



Good morning and thank you for joining our call today.

I'm pleased to have the opportunity to discuss with you a very exciting development for NCS.

Yesterday, we signed an agreement to acquire Spectrum Tracer Services, a leading provider of chemical and radioactive tracer diagnostics services to clients in the U.S. and Canada, and I'd like to take this opportunity to welcome Spectrum's 90+ employees to the NCS family.

For today's discussion, I will be referencing the slide deck that we posted to our website, [ncsmultistage.com](http://ncsmultistage.com), yesterday afternoon, together with the press release and 8-K announcing the transaction.

## Disclaimer



### Forward-Looking Statements

The information in this presentation includes "forward-looking statements" that are subject to risks and uncertainties. All statements, other than statements of historical fact included in this presentation regarding the merger of Spectrum Tracer Services, LLC ("Spectrum"), including the purchase price, earn-out, financial impact, expected revenue and margins, potential synergies and any other benefits and effects thereof, as well as statements regarding NCS Multistage Holdings, Inc.'s (the "Company," "NCS," "NCSM," "we" or "us") amendment to its credit agreement and strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. When used in this presentation, the words "could," "believe," "anticipate," "intend," "estimate," "expect," "project" and similar expressions are intended to identify forward-looking statements, although not all forward-looking statements contain such identifying words. These forward-looking statements are based on the current expectations and assumptions of management of the Company about future events and are based on currently available information as to the outcome and timing of future events. We caution you that these forward-looking statements are subject to all of the risks and uncertainties, most of which are difficult to predict and many of which are beyond our control, incident to the exploration for and development, production, gathering and sale of oil and natural gas. These risks include, but are not limited to, assumptions regarding purchase price and other adjustments, risks with integration, actions by Spectrum in the merger, an inability to realize expected benefits from the merger or the occurrence of difficulties in connection with the merger, the risk that the merger results in incurring unexpected costs, liabilities or delays, an inability to consummate the amendment to the credit agreement, declines in the level of oil and natural gas exploration and production activity within Canada and the United States, oil and natural gas price fluctuations, loss of significant customers, inability to successfully implement our strategy of increasing sales of products and services into the United States, significant competition for our products and services, our inability to successfully develop and implement new technologies, products and services, our inability to protect and maintain critical intellectual property assets, currency exchange rate fluctuations, impact of severe weather conditions, restrictions on the availability of our customer to obtain water essential to the drilling and hydraulic fracturing processes, our failure to identify and consummate potential acquisitions, our inability to accurately predict customer demand, losses and liabilities from uninsured or underinsured drilling and operating activities, changes in legislation or regulation governing the oil and natural gas industry, including restrictions on emissions of GHGs, failure to comply with federal, state and local and non-U.S. laws and other regulations, loss of our information and computer systems, system interruptions or failures, including cyber-security breaches, identity theft or other disruptions that could compromise our information, our failure to establish and maintain effective internal control over financial reporting, our success in attracting and retaining qualified employees and key personnel and our inability to satisfy technical requirements and other specifications under contracts and contract tenders. For the reasons described above, as well as factors identified in the Company's final prospectus, dated April 27, 2017, under the section entitled "Risk Factors" and other filings with the securities and Exchange Commission, we caution you against relying on any forward-looking statements. Should one or more of these risks or uncertainties occur, or should underlying assumptions prove incorrect, our actual results and plans could differ materially from those expressed in any forward-looking statements. You are cautioned not to place undue reliance on any forward-looking statements, which speak only as of the date of this presentation. Except as otherwise required by applicable law, we disclaim any duty to update and do not intend to update any forward-looking statements, all of which are expressly qualified by the statements in this section, to reflect events or circumstances after the date of this presentation.

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Turning first to page two. Before I begin discussing this exciting transaction for NCS, I need to make sure everybody is aware that some of the statements I will make today may be forward-looking in nature. Such forward-looking statements may include statements regarding the future financial or operational results resulting from our pending acquisition of Spectrum.

