



CORPORATE PRESENTATION JANUARY 2023

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WHO **WE** ARE (CET-TSX)

Market Share

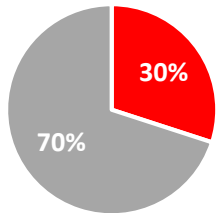


24.3%



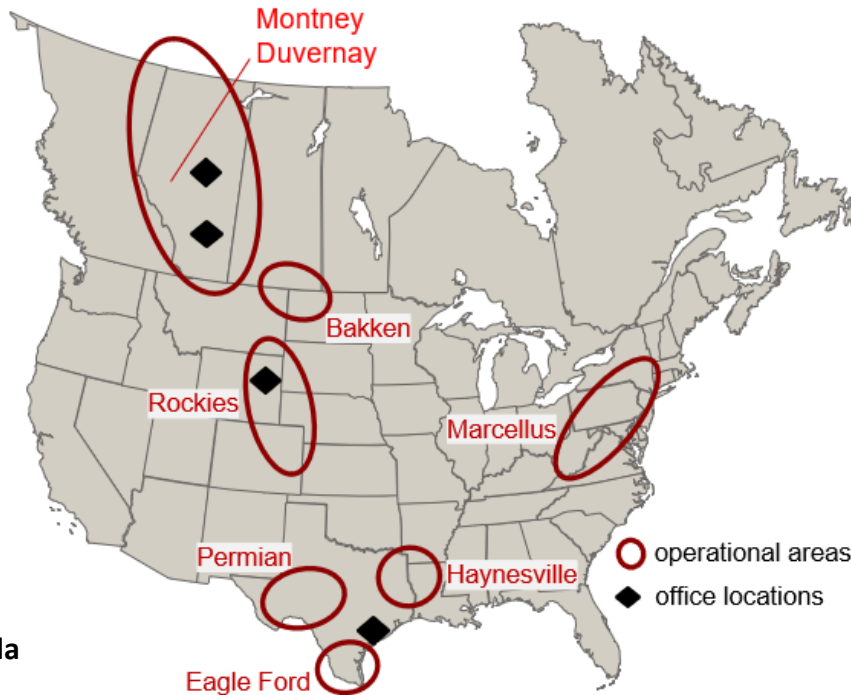
6.5%

2023E REVENUE MIX (%)



■ Canada

■ United States



**WELL-POSITIONED ACROSS
NORTH AMERICA**

Source: Analyst Consensus
Estimates, January 23, 2023

ONE OF THE LARGEST **NORTH AMERICAN PURE-PLAY DIRECTIONAL DRILLING COMPANIES**

- Significant Canadian and US footprint
- Fully-integrated supplier of a proprietary fleet of premium downhole directional technology
- Comprehensive suite of services: in-house manufacturing and servicing, engineering, well planning, drilling optimization, remote operations, and directional field services
- A unique North American consolidator in the Directional Drilling “vertical”





WHAT'S CHANGED WITH CET?

- 1 New, Experienced Management Team focused on **Size & Scale**
- 2 **Management and Board own 21%¹.**
Plus two strategic shareholders who are supportive of our plan
- 3 Established as one of the **largest independent directional drilling contractors** in North America through Seven Acquisitions and a Bought Deal Financing completed in the last 18 months
- 4 **Substantial increase** in Market Share, Adjusted EBITDAS, and Free Cash Flow profile
- 5 **Two Strategic Alliances** with large North American drilling contractors
- 6 Expanded mud motor technology offering, development of higher-data-rate MWD platform, and significant North American RSS footprint



CATHEDRAL'S CORE | TECHNOLOGY

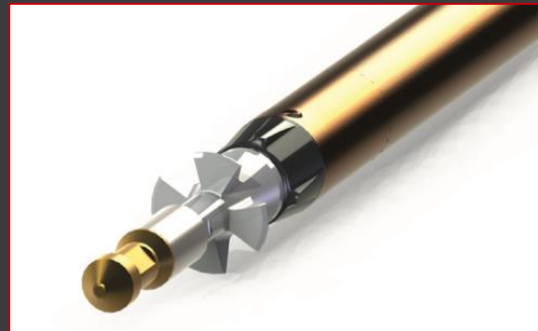
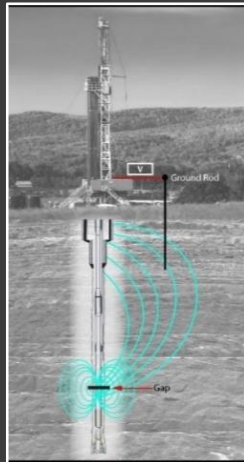
High-Performance Mud Motors

