The following Management's Discussion and Analysis ("MD&A") prepared as at May 10, 2022 for Dexterra Group Inc. ("Dexterra Group" or the "Corporation"), provides information concerning Dexterra Group's financial condition and results of operations. This MD&A is based on unaudited condensed consolidated interim financial statements ("Financial Statements") for the three months ended March 31, 2022 ("Q1 2022") and March 31, 2021 ("Q1 2021") respectively. Readers should also refer to Dexterra Group's most recent audited consolidated financial statements and MD&A for the years ended December 31, 2021 and 2020 and Annual Information Form ("AIF") available on SEDAR at sedar.com and Dexterra Group's website at dexterra.com. Some of the information contained in this MD&A contains forward-looking statements that involve risks and uncertainties. See "Forward-Looking Information" for a discussion of the uncertainties, risks and assumptions associated with these statements. Actual results may differ materially from those indicated or underlying forward-looking information as a result of various factors including those described elsewhere in this MD&A and AIF.

The accompanying Q1 2022 Financial Statements of Dexterra Group as at and for the three months ended March 31, 2022 and March 31, 2021 are the responsibility of Dexterra Group's management and have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP") and all amounts presented are in thousands of Canadian dollars unless otherwise indicated.

Financial Summary

	Three months ended March 31,	
(000's except per share amounts)	2022	2021
Total Revenue	$ 223,960	$ 155,404
Adjusted EBITDA[(1)(2)]	$ 17,018	$ 17,825
Adjusted EBITDA excluding CEWS as a % of revenue[(1)]	7.6%	8.3%
Net earnings[(2)]	$ 1,058	$ 4,474
Earnings per share		
Basic and Diluted	$ 0.01	$ 0.07
Total assets	$ 618,713	$ 512,374
Total loans and borrowings	$ 130,678	$ 78,884
Free Cash Flow[(1)]	$ (11,661)	$ 12,391

(1) Please refer to the "Non-GAAP measures" section for the definition of Adjusted EBITDA, Adjusted EBITDA excluding CEWS as a % of revenue and Free Cash Flow and to the "Reconciliation of non-GAAP measures" section for the related calculations.
(2) Includes nil of Canada Emergency Wage Subsidy for the three months ended March 31, 2022 (2021 - $4.9 million).

Non-GAAP measures

Certain measures and ratios in this MD&A do not have any standardized meaning as prescribed by GAAP and, therefore, are considered non-GAAP measures. Non-GAAP measures include "Adjusted EBITDA", calculated as earnings before interest, taxes, depreciation, amortization, equity investment depreciation, share based compensation, gain/loss on disposal of property, plant and equipment and non-recurring items; "Adjusted EBITDA excluding Canada Emergency Wage Subsidy ("CEWS") as a percentage of revenue", calculated as Adjusted EBITDA excluding CEWS divided by revenue; "Free Cash Flow", calculated as net cash flows from (used in) operating activities, less sustaining capital expenditures, purchase of intangible assets, lease payments and finance costs plus proceeds on the sale of property, plant and equipment; and "Backlog" which is the total value of work that has not yet been completed that: (a) has a high certainty of being performed based on the existence of an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to Dexterra Group, as evidenced by an executed letter of award or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured and expects to be recognized in the next 12 months. These measures and ratios provide investors with supplemental measures of Dexterra Group's operating performance and highlight trends in its core businesses that may not otherwise be apparent when relying solely on GAAP financial measures. Dexterra Group also believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Dexterra Group's management also uses non-GAAP measures in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets, and to determine components of management compensation.

These measures are regularly reviewed by the Chief Operating Decision Makers and provide investors with an alternative method for assessing the Corporation's operating results in a manner that is focused on the performance of the Corporation's ongoing operations and to provide a consistent basis for comparison between periods. These measures should not be construed as alternatives to net earnings and total comprehensive income or operating cash flows as determined in accordance with GAAP as indicators of the Corporation's performance. The method of calculating these measures may differ from other entities and accordingly, may not be comparable to measures used by other entities. For a reconciliation of these non-GAAP measures to their nearest measure under GAAP please refer to "Reconciliation of non-GAAP measures".