These statements are subject to various risks and uncertainties, many of which are beyond our control, and we caution you not to rely on these statements as our results, and those of Spectrum, could differ materially from those expressed in any forward-looking statement.

I'd like to refer you to the information on this slide as well as public filings made from time to time with the SEC, which outline those the various risks and uncertainties.

## Spectrum Tracer Services Overview



- Spectrum Tracer Services (“Spectrum”) is a leading provider of chemical and radioactive tracer diagnostic services
- Cost-effective and reliable diagnostics tool utilized by E&P companies to optimize completion designs and field development plans
- Growing portfolio of chemical tracers, including
  - FFIs™ (frac fluid identifiers, or water tracers)
  - OSTs™ (oil soluble tracers, with patented particulate formulation)
  - NTs™ (nano tracers, for natural gas reservoirs)
- Radioactive tracer logging services (RA) including real-time and memory tools
- Diverse customer base across the U.S. (~85% of revenue) and Canada
- Headquarters, logistics and laboratory in Tulsa, Oklahoma
- Founded in 2010, with over 5,000 wells traced to date

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Starting now on page three, I’ll introduce Spectrum Tracer Services.

Spectrum, which was founded in 2010, has grown rapidly into what Spectrum believes is the industry’s second-largest provider of chemical and radioactive diagnostics services, having traced approximately 650 wells in 2016 and nearly 5,000 over its history.

Approximately 85% of Spectrum’s revenue comes from a large and diverse base of customers operating in unconventional plays across the U.S.

The Company is headquartered in Tulsa, Oklahoma, which is also where the Company’s tracer logistics operations and laboratory are located.

Spectrum’s largest service category is the provision of chemical tracer diagnostics services, which includes over 42 frac fluid identifiers, 34 oil soluble tracers and 17 natural gas tracers.

Logistically, the tracers are deployed downhole, with frac fluid or proppant. Over time, samples are collected by Spectrum or the client, which are sent to Tulsa for analysis. After the analysis is complete, a report is prepared for the customer, with a typical turnaround time of approximately one week from sample receipt to reporting.

Spectrum has been an industry innovator, introducing its patented particulate-based oil soluble tracers in 2013. By deploying the oil tracers as a particulate, as opposed to a fluid, the tracers get distributed throughout the propped fracture network, enabling enhanced diagnostic capabilities.

In addition to chemical tracer diagnostics, Spectrum also has a fleet of logging tools for use with radioactive tracers, which can be deployed on stick pipe, coiled tubing or wireline.

## How Customers Utilize Tracer Diagnostics



- Spectrum's customers utilize tracer diagnostic services to:
  - Provide long-term qualitative stage-by-stage production
  - Determine if stimulation from one well is communicating with offset wells
  - Evaluate the distribution of proppant along the wellbore – cluster efficiency and diverter effectiveness
  - Assess frac fluid performance to improve completion designs
  - Determine if all stages in the lateral are producing, indicating flowback is complete
  - Assess performance of waterfloods and other EOR strategies

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Page four outlines a handful of the ways in which customers utilize tracer diagnostic service to optimize their completions and field development planning. Tracers are a well-known and reliable tool that are utilized when evaluating new or prospective acreage, evaluating changes to completion designs and in building out field-level development plans and determining on an ongoing basis whether the entire wellbore is contributing to the total production from that well.

Tracer studies can range from something as simple as providing an indication that all stages are producing, to detailed multi-well studies in connection with well spacing pilots, where customers are running complex analyses to assess inter-well communication and make decisions about how to capitalize their fields.

This type of analysis is aided by Spectrum's proprietary FirstView 3-D visualization software, which is typically integrated with other diagnostic tools, providing a more comprehensive picture of well performance and well-to-well interaction.

Over time, Spectrum has seen higher percentages of its jobs utilizing multiple chemical tracer types – for example both water and oil tracers, and has experienced an increase in the number of individual stages traced per well, consistent with general industry trends toward increased completions intensity.