- Flexibility with multiple mud motor product lines
- Focus on durability and reliability
- Consistently improved rates of penetration and customer performance



Measurement While Drilling (MWD)

- Best-in-Breed reliability & performance
- Build-cost advantage vs “Off the Shelf”
- Higher agility and customer response



Rotary Steerable (RSS)

RSS applications continue to grow

Established as a significant player in North American market

US: 16 Orbit Systems

CDA: 4 D-Tech Systems



CATHEDRAL'S **OPPORTUNITIES**

TWO KEY FOCUS AREAS

ENERGY TECHNOLOGY RENTAL

- Expand current technology product offering
- Enables evolving “a la carte” direct-to- customer market
- Further room for expansion through consolidation
- Broader market expansion opportunities

FULL-SERVICE DIRECTIONAL

- 6.5% US Market Share with room to expand through consolidation to > 10%
- Organic growth through RSS technology in Canada
- Incremental Adjusted EBITDAS growth through rental replacement



CONSOLIDATION STRATEGY

Cathedral is ideally positioned to be a **key consolidator** of directional drilling services



Incremental market share gains in complementary markets



Add experienced management teams aligned with equity



Scarcity of Buyers



Targeting accretive transactions on a per share basis



Targeting a balance of 50-50 Debt to Equity mix in acquisitions



TRACK RECORD OF **CONSOLIDATION**

SUCCESSFULLY COMPLETED SEVEN ACQUISITIONS SINCE MID-2021



Precision Drilling's directional drilling business expands market share and creates strategic marketing alliance



Altitude Energy Partners transformative US acquisition for \$US 100MM; Market share in US estimated at 6% (9% in Permian Basin, Texas).



Ensign Energy Services' directional drilling business expands market share and creates marketing and technology alliance



LEXA Technologies strategic technology acquisition improves MWD and positions company to build RSS fleet



Discovery Downhole grows US motor technology rental business



Valiant Energy Services expands Canadian market share



Compass Directional complementary customer base in gas-focused Montney; LNG a major driver, expands market share by 5.5% in Canada



ALTITUDE ENERGY PARTNERS ACQUISITION



- US \$100mm acquisition. Immediate transition to one of the largest directional players in North America with incremental US **market share of 6-8%**
- **Immediate presence** in the Haynesville, Bakken, DJ, Powder River with a significant footprint in **the Permian**
- Experienced management taking significant equity in the deal
- Accretive on CF/sh, FCF/sh and less than 3-year payout
- Significant opportunity to expand incremental Adjusted EBITDAS via replacement of third-party rentals with CET technology
- Immediate entry into US Rotary Steerable market