Management's Discussion and Analysis

Core Business

Dexterra Group is a corporation registered and domiciled in Canada and its common shares are listed on the Toronto Stock Exchange ("TSX") under the symbol DXT. Dexterra Group is a diversified support services organization delivering quality solutions for the creation, management, and operation of infrastructure across Canada. Our Integrated Facilities Management ("IFM") business delivers a suite of operation and maintenance solutions for built assets and infrastructure in the public and private sectors, including aviation, defence, education, rail, healthcare and leisure. Our Workforce Accommodations, Forestry and Energy Services ("WAFES") business provides a full range of workforce accommodations solutions, forestry services and access solutions to clients in the energy, mining, forestry and construction sectors among others. Our Modular Solutions business integrates modern design concepts with off-site manufacturing processes to produce high-quality building solutions for rapid affordable housing, commercial, residential and industrial clients.

First Quarter Results and Overview

Highlights

- The Corporation generated consolidated revenue of $224.0 million for Q1 2022 which increased $68.6 million, or 44%, compared with Q1 2021 and $22.4 million compared to Q4 2021. The increase of revenue in Q1 2022 is primarily attributed to the additional revenue generated through the acquisitions of FCPI Dana Investments Inc. ("Dana") and Tricom Group ("Tricom") as well as an increase in WAFES revenue due to the reducing impact of COVID-19 restrictions;

- The IFM business had Q1 2022 revenue of $64.2 million, which is up 69% from Q1 2021. Adjusted EBITDA for Q1 2022 was $4.0 million, an increase of $1.4 million as compared to Q1 2021, excluding CEWS. The increase was attributable to the acquisitions of Dana and Tricom described above.

- The Corporation acquired Dana on January 1, 2022 for $30.6 million. For the period ended March 31, 2022, Dana generated revenue of $20.9 million. Dana incurred some start-up costs in the quarter and its business was also impacted by COVID-19 restrictions especially in the education space which reduced margins;

- On January 31, 2022, the Corporation acquired certain assets and the business of Tricom for a purchase price of $19 million and performance-based incentives up to $5 million (the "Earn-out"). For the period ended March 31, 2022, Tricom generated revenue of $4.3 million. In addition, the Corporation expensed $0.2 million of earn out relating to the purchase;

- The WAFES business had Q1 2022 revenue of $115.1 million, which is up 52% compared to Q1 2021 and similar to Q4 2021. The increase in Q1 2022 is primarily due to contract wins during 2021 and strong business activity across all service sectors. Adjusted EBITDA for WAFES in Q1 2022 was $16.0 million compared to $18.5 million in Q4 2021 which included an one-time pick up on renegotiation of a contract of $1.8 million. Q1 and Q4 are also traditionally slower quarters for WAFES based on the seasonality of the business;

- The Modular Solutions business had Q1 2022 revenue of $43.3 million and Adjusted EBITDA of $0.4 million, compared to $41.9 million and $2.9 million, respectively, in Q1 2021 and revenue of $46.5 million and Adjusted EBITDA of $2.9 million in Q4 2021. The decrease in revenue is primarily due to ongoing delays in the rapid affordable housing projects in Ontario and BC. EBITDA was decreased due to supply chain issues which resulted in higher raw material and subcontractors costs under existing fixed price contracts. These inflationary type pressures are expected to have a reducing impact in future periods as management proactively manages inflation and its contracts. New products launched for the US market as we diversify the modular business portfolio had revenue of $5.1 million in Q1 2022 with lost margin and one time start-up costs of approximately $1.0 million;

- The Corporation's Adjusted EBITDA for Q1 2022 was $17.0 million compared to $18.1 million in Q4 2021;

- The Corporation reported consolidated net earnings of $1.1 million for Q1 2022 compared to consolidated net earnings of $4.5 million in Q1 2021. The decrease is mainly attributable to the inclusion of $4.9 million in CEWS in 2021, weaker modular results in Q1 2022 and the provision of $2.2 million for a contractual dispute and remediation work on pre-acquisition contracts and claims from the Horizon North Logistics Inc. acquisition;

