TERVITA

MANAGEMENT'S DISCUSSION & ANALYSIS

April 27, 2021

ABOUT THIS MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") is a summary of the financial position and results of operations of Tervita Corporation ("Tervita", the "Company", "we", "our", "us" and similar expressions) for the three months ended March 31, 2021 and as compared to the three months ended March 31, 2020. This MD&A was approved by Tervita's Board of Directors on April 27, 2021 and includes information available up to that date.

This MD&A is a review of the financial results of Tervita, prepared in accordance with International Financial Reporting Standards ("IFRS"), which are also generally accepted accounting principles ("GAAP") for publicly accountable enterprises in Canada. This MD&A should be read in conjunction with: (i) our unaudited Interim Condensed Consolidated Financial Statements and accompanying notes (the "Interim Financial Statements") for the three months ended March 31, 2021 and 2020; (ii) our audited annual Consolidated Financial Statements and accompanying notes (the "Annual Financial Statements") and MD&A (the "Annual MD&A") for the year ended December 31, 2020; (iii) our Annual Information Form ("AIF") for the year ended December 31, 2020; and (iv) our MD&A for the three months ended March 31, 2020.

All financial information reflected herein is expressed in millions of Canadian dollars ("$" or "C$") unless otherwise stated. References to US$ mean United States dollars. Throughout this MD&A, "Q1" means the three months ended March 31.

This MD&A contains references to the following measures not in accordance with IFRS ("non-GAAP measures"): Adjusted EBITDA, Adjusted EBITDA Margin, Divisional EBITDA, Divisional EBITDA Margin, Discretionary Free Cash Flow, Net Debt, Net Debt to Adjusted EBITDA (LTM), and Covenant EBITDA. Refer to the Non-GAAP Measures section for a full discussion on management's use of non-GAAP measures and their reconciliation to IFRS measures.

This MD&A contains forward-looking statements regarding Tervita and the industries in which we operate. Refer to the Forward-Looking Statements section for more information.

ABOUT TERVITA

Tervita is a leading environmentally-focused waste service provider in Canada, providing a broad and integrated array of services and environmental management solutions for customers in the energy, industrial, and natural resource sectors, predominantly in Western Canada.

Our network of facilities as at March 31, 2021 consisted of 103 active waste processing, disposal, and industrial facilities, including: 44 treatment, recovery, and disposal facilities ("TRDs"); eight stand-alone disposal wells; three cavern disposal facilities; eight onsite facilities; 22 engineered landfills (which included 18 owned sites, one site operated under contract, and three sites that we market under contract for other landfill operators); three transfer stations; one naturally occurring radioactive material facility; nine bio-remediation facilities; and five metals recycling facilities.

Tervita’s activities are managed through two reportable segments: Energy Services and Industrial Services.

- **Energy Services** includes two service lines: facilities and energy marketing. These service lines collectively provide many services to the oil and gas sector, including: treatment, recovery, and disposal of fluids; oil terminalling; energy marketing; processing and disposal of solid materials used in, and generated by, natural resource and industrial production; disposal of oilfield-generated waste; providing specialized onsite services using centrifugation or other processes for heavy-oil producers involved in mining and in-situ production; and purchase and resale of oil volumes associated with treatment, recovery, terminalling, and disposal services, including delivering oil volumes to pipeline.
- **Industrial Services** provides comprehensive environmental solutions through four service lines: waste services, metals recycling and rail services, water services, and environmental services. The services provided include site remediation, facility decommissioning, water treatment, sludge and slurry management, bio-remediation and technologies, technical services and environmental liability management, hazardous and non-hazardous waste management and disposal, emergency response, rail services, recycling services to oil and gas and other industrial companies, and waste transportation and classification. Recycling services include the purchase and processing of ferrous and non-ferrous metals recovered from demolition sites and other locations.

In addition to our two reportable segments, Tervita presents intersegment eliminations, general and administrative ("G&A") expenses, the Canada Emergency Wage Subsidy ("CEWS"), and other non-operating expenses as Corporate. G&A includes expenses for executive leadership, human resources, information technology, finance, accounting, business development, communications, legal, and regulatory.

RECENT DEVELOPMENTS

On March 8, 2021, the Company entered into an arrangement agreement with SECURE Energy Services Inc. ("SECURE"), to combine in an all-share transaction pursuant to which SECURE will acquire all of the issued and outstanding common shares of Tervita (the “Tervita Shares”) on the basis of 1.2757 common shares of SECURE for each outstanding Tervita Share (the “Transaction”). The combined company will continue to operate as SECURE Energy Services Inc. and remain listed on the TSX under the symbol SES. The Transaction is to be completed by way of a plan of arrangement ("Plan of Arrangement", or the "Arrangement") under section 193 of the Business Corporations Act (Alberta). The completion of the Arrangement is subject to customary conditions for a transaction of this nature, which include, among others: (i) applicable court and regulatory approvals including the TSX and approval under the Competition Act (Canada); (ii) the credit facility for the combined company becoming effective; (iii) the consent of the holders of Tervita's outstanding senior secured notes to certain matters in connection with the transactions contemplated by the Arrangement (the "Noteholder Consent") being obtained; (iv) the approval of the requisite majority of Tervita’s shareholders and securityholders (as specified in the Plan of Arrangement) represented in person (virtually) or by proxy at a special meeting of Tervita’s shareholders to be called to consider the Arrangement; and (v) the approval of the requisite majority (as specified in the Plan of Arrangement) of the votes cast by the shareholders of SECURE represented in person (virtually) or by proxy at a special meeting of the shareholders of SECURE to be called to consider the Arrangement. On April 12, 2021, Tervita launched a consent solicitation to obtain the Noteholder Consent and the requisite consent was obtained on April 16, 2021.

FINANCIAL AND OPERATING HIGHLIGHTS

FINANCIAL HIGHLIGHTS

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	% Change
Facilities revenue	**83**	114	(31)	*(27)%*
Energy marketing revenue	**299**	312	(13)	*(4)%*
Energy Services revenue	**382**	426	(44)	*(10)%*
Industrial Services revenue	**53**	62	(9)	*(15)%*
Intersegment eliminations	**(1)**	(2)	1	*50 %*
Revenue	**434**	486	(52)	*(11)%*
Revenue excluding energy marketing	**135**	174	(39)	*(22)%*
Energy Services Divisional EBITDA (1)	**51**	59	(8)	*(14)%*
Industrial Services Divisional EBITDA (1)	**11**	6	5	*83 %*
Divisional EBITDA (1)	**62**	65	(3)	*(5)%*
G&A expenses	**(11)**	(12)	(1)	*(8)%*
G&A as % of revenue (excl. energy marketing)	***8 %***	*7 %*	*1 %*	
Canada Emergency Wage Subsidy (2)	**4**	—	4	*100 %*
Net profit (loss)	**—**	(42)	42	*100 %*
- per share ($), basic	**0.00**	(0.37)	0.37	*100 %*
- per share ($), diluted	**0.00**	(0.38)	0.38	*100 %*
Adjusted EBITDA (1)	**55**	53	2	*4 %*
- per share ($), basic and diluted	**0.47**	0.46	0.01	*2 %*
Adjusted EBITDA Margin (1)	**41 %**	30 %	11 %	
Maintenance capital additions	**7**	8	(1)	*(13)%*
Growth and expansion capital additions	**8**	12	(4)	*(33)%*
Capital additions	**15**	20	(5)	*(25)%*
Discretionary Free Cash Flow (1)	**35**	25	10	*40 %*
- per share ($), basic and diluted	**0.30**	0.22	0.08	*36 %*
Net Debt to Adjusted EBITDA (LTM) (1)(3)	**3.41**	3.37	0.04	*1 %*
Shares as at March 31 (000's of shares) (4)				
Shares outstanding	**115,655**	113,107	2,548	*2 %*
Weighted average shares - basic	**116,400**	113,992	2,408	*2 %*
Weighted average shares - diluted	**116,400**	114,676	1,724	*2 %*

(1) Refer to the section Non-GAAP Measures for definitions and reconciliation.
(2) Q1 2021 included $2 million related to employees in Energy Services, $1 million in Industrial Services, and $1 million in Corporate. Refer to the section COVID-19 and CEWS for more information.
(3) Net Debt to Adjusted EBITDA (LTM) is as at March 31, 2021 and 2020 and is based on the Last Twelve Months at that date.
(4) As at April 27, 2021, the Company had 115,663,218 common shares and 3,036,269 stock options outstanding. Each option outstanding is exercisable for one common share.

