Management's Discussion & Analysis

2022 Annual and Fourth Quarter Report

SECURE

CONTENTS

ABOUT THIS MD&A

The following management's discussion and analysis ("MD&A") of the financial position and results of operations of SECURE Energy Services Inc. ("SECURE", the "Corporation", "we", or "our") has been prepared by management and reviewed and approved by the Board of Directors of SECURE (the "Board") on March 1, 2023. The MD&A is a review of the financial results of the Corporation 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's primary focus is a comparison of the financial performance for the three and twelve months ended December 31, 2022 to the three and twelve months ended December 31, 2021, and should be read in conjunction with the Corporation's annual audited consolidated financial statements and notes thereto for the years ended December 31, 2022 and 2021 ("Annual Financial Statements").

All amounts are presented in Canadian dollars, unless otherwise stated, and all tabular amounts are in millions of Canadian dollars, except share and per share amounts or as otherwise noted. Certain comparative figures have been reclassified to conform to the MD&A presentation adopted for the current year.

This MD&A contains references to the following financial measures that do not have a standardized meaning as prescribed under IFRS ("non-GAAP and other specified financial measures"): Adjusted EBITDA, Adjusted EBITDA per share, Adjusted EBITDA Margin, Total Segment Profit Margin, Discretionary Free Cash Flow, Discretionary Free Cash Flow per share, Working Capital, Total Debt, Liquidity and certain supplemental financial measures. Refer to the 'Non-GAAP and other specified financial measures' section of this MD&A for a full discussion on management's use of non-GAAP and other specified financial measures, including, where applicable, reconciliations to the most directly comparable IFRS measure.

On July 2, 2021 (the "Acquisition Date"), pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta), SECURE acquired all of the issued and outstanding common shares of Tervita Corporation ("Tervita") and subsequently Tervita was amalgamated with SECURE (collectively, the "Transaction"). SECURE issued approximately 147.6 million common shares following which Tervita amalgamated with SECURE. The common shares of Tervita were delisted from the Toronto Stock Exchange ("TSX") at the close of market on July 6, 2021. Following completion of the Transaction, Tervita ceased to make separate filings as a reporting issuer. The Annual Financial Statements and this MD&A include financial results for Tervita since the Acquisition Date. Refer to the 'Legal Proceedings and Regulatory Actions' section of this MD&A for ongoing *Competition Act* (Canada) ("Competition Act") matters related to the Transaction.

CORPORATE OVERVIEW

SECURE is a leading energy and environmental infrastructure business headquartered in Calgary, Alberta. The Corporation's extensive infrastructure network located throughout key resource plays in western Canada and North Dakota includes processing and storage facilities, crude oil and water pipelines, industrial landfills, waste transfer and metals recycling facilities. Through this infrastructure network, the Corporation carries out its principal business operations, including the gathering, optimization and storage of crude oil and natural gas liquids, and the processing, recovery and disposal of waste streams generated by our energy and industrial customers. The solutions the Corporation provides are designed not only to help reduce costs, but also lower emissions, increase safety, manage water, recycle by-products and protect the environment.

SECURE's common shares ("Common Shares") are listed on the Toronto Stock Exchange ("TSX") under the symbol "SES" and is a constituent of the S&P/TSX Composite Index.

SECURE's Midstream Infrastructure reportable segment includes a network of processing, waste treatment, disposal and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada and North Dakota. SECURE's midstream infrastructure operations generate cash flows from oil production processing and disposal, produced water disposal, and crude oil storage, logistics, and marketing.

SECURE's Environmental and Fluid Management reportable segment includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste processing & transfer facilities, metal recycling facilities, environmental solutions for site remediation and reclamation, bio-remediation facilities, as well as fluid management for drilling, completion and production optimization.

For a complete description of services provided by the Corporation, please refer to the heading '*Description of the Business and Facilities'* in the Corporation's Annual Information Form for the year ended December 31, 2022 ("AIF") which is available under SECURE's profile on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com and our website at www.secure-energy.com and does not constitute part of this MD&A.

OPERATIONAL DEFINITIONS

Certain operational definitions used throughout this MD&A are further explained below.

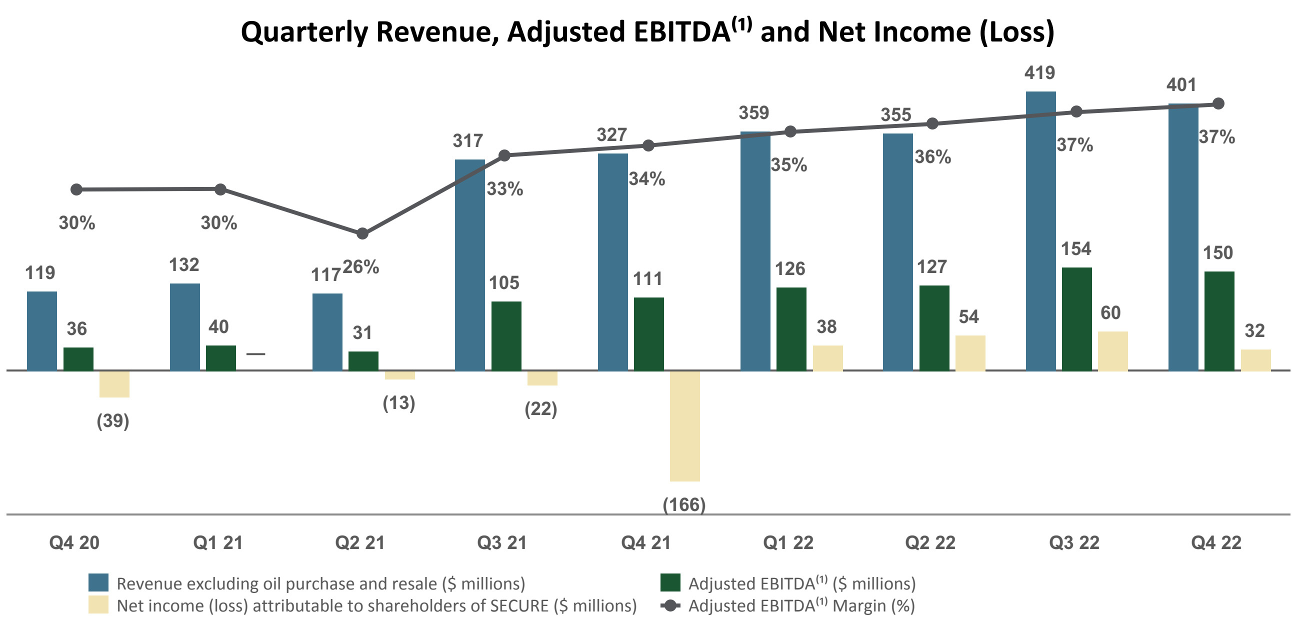
Capital expenditures

The Corporation classifies capital expenditures as either growth, acquisition or sustaining capital. Growth and acquisition capital are capital expenditures with the intent to expand or restructure operations, enter into new locations or emerging markets, or complete a business or asset acquisition. Sustaining capital refers to capital expenditures in respect of capital asset additions, replacements or improvements required to maintain ongoing business operations. The determination of what constitutes sustaining capital expenditures versus growth capital involves judgment by management.

Oil prices

Canadian Light Sweet crude oil price is the benchmark price for light crude oil (40 American Petroleum Institute gravity) at Edmonton, Alberta. West Texas Intermediate ("WTI") crude oil is the North American benchmark price for light crude oil at Cushing, Oklahoma.

FINANCIAL AND OPERATING HIGHLIGHTS



1. Refer to the "Non-GAAP and other specified financial measures" section in this MD&A for further information.

2. At the start of the third quarter of 2021, the Corporation closed the Transaction.

The Corporation's operating and financial highlights for the three and twelve months ended December 31, 2022 and 2021 can be summarized as follows:

	Three months ended December 31,			Twelve months ended December 31,		
($ millions except share and per share data)	**2022**	**2021**	**% change**	**2022**	**2021**	**% change**
Revenue (excludes oil purchase and resale)	**401**	327	23	**1,534**	893	72
Oil purchase and resale	**1,624**	1,013	60	**6,468**	2,873	125
Total revenue	**2,025**	1,340	51	**8,002**	3,766	112
Adjusted EBITDA (1)	**150**	111	35	**557**	286	95
Per share ($), basic (1)	**0.48**	0.36	33	**1.80**	1.22	48
Per share ($), diluted (1)	**0.48**	0.36	33	**1.78**	1.22	46
Net income (loss) attributable to shareholders of SECURE	**32**	(166)	119	**184**	(203)	191
Per share ($), basic and diluted	**0.10**	(0.54)	119	**0.59**	(0.87)	168
Funds flow from operations	**84**	54	56	**403**	176	129
Per share ($), basic	**0.27**	0.18	50	**1.30**	0.75	73
Per share ($), diluted	**0.27**	0.18	50	**1.29**	0.75	72
Discretionary free cash flow (1)	**74**	47	57	**348**	171	104
Per share ($), basic (1)	**0.24**	0.15	60	**1.12**	0.73	53
Per share ($), diluted (1)	**0.24**	0.15	60	**1.11**	0.73	52
Capital expenditures (1)	**34**	17	100	**96**	43	123
Dividends declared per common share	**0.1000**	0.0075	1,233	**0.1225**	0.0300	308
Total assets	**2,840**	2,937	(3)	**2,840**	2,937	(3)
Long-term liabilities	**1,115**	1,498	(26)	**1,115**	1,498	(26)
Common shares - end of period	**309,381,452**	308,158,691	—	**309,381,452**	308,158,691	—
Weighted average common shares:						
Basic	**309,956,766**	308,135,731	1	**309,637,322**	234,226,176	32
Diluted	**314,248,785**	308,135,731	2	**313,167,037**	234,226,176	34

(1) Refer to the "*Non-GAAP and other specified financial measures*" and "*Operational Definitions*" sections in this MD&A for further information.

FOURTH QUARTER HIGHLIGHTS

- **Revenue (excluding oil purchase and resale) of $401 million** - an increase of 23% compared to the fourth quarter of 2021 with Midstream Infrastructure revenue (excluding oil purchase and resale) increasing by $31 million to $169 million and Environmental and Fluid Management revenue increasing by $43 million to $232 million for the quarter. These increases were primarily due to an increase in energy-related volumes and reclamation trends. Higher crude oil pricing in the fourth quarter of 2022 also positively impacted recovered oil revenue and contributed to the increase in oil purchase and resale revenue which increased by 60% to $1.6 billion compared to the comparative 2021 period. In the Environmental and Fluid Management segment increased industry activity led to higher volumes in industrial landfills, demand for drilling, completion and production optimization infrastructure underpinned by an approximate 36% increase in the average active rig count compared to the fourth quarter of 2021.
- **Net income attributable to shareholders of $32 million and $0.10 per share** - an increase of $198 million or $0.64 per share compared to the fourth quarter of 2021, as general industry conditions stayed strong supporting higher gross margins. Net income in the fourth quarter of 2021 included a $247 million non-cash impairment charge attributable to the suspension or closure of facilities to achieve the integration cost savings related to the Transaction.

- **Adjusted EBITDA of $150 million and $0.48 per basic share[1]** - increases of 35% and 33% compared to the fourth quarter of 2021, driven by stronger energy, environmental and industrial markets. Despite extreme cold weather during the quarter, our infrastructure continued to receive higher processing, recovery, terminalling, and pipeline volumes.
- **Adjusted EBITDA margin of 37%** - increased from 34% in the fourth quarter of 2021, due to the higher volumes and higher revenue contributing to improved fixed cost absorption, particularly in the service lines impacted by increased drilling and completion activity during the quarter. Additionally, integration cost savings as a result of the Transaction have contributed to a higher Adjusted EBITDA margin during the quarter.
- **Funds flow from operations of $84 million** - an increase of $30 million from the prior year comparative period, or 50% on a per basic share basis, driven by the increase in Adjusted EBITDA.
- **Discretionary free cash flow[1] of $74 million** - which was used primarily to repurchase a portion of SECURE's 2025 senior secured 11% notes, pay Transaction related costs, fund growth capital and repurchase shares under the normal course issuer bid ("NCIB").
- **Improved our Total Debt[2] to EBITDA covenant ratio[3] to 1.9x** - Adjusted EBITDA and cash generation was supported by increased revenues in all segments, industry activity, lower G&A and synergies achieved. The debt reduction is consistent with our 2022 capital allocation objective to target lower overall debt levels.
- **Midstream Infrastructure segment profit margin of 63%** - significantly increased margin improvement from 59% in the fourth quarter of 2021, driven by synergies and increased activity.
- **Environmental and Fluid Management segment profit margin of 25%** - decreased by 3% from the fourth quarter of 2021 as a result of change in project mix and lower ferrous pricing impacting Metals Recycling.
- **G&A expense before DD&A and share-based compensation as a percentage of revenue (excluding oil purchase and resale) of 4%** - an improvement of 4% compared to 8% in the fourth quarter of 2021, driven by synergies related to the Transaction and supported by increased activity levels.
- **Repurchased US$58 million of our 2025 senior secured notes** - the Corporation remains focused on improving our capital structure and as such, the Corporation opportunistically repurchased US$58 million aggregate principal amount of our 2025 senior secured notes in the quarter.
- **Buyback of 882,700 common shares under the NCIB** - after December 15th, 2022, the Corporation purchased 882,700 common shares at a weighted average price per share of $6.92 for a total of $6 million.
- **Declared dividends of $31 million** - dividend of $0.10 per common share was paid to shareholders on January 16, 2023.
- **Growth capital expenditures of $13 million** - primarily related to long-lead items and expansion of existing facilities backstopped by commercial agreements.
- **Sustaining capital expenditures of $21 million** - primarily related to well and facility maintenance, landfill cell expansions and asset integrity and inspection programs.