TWO **TECHNOLOGY** ALLIANCES WITH LEADING LAND DRILLERS



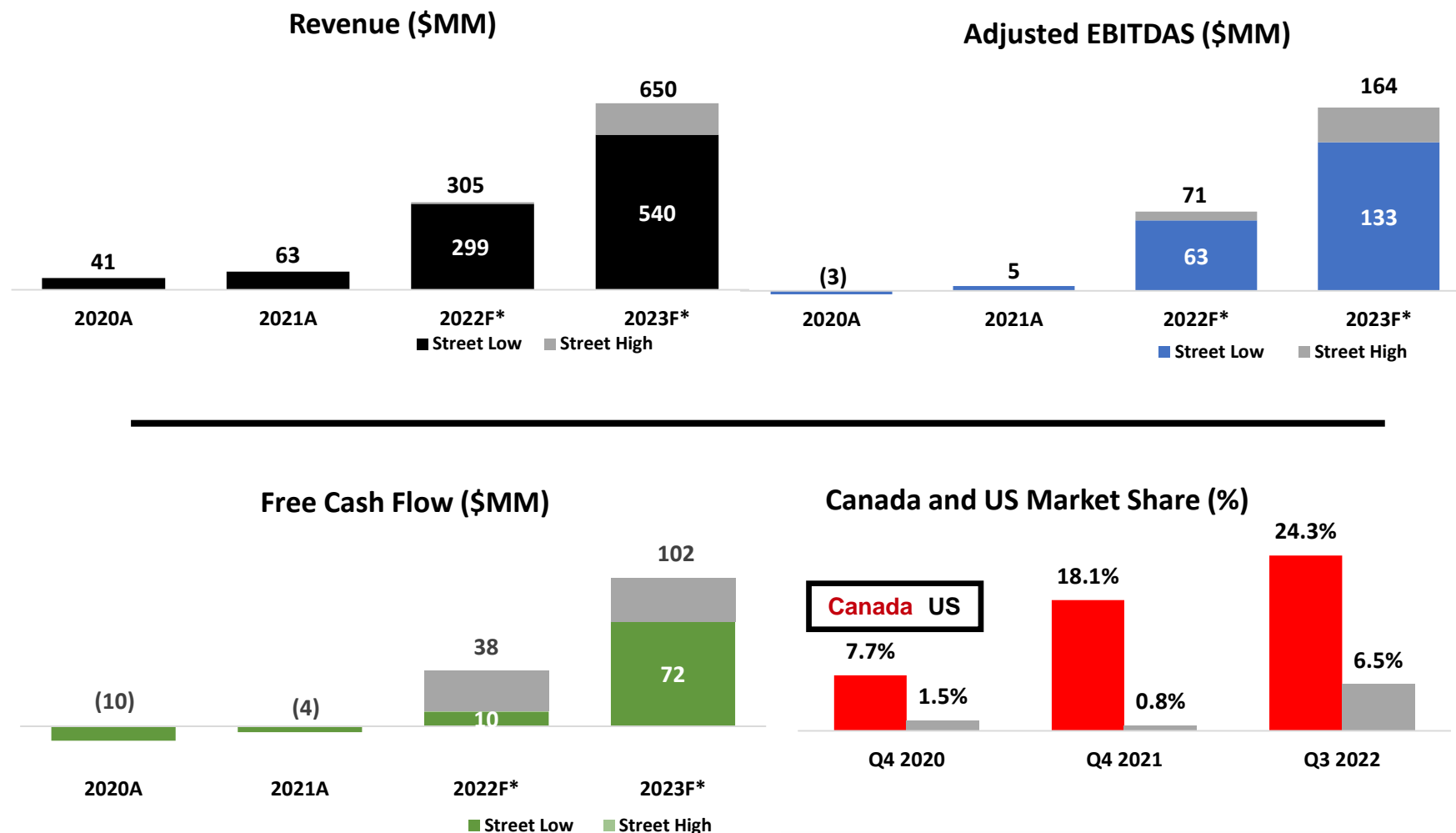
- Cathedral has signed Strategic Marketing and Technology Alliances with two of the world's largest land drillers
- Enhance customer value by improving performance and consistency through automation or auto-assisted drilling services
- Collaborate on a vision for the future delivery of directional services that integrates with the evolution of drilling automation



CONSOLIDATION TORQUE

Cathedral's consolidation strategy has achieved **strong results with growing Revenue, Adjusted EBITDAS, Free Cash Flow and Market Share** over the past year