- Debt increased in Q1 2022 to $130.7 million at March 31, 2022. Approximately $50 million of the increase is due to the acquisitions of Dana and Tricom;

- The Free Cash Flow deficit of $11.7 million in Q1 2021 included a significant increase in trade receivables of $28.4 million, excluding the Dana acquisition which related to higher sales and timing of client payments. The increase in trade receivables was temporary as days sales outstanding were significantly reduced in April, which will offset the working capital investment required for the peak operating periods in Q2 and Q3 2022. The Corporation expects its free cash flow conversion to EBITDA to remain strong exceeding 50% for fiscal 2022; and

- Dexterra Group declared a dividend for Q2 2022 of $0.0875 per share for shareholders of record at June 30, 2022, to be paid on July 15, 2022.

Operational Analysis

	Three months ended March 31,	
(000's)	2022	2021
Revenue:		
IFM	$ 64,225	$ 38,022
WAFES	115,094	75,656
Modular Solutions	43,277	41,948
Corporate and Inter-segment eliminations	1,364	(222)
Total Revenue	$ 223,960	$ 155,404
Adjusted EBITDA:		
IFM	$ 3,962	$ 3,464
WAFES	15,985	15,143
Modular Solutions	440	2,888
Corporate costs and Inter-segment eliminations	(3,369)	(3,670)
Total Adjusted EBITDA(1)	$ 17,018	$ 17,825
Adjusted EBITDA excluding CEWS as a % of Revenue		
IFM	6.2 %	6.9 %
WAFES	13.9 %	15.2 %
Modular Solutions	1.0 %	6.2 %

(1) Includes CEWS of $4.9 million of three months ended March 31, 2021: IFM- $0.9 million, WAFES - $3.7 million, Modular Solutions -$0.3 million, Corporate - $0.1 million.

IFM

For Q1 2022, IFM revenues were $64.2 million and increased by $26.2 million, or 69%, from the $38.0 million in Q1 2021. The increase reflects the acquisitions of Dana and Tricom, which contributed $20.9 million and $4.3 million in revenue in Q1 2022, respectively. Excluding the acquisitions, revenue was flat with Q4 2021 which included higher special projects revenue. Revenue will increase starting in Q2 2022 as the aviation and retail sectors recover from easing of the public health measures and recent new business wins are mobilized both in Q2 and Q3 of 2022. Aviation and retail sector volumes were at approximately 60% of pre-COVID-19 levels in Q1 2022 which is consistent with Q4 2021. Our revenue levels do not increase in a linear pattern with passenger traffic. Management expects that the increase in scale of operations for the segment with the acquisition of Dana and Tricom will result in cross-selling opportunities over time.

Adjusted EBITDA, excluding CEWS as a percentage of revenue, is 6.2% for Q1 2022, which is lower than the 6.9% recorded in Q1 2021 and is consistent with Q4 2021. The IFM business, excluding the 2022 acquisitions, had improved margins in Q1 2022 as Dana included some one time onboarding costs and lower profitability. IFM is actively managing the labour shortage and supply chain constraints which are causing increased costs due to overtime and outsourcing to subcontractors as well as increased supply chain costs. It has approximately 70% of its contracts with cost escalation clauses but some timing issues exist which result in downward pressure on margins.

Direct Costs

Direct costs are comprised of labour, materials, supplies and transportation, which vary directly with revenues, and have a relatively fixed component that includes rent and utilities. Direct Costs for Q1 2022 were $57.8 million compared to $32.9 million in Q1 2021, an increase of $24.9 million. The increase of costs is due to the acquisition of Dana and Tricom as well as the labour and supply chain issues. Direct Costs as a % of revenue in Q1 2022 were 90% which is fairly consistent with 89% in Q1 2021 after adjusting for CEWS and 91% for Q4 2021.

WAFES

WAFES is comprised of two revenue streams: Workforce Accommodations & Forestry and Energy Services. A significant portion of the WAFES business is services related and not capital intensive and aligns closely with our IFM business.

WAFES support services includes assisting clients with food and facilities services on-site at their remote locations. Forestry is a seasonal business with its activities taking place in Q2 and Q3 each year and is reported in WAFES support services. For Q1 2022, support services comprised 41% of WAFES revenue and this component of WAFES is expected to grow in the future.