---

1 *Refer to the "Non-GAAP and other specified financial measures" section in this MD&A for further information.*

2 *Capital management measure. Refer to the "Non-GAAP and other specified financial measures" section of this MD&A.*

3 *Calculated in accordance with the Corporation's credit facility agreements. Refer to the "Liquidity and Capital Resources" section of this MD&A for additional information.*

- **Liquidity[2] of $398 million** - As at December 31, 2022, the Corporation had drawn $352 million aggregate principal amount on the Revolving Credit Facility and a total of $92 million of letters of credit ("LCs") have been issued against SECURE's credit facilities resulting in $398 million of Liquidity (available capacity under SECURE's credit facilities and cash-on-hand, subject to covenant restrictions).

ANNUAL HIGHLIGHTS

- **Revenue (excluding oil purchase and resale) of $1.5 billion** - an increase of 72% compared to 2021 due to the same factors that impacted the quarter as well as the full year contribution of the assets acquired through the Transaction.
- **Net income attributable to shareholders of $184 million** - an increase of $387 million compared to 2021. The increase was primarily driven by the same factors that impacted revenue and Adjusted EBITDA above and a non-cash impairment expense in 2021.
- **Adjusted EBITDA of $557 million** - an increase of 95% compared to 2021, primarily due to the same factors that impacted the quarter as well as the full year contribution of revenue above.
- **Significant debt reduction** - the Corporation repaid $108 million of the Revolving Credit Facility and repurchased US$138 million aggregate principal amount of 2025 senior secured notes using funds flow from operations of $403 million. The debt reduction, combined with an increase in our Adjusted EBITDA, improved our Total Debt[2] to EBITDA covenant ratio to 1.9x from 3.4x at December 31, 2021.
- **Integration cost savings of $76 million (101% of initial target) realized** - as of September 30, 2022, the Corporation achieved 101% of the $75 million cost savings target it established following completion of the Transaction.
- **Discretionary free cash flow of $348 million** - an increase of $177 million from the prior year which was used for the reduction of Total Debt[2], to pay costs associated with the Transaction, fund growth capital expenditures and the Corporation's quarterly dividend, as well as increased working capital associated with higher activity levels.
- **Total capital expenditures of $96 million** - consisting of $27 million growth capital and $69 million of sustaining capital. Growth capital included spend related to connecting an additional segment of the East Kaybob oil pipeline, increasing the handling capacity at a water disposal facility and optimization upgrades. Sustaining capital related primarily to well and facility maintenance, landfill cell expansions, spare parts, asset integrity and inspection programs.

OUTLOOK

SECURE's strategic plan in 2022 was to realize the $75 million in synergies from the Tervita merger, integrate the acquired business units, and pay down debt, of which the Corporation outperformed its overall operational and financial goals. For 2023, the Corporation's strategic plan will focus on:

- Enhancing the business with best-in-class customer service and effective optimization of our infrastructure;
- Growing the volumes handled across the network;
- Investing capital in infrastructure that has contracted and/or recurring cash flows;
- Targeting strategic partnerships for opportunities that reduce inefficiencies and redundant assets;
- Executing a digital transformation of the business;
- Evaluating potential ESG growth opportunities that fit our core competencies; and
- Delivering on our capital allocation priorities.

2 *Capital management measure. Refer to the "Non-GAAP and other specified financial measures" section of this MD&A.*

In 2023, the Corporation expects to see continued momentum across all business lines as stronger energy, environmental and industrial markets continue to drive higher volumes, activity levels and overall demand for SECURE's infrastructure.

Our energy customers have strengthened their balance sheets and remain disciplined on spending while growing production within operating cash flows. While macroeconomic factors such as inflationary pressures, the possibility of a near-term recession, overall demand globally and the geopolitical risk premium creates ongoing uncertainty for energy markets, the current price environment continues to drive robust producer cash flows and increased energy industry activity in our operating regions. SECURE's infrastructure network across western Canada and North Dakota has significant capacity to help our customers with increased volumes requiring processing, disposal, recycling, recovery and terminalling with minimal incremental fixed costs or additional capital.

The environmental and industrial markets remain strong as liability management programs in British Columbia, Alberta and Saskatchewan seek to speed up the rate in which inactive wells and facilities are abandoned and reclaimed. These programs are expected to result in incremental volumes at our industrial landfills and waste facilities, metal recycling facilities and higher demand for environmental remediation.

In 2023, the Corporation will also benefit from the full run rate of realized synergies from the Transaction adding incremental Adjusted EBITDA. During the year, the Corporation will continue to focus on optimizing the business, target additional operating efficiencies and seek to continually improve operating cashflows.

In addition, the improvements made to our capital structure in 2022 will positively impact our free cash flow in 2023. During 2022, SECURE repurchased US$138 million of the 2025 senior secured notes assumed through the Tervita merger, resulting in annualized interest savings of approximately $10 million. At December 31, 2022, US$162 million aggregate principal amount of these notes remain outstanding. The Corporation expects to continue to repurchase these notes where market conditions are favourable which will result in lower interest costs along with improved financial flexibility.

Capital Allocation Priorities

With the Corporation's current financial position and strong free cash flow profile driven by recurring volumes across our infrastructure network, along with our optimistic business outlook, we are extremely well positioned to deliver on the capital allocation priorities announced in the fourth quarter of 2022. We have established a principal balance debt target of $850 million to $950 million that is below 2x EBITDA on a trailing twelve-month basis. This debt target provides sufficient financial flexibility to manage the business, take advantage of opportunities that meet our strategic objectives, and return cash to shareholders. In 2023, SECURE will pay an increased annualized base dividend of $0.40 per share, which equates to a total of approximately $125 million in 2023. SECURE has also been actively repurchasing shares during the first two months of 2023 through an NCIB which further enhances shareholder value. To date, SECURE has repurchased and cancelled 5,932,800 common shares at a weighted average price per share of $7.78 for a total of $46 million since the commencement of the NCIB in December 2022. The Corporation will continue to view share repurchases as opportunistic, and balance repurchases with other opportunities.

Our planned growth expenditures for 2023 are approximately $50 million and relate primarily to expanding infrastructure backed by commercial agreements. In fourth quarter of 2022, SECURE entered into 3 long-term commercial agreements backstopping the construction of the new oil terminalling and pipeline infrastructure in the Clearwater oil region of Alberta. The estimated cost of the infrastructure is $35 million and is expected to be complete by the end of the third quarter of 2023. SECURE also expects to incur approximately $60 million of sustaining capital and $25 million of capital related to landfill expansions. The additional landfill expansions are in anticipation of increased abandonment spend obligations driven from government regulations.

The Corporation expects to spend approximately $20 million related to asset retirement obligations in 2023. As a partner to customers in their own land remediation efforts, we strive to lead by example in our industry by going above regulatory requirements to restore our operations back to nature at the end of their lives.

The current macroeconomic conditions, including the ongoing war in Ukraine, higher energy prices and lack of reliable supply have caused the need for more affordable and secure energy. Renewable energy is progressing, but, due to the unreliable nature of this form of generation, it will not be a dependable replacement for more traditional energy sources in the near-term. The transformation of traditional energy to safe, secure, abundant, affordable, and lower carbon systems is well under way. Canada has best-in-class safety, environmental and social practices, and the natural resources to make it a reliable provider of this future transformed energy. Increasing Canadian energy and exporting to the world is a long-term solution to providing energy security and a lower carbon future.

SECURE has made tremendous progress over the past two years due to the continued hard work and dedication of our employees. We believe we are well positioned to execute on our priorities for 2023 and create significant value for our shareholders.

NON-GAAP AND OTHER SPECIFIED FINANCIAL MEASURES

Certain measures in this MD&A do not have any standardized meaning as prescribed under IFRS and are considered non-GAAP and other specified financial measures as defined in National Instrument 52-112. These measures are identified and presented, where appropriate, together with reconciliations to the most directly comparable IFRS measure. These measures are intended as a complement to results provided in accordance with IFRS. The Corporation believes these measures provide additional useful information to analysts, shareholders and other users to understand the Corporation's financial results, profitability, cost management, liquidity and ability to generate funds to finance its operations.

This MD&A includes the following non-GAAP and other specified financial measures: Adjusted EBITDA and Discretionary Free Cash Flow (non-GAAP Financial Measures), Adjusted EBITDA Margin, Adjusted EBITDA per basic and diluted share and Discretionary Free Cash Flow per basic and diluted share (non-GAAP Financial Ratios), Segment Profit Margin (Total of Segment Measure), Working Capital, Total Debt and Liquidity (Capital Management Measures), and certain supplemental financial measures as discussed in this section. These non-GAAP and other specified financial measures are further explained below.

Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EBITDA per share

Adjusted EBITDA is calculated as noted in the table below and reflects items that the Corporation considers appropriate to adjust given the irregular nature and relevance to comparable operations. Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue (excluding oil purchase and resale). Adjusted EBITDA per basic and diluted share is defined as Adjusted EBITDA divided by basic and diluted weighted average common shares.

Adjusted EBITDA and Adjusted EBITDA margin are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

Management believes that in addition to net income (loss), Adjusted EBITDA is a useful supplemental measure to enhance investors' understanding of the results generated by the Corporation's principal business activities prior to consideration of how those activities are financed, how the results are taxed, how the results are impacted by non-cash charges, and charges that are irregular in nature or not reflective of SECURE's core operations. Management calculates these adjustments consistently from period to period to enhance comparability of this MD&A. Adjusted EBITDA is used by management to determine SECURE's ability to service debt, finance capital expenditures and provide for dividend payments to shareholders. Adjusted EBITDA is also used internally to set targets for determining employee variable compensation, largely because management believes that this measure is indicative of how the fundamental business is performing and being managed. Adjusted EBITDA margin is used as a supplemental measure by investors and management to evaluate cost efficiency.

The following table reconciles the Corporation's net income (loss), being the most directly comparable financial measure disclosed in the Corporation's Annual Financial Statements, to Adjusted EBITDA for the three and twelve months ended December 31, 2022 and 2021. For all prior periods, Adjusted EBITDA is reconciled to its most directly comparable financial measure under IFRS in SECURE's MD&A for the respective period. All such reconciliations are in the non-GAAP and other specified financial measures advisory section of the applicable MD&A, each of which are available on SECURE's SEDAR profile at www.sedar.com and each such reconciliation is incorporated by reference herein.

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Net income (loss)	32	(166)	119	184	(204)	190
Adjustments:						
Depreciation, depletion and amortization [1]	49	51	(4)	178	173	3
Impairment [1]	—	247	(100)	—	269	(100)
Current tax expense	—	(2)	100	—	(2)	100
Deferred tax expense (recovery)	23	(56)	141	68	(67)	201
Share-based compensation [1]	5	3	67	19	13	46
Interest, accretion and finance costs	24	28	(14)	97	60	62
Unrealized loss (gain) on mark to market transactions [2]	1	2	(50)	(1)	2	(150)
Other (income) expense	1	(6)	117	(25)	3	(933)
Transaction and related costs	15	10	50	37	39	(5)
Adjusted EBITDA	150	111	35	557	286	95

[1] Included in cost of sales and/or general and administrative expenses on the Consolidated Statements of Comprehensive Income (Loss).

[2] Net balance. Includes amounts presented in revenue and cost of sales on the Consolidated Statements of Comprehensive Income (Loss).

In the three and twelve months ended December 31, 2022, transaction and related costs of $15 million and $37 million included costs related to legal and advisory fees for the completion of the Transaction, including the competition review process, and integration costs. In the three and twelve months ended December 31, 2021, transaction costs of $10 million and $39 million, respectively, related to costs associated with the Transaction and integration of the acquired Tervita business.

The Corporation also adjusted for other (income) expense in the twelve months ended December 31, 2022 resulting mainly from the sale of unused land and the sale of an interest in a facility.

