



# Investor Presentation

December 2021

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*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](http://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.*

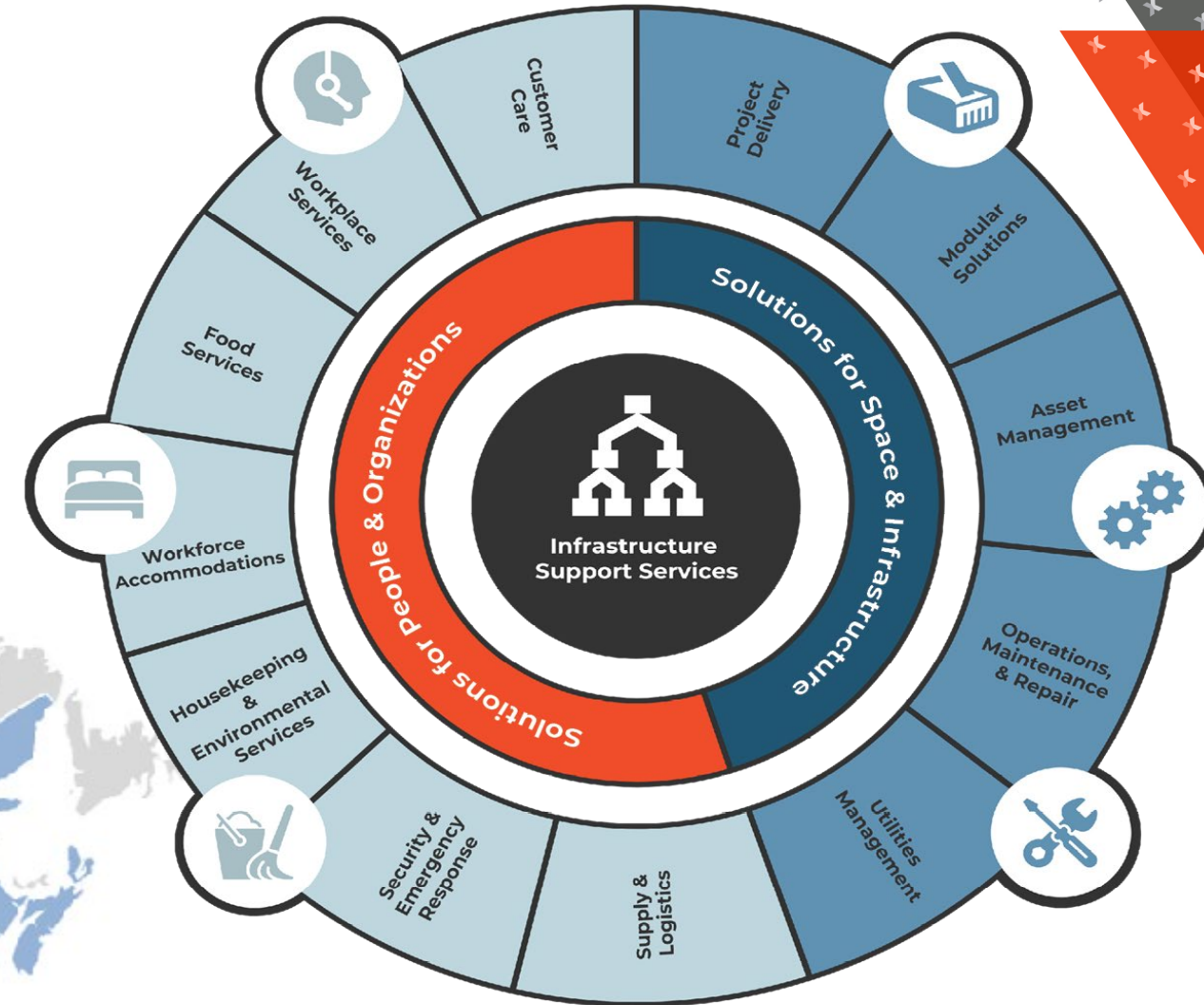
*This presentation contains certain non-GAAP measures, including net debt, EBITDA, net debt to EBITDA and free cash flow, that are not determined in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board. These measures as presented 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.*

