



Strategic Acquisition of MacKellar Group

July 27, 2023



Disclaimers

Forward-Looking Information

This presentation contains forward-looking information” within the meaning of applicable securities legislation which reflects the current plans and expectations of North American Construction Group Ltd. (the “Company” or “NACG”) with respect to future events and financial performance. All statements other than statements of historical or current facts may be forward looking information. Forward-looking information includes statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as ‘believes’, ‘continues’, ‘expects’, ‘projects’, ‘anticipates’, ‘plans’, ‘estimates’, ‘seeks’, ‘intends’, ‘targets’, ‘forecasts’, or negative or grammatical versions thereof and other similar expressions, or future or conditional verbs such as ‘may’, ‘will’, ‘should’, ‘would’ and ‘could’. Forward-looking information in this includes, but is not limited to, statements with respect to: robust growth prospects; the expected backlog of the combined company; the acceleration of the combined company’s growth; the estimated consideration; the multiple of expected 2024 EBITDA that the consideration represents; the transaction being accretive and expected accretion on incremental earnings per share; expected proforma revenue and Adjusted EBITDA on a combined company basis and the incremental impact of MacKellar on such figures; Adjusted EPS on a combined company basis and the incremental impact of MacKellar on such figure; sustaining capital on a combined company basis and the incremental impact of MacKellar on such figure; free cash flow on a combined company basis and the incremental impact of MacKellar on such figure; estimated enterprise value; book value of assets; leverage by end of 2023 and 2024 on a combined company basis and the incremental impact of MacKellar on such figures; independent Australian operations post-closing achieving global reach with minimal integration risk; acquiring critical scale globally; obtaining critical mass in a resource rich and mining friendly jurisdiction; proforma customer/project composition; no single market contributing approximately more than a third of total adjusted EBIT; closing of the Transaction occurring in the fourth quarter of 2023; the anticipated timeline for realization of synergies and full integration; minimal financing risk; executing grown through winning large-scale mining or civil construction projects; leveraging expertise to expand presence and diversify exposure to other commodities.

Forward-looking information is based on management’s plans, estimates, projections, beliefs and opinions as at the date of this presentation, and the assumptions related to those plans, estimates, projections, beliefs and opinions may change; therefore, they are presented for the purpose of assisting the Company’s security holders in understanding management’s views at such time regarding those future outcomes and may not be appropriate for other purposes. Although the forward-looking information contained in this presentation is based on assumptions which the Company believes are reasonable, there can be no assurance that actual results will be consistent with such forward-looking information. The forward-looking information in this presentation relate only to events or information as of the date on which the statements are made and, except as specifically required by applicable securities laws, the Company undertakes no obligation to update or revise publicly any forward-looking information, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

There can be no assurance that the forward-looking information will prove to be accurate. Actual results could differ materially from those contemplated by the forward-looking information include: [general market performance including capital market conditions and availability and cost of credit; foreign currency and exchange risk; performance of the market sectors that the Company and the MacKellar Group serve; impact of factors such as increased pricing pressure and possible margin compression; the regulatory and tax environment; the ability of the Company to complete the Transaction; the ability of the Company to execute its financing plans in connection with the Transaction; that the conditions to closing the Transaction are not satisfied on a timely basis or at all; unanticipated difficulties or expenditures relating to the Transaction; the response of the Company’s and MacKellar Group’s business partners, customers and suppliers to the announcement of the Transaction; the impact of competitive responses to the announcement of the Transaction; the diversion of management time on Transaction-related issues; risks associated with greater than anticipated tax liabilities or expenses; the prompt and effective integration of MacKellar Group; the ability to achieve the anticipated synergies and value creation-contemplated by Transaction within the expected timeframe or at all; the ability to expand into new markets and geographic regions; that one or more customers, or other persons with which MacKellar Group has contracted, experience insolvency or bankruptcy with resulting delays, costs or losses; political, labour or supplier disruptions; imposition of new duties, tariffs or other legal barriers that impact the MacKellar Group’s markets; that growth in markets the MacKellar Group serves is less than expected; risks relating to legal proceedings to which the Company or the MacKellar Group is or may become a party; and other risks detailed from time to time in the Company’s filings with the Canadian securities regulators.] Due to the risks, uncertainties and assumptions inherent in forward looking information, readers should not place undue reliance on forward looking information contained herein.