Discretionary Free Cash Flow and Discretionary Free Cash Flow per share

Discretionary free cash flow is defined as funds flow from operations adjusted for sustaining capital expenditures, and lease payments (net of sublease receipts). The Corporation may deduct or include additional items in its calculation of discretionary free cash flow that are unusual, non-recurring, or non-operating in nature. Discretionary free cash flow per basic and diluted share is defined as discretionary free cash flow divided by basic and diluted weighted average common shares. For the three and twelve months ended December 31, 2022 and 2021, transaction and related costs have been adjusted as they are costs outside the normal course of business.

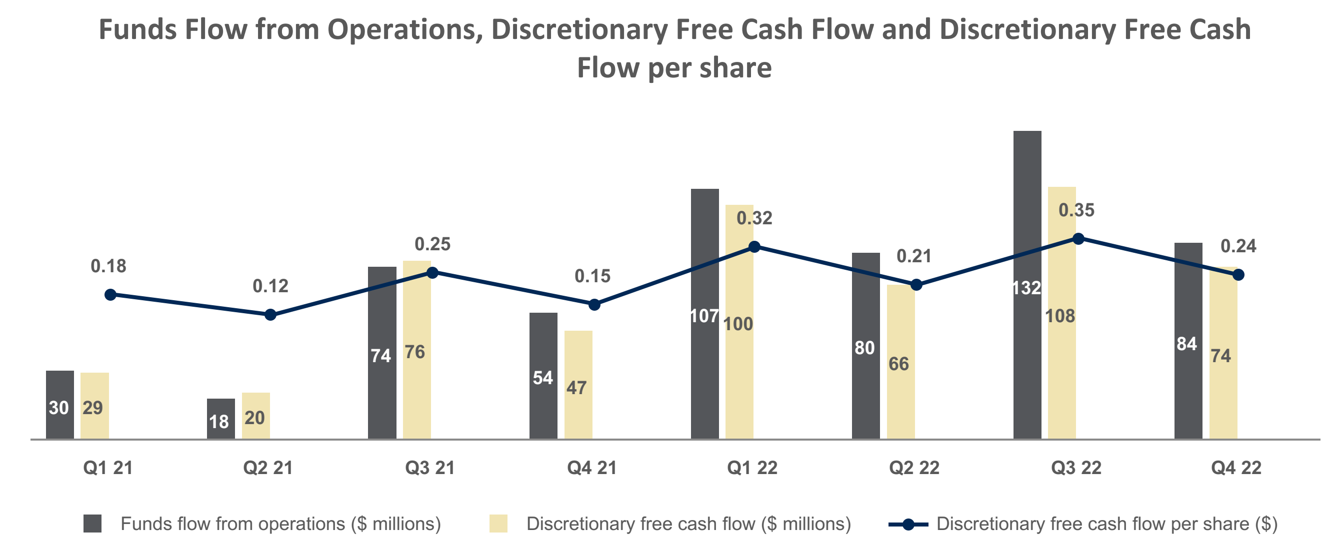
Discretionary free cash flow and discretionary free cash flow per share are not standardized financial measures under IFRS and might not be comparable to similar financial measures disclosed by other companies.

Discretionary free cash flow and discretionary free cash flow per share are used by investors and management to assess the level of cash flow generated from ongoing operations. Management uses the discretionary free cash flow and discretionary free cash flow per share measures to evaluate the adequacy of internally generated cash flow to manage debt levels, invest in the growth of the business, or return capital to our shareholders.

The following table reconciles the Corporation's funds flow from operations, being the most directly comparable financial measure disclosed in the Corporation's Annual Financial Statements, to discretionary free cash flow.

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Funds flow from operations	**84**	54	56	**403**	176	129
Adjustments:						
Sustaining capital [(1)]	**(21)**	(13)	(62)	**(69)**	(29)	(138)
Lease liability principal payment (net of sublease receipts)	**(4)**	(4)	—	**(23)**	(15)	(53)
Transaction and related costs	**15**	10	50	**37**	39	(5)
Discretionary free cash flow	**74**	47	57	**348**	171	104

[(1)] Refer to the "*Operational Definitions*" section of this MD&A for further information.



Total Segment Profit Margin

Segment profit margin is calculated as the difference between revenue and cost of sales, excluding depreciation, depletion, amortization, impairment, and share-based compensation expenses. Management analyzes segment profit margin and segment profit margin as a percentage of revenue (excluding oil purchase and resale) by segment as a key indicator of segment profitability. Segment profit margin is also used by management to quantify the operating costs inherent in the Corporation's business activities, prior to operational related depreciation, depletion and amortization, impairment and share-based compensation, and to evaluate segment cost control and efficiency. The following table reconciles the Corporation's gross margin, being the most directly comparable financial measure disclosed in the Corporation's Annual Financial Statements, to total and consolidated segment profit margin.

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Gross margin	**121**	(157)	177	**493**	(60)	922
Add:						
Depreciation, depletion and amortization [(1)]	**44**	47	(6)	**165**	158	4
Impairment [(1)]	**—**	243	(100)	**—**	265	(100)
Share-based compensation [(1)]	**1**	1	—	**2**	2	—
Segment profit margin	**166**	134	24	**660**	365	81

[(1)] Included in cost of sales and/or general and administrative expenses on the Consolidated Statements of Comprehensive Income (Loss).

Capital management measures

This MD&A includes the following capital management measures: Working Capital, Total Debt and Liquidity. Working Capital is calculated as the difference between current assets less accounts payable and accrued liabilities and interest payable. Liquidity is calculated as the total of cash and the available borrowing amount under the Corporation's $800 million Revolving Credit Facility and SECURE's $30 million (increased to $50 million subsequent to December 31, 2022) unsecured letter of credit facility guaranteed by Export Development Canada (the "LC Facility"). Total Debt is calculated as the total of amounts drawn on the Corporation's Revolving Credit Facility, the principal amount outstanding on the 2025 senior secured notes, the principal outstanding on the 2026 unsecured notes, lease liabilities and financial letters of credit. Management analyzes Working Capital, Total Debt and Liquidity as part of the Corporation's overall capital management strategy to ensure adequate sources of capital are available to maintain operational activities, carry out the Corporation's planned capital program, fund dividend payments and have sufficient cash sources to sustain the business for the long-term. Refer to Notes 11, 12 and 23 of the Annual Financial Statements for additional information.

Supplemental financial measures

This MD&A includes funds flow from operations per basic and diluted share as a supplemental financial measure and is calculated as funds flow from operations, as determined in accordance with IFRS, divided by basic and diluted weighted average common shares.

RESULTS OF OPERATIONS FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2022

In order to discuss the factors that have caused period to period variations in operating activities, the Corporation has divided the business into two reportable segments, as outlined in the '*Corporate Overview*' above, and presented in Note 26 of the Annual Financial Statements.

- **Midstream Infrastructure** includes a network of processing, waste treatment, disposal and storage facilities, and crude oil and water pipelines located throughout key resource plays in western Canada and North Dakota. SECURE's midstream infrastructure operations generate cash flows from oil production processing and disposal, produced water disposal, and crude oil storage, logistics, and marketing.
- **Environmental and Fluid Management** includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste processing & transfer facilities, metal recycling facilities, environmental solutions for site remediation and reclamation, bio-remediation facilities, as well as fluid management for drilling, completion and production optimization.

Total G&A expenses by segment excludes corporate expenses and share-based compensation, as senior management reviews each segment's earnings before these expenses in assessing profitability and performance.

The tables below outline the results by reportable segment for the three and twelve months ended December 31, 2022 and 2021:

Three months ended December 31, 2022	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	169	232	—	401
Oil purchase and resale service	1,624	—	—	1,624
Total revenue	**1,793**	**232**	**—**	**2,025**
Cost of sales excluding items listed separately below	(1,686)	(173)	—	(1,859)
Segment profit margin	**107**	**59**	**—**	**166**
G&A expenses excluding items listed separately below	(4)	(7)	(6)	(17)
Depreciation, depletion and amortization [(1)]	(32)	(16)	(1)	(49)
Share-based compensation [(1)]	—	—	(5)	(5)
Interest, accretion and finance costs	—	(3)	(21)	(24)
Transaction and related costs	—	—	(15)	(15)
Other income (expense)	—	—	(1)	(1)
Income (loss) before tax	**71**	**33**	**(49)**	**55**

Twelve months ended December 31, 2022	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	672	862	—	1,534
Oil purchase and resale service	6,468	—	—	6,468
Total revenue	**7,140**	**862**	**—**	**8,002**
Cost of sales excluding items listed separately below	(6,707)	(635)	—	(7,342)
Segment profit margin	**433**	**227**	**—**	**660**
G&A expenses excluding items listed separately below	(26)	(33)	(43)	(102)
Depreciation, depletion and amortization [(1)]	(107)	(65)	(6)	(178)
Share-based compensation [(1)]	—	—	(19)	(19)
Interest, accretion and finance costs	(4)	(9)	(84)	(97)
Transaction and related costs	—	—	(37)	(37)
Other income	13	4	8	25
Income (loss) before tax	**309**	**124**	**(181)**	**252**

Three months ended December 31, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	138	189	—	327
Oil purchase and resale service	1,013	—	—	1,013
Total revenue	1,151	189	—	1,340
Cost of sales excluding items listed separately below	(1,070)	(136)	—	(1,206)
Segment profit margin	**81**	**53**	**—**	**134**
G&A expenses excluding items listed separately below	(8)	(7)	(10)	(25)
Depreciation, depletion and amortization [(1)]	(32)	(17)	(2)	(51)
Share-based compensation [(1)]	—	—	(3)	(3)
Interest, accretion and finance costs	(4)	(2)	(22)	(28)
Impairment [(1)]	(202)	(41)	(4)	(247)
Transaction and related costs	—	—	(10)	(10)
Other expense	(2)	—	8	6
Income (loss) before tax	**(167)**	**(14)**	**(43)**	**(224)**

Twelve months ended December 31, 2021	Midstream Infrastructure	Environmental and Fluid Management	Corporate	Total
Revenue excluding oil purchase and resale service	368	525	—	893
Oil purchase and resale service	2,873	—	—	2,873
Total revenue	**3,241**	**525**	**—**	**3,766**
Cost of sales excluding items listed separately below	(3,016)	(385)	—	(3,401)
Segment profit margin	**225**	**140**	**—**	**365**
G&A expenses excluding items listed separately below	(26)	(23)	(32)	(81)
Depreciation, depletion and amortization [(1)]	(112)	(53)	(8)	(173)
Share-based compensation [(1)]	—	—	(13)	(13)
Interest, accretion and finance costs	(5)	(4)	(51)	(60)
Impairment [(1)]	(218)	(47)	(4)	(269)
Transaction and related costs	—	—	(39)	(39)
Other expense	(4)	—	1	(3)
Income (loss) before tax	**(140)**	**13**	**(146)**	**(273)**

[(1)] Depreciation, depletion, amortization, share-based compensation and impairment have been allocated to cost of sales and general and administrative expenses on the Consolidated Statements of Comprehensive Income (Loss) based on function of the underlying asset or individual to which the charge relates.

MIDSTREAM INFRASTRUCTURE SEGMENT

The Midstream Infrastructure segment has two separate business lines: Midstream Infrastructure and Oil purchase and resale.

Midstream Infrastructure

The Midstream Infrastructure segment includes a network of owned and operated facilities throughout key resource plays in western Canada and North Dakota. These facilities provide processing, storing, shipping and marketing of crude oil; processing of waste; and waste treatment and disposal. SECURE also transports oil and water through pipelines direct to SECURE facilities. Processing services are primarily performed at midstream processing facilities and include waste processing and crude oil emulsion treating. SECURE's midstream processing facilities that are connected to export oil pipelines provide customers with an access point to process and/or treat their crude oil for shipment to market. Crude oil that does not meet pipeline specifications is processed through a crude oil emulsion treater. Clean crude oil and treated crude oil may be aggregated and stored on site temporarily until the volumes are ready to be shipped through gathering, transmission or feeder pipelines. Disposal services include produced and waste water disposal services through a network of disposal wells.

Oil purchase and resale

SECURE's oil purchase and resale enhance the service offering associated with SECURE's business of terminalling and marketing. By offering this service, SECURE's customers gain efficiencies in transportation and handling of their crude oil to the pipeline. At the Corporation's midstream processing facilities, SECURE meters the crude oil volumes and purchases the crude oil directly from customers. The Corporation then processes, transports to a pipeline-connected midstream processing facility, if necessary, and handles the shipment of crude oil down the pipeline. The Corporation may also purchase and resell crude oil to take advantage of changing market prices and increase profitability.