# Creating a Support Services Champion

**Diversified platform with broad geographic and industry end-market exposure with a medium-term objective to grow to over \$1 billion of revenue and \$100 million of EBITDA**

## Strategic Principles

- Drive **sustainable, profitable growth** over the **long-term**
- Focus on **capital-light support services** where quality of people and methods is critical to success
- **Disciplined** approach to capital allocation and fiscal management
- Adopt a decentralized approach to overhead with **small head office** and **nimble, accountable** business units and operations teams
- Be **client-centric** in the development and delivery of products and services
- Sustain competitive advantage through: the attraction, retention, and development of **high-quality people**; embracing **innovation** including the smart application of **technology**; and **intelligent partnerships** with strategically relevant stakeholders
- Embrace the principles of **continuous improvement** and commitment to being a **high-performance organization**
- Provide strong returns to shareholders and a growing dividend

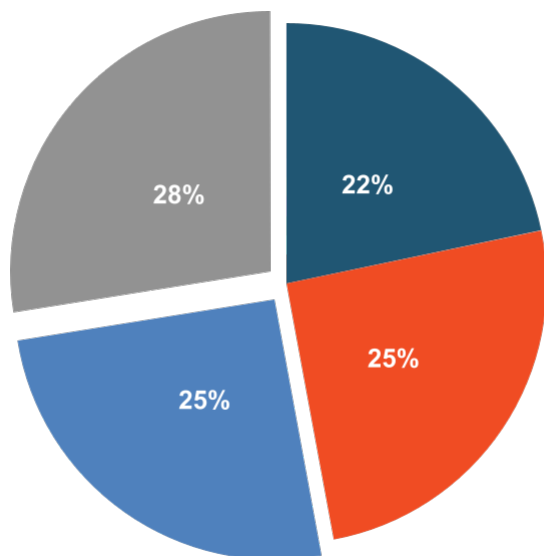


# Principal Business Segments

- Integrated Facilities Management ("FM")
- Modular Solutions
- Workforce Accommodations, Forestry & Energy Services ("WAFES")

## Current Mix

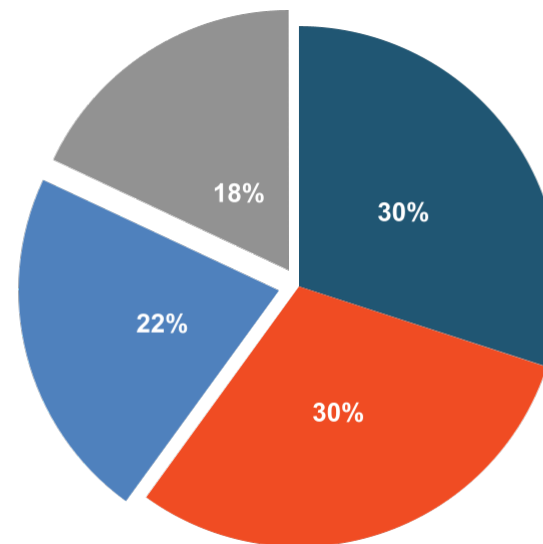
2021 YTD Revenue Mix



■ IFM ■ Modular ■ WAFES Support Services ■ WAFES Asset Services

## Near Future

\$1B Revenue Mix



■ IFM ■ Modular ■ WAFES Support Services ■ WAFES Asset Services

# Integrated Facilities Management (“IFM”)

*Attractive, stable business with a national presence and diversified client base*