Tervita's results for the three months ended March 31 excluding CEWS were as follows:

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	*% Change*
Adjusted EBITDA(1)(2)	**51**	53	(2)	*(4)%*
- per share ($), basic and diluted	**0.44**	0.46	(0.02)	*(4)%*
Adjusted EBITDA Margin (1)(2)	**38 %**	30 %	8 %	

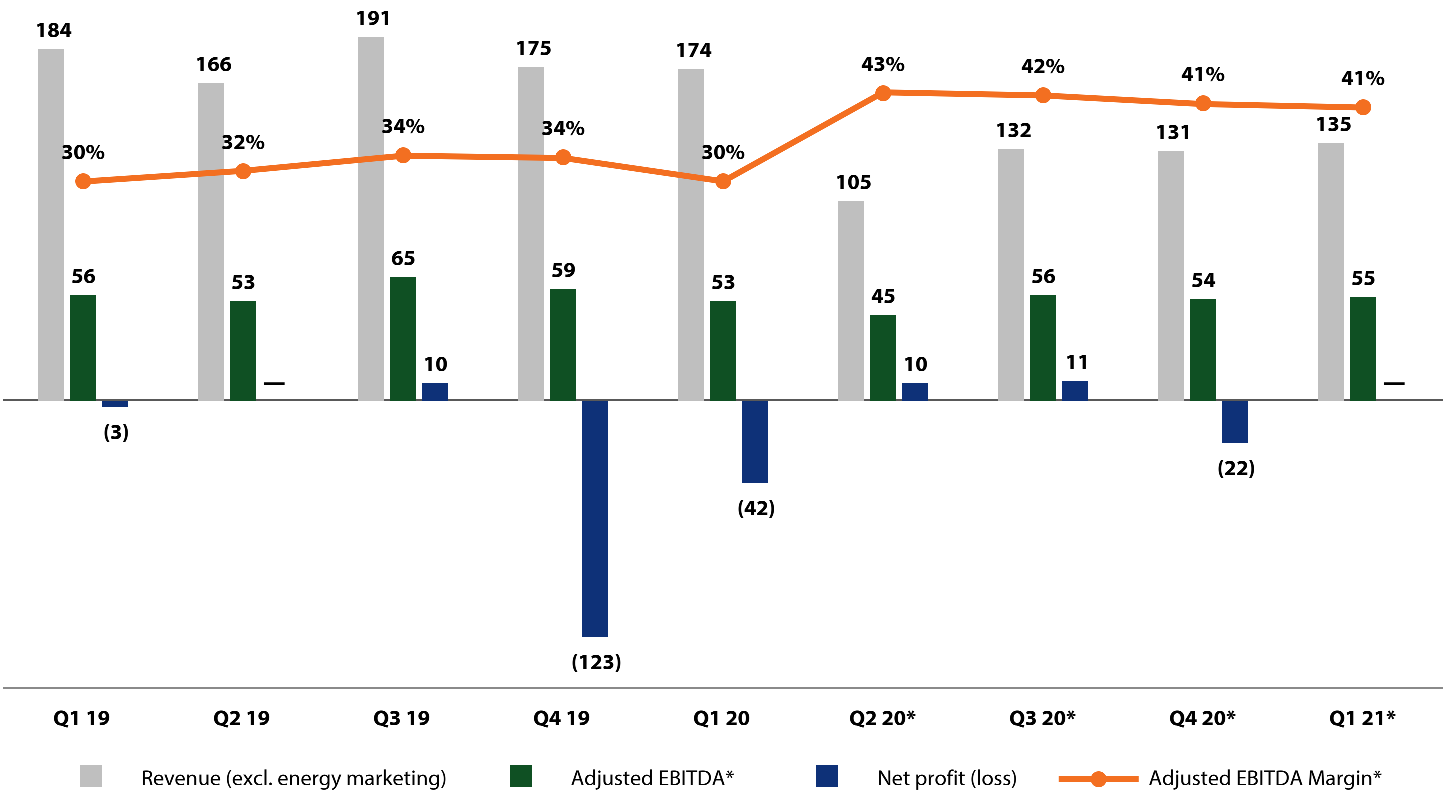
(1) Refer to the section COVID-19 and CEWS for more information.
(2) Refer to the section Non-GAAP Measures for definitions and reconciliation.

INDUSTRY BENCHMARKS

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	*% Change*
Average WTI (US$/bbl) [1]	**$ 57.80**	$ 45.78	$ 12.02	*26 %*
Average Edmonton Mixed Sweet (US$/bbl) [1]	**$ 54.13**	$ 37.50	$ 16.63	*44 %*
Average WCS (US$/bbl) [1]	**$ 45.35**	$ 27.59	$ 17.76	*64 %*
Average AECO (C$/GJ) [1]	**$ 3.28**	$ 1.92	$ 1.36	*71 %*
Meters Drilled (000's of meters drilled) [2]	**3,840**	5,190	(1,350)	*(26)%*
Wells Drilled [3]	**1,179**	1,784	(605)	*(34)%*
Foreign Exchange Rate (C$/US$) [4]				
Period End	**$ 0.80**	$ 0.70	$ 0.10	*14 %*
Period Average	**$ 0.79**	$ 0.74	$ 0.05	*7 %*

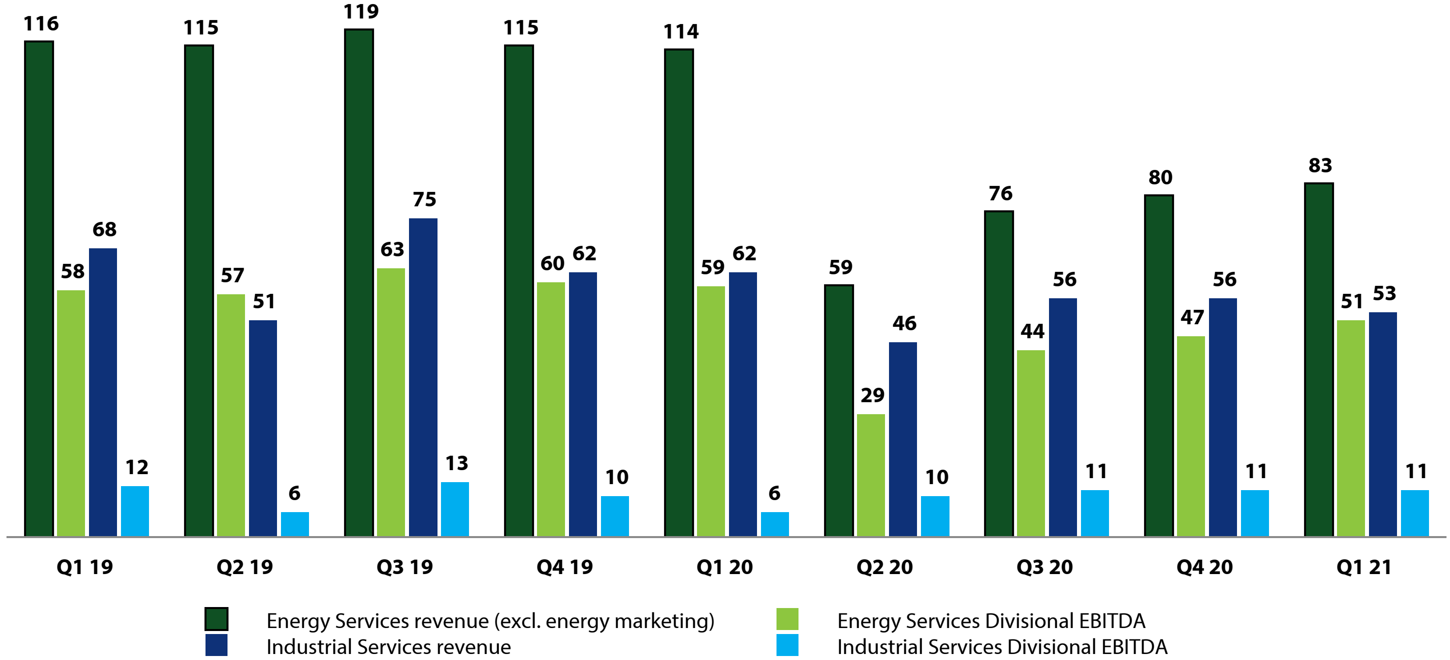
(1) Information from Bloomberg, Reuters, and Sproule.
(2) Information from JuneWarren-Nickle's Energy Group and pertains to Canada.
(3) Information from Daily Oil Bulletin and pertains to Canada.
(4) Information from Bank of Canada.

Quarterly Revenue, Adjusted EBITDA, and Net Profit (Loss)

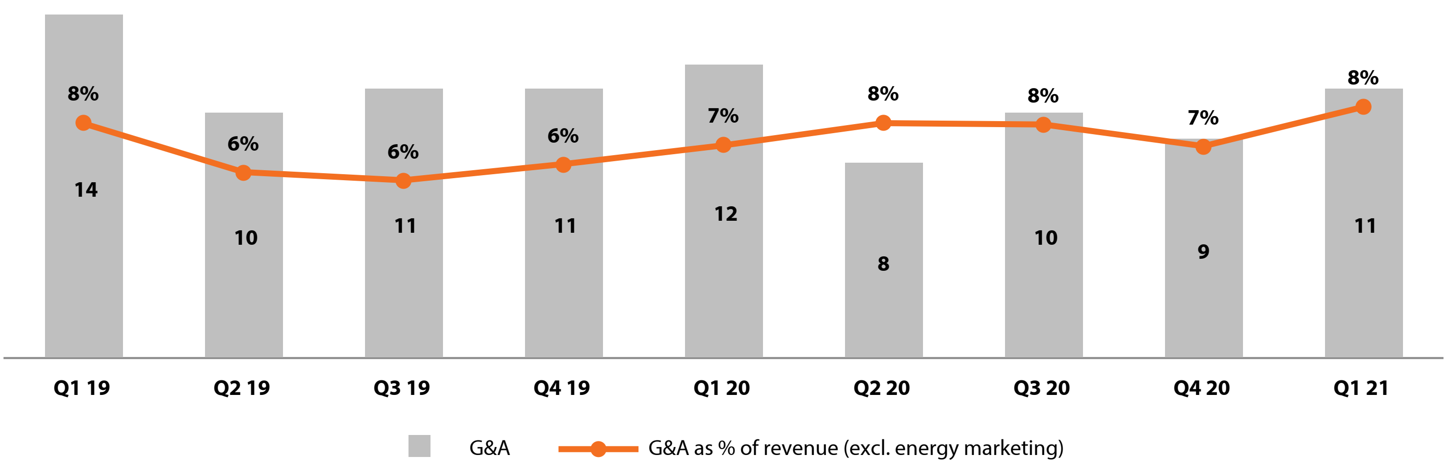


** The Adjusted EBITDA and Adjusted EBITDA Margin for Q2 2020, Q3 2020, Q4 2020, and Q1 2021 include $14 million, $11 million, $5 million, and $4 million CEWS, respectively. Refer to the section COVID-19 and CEWS for more information.*