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Revenue (excluding oil purchase and resale)	**169**	138	22	**672**	368	83
Oil purchase and resale	**1,624**	1,013	60	**6,468**	2,873	125
Midstream Infrastructure Revenue	**1,793**	1,151	56	**7,140**	3,241	120
Cost of Sales						
Cost of sales excluding items noted below	**62**	57	9	**239**	143	67
Depreciation and amortization	**31**	31	—	**102**	107	(5)
Impairment	**—**	202	(100)	**—**	218	(100)
Oil purchase and resale	**1,624**	1,013	60	**6,468**	2,873	125
Midstream Infrastructure Cost of Sales	**1,717**	1,303	32	**6,809**	3,341	104
Segment Profit Margin (1)	**107**	81	32	**433**	225	92
Segment Profit Margin (1) **as a % of revenue** (2)	**63%**	59%		**64%**	61%	

(1) Calculated as revenue less cost of sales excluding depreciation, depletion, amortization and impairment.

(2) Excluding oil purchase and resale.

Revenue (Midstream Infrastructure segment)

Revenue (excluding oil purchase and resale) of $169 million for the three months ended December 31, 2022, increased 22% from the 2021 comparative period due to higher volumes for processing, recovery and crude oil terminalling and pipeline volumes. In addition, the Corporation increased prices to keep pace with inflationary costs.

For the twelve months ended December 31, 2022, revenue (excluding oil purchase and resale) increased 83% from the 2021 comparative period as a result of the factors above and, in addition, substantially increased facility footprint as a result of the Transaction, which when combined with increasing industry activity, drove increased volumes. Recovered oil revenue also benefited from higher benchmark prices.

The table below outlines average benchmark prices and volumes received at the Corporation's facilities for the three and twelve months ended December 31, 2022 and 2021.

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Average Benchmark Prices and Volumes						
WTI (US$/bbl)	$ 82.64	$ 77.19	7	$ 94.23	$ 67.91	39
Canadian Light Sweet ($/bbl)	$ 108.15	$ 92.14	17	$ 119.73	$ 80.31	49
Produced water volumes (in 000's m^3)	2,015	1,976	2	7,920	5,648	40
Processing volumes (in 000's m3)	966	909	6	3,788	2,581	47
Recovery volumes (in 000's m^3)(1)	57	46	24	250	142	76
Crude oil terminalling and pipeline volumes (in 000's m^3)	1,390	1,244	12	5,473	4,074	34

(1) Volumes for the three and twelve months ended December 31, 2021 were misstated in a previous report as 97,000m^3 and 213,000m^3, respectively.

For three months ended December 31, 2022, produced water, processing and recovery volumes increased by 2%, 6% and 24%, respectively, from the 2021 comparative period driven by improved overall production levels and higher waste processing volumes corresponding to increased drilling and completion activity. Additionally, improved benchmark oil pricing in the current quarter compared to prior year quarter drove higher recovered oil revenue. During the fourth quarter of 2022, a prolonged period of extreme cold weather impacted operations at our facilities and overall industry activity.

For the twelve months ended December 31, 2022, water disposal, processing and recovery volumes increased by 40%, 47% and 76%, respectively, from the 2021 comparative period as through the Transaction, SECURE increased its facility footprint resulting in a substantial increase in volumes in addition to the same factors described for the three months ended December 31, 2022.

Crude oil terminalling and pipeline volumes for the three months ended December 31, 2022 increased by 12% from the 2021 comparative period primarily due to improved industry activity levels. Crude oil terminalling and pipeline volumes increased by 34% for the twelve months ended December 31, 2022, from 2021 primarily due to the number of facilities acquired through the Transaction in addition to the factors described for the three month period.

Oil purchase and resale revenue for the three and twelve months ended December 31, 2022, increased 60% and 125% from the respective 2021 comparative periods to $1.6 billion and $6.5 billion, respectively. Oil purchase and resale revenue increased as a result of a 17% and 49% increase in Canadian light oil benchmark pricing as well as an increase in marketing volumes during the three and twelve months ended December 31, 2022.

Cost of Sales (Midstream Infrastructure segment)

Cost of sales from Midstream Infrastructure services, excluding depreciation, amortization and oil purchase and resale, increased 9% for the three months ended December 31, 2022, from the 2021 comparative period. The increase in cost of sales is consistent with the increase in revenue, industry activity and inflationary pressures.

For twelve months ended December 31, 2022, cost of sales from Midstream Infrastructure services, excluding depreciation, amortization and oil purchase and resale, increased 67% from the 2021 comparative period. In addition to the factors noted above for the three month period, cost of sales increased with the Midstream Infrastructure segment's facility footprint resulting from the Transaction.

Operating depreciation expense included in cost of sales relates primarily to the Midstream Infrastructure segment's facilities. For the three months ended December 31, 2022, operational depreciation and amortization was consistent with the 2021 comparative period. Additions to the asset base from capital spending were offset by adjustments in the asset retirement obligations.

For the twelve months ended December 31, 2022, operational depreciation and amortization decreased by 5% from 2021 driven by adjustments associated with the change in asset retirement obligations during the year and the write-downs recorded in the fourth quarter of 2021 attributable to the suspension or closure of facilities to maximize efficiencies resulting from the Transaction.

Segment Profit Margin (Midstream Infrastructure segment)

The Midstream Infrastructure segment's profit margin increased 32% and 92% for the three and twelve months ended December 31, 2022, respectively from the corresponding 2021 comparative periods consistent with the increase in revenue described above.

As a percentage of Midstream Infrastructure revenue (excluding oil purchase and resale), segment profit margin was 63% for the three months ended December 31, 2022, a margin increase of 4% compared to 59% for the same period of 2021. The segment profit margin was 64% for the twelve months ended December 31, 2022, compared to 61% in 2021 or a margin increase of 3%. The stronger segment profit margin as a percentage of revenue (excluding oil purchase and resale) for the three and twelve month periods is attributable to higher processing, terminalling and pipeline volumes, as well as the benefit from the realized integration cost savings associated with the Transaction. Additionally, higher commodity pricing along with changing oil quality differentials increased opportunities for price optimization at the Corporation's pipeline connected processing facilities and terminals, resulting in higher revenues generated from crude oil marketing in 2022.

G&A Expenses (Midstream Infrastructure segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
G&A expense excluding depreciation and amortization	4	8	(50)	26	26	—
Depreciation and amortization	1	1	—	5	5	—
Midstream Infrastructure G&A expense	5	9	(44)	31	31	—
% of Midstream Infrastructure revenue (1)	2%	6%		4%	7%	

(1) Calculated based on G&A expense excluding depreciation and amortization and revenue excluding oil purchase and resale.

G&A expense excluding depreciation and amortization of $4 million for the three months ended December 31, 2022 decreased 50% compared to the 2021 comparative period. The decrease in G&A expense is primarily due to realizing synergies related to the Transaction in the current quarter.

G&A excluding depreciation and amortization of $26 million for the twelve months ended December 31, 2022, remained consistent with 2021 comparative period. Incremental expenses in the first half of 2022 associated with Tervita's business acquired in the Transaction were offset by lower G&A in the current quarter due to realizing synergies related to the Transaction.

Income (Loss) Before Tax (Midstream Infrastructure segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Midstream Infrastructure Income (loss) before Tax	71	(167)	143	309	(140)	321

The Midstream Infrastructure segment's income before tax was $71 million and $309 million for the three and twelve months ended December 31, 2022, respectively, compared to losses of $167 and $140 million in the 2021 comparative periods. The increase in both periods is primarily driven by the increases in segment profit margin and lower depreciation and write-downs recorded in the fourth quarter of 2021 attributable to the suspension or closure of facilities to maximize efficiencies resulting from the Transaction.

ENVIRONMENTAL AND FLUID MANAGEMENT SEGMENT

The Environmental and Fluid Management segment includes a network of owned, operated and marketed industrial landfills, hazardous and non-hazardous waste processing & transfer facilities, metal recycling facilities, environmental solutions for site remediation and reclamation, bio-remediation facilities, as well as fluid management for drilling, completion and production optimization. Services offered include disposal of oilfield and industrial solid wastes into SECURE's landfill network located in western Canada and North Dakota; project assessment and planning; demolition and decommissioning; remediation and reclamation; and emergency response. Metal recycling includes the purchase and processing of ferrous and non-ferrous metals recovered from demolition sites and other locations.

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Environmental and Fluid Management Revenue	**232**	189	23	**862**	525	64
Cost of Sales						
Cost of sales excluding items noted below	**173**	136	27	**635**	385	65
Depreciation and depletion	**15**	16	(6)	**61**	51	20
Impairment	**—**	41	(100)	**—**	47	(100)
Environmental and Fluid Management Cost of Sales	**188**	193	(3)	**696**	483	44
Segment Profit Margin (1)	**59**	53	11	**227**	140	62
Segment Profit Margin (1) **as a % of revenue**	**25%**	28%		**26%**	27%	

(1) Calculated as revenue less cost of sales excluding depreciation, depletion, amortization and impairment.

Revenue (Environmental and Fluid Management segment)

The Environmental and Fluid Management segment revenue increased 23% to $232 million for the three months ended December 31, 2022, from the 2021 comparative period with higher revenues from landfills, waste services, and drilling and production services. Higher commodity prices supporting strong industry activity led to increased demand for our production services and waste services. As producers continue with their drilling programs, the higher activity levels resulted in increased revenues generated from our drilling fluids business.

For the twelve months ended December 31, 2022, Environmental and Fluid Management segment revenue increased to $862 million, a 64% increase relative to the 2021 comparative period driven by the same factors described above. Additionally, the Transaction increased SECURE's landfill facility footprint and revenue from existing environmental management service offerings and expanded environmental management service offerings to include hazardous and non-hazardous waste disposal facilities, waste treatment, metal recycling facilities and rail response and management. The revenue generated from the metal recycling facilities acquired in the Transaction has significantly increased as a result of record high metal prices in the first half of 2022.

Cost of Sales (Environmental and Fluid Management segment)

Cost of sales excluding depletion and depreciation increased 27% and 65% for the three and twelve months ended December 31, 2022, respectively from the corresponding 2021 comparative periods. The increase is primarily due to higher activity levels as a majority of the Environmental and Fluid Management segment's cost of sales are variable and fluctuate with corresponding changes in activity levels and job mix. The Corporation has also been experiencing inflationary pressures most notably in our Fluids Management business. For the twelve months ended December 31, 2022, cost of sales was also impacted by higher disposal costs due to increased leachate generation at the Corporation's industrial landfills which was impacted by wet weather experienced during the second quarter of 2022.

Operating depletion and depreciation expense decreased by 6% to $15 million for the three months ended December 31, 2022 from the 2021 comparative period resulting from a lower asset base due to write-downs for landfill locations recorded in the fourth quarter of 2021 attributable to the suspension or closure of locations to maximize efficiencies resulting from the Transaction.

For the twelve months ended December 31, 2022, operating depreciation and depletion expense increased by 20% to $61 million relative to the 2021 comparative period. The depletion and depreciation increase relates primarily to higher landfill cell depletion resulting from higher volumes in 2022 as well as the incremental depletion and depreciation associated with the assets acquired in the Transaction, partially lowered by the impact of discount rate changes in landfills' asset retirement obligations and the associated asset values.

Segment Profit Margin (Environmental and Fluid Management segment)

For the three months ended December 31, 2022, segment profit margin increased 11% to $59 million from the 2021 comparative period due to higher commodity prices driving increased industry activity and revenues. Segment profit margin as a percentage of revenue was 25% in the fourth quarter of 2022 compared to 28% in the fourth quarter of 2021, resulting from lower margins in our Waste Services business due to project mix and our Metals Recycling business as average ferrous prices decreased in the fourth quarter of 2022 compared to 2021.

Segment profit margin increased 62% to $227 million for the twelve months ended December 31, 2022, compared to 2021 primarily due to the increases in revenues resulting from the Transaction, higher commodity prices driving increased industry activity, and cost savings from synergies, partially offset by higher cost of sales due to inflationary pressures. Segment profit margin as a percentage of revenue was 26% in the current year, slightly lower than the 27% segment profit margins in the prior year primarily due to higher cost of sales due to inflationary pressures in addition to the same factors described above.

G&A Expenses (Environmental and Fluid Management segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
G&A expense excluding depreciation and amortization	**7**	7	—	**33**	23	43
Depreciation and amortization	**1**	1	—	**4**	2	100
Environmental and Fluid Management G&A Expense	**8**	8	—	**37**	25	48
% of Environmental and Fluid Management revenue (1)	**3%**	4%		**4%**	4%	

(1) Calculated based on G&A expense excluding depreciation and amortization.

G&A expenses, excluding depreciation and amortization, of $7 million for the three months ended December 31, 2022, were consistent with prior year comparative period. G&A expenses of $33 million for the twelve months ended December 31, 2022, increased by $10 million from the 2021 comparative period as a result of incremental expenses associated with the Tervita business acquired pursuant to the Transaction. Excluding depreciation and amortization, G&A expenses as a percentage of the segment's revenue were comparable at 3% and 4% for the three and twelve months ended December 31, 2022, compared to 4% in the comparative prior year periods.

