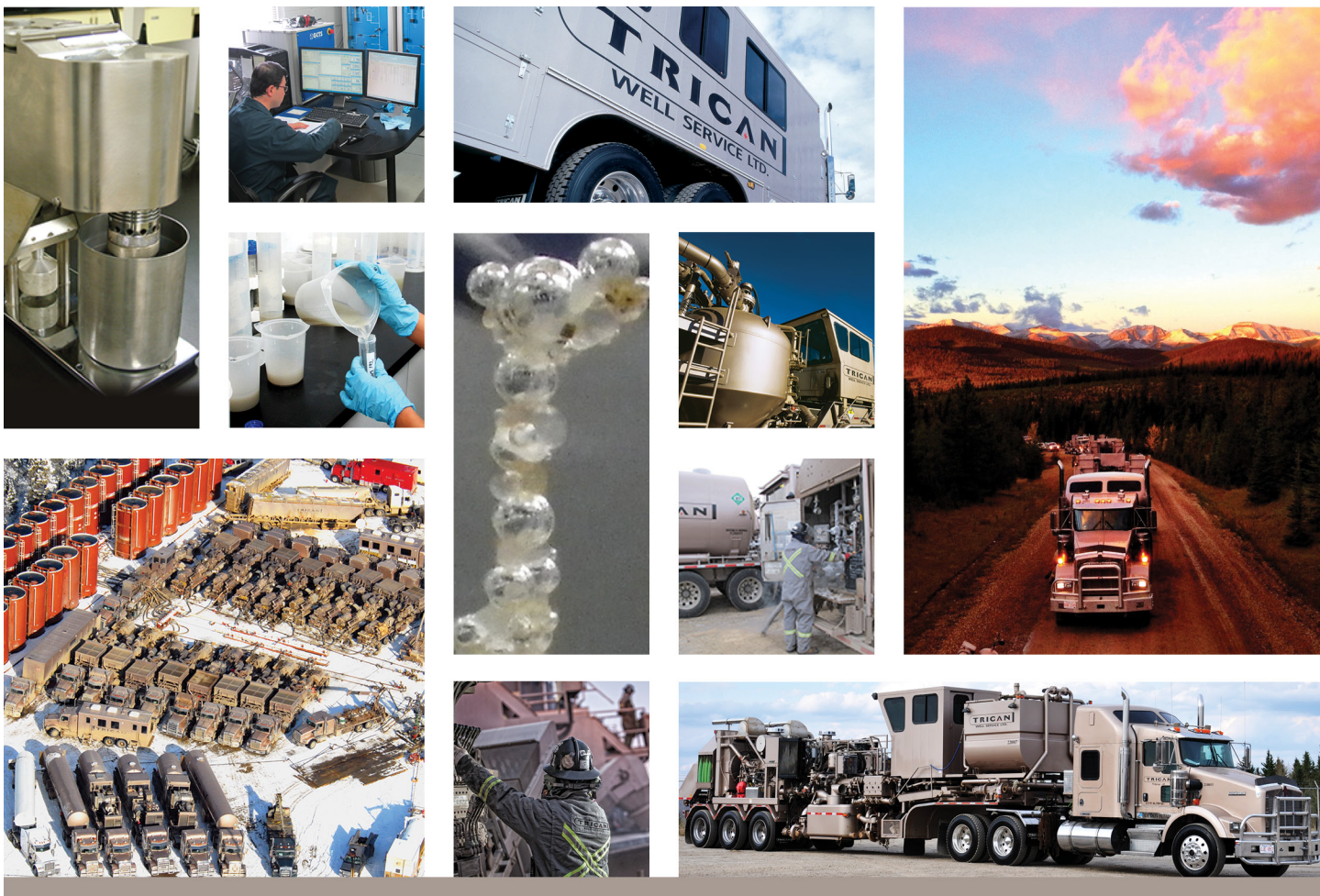




## TRICAN WELL SERVICE LTD.

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Management's Discussion & Analysis  
Three and Nine Months Ended September 30, 2022



## MANAGEMENT'S DISCUSSION AND ANALYSIS – THIRD QUARTER

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This management's discussion and analysis ("MD&A") is dated November 9, 2022. 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 and nine months ended September 30, 2022 and 2021. Additional information relating to the Company, including the Company's Annual Information Form ("AIF") for the year ended December 31, 2021, is available online at [www.sedar.com](http://www.sedar.com).

**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, adjusted EBITDAS, adjusted EBITDA percentage, adjusted EBITDAS percentage and free cash flow. 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, adjusted EBITDAS, adjusted EBITDA percentage and adjusted EBITDAS percentage are useful supplemental measures to our analysts, investors and other users. Management utilizes adjusted EBITDA and adjusted EBITDA percentage to

translate historical variability in Trican's principal business activities into future financial expectations. Management utilizes adjusted EBITDAS and adjusted EBITDAS percentage as useful measures of operating performance and cash flow to complement profit / (loss) and provide more meaningful comparisons of operating results. By isolating incremental items from net income, including income / expense items related to how the Company chooses to manage financing elements of the business, taxation strategy and non-cash charges, management can better predict future financial results and cash flows from our principal business activities. Management believes free cash flow to be a key measure of capital management as it demonstrates the Company's ability to generate monies available to fund future growth through capital investments and return capital to our shareholders. 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, working capital, working capital release, maintenance capital and growth 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.

<sup>1</sup> See *Non-GAAP Measures*, *Other Non-Standard Financial Terms* and *Common Industry Terms* described in this MD&A.

## ABOUT TRICAN

Headquartered in Calgary, Alberta, Trican supplies oil and natural gas well servicing equipment and solutions to our customers through the drilling, completion and production cycles. Our team of technical experts provide state-of-the-art equipment, engineering support, reservoir expertise and laboratory services through the delivery of hydraulic fracturing, cementing, coiled tubing, nitrogen services and chemical sales for the oil and gas industry in Western Canada. Trican is the largest pressure pumping service company in Canada.

### Financial Review

| (\$ millions, except per share amounts. Weighted average shares is stated in thousands) |                    |                    | Three months ended |                    | Nine months ended  |  |
|-----------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--|
| (Unaudited)                                                                             | September 30, 2022 | September 30, 2021 | June 30, 2022      | September 30, 2022 | September 30, 2021 |  |
| Revenue                                                                                 | 258.3              | 164.5              | 152.6              | 629.8              | 406.1              |  |
| Gross profit                                                                            | 61.2               | 19.8               | 11.6               | 102.1              | 30.7               |  |
| Adjusted EBITDAS <sup>1</sup>                                                           | 72.1               | 33.2               | 23.6               | 137.7              | 78.5               |  |
| Adjusted EBITDA <sup>1</sup>                                                            | 70.9               | 32.1               | 19.2               | 129.1              | 73.6               |  |
| Free cash flow <sup>1</sup>                                                             | 64.9               | 29.9               | 14.6               | 110.0              | 61.4               |  |
| Weighted average shares outstanding – basic                                             | 241,184            | 253,287            | 245,734            | 244,714            | 254,665            |  |
| Weighted average shares outstanding – diluted                                           | 245,774            | 257,878            | 251,529            | 250,067            | 258,988            |  |
| Profit from continuing operations                                                       | 38.2               | 9.1                | 1.5                | 53.0               | 2.3                |  |
| Per share – basic                                                                       | 0.16               | 0.04               | 0.01               | 0.22               | 0.01               |  |
| Per share – diluted                                                                     | 0.16               | 0.04               | 0.01               | 0.21               | 0.01               |  |
| Profit for the period                                                                   | 38.2               | 9.0                | 1.5                | 53.0               | 6.6                |  |
| Per share – basic                                                                       | 0.16               | 0.04               | 0.01               | 0.22               | 0.03               |  |
| Per share – diluted                                                                     | 0.16               | 0.04               | 0.01               | 0.21               | 0.03               |  |

| (\$ millions, unaudited)                | As at September 30, 2022 | As at December 31, 2021 |
|-----------------------------------------|--------------------------|-------------------------|
| Cash and cash equivalents               | 10.2                     | 29.5                    |
| Current assets – other                  | 240.6                    | 151.8                   |
| Current portion of lease liabilities    | 3.1                      | 2.4                     |
| Current liabilities – other             | 123.2                    | 75.2                    |
| Lease liabilities – non-current portion | 10.2                     | 7.9                     |
| Long-term loans and borrowings          | —                        | —                       |
| Total assets                            | 646.7                    | 577.8                   |

| Three months ended                               |                    |               |                |                   |                    |
|--------------------------------------------------|--------------------|---------------|----------------|-------------------|--------------------|
| (Unaudited)                                      | September 30, 2022 | June 30, 2022 | March 31, 2022 | December 31, 2021 | September 30, 2021 |
| WTI – Average Price (US\$/bbl)                   | \$91.43            | \$108.52      | \$95.01        | \$77.10           | \$70.52            |
| AECO-C – Spot Average Price (C\$/mcf)            | \$4.18             | \$6.89        | \$4.53         | \$4.50            | \$3.39             |
| WCS – Average Price (C\$/bbl)                    | \$92.23            | \$119.00      | \$103.91       | \$76.57           | \$72.56            |
| Condensate – Average Price (C\$/bbl)             | \$115.19           | \$131.67      | \$123.17       | \$100.12          | \$89.22            |
| Average Exchange Rate (US\$/C\$)                 | \$0.77             | \$0.78        | \$0.79         | \$0.79            | \$0.79             |
| Canadian Average Drilling Rig Count <sup>1</sup> | 205                | 123           | 203            | 176               | 160                |