Revenue Before Intersegment Eliminations and Divisional EBITDA



G&A as % of Revenue



FIRST QUARTER RESULTS

- In Q1 2021, increased commodity pricing and the rollout of the COVID-19 vaccine strategy generated cautious optimism in Western Canada. While activity levels remained lower than the prior year, the negative impact on our revenue was substantively mitigated through our focus on business optimization, cost savings initiatives and the full impact of growth capital investments commissioned in 2020, which also drove significant Adjusted EBITDA Margin improvement over the prior year. This resilient performance demonstrates the upside in our Energy Services business and the stability and growth potential of our Industrial business.
- Revenue for the quarter was $434 million, a decrease of 11% from the prior year primarily driven by lower drilling and production activity and the associated impact on volumes and lower event-based project activity partially offset by increased crude oil and ferrous pricing.
    - Energy Services revenue decreased 10% from the prior year. Facilities revenue of $83 million decreased 27% from the prior year primarily due to decreased drilling and production activity resulting in reduced volumes into facilities combined with the impact of our exit from United States ("US") operations. This was partially offset by increased commodity pricing and our continued focus on market share growth, including contributions from growth capital investments. Energy marketing revenue decreased 4% from the prior year to $299 million primarily due to reduced marketed oil volumes.
    - Industrial Services revenue of $53 million decreased 15% from the prior year due to lower event-based project activity partially offset by improved ferrous metals pricing.
- Adjusted EBITDA of $55 million increased by 4% from the prior year as management cost reduction initiatives, contributions from growth capital investments, and $4 million of CEWS more than offset the impact of reduced activity.
    - Energy Services Divisional EBITDA decreased 14% from the prior year to $51 million driven by lower drilling, production and marketed oil volumes partially offset by increased crude oil pricing, cost reduction initiatives and contributions from growth capital investments.
    - Industrial Services Divisional EBITDA increased 83% from the prior year to $11 million driven primarily by increased ferrous pricing and the continued benefit of business optimization and cost savings initiatives.
    - G&A expenses of $11 million were reduced 8% from the prior year through our ongoing focus on cost reduction initiatives.
- Net loss improved by $42 million from the prior year due to lower foreign exchange losses, restructuring costs and non-cash impairment expense in Q1 2021 combined with the increase in Adjusted EBITDA.
- Adjusted EBITDA Margin excluding CEWS increased to 38% compared to 30% in the prior year.
- Net debt of $717 million decreased by $19 million during the quarter, driven by our focus on maximizing discretionary cash flow generation.
- Growth and expansion capital additions of $8 million in the quarter were largely related to increasing water disposal capacity and growing the Industrial Services business. Maintenance capital additions were $7 million, a decrease of $1 million compared to the prior year.
- In Q1 2021, we entered into an arrangement agreement with SECURE, which provides for the combination of SECURE and Tervita creating a leading midstream infrastructure and environmental solutions business that is expected to provide enhanced free cash flow generation resulting from greater scale, sizeable cost synergies, and improved leverage, leading to superior returns for all investors. Refer to section Recent Developments for more information in respect of the arrangement with SECURE.

COVID-19 AND CEWS

In early 2020, the COVID-19 pandemic spurred the implementation of extensive and widespread public health measures. In response, Tervita took immediate action to reduce costs and protect liquidity, reducing structural costs by $31 million on an annualized basis as well as decreasing capital spending.

The Federal Government of Canada implemented the CEWS program to help employers protect jobs. The subsidy covered a portion of an employee's wages up to a predefined limit for employers who had been materially impacted by the pandemic. This program is effective until June 2021, with a proposed extension until September 2021. Tervita recognized benefits totaling $4 million for the three months ended March 31, 2021.

In 2021 we continue to take a disciplined approach to the allocation of Discretionary Free Cash Flow. The health and safety of our people as well as providing valuable services to our customers remain our top priorities. We have a dedicated COVID-19 team managing our business continuity plan, implementing proactive measures and keeping our people and customers safe and updated as the situation evolves. Our employees continue to work from home where possible and best practices are in place to keep our field operations and customers safe. Tervita has not suffered any interruptions to services or our capacity to handle our customer requirements due to the pandemic outbreak.

OUTLOOK

Our strong performance in Q1 2021 demonstrates that, along with the ongoing recovery in Western Canadian oilfield and industrial activity, our focus on operational efficiencies and commercial customer strategies combined with contributions from our growth capital investments continue to gain traction. Oil and gas prices have strengthened considerably in Q1 and activity levels are slowly improving, generating cautious optimism within the energy industry. In our Industrial Services business, high activity levels and strong ferrous metals pricing are expected to continue to support improved performance in 2021.

Assuming an environment that includes the ongoing stability of energy pricing combined with general economic and industrial activity improvements, the Company continues to anticipate Adjusted EBITDA excluding CEWS in 2021 to exceed 2020, driven by contributions from:

- Stronger business performance in both our Energy Services and Industrial Services businesses in line with our expectations of continued economic recovery;
- The full year benefit from the $31 million annualized structural cost savings instituted in the first half of 2020 (savings realized in 2020 of $23 million);
- Continued benefit of the commercial, organizational and cost strategies implemented within our Industrial Services business;
- Contributions from investments including a full year of operations at our Montney water disposal facility and our acquisition of Main Line Industries Ltd. ("Main Line"); and
- Actively working with customers on the well abandonment and site rehabilitation program. We expect to see greater benefit from this funding program later in 2021 and into 2022 as customers increase their focus on remediation programs performed at their sites.

CAPITAL ALLOCATION

In 2021, we are taking a disciplined approach to the allocation of Discretionary Free Cash Flow between our two main priorities of de-levering our balance sheet and delivering low-cost, high-impact projects within our growth capital pipeline of opportunities. Based on current market conditions we anticipate our total capital additions in 2021 to be in line with or lower than 2020 levels. We remain responsive to opportunities and market changes and may revise our capital plans accordingly.

OPERATING RESULTS

ENERGY SERVICES

Facilities include our TRDs, caverns, disposal wells, landfills and onsite services, and represent activities related to the treatment, recovery, and disposal of fluids, the processing and disposal of solid materials used in and generated by natural resource and industrial production, and the disposal of oilfield waste, as well as specialized services on a customer's site including centrifugation or other processes for heavy oil producers involved in mining and in-situ production.

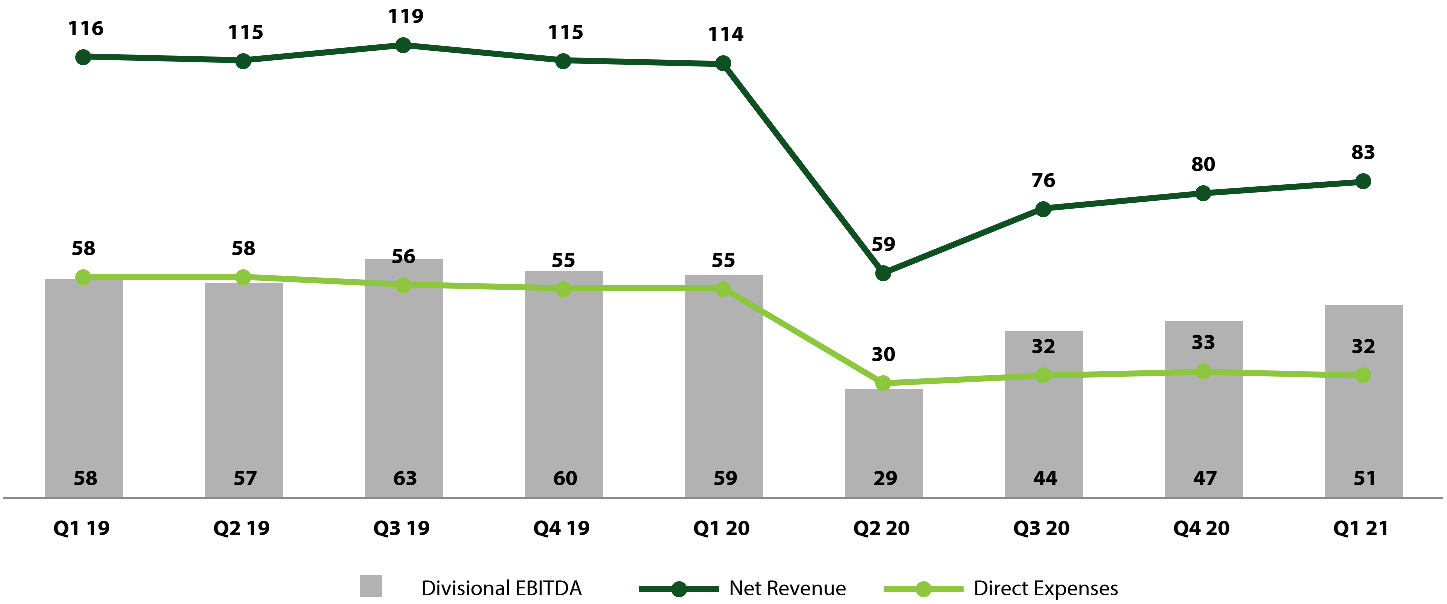
Energy marketing represents activities related to the purchase and resale of oil volumes associated with terminalling, treatment, recovery, and disposal services. Revenue and direct expenses for energy marketing activities are recorded at the purchased cost of oil. Revenue related to services provided by TRD facilities to prepare the energy marketing oil volumes for delivery to pipeline, including treatment, blending, and terminalling, are reported with facilities revenue.