HIGH GROWTH RATE POTENTIAL IN ALL KEY METRICS

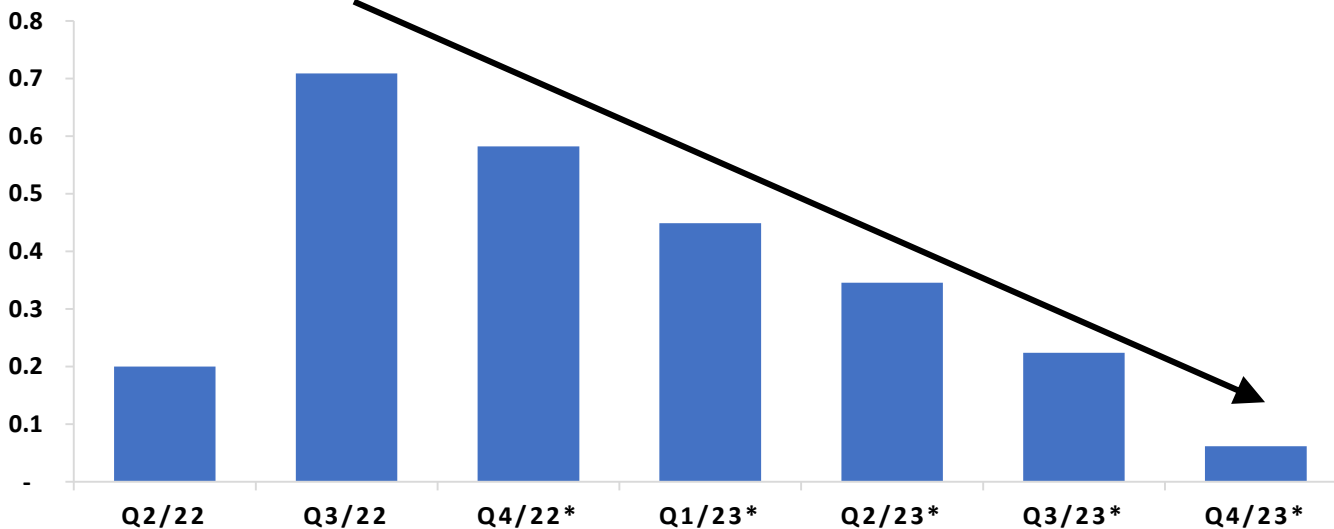


*Source: Analyst Estimate Range as at January 23, 2023



BALANCE SHEET - **CONSERVATIVE APPROACH** THROUGH THE CYCLE

NET DEBT TO 2023 ADJUSTED EBITDAS RATIO



*Source: Analyst Consensus Estimates as at January 23, 2023

- Size and scale has substantially improved Free Cash Flow profile
- On track for significant debt reduction in the next 12 months
- Any potential Acquisitions will require $\leq 1.0x$ Net Debt/Adjusted EBITDAS on a Pro Forma basis
- Capital return strategies and further M&A possible as debt reduces



SUMMARY: A **LEADING NORTH AMERICAN** DIRECTIONAL DRILLER



Lower capital intensity business model translates to higher free cash flow



Positive net earnings faster than other industry verticals with market share, EBITDA and corresponding depreciation profile

- 1 New management team focused on value-added growth
- 2 **Uniquely positioned as key industry consolidator with Seven acquisitions in past 18 months**
- 3 Conservatively-managed balance sheet. Pro Forma Net Debt-to-Adjusted EBITDAS targeting <1:1 by year-end 2022
- 4 Significant room to expand US market share further and grow Technology rental business
- 5 Broad distribution channels that allow for further technology differentiation and margin expansion through rental replacement
- 6 Strong and growing cash flow and Adjusted EBITDAS profile



FORWARD LOOKING STATEMENTS & DISCLAIMERS

Forward-Looking Information

This presentation contains statements and information that may constitute "forward-looking information" within the meaning of applicable securities legislation, including statements identified by the use of words such as "will", "expects", "positions", "believe", "potential" and similar words, including negatives thereof, or other similar expressions concerning matters that are not historical facts. Forward-looking information in this presentation includes, but is not limited to, statements regarding: anticipated successful integration of the assets and personnel acquired in Cathedral's recent acquisitions; anticipated combined Canadian and U.S. market shares; anticipated levels of indebtedness; cash flow; free cash flow, Adjusted EBITDAS; pay back; operational and G&A synergies; and Cathedral's business plans and strategies for growth.

Such forward-looking information is based on various assumptions that may prove to be incorrect, including, but not limited to, assumptions with respect to: the benefits from the recently completed acquisitions and the ability of Cathedral to integrate such businesses; conditions in the oil and gas markets and debt and equity markets generally; anticipated demand for drilling for natural gas and liquids in the Montney area; the anticipated increase in adoption of RSS technology; the ability of the Company to successfully implement its strategic plans and initiatives, including its consolidation strategy and whether such strategic plans and initiatives will yield the expected benefits. Although the Company believes that such assumptions are reasonable, the Company can give no assurance that such forward-looking statements will prove to be correct or that any of the events anticipated by such forward-looking statements will occur, or if any of them do so, what benefits the Company will derive there from.

Actual results could differ materially due to a number of factors and risks including, but not limited to: the risk that Cathedral will not be able to integrate the businesses of its recent acquisitions as anticipated or at all; the risk that the recent acquisitions will not yield operational or financial benefits as anticipated or at all; the risk that demand for Cathedral's services will not be as anticipated; conditions in the oil and gas and financial markets in Canada and the United States; the ability of management to execute and fund its business strategy; and the impact of general economic conditions in Canada and the United States. Additional information regarding risks and uncertainties of the Company's business are contained under the heading "Risk Factors" in the Company's annual information form for the financial year ended December 31, 2021 and the Company's other public filings which are available under the Company's profile on SEDAR at www.sedar.com. The forward-looking information included in this presentation is made as of December 1, 2022 and the Company does not undertake an obligation to publicly update such forward-looking information to reflect new information, future events or otherwise, except as required by applicable law.

Financial Outlook Information

This presentation also contains financial outlook information ("FOFI") about prospective revenues, Adjusted EBITDAs, free cash flow and projected net debt, which are subject to the same assumptions, risk factors, limitations, and qualifications as set forth in the above paragraphs. FOFI contained in this presentation was made as of the date of this presentation to provide information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for any other purpose. Cathedral disclaims any intention or obligation to update or revise any FOFI contained in this presentation, whether as a result of new information, future events or otherwise, except as required by applicable law.