Source: Bloomberg, Bank of Canada, Nickle's Energy Group, Rig Locator

<sup>1</sup> See Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms described in this MD&A.

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## FINANCIAL AND OPERATING HIGHLIGHTS

### Third Quarter Highlights

- Trican's results for the quarter continued to improve with stronger industry activity and a more constructive pricing environment resulting in improvements in all major financial categories:
  - Revenue was \$258.3 million for the three months ended September 30, 2022, a 57% increase compared to the three months ended September 30, 2021.
  - Adjusted EBITDAS<sup>1</sup> and adjusted EBITDA<sup>1</sup> for the three months ended September 30, 2022 were \$72.1 million and \$70.9 million, compared to \$33.2 million and \$32.1 million, respectively, for the three months ended September 30, 2021.
  - Free cash flow<sup>1</sup> for the three months ended September 30, 2022 was \$64.9 million compared to \$29.9 million for the three months ended September 30, 2021.
  - Profit from continuing operations for the three months ended September 30, 2022 was \$38.2 million compared to profit from continuing operations of \$9.1 million for the three months ended September 30, 2021.
- The Company's balance sheet remains in excellent shape with positive working capital, including cash, of \$124.5 million at September 30, 2022 compared to \$103.8 million at December 31, 2021 and no long-term debt providing significant financial flexibility.
- Trican operates the newest, most technically advanced fleet of fracturing equipment in Canada and successfully deployed Canada's first next generation fracturing fleets in 2022. This was accomplished by significantly upgrading existing equipment and incorporating CAT Tier 4 Dynamic Gas Blending ("DGB") engine technology. The Tier 4 DGB engine displaces up to 85% of the diesel used in a conventional pumper with cleaner burning natural gas resulting in lower overall fuel consumption, reduced carbon dioxide and particulate matter emissions. The upgrades also include industry leading continuous duty pumps (3,000 HHP) and idle reduction technology packages which enable longer pumping times and improved operating efficiencies.
  - Trican currently operates two fleets of Tier 4 DGB equipment for a total of 84,000 HHP and is extremely pleased with the operational and financial performance of these assets.
  - Upgrades to Trican's third Tier 4 DGB fleet (42,000 HHP) are substantially complete with deployment expected in Q4 2022.
  - Upgrades to Trican's fourth Tier 4 DGB fleet (42,000 HHP) are underway with the equipment anticipated to be field ready in first half of 2023 which will bring Trican's total Tier 4 DGB fleet to 168,000 HHP.
  - Tier 4 upgrades are a key component of Trican's Environmental, Social, and Governance ("ESG") strategy and demonstrate our commitment to improving the sustainability of our operations and supporting our key customers to achieve their ESG goals.
- The Company continues to be active in executing on its normal course issuer bid ("NCIB") program as a key component of its disciplined capital allocation strategy:
  - During the three and nine months ended September 30, 2022, Trican repurchased and cancelled 11,280,548 and 16,676,133 common shares, at a weighted average price of \$3.41 and \$3.48 per share, equating to approximately 5% and 7%, respectively.

<sup>1</sup> See Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms described in this MD&A.



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- Since the initiation of our NCIB programs in 2017, Trican has repurchased and cancelled 120,144,399 common shares, equating to approximately 35%.
  - On October 3, 2022, the Company announced the renewal of its NCIB program, commencing October 5, 2022, to purchase up to 23.1 million of its common shares for cancellation before October 4, 2023, subject to TSX NCIB rules. All common shares repurchased under the NCIB are returned to treasury for cancellation.

## Capital Expenditures

Capital expenditures for the nine months ended September 30, 2022 totaled \$70.4 million (\$27.6 million for the nine months ended September 30, 2021) related to primarily to maintenance capital and our Tier 4 DGB fleet upgrade program. Trican's 2022 capital spending program remains at \$114, with maintenance capital anticipated to be \$30 million and growth and upgrade capital of approximately \$67 million primarily related to our Tier 4 DGB fleet upgrade program. Capital expenditures are funded with available cash resources and free cash flow<sup>1</sup>.

## Financial Position

We continue to focus on maintaining a strong balance sheet with significant positive working capital and a building cash position. Our ability to generate strong free cash flow<sup>1</sup> and our financial flexibility will allow us to execute our strategic plans including continued investment in our Tier 4 DGB upgrade program and continued participation in our NCIB program as a part of our strategy of returning capital to our shareholders.

## Sustainability Report

Trican published its second sustainability report on October 27, 2022. The report outlines our commitment to sustainability, including a strong focus on safety, minimizing the environmental impacts of our operations and creating positive relationships with stakeholders in the communities where we live and work. Trican will remain focused on the evolving standards with respect to sustainability reporting and required disclosures.

## OUTLOOK

Global demand for energy remains strong as the world's major economies continue to rely on petroleum products for everything from life-saving medical supplies to fuel for cars and trucks. Multiple years of underinvestment in the upstream exploration and production sector have resulted in reduced global inventories of oil and natural gas and higher commodity prices. Escalation of geopolitical tension, including the war in Ukraine, has resulted in additional uncertainty and pressure on the supply side lending further support to commodity pricing. These factors serve to provide a positive backdrop for the oilfield services industry as we move into 2023.

Canadian market fundamentals exiting 2022 remain strong with the Canadian fracturing market effectively in balance as we move through the remainder of the year. This will result in stronger activity levels and better financial performance for Q4 2022 as compared to the same period of the prior year. Based on discussions to date we expect our customers' activity levels to increase in 2023 resulting in stronger demand for Trican's services, in particular our market leading Tier 4 DGB fleets.

Industry pricing fundamentals have improved significantly over the past 12 months, but financial returns have not yet reached levels sufficient to allow industry participants to bring additional supply to the market. As general demand for Canadian pressure pumping services expands and equipment availability continues to be exacerbated by challenges in attracting and retaining qualified personnel, we expect the market for Trican's services to move further into an undersupplied position in 2023.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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Our ability to generate strong free cash flow and our financial flexibility will allow continued progress in our Tier 4 DGB upgrade program allowing us to better serve our customers with state of the art equipment and generate industry leading returns in an environmentally and socially responsible manner. It will also facilitate Trican's ability to continue to focus on returning significant capital to our shareholders.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