For more complete information about the Company and the material factors and assumptions underlying our forward-looking information please read the most recent disclosure documents posted on the Company’s website www.nacg.ca or filed with the SEC and the CSA. You may obtain these documents by visiting EDGAR on the SEC website at www.sec.gov or on the CSA website at www.sedar.com.

Disclaimers

Future Oriented Financial Information

To the extent any forward-looking information in this presentation constitutes “future-oriented financial information” or “financial outlooks” within the meaning of applicable securities laws, such information is being provided to demonstrate the Company’s internal projections and the reader is cautioned that this information may not be appropriate for any other purpose and the reader should not place undue reliance on such future-oriented financial information and financial outlooks. Future-oriented financial information and financial outlooks, as with forward-looking information generally, are, without limitation, based on the assumptions and subject to the risks set out in this presentation. While such information has been prepared using assumptions considered reasonable by the Company at the time of preparation, such assumptions may not materialize as a result of unanticipated events and that may occur subsequent to the date of such future-oriented financial information and financial outlooks. The Company’s actual financial position and results of operations may differ materially from management’s current expectations. Such information is presented for illustrative purposes only and may not be an indication of the Company’s actual financial position or results of operations. All future-oriented financial information and financial outlooks in this presentation are subject to the risks described above under “Forward-Looking Information”.

Non-GAAP Financial Measures and Non-GAAP Ratios

This presentation presents certain non-GAAP financial measures and non-GAAP ratios within the meaning of applicable securities laws because management believes that they may be useful to investors in analyzing our business performance, leverage and liquidity. The non-GAAP financial measures contained in this presentation include “EBIT”, “backlog”, “adjusted EBITDA”, “adjusted EPS”, “sustaining capital” and “free cash flow”. The non-GAAP ratios contained in this presentation include “net debt leverage” and “EBITDA multiple”. We believe these non-GAAP financial measures and non-GAAP ratios are commonly used by the investment community for valuation purposes and provide useful metrics common in our industry. These non-GAAP measures and non-GAAP ratios do not have any standardized meaning and therefore are unlikely to be comparable to similar measures presented by other companies. They should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Each of the above referenced historical non-GAAP financial measure is reconciled to its most directly comparable GAAP measure in the “Non-GAAP Financial Measures” section of our Management’s Discussion and Analysis presentation for the year ended December 31, 2022.

“**EBIT**” is defined as earnings before the effects of interest expense, income taxes”.

“**Backlog**” is a measure of the amount of secured work we have outstanding and, as such, is an indicator of a base level of future revenue potential. We define backlog as work that has a high certainty of being performed as evidenced by the existence of a signed contract or work order specifying expected job scope, value and timing.

“**Adjusted EBITDA**” is defined as adjusted net earnings before the effects of interest expense, income taxes, depreciation, amortization, equity investment depreciation and amortization, and equity earnings in affiliates and joint ventures, but including the equity investment EBIT from our affiliates and joint ventures accounted for using the equity method.

“**Adjusted EPS**” is defined as adjusted net earnings, divided by the weighted-average number of common shares.

“**Sustaining capital**” is defined as expenditures, net of routine disposals, related to property, plant and equipment which have been commissioned and are available for use operated to maintain and support existing earnings and cash flow potential and do not include the characteristics of growth capital.

“**Free cash flow**” is defined as cash from operations less cash used in investing activities including finance lease additions but excluding cash used for growth capital and cash used for/provided by acquisitions. For clarity, based on this definition cash generated by joint venture is reported as free cash flow upon issuance of dividends or advances.

“**Net debt leverage**” is defined as total debt less cash and cash equivalents recorded on the balance sheets divided by adjusted EBITDA.