## Delivering on Our Growth Strategy



### *Complementary acquisition aligned with NCS's strengths and growth strategies*

- ✓ Services focused on optimizing customer completion and field development strategies
- ✓ Ability to drive market share growth through technology advancement
- ✓ High-value service and asset-light business model consistent with NCS
- ✓ Access to broader Spectrum U.S. customer base
- ✓ Potential to accelerate adoption of pinpoint stimulation

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Moving on to page five, we're very excited to be partnering with Steve Faurot and the rest of the Spectrum team, as we believe this is a unique opportunity that checks all the right boxes for us from an inorganic growth standpoint

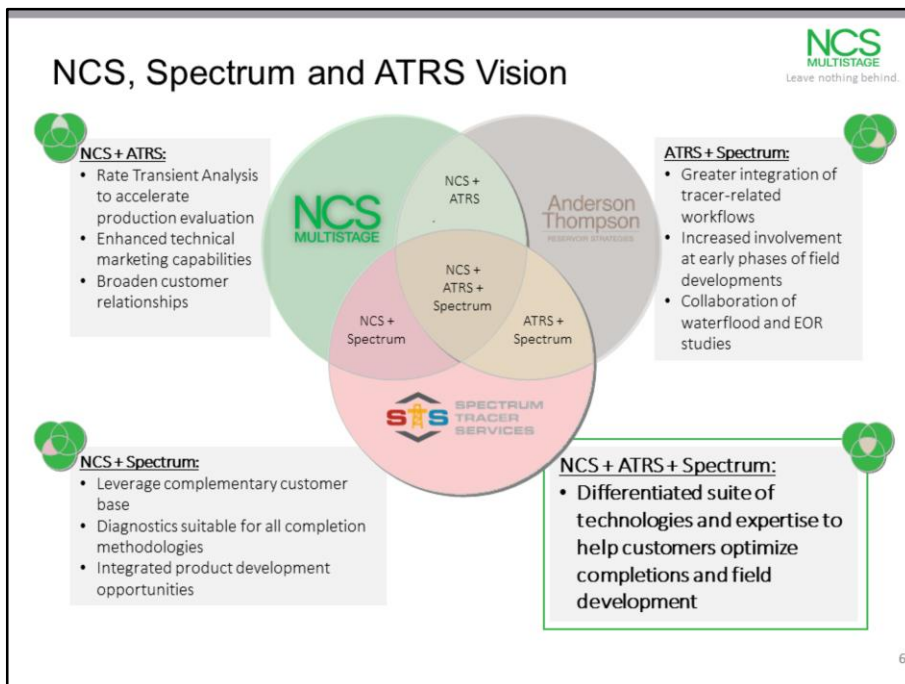
First and foremost, Spectrum's services are a practical tool utilized by E&P companies to improve well performance – from evaluating landing zones, to completion designs to field development strategies, which is entirely consistent with both NCS and our Anderson Thompson Reservoir Strategies team.

Second – as demonstrated with the OST product and other solutions under development, Spectrum is an innovator within its industry, and has been able to leverage its innovation to grow its market share over time

Third – this very unique business that has a financial profile similar to NCS's. Spectrum provides a service that customers value highly. The business is capital-light in nature, without the need for significant investments in fixed assets.

Fourth – we are excited about the ability to leverage our respective customer bases. So far this year, Spectrum has worked for approximately 70 customers in the U.S., while NCS will have an opportunity to introduce Spectrum to our extensive customer base in Canada.

Finally, we believe there is an opportunity for the use of tracer diagnostics services to accelerate adoption of pinpoint stimulation and MultiCycle sleeves, based on both current tracer applications as well as future applications.



Page six is a helpful graphic outlining how we think about this combination, and how Spectrum fits together with both NCS and ATRS.

The key takeaways are that we will continue to build on our trusted advisor status with our customers, that we will be able to integrate tracer analytics into our ATRS workflows to make that group even more effective and that we will be even better positioned to deliver information and technologies to help our customers achieve their asset development objectives.

