

Q3 2020 Earnings Call

November 11, 2020



Cautionary Statement

In the interest of providing information regarding Horizon North, including management's assessment of Horizon North's future plans and operations, certain statements made and contained in these presentation materials (collectively, this "presentation") are "forward-looking statements", "forward looking information", or "financial outlook" within the meaning of applicable Canadian securities laws (collectively, "forward-looking statements"). Forward-looking statements are typically, but not always, identified by words such as "anticipate", "continue", "estimate", "expect", "forecast", "may", "will", "project", "could", "plan", "intend", "should", "believe", "outlook", "potential", "target", "seek", "budget", "predict", "might" and similar words suggesting future events or future performance. Statements regarding capital expenditures and future development plans, objectives and strategies are subject to all of the risks and uncertainties that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. All statements other than statements of historical fact may be forward-looking statements. The forward-looking statements contained in this presentation speak only as of the date of this presentation and are expressly qualified by this cautionary statement. The purpose of any financial outlook is to provide disclosure regarding Horizon North's and Dexterra's reasonable expectations and may not be appropriate for other purposes.

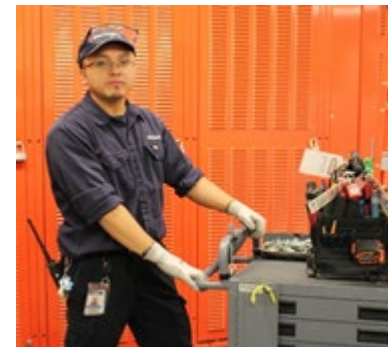
In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Any graphs, tables or other information in this presentation demonstrating the historical performance of Horizon North, Dexterra or of any other entity contained in this presentation are intended only to illustrate past performance and are not necessarily indicative of future performance of Horizon North, Dexterra or such entities. Specifically, this presentation contains forward-looking financial and operational information, including: information relating to the combination with Dexterra (including anticipated combined revenues, EBITDA, free cash flow, expected capital expenditures, proceeds from dispositions, net capital outlook, leverage ratios, EBITDA CAGR); information relating to potential growth and value creation opportunities of the combined entity; information relating to our business strategies following the proposed combination, plans and objectives; and anticipated growth strategies; sales opportunities in modular solutions; industry position; commodity pricing expectations; expectations regarding demand for the North American facilities management market; demand for beds, expected cash flow and related growth rates and stability; expectations regarding dividends paid on common shares and related growth; planned capital expenditures and plans for developing our assets and funding our capital expenditures in various geographic regions; and Horizon North's business strategy for future growth.

This information is based on current expectations and assumptions of Horizon North and Dexterra described herein in respect of certain projected financial information regarding the combined entity including the anticipated benefits of the business combination, current and anticipated market conditions, industry trends remaining unchanged, the financial and operational attributes of Horizon North and Dexterra as of the date hereof and the future performance of the combined entity and is subject to a number of risks and uncertainties that could materially affect future results. These risks include, but are not limited to, that anticipated synergies do not materialize as planned or at all, general economic risks and uncertainties, future commodity prices, exchange rates, interest rates, geological risk, political risk, regulatory approval risk, demand for commodities, including oil and gas, transportation restrictions, risks associated with changes in tax, royalty and regulatory regimes and risks associated with cross-border activities. Additional risks and uncertainties in respect of Horizon North are described in Horizon North's Annual Information Form dated March 11, 2020 for the year ended December 31, 2019, as well as Horizon North's Management's Discussion and Analysis ("MD&A") dated May 11, 2020 and Dexterra's MD&A dated May 26, 2020, all of which are filed on SEDAR at www.sedar.com. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in Horizon North's securities should not place undue reliance on these forward-looking statements. Forward-looking statements contained in this document are made as of the date hereof and are subject to change. Neither Horizon North nor Dexterra assume any obligation to revise or update forward looking statements to reflect new circumstances, except as required by applicable securities laws.