“**EBITDA Multiple**” means total Consideration divided EBITDA.

Market and Industry Data

This presentation contains market and industry data, information and forecasts that were obtained from government or other industry publications and reports. Government and industry publications and reports generally state that the information contained therein has been obtained from sources believed to be reliable, but do not guarantee the accuracy and completeness of their information. While the Company believes this data to be reliable, market and industry data is subject to variations and cannot be verified due to limits on the availability and reliability of data inputs, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any market or other survey. Accordingly, the accuracy, currency and completeness of this information cannot be guaranteed by the Company. The Company has not independently verified any of the data, information and forecasts from such third-party sources nor has the Company ascertained the validity or accuracy of the underlying economic assumptions relied upon therein. The Company hereby disclaims any responsibility or liability whatsoever in respect of any third-party sources of market and industry data, information and forecasts.

Mackellar Group at a Glance

On July 26, 2023, NACG agreed to acquire MacKellar Group (the “Transaction”), which will significantly expand its geographic presence in Australia and diversify its commodity exposure.

1966

Founding year

~450

Heavy equipment assets

15

Ongoing projects

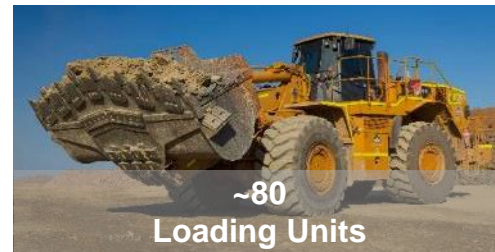
~1,000

Employees

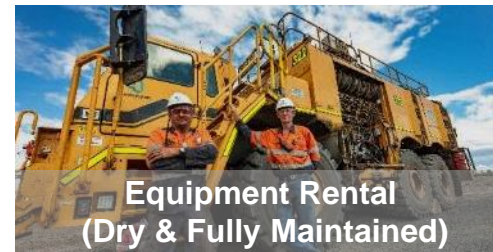
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Maintenance personnel

FLEET PROFILE



SERVICES OFFERED



Leading Australian provider of heavy earthworks solutions to mining and civil sectors