WAFES asset-based services represent remote workforce accommodation activities in which the structures are owned and installed by Dexterra Group as part of an equipment supply contract or bundled with food and facilities services as in the case of turn-key camp contracts or the Corporation's open lodge operations. This category also includes Energy Services, where the Corporation owns access matting and relocatable structures, which are sold or rented to clients.

Revenue from the WAFES segment for Q1 2022 was $115.1 million, an increase of $39.4 million compared to Q1 2021 and essentially unchanged compared to Q4 2021. WAFES revenue performance was strong in Q1 2022 due to increased camp occupancy and utilization across all services including catering, install, and rental activities as well as high access matting and space rental utilization in Energy Services. The stronger Q1 2022 results compared to Q1 2021 reflect overall strong activity in the natural resources sector and new client wins in 2021. Q1 2021 had significant COVID-19 restrictions especially in BC.

The Q1 2022 Adjusted EBITDA excluding CEWS as a percentage of revenue is 14%, compared to 15% in Q1 2021 due primarily to revenue mix and the move to a greater percentage of support services work. Access matting sales in Q4 2021 were $4.8 million higher compared to Q1 2022, which positively impacted margins in Q4 2021.

Direct Costs

Direct costs are comprised of labour, materials, supplies and transportation, which vary directly with revenues, and a relatively fixed component, that includes rent and utilities. Direct costs in the WAFES business unit for Q1 2022 were $98.3 million or 85% of revenue, compared to $63.6 million or 84% of revenue after excluding the CEWS impact of $3.7 million for Q1 2021 due to revenue mix.

Modular Solutions

Modular Solutions segment revenues for Q1 2022 were $43.3 million compared to $41.9 million in Q1 2021 and $46.5 million in Q4 2021. Revenue was lower than expected due to client driven delays in affordable housing projects in Ontario and site access issues in the West due to the floods in British Columbia. Revenue is expected to rebound in Q2 2022 and through the balance of the year.

Adjusted EBITDA for Q1 2022 was $0.4 million compared to $2.9 million in Q1 2021 and $2.9 million in Q4 2021. Margins in Q1 2022 were primarily impacted by materials and subcontractor cost inflation on fixed price contracts. Also in Q1 2022, contracts commenced on a new manufacture-only modular product for US-based multi-family projects as part of a business diversification strategy. The new product had revenues of $5.1 million and lost margin and start-up costs of approximately $1 million which impacted margins as processes for handling this new line of business were developed.

Additionally, the delays in affordable housing projects impacted plant utilization resulting in lower overhead absorption. Management is focused on improving margins and balancing production capacity with demand delays. EBITDA margins are expected to rebound with improved US supply profitability, and as contract pricing is adjusted to allow adjustments for inflationary impacts.

A key metric for the Modular Solutions segment is the backlog of projects. The backlog was $70.9 million for rapid affordable housing at the end of Q1 2022, down from year-end of $78.6 million. This excludes approximately $19.0 million ($32 million in Q4 2021) of contracts being finalized with existing customers and a backlog of $26.0 million ($19.4 million in Q4 2021) for Industrial and U.S. manufacturing supply projects signed late in 2021. Additionally, Modular Solutions has recurring modular business beyond the projects above worth approximately $40 million per annum, which consists of education modules, retail stores and kiosks. The 2022 Federal Budget announcement to invest $1.5 billion to create at least 6,000 new affordable housing units in 2022 to 2023 is expected to directionally support this business.

Direct Costs

Direct costs are comprised of labour, raw materials and transportation, which vary directly with revenues, and a relatively fixed component that includes rent, utilities and the design and technical services required in the bidding cycle and post award manufacturing and installation of the product.

Direct costs for Q1 2022 were 95% of revenue as compared to 90% in Q1 2021 and 91% in Q4 2021. The increase in direct cost as a percentage of revenue reflects the lower revenue and overhead absorption in Q1 2022 caused by delays in several projects, inflationary impacts on the business and new product start-up costs as discussed above.