## Impact of COVID-19

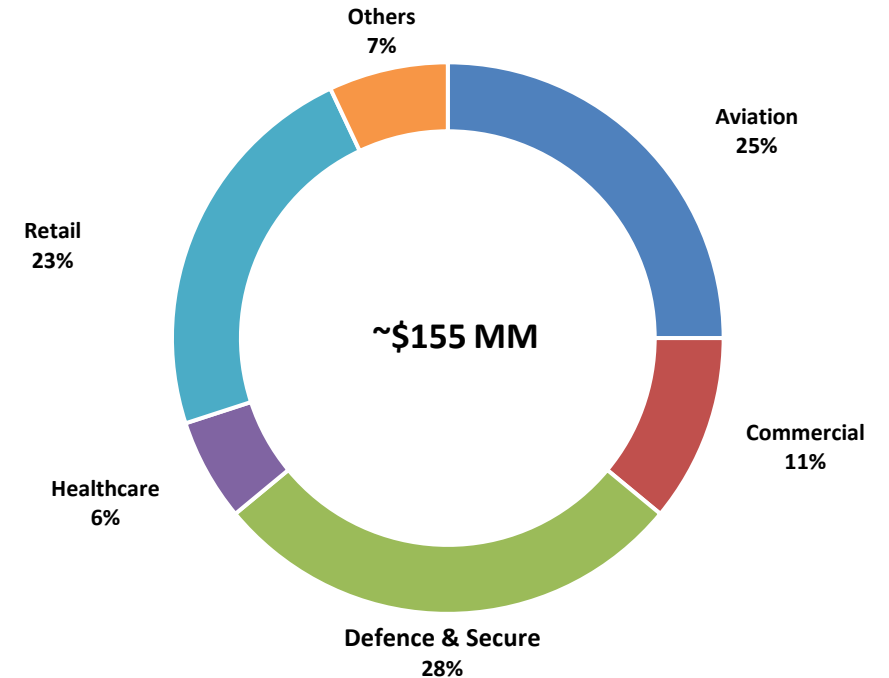
- Temporary decrease in FM service-levels. Clients in the aviation and non-essential retail sectors have been significantly affected (>\$8M revenue decline per quarter), while defense and other government clients have limited impact.

## Growth and Performance

- Good margins with focus on better resource utilization
- Future growth as new contracts are won and COVID-19 restrictions lessen
- Organic and M&A growth prospects are significant -- building scale is a priority:
  - Robust quoting activity – upcoming bids worth nearly \$200million annually.
  - Considerable M&A potential

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## Revenue by End-Market – YTD 2021 annualized



Others\* - Industrial, Hospitality & Entertainment, Education, and other Government

# Modular Solutions

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

## Impact of COVID-19

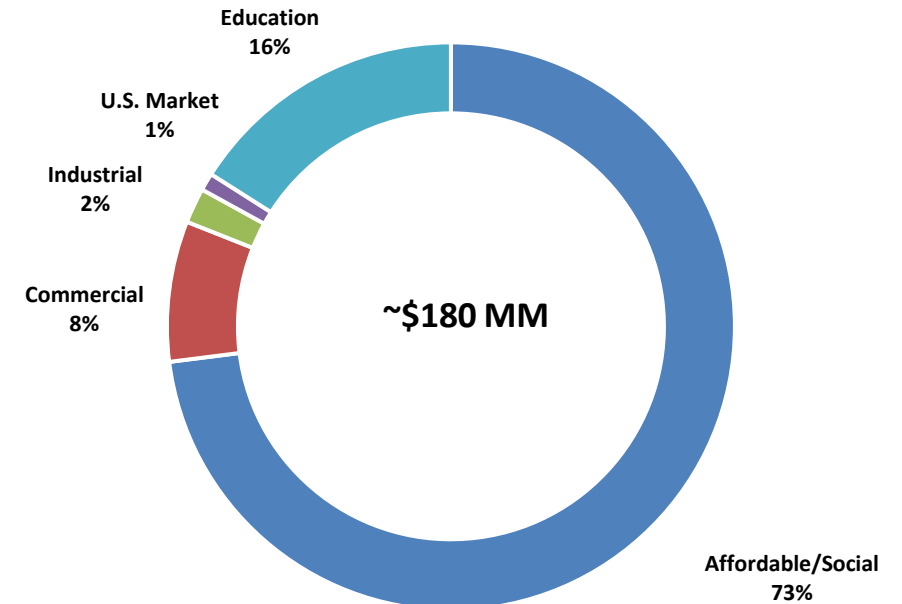
- Outbreak has highlighted the need for safe, quality, affordable housing for vulnerable populations.
- Government funding has increased growth prospects, esp. the \$2.5B funding from CMHC for rapid housing - RFP's have accelerated in 2021.