This presentation contains certain non-GAAP measures, including net debt, EBITDA, net debt to EBITDA and free cash flow, that are not determined in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These measures as presented do not have any standardized meaning prescribed by IFRS and therefore may not be comparable with calculations of similar measures by other companies. Management believes that, in conjunction with results presented in accordance with IFRS, these non-GAAP financial measures assist in providing a more complete understanding of certain aspects of Horizon North's results of operations and financial performance. Investors are cautioned, however, that these measures should not be construed as an alternative to measures determined in accordance with IFRS as an indication of our performance. Reference is made to Horizon North's publicly filed documents, including our most recently filed MD&A, for a discussion of these measures. Forecast amounts for the non-GAAP financial measures disclosed here are also prepared on a non-IFRS basis. We do not provide reconciliations of such forward-looking measures to the most directly comparable financial measures calculated and presented in accordance with IFRS due to unknown variables and the uncertainty related to future results. These unknown variables may include unpredictable transactions of significant value which may be inherently difficult to determine, without unreasonable efforts.

Bill McFarland

Board of Directors Chair



Opening Remarks

- Solid Q3 results with a strong foundation
- New organizational structure and discipline
- Strong execution on priorities
- New modular president and modular expansion plan
- Approved a Q4 dividend of 7.5 cents
- \$1 billion in revenue and \$100 million in EBITDA in the medium term

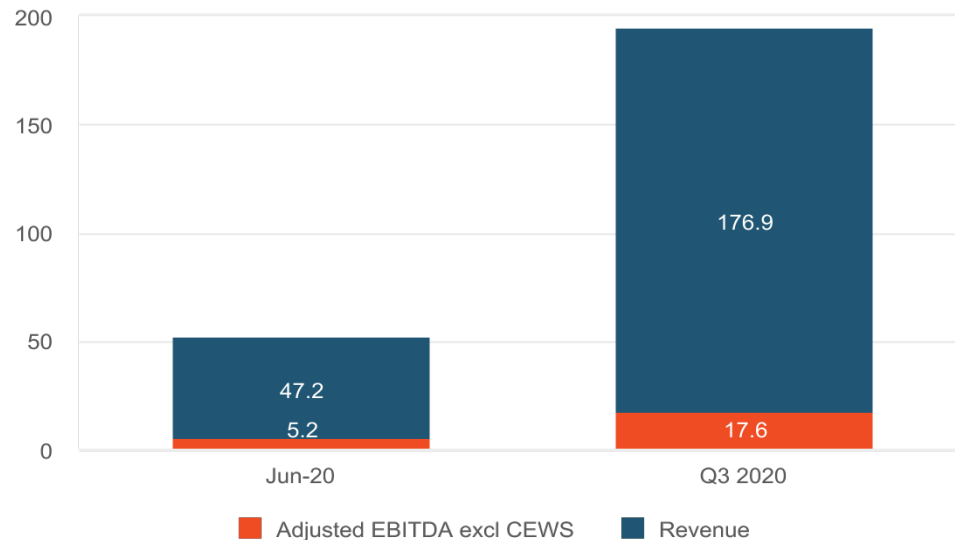
John MacCuish

Chief Executive Officer



A strong quarter in a challenging business environment

Q3 Results



- Strong performance for first full combined quarter
- Short-term growth remains challenging for FM and WAFES but immediate growth opportunities in Modular
- Committed to keeping to our clients and customers safe