Other Items

Selling, General & Administrative Expense

Selling, general & administrative ("SG&A") expenses are comprised of head and corporate office costs including the executive officers and directors of the Corporation, and shared services, including information technology, corporate accounting staff and the associated costs of supporting a public company.

SG&A expenses for Q1 2022 were $9.9 million, an increase of $1.8 million when compared to Q1 2021. The increase is due to $0.6 million in acquisition costs as well as an increase to headcount and related costs related to the acquisitions, inflation and investments in people as we deliver on our growth strategy. SG&A expenses were 4% of total revenue in Q1 2022, which has improved by 1% compared to 5% in Q1 2021 and Q4 2021.

Depreciation and Amortization

	Three months ended March 31,	
(000's)	2022	2021
Depreciation of property, plant and equipment and right-of-use assets	$ 8,888	$ 9,245
Amortization of intangibles	1,456	823
Total depreciation and amortization	$ 10,344	$ 10,068

For Q1 2022, depreciation and amortization was $10.3 million, an increase of $0.3 million compared to Q1 2021 and up from $8.9 million in Q4 2021. The increase in amortization aligns with the increase in intangible assets from the acquisitions of Dana and Tricom in Q1 2022, which is partially offset by fully depreciated assets and the sales of excess equipment in the WAFES business. The Corporation plans to continue to operate in a capital light model going forward.

Finance costs

Finance costs include interest on loans and borrowings, interest on lease liabilities and accretion of debt financing costs.

The effective interest rate on loans and borrowings for Q1 2022 was 3%. The interest rate is impacted by the debt level and tiered variable interest rate structure of the credit facility. The rate ranges from bank prime rate plus 0.50% to 2.75% per annum. The effective rate is expected to increase as central banks increase interest rates.

Goodwill

Goodwill increased from $98.6 million to $128.5 million due to the acquisitions of Dana and Tricom. The Corporation concluded there were no new indicators of impairment on its goodwill or intangibles as at March 31, 2022.

Gain/Loss on disposal

For Q1 2022, the gain on disposal was $0.003 million compared to a loss on disposal of $0.2 million in Q1 2021. The gains and losses on disposals are typically generated from rationalization of excess WAFES assets for conversion to cash.

Non-controlling interest

Dexterra Group owns 49% of Tangmaarvik Inland Camp Services Inc. ("Tangmaarvik") and controls its operations. As a result, the results of Tangmaarvik are consolidated with the results of Dexterra Group and a non-controlling interest is recognized. For Q1 2022, earnings of $0.2 million were attributed to the non-controlling interest which is consistent with the earnings in the same period of the prior year.

Joint Venture

Dexterra Group owns 49% of Gitxaala Horizon North Services LP ("Gitxaala") and Big Spring Lodging Limited Partnership ("BSL LP"). These equity investments represent operations of the WAFES segment and generate earnings from providing workforce accommodations, rentals, and maintenance of relocatable structures. For Q1 2022, earnings from equity investments were $0.5 million (2021 - $0.8 million).

Income taxes

The Corporation's effective income tax rate for Q1 2022 was 26.9%, compared to 19% in Q1 2021. The effective tax rate for Q1 2022 is consistent with the combined federal and provincial income tax rates. In 2021, the effective tax rate was lower than the combined federal and provincial income tax rate primarily due to recognizing the tax benefit from non-capital loss carryforwards in the amount of $1.1 million that met the recognition criteria as a result of tax planning efforts and the expected future profitability of the related business.

COVID-19 Pandemic

The situation resulting from COVID-19 and subsequent variants of the virus is uncertain and continues to evolve. The safety of employees and customers continues to be a key priority. At this time, it is difficult to predict the impact the pandemic will continue to have on the Corporation. The effective response to the changing situation with the COVID-19 pandemic continues to be a focus in the business. Recent disruptions to the supply chain have been experienced and are being managed. In addition, hiring and retaining talent continues to be a challenge. We are actively managing our human capital resources across all business segments. The degree of COVID-19 related impacts in 2022 are expected to vary by geography, driven in part by regional vaccination rates, spread of new variants, provincial government restrictions and health system capacities.