## Growth and Performance

- Cambridge plant operational and was completed on time and under budget
- Margin to improve with higher revenue in Q4 2021
- Strong backlog of \$153 million, up \$13 million from Q2 2021
- Outlook positive with significant opportunities to grow



## Revenue by End-Market – YTD 2021 annualized



# Workforce Accommodations, Forestry, Energy Services

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

## Impact of COVID-19/Commodity Markets

- Resources markets affected through isolated outbreaks, government mandated shutdowns, and decreased demand for underlying commodities.

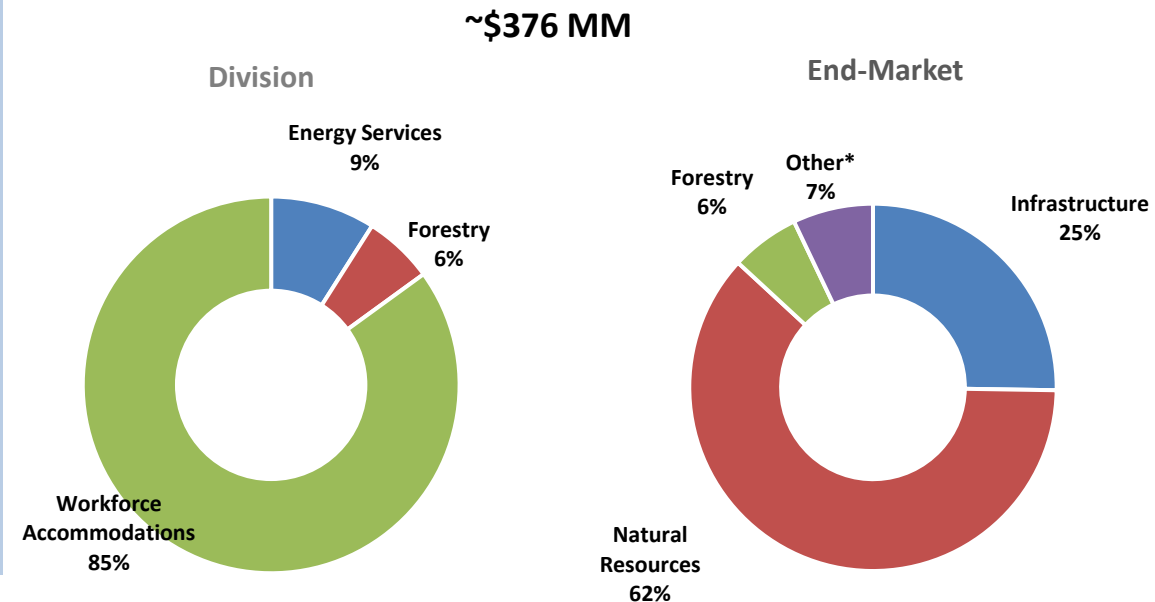
## Growth and Performance

- 48% of WAFES revenue relates to support services
- Energy Services momentum with consistent margins
- Forestry & Fire Camps contributed \$20 million revenue and strong EBITDA in Q3
- Seasonal business with success selling asset light support services
- Q4 2021 will be stronger than Q4 2020