## COMPARATIVE QUARTERLY INCOME STATEMENTS

### Continuing Operations

(\$ thousands, except total job count<sup>1</sup>, revenue per job<sup>1</sup> and crews<sup>1</sup>; unaudited)

| Three months ended                               | September 30, 2022 | Percentage of revenue | September 30, 2021 | Percentage of revenue | June 30, 2022 | Percentage of revenue |
|--------------------------------------------------|--------------------|-----------------------|--------------------|-----------------------|---------------|-----------------------|
| <b>Revenue</b>                                   | <b>258,275</b>     | <b>100%</b>           | 164,472            | 100%                  | 152,636       | 100%                  |
| <b>Cost of sales</b>                             |                    |                       |                    |                       |               |                       |
| Cost of sales                                    | 177,617            | 69%                   | 124,916            | 76%                   | 123,172       | 81%                   |
| Cost of sales – depreciation and amortization    | 19,493             | 8%                    | 19,784             | 12%                   | 17,905        | 12%                   |
| Gross profit                                     | 61,165             | 24%                   | 19,772             | 12%                   | 11,559        | 8%                    |
| Administrative expenses                          | 9,986              | 4%                    | 7,956              | 5%                    | 10,503        | 7%                    |
| Administrative expenses – depreciation           | 881                | —%                    | 886                | 1%                    | 796           | 1%                    |
| Other (income) / loss                            | (571)              | —%                    | 1,470              | 1%                    | (2,437)       | (2%)                  |
| Results from operating activities                | 50,869             | 20%                   | 9,460              | 6%                    | 2,697         | 2%                    |
| Finance costs                                    | 557                | —%                    | 431                | —%                    | 680           | —%                    |
| Foreign exchange gain                            | (45)               | —%                    | (63)               | —%                    | (93)          | —%                    |
| <b>Profit before income tax</b>                  | <b>50,357</b>      | <b>19%</b>            | 9,092              | 6%                    | 2,110         | 1%                    |
| Income tax expense                               | 12,163             | 5%                    | —                  | —%                    | 643           | —%                    |
| <b>Profit from continuing operations</b>         | <b>38,194</b>      | <b>15%</b>            | 9,092              | 6%                    | 1,467         | 1%                    |
| <b>Adjusted EBITDA<sup>1</sup></b>               | <b>70,936</b>      | <b>27%</b>            | 32,114             | 20%                   | 19,236        | 13%                   |
| Total job count <sup>1</sup>                     | 2,078              |                       | 1,986              |                       | 1,305         |                       |
| Revenue per job <sup>1</sup>                     | 124,290            |                       | 82,816             |                       | 116,962       |                       |
| Total proppant pumped (tonnes) <sup>1</sup>      | 397,000            |                       | 479,000            |                       | 277,000       |                       |
| Hydraulic pumping capacity (HHP) <sup>1</sup>    | 529,000            |                       | 570,000            |                       | 537,000       |                       |
| Hydraulic fracturing – active crews <sup>1</sup> | 7.0                |                       | 6.0                |                       | 7.0           |                       |
| Hydraulic fracturing – parked crews <sup>1</sup> | 5.0                |                       | 6.0                |                       | 5.0           |                       |

### Sales Mix – % of Total Revenue

| Three months ended (unaudited) | September 30, 2022 | September 30, 2021 | June 30, 2022 |
|--------------------------------|--------------------|--------------------|---------------|
| Fracturing                     | 77%                | 78%                | 73%           |
| Cementing                      | 16%                | 16%                | 16%           |
| Coiled Tubing                  | 7%                 | 6%                 | 9%            |
| Other                          | —%                 | —%                 | 2%            |
| <b>Total</b>                   | <b>100%</b>        | <b>100%</b>        | <b>100%</b>   |

<sup>1</sup> See Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms described in this MD&A.

## Third Quarter 2022 Overview

### Revenue

Revenue for Q3 2022 was \$258.3 million, a \$93.8 million increase compared to Q3 2021 due to higher activity and improved year-over-year pricing. Industry activity in the WCSB has increased, driven primarily by strong commodity prices, leading to a significant improvement in demand for pressure pumping services, increased active equipment and utilization across all of the Company's service lines in Q3 2022 compared to Q3 2021.

Trican operated seven hydraulic fracturing crews in Q3 2022, up from six crews in Q3 2021 in response to greater demand for these services. Proppant pumped decreased from 479,000 tonnes in Q3 2021 to 397,000 tonnes in Q3 2022 due to a change in customer mix and less third party supplied sand.

The WCSB drilling rig count for Q3 2022 averaged 205 rigs, up 28% from 160 rigs in Q3 2021. Cementing activity tracks the rig count although slight changes in job mix and market share meant that the Q3 2022 cementing job count compared to Q3 2021 remained relatively flat. The Company operated 17 cementing units in Q3 2022, consistent with 17 cementing units in Q3 2021. Coiled tubing crews remained unchanged at six in Q3 2022 and Q3 2021.

### 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:

| (\$ thousands, unaudited)                     | September      | Percentage | September      | Percentage |
|-----------------------------------------------|----------------|------------|----------------|------------|
| Three months ended                            | 30, 2022       | of revenue | 30, 2021       | of revenue |
| Personnel expenses                            | 34,137         | 13%        | 25,989         | 16%        |
| Direct costs                                  | 143,480        | 56%        | 99,187         | 60%        |
| Direct costs – CERS                           | —              | —%         | (260)          | —%         |
| Cost of sales                                 | 177,617        | 69%        | 124,916        | 76%        |
| Cost of sales – depreciation and amortization | 19,493         | 8%         | 19,784         | 12%        |
| <b>Total cost of sales</b>                    | <b>197,110</b> | <b>76%</b> | <b>144,700</b> | <b>88%</b> |

Total cost of sales for Q3 2022 increased 36% on an absolute basis when compared to Q3 2021, following the increase in the Company's overall activity levels. Costs were lower in Q3 2022 on a relative basis compared to Q3 2021 due to better operating leverage on fixed costs showing the benefits of higher activity levels.

- Personnel expenses primarily relate to field-based employees, operational support personnel (i.e. mechanics), senior operational personnel and associated employee benefits. The increase in personnel expenses was primarily a result of the increase in operating activity resulting in higher direct operational field labour.
- Total cost of sales in Q3 2021 benefited by \$0.3 million from the Canadian Government COVID-19 subsidy programs, Canadian Emergency Wage Subsidy ("CEWS"), Canadian Emergency Rent Subsidy ("CERS"), and together ("CES"). The Company was not impacted by the CES programs in Q3 2022.
- Direct costs primarily relate to product costs, repairs and maintenance, fuel, trucking costs and travel expenses for operational personnel. The overall increase in direct costs was primarily a result of:
  - An increase in product costs resulted from inflationary effects and higher product usage due to the increase in operating activity.
  - An increase in active equipment resulted in higher repair and maintenance costs. A key item that can affect the variability of repair and maintenance expenses are stainless steel fluid ends, of which

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.



a cost of \$3.8 million was incurred for the three months ended September 30, 2022 (Q3 2021 - \$2.3 million).

- Depreciation and amortization expense for the three months ended September 30, 2022 decreased by \$0.3 million to \$19.5 million compared to \$19.8 million for the three months ended September 30, 2021, due to disposition of surplus and redundant property and equipment reducing the depreciable asset base of the Company's property and equipment balances.

#### Administrative Expenses

| (\$ thousands, unaudited)                                    | September     | Percentage | September    | Percentage |
|--------------------------------------------------------------|---------------|------------|--------------|------------|
| Three months ended                                           | 30, 2022      | of revenue | 30, 2021     | of revenue |
| Personnel expenses                                           | 5,281         | 2%         | 4,310        | 3%         |
| Personnel expenses – severance                               | 1,009         | —%         | 172          | —%         |
| Personnel expenses – cash-settled share-based compensation   | 1,157         | —%         | 1,112        | 1%         |
| Personnel expenses – equity-settled share-based compensation | 264           | —%         | 514          | —%         |
| General and organizational expenses                          | 2,275         | 1%         | 1,937        | 1%         |
| General and organizational expenses – CERS                   | —             | —%         | (89)         | —%         |
| Administrative expenses                                      | 9,986         | 4%         | 7,956        | 5%         |
| Administrative expenses – depreciation                       | 881           | —%         | 886          | 1%         |
| <b>Total administrative expenses</b>                         | <b>10,867</b> | <b>4%</b>  | <b>8,842</b> | <b>5%</b>  |

Administrative expenses for the three months ended September 30, 2022 increased 23% relative to the comparative prior year period. Personnel expenses increased in Q3 2022 relative to Q3 2021 due to increased total compensation to retain and attract a skilled workforce including engineers, technical personnel and other professionals to provide services and support for the business combined with severance and restructuring costs incurred in the quarter. The Company did not recognize any amounts from the CES programs in Q3 2022 (Q3 2021 - \$0.1 million). General and organizational expenses increased by \$0.3 million in Q3 2022 compared to Q3 2021 mainly related to recruiting events to attract qualified personnel.

Cash-settled share-based compensation includes deferred share unit expenses, restricted share unit expenses, performance share unit expenses and certain cash-settled stock option plan expenses. Increases or decreases in these expenses are correlated to the number of vested units and movements in Trican's share price. The increase in expense relative to the comparative prior year period is related mainly to the increase in the Company's share price during the period. The Company is placing more focus on its cash-settled share-based compensation plans as part of its evolving executive compensation philosophy.