Outlook

Operations Outlook

Overall

The Corporation is poised for continued growth in 2022 as the economy is expected to move into a post-pandemic environment. Our key focus for the upcoming quarters is to improve the profitability of the modular business by managing inflationary and supply chain pressures, government scheduling delays and improving plant manufacturing utilization. Management also remains focused on executing on its organic and M&A expansion strategy and using a capital light service model along with its strong balance sheet to drive sustainable growth and finance acquisitions. The acquisition strategy is active and focused on expanding IFM service offerings and geographical coverage.

IFM

The organic growth prospects and annual growth rates for the overall IFM market are significant. Management forecasts improvements in the aviation and retail sectors revenues will be gradual through 2022 and into 2023 as consumer confidence builds. The focus of this business is on winning new bids and maintaining profit margins while providing excellent service to existing clients. In addition, the acquisitions of Dana and Tricom provide us a new base of clients in hospitality and other verticals and new skills to execute on expansion opportunities. These acquisitions should also produce more cross-selling opportunities over time.

WAFES

The WAFES business is expected to continue to be strong in 2022 given strong natural resources activity nationwide. The Corporation is well positioned to take advantage in a highly competitive environment and is winning new contracts. The Crossroads Lodge in Kitimat, British Columbia has reopened in Q2 2022. This facility with 736 beds will have limited occupancy in Q2 and is expected to be at full capacity in Q4 2022.

The seasonal forestry business also has a strong book of business in place for 2022 with contracts to plant over 35 million trees and assist in fire-fighting efforts in various provinces.

Modular

The demand for affordable housing in urban centers continues. The CMHC's Rapid Housing Initiative is an example of government programs seeking to address the immediate need and, as a result, driving demand for modular housing solutions. Favorable conditions for the development of multi-unit housing (both public and private) are expected to continue for the foreseeable future in both Canada and the USA. Labour shortages, client driven project delays and increasing prices of materials due to record inflation are creating challenges. Management is executing strategies to mitigate the impact of inflation and further scale and diversify this business.

Liquidity and Capital Resources

For the three months ended March 31, 2022, cash used by operating activities was $7.7 million, compared to cash generated of $17.9 million in the same period of 2021. The decrease in Q1 2022 primarily represents an increase in accounts receivable of $28.4 million, excluding the Dana acquisition, which was due to higher Q1 revenue and the timing of client payments. The increase in trade receivables is temporary as days sales outstanding will be significantly reduced in the upcoming months, which will partially offset the working capital investment required for the peak operating periods in Q2 and Q3 2022. In addition, cash flows from operating activities in Q1 2021 were also positively impacted by the CEWS of $4.9 million. Debt will be reduced with Free Cash Flow generated by operations. The conversion of EBITDA to free cash flow for 2022 is expected to exceed 50%.

Debt increased by $65.5 million in Q1 2022, which was from funding the acquisitions and the working capital increase. Leverage approximates 1.6x 2021 Adjusted EBITDA. The Corporation's financial position and liquidity remain strong with $59.2 million unused capacity on its credit lines at March 31, 2022.

Capital Spending

For the three months ended March 31, 2022, gross capital spending for property, plant and equipment was $1.2 million, a decrease of $0.5 million compared to the $1.7 million in Q1 2021. Capital spending in 2022 mainly relates to sustaining capital whereas the majority of Q1 2021 spending was for NRB Cambridge plant expansion ($1.3 million).

Quarterly Summary of Results

	Three months ended			
(000's except per share amounts)	2022 March	2021 December	2021 September	2021 June
Revenue	$ 223,960	$ 201,588	$ 202,760	$ 173,627
Adjusted EBITDA	17,018	18,054	22,372	22,502
Net earnings (loss) attributable to shareholders	894	4,093	7,780	8,206
Net earnings per share, basic and diluted(2)	$ 0.01	$ 0.06	$ 0.12	$ 0.13

	Three months ended			
(000's except per share amounts)	2021 March	2020 December	2020 September	2020 June
Revenue(1)	$ 155,404	$ 164,418	$ 176,918	$ 76,106
Adjusted EBITDA(1)	17,825	17,477	27,085	23,241
Net earnings (loss) attributable to shareholders	4,277	(103)	16,131	47,139
Net earnings per share, basic(2)	$ 0.07	$ —	$ 0.25	$ 1.08
Net earnings per share, diluted(2)	$ 0.07	$ —	$ 0.24	$ 1.08

(1) Revenue and Adjusted EBITDA for the third quarter of 2020 includes $6.6 million related to amounts awarded on two legal proceedings with former customers.
(2) All share and per share data presented prior to Q3 2020 has been retroactively adjusted to reflect the five-for-one share consolidation completed on July 16, 2020.