Income (Loss) Before Tax (Environmental and Fluid Management segment)

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Environmental and Fluid Management Income (Loss) before Tax	**33**	(14)	336	**124**	13	854

The Environmental and Fluid Management segment income before tax increased by $47 million to $33 million for the three months ended December 31, 2022 primarily due to non-cash impairment charges of $41 million in the prior year period which included the impairment of assets assigned fair value in the purchase price allocation that did not have continuing value to SECURE as the Corporation integrated the assets acquired from Tervita and rationalized operations.

For the twelve months ended December 31, 2022, Environmental and Fluid Management segment income before tax increased by $111 million to $124 million driven by the increase in segment profit margin and an impairment charge of $47 million in the prior year, offset by higher G&A and depletion and depreciation in the current year.

CORPORATE INCOME AND EXPENSES

Corporate G&A Expenses

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
G&A expenses excluding items noted below	**6**	10	(40)	**43**	32	34
Depreciation and amortization	**1**	2	(50)	**6**	8	(25)
Impairment	**—**	4	(100)	**—**	4	(100)
Share-based compensation expense	**5**	2	150	**19**	11	73
Total Corporate G&A expenses	**12**	18	(33)	**68**	55	24

Included in Corporate G&A expenses are all public company costs, salaries, and office costs relating to corporate employees and officers, any support services that are shared across all operational business segments, and share-based compensation for all employees.

Corporate G&A expenses excluding depreciation and amortization and share-based compensation expense of $6 million for the three months ended December 31, 2022, decreased 40% from the comparative 2021 period. The decrease is primarily due to realizing synergies related to the Transaction and an adjustment in the fourth quarter for the valuation on the allowance for doubtful accounts.

For the twelve months ended December 31, 2022, Corporate G&A expenses increased $11 million to $43 million primarily as a result of a larger Corporate function due to the increased size of SECURE following the completion of the Transaction, prior to realizing cost reductions related to synergies in the current quarter.

Share-based compensation included in G&A expenses of $5 million and $19 million for the three and twelve months ended December 31, 2022, respectively, increased by $3 million and $8 million from the corresponding prior year comparative periods. The increase was primarily a result of a higher number of units outstanding and higher fair value at grant date associated with the units during 2022 compared to the comparative periods in 2021, and revaluing the liability associated with cash-settled units at a higher year-end share price compared to the 2021 year-end.

Transaction and Related Costs

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Transaction and related costs	15	10	50	37	39	(5)

Transaction and related costs recorded to the Corporate segment were $15 million for the three months ended December 31, 2022, consisting of integration costs related to legal costs, severance and information technology expenditures. For the twelve months ended December 31, 2022, transaction and related costs recorded to the Corporate segment were $37 million, consisting of $14 million (2021: $25 million) related to legal and advisory fees for the completion of the Transaction, including the competition review process, and $23 million (2021: $14 million) of integration costs. The integration costs primarily related to severance and information technology costs.

Interest and Finance Costs

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Interest and finance costs	21	22	(5)	84	51	65

Corporate interest and finance costs includes interest expense (net of amortization of the fair value premium associated with the 2025 senior secured notes), amortization of financing fees, interest expense on lease liabilities and all realized and unrealized gains or losses related to interest rate swaps on the Corporation's senior secured credit facilities.

Interest and finance costs decreased 5% to $21 million for the three months ended December 31, 2022, from the 2021 comparative period. During the three months ended December 31, 2022 SECURE repurchased US$58 million aggregate principal amount of 2025 senior secured notes at an average price of $109.05 per $100.00 principal amount plus accrued and unpaid interest. During the twelve months ended December 31, 2022, SECURE repurchased US$138 million aggregate principal amount of 2025 senior secured notes at an average price of $109.64 per $100.00 principal amount plus accrued and unpaid interest. These repurchases reduced the outstanding principal amount on the 2025 senior secured notes resulting in a lower interest expense.

For the twelve months ended December 31, 2022 interest and finance costs increased 65% to $84 million from the 2021 comparative period. On the completion of the Transaction, SECURE assumed Tervita's debt which included amounts owing under a revolving credit facility and the 2025 senior secured notes. The assumption of Tervita's debt resulted in an increase to average debt outstanding and a higher weighted average interest rate than the comparative prior year period. Refer to the "Liquidity and Capital Resources" section of this MD&A for details of SECURE's debt borrowings and Note 19 in the Annual Financial Statements for additional information related to interest and finance costs.

Other (Expense) Income

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Other (expense) income	(1)	8	(113)	8	1	700

Other income for the twelve months ended December 31, 2022, is primarily due to a $15 million gain from the sale of unused land. In addition, all realized and unrealized foreign exchange gains and losses and all realized and unrealized gains or losses related to the cross currency swaps to hedge foreign exchange exposure on U.S. dollar denominated debt are included.

Foreign Currency Translation Adjustment

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Foreign currency translation gain (loss), net of tax	—	—	—	6	(3)	300

For the twelve months ended December 31, 2022, the foreign currency translation gain amounted to $6 million. This gain relates to foreign currency translation adjustments resulting from the conversion of the assets, liabilities and financial results of the Corporation's ongoing U.S. operations for the three and twelve months ended December 31, 2022, at a higher period end rate due to the depreciation of the Canadian dollar relative to the U.S. dollar during each respective period. The foreign currency translation adjustment included in the consolidated statements of comprehensive income (loss) does not impact net income (loss) for the period.

Income Taxes

	Three months ended December 31,			Twelve months ended December 31,		
	2022	2021	% Change	2022	2021	% Change
Income taxes						
Current tax expense	—	(2)	100	—	(2)	100
Deferred tax expense (recovery)	23	(56)	141	68	(67)	201
Total income tax expense	23	(58)	140	68	(69)	199

For the three and twelve months ended December 31, 2022, the Corporation's income tax expense was $23 million and $68 million, respectively, compared to a recovery of $58 million and $69 for the prior year comparative periods. The variance in the three and twelve months in the current year compared to the respective prior periods is as a result of higher pre-tax income.

SUMMARY OF QUARTERLY RESULTS

Seasonality

In Canada, the level of activity in the energy industry is influenced by seasonal weather patterns. As warm weather returns in the spring, the winter's frost comes out of the ground (commonly referred to as "spring break-up"), rendering many secondary roads incapable of supporting heavy loads and as a result road bans are implemented prohibiting heavy loads from being transported in certain areas. This limits the movement of the heavy equipment required for drilling and well servicing activities, and the level of activity of the Corporation's customers may, consequently, be reduced. In addition, the transportation of heavy waste loads is restricted, resulting in smaller loads and a general reduction in the volume of waste delivered to SECURE's facilities. Accordingly, while the Corporation's facilities are open and accessible year-round, spring break-up reduces the Corporation's midstream infrastructure and fluid management activity levels. In the areas in which the Corporation operates, the second quarter has generally been the slowest quarter as a result of spring break-up. Environmental management project activity tends to be lower in the first half of the year due to the previously described factors and challenges of completing excavation work on frozen terrain in the first quarter. These seasonal trends typically lead to quarterly fluctuations in operating results and working capital requirements, which should be considered in any quarter over quarter analysis of performance.

The table below summarizes unaudited consolidated quarterly information for each of the eight most recently completed fiscal quarters.

($ millions except share and per share data)	2022 Q4	2022 Q3	2022 Q2	2022 Q1	2021 Q4	2021 Q3	2021 Q2	2021 Q1
Revenue (excluding oil purchase and resale)	**401**	419	355	359	327	317	117	132
Oil purchase and resale	**1,624**	1,730	1,723	1,391	1,013	936	395	529
Total revenue	**2,025**	2,149	2,078	1,750	1,340	1,253	512	661
Net income (loss) attributable to shareholders of SECURE [1]	**32**	60	54	38	(166)	(22)	(13)	—
Per share - basic and diluted	**0.10**	0.19	0.17	0.12	(0.54)	(0.07)	(0.08)	—
Weighted average shares - basic	**309,956,766**	309,912,215	309,831,621	308,833,319	308,135,731	306,474,523	160,358,466	159,540,722
Weighted average shares - diluted	**314,248,785**	313,278,309	313,071,825	312,043,772	308,135,731	306,474,523	160,358,466	159,540,722
Adjusted EBITDA [2]	**150**	154	127	126	111	105	31	40

[1] Represents total net income (loss) income attributable to shareholders of SECURE.

[2] Refer to the "*Non-GAAP measures*" section of this MD&A for further information.

Quarterly Review Summary

As illustrated above, quarterly performance is affected by seasonal variation; however, with fluctuating commodity prices impacting industry activity, and SECURE's historical growth and acquisitions, variations in quarterly results are attributable to several other factors as well.

During the third quarter of 2021, the Corporation closed the Transaction which significantly impacted the results in the second half of 2021 as SECURE increased its Midstream Infrastructure footprint and expanded its Environmental and Fluid Management service offerings.

During the fourth quarter of 2021, the Corporation recorded a non-cash impairment charge of $247 million attributable to the suspension or closure of facilities in order to achieve the integration cost savings related to the Transaction and assets assigned value in the purchase price allocation of the Transaction that do not have continuing value to SECURE.

Since the close of the Transaction, the Corporation has executed on realizing the integration cost savings identified at the time of the Transaction and along with the continued improvement in oil prices and corresponding increase in industry activity, has seen positive impacts on the quarter over prior year quarter results.

SUMMARY OF SELECT ANNUAL RESULTS

The table below summarizes consolidated annual information for three most recently completed years.

	Twelve months ended December 31,		
($ millions except share and per share data)	**2022**	**2021**	**2020**
Revenue (excludes oil purchase and resale)	**1,534**	893	460
Oil purchase and resale	**6,468**	2,873	1,364
Total revenue	**8,002**	3,766	1,824
Adjusted EBITDA [1]	**557**	286	136
Per share ($), basic	**1.80**	1.22	0.86
Per share ($), diluted	**1.78**	1.22	0.86
Net income (loss) attributable to shareholders of SECURE [2]	**184**	(203)	(85)
Per share ($), basic and diluted	**0.59**	(0.87)	(0.54)
Dividends declared per common share	**0.1225**	0.0300	0.1100
Total assets	**2,840**	2,937	1,376
Long-term liabilities	**1,115**	1,498	502
Common shares - end of period	**309,381,452**	308,158,691	158,700,373
Weighted average common shares			
Basic	**309,637,322**	234,226,176	158,561,369
Diluted	**313,167,037**	234,226,176	158,561,369

[1] Refer to "*Non-GAAP and other financial measures*" and "*Operational Definitions*" for further information.

[2] Represents net (loss) income from continuing operations and total net (loss) income attributable to shareholders of SECURE. Prior year amounts have been restated, refer to *"Accounting Policies"* for additional information.

In addition to the above, refer to the "Summary of Quarterly Results" section above and discussions throughout this MD&A for other factors that impacted each year's results.

TERVITA MERGER

On the Acquisition Date, pursuant to a plan of arrangement under the *Business Corporations Act* (Alberta), SECURE acquired all of the issued and outstanding common shares of Tervita and subsequently Tervita was amalgamated with SECURE. SECURE issued approximately 147.6 million common shares following which Tervita amalgamated with SECURE. The common shares of Tervita were delisted from the TSX at the close of market on July 6, 2021. For the purchase price allocation and additional information related to the Transaction, refer to Note 4 of the Annual Financial Statements.

On June 29, 2021, the Commissioner of Competition (the "Commissioner") filed an application under Section 92 of the Competition Act (the "Section 92 Application") with the Competition Tribunal and served SECURE with a notice of application to block the closing of the Transaction under Section 92 of the Competition Act. The Section 92 Application was subsequently amended to seek the divestiture of unspecified assets. The hearing of the Commissioner's application under Section 92 of the Competition Act was held in the second quarter of 2022, during which the Commissioner identified the specific assets that he was seeking to have divested. The Competition Tribunal has not yet issued a decision regarding the Commissioner's Section 92 Application.

SECURE believes that the Transaction will be beneficial to customers and result in significant cost savings and other efficiencies that will benefit SECURE, its customers, and the Canadian economy. In connection with, or as a result of, the Section 92 Application, SECURE may be required to divest certain of its assets or be subject to another remedy (including a behavioral remedy) which in any case may adversely affect SECURE's ability to achieve the anticipated benefits of the Transaction and financial projections related thereto. SECURE may incur significant costs in connection with its defense of the Application and any additional challenge by the

Commissioner to the Transaction. SECURE believes the resolution of such proceedings will not be material to the Corporation's asset base or Adjusted EBITDA.

LIQUIDITY AND CAPITAL RESOURCES

The Corporation's objective in capital program management is to ensure adequate sources of capital are available to carry out our capital plan, while maintaining operational growth, payment of dividends and stable cash flow, to sustain the business for the long-term.