Business Combination Update

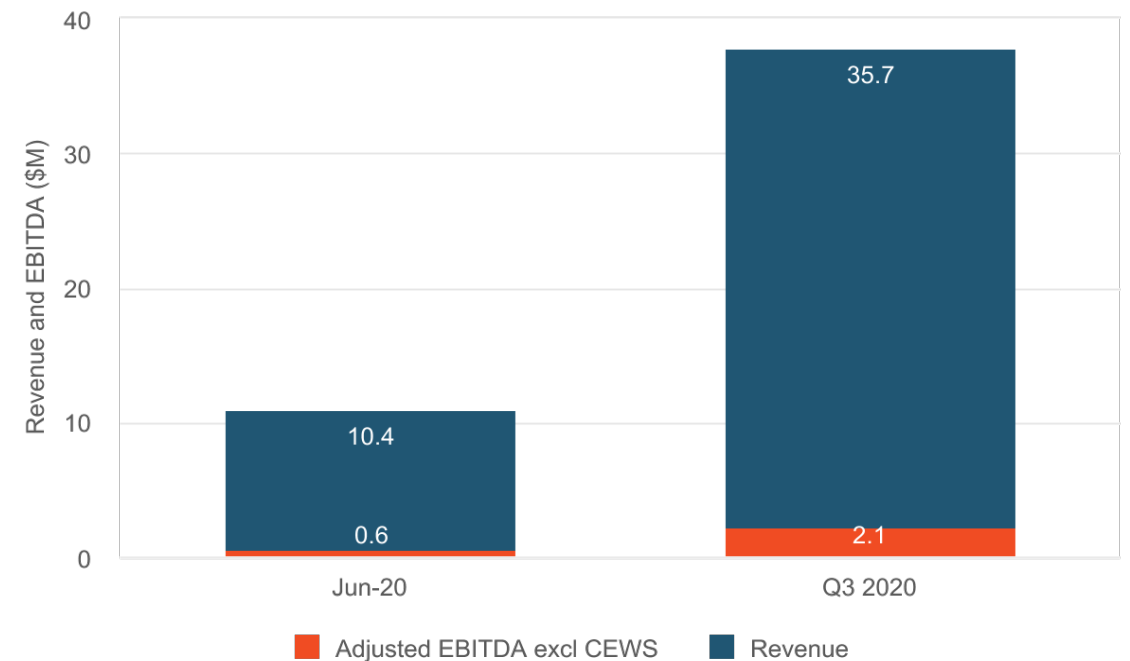
- Successful completion of 90-day integration plan
- Achieved cost synergies which will save \$22 million annually for 2021 and onward
- Fewer layers of management driving greater accountability and cost-effectiveness
- Proposed name change to Dexterra Group Inc., ticker symbol "DXT"

Stable Facilities Management business with national presence, diversified client base, and ready for growth post-COVID



- COVID impacted FM service levels in aviation and non-essential retail – approx. \$12 million revenue hit in Q3
- Improving margins from Q2 - Balancing cost reductions with resources for return to normal and future growth
- Engaged with clients on evolving plans for 2021 and opportunities where we can add more value
- Focusing pursuits on public and institutional sectors
- Nearly \$250 million in annual value of targeted opportunities coming to market in 2021

Q3 Business Unit Results



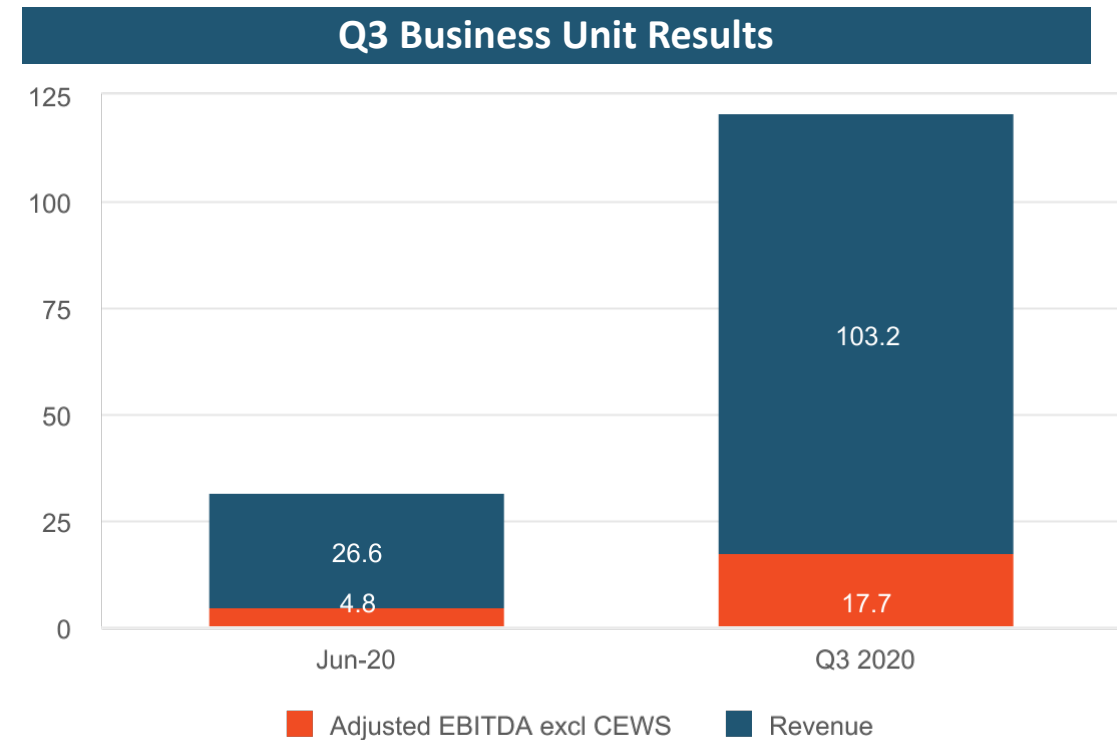
Workforce Accommodations, Forestry, Energy Services