Reconciliation of non-GAAP measures

The following provides a reconciliation of non-GAAP measures to the nearest measure under GAAP for items presented throughout the MD&A.

(000's)	Three months ended March 31, 2022	2021
Net earnings	$ 1,058	$ 4,474
Add:		
Share based compensation	539	593
Depreciation & amortization	10,344	10,068
Equity investment depreciation	286	155
Finance costs	1,443	1,304
Loss (gain) on disposal of property, plant and equipment	(3)	161
Income tax expense	390	1,070
EBITDA(1)	$ 14,057	$ 17,825
Acquisition costs	594	—
Contract loss provisions(2)	2,167	—
Earn-out expense	200	—
Adjusted EBITDA(1)	$ 17,018	$ 17,825

(1) Includes CEWS of nil for the three months ended March 31, 2022 (2021 - $4.9 million: Integrated Facilities Management - $0.9 million, WAFES - $3.7 million, Modular Solutions -$0.3 million, Corporate - $0.1 million).
(2) Contract loss provisions are related to a contractual dispute and remediation work on pre-acquisition contracts and claims from the Acquisition of Horizon North Logistics Inc. in May 2020. There were no corresponding amounts in the three months ended March 31, 2021.

(000's)	Three months ended March 31, 2022	2021
Net cash flows from operating activities	$ (7,748)	$ 17,865
Sustaining capital expenditures, net of proceeds	(867)	(406)
Purchase of intangible assets	(4)	(705)
Finance costs paid	(1,245)	(1,198)
Lease payments	(1,797)	(3,165)
Free Cash Flow	$ (11,661)	$ 12,391

(000's)	Three months ended March 31,			
		2022		2021
Total Adjusted EBITDA	$	17,018	$	17,825
CEWS by Segment:				
IFM		—		(852)
WAFES		—		(3,664)
Modular Solutions		—		(287)
Corporate costs and Inter-segment eliminations		—		(102)
Adjusted EBITDA excluding CEWS	$	17,018	$	12,920
Adjusted EBITDA excluding CEWS as a % of revenue		7.6%		8.3%

Accounting Policies

Dexterra Group's IFRS accounting policies are provided in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2021.

Outstanding Shares

Dexterra Group had 65,198,295 voting common shares issued and outstanding as at May 10, 2022, of which 49% or 31,785,993 are owned by subsidiaries of Fairfax Financial Holdings Limited.

Off-Balance Sheet Financing

Dexterra Group has no off-balance sheet financing.

Management's Report on Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") have designed, or caused to be designed under their supervision, 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") of the Canadian Securities Administrators, to provide reasonable assurance that: (i) material information relating to the Corporation is made known to the CEO and the CFO by others, particularly during the period in which the interim filings are being prepared; and (ii) information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

National Instrument 52-109 allows an issuer to limit design of DC&P to exclude businesses acquired not more than 365 days before the end of the reporting period. During the 365 days preceding March 31, 2022, the Corporation acquired Dana and Tricom effective January 1, 2022 and January 31, 2022, respectively. As permitted by National Instrument 52-109, management limited the scope of their design of DC&P to exclude the control, policies and procedures of these businesses. In addition, all assets and liabilities acquired were valued and recorded in the financial statements for the period ended March 31, 2022. For the first quarter ended March 31, 2022, the excluded acquisitions identified above constituted 11% of revenue, 24% of net earnings, 8% of the current assets, 19% of non-current assets, 12% of current liabilities and 1% of non-current liabilities of the Q1 2022 Financial Statements.