Equity-settled share-based compensation expense was lower in Q3 2022 compared to Q3 2021 due to the reduced number of options vested in the period.

Administrative expenses, as a percentage of revenue, decreased in Q3 2022 due to significantly higher revenue compared to the prior year, the fixed nature of personnel related administrative costs and continued focus on controlling costs in an environment of rising activity levels.

#### Overall Results

The Company experienced significant changes in its Q3 2022 financial results when compared to the prior year period:

- Q3 2022 gross profit of \$61.2 million and net profit from continuing operations of \$38.2 million improved from the gross profit of \$19.8 million and the net profit from continuing operations of \$9.1 million in Q3 2021. The increases were primarily related to a positive commodity pricing environment that drove higher activity

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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and a \$0.3 million reduction in depreciation and amortization expense as a result of a decreased depreciable property and equipment asset base.

- Adjusted EBITDA<sup>1</sup> for Q3 2022 was \$70.9 million compared to \$32.1 million for Q3 2021. The Company benefited from higher revenue and activity which drove higher leverage on the Company's fixed cost structure. The Company did not recognize any amounts from the CES programs in Q3 2022 (Q3 2021 - \$0.3 million).

### **Third Quarter 2022 Other Expenses and Income**

#### Other Income

Other income for Q3 2022 increased by \$2.0 million compared to Q3 2021. The increase of \$2.0 million is primarily related to the gain on sale from the disposition of surplus and redundant property and equipment.

#### Finance Costs

Finance costs for Q3 2022 increased by \$0.1 million compared to Q3 2021. The increase of \$0.1 million is due to the swing line facility balance of \$7.1 million in Q3 2022 compared to nil in Q3 2021.

#### Foreign Exchange

The Company recorded nominal foreign exchange gain in Q3 2022, compared to \$0.1 million foreign exchange gain in Q3 2021. Foreign exchange fluctuations are primarily related to the Company's legacy international entities as well as certain US\$ denominated accounts payable.

#### Income Taxes

The Company recorded a \$12.2 million deferred income tax expense in Q3 2022 compared to a nominal income tax expense in Q3 2021. The increase of \$12.2 million is due to the improvement in operating results.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

## COMPARATIVE YEAR-TO-DATE INCOME STATEMENTS

### Continuing Operations

(\$ thousands, except total job count<sup>1</sup>, revenue per job<sup>1</sup> and crews<sup>1</sup>; unaudited)

| Nine months ended                                | September 30, 2022 | Percentage of revenue | September 30, 2021 | Percentage of revenue | Year-over year change | Percentage change |
|--------------------------------------------------|--------------------|-----------------------|--------------------|-----------------------|-----------------------|-------------------|
| <b>Revenue</b>                                   | <b>629,822</b>     | <b>100%</b>           | 406,113            | 100%                  | 223,709               | 55%               |
| <b>Cost of sales</b>                             |                    |                       |                    |                       |                       |                   |
| Cost of sales                                    | 470,835            | 75%                   | 311,436            | 77%                   | 159,399               | 51%               |
| Cost of sales – depreciation and amortization    | 56,912             | 9%                    | 63,930             | 16%                   | (7,018)               | (11%)             |
| Gross profit                                     | 102,075            | 16%                   | 30,747             | 8%                    | 71,328                | 232%              |
| Administrative expenses                          | 30,827             | 5%                    | 22,824             | 6%                    | 8,003                 | 35%               |
| Administrative expenses – depreciation           | 2,557              | —%                    | 2,902              | 1%                    | (345)                 | (12%)             |
| Other (income) / loss                            | (3,189)            | (1%)                  | 1,165              | —%                    | (4,354)               | 374%              |
| Results from operating activities                | 71,880             | 11%                   | 3,856              | 1%                    | 68,024                | 1,764%            |
| Finance costs                                    | 1,574              | —%                    | 1,454              | —%                    | 120                   | 8%                |
| Foreign exchange gain                            | (269)              | —%                    | (21)               | —%                    | (248)                 | 1,181%            |
| <b>Profit before income tax</b>                  | <b>70,575</b>      | <b>11%</b>            | 2,423              | 1%                    | 68,152                | 2,813%            |
| Income tax expense                               | 17,577             | 3%                    | 77                 | —%                    | 17,500                | 22,727%           |
| <b>Profit from continuing operations</b>         | <b>52,998</b>      | <b>8%</b>             | 2,346              | 1%                    | 50,652                | 2,159%            |
| <b>Adjusted EBITDA<sup>1</sup></b>               | <b>129,121</b>     | <b>21%</b>            | 73,563             | 18%                   | 55,558                | 76%               |
| Total job count <sup>1</sup>                     | 5,640              |                       | 5,295              |                       |                       |                   |
| Revenue per job <sup>1</sup>                     | 111,671            |                       | 76,697             |                       |                       |                   |
| Total proppant pumped (tonnes) <sup>1</sup>      | 1,049,000          |                       | 1,073,000          |                       |                       |                   |
| Hydraulic pumping capacity (HHP) <sup>1</sup>    | 529,000            |                       | 570,000            |                       |                       |                   |
| Hydraulic fracturing – active crews <sup>1</sup> | 7.0                |                       | 6.0                |                       |                       |                   |
| Hydraulic fracturing – parked crews <sup>1</sup> | 5.0                |                       | 6.0                |                       |                       |                   |

### Sales Mix – % of Total Revenue

| Nine months ended (unaudited) | September 30, 2022 | September 30, 2021 |
|-------------------------------|--------------------|--------------------|
| Fracturing                    | 75%                | 76%                |
| Cementing                     | 16%                | 16%                |
| Coiled Tubing                 | 8%                 | 7%                 |
| Other                         | 1%                 | 1%                 |
| <b>Total</b>                  | <b>100%</b>        | <b>100%</b>        |

<sup>1</sup> See Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms described in this MD&A.

## Year-to-Date 2022 Overview

### Revenue

Revenue for the nine months ended September 30, 2022 increased 55% to \$629.8 million when compared to the nine months ended September 30, 2021 of \$406.1 million due to higher industry activity and an improved year-over-year pricing environment. Revenue per job for the nine months ended September 30, 2022 increased 46% year-over-year. This calculation is significantly impacted by factors such as the relative revenue contribution by service line, changes in pricing and the magnitude of customer supplied consumables and inputs.

Trican operated seven hydraulic fracturing crews for the nine months ended September 30, 2022, up from six crews for the prior year period, in response to greater demand for these services. Hydraulic fracturing services pumped 1,049,000 tonnes of proppant for the nine months ended September 30, 2022, a decrease from the 1,073,000 tonnes of proppant pumped for the prior year period, due to a change in customer mix and less third party supplied sand.

Trican continued to maintain a strong position in the cementing market, with the increase in rig count and metres drilled per well leading to an increase in cementing service revenue during the nine months ended September 30, 2022 relative to the prior year period. The Company operated an average of 17 units for the nine months ended September 30, 2022 compared to 16 units for the prior year period.

The number of coiled tubing operating days increased by 7% for the nine months ended September 30, 2022 compared to the same period in 2021. Coiled tubing crews remained unchanged at six for the nine months ended September 30, 2022 and prior year period.

### Cost of Sales

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

| (\$ thousands, unaudited)                     | September      | Percentage | September      | Percentage |
|-----------------------------------------------|----------------|------------|----------------|------------|
| Nine months ended                             | 30, 2022       | of revenue | 30, 2021       | of revenue |
| Personnel expenses                            | 96,699         | 15%        | 73,875         | 18%        |
| Personnel expenses – CEWS                     | —              | —%         | (9,185)        | (2%)       |
| Direct costs                                  | 374,136        | 59%        | 247,568        | 61%        |
| Direct costs – CERS                           | —              | —%         | (822)          | —%         |
| Cost of sales                                 | 470,835        | 75%        | 311,436        | 77%        |
| Cost of sales – depreciation and amortization | 56,912         | 9%         | 63,930         | 16%        |
| <b>Total cost of sales</b>                    | <b>527,747</b> | <b>84%</b> | <b>375,366</b> | <b>92%</b> |

Total cost of sales for the nine months ended September 30, 2022 increased by 41% on an absolute basis when compared to the same period in 2021. Costs were lower on a percentage basis for the nine months ended September 30, 2022 relative to the prior year comparative period due in part to better operating leverage on fixed costs showing the benefits of higher activity levels.