Transaction Financial Overview¹

\$395m

Enterprise value estimate²

+50% accretive

Incremental increase in earnings per share

< 1.0x³

Enterprise value versus book value of assets

1.8x⁴

Leverage target for December 2023

< 2.75x⁵

Expected EBITDA multiple paid

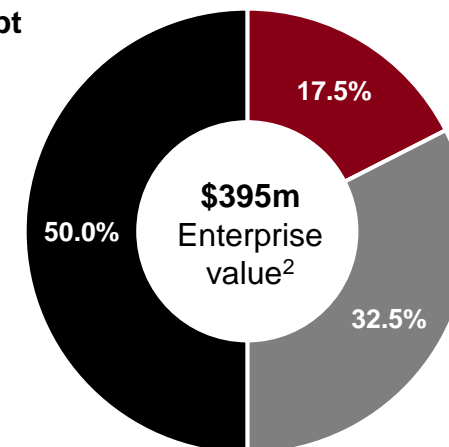
~\$2.0b

Contractual backlog⁵

Strategic Committed Financing

Senior secured debt

Upfront cash



Vendor provided financing

Attractive valuation and accretion bolstered by contractual backlog into 2028

¹ Figures in Canadian Dollars

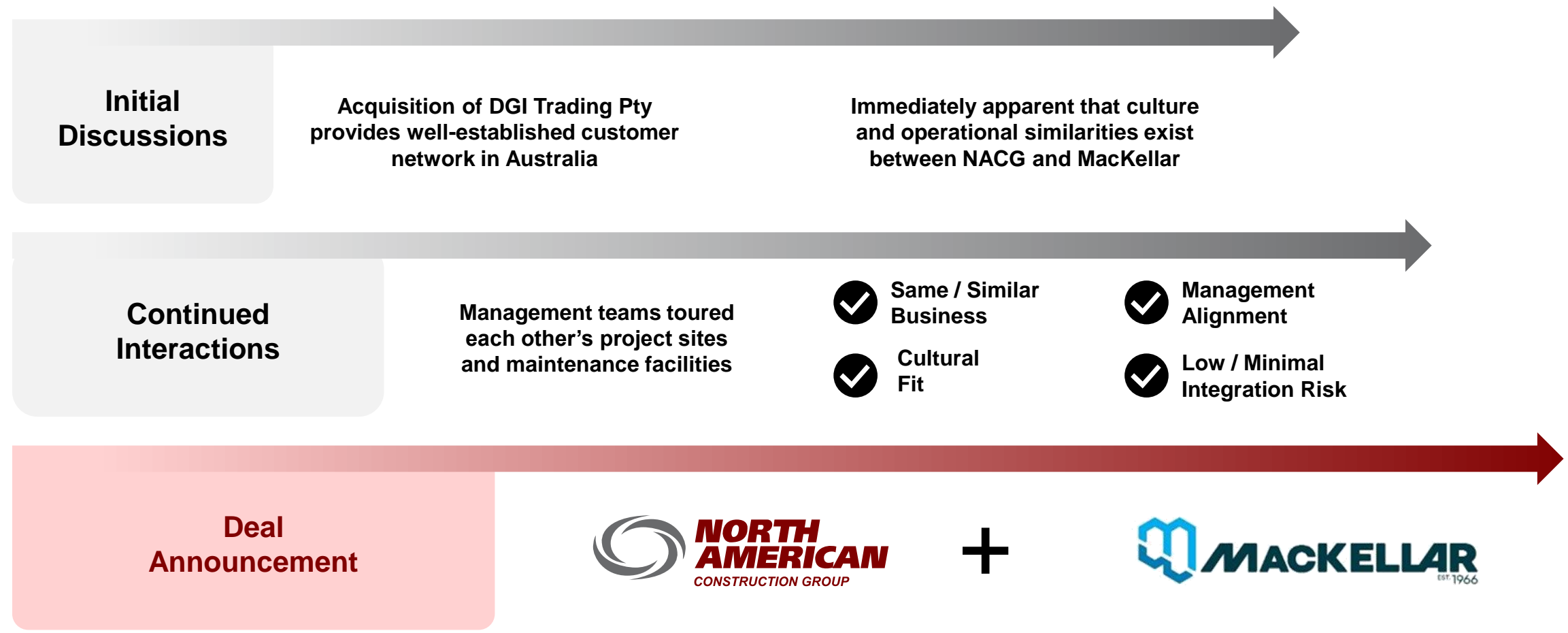
² Estimated based on net debt and assets as of closing date

³ Refers to the aggregate enterprise value divided by the book value of assets

⁴ Leverage refers to the net debt of the Company and MacKellar Group divided by pro forma adjusted EBITDA of both companies

⁵ See "Disclaimers – Non-GAAP Financial Measures and Non-GAAP Ratios".

Prudent Approach to the Transaction



Transaction is the culmination of continuous dialogue

Transaction Rationale

Shared core values, culture & focus on equipment maintenance

Different geography but identical
approach with customers & JV partners

Minimal integration risk

Strong local management team
driven to enhance performance

Minimal financing risk

Due to combination of
committed financing and
vendor provided debt

Favourable operating environment

Diverse and extensive
resource market in a mining
friendly jurisdiction

Achieves economic thresholds & adds backlog

Accretive to earnings and
expected to double backlog to
over \$4.0 billion by year-end