A diversified Support Services business providing a reliable foundation of revenue and profitability



- Strong Q3 with bulk of forestry activity (\$11m in revenue) and higher-than expected occupancy in open lodges
- Lower camp occupancy expected in Q4 2020 and H1 2021 driven by timing of clients' projects impacted by COVID-19 and low winter drilling activity
- Focused pursuit of key resource regions and support for remote infrastructure – more \$260 million in annual value of opportunities coming to market over next 12 months
- Collaboration between business units to expand support services to industrial client base
- Energy services cyclical, tied to drilling activity and timing of projects



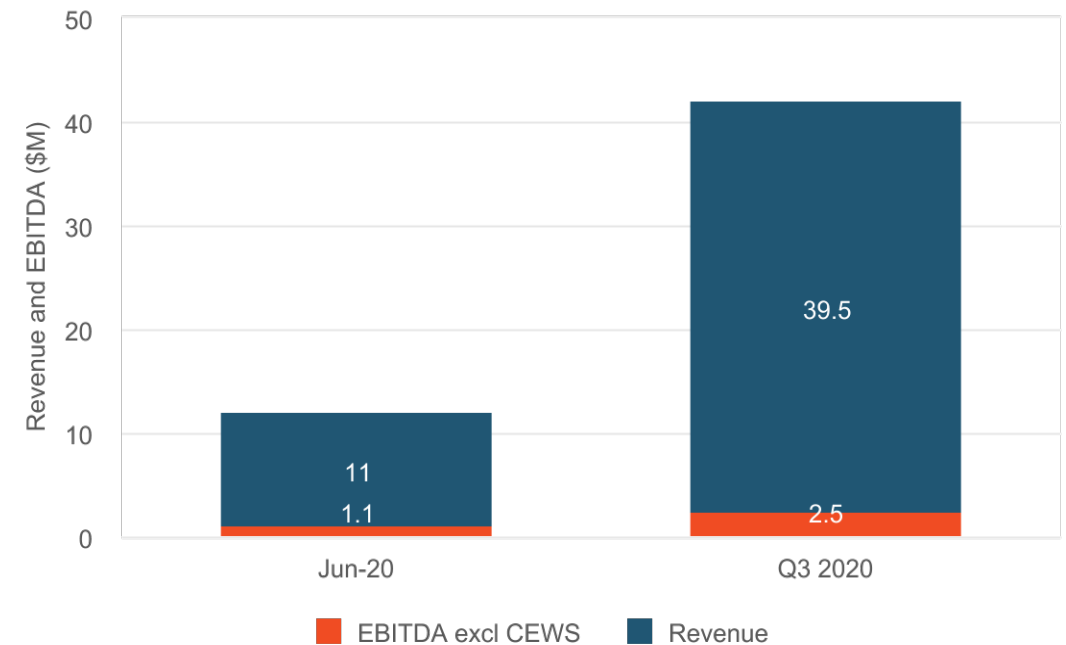
Modular Solutions

National Modular Solutions business well positioned for rapid growth with established presence in key end-markets.