Management considers capital to be the Corporation's working capital (current assets less accounts payable and accrued liabilities and interest payable), total amounts drawn on debt borrowings (Revolving Credit Facility, 2025 senior secured notes and 2026 unsecured notes) and shareholders' equity.

The Corporation's overall capital management strategy remains unchanged from prior periods. Management controls its capital structure through detailed forecasting and budgeting, as well as established policies and processes over monitoring planned capital and operating expenditures. This includes the Board reviewing the Corporation's results on a monthly basis, and capital spending to approved limits on a quarterly basis.

The key measures management uses to monitor its capital structure are incurred capital expenditures compared to authorized limits, Adjusted EBITDA on all of its operations, discretionary free cash flow and the covenant ratios as defined in the Corporation's lending agreements which are discussed further below.

Debt Borrowings

The Corporation's debt borrowings as at December 31, 2022 consisted of:

- The Revolving Credit Facility, an $800 million three-year revolving credit facility with nine financial institutions. The Revolving Credit Facility was renewed in August 2022 with the term extended to July 2025. All the amounts borrowed under the Revolving Credit Facility are secured by substantially all tangible and intangible assets owned by the Corporation. Total amount drawn was $352 million. LCs issued against the Revolving Credit Facility in the amount of approximately $82 million reduce the amount available to be drawn under the Revolving Credit Facility.
- The SECURE LC Facility, a $30 million unsecured letter of credit facility guaranteed by Export Development Canada, which was increased to $50 million in the first quarter of 2023. At December 31, 2022, SECURE issued LCs in the amount of approximately $10 million against the SECURE LC Facility.
- The 2025 senior secured notes, consisting of US$162 million aggregate principal amount of 11% senior second lien secured notes due December 1, 2025. These are subordinate to the Revolving Credit Facility and are secured by substantially all tangible and intangible assets owned by the Corporation.
- The 2026 unsecured notes, consisting of $340 million aggregate principal amount of 7.25% unsecured notes due December 30, 2026. $140 million aggregate principal amount of the 2026 unsecured notes were issued at a price of $100.75, representing a yield of approximately 7.0%.

During the three months ended December 31, 2022 SECURE repurchased US$58 million aggregate principal amount of 2025 senior secured notes at an average price of $109.05 per $100.00 principal amount plus accrued and unpaid interest. During the twelve months ended December 31, 2022, SECURE repurchased US$138 million aggregate principal amount of 2025 senior secured notes at an average price of $109.64 per $100.00 principal amount plus accrued and unpaid interest, reducing SECURE's weighted average interest cost. The repurchases were completed in May to December 2022 and were funded by discretionary free cash flow and funds available under the Revolving Credit Facility.

Amounts borrowed under the Revolving Credit Facility bear interest at the Corporation's option of either the Canadian prime rate or US Base Rate plus 0.625% to 2.50% or the bankers' acceptance rate or SOFR rate plus 1.625% to 3.50%, depending, in each case, on the ratio of Total Debt to EBITDA as defined in the Revolving Credit Facility. Interest on $130 million of the Revolving Credit Facility was fixed at 5.5% per annum through the use of interest rate swaps until July 31, 2022. The Corporation does not have any open positions on interest rate swaps at December 31, 2022.

The interest payments on the 2025 senior secured notes and 2026 unsecured notes occur in June and December during the term of the debt. This will typically result in lower discretionary free cash flow generated in the second and fourth quarter.

The Corporation had entered into cross currency swaps ("CCS") to hedge foreign exchange exposure on the U.S. denominated 2025 senior secured notes, fixing the exchange rate on the principal repayments and a portion of the interest payments. As at December 31, 2022, SECURE does not have any CCS positions remaining in relation to foreign exchange exposure in the 2025 senior secured notes.

The Corporation's credit ratings issued by S&P Global Ratings ("S&P"), Fitch Ratings ("Fitch") and Moody's Investor Service, Inc. ("Moody's"), providing increased transparency and comparability for debt investors and other capital market participants, remained unchanged as at December 31, 2022 as follows:

	S&P	Fitch	Moody's
Corporate Rating	B	B+	B1
2025 senior secured notes	BB-	BB	B1
2026 unsecured notes	B	B+	B3

A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments.

To assess the creditworthiness of an issuer, S&P evaluates the issuer's ability and willingness to repay its obligation in accordance with the terms of those obligations. To form its rating opinions, S&P reviews a broad range of financial and business attributes that may influence the issuer's prompt repayment. S&P's long-term credit ratings are on a scale that ranges from "AAA" to "D", which represents the range from highest to lowest opinions of creditworthiness and credit quality. According to the S&P rating system, obligations rating "BB", "B", "CCC", "CC", and "C" are regarded as speculative grade, which generally refers to debt securities where the issuer currently has the ability to repay but faces significant uncertainties, such as adverse business or financial circumstances that could affect credit risk. "BB" indicates the least degree of speculation and 'C' indicates the highest. An obligation rated "BB" is considered less vulnerable in the near-term but faces major ongoing uncertainties to adverse business, financial and economic conditions. An obligation rated "B" is more vulnerable to adverse business, financial and economic conditions but currently has the capacity to meet financial commitments. Adverse business, financial, or economic conditions will likely impair the obligator's capacity or willingness to meet its financial commitments on the obligation. The ratings from "AA" to "CCC" may be modified by the addition of a plus (+) or a minus (-) sign to show relative standing within the major rating categories.

Fitch's credit rating scale is expressed using the categories "AAA" to "BBB" (investment grade) and "BB" to "D" (speculative grade) with an additional plus (+) or a minus (-) sign for AA through CCC levels indicating relative differences of probability of default or recovery. The terms "investment grade" and "speculative grade" are market conventions and do not imply any recommendation or endorsement of a specific security for investment purposes. Investment grade categories indicate relatively low to moderate credit risk, while ratings in the speculative categories signal either a higher level of credit risk or that a default has already occurred.

"BB" ratings indicate an elevated vulnerability to credit risk, particularly in the event of adverse changes in business or economic conditions over time; however, business or financial flexibility exists that supports the servicing of financial commitments. "B" ratings indicate that material credit risk is present, but a limited margin of safety remains. Financial commitments are currently being met; however, capacity for continued payment is vulnerable to deterioration in the business and economic environment.

Moody's issuer ratings are opinions of the ability of entities to honour senior unsecured financial obligations and contracts. Moody's long term obligation ratings are opinions of the relative credit risk of fixed-income obligations with an original maturity of one year or more. They address the possibility that a financial obligation will not be honoured or promised. Such ratings reflect both the likelihood of default and any financial loss suffered in the event of default.

Moody's credit ratings are on a rating scale that ranges from Aaa to C, which represents the range from highest to lowest quality of such securities rated. Moody's appends numerical modifiers 1, 2, and 3 to each generic rating classification from Aa through Caa. The modifier 1 indicates that the obligation ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates a ranking in the lower end of that generic rating category. Obligations rated B are considered speculative and are subject to high credit risk. The credit ratings accorded by S&P, Fitch and Moody's are not recommendations to purchase, hold or sell securities and may be subject to revision or withdrawal at any time by the credit rating organization. Such ratings do not comment as to market price or suitability for a particular investor. There is no assurance that any rating will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future, if in its judgment, circumstances so warrant.

A credit rating or stability rating is not a recommendation to buy, sell or hold securities. The Corporation has paid fees to each of S&P, Fitch and Moody's in 2021 and 2022 in respect of the Corporation, the Secured Notes and the Unsecured Notes.

Revolving Credit Facility Covenants

At December 31, 2022, the Corporation was in compliance with all financial covenants contained in the Revolving Credit Facility.

The following table outlines SECURE's covenant ratios, calculated in accordance with the Revolving Credit Facility, at December 31, 2022, and December 31, 2021:

	December 31, 2022	December 31, 2021	% Change
Senior Debt to EBITDA	**0.9**	1.5	(40)
Total Debt to EBITDA	**1.9**	3.4	(44)
Interest coverage	**5.8**	3.4	71

Issued capital

Issued capital of $1.7 billion at December 31, 2022 was consistent with December 31, 2021, with common shares issued through the conversion of restricted share units and performance share units into common shares under the Corporation's Unit Incentive Plan.

On December 14, 2022, the Corporation commenced the NCIB, under which the Corporation may purchase for cancellation up to a maximum of 22,055,749 common shares of the Corporation representing approximately 7.1% of the Corporation's outstanding shares as at December 7, 2022, or 10% of the Corporation's public float. The NCIB will terminate on December 13, 2023 or such earlier date as the maximum number of common shares are purchased pursuant to the NCIB or the NCIB is completed or terminated at the Corporation's election. For the year ended December 31, 2022, the Corporation purchased 882,700 common shares at a weighted average price per share of $6.92 for a total of $6 million under the terms of the NCIB. In 2022, a total of 617,700 common shares at a cost of $4 million were cancelled and removed from share capital, with the remaining 265,000 shares at a cost of $2 million cancelled subsequent to year-end. To date in 2023, the Corporation has purchased 5,050,100 additional shares at a weighted average price per share of $7.93 for a total of $40 million.

In connection with its NCIB, SECURE entered into an automatic share purchase plan (the "ASPP"), which was pre-cleared by the TSX and implemented on January 6, 2023. The ASPP is intended to facilitate repurchases of common shares under the NCIB at times when the Corporation would ordinarily not be permitted to make purchases due to regulatory restrictions or customary self-imposed blackout periods. The ASPP will terminate on the earliest of the dates on which: (a) the maximum annual purchase limit under the NCIB has been reached; (b) the NCIB expires; or (c) SECURE terminates the ASPP in accordance with its terms.

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet our financial obligations when they are due. The Corporation manages its liquidity risk through cash and debt management. Management's assessment of the Corporation's liquidity reflects estimates, assumptions and judgments relating to current market conditions.

The Corporation is impacted by oil and gas prices, which can be susceptible to volatility at times, and their impacts on drilling and completion activity. SECURE's Midstream Infrastructure reportable segment is highly concentrated on production volumes or related services that historically represent approximately 75% of the segment's segment profit margin. A portion of these production volumes are contracted and/or fee-for-service contracts that are expected to provide a degree of cash flow stability.

Throughout 2021, the Corporation declared a quarterly dividend of $0.0075 (0.75 cents) per common share. On December 15, 2022, SECURE declared an increase of the next quarterly dividend to $0.10 per common share to shareholders of record on January 1, 2023. The decision whether or not to pay dividends and the amount of any such dividends are subject to the sole discretion of the Board, which regularly evaluates the Corporation's proposed dividend payments.

SECURE believes the sharing of excess cash flows with shareholders is a core business principle; as a result, management and the Board will continue to monitor the Corporation's dividend policy with respect to forecasted Adjusted EBITDA, debt, capital expenditures and other investment opportunities, as well as expected interest, lease, tax, transaction and implementation costs, and will look for opportunities to return additional capital as business conditions warrant. The Company does not expect to pay material cash tax until 2025 or later based on current commodity prices, forecast taxable income, existing tax pools and planned capital expenditures.

To meet financial obligations, the Corporation may adjust the amount of its dividends, draw on the Revolving Credit Facility up to the covenant restrictions, divest assets, issue subordinated debt, or obtain equity financing. The declaration and payment of dividends is at the discretion of the Board and is dependent upon, among other things, financial performance, compliance with debt covenants and the factors referred to under the heading "*Risk Factors*" in the AIF. While the Corporation has had success in obtaining financing in the past, access to capital may be more difficult in the future depending on the economic and operating environment. Refer to the *"Access to Capital"* discussion in the *"Risk Factors"* section of the Corporation's AIF.

As at December 31, 2022, the Corporation had $398 million in Liquidity consisting of $12 million in cash and $386 million in available borrowing capacity on its Revolving Credit Facility and SECURE LC Facility, subject to covenant restrictions. Refer to Note 22 of the Annual Financial Statements for further disclosure of the Corporation's liquidity risk and Note 25 of the Annual Financial Statements for details of the Corporation's contractual obligations and contingencies at December 31, 2022.

The following provides a summary and comparison of the Corporation's operating, investing and financing cash flows for the three and twelve months ended December 31, 2022 and 2021.

Net Cash Flows from Operating Activities

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Net cash flows from operating activities	**100**	28	257	**411**	74	455

The Corporation generated net cash flows from operating activities of $100 million and $411 million for the three and twelve months ended December 31, 2022 respectively, increases of $72 million and $337 million from the corresponding prior year comparative periods, resulting from higher Adjusted EBITDA in the current year periods.

Investing Activities

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Capital expenditures [(1)]						
Growth capital expenditures	**13**	4	225	**27**	14	93
Sustaining capital expenditures	**21**	13	62	**69**	29	138
Total capital expenditures	**34**	17	100	**96**	43	123

[(1)] Refer to the "*Operational definitions*" section of this MD&A for further information.