Below book value purchase

Heavy equipment
increasing in price and
constrained in supply

MacKellar represents a highly attractive and transformational deal for NACG

Shared Commitment of Safety Excellence



EVERYONE GETS HOME SAFE



Promoting safe behaviour as a
cornerstone of culture



Protecting the physical, psychological
and social well-being of employees



Encouraging proactive participation
from employees at every level



Minimizing environmental impacts
at our places of work



SAFETY AND ZERO HARM



MacKellar - Built on Strong Partnerships & Hard Work



Strong reputation in Australia from decades of reliable performance



Focus and value placed on win-win Indigenous partnerships



Well-maintained fleet operating at effective utilization levels



Cost-effective component capabilities providing competitive advantage



High-quality investment-grade customers with low collection risk



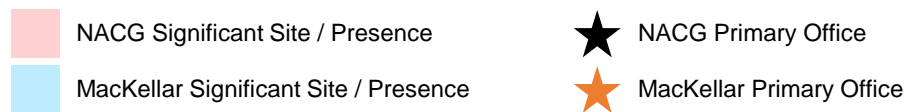
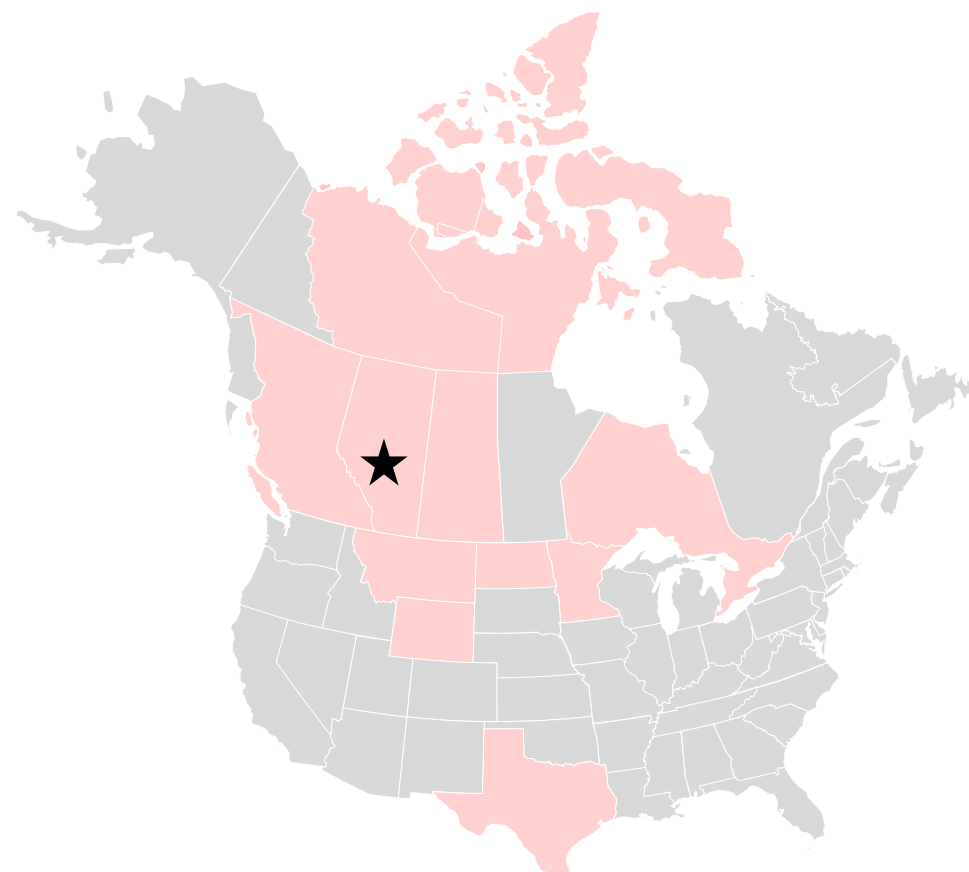
Committed hands-on executive management team