- Personnel expenses primarily relate to field-based employees, operational support personnel (i.e. mechanics), senior operational personnel salaries, and associated employee benefits. The increase in personnel expenses was primarily a result of the increase in operating activity resulting in higher direct operational field labour.
- Total cost of sales for the nine months ended September 30, 2021 benefited by \$10.0 million from the CES programs, which were accounted for as a reduction to personnel and/or rent expenses. The Company was not impacted by the CES programs for the nine months ended September 30, 2022.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

- Direct costs primarily relate to product costs, repairs and maintenance, fuel, trucking costs and travel expenses for our operational personnel. The overall increase in direct expenses was primarily a result of:
  - An increase in product costs resulted from inflationary effects and higher product usage due to the increase in operating activity.
  - An increase in active equipment resulted in higher repair and maintenance costs. A key item that can affect the variability of repair and maintenance expenses are stainless fluid ends, of which a cost of \$6.3 million was incurred for the nine months ended September 30, 2022 (nine months ended September 30, 2021 - \$6.6 million).
- Depreciation and amortization expense for the nine months ended September 30, 2022 decreased by \$7.0 million to \$56.9 million when compared to the same period in 2021 due to the disposition of surplus and redundant property and equipment reducing the depreciable asset base of the Company's property and equipment.

#### Administrative Expenses

| (\$ thousands, unaudited)                                    | September     | Percentage | September     | Percentage |
|--------------------------------------------------------------|---------------|------------|---------------|------------|
| Nine months ended                                            | 30, 2022      | of revenue | 30, 2021      | of revenue |
| Personnel expenses                                           | 13,151        | 2%         | 11,679        | 3%         |
| Personnel expenses – CEWS                                    | —             | —%         | (1,680)       | —%         |
| Personnel expenses – severance                               | 1,207         | —%         | 418           | —%         |
| Personnel expenses – cash-settled share-based compensation   | 8,575         | 1%         | 4,952         | 1%         |
| Personnel expenses – equity-settled share-based compensation | 961           | —%         | 1,710         | —%         |
| General and organizational expenses                          | 6,862         | 1%         | 6,072         | 1%         |
| General and organizational expenses – CERS                   | —             | —%         | (277)         | —%         |
| Bad debt expense                                             | 71            | —%         | (50)          | —%         |
| Administrative expenses                                      | 30,827        | 5%         | 22,824        | 6%         |
| Administrative expenses – depreciation                       | 2,557         | —%         | 2,902         | 1%         |
| <b>Total administrative expenses</b>                         | <b>33,384</b> | <b>5%</b>  | <b>25,726</b> | <b>6%</b>  |

Administrative expenses for the nine months ended September 30, 2022 increased 30% relative to the comparative prior year period. Personnel expenses increased for the nine months ended September 30, 2022 relative to the comparative prior year period due to increased total compensation to retain and attract a skilled workforce including engineers, technical personnel and other professionals to provide services and support for the business combined with severance and restructuring costs incurred for the nine months ended September 30, 2022. The Company did not recognize any amounts from the CES programs for the nine months ended September 30, 2022 compared to \$2.0 million recognized in the comparative prior year period. General and organizational expenses increased by \$0.8 million relative to the comparative prior year period due to recruiting events to attract qualified personnel.

Cash-settled share-based compensation includes deferred share unit expenses, restricted share unit expenses, performance share unit expenses, and certain cash-settled stock option plan 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 expense relative to the comparative prior year period is related mainly to the increase in the Company's share price during the period. The Company is placing more focus on its cash-settled share-based compensation plans as part of its evolving executive compensation philosophy.

Equity-settled share-based compensation expense was lower for the nine months ended September 30, 2022 compared to the prior year period due to the reduced number of options vested in the period.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.



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Administrative expenses, as a percentage of revenue, decreased for the nine months ended September 30, 2022 compared to the prior year period due to significantly higher revenue, the fixed nature of personnel related administrative costs and continued focus on controlling costs in an environment of rising activity levels.

### Overall Results Summary

The Company experienced significant changes in its financial results for the nine months ended September 30, 2022 relative to the nine months ended September 30, 2021.

- Gross profit of \$102.1 million and net profit of \$53.0 million for the nine months ended September 30, 2022 improved compared to gross profit of \$30.7 million and net profit of \$6.6 million for the prior year period. The increases were primarily related to a positive commodity pricing environment that drove higher activity and pricing in addition to \$7.0 million reduction in depreciation and amortization expense as a result of a decreased depreciable property and equipment asset base.
- Adjusted EBITDA<sup>1</sup> for the nine months ended September 30, 2022 was \$129.1 million compared to \$73.6 million for the prior year period. The Company benefited from higher revenue and activity which drove higher leverage on the Company's fixed cost structure. The Company did not recognize any amounts from the CES programs for the nine months ended September 30, 2022 compared to \$12.0 million for the prior year period.

## **2022 Other Expenses and Income**

### Other Income

Other income for the nine months ended September 30, 2022, increased by \$4.4 million relative to the prior year period. The increase of \$4.4 million is primarily related to the gain on sale from the disposition of surplus and redundant property and equipment.

### Finance Costs

Finance costs for the nine months ended September 30, 2022, remained relatively flat compared to the prior year period. Finance costs is primarily related to the fees associated with the draw on the revolving credit facility.

### Foreign Exchange

A foreign exchange gain of \$0.3 was recorded for the nine months ended September 30, 2022, compared to a nominal gain recorded for the nine months ended September 30, 2021. Foreign exchange fluctuations are primarily related to the Company's legacy international entities as well as certain US\$ denominated accounts payable.

### Income Taxes

The Company recorded an income tax expense of \$17.6 million for the nine months ended September 30, 2022, compared to an income tax expense of \$0.1 million for the nine months ended September 30, 2021. The increase of \$17.5 million is due to the improvement in operating results.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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## LIQUIDITY AND CAPITAL RESOURCES

### Working Capital and Cash Requirements

As at September 30, 2022, the Company had a working capital (current assets less current liabilities) balance of \$124.5 million, including cash of \$10.2 million, compared to \$103.8 million, including cash of \$29.5 million, as at December 31, 2021. The primary drivers of the change in working capital are attributable to:

- \$82.4 million increase in trade and other receivables as a result of higher activity;
- \$6.2 million increase in inventory as a result of properly aligning inventory with activity levels;
- \$1.2 million increase in prepaid expenses as the result of the Company's annual insurance program renewal offset by the amortization of prepaid items; and
- \$41.1 million increase in trade and other payables related to higher activity.

At September 30, 2022, the Company's working capital and available operating credit facilities exceeded 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 September 30, 2022, the Company was 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 \$84.1 million for the nine months ended September 30, 2022 (September 30, 2021 - \$53.4 million). The cash flow provided by continuing operations was higher primarily due increased activity resulting in working capital build during the quarter.

### Free Cash Flow<sup>1</sup>

Free cash flow<sup>1</sup> was \$110.0 million for the nine months ended September 30, 2022 (September 30, 2021 - \$61.4 million). Free cash flow<sup>1</sup> was higher primarily as a result of stronger activity levels which drove increased adjusted EBITDAS<sup>1</sup> compared to the prior year comparative period.

### Investing Activities

Capital expenditures related to continuing operations for the nine months ended September 30, 2022 totaled \$70.4 million (September 30, 2021 - \$27.6 million) and proceeds from the sale of surplus and redundant equipment totaled \$19.7 million for the nine months ended September 30, 2022 (September 30, 2021 - \$4.9 million). The Company had no proceeds from sale of discontinued operations for the nine months ended September 30, 2022 (September 30, 2021 - \$7.8 million).

Capital expenditures for the nine months ended September 30, 2022 primarily related to the upgrade of existing equipment to Tier 4 specifications, in addition to investments made to maintain 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 flows 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.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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## Financing Activities

### Revolving Credit Facility ("RCF")

On December 3, 2021, Trican entered into an agreement with a syndicate of five Canadian banks which amended and extended its RCF.

The RCF matures December 5, 2024, 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, 2021 – \$125.0 million). The RCF also features an uncommitted accordion of \$125.0 million (December 31, 2021 – \$125.0 million), which is accessible subject to approval by the syndicate of lenders. The 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 SOFR, plus 100 to 350 basis points (December 31, 2021 – Canadian prime rate, U.S. prime rate, Banker's Acceptance rate, or at LIBOR, plus 100 to 350 basis points).

At September 30, 2022, the undrawn and accessible amount of the RCF, subject to financial covenants, was \$117.5 million (December 31, 2021 – \$124.6 million accessible) due to the Company's letters of credit outstanding and amounts drawn on the RCF as at September 30, 2022.