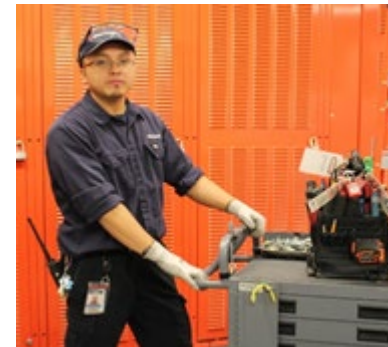
- Improving performance – streamlining operations and opportunities to maximize plant utilization
- Positive momentum for modular-built social housing programs – CMHC’s \$1 billion for Rapid Housing Initiative
- Investing in additional plant capacity in Ontario – capacity for more than \$100 million in incremental annual sales
- Current backlog of approx. \$76 million and pipeline of approx. \$160 million in high potential projects over the next 12 – 18 months

Q3 Business Unit Results

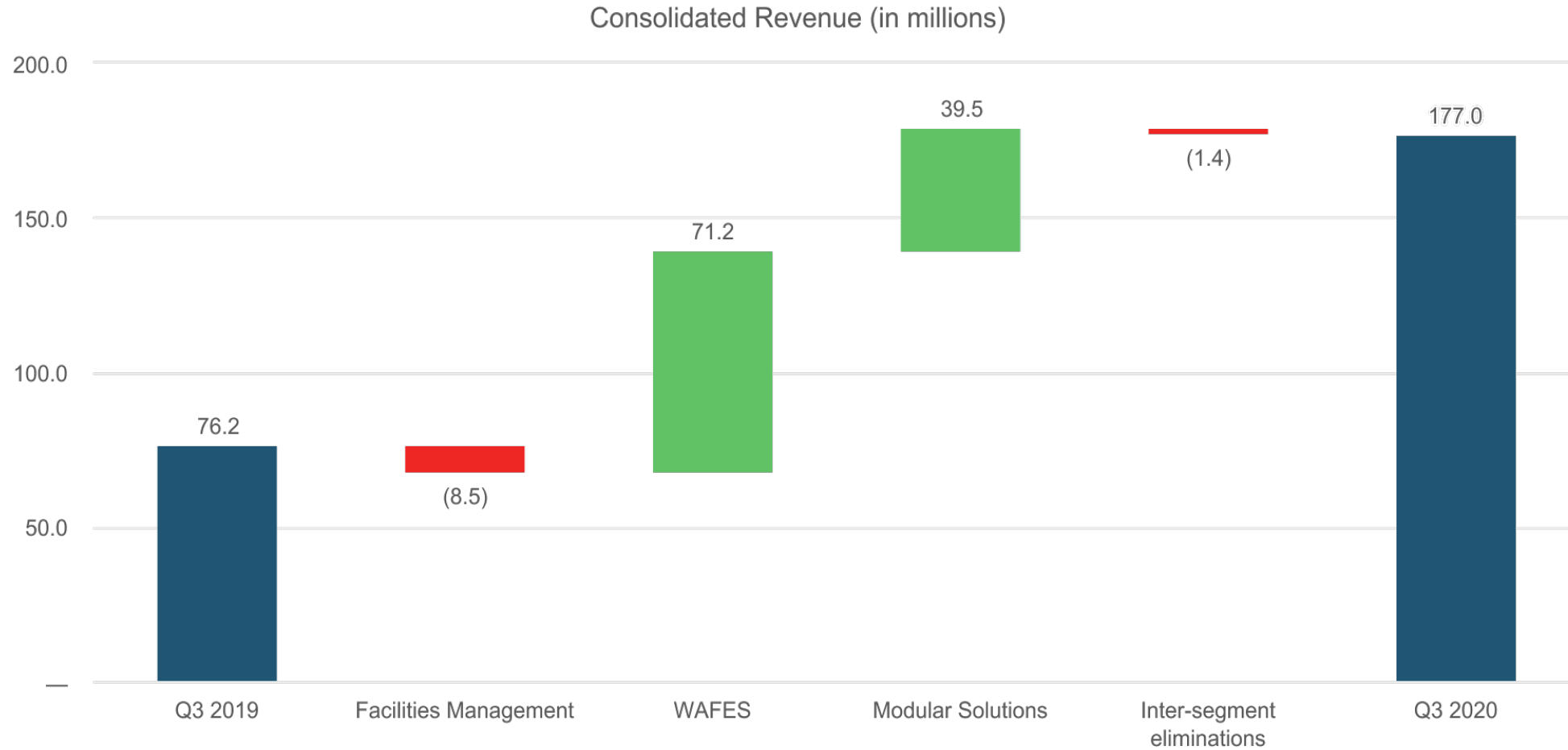


Drew Knight

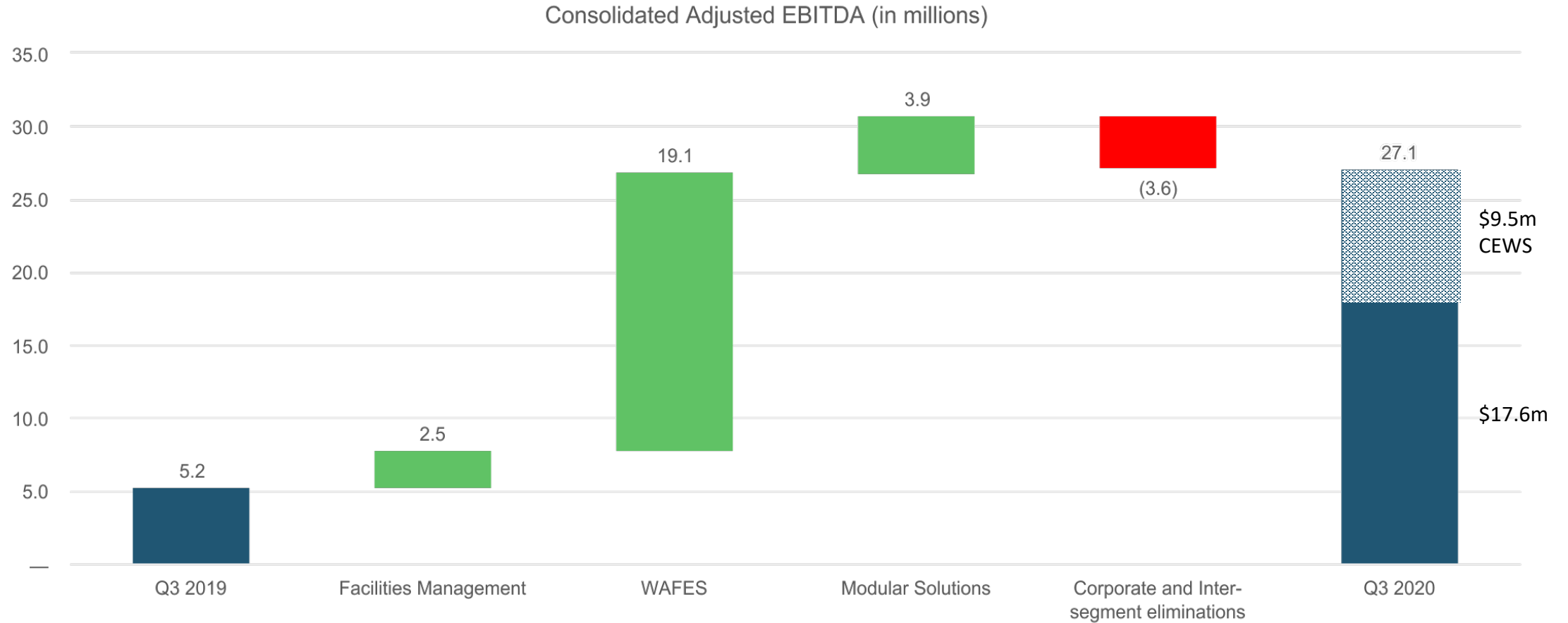
Chief Financial Officer



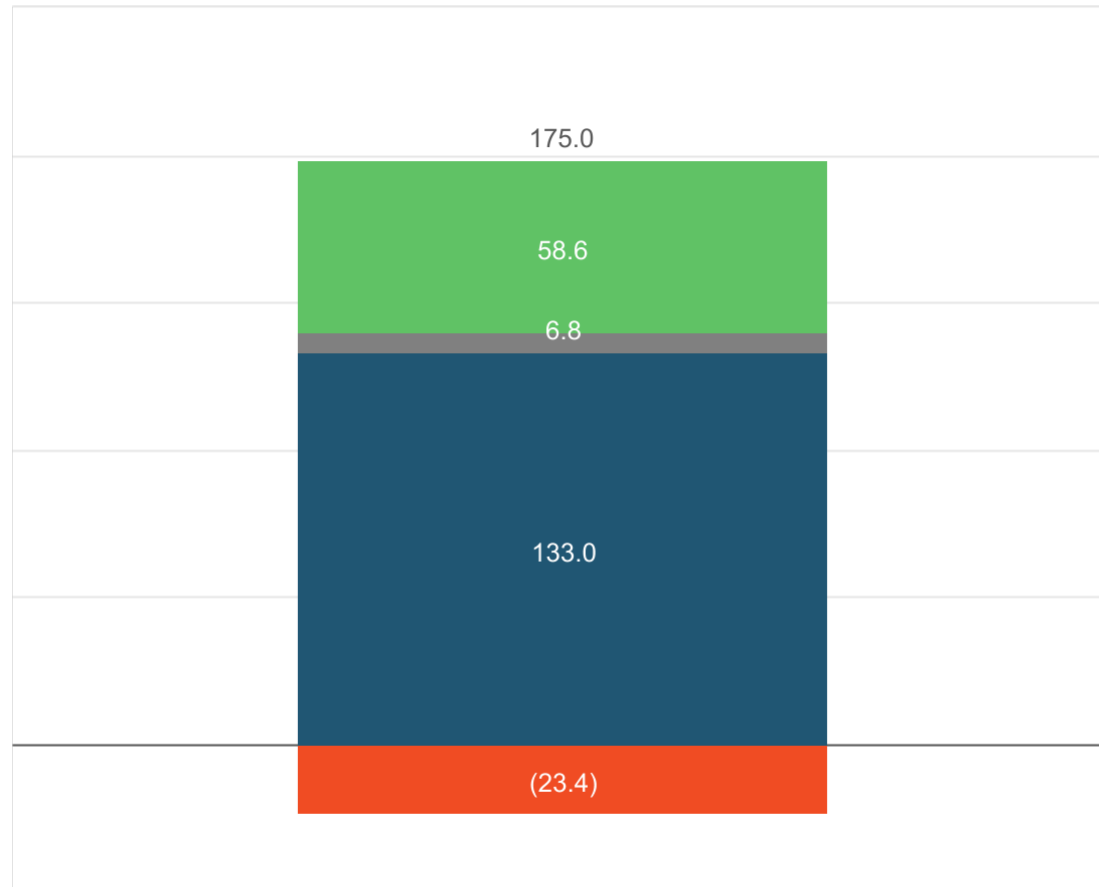
Consolidated Revenue Reconciliation