Significant operating and cultural similarities between MacKellar and NACG



THE DIVERSIFICATION JOURNEY CONTINUES

Combined Business with Significant Global Reach



AUSTRALIA IS AN EXCELLENT MINING JURISDICTION



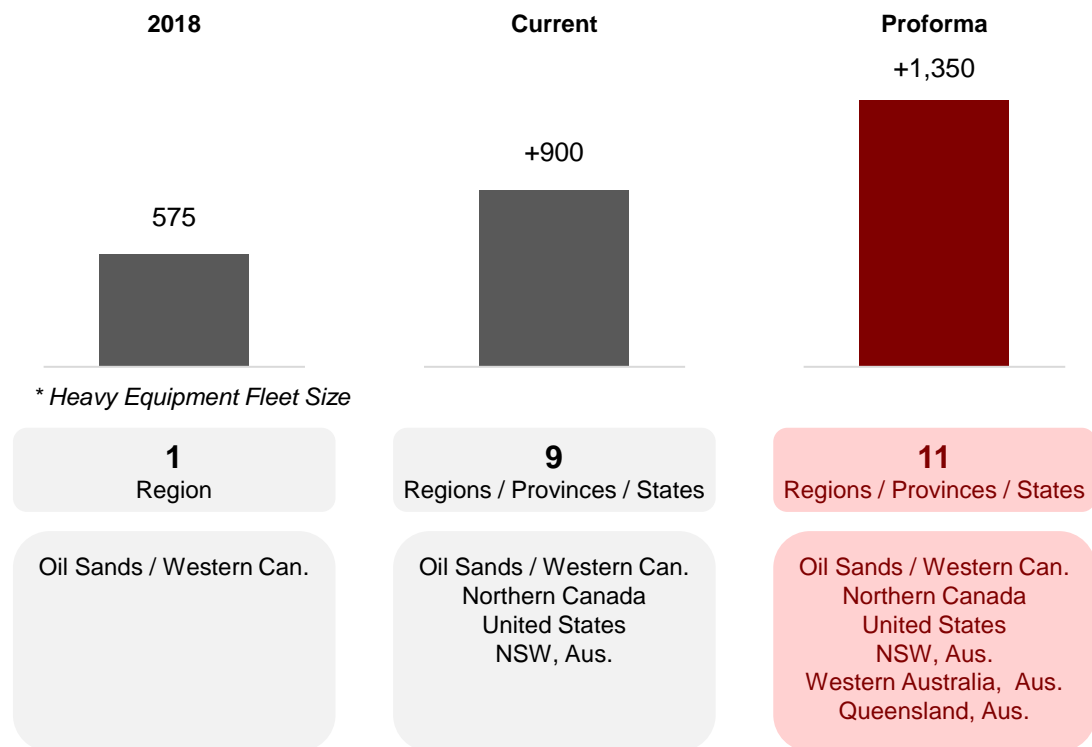
- ✔ High growth opportunities in both Western Australia & Queensland
- ✔ Mining friendly region with continued government support
- ✔ Mining is fundamental to Australia's economy and labour market
- ✔ Proximity to Asia-Pacific region provides competitive advantage

Australian operations expected to achieve global reach adding geographic diversification

Geographic Diversification





FLEET & GEOGRAPHIC EXPANSION

NACG will continue to diversify its geographic presence and acquire critical scale globally



AUSTRALIA PROVIDES SIGNIFICANT GROWTH OPPORTUNITIES¹

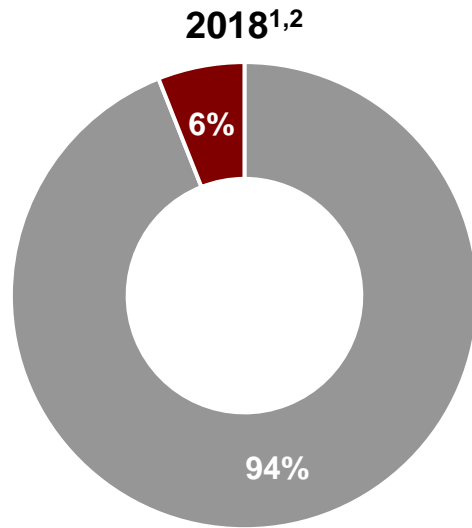
30+ commodities are among the world's largest and most actively mined resources, with Western Australia acting as a key growth engine