As at September 30, 2022, the Company had available a \$20.0 million (December 31, 2021 – \$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 September 30, 2022, there was \$7.1 million drawn on the swing line facility (December 31, 2021 – nil).

As at September 30, 2022, the Company had available a \$10.0 million (December 31, 2021 – \$10.0 million) Letter of Credit facility with its syndicate of banks which is included within the \$125.0 million borrowing capacity of the RCF described above. As at September 30, 2022, there was \$0.4 million in letters of credit outstanding (December 31, 2021 – \$0.4 million).

At September 30, 2022, Trican was in compliance with the required debt covenant ratios.

### Lease Liabilities

Details in respect of the Company's right-of-use liabilities are more fully described in Note 7 of the Company's 2021 consolidated annual financial statements.

### Share Capital

As at November 9, 2022, Trican had 231,488,007 common shares and 10,092,710 employee stock options outstanding.

### Normal Course Issuer Bid

On October 3, 2022, the Company announced the renewal of its NCIB program, commencing October 5, 2022, to purchase up to 23.1 million of its common shares for cancellation before October 4, 2023, subject to TSX NCIB rules. All common shares repurchased under the NCIB are returned to treasury for cancellation.

For the nine months ended September 30, 2022, the Company purchased and cancelled 16,676,133 common shares at a weighted average price per share of \$3.48 (September 30, 2021 - 8,106,800 common shares at a weighted average price per share of \$2.49).

The purchases made in the nine months ended September 30, 2022 were funded from operating cash flow.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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## Other Commitments

The Company has commitments for financial liabilities and various lease agreements with minimum payments due as of September 30, 2022 as follows:

| (Stated in thousands)<br>September 30, 2022 | Carrying<br>Value | Less than<br>1 year | 1 to 3 years   | 4 to 5 years   | Greater than<br>5 years | Total            |
|---------------------------------------------|-------------------|---------------------|----------------|----------------|-------------------------|------------------|
| Trade and other payables                    | \$116,313         | \$116,313           | \$—            | \$—            | \$—                     | \$116,313        |
| Swing line facility                         | 6,856             | 7,063               | —              | —              | —                       | 7,063            |
| Lease liabilities – current                 | 3,130             | 3,931               | —              | —              | —                       | 3,931            |
| Lease liabilities – non-current             | 10,172            | —                   | 8,085          | 3,400          | —                       | 11,485           |
| <b>Total commitments</b>                    | <b>\$136,471</b>  | <b>\$127,307</b>    | <b>\$8,085</b> | <b>\$3,400</b> | <b>\$—</b>              | <b>\$138,792</b> |

In addition to the above commitments, as at September 30, 2022, the Company has committed to capital expenditures of \$28.5 million.

Management is satisfied that the Company has sufficient liquidity and capital resources, including access to the undrawn portion of the 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.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

## SUMMARY OF QUARTERLY RESULTS

| (\$ millions, except per share amounts, adjusted EBITDAS % <sup>1</sup> , adjusted EBITDA % <sup>1</sup> , utilization <sup>1</sup> , crews <sup>1</sup> and total job count <sup>1</sup> . The following are stated in \$ thousands: outstanding shares and revenue per job <sup>1</sup> ) | 2022    |         |         | 2021    |         |         |         | 2020    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|
|                                                                                                                                                                                                                                                                                             | Q3      | Q2      | Q1      | Q4      | Q3      | Q2      | Q1      | Q4      |
| (Unaudited)                                                                                                                                                                                                                                                                                 |         |         |         |         |         |         |         |         |
| Revenue from continuing operations                                                                                                                                                                                                                                                          | 258.3   | 152.6   | 218.9   | 156.4   | 164.5   | 93.7    | 148.0   | 102.8   |
| Weighted average shares outstanding – basic                                                                                                                                                                                                                                                 | 241,184 | 245,734 | 247,290 | 248,668 | 253,287 | 255,422 | 255,310 | 255,736 |
| Weighted average shares outstanding – diluted                                                                                                                                                                                                                                               | 245,774 | 251,529 | 252,729 | 254,552 | 257,878 | 255,422 | 258,373 | 255,736 |
| Profit / (loss) from continuing operations                                                                                                                                                                                                                                                  | 38.2    | 1.5     | 13.3    | 9.7     | 9.1     | (8.4)   | 1.7     | (21.9)  |
| Per share – basic                                                                                                                                                                                                                                                                           | 0.16    | 0.01    | 0.05    | 0.04    | 0.04    | (0.03)  | 0.01    | (0.09)  |
| Per share – diluted                                                                                                                                                                                                                                                                         | 0.16    | 0.01    | 0.05    | 0.04    | 0.04    | (0.03)  | 0.01    | (0.09)  |
| Profit / (loss) for the period                                                                                                                                                                                                                                                              | 38.2    | 1.5     | 13.3    | 10.6    | 9.0     | (8.3)   | 5.9     | (22.3)  |
| Per share – basic                                                                                                                                                                                                                                                                           | 0.16    | 0.01    | 0.05    | 0.04    | 0.04    | (0.03)  | 0.02    | (0.09)  |
| Per share – diluted                                                                                                                                                                                                                                                                         | 0.16    | 0.01    | 0.05    | 0.04    | 0.04    | (0.03)  | 0.02    | (0.09)  |
| Adjusted EBITDAS <sup>1</sup>                                                                                                                                                                                                                                                               | 72.1    | 23.6    | 42.0    | 27.6    | 33.2    | 16.2    | 29.1    | 18.0    |
| Adjusted EBITDAS % <sup>1</sup>                                                                                                                                                                                                                                                             | 28%     | 15%     | 19%     | 18%     | 20%     | 17%     | 20%     | 18%     |
| Adjusted EBITDA <sup>1</sup>                                                                                                                                                                                                                                                                | 70.9    | 19.2    | 38.9    | 28.0    | 32.1    | 14.2    | 27.3    | 16.1    |
| Adjusted EBITDA % <sup>1</sup>                                                                                                                                                                                                                                                              | 27%     | 13%     | 18%     | 18%     | 20%     | 15%     | 18%     | 16%     |
| Free cash flow <sup>1</sup>                                                                                                                                                                                                                                                                 | 64.9    | 14.6    | 30.4    | 17.9    | 29.9    | 9.6     | 22.0    | 13.9    |
| Proppant pumped (tonnes) <sup>1</sup>                                                                                                                                                                                                                                                       | 397     | 277     | 375     | 291     | 479     | 260     | 334     | 229     |
| Hydraulic pumping capacity (HHP) <sup>1</sup>                                                                                                                                                                                                                                               | 529     | 537     | 576     | 573     | 575     | 570     | 570     | 570     |
| Hydraulic fracturing – active crews <sup>1</sup>                                                                                                                                                                                                                                            | 7.0     | 7.0     | 7.0     | 6.0     | 6.0     | 6.0     | 6.0     | 5.0     |
| Hydraulic fracturing – parked crews <sup>1</sup>                                                                                                                                                                                                                                            | 5.0     | 5.0     | 5.0     | 6.0     | 6.0     | 6.0     | 6.0     | 7.0     |
| Hydraulic fracturing utilization <sup>1</sup>                                                                                                                                                                                                                                               | 73%     | 43%     | 85%     | 86%     | 85%     | 42%     | 81%     | 60%     |
| Coiled tubing crews <sup>1</sup>                                                                                                                                                                                                                                                            | 7.0     | 7.0     | 7.0     | 6.0     | 6.0     | 6.0     | 6.0     | 6.0     |
| Total job count <sup>1</sup>                                                                                                                                                                                                                                                                | 2,078   | 1,305   | 2,257   | 1,996   | 1,986   | 1,317   | 1,992   | 1,545   |
| Revenue per job <sup>1</sup>                                                                                                                                                                                                                                                                | 124.3   | 117.0   | 97.0    | 78.3    | 82.8    | 71.1    | 74.3    | 66.5    |

Q3 2022 results were stronger compared to Q2 2022 due to increased activity resulting in higher job count and hydraulic fracturing utilization. Q2 2022 results were positively affected by sustained strength in commodity prices, despite the seasonal spring breakup conditions. Q1 2022 results were stronger compared to Q4 2021 as activity and revenue increased sequentially. Proppant volumes pumped increased sequentially resulting from the activation of one hydraulic fracturing crew. One additional coiled tubing crew was also activated in Q1 2022.