Energy Services Financial Highlights

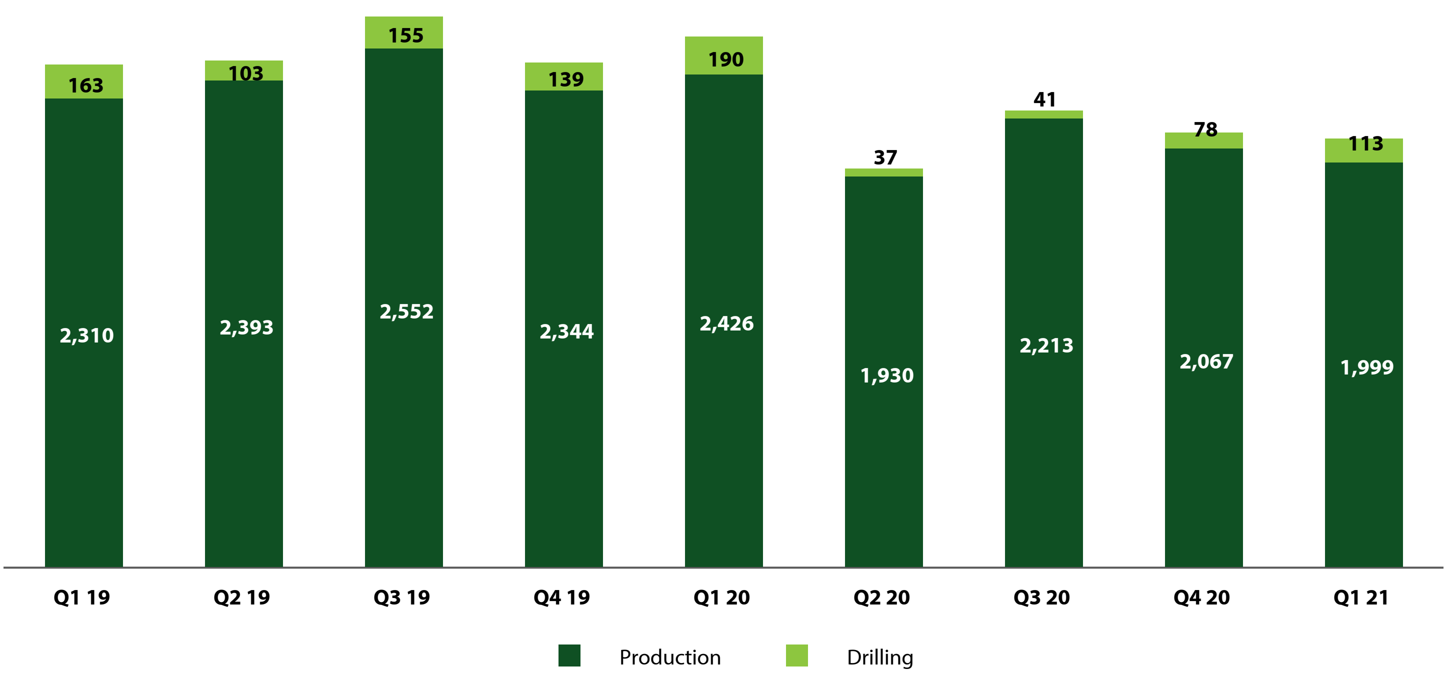
	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	*% Change*
Facilities revenue	**83**	114	(31)	*(27)%*
Energy marketing revenue	**299**	312	(13)	*(4)%*
Less: energy marketing direct expenses	**(299)**	(312)	(13)	*(4)%*
Net Energy Services revenue	**83**	114	(31)	*(27)%*
Facilities direct expenses	**(32)**	(55)	(23)	*(42)%*
Depreciation and amortization	**(19)**	(24)	(5)	*(21)%*
Restructuring costs	**—**	(5)	(5)	*(100)%*
Impairment reversal (expense)	**—**	(20)	(20)	*(100)%*
Operating profit (loss)	**32**	10	22	*220 %*
Finance costs	**(2)**	(1)	1	*100 %*
Other income (expense)	**1**	2	1	*50 %*
Net profit (loss)	**31**	11	20	*182 %*
Divisional EBITDA [(1)]	**51**	59	(8)	*(14)%*
Divisional EBITDA Margin [(1)]	***61 %***	*52 %*	*9 %*	

[(1)] *Refer to the section Non-GAAP Measures for definitions and reconciliations.*

Energy Services Quarterly Results



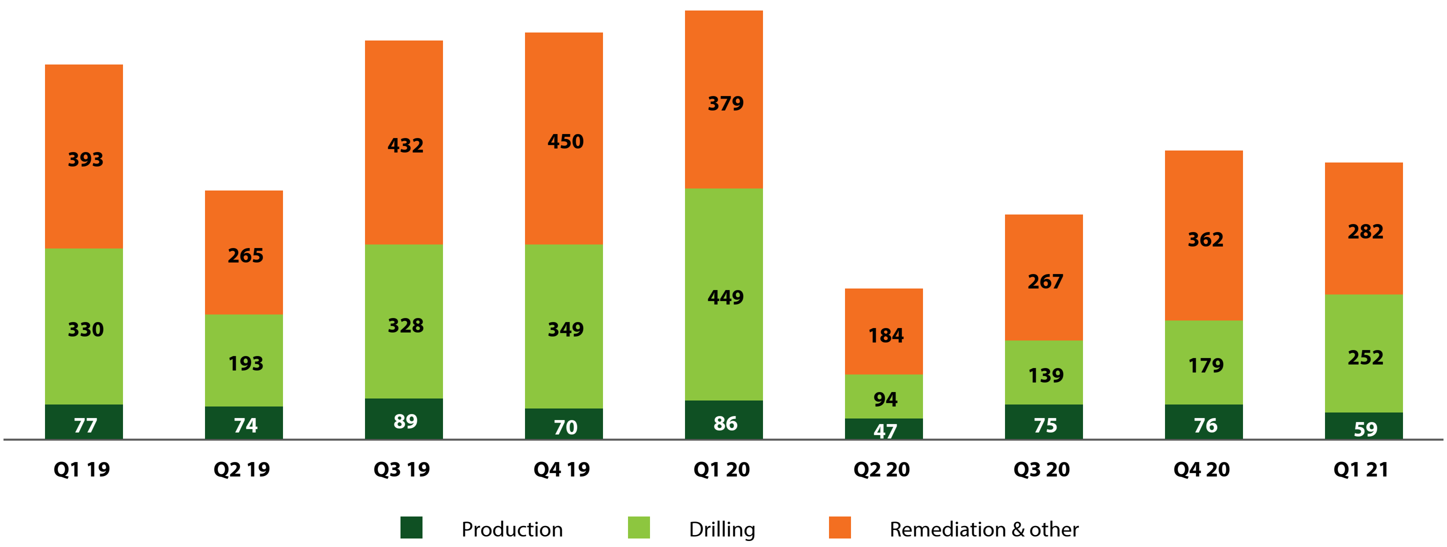
TRDs, Caverns and Wells Volumes by Revenue Source (thousands of m3)



Production volumes are related to oil and gas production operations and include volumes for treatment, terminalling, and disposal activities for liquid waste from emulsion and produced water.

Drilling volumes are related to oil and gas drilling activities and include volumes for processing and disposal of waste and waste water.

Landfills Volumes by Revenue Source (thousands of tonnes)

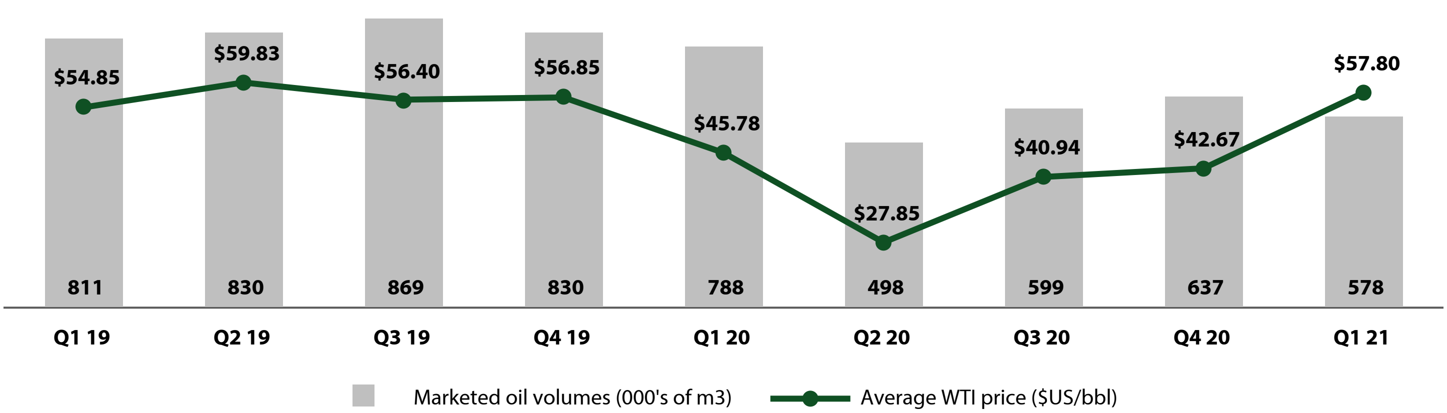


Production volumes are related to oil and gas production operations and include volumes for disposal activities for solids waste from emulsions.