Select Commodity	Export (A\$b)	World Rank (% Share)		Uses / Application
		Current Production	Mineral Resource	
Iron Ore	\$157	1 (36%)	1 (31%)	Steel, magnets, alloys, and civil
Black Coal	\$64	3 (8%)	4 (10%)	Electricity generation and steel
Gold (Au)	\$23	2 (10%)	1 (22%)	Jewellery and electronics
 Bauxite	\$14	1 (27%)	3 (12%)	Aluminium and power lines
 Copper (Cu)	\$12	8 (4%)	2 (11%)	Electrical equipment and machinery
Zinc (Zn)	\$4	3 (10%)	1 (27%)	Brass, chemicals, and cosmetics
Lead (Pb)	\$2	2 (11%)	1 (40%)	Batteries, cable, and chemicals
 Lithium (Li)	\$2	1 (53%)	2 (29%)	Batteries and metal alloys
 Cobalt (Co)	<\$1	3 (3%)	2 (20%)	Batteries, EVs, and magnets

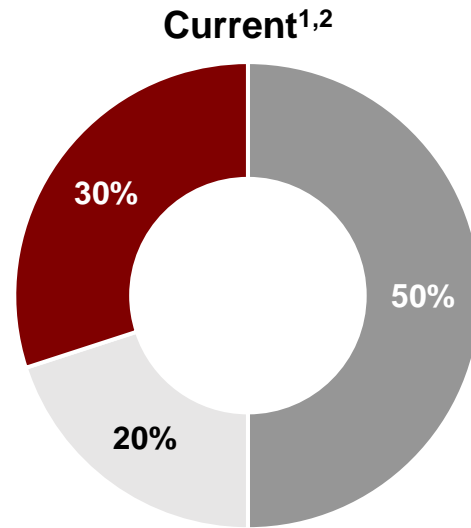
Obtaining critical mass in a resource rich and mining friendly jurisdiction

¹ Data obtained from Australian Government Report on Australia's Identified Mineral Resources (2022)

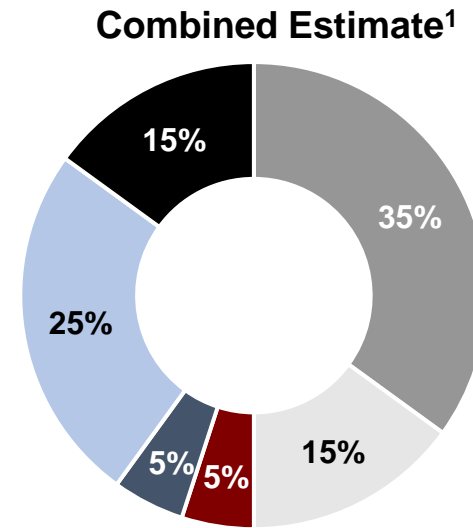
Customer & Project Composition



5 large customers



18 key customers / projects



~35 key customers / projects

- Canadian oil sands
- Civil construction & project management
- Other Canadian commodities
- Western Australia
- Metallurgical coal
- Thermal coal

← Continuing Proud History of Working with High Quality Blue-Chip Customers →

No single end market will contribute approximately more than a third of adjusted EBIT¹

¹ Depicts percentage of earnings before interest and taxes (EBIT). See "Disclaimers - Non-GAAP Financial Measures and Non-GAAP Ratios".

² Based on the Company's historic public disclosure filed with the Canadian provincial securities regulators.

Mackellar – Select Existing Customers

Strategic Acquisition of Mackellar Group



MacKellar – Select Major Projects & Operations



Providing machinery and ancillary equipment at Dawson Mine (joint venture between Anglo American and Mitsui)

Long-standing relationship with Anglo-American at other previous sites



Providing large excavators and trucks to Callide Mine

Relationship since 2017

Boonal Joint Venture

Management and operation of stockpile at rail loadout facility (joint venture between Jellinbah and Yancoal)

Relationship with Jellinbah since 1989

BRAVUS

Full mining services contract

Relationship since 2019



Suppling majority of Middlemount Mine's fleet (joint venture between Peabody and Yancoal)