Q4 2021 results remained consistent following an improved commodity price environment. The Company's core customers were active with their completion programs in Q3 2021 with proppant volumes pumped decreasing compared to Q3 2021. Q3 2021 results benefited from improved commodity prices which combined with the increase in WCSB rig count resulted in high activity levels throughout the quarter. Adjusted EBITDA<sup>1</sup> benefited from significant cost reductions and efficiency improvements made in the last 12-24 months. Q2 2021 results were positively affected by sustained strength in commodity prices, which kept activity levels high through the quarter, despite the seasonal spring break up conditions. Q1 2021 results were stronger compared to Q4 2020 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 EBITDA<sup>1</sup> 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.

<sup>1</sup> See Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms described in this MD&A.

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## BUSINESS RISKS

### Volatility of the Oil and Gas Industry

Recent market events and conditions, including the potential for economic recession, slowing growth in certain global economies, market volatility, and sovereign debt levels in various countries, have caused significant volatility in commodity prices. The major escalation of the Russia and Ukraine war strongly influenced crude oil prices to their highest levels since 2008. The OPEC+ alliance has decided to cut 2 million barrels a day, curbing supply adding to the significant volatility in commodity prices. The possibility of a disruption to Russian crude oil exports has introduced significant risk to global crude oil markets, exacerbating uncertainty around future supply and inventory levels. These geopolitical tensions have recently been exacerbated by rising economic risks, leading to elevated levels of volatility in crude oil prices. The events between Russia and Ukraine have had no immediate effect on North American natural gas balances, but the conflict's impact on competing fuel prices has contributed to a volatile pricing environment.

These events and conditions could cause a significant decrease in the valuation of oilfield service companies as well as exploration and production companies. A potential decrease in confidence in the oil and gas industry could have a negative effect on the Company's ability to access capital in the future or if it is able to do so, to do so on favourable terms.

A discussion of certain business risks faced by Trican can be found under the "Risk Factors" section of our AIF and "Business Risks" in our MD&A for the year ended December 31, 2021, which are available under Trican's profile at [www.sedar.com](http://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.

## CRITICAL ACCOUNTING ESTIMATES, JUDGMENTS AND NEW POLICIES

The critical judgments and estimates used in preparing the Consolidated Interim Financial Statements are described in our 2021 Annual MD&A and there have been no material changes to our critical accounting judgments and estimates during the three and nine months ended September 30, 2022. The Company's 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, 2021, and 2020.

### Internal Controls Over Financial Reporting

There have been no changes in Trican's internal control over financial reporting ("ICFR") that occurred during the three and nine months ended September 30, 2022, which have materially affected or are reasonably likely to materially affect the Company's ICFR.

## NON-GAAP MEASURES

Certain terms in this MD&A, including adjusted EBITDA, adjusted EBITDAS, adjusted EBITDA percentage, adjusted EBITDAS percentage and free cash flow, 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 and Adjusted EBITDAS

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 utilizes adjusted EBITDA to translate historical variability in the Company's principal business activities into future financial expectations. By isolating incremental items from net income, including income / expense items related to how the

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.



Company chooses to manage financing elements of the business, taxation strategy and non-cash charges, management can better predict future financial results from our principal business activities.

Adjusted EBITDAS 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 utilizes adjusted EBITDAS as a useful measure of operating performance, cash flow to complement profit / (loss) and to provide meaningful comparisons of operating results.

The items included in this calculation of adjusted EBITDA have been specifically identified as they are 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 the Company 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 results from the disposition of equipment, as these transactions generally do not reflect quarterly operational field activity.

The item adjusted in the non-GAAP calculation of adjusted EBITDAS from adjusted EBITDA, is as follows:

- Cash-settled share-based compensation.

| (\$ thousands, unaudited)                                         | Three months ended |                    |               | Nine months ended  |                    |
|-------------------------------------------------------------------|--------------------|--------------------|---------------|--------------------|--------------------|
|                                                                   | September 30, 2022 | September 30, 2021 | June 30, 2022 | September 30, 2022 | September 30, 2021 |
| Profit from continuing operations (IFRS financial measure)        | 38,194             | 9,092              | 1,467         | 52,998             | 2,346              |
| Adjustments:                                                      |                    |                    |               |                    |                    |
| Cost of sales – depreciation and amortization                     | 19,493             | 19,784             | 17,905        | 56,912             | 63,930             |
| Administrative expenses – depreciation                            | 881                | 886                | 796           | 2,557              | 2,902              |
| Income tax expense                                                | 12,163             | —                  | 643           | 17,577             | 77                 |
| Finance costs and amortization of debt issuance costs             | 557                | 431                | 680           | 1,574              | 1,454              |
| Foreign exchange gain                                             | (45)               | (63)               | (93)          | (269)              | (21)               |
| Other (income) / loss                                             | (571)              | 1,470              | (2,437)       | (3,189)            | 1,165              |
| Administrative expenses – equity-settled share-based compensation | 264                | 514                | 275           | 961                | 1,710              |
| <b>Adjusted EBITDA</b>                                            | <b>70,936</b>      | <b>32,114</b>      | <b>19,236</b> | <b>129,121</b>     | <b>73,563</b>      |
| Administrative expenses – cash-settled share-based compensation   | 1,157              | 1,112              | 4,377         | 8,575              | 4,952              |
| <b>Adjusted EBITDAS</b>                                           | <b>72,093</b>      | <b>33,226</b>      | <b>23,613</b> | <b>137,696</b>     | <b>78,515</b>      |

<sup>1</sup> See Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms described in this MD&A.

## Adjusted EBITDA % and Adjusted EBITDAS %

Adjusted EBITDA % and adjusted EBITDAS % is determined by dividing adjusted EBITDA and adjusted EBITDAS, respectively, by revenue from continuing operations. The components of the calculations are presented below:

| (\$ thousands, unaudited) | Three months ended |                    |               | Nine months ended  |                    |
|---------------------------|--------------------|--------------------|---------------|--------------------|--------------------|
|                           | September 30, 2022 | September 30, 2021 | June 30, 2022 | September 30, 2022 | September 30, 2021 |
| Adjusted EBITDA           | 70,936             | 32,114             | 19,236        | 129,121            | 73,563             |
| Revenue                   | 258,275            | 164,472            | 152,636       | 629,822            | 406,113            |
| <b>Adjusted EBITDA %</b>  | <b>27%</b>         | <b>20%</b>         | <b>13%</b>    | <b>21%</b>         | <b>18%</b>         |

| (\$ thousands, unaudited) | Three months ended |                    |               | Nine months ended  |                    |
|---------------------------|--------------------|--------------------|---------------|--------------------|--------------------|
|                           | September 30, 2022 | September 30, 2021 | June 30, 2022 | September 30, 2022 | September 30, 2021 |
| Adjusted EBITDAS          | 72,093             | 33,226             | 23,613        | 137,696            | 78,515             |
| Revenue                   | 258,275            | 164,472            | 152,636       | 629,822            | 406,113            |
| <b>Adjusted EBITDAS %</b> | <b>28%</b>         | <b>20%</b>         | <b>15%</b>    | <b>22%</b>         | <b>19%</b>         |

## Free Cash Flow

Free cash flow is a non-GAAP term and has been reconciled to cash flow from continuing operations for the applicable financial periods, being the most directly comparable measure calculated in accordance with IFRS. Management believes free cash flow to be a key measure of capital management as it demonstrates the Company's ability to generate monies available to fund future growth through capital investments and return capital to our shareholders.

Management believes that such a measure provides an insightful assessment of the Company's operations on a continuing basis by adjusting for other (income) / loss, realized (gain) / loss, maintenance capital expenditures included within purchase of property and equipment from the statement of cash flows and change in non-cash operating working capital.

Management alternatively reconciles free cash flow from adjusted EBITDA for the applicable financial periods as it believes that such a measure provides an insightful assessment of the Company's operating performance by adjusting for interest paid, income tax received, and maintenance capital expenditures included within purchase of property and equipment from the statement of cash flows.