The Corporation's total capital expenditures increased by $17 million and $53 million for the three and twelve months ended December 31, 2022, respectively, from the corresponding 2021 comparative periods driven primarily by the increased facility footprint following the Transaction and increased industry activity. Of the total spend, $21 million and $69 million related to sustaining capital during the three and twelve months ended December 31, 2022, respectively. Growth capital of $13 million and $27 million for three and twelve months ended December 31, 2022, respectively, related largely to the expansion of a water disposal facility which is backstopped by a commercial agreement with an existing customer at the facility and adding in blending capabilities at existing facility locations.

In the prior year comparative periods, growth capital expenditures incurred related largely to connecting an additional segment of the East Kaybob oil pipeline, increasing the throughput capacity at a contracted water disposal facility, and optimization spend at facilities acquired through the Transaction.

Financing Activities

	Three months ended December 31,			Twelve months ended December 31,		
	2022	**2021**	**% Change**	**2022**	**2021**	**% Change**
Repayment of credit facilities	**2**	9	(78)	**(108)**	(57)	(89)
Settlement of 2025 senior secured notes	**(86)**	(132)	35	**(200)**	(264)	24
Issuance of unsecured notes	**—**	141	(100)	**—**	341	100
Financing fees	**—**	(2)	100	**(1)**	(17)	94
Lease liability principal payments	**(4)**	(4)	—	**(23)**	(16)	(44)
Dividends declared	**(31)**	(2)	(1,450)	**(38)**	(7)	(443)
Repurchase and cancellation under NCIB	**(6)**	—	(100)	**(6)**	—	(100)
Settlement of debt-related derivatives and other	**2**	(3)	167	**(3)**	(7)	57
Change in non-cash working capital	**33**	—	100	**33**	1	3,200
Net cash flows (used in) from financing activities	**(90)**	7	(1,386)	**(346)**	(26)	1,231

During the three months ended December 31, 2022, the Corporation repurchased US$58 million aggregate principal amount of our 2025 senior secured notes. During the twelve months ended December 31, 2022, SECURE repaid $108 million of our credit facilities and repurchased US$138 million aggregate principal amount of 2025 senior secured notes at an average price of $109.64 per $100.00 principal amount plus accrued and unpaid interest. The reduction of these amounts were funded by discretionary free cash flow generated during the quarter.

The Corporation paid a quarterly dividend of $0.0075 (0.75 cents), resulting in a spend of $2 million and $7 million for the three and twelve months ended December 31, 2022, respectively. On December 15, 2022, the Corporation declared the next quarterly dividend of $0.10, amounting to $31 million, which was paid to shareholders of record on January 1, 2023.

CONTRACTUAL OBLIGATIONS

Refer to Note 25 of the Annual Financial Statements for disclosure related to contractual obligations.

BUSINESS RISKS

A discussion of SECURE’s business risks is set out in the AIF under the heading *‘Risk Factors’,* which is incorporated by reference herein, including risks related to the Transaction and the business acquired in connection therewith. This section does not describe all risks applicable to the Corporation, its industry or its business, and is intended only as a summary of certain material risks of significance to this MD&A. If any of the risks or uncertainties set out in the AIF or this MD&A actually occur, the Corporation’s business, financial condition, operating results or share price could be harmed substantially and could differ materially from the plans and other forward-looking statements discussed in this MD&A.

Inflation

The Corporation has experienced inflationary pressures, if such pressures continue or our development, operation or labour costs become subject to significant inflationary pressures, we may not be able to fully offset such higher costs through corresponding increases in the costs of our products and services to our customers. Our inability or failure to do so could harm our business, financial condition and results of operations. Further, there can be no assurance that any governmental action to mitigate inflationary cycles will be taken or be effective. Central banks have increased interest rates in response to inflation, and additional rate increases are expected. Governmental action, such as the imposition of higher interest rates or wage controls, may also negatively impact SECURE's costs and may magnify the risks identified in SECURE’s AIF. Continued inflation, any governmental response thereto, or SECURE's inability to offset inflationary effects may have a material adverse effect on our business, results of operations, financial condition or value of our common shares.

International Conflict

International conflict and other geopolitical tensions and events, including war, military action, terrorism, trade disputes, and international responses thereto have historically led to, and may in the future lead to, uncertainty or volatility in global energy and financial markets, as well as increased cybersecurity risks. The global economy has been greatly affected by the war between Russia and Ukraine. The ongoing conflict and associated sanctions levied against Russia led to sharp increases in, and supply shortages of, key commodities. Uncertainty regarding the duration and ultimate effects of the war have raised global concerns over the potential for major disruptions in oil and natural gas supply and continuing commodity price volatility. Any additional sanctions or other international action may have a destabilizing effect on commodity prices, supply chains and global economies more broadly. Specifically, as a major exporter of oil and natural gas, any disruption of supply of oil and natural gas from Russia, as a result of sanctions and associated repercussions, operational disruptions, damage to infrastructure or otherwise, may cause a supply shortage globally and significantly impact commodity prices. Volatility in commodity prices may adversely affect our business, financial condition and results of operations. Reductions in commodity prices may affect oil and natural gas activity levels and therefore adversely affect the demand for, or price of, our services. The Russian-Ukrainian conflict has also highlighted the importance of global energy security which may positively or negatively impact demand for and investment in hydrocarbons. At the 2022 United Nations Climate Change Conference (“COP27”) the anticipated phasing out or phasing down of oil and gas alongside coal, which was agreed to at the previous summit COP26, did not materialize.

The extent and duration of the war in Ukraine and related international action cannot be accurately predicted at this time and the effects of such conflict may magnify the impact of the other risks identified by the Corporation in the AIF, including those relating to commodity price volatility and global financial conditions. The situation is rapidly changing and unforeseeable impacts, including on SECURE, our stakeholders, and counterparties on which we rely and transact with, may materialize and may have an adverse effect on our business, results of operation and financial condition.

Competition Act Matters

On June 29, 2021, the Commissioner filed the Section 92 Application with the Competition Tribunal and served SECURE with a notice of application to block the closing of the Transaction under Section 92 of the Competition Act. The Section 92 Application was subsequently amended to seek the divestiture of unspecified assets. The hearing of the Commissioner's application under Section 92 of the Competition Act was held in the second quarter of 2022, during which the Commissioner identified the specific assets that he was seeking to have divested. The Competition Tribunal has not yet issued a decision regarding the Commissioner's Section 92 Application.

SECURE believes that the Transaction has been and will be beneficial to customers and result in significant cost savings and other efficiencies that will benefit SECURE, its customers, and the Canadian economy. In connection with, or as a result of, the Section 92 Application, SECURE may be required to divest certain of its assets or be subject to another remedy (including a behavioral remedy) which in any case may adversely affect SECURE's ability to achieve the anticipated benefits of the Transaction and financial projections related thereto. SECURE may incur significant costs in connection with its defense of the Application and any additional challenge by the Commissioner to the Transaction. SECURE believes the resolution of such proceedings will not be material to the Corporation's asset base or Adjusted EBITDA.

Pandemic Risk

Pandemics, epidemics or other disease outbreaks, such as COVID-19, and its variants, may adversely affect local and global economies, as well as the Corporation's business, operations and financial results. Measures taken in response by governments and health authorities, including travel restrictions, quarantines, business and school closures, and restrictions on public gatherings, may result in the significant slow-down in economic activity and reduced the demand for and price of commodities closely linked to SECURE's business and financial condition. As a result, the Corporation's business, operations and financial condition could be materially adversely affected by a resurgence of COVID-19 or other outbreaks, epidemics or health crises.

While restrictions with respect to COVID-19 have been substantially removed and demand has normalized, governments will continue to closely monitor the spread of COVID-19, its variants, and other infectious illnesses. There can be no certainty regarding the long-term efficacy of vaccines and the effectiveness of government interventions against the spread of COVID-19 or other viruses may lead to the reintroduction of emergency measures to counter any such spread which may have a negative impact on the Corporation's business, commodity prices, supply chain or the broader economy.

The ultimate nature and scope of the long-term effects of the COVID-19 pandemic and its impact on the Corporation and the Corporation's stakeholders including its customers, vendors and employees cannot be predicted at this time and future material adverse effects may materialize. There are no comparable recent events to provide guidance on the spread or subsidence of COVID-19, and the ultimate effect on SECURE's business, operations and financial condition is uncertain. For a full discussion of SECURE's pandemic risk, see *"Risk Factors – Pandemic"* in the AIF.

OUTSTANDING SHARE CAPITAL

As at March 1, 2023, there are 305,280,146 common shares issued and outstanding. In addition, as at March 1, 2023, the Corporation had the following share-based awards outstanding and exercisable or redeemable:

Balance as at March 1, 2023	Issued	Exercisable
Restricted Share Units	2,486,712	9,696
Performance Share Units	4,474,591	411,264

OFF-BALANCE SHEET ARRANGEMENTS

At December 31, 2022 and December 31, 2021, the Corporation did not have any material off-balance sheet arrangements.

FINANCIAL AND OTHER INSTRUMENTS

As at December 31, 2022, the Corporation's financial instruments include cash, accounts receivable and accrued receivables, accounts payable and accrued liabilities, interest payable, the Revolving Credit Facility, 2025 senior secured notes, 2026 unsecured notes, lease liabilities and derivative instruments. The fair values of these financial instruments approximate their carrying amount due to the short-term maturity of the instruments, except for the Revolving Credit Facility, 2025 senior secured notes and the 2026 unsecured notes. The Revolving Credit Facility's carrying value approximate its fair values due to the variable interest rates applied, which approximate market interest rates. The fair value of the 2026 unsecured notes is influenced by changes in risk-free interest rates and the market assessment of credit risk. The fair value of the 2025 senior secured notes is influenced by the same factors as the 2026 unsecured notes as well as foreign currency fluctuation.

Derivative instruments are fair valued at each period end in accordance with their classification of fair value through profit or loss. The Corporation utilizes derivative financial instruments to manage its exposure to market risks relating to commodity prices, foreign currency exchange rates and interest rates. Fair values of derivative contracts fluctuate depending on the underlying estimates of future commodity price curves, foreign currency exchange rates and interest rates. The estimated fair value of all derivative financial instruments is based on observable market data.

The use of financial instruments exposes the Corporation to credit, liquidity, foreign currency, interest rate and market risk. A discussion of how these and other risks are managed can be found in the AIF under the heading *"Risk Factors"* and a discussion of the corresponding classification and amounts of income, expenses, gains and losses associated with these financial instruments and their fair value can be found in Note 22 of the Corporation's Annual Financial Statements.

Of the Corporation's financial instruments, cash, accounts receivable and accrued receivables and derivative instruments contain credit risk. The credit risk associated with cash is minimized as all cash is held at major financial institutions. The Corporation provides credit to customers in the normal course of operations. The Corporation's credit risk policy includes performing credit evaluations of its customers. A significant portion of the Corporation's accounts receivable are due from companies in the oil and natural gas industry and are subject to normal industry credit risks. Given the policies and procedures in place, management is appropriately managing its credit risk.

The Corporation's exposure to losses in the event that counterparties to derivative instruments are unable to meet the terms of the contracts is considered very low as commodity derivative trades are all done with a large commodity futures exchange, and interest rate and foreign exchange hedges are done with major financial institutions.

Funds drawn under the Revolving Credit Facility are managed through a combination of bankers' acceptance loans and U.S. dollar Secured Overnight Financing Rate ("SOFR") loans which bear interest at a floating interest rate and the 2025 senior secured notes are U.S. dollar denominated debt. To the extent that the Corporation borrows under the Revolving Credit Facility, the Corporation is at risk to rising interest rates and foreign exchange rates in addition to its exposure to rising foreign exchange rates with respect to its senior secured notes. Exposure to foreign exchange rate changes is mitigated using cross currency swaps to hedge foreign exchange exposure on U.S. denominated debt, fixing the exchange rate on the U.S. dollar loan amounts for the purposes of interest and principal repayments. The Corporation managed a portion of its interest rate risk through derivative instruments to effectively fix the interest rate at 5.5% on $130 million of funds drawn on its Revolving Credit Facility until July 31, 2022. The Corporation does not have any open positions on interest rate swaps at December 31, 2022.

ACCOUNTING POLICIES

SECURE's significant accounting policies are set out in Note 2 of the Annual Financial Statements. The accounting policies described in Note 2 have been applied consistently to all periods presented in the Annual Financial Statements. There were no new accounting standards or amendments to IFRS issued that materially impacted the Annual Financial Statements.

Voluntary Change in Accounting Policy

Effective July 1, 2021, the Corporation elected to change its policy for the measurement of asset retirement obligations to utilize a credit-adjusted risk-free discount rate. Under the Corporation's previous accounting policy, SECURE used a risk-free discount rate based on the Bank of Canada published bond rates in the measurement of the present value of its asset retirement obligations. The use of a credit-adjusted risk-free rate results in reliable and more relevant information for the readers of the consolidated financial statements as this methodology provides a more accurate representation of the value at which such liabilities could be transferred to a third party, provides a better indication of the risk associated with such obligations, and increases the comparability of the Corporation's consolidated financial statements to those of its peers.