Relationship since 2015



MacKellar's Western Australia platform for equipment rental

Acquired in January 2022

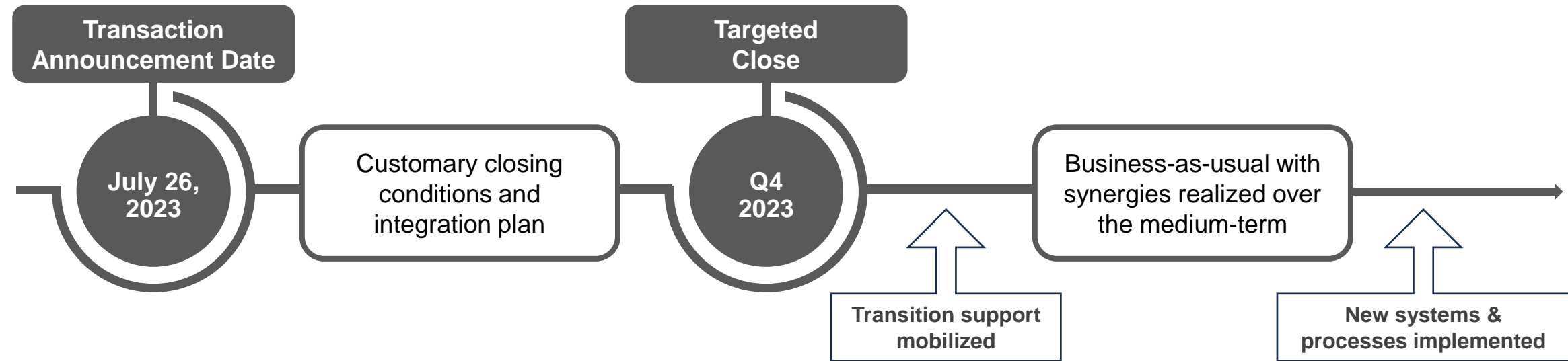


MACKELLAR
LIEBHERR

NEXT STEPS

Transaction Timeline

Transaction is expected to close during the fourth quarter 2023 subject to the satisfaction of customary contractual consents and ordinary course closing conditions



MacKellar – Next Steps

Smooth Integration

- Upon closing of the transaction, mobilize small transition team to support integration
- In-place high-quality senior management team to lead MacKellar Group

Growth & Diversification

- Several diversified prospects in Queensland & Western Australia
- Growth of Indigenous joint ventures mutually agreed as a focus area

Low-Cost Provider

- Implement ERP systems & procedures to drive low-cost operations
- Cross training of technical teams to integrate maintenance skills and innovations

Improving Margins

- Sharing best practices to improve mechanical availability & equipment utilization
- Lower reliance on third party service providers and reduce discretionary non-essential spending

2023 Outlook & 2024 Incremental Impacts¹

	Combined 2023 Outlook ⁴	Incremental 2024 Impacts ⁵
Combined revenue ²	\$1.15b – \$1.25b	\$450m – \$500m
Adjusted EBITDA ²	\$275m – \$305m	\$130m – \$160m
Adjusted EPS ²	\$2.60 – \$2.80 per share	\$1.10 – \$1.40 per share
Sustaining capital ²	\$140m – \$160m	\$65m – \$85m
Free cash flow ²	\$100m – \$120m	\$55m – \$75m
Net debt leverage ratio targets^{2,3}	December 31, 2023 December 31, 2024	→ 1.8x on trailing twelve-month proforma basis → less than 1.5x (<i>excluding potential conversion of debentures</i>)
Contractual backlog⁶	Expecting combined contractual backlog to double and exceed \$4.0 billion by year-end	

Transaction provides step-change increases across key financial metrics

¹ Figures in Canadian Dollars

² "Disclaimers – Non-GAAP Financing Measures and Non-GAAP Ratios"

³ Leverage ratios calculated on a trailing twelve-month basis

⁴ Includes expected incremental contribution of MacKellar Group on the assumption the transaction closes in Q4 2023. See "Forward-Looking Information"

⁵ Expected incremental contribution of MacKellar Group for the year ending December 31, 2024. See "Forward-Looking Information"

⁶ See "Non-GAAP Financial Measures"



Q&A