Drilling volumes are primarily volumes for drill cuttings related to oil and gas drilling.

Remediation & other volumes are related to the processing and disposal of solid waste from spill cleanup and remediation or reclamation activities, revenue earned on managed landfills, and other service-related activities.

Marketed Oil Volumes Compared to Average WTI Prices



Energy Services First Quarter Results

- Net revenue of $83 million decreased 27% from the prior year as the impact of improved commodity pricing and contributions from growth capital were offset by lower production and drilling volumes into our facilities and the exit from our US-based operations.
  - TRDs production and drilling volumes decreased 18% and 41%, respectively, primarily driven by lower conventional production and a decline in drilling activity. This was partially offset by increased commodity pricing and our continued focus on market share growth including contributions from our Montney water disposal project commissioned in Q1 2020.
  - Landfill volumes decreased 35% compared to prior year, driven by decreased drilling activity and deferred remediation projects partially offset by increased contaminated soil projects in the BC and Duvernay regions.
  - Revenue related to our US-based service offering declined as we fully exited our operations in Q3 2020.
- Divisional EBITDA of $51 million decreased 14% from the prior year driven by the same factors as revenue. The impact of external market factors was substantially mitigated by management cost reduction initiatives and contributions from growth capital investments.
- Divisional EBITDA Margin was 61%, a significant improvement compared to 52% in the prior year, reflecting our continued focus on cost optimization and returns from our growth capital investments.
- Impairment expense decreased 100% from the prior year as no asset impairment was required in Q1 2021.
- Net profit of $31 million improved 182% from the prior year, as reduced Divisional EBITDA was more than offset by lower impairment, restructuring costs and depreciation expense.

INDUSTRIAL SERVICES

Industrial Services is comprised of four service lines: waste services, metals recycling and rail services, water services, and environmental services. Revenue from these service lines is derived from: commodity-based sales from ferrous and non-ferrous metals; facility-based services including hazardous and non-hazardous waste management and disposal and waste transportation and classification; and project-based services including site remediation, facility decommissioning, water treatment, sludge and slurry management, bio-remediation and technologies, technical services and environmental liability management, emergency response, and rail services.

Industrial Services Financial Highlights

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	*% Change*
Commodity-based sales	**15**	11	4	*36 %*
Facility-based services	**9**	10	(1)	*(10)%*
Project-based services	**29**	41	(12)	*(29)%*
Total revenue	**53**	62	(9)	*(15)%*
Direct expenses	**(42)**	(56)	(14)	*(25)%*
Depreciation and amortization	**(4)**	(4)	—	*— %*
Restructuring costs	**—**	(2)	(2)	*(100)%*
Operating profit (loss)	**7**	—	7	*100 %*
Finance costs	**—**	(1)	(1)	*(100)%*
Other income (expense)	**(1)**	—	(1)	*(100)%*
Net profit (loss)	**6**	(1)	7	*700 %*
Divisional EBITDA [(1)]	**11**	6	5	*83 %*
Divisional EBITDA Margin [(1)]	***21 %***	*10 %*	*11 %*	

[(1)] *Refer to section Non-GAAP Measures for definitions and reconciliations.*

Industrial Services First Quarter Results

- Revenue of $53 million decreased 15% from the prior year as improved ferrous metals pricing and the acquisition of Main Line was more than offset by lower rail services event-based project activity.
- Divisional EBITDA of $11 million increased 83% from the prior year as strong metals pricing, disciplined cost control, business optimization and the acquisition of Main Line resulted in the increase in Divisional EBITDA despite lower project activity.
- Divisional EBITDA Margin more than doubled to 21% as ferrous metals pricing, business optimization and cost savings more than offset the impact of reduced event-based activity.
- Net profit of $6 million increased $7 million from the prior year driven by improved Divisional EBITDA and no restructuring costs.

CORPORATE

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	*% Change*
Revenue - intersegment eliminations	**(1)**	(2)	(1)	*(50)%*
Direct expenses - intersegment eliminations	**1**	2	1	*50 %*
G&A expenses	**(11)**	(12)	(1)	*(8)%*
Canada Emergency Wage Subsidy [1]	**4**	—	(4)	*(100)%*
Depreciation and amortization	**(2)**	(1)	1	*100 %*
Restructuring costs	**—**	(1)	(1)	*(100)%*
Impairment reversal (expense)	**—**	3	3	*100 %*
Finance costs	**(22)**	(19)	3	*16 %*
Transaction costs	**(3)**	—	3	*100 %*
Other income (expense)	**(4)**	(23)	(19)	*(83)%*
Income taxes recovery (expense)	**1**	1	—	*— %*
Total Corporate expenses	**(37)**	(52)	(15)	*(29)%*
G&A as % of revenue (excl. energy marketing)	***8 %***	*7 %*	*1 %*	

[1] *Refer to the section COVID-19 and CEWS for more information.*

General and Administrative Expenses

- Q1 2021 G&A expenses decreased 8% compared to prior year, driven by cost reduction initiatives.

Finance Costs

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	*% Change*
Interest on senior secured notes and credit facility	**(20)**	(16)	4	*25 %*
Amortization of debt issue costs	**(1)**	(2)	(1)	*(50)%*
Interest on obligations under leases	**(1)**	(1)	—	*— %*
Finance costs	**(22)**	(19)	3	*16 %*

- Q1 2021 finance costs increased 16% from the prior year, primarily due to the higher interest rate on the 2020 senior secured notes.

Other Income (Expense)

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	*% Change*
Gain (loss) on sale of assets	**—**	(1)	(1)	*(100)%*
Share-based compensation recovery (expense)	**(5)**	5	10	*200 %*
Foreign exchange gain (loss)	**1**	(27)	(28)	*(104)%*
Other income (expense)	**(4)**	(23)	(19)	*(83)%*

- Q1 2021 other income (expense) improved by $19 million compared to the prior year due to the strengthening US currency in Q1 2020 which resulted in foreign exchange losses on the Company's senior secured notes, partially offset by higher share-based compensation driven by an increase in share price in Q1 2021.

LIQUIDITY AND CAPITAL RESOURCES

LIQUIDITY AND LIQUIDITY RISK

The term liquidity refers to the ability and speed with which a company's assets can be converted into cash. Liquidity risk refers to the risk encountered in meeting financial obligations settled by cash or another financial asset. Our liquidity risk may arise from general day-to-day cash requirements and in the management of our assets, liabilities, and capital resources. We manage our cash and senior secured revolving credit facility ("credit facility") balances to have sufficient capital to fund ongoing operations, capital programs, and growth initiatives. Our liquidity and operational cash requirements are managed through cash flow forecasts, monitoring of operational expenditures compared to budget, and monitoring of financial leverage ratios. Our liquidity needs and working capital requirements can be sourced through cash provided by operating activities, existing credit facilities, and access to debt and capital markets.

Our outstanding long-term debt as at March 31, 2021 included: (i) a $110 million draw on the $350 million credit facility; and (ii) the aggregate principal amount of the US$500 million senior secured notes. The credit facility matures in November 2022 and includes normal course extension provisions. The credit facility capacity will be reduced to $325 million on June 30, 2022. The senior secured notes bear a coupon of 11%, with interest payable semi-annually on June 1 and December 1, and mature on December 1, 2025.

On April 16, 2021, Tervita received the Noteholder Consent in connection with the Arrangement and with respect to the proposed amendments to the indenture governing the senior secured notes and the collateral trust agreement. The proposed amendments are subject to the close of the Arrangement and do not affect the interest rate, maturity date, or Tervita's obligation to make principal and interest payments.

At March 31, 2021, Tervita had $57 million in letters of credit ("LCs") issued against our credit facility. The remaining $183 million of capacity, combined with $21 million of cash and cash equivalents, provided $204 million in available liquidity, an improvement of $25 million compared to the $179 million in available liquidity on December 31, 2020.

For the three months ended March 31, 2021, Tervita generated $40 million (March 31, 2020 - $44 million) of cash from operating activities and invested approximately $18 million (March 31, 2020 - $38 million) of cash in property, plant and equipment and intangible assets.

For the three months ended March 31, 2021, Discretionary Free Cash Flow was $35 million, an increase of $10 million from prior year due to increased funds from operations primarily related to lower restructuring costs. Discretionary Free Cash Flow represents Tervita's capacity to fund its ongoing growth capital spending and reduce Net Debt. Discretionary Free Cash Flow in the quarter was more than sufficient to fund the $10 million of growth and expansion cash capital expenditures.

Net Debt to Adjusted EBITDA (LTM) at March 31, 2021 was 3.41.

SOURCES OF CASH

Our liquidity needs can be sourced in several ways, including: funds from operations, draws against or increases in our credit facility, new debt instruments, proceeds from the sale of long-lived assets, and issuance of share capital.

At March 31, 2021, Tervita had cash and cash equivalents of $21 million, an increase of $5 million from December 31, 2020. In 2021, it is anticipated that Tervita's operating activities and capital expenditures will be funded through cash flow from operating activities, existing cash and cash equivalents and available credit facility capacity.

Credit Facility

At March 31, 2021, $183 million was available and undrawn under our credit facility for general corporate purposes, as well as to provide LCs to third parties. The maximum additional value of LCs that can be issued under the LC program is $143 million.