## Summary Transaction Terms



### Consideration

- \$80 mm purchase price (enterprise value basis)
  - ~\$73 mm cash
  - ~\$7 mm of roll-over equity (~0.4 mm NCS shares)
  - Acquired on a cash-free / debt-free basis, subject to certain adjustments
- Earn-out of up to \$12.5 mm – measured based on 15-month cumulative financial performance from Q4 2017 – 2018

### Financial Impact

- Expected Spectrum 2017E revenue of nearly \$30 mm
- Historical Spectrum margin profile consistent with NCS
- Expected to be accretive to earnings per share in the first year
- Post-transaction liquidity of over \$60 mm, inclusive of cash and amended revolving credit facility capacity

### Other

- Branded as *"Spectrum Tracer Services, An NCS Multistage Business"*
- Transaction expected to close on August 31, 2017

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Page seven outlines some of the financial terms and impact of the transaction.

We are acquiring 100% of spectrum for \$80 million, on an enterprise value basis. It is an all-cash transaction with the exception of approximately \$7 million that Spectrum's President and CFO will be rolling into NCS equity, resulting in the issuance of approximately 350,000 NCS shares. Spectrum is an LLC, and we have structured the transaction to be able to achieve certain attributes for U.S. tax purposes.

In addition, there is an earnout of up to \$12.5 million that is available to Spectrum's shareholders, which can be earned based on the cumulative 15-month financial performance from October 1<sup>st</sup> 2017 through December 31, 2018. The earnout begins to be earned at a level above the base case financial plan for the business, and is therefore partially self-funding in nature. – we'll all be very happy if we're in a position to make the payment.

To give a sense for Spectrum's size and financial profile, we currently expect that Spectrum will generate revenue of nearly \$30mm for the full 2017 calendar year, pending any impacts from the recent hurricane. From a margin standpoint, Spectrum's margins have been pretty consistent with NCS's over the past several years. We believe we are paying a multiple of approximately 8x 2017E Adjusted EBITDA.

Since we are primarily utilizing cash on the balance sheet, together with a draw on our U.S. revolver, we expect the transaction to be accretive to earnings per share.

To that point on the financing, we will be amending our revolving credit facility to reflect an increase in the size of our U.S. revolver from \$25 million to \$50 million, and expect post-transaction liquidity in excess of [\$60] million, including our cash and availability under both our U.S. and Canadian revolving credit facilities.



With the increase to our U.S. facility, our total revolving credit facility will be increased from \$50 million to \$75 million.

The Spectrum team has built up tremendous brand recognition over the years, and we'll retain that brand, marketing Spectrum as "an NCS Multistage Business", as we do with ATRS.

Finally, we expect the transaction to close at the end of the day this Thursday, on August 31<sup>st</sup>.

## Summary Transaction Rationale



SPECTRUM  
TRACER  
SERVICES

- Enhanced services offering supporting our customers' completions and field development strategies
- Service diversification, more balanced revenue profile
- Revenue synergy potential through leveraging complementary customer bases
- Tactical and accretive use of NCS's balance sheet while maintaining strong pro forma liquidity
- Technology and data focused
- Strategic and cultural fit

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To summarize on page eight:

We believe this is a powerful combination that enhances our ability to support the optimization of our customers' completion designs and field development strategies.

By adding Spectrum to the NCS portfolio, we will be diversifying our service offering and increasing the percent of revenue derived from customers in the U.S.

This is not a combination predicated on cost synergies. We believe that we will be able to effectively leverage a highly complementary customer set and potentially leverage learnings from tracer diagnostics to drive increased adoption of NCS's Multistage Unlimited technology.

This transaction represents a tactical and accretive use of our balance sheet, while maintaining strong pro forma liquidity.

Spectrum delivers insights to its customers, and has been able to successfully build market share through the introduction of innovative technologies within their segment, which we will continue to support going forward.

Finally, while I hope the strategic fit is evident, there is a strong cultural fit between the two companies, with a focus on our people, innovation and our customers. As I mentioned in the introduction, we look forward to welcoming Spectrum's employee base into the NCS family and driving continued success.

At this point, I'd welcome any questions.