Specified Financial Measures

This presentation includes various financial measures, including non-GAAP financial measures and non-GAAP ratios that are not defined under International Financial Reporting Standards (IFRS). Management believes that these measures provide supplemental financial information that is useful in the evaluation of Cathedral's operations and are commonly used by other oilfield service companies. Investors should be cautioned, however, that these measures should not be construed as alternatives to measures determined in accordance with IFRS as an indicator of Cathedral's performance. Cathedral's method of calculating these measures may differ from that of other organizations, and accordingly, may not be comparable.

"Adjusted EBITDAS" – is a non-GAAP financial measure defined as earnings before finance costs, unrealized foreign exchange on intercompany balances, taxes, depreciation, non-recurring costs (including severance and non-cash provision for bad debts), write-down of equipment, write-down of inventory and share-based compensation; is considered an indicator of the Company's ability to generate funds flow from operations prior to consideration of how activities are financed, how the results are taxed and non-cash expenses.

"Free cash flow" is a non-GAAP financial measure calculated as net cash provided by operating activities less purchases of property and equipment and intangible assets. Free cash flow is considered an indicator of the Company's ability to generate cash flow from operations.

"Net debt" is a non-GAAP financial measure calculated as short and long-term debt less cash and cash equivalents. Net debt is considered an indicator to assess the Company's overall indebtedness and capital structure.

"Net debt to Adjusted EBITDAS" is a non-GAAP financial measure defined as Net debt (as described above) divided by Adjusted EBITDAS (as described above). Net debt to Adjusted EBITDAS is considered an indicator to assess the Company's overall indebtedness and capital structure.

Outside Research Definitions

"EBITDA" (Adj EBITDAS) as defined by ATB Capital Markets is earnings before interest, D&A, share-based compensation, gains and losses (FX and disposals), taxes, and non-recurring cash costs related to restructuring, transactions, and other non-operational items.

"EBITDA" as defined by Acumen Capital is earnings before interest, depreciation & amortization, share-based compensation, taxes, unrealized foreign exchange and one-time expense.

"EBITDA" as defined by Cormark Securities is earnings before interest, depreciation & amortization, share-based compensation, taxes, unrealized foreign exchange and one-time expense.

"EBITDA" as defined by Peters & Co. is revenue less cost of sales & operating expense less S,G&A (including technology group) less lost-in-hole expense.

"EBITDA" as defined by Stifel FirstEnergy is earnings before interest, taxes, depreciation, amortization, non-cash SBC and net of normalizing items.

"Free Cash Flow" as defined by ATB Capital Markets is cash flow from operations less interest and lease payments less dividends, share repurchases, and changes in working capital

"Free Cash Flow" as defined by Acumen Capital is cash flow from operations less purchase of PPE plus payment of lease liabilities and interest paid

"Free Cash Flow" as defined by Cormark Securities is cash flow from operations less purchase of PPE

"Free Cash Flow" as defined by Peters & Co. is cash flow from operations less estimated maintenance capital spending less lease payments

"Free Cash Flow" as defined by Stifel FirstEnergy is cash from operations less lease payments and capex, adjusted by Cathedral for working capital changes.

"Net Debt" as defined by ATB Capital Markets is total debt including leases less cash and equivalents less net taxes payable

"Net Debt" as defined by Acumen Capital is long term debt (including lease liabilities) less cash

"Net Debt" as defined by Cormark Securities is long term debt (including lease liabilities) less cash

"Net Debt" as defined by Peters & Co. is secured debt (including credit facility and term loan) plus lease liabilities less cash

"Net Debt" as defined by Stifel FirstEnergy is total debt plus lease liabilities less cash



Forward-Looking Information

Outside Research Definitions (continued)

"Net Debt to EBITDA" as defined by ATB Capital Markets is Net debt divided by current-year, 12-month EBITDAS (adjusted by Cathedral to current year for comparability)

"Net Debt to EBITDA" as defined by Acumen Capital is Net debt divided by current year, 12-month EBITDA

"Net Debt to EBITDA" as defined by Cormark Securities is Net debt divided by current year, 12-month EBITDA

"Net Debt to EBITDA" as defined by Peters & Co. is Net debt (as described by Peters & Co. above) divided by current-year 12-month EBITDA

"Net Debt to EBITDA" as defined by Stifel FirstEnergy is net debt divided by current year, 12-month EBITDA

Notes

1 – The 21.0% ownership figure excludes 6.0% held by Precision Drilling Corporation, which has a nominee on Cathedral's board of directors.

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