horizon north

OUTLAND

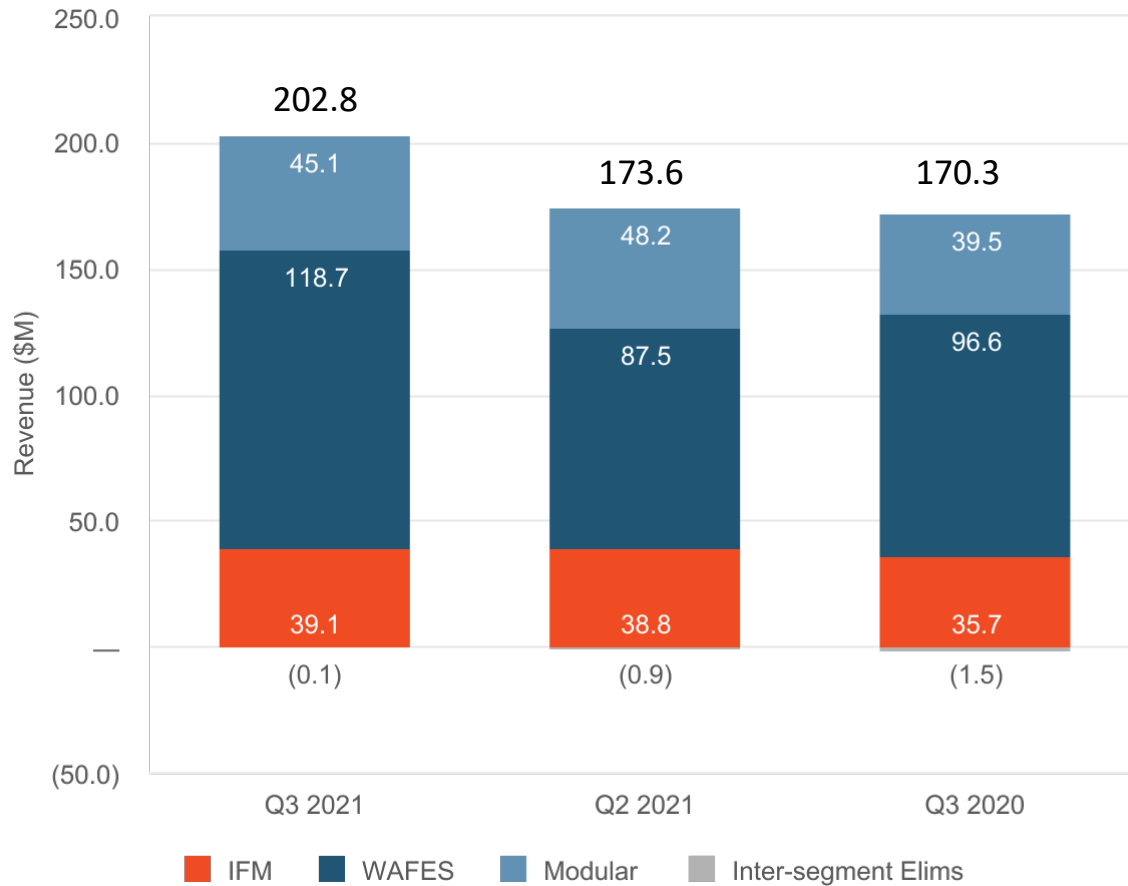
## Revenue by Division and End-Market –YTD 2021 annualized