Under the terms of Tervita's credit facility we must comply with certain financial and non-financial covenants, including: (i) Total Leverage Ratio; (ii) Secured Leverage Ratio; and (iii) Interest Coverage Ratio (each as described in greater detail below). The required ratios for compliance under the credit facility are as follows:

	Q1 2021	Q2 2021	Q3 2021	Q4 2021	Q1 2022	Q2 2022	Thereafter
Total Leverage Ratio less than	**4.75**	5.00	5.00	5.00	4.75	4.75	4.50
Secured Leverage Ratio less than	**2.50**	2.50	2.50	2.50	2.50	2.50	2.50
Interest Coverage Ratio greater than	**2.00**	2.00	2.00	2.00	2.00	2.00	2.00

The Company was in compliance with its covenants at March 31, 2021 as follows:

	Required	**Actual**
Total Leverage Ratio	Less than 4.75	3.67
Secured Leverage Ratio	Less than 2.50	0.72
Interest Coverage Ratio	Greater than 2.00	2.92

Total Leverage Ratio

Total Leverage Ratio is calculated as the ratio of Total Indebtedness to Covenant EBITDA. Total Indebtedness consists of the amounts drawn on our credit facility, outstanding principal value of the senior secured notes, reported in C$ and reflecting the impact of cross-currency swaps, less cash balances up to a total of $75 million.

Secured Leverage Ratio

Secured Leverage Ratio is defined as Secured Indebtedness to Covenant EBITDA. Secured Indebtedness consists of the outstanding LCs (which reduce the borrowing availability under the credit facility) and amounts drawn on our credit facility, less cash balances up to a total of $75 million.

Interest Coverage Ratio

Interest Coverage Ratio is defined as Covenant EBITDA to Interest Expense, where Interest Expense consists of interest payments on the senior secured notes and amounts drawn under our credit facility for the last twelve months, interest due on LCs, and standby fees.

USES OF CASH

Our primary uses of cash include capital expenditures, operating and G&A expenses, payments for decommissioning obligations, lease payments (net of sublease receipts) and debt servicing. Some of these cash outflows are contractually obligated into the future.

Capital Investments

Capital additions are classified as either growth and expansion capital or maintenance capital. Growth and expansion capital are investments to expand our existing facilities, develop our landfills and caverns, and purchase property, plant and equipment, with the intent of expanding existing businesses or entering into new locations or markets. Maintenance capital is incurred to retain the current performance levels of existing assets.

Change in capital accruals represent the net non-cash additions to property, plant and equipment and intangible assets that occur as a result of the timing difference between capitalizing an asset and settling the related liability in cash.

Capital additions for the three months ended March 31 were as follows:

	Three Months Ended March 31			
	2021	2020	Increase (Decrease)	% Change
Growth and expansion	**8**	12	(4)	*(33)%*
Maintenance	**7**	8	(1)	*(13)%*
Capital additions	**15**	20	(5)	*(25)%*
Change in capital accruals and other non-cash items	**3**	18	(15)	*(83)%*
Cash spend	**18**	38	(20)	*(53)%*
Growth and expansion	**10**	28	(18)	(64)%
Maintenance	**8**	10	(2)	(20)%

Management evaluates capital projects based on their internal rate of return, payback period, fit with our corporate strategy, and risks associated with the projects, among other factors. Growth and expansion capital investment is prioritized toward projects that provide stable cash flows and where there is a high degree of certainty of completing projects on time and on budget. The amount and timing of future maintenance capital is primarily dependent on the volume of waste that is received at our facilities.

We will continue to seek opportunities to strategically deploy growth capital.

SUMMARY OF COMPARATIVE RESULTS

SEASONALITY

Seasonal weather patterns in the areas where we operate have an influence on activity within certain service lines.

During the spring months specifically, and at some other times of the year, wet weather can make the ground unstable. Consequently, roads become impassable or municipalities and provincial transportation departments enforce road bans that restrict the movement of trucks, rigs, and other heavy equipment, reducing the activity levels and placing increased importance on the location of the equipment prior to the imposition of the road bans. As a result of these weather impacts, our Energy Services segment (excluding energy marketing) tends to earn lower revenue and operating profit in the second quarter (refer to the Operating Results section for a discussion on Energy Services).

Within the Industrial Services segment, environmental services project activity tends to be lower in the first half of the year due to the challenges of completing excavation work on frozen terrain in the first quarter and the imposition of road bans in the second quarter. In rail services, the impact of rapid temperature fluctuations on rail infrastructure experienced in the first and third quarters generally causes increased activity and project work (refer to the Operating Results section for a discussion on Industrial Services).

QUARTERLY REVIEW SUMMARY

	Q1 2021	Q4 2020	Q3 2020	Q2 2020	Q1 2020	Q4 2019	Q3 2019	Q2 2019
Revenue (excluding energy marketing)	**135**	131	132	105	174	175	191	166
Energy marketing revenue	**299**	250	203	110	312	416	420	424
Revenue	**434**	381	335	215	486	591	611	590
Profit (loss) from continuing operations	**—**	(22)	11	10	(42)	(123)	10	—
- per share ($), basic	**0.00**	(0.19)	0.10	0.09	(0.37)	(1.07)	0.09	0.00
- per share ($), diluted	**0.00**	(0.19)	0.10	0.09	(0.38)	(1.07)	0.09	0.00
Net profit (loss)	**—**	(22)	11	10	(42)	(123)	10	—
- per share ($), basic	**0.00**	(0.19)	0.10	0.09	(0.37)	(1.07)	0.09	0.00
- per share ($), diluted	**0.00**	(0.19)	0.10	0.09	(0.38)	(1.07)	0.09	0.00
Adjusted EBITDA [(1)(2)]	**55**	54	56	45	53	59	65	53
Divisional EBITDA [(2)]								
Energy Services	**51**	47	44	29	59	60	63	57
Industrial Services	**11**	11	11	10	6	10	13	6
Adjusted EBITDA excluding CEWS [(1)(2)]	**51**	49	45	31	53	59	65	53

(1) *Refer to the section COVID-19 and CEWS for more information.*

(2) *Refer to section Non-GAAP Measures for definitions and reconciliations.*

Q4 2020 to Q1 2021	• The increase in revenue was primarily due to increased commodity pricing. • Energy Services Divisional EBITDA increased due to increased crude oil pricing. • Adjusted EBITDA increased as higher Divisional EBITDA was partially offset by increased G&A and reduced CEWS in the quarter. • Improvement in net loss was related to lower impairment expense partially offset by lower foreign exchange gains.
Q3 2020 to Q4 2020	• The increase in revenue was primarily due to increased commodity pricing and volume associated with normal seasonality and economic recovery. • Energy Services Divisional EBITDA increased due to increased volumes into landfills and cost management initiatives. • Adjusted EBITDA decreased as the increase in Divisional EBITDA was more than offset by reduced CEWS in the quarter. • The net loss in Q4 was related to impairment expense.
Q2 2020 to Q3 2020	• The increase in revenue was primarily due to increased commodity pricing and increased drilling and production activity associated with normal seasonality and economic recovery. • Energy Services Divisional EBITDA increased due to increased drilling and production-related activity. • Adjusted EBITDA increased due to an increase in Divisional EBITDA.
Q1 2020 to Q2 2020	• The decrease in revenue was primarily due to the global oil collapse and the impact of COVID-19, resulting in lower commodity pricing, producer shut-ins and lower drilling activity. • Energy Services Divisional EBITDA decreased due to lower drilling and production-related activity. • Industrial Services Divisional EBITDA increased due to increased project work. • Net profit increased primarily due to impairment expense in Q1 related to specific assets and higher foreign exchange gains. • Adjusted EBITDA decreased due to a decrease in Divisional EBITDA partially offset by $14 million of CEWS.
Q4 2019 to Q1 2020	• The decrease in revenue was in energy marketing largely due to lower commodity pricing. • Net loss decreased due to less impairment expense related to specific assets and closed or suspended sites.
Q3 2019 to Q4 2019	• Net loss increased primarily due to impairment expense related to specific assets and closed or suspended sites.
Q2 2019 to Q3 2019	• The increase in revenue (excluding energy marketing) was primarily due to higher project revenue in environmental services. • Adjusted EBITDA increased primarily due to higher margins earned at Energy Services facilities and higher project revenue in environmental services. • Energy Services Divisional EBITDA increased primarily due to higher margins earned at facilities. • Industrial Services Divisional EBITDA increased primarily due to higher project revenue in environmental services.

OTHER ITEMS

FINANCIAL INSTRUMENTS

As at March 31, 2021, financial instruments included cash and cash equivalents, trade and other receivables, sublease receivables, equity investments, trade and other payables, interest payable, senior secured revolving credit facility, senior secured notes, lease liabilities, derivative assets (liabilities) and contingent considerations. Excluding the senior secured notes, the fair values of the financial instruments approximated their carrying values. The fair value of the senior secured notes is influenced by changes in the risk-free interest rates and the market assessment of credit risk.

For further information regarding our financial instruments and how we manage the risk associated with these instruments, refer to notes 2 and 22 of the Annual Financial Statements, note 13 of the Interim Financial Statements, and the Liquidity and Liquidity Risk section of this MD&A.

OFF-BALANCE SHEET ARRANGEMENTS

Tervita has discussed off-balance sheet arrangements in relation to commitments, contingencies, and guarantees in note 26 of the Annual Financial Statements with no significant changes to note during the three months ended March 31, 2021. Tervita does not believe that any of these off-balance sheet arrangements have, or are reasonably likely to have, a current or future material effect on the Company's financial performance or financial condition, results of operations, liquidity, or capital expenditures.

LEGAL AND ENVIRONMENTAL MATTERS

Non-binding mediation occurred as scheduled in late 2020 with respect to the SECURE litigation. The trial is expected to commence on April 11, 2022, having been rescheduled in April 2021.

