivered downhole using pressurized fluids as a base or means of conveyance. Trican's pressure pumping services include cementing, coiled tubing and hydraulic fracturing. |
| Proppant | A solid material, typically sand, treated sand or man-made ceramic materials, designed to keep an induced hydraulic fracture open during and following a fracturing treatment. |
| Sustaining Capital | Capital expenditures primarily for the replacement or refurbishment of worn out equipment. |
| Total Job Count | <p>A job is typically represented by an invoice. The frequency of invoices may differ as to how often the customer requests to be billed during a project. Additionally, the size and scope of a job can impact the length of time and cost on a job. Therefore, a job can vary greatly in time and expense.</p> <p>Effective Q1 2020, the Company has adopted a new methodology for calculating job count since updated systems no longer supported the prior calculation methodology. The methodology is based on the new system calculated job metric which generally reflects days for hydraulic fracturing and coiled tubing, and invoices for cementing. Comparative periods have been updated to reflect the change in methodology.</p> |
| Total Proppant Pumped | The Company uses this as one measure of activity levels of hydraulic fracturing activity. The correlation of proppant pumped to pressure pumping activity may vary in the future depending upon changes in hydraulic fracturing intensity, weight of proppant used, and job mix. |

FORWARD-LOOKING STATEMENTS

Certain statements contained in this document constitute forward-looking information and statements (collectively "forward-looking statements"). These statements relate to future events or our future performance. All statements other than statements of historical fact may be forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate", "achieve", "estimate", "expect", "intend", "plan", "planned", and other similar terms and phrases. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. We believe the expectations reflected in these forward-looking statements are reasonable, but no assurance can be given that these expectations will prove to be correct and such forward-looking statements included in this document should not be unduly relied upon. These statements speak only as of the date of this document.

In particular, this document contains forward-looking statements pertaining to, but not limited to, the following:

- We will advance our business;
- we have the liquidity to invest in new opportunities;
- that CES programs helped mitigate further significant personnel reductions;
- that Trican will adapt to the current economic environment;
- the impact of COVID-19 and the associated effect of the world-wide weakness in demand for oil and gas as a result of quarantine measures;
- expectation of second quarter 2021 and full year 2021 revenue and activity levels;
- anticipated industry activity levels as well as expectations regarding our customers' work programs and expectations on timing of completion thereof and business plans;
- pricing changes will result in Trican activating or parking additional equipment;
- expectations regarding EBITDA and operating cash flow levels;
- expectations regarding our client's ability to pay for goods and services;
- expectation that we are adequately staffed for current industry activity levels;
- expectations regarding the Company's cost structure and optimization levels and that severance costs should decrease in the future;
- expectations regarding the Company's equipment utilization levels and demand for our services in 2021;
- expectation that we will maintain disciplined pricing levels to pay for overhead expenditures;
- expectations regarding credit risk and that we have an adequate provision for trade receivables;
- expectation as to the type of pressure pumping equipment required and which operating regions the equipment is appropriate to operate in;
- expectations regarding the Company's financial results, working capital levels, liquidity and profits;
- expectations regarding Trican's capital spending;
- expectations regarding the timing of the roll out of Trican's Tier 4 DGB pumpers;
- expectations regarding Trican's utilization of its NCIB program;
- expectations that adjusted EBITDA will help predict future earnings;

- anticipated ability of the Company to meet foreseeable funding requirements;
- anticipated compliance with debt and other covenants under our revolving credit facilities;
- expectations regarding the potential outcome of contingent liabilities;
- expectations regarding provincial income tax rates and ongoing tax evaluations;
- expectations surrounding weather and seasonal slowdowns; and
- expectations regarding the impact of new accounting standards and interpretations not yet adopted.

Our actual results could differ materially from those anticipated in these forward-looking statements as a result of the risk factors set forth herein and in the “Risk Factors” section of our AIF for the year ended December 31, 2020, available on SEDAR (www.sedar.com).

Readers are cautioned that the foregoing lists of factors are not exhaustive. Forward-looking statements are based on a number of factors and assumptions, which have been used to develop such statements and information, but which may prove to be incorrect. Although management of Trican believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because Trican can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this document, assumptions have been made regarding, among other things: crude oil and natural gas prices; the impact of increasing competition; the general stability of the economic and political environment; the timely receipt of any required regulatory approvals; industry activity levels; Trican's policies with respect to acquisitions; the ability of Trican to obtain qualified staff, equipment and services in a timely and cost efficient manner; the ability to operate our business in a safe, efficient and effective manner; the ability of Trican to obtain capital resources and adequate sources of liquidity; the performance and characteristics of various business segments; the regulatory framework; the timing and effect of pipeline, storage and facility construction and expansion; and future commodity, currency, exchange and interest rates .

The forward-looking statements contained in this document are expressly qualified by this cautionary statement. We do not undertake any obligation to publicly update or revise any forward-looking statements except as required by applicable law.

Additional information regarding Trican including Trican's most recent AIF, is available under Trican's profile on SEDAR (www.sedar.com).

CORPORATE INFORMATION

BOARD OF DIRECTORS

Thomas M. Alford ⁽²⁾

Chairperson of the Board

President, Well Servicing, Precision Drilling Corp.

Bradley P.D. Fedora

President & Chief Executive Officer

Trican Well Service Ltd.

G. Allen Brooks ^(2, 3)

President

G. Allen Brooks, LLC

Michael J. McNulty ^(1, 3)

Managing Partner

PillarFour Capital

Kevin L. Nugent ^(1, 2)

Independent Businessman

Michael B. Rapps ^(1, 3)

Managing Partner

Converium Capital

Deborah S. Stein ^(1, 2, 3)

Independent Businesswoman

OFFICERS

Bradley P.D. Fedora

President & Chief Executive Officer

Klaas Deemter

Interim Chief Financial Officer

Todd G. Thue

Chief Operating Officer

Chika B. Onwuekwe

Vice President, Legal, General Counsel and

Corporate Secretary

CORPORATE OFFICE

Trican Well Service Ltd.

2900, 645 - 7th Avenue S.W.

Calgary, Alberta T2P 4G8

Telephone: (403) 266-0202

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Website: www.tricanwellservice.com

AUDITORS

KPMG LLP, Chartered Professional

Accountants

Calgary, Alberta

BANKERS

The Bank of Nova Scotia

Calgary, Alberta

REGISTRAR & TRANSFER AGENT

Olympia Trust Company

Calgary, Alberta

STOCK EXCHANGE LISTING

The Toronto Stock Exchange

Trading Symbol: TCW

INVESTOR RELATIONS INFORMATION

Bradley P.D. Fedora

President & Chief Executive Officer

Klaas Deemter

Interim Chief Financial Officer

(1) Member of the Audit Committee

(2) Member of the Corporate Governance Committee

(3) Member of the Human Resources and Compensation Committee