\*Other revenue segment includes Government, Education, Asset Sales



# Strong Q3 Results

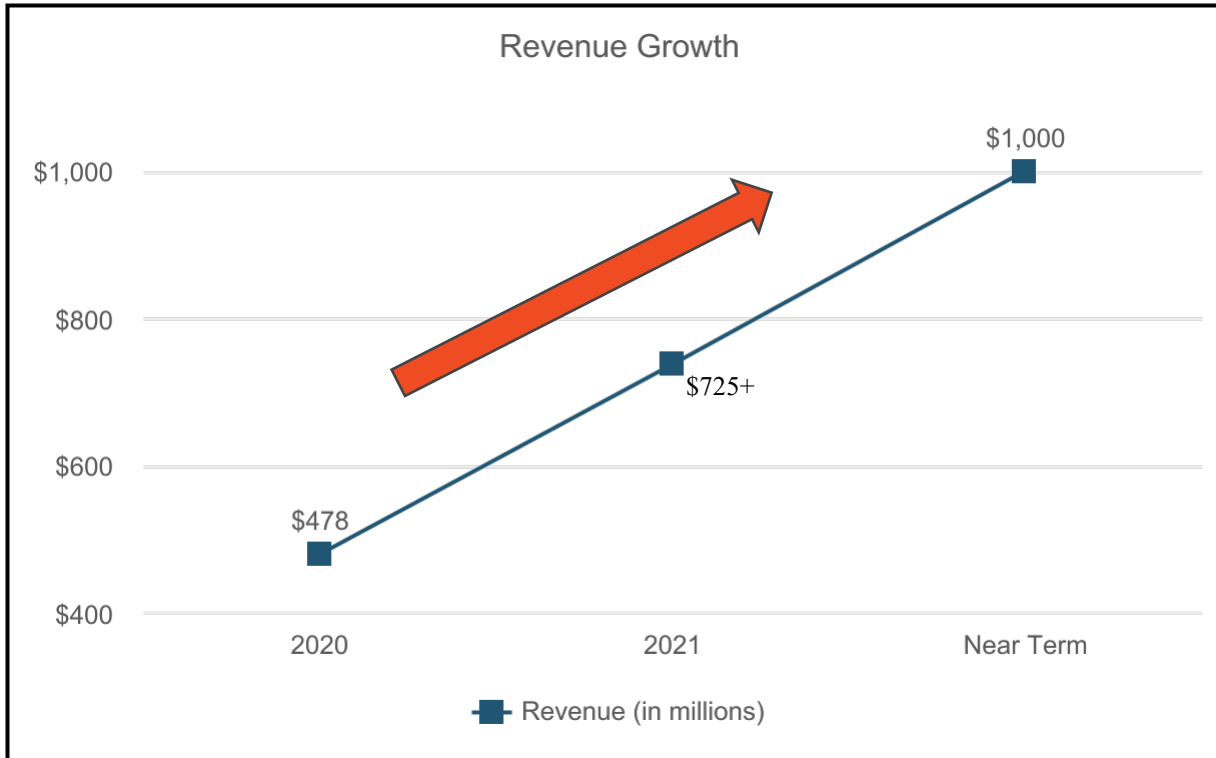


## Q3 Results

- Strong sequential performance for Q3 with improved results vs. Q2 2021:
  - Improved camp occupancy, renewed activity in Energy sector and good seasonal Forestry and Fire Camp results for WAFES
  - Modular Solutions revenue impacted by project delays
  - IFM revenue stable as airport and retail sectors impacted by COVID-19



# Financial Leverage & Liquidity



- Financial Position and liquidity are strong
- Extended & expanded credit facility in Q3
- Debt balance as at September 30, 2021 \$80 million or approximately 1x EBITDA
- Working capital increased with Q3 growth & seasonality
- High conversion of EBITDA to Free Cash Flow
- Quarterly Dividend \$0.0875 per share for December 30, 2021.

# Path Forward: Q4-2021 & 2022

- **Integrated Facilities Management:**
  - Upside in 2022 for airports & retail
  - Brisk bidding activity
  - Active M&A program
- **WAFES:**
  - Strong WAFES results expected in 2022, especially after Kitimat open camp re-opens in 2H 2022
  - Support service contracts in oil sands commenced during Q3 2021
  - Resource sectors are rebounding based on commodity pricing
  - Strong national brand and growth opportunities
- **Modular:**
  - Higher backlog to drive strong growth into 2022
  - EBITDA margins to improve with scale
  - Solid foundation and started to diversify
- **Corporate:**
  - Use of tax losses will preserve cash
  - Looks for valuation multiple expansion as strategy is delivered

## Our Ongoing Focus

- National Support Services Champion
- Customer focused
- Capital Light
- Decentralized operating model with small corporate overhead
- Discipline with capital investments - sweat our assets
- Grow organically & via M&A to deliver near term plan for \$1 billion in revenue and \$100 million in EBITDA

**Questions** 