Refer to note 26 of the Annual Financial Statements for disclosure of other legal and environmental matters.

RELATED PARTY TRANSACTIONS

Refer to note 25 of the Annual Financial Statements for disclosure regarding related party transactions.

IMPACT OF NEW ACCOUNTING STANDARDS

During the three months ended March 31, 2021, there were no new accounting standards or interpretations of accounting standards that had a material impact on the Interim Financial Statements. Refer to note 2 of the Annual Financial Statements for disclosure regarding new and amended standards and interpretations.

ACCOUNTING POLICIES

Tervita's significant accounting policies are included in note 2 of the Annual Financial Statements.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Critical accounting estimates are those that require management to make judgments and estimates that affect the application of accounting policies and the reported assets, liabilities, revenues, expenses, gains, losses, and disclosures of off-balance sheet arrangements. These judgments and estimates are uncertain at the time the estimates are made and are subject to change based on experience and available information. Recent global events, including the COVID-19 pandemic and the rapid decline of oil prices in 2020, have created a challenging and volatile economic environment, subjecting our estimates and judgments to a higher degree of measurement uncertainty. Changes to critical accounting estimates could have a material impact on the Company's Interim Financial Statements.

The most significant accounting estimates and judgments used in the preparation of our Interim Financial Statements are included in note 2 of the Annual Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

Tervita's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR") are designed to provide reasonable assurance regarding the disclosure of information and reliability of external financial reporting and the preparation of the financial statements in accordance with IFRS. Tervita follows the Internal Control - Integrated Framework (COSO 2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Chief Executive Officer and the Chief Financial Officer (collectively, the "Certifying Officers") have evaluated the design and effectiveness of DC&P and concluded that there were no changes during the three months ended March 31, 2021 that materially affected, or are reasonably likely to affect, Tervita's ICFR.

Management, including the Certifying Officers, can provide only reasonable assurance that the Company's DC&P and ICFR will prevent or detect material misstatements or instances of fraud. Based on their inherent limitations, DC&P and ICFR may not prevent or detect all misstatements, and even those controls determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation and not absolute assurance that all control issues, misstatements, or instances of fraud, if any, within the Company have been detected.

NON-GAAP MEASURES

Tervita uses both IFRS measures and non-GAAP measures to assess performance. To supplement financial information presented in accordance with IFRS, non-GAAP measures referred to in this MD&A are provided to enhance the reader's understanding of Tervita's operational and financial performance. The non-GAAP measures presented in this MD&A are not measurements of financial performance under IFRS and should not be considered as an alternative to profit (loss), cash provided by (used in) operating activities, or other performance measures derived in accordance with IFRS. As non-GAAP measures do not have a standardized meaning prescribed by IFRS, Tervita's method of determining non-GAAP measures may vary from the methods used by other companies and may not be comparable to similarly titled measures, ratios, or credit statistics disclosed by other companies.

ADJUSTED EBITDA, ADJUSTED EBITDA MARGIN, DIVISIONAL EBITDA, AND DIVISIONAL EBITDA MARGIN

We believe Adjusted EBITDA and Divisional EBITDA are useful in measuring the operating performance of Tervita and our reportable segments, respectively. Adjusted EBITDA is derived from the Consolidated Statements of Profit (Loss) and is defined as net profit (loss) before tax, other income (expense), finance costs, impairment reversal (expense), depreciation and amortization, and certain items that are considered non-recurring in nature, including restructuring and transaction costs. Non-recurring severance costs from the prior periods have been reclassified to restructuring costs to conform with the current period's presentation, which had no impact on the prior periods' Adjusted EBITDA. Adjusted EBITDA includes government relief subsidies received to help mitigate the impact of the COVID-19 pandemic. Divisional EBITDA is defined as Adjusted EBITDA excluding G&A expenses and government relief subsidies, and is calculated including directly attributable costs (such as those related to reporting segment leadership, business development, environmental health and safety, and sales and marketing) with no allocation of Corporate G&A expenses, other expenses (income), or income tax expense (recovery).

Management believes that Adjusted EBITDA provides improved comparability of our operating results from our principal business activities over time and is an important indicator of our ability to generate liquidity through cash flow from operating activities. Divisional EBITDA provides an indication of the results generated by the reportable segments' principal business activities and is an important indicator of Tervita's ability to generate future profitability. Adjusted EBITDA and Divisional EBITDA allow us to evaluate the results of our principal business activities prior to consideration of how those activities are financed and the impacts of foreign exchange, taxation, depreciation and amortization, and other non-cash charges that add volatility to our financial results (such as impairment expenses, share-based compensation, and other transactions that are non-recurring in nature). Management utilizes Adjusted EBITDA to set objectives and as a key performance indicator of our Company's success.

The presentation of Adjusted EBITDA and Divisional EBITDA should not be construed as an inference that future results will be unaffected by unusual or non-recurring items. Adjusted EBITDA should not be considered a measure of discretionary cash available for the return of capital to debt and equity stakeholders and to invest in the business.

Adjusted EBITDA Margin is defined as Adjusted EBITDA divided by revenue (excluding energy marketing). Divisional EBITDA Margin is defined as Divisional EBITDA divided by the respective segment's revenue (excluding energy marketing).

For the three months ended March 31, Adjusted EBITDA and Divisional EBITDA were reconciled to net profit (loss) as follows:

	Three Months Ended March 31	
	2021	2020
Net profit (loss)	**—**	(42)
Add back:		
Depreciation and amortization	**25**	29
Restructuring costs	**—**	8
Impairment expense (reversal)	**—**	17
Finance costs	**24**	21
Transaction costs	**3**	—
Other expense (income)	**4**	21
Income tax expense (recovery)	**(1)**	(1)
Adjusted EBITDA	**55**	53
Add back:		
G&A expenses	**11**	12
Canada Emergency Wage Subsidy	**(4)**	—
Divisional EBITDA	**62**	65
Divisional EBITDA by reportable segment		
Energy Services	**51**	59
Industrial Services	**11**	6
Adjusted EBITDA Margin	***41 %***	*30 %*
Divisional EBITDA Margin		
Energy Services	***61 %***	*52 %*
Industrial Services	***21 %***	*10 %*

DISCRETIONARY FREE CASH FLOW

We use a calculation of Discretionary Free Cash Flow to determine how much cash generated from operating activities is available for growth and expansion, debt reduction, or, other purposes. Discretionary Free Cash Flow is defined as funds from operations, less cash spent on maintenance capital and payment of principal portion of lease liabilities, plus cash proceeds on the sale of long-lived assets and sublease payments received.

For the three months ended March 31, Discretionary Free Cash Flow was as follows:

	Three Months Ended March 31	
	2021	2020
Funds from (used in) operations	**46**	36
Less:		
Cash spend on maintenance capital	**(8)**	(10)
Payment of principal portion of lease liabilities	**(4)**	(4)
Add:		
Proceeds on disposition of long-lived assets	**1**	2
Sublease payments received	**—**	1
Discretionary Free Cash Flow	**35**	25

NET DEBT AND NET DEBT TO ADJUSTED EBITDA (LTM)

We monitor our Net Debt to Adjusted EBITDA (LTM) as a measure of Tervita's overall indebtedness and capital structure. We believe Net Debt to Adjusted EBITDA (LTM) is a measure of our debt capacity. Net Debt is calculated as debt, net of unamortized discount or premium and debt issue costs, and derivative assets and liabilities associated with that debt less unrestricted cash and cash equivalents. For the purposes of this calculation, Adjusted EBITDA (LTM) is defined as Adjusted EBITDA calculated for the last twelve months.

Tervita's Net Debt to Adjusted EBITDA (LTM) at March 31, 2021 was as follows:

	Adjusted EBITDA (LTM) March 31	
	2021	2020
Net profit (loss)	**(1)**	(155)
Add back:		
Depreciation and amortization	**102**	133
Restructuring costs	**3**	12
Impairment expense (reversal)	**30**	140
Finance costs	**92**	91
Transaction costs	**5**	6
Other expense (income)	**(19)**	18
Income taxes expense (recovery)	**(2)**	(15)
Adjusted EBITDA (LTM)	**210**	230

	As at March 31	
	2021	2020
Senior secured notes	**603**	823
Draw on credit facility	**108**	15
Derivative liabilities (assets)	**27**	(31)
Less: unrestricted cash and cash equivalents	**(21)**	(32)
Net Debt	**717**	775
Net Debt to Adjusted EBITDA (LTM)	***3.41***	*3.37*

COVENANT EBITDA

The terms of our credit facility require the Company to comply with certain financial and non-financial covenants, as defined by our lenders. Covenant EBITDA is defined as Adjusted EBITDA (LTM) excluding the Adjusted EBITDA (LTM) of our unrestricted subsidiary and the impact of any changes in GAAP subsequent to the date of the credit agreement (which is reflected under eligible adjustments in the Covenant EBITDA calculation below).

Tervita's Covenant EBITDA at March 31, 2021 was as follows:

	LTM March 31 2021
Net profit (loss)	**(1)**
Add back:	
Depreciation and amortization	**102**
Restructuring costs	**3**
Impairment expense (reversal)	**30**
Finance costs	**92**
Transaction costs	**5**
Other expense (income)	**(19)**
Income taxes expense (recovery)	**(2)**
Eligible adjustments:	
Adjusted EBITDA of unrestricted subsidiaries	**3**
Impact of change in accounting standards (IFRS 16)	**(9)**
Covenant EBITDA	**204**

FORWARD-LOOKING STATEMENTS

This MD&A contains forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of securities legislation. Such forward-looking statements include, without limitation, forecasts, estimates, expectations and objectives for future operations that are subject to assumptions, risks and uncertainties, many of which are beyond the control of Tervita. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects", "plans", "anticipates", "believes", "intends", "estimates", "projects", "potential" and similar expressions, or are events or conditions that "will", "would", "may", "could" or "should" occur or be achieved. These statements are not guarantees of future performance and are subject to risks, uncertainties and other key factors that could cause actual results or events to be materially different from those anticipated in such forward-looking statements.