Free cash flow is not a standardized measure and therefore may not be comparable with the calculation of similar measures by other entities.

| (\$ thousands, unaudited)                    | Three months ended |                    |               | Nine months ended  |                    |
|----------------------------------------------|--------------------|--------------------|---------------|--------------------|--------------------|
|                                              | September 30, 2022 | September 30, 2021 | June 30, 2022 | September 30, 2022 | September 30, 2021 |
| Cash flow from continuing operations         | 33,144             | 8,626              | 49,615        | 84,087             | 53,389             |
| Other (income) / loss                        | (198)              | 8                  | (154)         | (494)              | (511)              |
| Realized foreign exchange (gain) / loss      | (121)              | (268)              | (22)          | (354)              | 165                |
| Maintenance capital expenditures             | (5,478)            | (2,921)            | (3,983)       | (18,637)           | (12,002)           |
| Change in non-cash operating working capital | 37,577             | 24,418             | (30,859)      | 45,352             | 20,384             |
| <b>Free cash flow</b>                        | <b>64,924</b>      | <b>29,863</b>      | <b>14,597</b> | <b>109,954</b>     | <b>61,425</b>      |

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

| (\$ thousands, unaudited)        | Three months ended |                    |               | Nine months ended  |                    |
|----------------------------------|--------------------|--------------------|---------------|--------------------|--------------------|
|                                  | September 30, 2022 | September 30, 2021 | June 30, 2022 | September 30, 2022 | September 30, 2021 |
| Adjusted EBITDA                  | 70,936             | 32,114             | 19,236        | 129,121            | 73,563             |
| Interest paid                    | (534)              | (311)              | (656)         | (1,503)            | (1,117)            |
| Income tax received              | —                  | 981                | —             | 973                | 981                |
| Maintenance capital expenditures | (5,478)            | (2,921)            | (3,983)       | (18,637)           | (12,002)           |
| <b>Free cash flow</b>            | <b>64,924</b>      | <b>29,863</b>      | <b>14,597</b> | <b>109,954</b>     | <b>61,425</b>      |

| (\$ thousands, unaudited)          | Three months ended |                    |               | Nine months ended  |                    |
|------------------------------------|--------------------|--------------------|---------------|--------------------|--------------------|
|                                    | September 30, 2022 | September 30, 2021 | June 30, 2022 | September 30, 2022 | September 30, 2021 |
| Purchase of property and equipment | 24,578             | 10,552             | 24,722        | 70,393             | 27,564             |
| Growth capital expenditures        | 19,100             | 7,631              | 20,739        | 51,756             | 15,562             |
| Maintenance capital expenditures   | 5,478              | 2,921              | 3,983         | 18,637             | 12,002             |

## 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 is significantly impacted by factors such as the relative revenue contribution by service line, changes in pricing and the magnitude of customer supplied consumables and inputs.

### Working Capital

Term that refers to the difference between the Company's current assets and current liabilities.

### 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.

### Maintenance and Growth Capital

Term that refers to capital additions as maintenance or growth capital. Maintenance capital are capital expenditures in respect of capital additions, replacements or improvements required to maintain ongoing business operations. Growth capital refers to capital expenditures primarily for new items and/or equipment that will expand our revenue and / or reduce our expenditures through operating efficiencies. The determination of what constitutes maintenance capital expenditures versus growth capital involves judgement by management.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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## 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. |

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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|                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|---------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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                       | Liquefied 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 Rig Locator which is a part of JuneWarren-Nickle's Energy Group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Spring Break Up           | During the spring season in the WCSB, provincial governments and rural municipalities (or counties) limit weights of heavy equipment or at times ban access to roads to prevent damage. The roadbeds become soft due to the thawing of the ground after winter. It becomes difficult, and in some case impossible, to continue to work during this period and therefore activity in the oilfield is often reduced during this period.                                                                                                                                                                                                                                                                   |
| 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.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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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:**

|                                             |                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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.                                      |
| 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.                                                                                                                                                                                                                                                                                                    |
| Continuous Duty                             | Continuous duty fracturing pumps are positive displacement pumps utilized to pressurize fluid. These pumps are rated for 2700 and 3000 hydraulic horsepower and can operate long hours continuously under pumping load in hydraulic fracturing operations. Capable of operating efficiently and on a continuous duty basis in approximately 80% of the WCSB.                                   |
| Growth Capital                              | Capital expenditures primarily for new items and/or equipment 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 – Active Crews         | An active fracturing crew is made up of varied pieces of specialized equipment and has personnel to operate the related equipment.                                                                                                                                                                                                                                                             |
| Hydraulic Fracturing – Parked Crews         | A parked fracturing crew is made up of varied pieces of specialized equipment but has no personnel to operate the related equipment. The related equipment was parked in good condition, but would still require modest expenditures, as well as the addition of personnel, to activate.                                                                                                       |

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.



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|                                    |                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 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. |
| Legacy Tier                        | Legacy tier fracturing pumps are positive displacement pumps utilized to pressurize fluid. These pumps are rated for 2250 hydraulic horsepower and can operate intermittently under pumping load in hydraulic fracturing operations. Capable of operating efficiently in approximately 20% of the WCSB.                                                                                                   |
| Maintenance Capital                | Capital expenditures in respect of capital additions, replacements or improvements required to maintain ongoing business operations.                                                                                                                                                                                                                                                                      |
| Mid Tier                           | Mid tier fracturing pumps are positive displacement pumps utilized to pressurize fluid. These pumps are rated for 2500 hydraulic horsepower and can operate long hours intermittently under pumping load in hydraulic fracturing operations. Capable of operating efficiently and on an intermittent duty basis in approximately 70% of the WCSB.                                                         |
| 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.                                                                                                                                                                                                                            |

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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Total Job Count

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.

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.

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.

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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## 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 sufficient liquidity to invest in new opportunities, improve our competitive position and drive profitable growth;
- that Trican will continue to adapt to the current economic environment;
- the impact of escalated geopolitical tensions, the conflict in Ukraine and the associated effect on worldwide demand for oil and gas;
- the impact of COVID-19 and the associated effect on world-wide demand for oil and gas;
- anticipated industry activity levels, rig counts and outlook as well as expectations regarding our customers' work and capital programs and the associated impact on the Company's equipment utilization levels and demand for our services in Q4 and throughout 2023;
- the impact of inflation and existence of inflationary pressures;
- expectation as to the type of pressure pumping equipment required and which operating regions the equipment is appropriate to operate in;
- expectations regarding supply and demand fundamentals and strong commodity pricing levels;
- expectations regarding credit risk and that we have an adequate provision for trade receivables;
- expectation that we are adequately staffed for current industry activity levels, that we will be able to retain and attract staff and that we will maintain the Company's lean cost structure;
- expectations regarding the Company's ability to work with customers to achieve long-term pricing objectives;
- expectations regarding the Company's financial results, working capital levels, liquidity and profits;
- expectations regarding Trican's capital spending plans, sources of capital, and specifically the timing and cost 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;
- expectations regarding customer performance and financial flexibility;
- expectations regarding the impact of inflation;

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

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- anticipated compliance with debt and other covenants under our revolving credit facilities;
  - expectations that the Company can maintain its market leading position in the fracturing and cementing services lines and strengthen auxiliary services;
  - expectations that the Company will deepen the integration of ESG into its business and be supported by its customers in doing so;
  - expectations regarding the nature and focus of our share-based compensation programs;
  - expectations regarding Trican's policy of adjusting its capital budget on a quarterly basis;
  - expectations regarding provincial income tax rates and ongoing tax evaluations; and
  - expectations surrounding weather and seasonal slowdowns.

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, 2021, available on SEDAR ([www.sedar.com](http://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](http://www.sedar.com)).

<sup>1</sup> See *Non-GAAP Measures, Other Non-Standard Financial Terms and Common Industry Terms* described in this MD&A.

# CORPORATE INFORMATION

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## BOARD OF DIRECTORS

**Thomas M. Alford** <sup>(2)</sup>

Chair of the Board

President, Well Servicing, Precision Drilling Corp.

**Bradley P.D. Fedora**

President & Chief Executive Officer

Trican Well Service Ltd.

**Trudy M. Curran** <sup>(2, 3)</sup>

Independent Businesswoman

**Michael J. McNulty** <sup>(1, 3)</sup>

Independent Businessman

**Stuart O'Connor** <sup>(1,3)</sup>

Chair and Co-founder, Arcurve Inc.

**Deborah S. Stein** <sup>(1, 2)</sup>

Independent Businesswoman

## OFFICERS

**Bradley P.D. Fedora**

President & Chief Executive Officer

**Scott E. Matson**

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

Facsimile: (403) 237-7716

Website: [www.tricanwellservice.com](http://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

**Scott E. Matson**

Chief Financial Officer

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(1) Member of the Audit Committee

(2) Member of the Corporate Governance Committee

(3) Member of the Safety, Human Resources and Compensation Committee