Consolidated Adjusted EBITDA Reconciliation



Financial Leverage & Liquidity



September 30, 2020

■ Drawings ■ Cash ■ Letters of credit ■ Available Liquidity

- Financial position and liquidity are strong with significant capacity to support growth activities
- Free cash flow generated in the quarter of \$16.8 million, year-to-date free cashflow of \$34.6 million
- Net debt reduced to \$109 million, targeting under \$100 million at year end
- Debt to LTM EBITDA is 1.5x and reducing
- Q4 dividend is sustainable and expected to grow over time
- Plan to save on cash taxes will be in place by Q2 2021 (over \$73 million in loss carryforwards)
- Sustaining CAPEX below \$5 million a year over the medium-term, excluding high-return growth projects

Path Forward Q4 and Beyond in Summary

- Modular in strong position to capitalize on the surge of affordable housing projects nationwide, investing in resources and increased plant capacity to deliver on significant opportunity
- Lower camp occupancy anticipated as COVID19 has shifted timing on client projects, impact reduced by H2 2021
- Facilities Management's strong growth prospects have been delayed but not diminished
- \$22M in synergies primarily from staffing reductions, professional fees, insurance & bonds
- CEWS funding is decreasing, \$1 million anticipated for October
- Plan for \$1 billion in revenue and \$100 million in EBITDA remains achievable in the medium term

Questions 