Specific forward-looking statements contained in this MD&A include, amongst others, statements and management's beliefs, expectations or intentions regarding the following:

- anticipated strategic and economic benefits arising out of the Arrangement with SECURE for Tervita's shareholders;
- expectations relating to the structure of the combined company and the composition of the combined company's ownership base after completion of the Arrangement;
- the anticipated structure and closing conditions of the Arrangement and regulatory approvals required pursuant to the Plan of Arrangement;
- expectations related to ongoing economic recovery in the Western Canadian oilfield and the associated impact on Tervita's business performance;
- anticipated benefits from annualized structural cost savings implemented in the first half of 2020;
- anticipated benefits from commercial, organizational and cost strategies implemented within Tervita's Industrial Services business;
- anticipated benefits from investments at Tervita's Montney water disposal facility and business acquisitions;
- capital allocation plans for 2021, including planned expenditures related to growth and expansion and maintenance;
- reopening following COVID-19 pandemic-related shutdowns and the impact of reopening on industry activity levels as well as Tervita's business performance;
- expectations relating to commodity pricing and the associated impact on Tervita's business performance;
- Adjusted EBITDA expectations;
- anticipated benefits from Tervita's well abandonment and site rehabilitation program;
- plans to allocate Discretionary Free Cash Flow between Tervita's two main priorities: de-levering its balance sheet and delivering low-cost, high-impact projects and the expected results therefrom;
- plans to continue looking for cost reduction opportunities and efficiencies and the expected results therefrom;
- Tervita's business continuity plan in response to the COVID-19 pandemic; and
- assessments regarding ongoing legal matters and the anticipated timing of the same.

Forward-looking statements relating to Tervita's business are based on assumptions about, among other things:

- the satisfaction of the conditions to closing of the Arrangement in a timely manner and on the anticipated terms;
- the combined company's ability to successfully integrate the businesses of SECURE and Tervita after giving effect to the Arrangement;
- current economic and operating conditions, including commodity prices, interest rates, and environmental and regulatory matters and expectations of economic recovery;
- the ability of Tervita and Tervita's customers to recover from the current economic and operating conditions;
- the ability of Tervita to continue to access government assistance programs as needed;
- the ability of Tervita to execute on its business continuity plan in connection with the COVID-19 pandemic;
- Tervita's ability to maintain sufficient liquidity in the current ever-changing economic and operating conditions;
- Tervita's ability to obtain equipment, services, supplies and personnel to carry out its business activities;
- Tervita's ability to successfully market its business in the areas in which it operates;
- that Tervita's current business environment will remain substantially unchanged; and
- Tervita's ability to secure financing on acceptable terms, if needed.

Forward-looking statements and information should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether such results will be achieved. Actual results could differ materially from those anticipated in forward-looking statements as a result of uncertainties and risk factors, including risk factors and uncertainties related to:

- risks related to the completion and the timing of the Arrangement, including; the ability of Tervita to receive the necessary third-party approvals and to satisfy the other conditions to the closing of the Arrangement; the ability to complete the Arrangement on the terms contemplated by Tervita or at all; the ability of the combined company to realize the anticipated benefits of the Arrangement; and the consequences of not completing the Arrangement, including the volatility of the share prices of Tervita, negative reactions from the investment community and the required payment of certain costs pursuant to the Arrangement;
- liquidity risks that may arise from general day-to-day cash requirements;
- risks associated with Tervita's projects and financial instruments;
- demand for services in all of Tervita's operating segments can be adversely impacted by general economic conditions and Tervita's Energy Services business in particular is dependent on exploration and production activity levels in the markets where Tervita offers it services;
- Tervita's business is dependent upon the willingness of Tervita's customers to continue outsourcing their waste management and other environmental services activities;
- the impact of the significant costs of complying with environmental laws and regulations;
- Tervita's markets are highly competitive;

- global financial conditions are subject to volatility;
- the impact of public health crises;
- the impact of climate change and alternate energy sources;
- the impact of changes in laws;
- the impact of changes in tax laws and regulations;
- failure to perform contractual obligations could adversely affect Tervita's reputation and results of operations;
- Tervita may have difficulty identifying and executing acquisitions on favourable terms, Tervita may be unable to successfully integrate businesses it acquires, and Tervita may face significant exposure from unknown liabilities in connection with its acquisitions;
- Tervita is susceptible to seasonal volatility in its operating and financial results due to weather conditions;
- risks related to market access issues and limited pipeline capacity, including the risk of the implementation of controls or tariffs on competitor-owned pipelines which impede Tervita's ability to physically or economically access the pipelines that may affect its energy marketing business;
- risks related to the transportation of petroleum products and waste water;
- changes in provincial royalty rates could adversely affect Tervita's financial condition and results of operations;
- risks related to First Nations consultation and claims and the impact of such consultation and claims on Tervita's ability to secure locations for capital projects and ability to operate;
- Tervita's operations being carried out in extreme weather conditions and subject to numerous natural disasters and operating hazards and the lack of assurance that such events will be covered by insurance or whether any such insurance coverage would be adequate;
- potential impairment losses in respect of Tervita's physical assets from reduced industry activity and a sustained decline in demand for services involving such assets;
- legislative and regulatory initiatives related to hydraulic fracturing / induced seismicity that could result in increased costs and additional operating restrictions or delays as well as adversely affect Tervita's support services;
- increasing concerns regarding induced seismicity related to oil and gas production and waste disposal wells;
- Tervita's future success depends on its ability to attract and retain qualified workers;
- fluctuations in supply and demand for scrap metal prices;
- dependence on Tervita's senior management, the loss of which could materially harm its business;
- Tervita's failure to comply with health and safety regulations at its facilities and in its operations could result in significant liabilities and/or fines and penalties;
- Tervita's treating, recovery and disposal facilities, cavern disposal facilities and engineered landfill operations could be adversely affected by more stringent closure and post-closure obligations and a variety of other risks;
- Tervita's business depends on its ability to successfully complete complex and lengthy bidding and selection processes;
- the impact of a failure by Tervita's employees to follow applicable procedures and guidelines for on-site accidents;
- deterioration in Tervita's safety record would harm its relationships with customers, make it less likely for customers to contract for its services and subject it to penalties and fines, which could adversely affect Tervita's business, operating results and financial condition;
- Tervita's obligation to comply with US federal, state and local environmental laws and regulations;
- the impact of a decline in WCS prices relative to WTI prices and limited pipeline capacity;
- the inability of counterparties or customers to fulfill their obligations to Tervita subjects Tervita to credit risk and could adversely impact its results of operations;
- technology Tervita uses in its business is increasingly subject to protection by intellectual property rights;
- information technology systems used by Tervita in its business could be subject to security threats;
- Tervita's confidential information may be exposed due to third parties or technical malfunctions;
- Tervita's ability to only provide reasonable assurance of its disclosure controls and procedures and its internal controls over financial reporting;
- Tervita's competitiveness depends on continuous improvements in its operating equipment;
- Tervita may not be able to procure products and services on favourable terms or in a timely manner;
- high fuel costs may adversely affect Tervita's business;
- some of the engineered landfills Tervita operates are owned by third parties but operated by Tervita under contract and there is a risk of such contracts being terminated if breached by Tervita;
- fluctuations in exchange rates could affect Tervita's financial condition;
- increases in inflation could affect Tervita's cash flows, liquidity and results of operations;
- the impact of pending and future legal proceedings on Tervita's business;
- the impact of environmental activism on Tervita's business;
- possible conflict of interest between Tervita's major shareholders and Tervita's other shareholders;
- possible conflict of interest of Tervita's directors and officers; and
- the potential of merger and acquisition activity in the oil and gas sector to reduce demand for Tervita's services.

For a more detailed discussion of risks relating to Tervita, see our most recent AIF dated March 4, 2021. These factors should not be construed as exhaustive. The forward-looking statements included in this MD&A are made only as of the date hereof and Tervita does not undertake to publicly update these forward-looking statements for new information, future events, or otherwise, except as required by applicable laws. Any forward-looking statements contained herein are expressly qualified by this cautionary statement.

Any financial outlook set forth in this MD&A, including expectations regarding Adjusted EBITDA for 2021 and Tervita's capital spending program, was approved by management as of the date of this MD&A to provide investors with an estimation of the outlook for Tervita for 2021 and onwards, where applicable, and readers are cautioned that any such financial outlook contained herein should not be used for purposes other than those for which it is disclosed herein. The prospective financial information set forth in this MD&A has been prepared by management. Tervita's management believes that the prospective financial information has been prepared on a reasonable basis, reflecting management's best estimates and judgements, and represents, to the best of management's knowledge and opinion, Tervita's expected course of action in developing and executing its business strategy and growth opportunities relating to its business operations. However, actual results may vary from the prospective financial information set forth in this MD&A. See above for a discussion of the risks that could cause actual results to vary. The prospective financial information set forth in this MD&A should not be relied on as necessarily indicative of future results.

For additional information relating to Tervita, including our AIF, please see our profile on SEDAR, available at www.sedar.com.