Management applied the voluntary change in accounting policy retrospectively.

CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

In the preparation of the Corporation's Annual Financial Statements, management has made judgments, estimates and assumptions that affect the recorded amounts of revenues, expenses, assets, liabilities and the disclosure of commitments, contingencies and guarantees. Estimates and judgments used are based on management's experience and the assumptions used are believed to be reasonable given the circumstances that exist at the time the Annual Financial Statements are prepared. Actual results could differ from these estimates. The most significant estimates and judgments used in the preparation of the Corporation's Annual Financial Statements have been set out in Note 3 of the Corporation's Annual Financial Statements.

INTERNAL CONTROLS OVER FINANCIAL REPORTING & DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures ("DC&P") as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109") means the controls and other procedures of SECURE that are designed to provide reasonable assurance that information required to be disclosed by SECURE in its annual fillings, interim fillings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in the securities legislation and include controls and procedures designed to ensure that information required to be disclosed by SECURE in its annual fillings or other reports filed or submitted under securities legislation is accumulated and communicated to SECURE's management including its Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") as appropriate to allow timely decisions regarding required disclosure.

Internal control over financial reporting ("ICFR"), as defined in NI 52-109 means a process designed by, or under the supervisions of SECURE's CEO and CFO, and effected by the Board, management and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Corporation used the Internal Control – Integrated Framework (2013) published by the Committee of Sponsoring Organizations of the Treadway Commission in the design of its ICFR. SECURE's ICFR includes policies and procedures that:

- Pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of SECURE;
- Are designed to provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS and that receipts and expenditures of SECURE are being made only in accordance with authorizations of management; and
- Are designed to provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of SECURE's assets that could have a material effect on the financial statements.

There was no change to the Corporation's ICFR that occurred during the most recent interim or annual period ended December 31, 2022 that has materially affected, or is reasonably likely to materially affect, the Corporation's ICFR.

In accordance with the requirements of NI 52-109, an evaluation of the effectiveness of DC&P and ICFR was carried out under the supervision of the CEO and CFO at December 31, 2022. Based on this evaluation, the CEO and CFO have concluded that the Corporation's DC&P and ICFR were effective as at December 31, 2022. Management, including the CEO and CFO, does not expect that the Corporation's DC&P and ICFR will prevent or detect all misstatements or instances of fraud. The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues, misstatements or instances of fraud, if any, within the Corporation have been detected.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

On June 29, 2021 the Commissioner of Competition filed the Section 92 Application with the Competition Tribunal seeking the divestiture of unspecified assets. A hearing of the Section 92 Application was held in the second quarter of 2022. SECURE believes the resolution of such proceedings will not be material to the Corporation's asset base or Adjusted EBITDA. See "Risk Factors – Competition Act Matters" in the AIF for further information on the proceedings under the Competition Act relating to the Transaction.

Refer to Note 25 of the Corporation's Annual Financial Statements for disclosure related to legal proceedings and regulatory actions and its impact on contingencies.

RELATED PARTIES

Refer to Note 24 of the Corporation's Annual Financial Statements for disclosure of related parties.

FORWARD-LOOKING STATEMENTS

Certain statements contained or incorporated by reference in this MD&A constitute “forward-looking statements and/or “forward-looking information” within the meaning of applicable securities laws (collectively referred to as “forward-looking statements”). When used in this MD&A, the words “achieve”, “advance”, “anticipate”, “believe”, "can be", "capacity", “commit”, “continue”, “could”, “deliver”, “drive”, “enhance”, "ensure", “estimate”, “execute”, “expect”, “focus”, "forecast", “forward", "future", “goal”, “grow”, “integrate”, “intend”, “may”, “maintain”, "objective", “ongoing”, “opportunity”, "outlook", “plan”, “position”, "potential", “prioritize”, “realize”, “remain”, “result”, "seek", "should", “strategy”, “target” “will”, “would” and similar expressions, as they relate to SECURE, its management, or the combined company, are intended to identify forward-looking statements. Such statements reflect the current views of SECURE and speak only as of the date of this MD&A.

In particular, this MD&A contains or implies forward-looking statements pertaining but not limited to: SECURE's priorities and focus for 2023 and beyond and its high-level strategic plan, including related to ESG, maintaining a strong balance sheet and financial resiliency, debt reduction, increased dividends, share repurchases, and its ability and position to achieve such priorities; SECURE's capital allocation priorities; note repurchases and the impacts thereof on interest costs and financial flexibility; incremental capital required to grow EBITDA; increased industry activity, including related to abandonment, remediation and reclamation and the impacts thereof; SECURE's 2023 capital program; expected capital expenditures and the timing of the completion of projects related thereto; SECURE's ability to repay debt and achieve its near-term debt targets; SECURE's ability to execute and deliver on the expected benefits of the Transaction; the Transaction resulting in significant cost savings and other efficiencies that will benefit SECURE, its customers, and the Canadian economy; the resolution of the Application, the remedies associated therewith and the effects thereof on SECURE and its asset base or Adjusted EBITDA; improving SECURE's capital structure and minimizing SECURE's sustaining capital by managing underutilized assets to generate incremental discretionary free cash flow; commodity prices and foreign exchange rates, and the effects of macroeconomic factors thereon; sustained inflationary pressures and increased interest rates, their impact on SECURE's business and SECURE's ability to manage such pressures; the impact of increased industry activity on SECURE's business and demand for SECURE's products and services, including increased utilization at SECURE's midstream facilities; the impact of new or existing regulatory requirements, including mandatory spend requirements for retirement obligations, on SECURE's business, and the introduction of such requirements; seasonal slowdowns in energy industry activity; SECURE's discretionary free cash flow and the use and portion of such discretionary free cash flow to reduce debt; SECURE's ability to increase throughput with minimal incremental fixed costs or additional capital; the form, amount and timing of shareholder returns; maintaining cost control measures; the impact of fluctuations of industry activity levels and job mix on cost of sales; changes to SECURE's dividend policy, the declaration, timing and amount of dividends thereunder and the continued monitoring of such policy by the Board and management; the Corporation's ability to fund its capital needs and the amount thereof; methods and sources of liquidity to meet SECURE's financial obligations, including adjustments to dividends, drawing on credit facilities, issuing debt, obtaining equity financing or divestitures; SECURE's liquidity position and access to capital; and maintaining financial resiliency.

Forward-looking statements are based on certain assumptions that SECURE has made in respect thereof as at the date of this MD&A regarding, among other things: economic and operating conditions, including commodity prices, crude oil and natural gas storage levels, interest rates, exchange rates, and inflation; the changes in market activity and growth will be consistent with industry activity in Canada and the U.S. and growth levels in similar phases of previous economic cycles; the impact of the COVID-19 pandemic (including its variants) and geopolitical events, including government responses related thereto and their impact on global energy pricing, oil and gas industry exploration and development activity levels and production volumes; the ability of the Corporation to realize the anticipated benefits of acquisitions or dispositions, including the Transaction; the resolution of the review of the Transaction under the *Competition Act* on terms acceptable to the Corporation; SECURE's ability to successfully integrate Tervita's legacy business; anticipated sources of funding being available to SECURE on terms favourable to SECURE; the success of the Corporation’s operations and growth projects; the

Corporation’s competitive position, operating, acquisition and sustaining costs remaining substantially unchanged; the Corporation's ability to attract and retain customers (including Tervita's historic customers); that counterparties comply with contracts in a timely manner; that there are no unforeseen events preventing the performance of contracts or the completion and operation of the relevant facilities; that there are no unforeseen material costs in relation to the Corporation’s facilities and operations; that prevailing regulatory, tax and environmental laws and regulations apply or are introduced as expected, and the timing of such introduction; increases to the Corporation's share price and market capitalization over the long term; the Corporation's ability to repay debt and return capital to shareholders; the Corporation's ability to obtain and retain qualified personnel (including those with specialized skills and knowledge), technology and equipment in a timely and cost-efficient manner; the Corporation’s ability to access capital and insurance; operating and borrowing costs, including costs associated with the acquisition and maintenance of equipment and property; the ability of the Corporation and our subsidiaries to successfully market our services in western Canada and the U.S.; an increased focus on ESG, sustainability and environmental considerations in the oil and gas industry; the impacts of climate-change on the Corporation's business; the current business environment remaining substantially unchanged; present and anticipated programs and expansion plans of other organizations operating in the energy service industry resulting in an increased demand for the Corporation’s and our subsidiaries’ services; future acquisition and maintenance costs; the Corporation's ability to achieve its ESG and sustainability targets and goals and the costs associated therewith; and other risks and uncertainties described in the AIF and from time to time in filings made by SECURE with securities regulatory authorities.

Forward-looking statements involve significant known and unknown risks and uncertainties, 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. Readers are cautioned not to place undue reliance on these statements as a number of factors could cause actual results to differ materially from the results discussed in these forward-looking statements, including but not limited to: general global financial conditions, including general economic conditions in Canada and the U.S.; the effect of the COVID-19 pandemic (including its variants), inflation and geopolitical events and governmental responses thereto on economic conditions, commodity prices and the Corporation’s business and operations; changes in the level of capital expenditures made by oil and natural gas producers and the resultant effect on demand for oilfield services during drilling and completion of oil and natural gas wells; volatility in market prices for oil and natural gas and the effect of this volatility on the demand for oilfield services generally; a transition to alternative energy sources; the Corporation's inability to retain customers; risks inherent in the energy industry, including physical climate-related impacts; the Corporation’s ability to generate sufficient cash flow from operations to meet our current and future obligations; the seasonal nature of the oil and gas industry; increases in debt service charges including changes in the interest rates charged under the Corporation’s current and future debt agreements; inflation and supply chain disruptions; the Corporation’s ability to access external sources of debt and equity capital and insurance; disruptions to our operations resulting from events out of our control; the timing and amount of stimulus packages and government grants relating to site rehabilitation programs; the cost of compliance with and changes in legislation and the regulatory and taxation environment, including uncertainties with respect to implementing binding targets for reductions of emissions and the regulation of hydraulic fracturing services and services relating to the transportation of dangerous goods; uncertainties in weather and temperature affecting the duration of the oilfield service periods and the activities that can be completed; competition; impairment losses on physical assets; sourcing, pricing and availability of raw materials, consumables, component parts, equipment, suppliers, facilities, and skilled management, technical and field personnel; supply chain disruption; the Corporation’s ability to effectively complete acquisition and divestiture transactions on acceptable terms or at all; a failure to realize the benefits of acquisitions, including the Transaction and risks related to the associated business integration; the inaccuracy of pro forma information prepared in connection with acquisitions; risks related to a new business mix and significant shareholder; liabilities and risks, including environmental liabilities and risks inherent in SECURE's operations, including those associated with the Transaction; the Corporation’s ability to invest in and integrate technological advances and match advances of our competition; the viability, economic or otherwise, of such technology; credit, commodity price and foreign currency risk to which the Corporation is exposed in the conduct of our business; compliance with the restrictive covenants in the

Corporation’s current and future debt agreements; the Corporation’s or our customers’ ability to perform their obligations under long-term contracts; misalignment with our partners and the operation of jointly owned assets; the Corporation’s ability to source products and services on acceptable terms or at all; the Corporation’s ability to retain key or qualified personnel, including those with specialized skills or knowledge; uncertainty relating to trade relations and associated supply disruptions; the effect of changes in government and actions taken by governments in jurisdictions in which the Corporation operates, including in the U.S.; the effect of climate change and related activism on our operations and ability to access capital and insurance; cyber security and othe related risks; the Corporation’s ability to bid on new contracts and renew existing contracts; potential closure and post-closure costs associated with landfills operated by the Corporation; the Corporation’s ability to protect our proprietary technology and our intellectual property rights; legal proceedings and regulatory actions to which the Corporation may become subject, including in connection with the review of the Transaction under the Competition Act and any claims for infringement of a third parties’ intellectual property rights; the Corporation's ability to meet its ESG targets or goals and the costs associated therewith; claims by, and consultation with, Indigenous Peoples in connection with project approval; disclosure controls and internal controls over financial reporting; and other risk factors identified in the AIF and from time to time in filings made by the Corporation with securities regulatory authorities.

Although forward-looking statements contained in this MD&A are based upon what the Corporation believes are reasonable assumptions, the Corporation cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements in this MD&A are made as of the date hereof and expressly qualified by this cautionary statement. Unless otherwise required by applicable securities laws, SECURE does not intend, or assume any obligation, to update these forward-looking statements.

ADDITIONAL INFORMATION

Additional information, including the AIF, is available on the SEDAR at www.sedar.com and on the Corporation’s website at www.SECURE-energy.com. The AIF and any information on the Corporation's website do not constitute part of this MD&A.