Summary of financial information for acquisitions as at March 31, 2022 (000's)	Dana	Tricom
Assets		
Cash[1]	$ 4,931	$ —
Trade & other receivables	7,783	4,560
Inventories	1,512	174
Total current assets	**$ 14,226**	**$ 4,734**
Property, plant and equipment	2,459	290
Right-of-use assets	195	255
Customer Relationships	11,669	5,334
Trade Names	688	—
Goodwill	16,863	12,948
Total assets	**$ 46,100**	**$ 23,561**
Liabilities		
Trade and other payables	14,154	3,843
Lease liabilities	197	256
Deferred income tax liabilities	1,240	—
Total liabilities	**$ 15,591**	**$ 4,099**

(1) Cash is reported net against loans and borrowings on the financial statements for the period ended March 31, 2022.

For Q1 2022, total revenue for the two acquisitions was $25.2 million and total net earnings before tax was $0.3 million.

During the remainder of the fiscal year, management will complete its review of the design, implementation and operating effectiveness of DC&P for the acquired businesses.

There were no changes in Dexterra Group's DC&P that occurred during the period ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, Dexterra Group's DC&P.

Internal Controls over Financial Reporting

The CEO and the CFO have designed, or caused to be designed under their supervision, internal controls over financial reporting ("ICFR") as defined in NI 52-109 of the Canadian Securities Administrators, in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

There were no changes to the Corporation's ICFR during the period ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

Limitations on the Effectiveness of Disclosure Controls and Procedures and Internal Control over Financial Reporting

Because of their inherent limitations, DC&P and ICFR may not prevent or detect misstatements, errors or fraud. Control systems, no matter how well conceived or implemented, can provide only reasonable, not absolute, assurance that the objectives of the control systems are met.

Risks and Uncertainties

The financial risks, critical accounting estimates and judgements, and risk factors related to Dexterra Group and its business, which should be carefully considered, are disclosed in the Annual Information Form under "Risk Factors" and in the Corporation's Consolidated Financial Statements for the year ended December 31, 2021 under Note 21, dated March 09, 2022, and this MD&A should be read in conjunction with them. Such risks may not be the only risks facing Dexterra Group. Additional risks not currently known may also impair Dexterra Group's business operations and results of operation.

Critical Accounting Estimates and Judgements

This MD&A of Dexterra Group's financial condition and results of operations is based on its consolidated financial statements, which are prepared in accordance with IFRS. The preparation of the consolidated financial statements requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results. The MD&A should be read in conjunction with the Q4 2021 Financial Statements.

Financial Instruments and Risk Management

In the normal course of business, the Corporation is exposed to a number of financial risks that can affect its operating performance. These risks are: credit risk, liquidity risk and interest rate risk. The Corporation's overall risk management program and prudent business practices seek to minimize any potential adverse effects on the Corporation's financial performance. The MD&A should be read in conjunction with the Q4 2021 Financial Statements.

Forward-Looking Information

Certain statements contained in this MD&A may constitute forward-looking information under applicable securities law. Forward-looking information may relate to Dexterra Group's future outlook and anticipated events, business, operations, financial performance, financial condition or results and, in some cases, can be identified by terminology such as "continue"; "forecast"; "may"; "will"; "project"; "could"; "should"; "expect"; "plan"; "anticipate"; "believe"; "outlook"; "target"; "intend"; "estimate"; "predict"; "might"; "potential"; "continue"; "foresee"; "ensure" or other similar expressions concerning matters that are not historical facts. In particular, statements regarding Dexterra Group's future operating results and economic performance, including COVID-19 related impacts and the impacts of the Dana and Tricom acquisitions; its leverage, Free Cash Flow, NRB Modular Solutions backlog and revenue, and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions, including expected growth, results of operations, performance and business prospects and opportunities regarding Dexterra Group, which Dexterra Group believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to Dexterra Group, they may prove to be incorrect. Forward-looking information is also subject to certain known and unknown risks, uncertainties and other factors that could cause Dexterra Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward- looking information, including, but not limited to: the ability to retain clients, renew existing contracts and obtain new business; an outbreak of contagious disease that could disrupt its business; the highly competitive nature of the industries in which Dexterra Group operates; reliance on suppliers and subcontractors; cost inflation; volatility of industry conditions could impact demand for its services; a reduction in the availability of credit could reduce demand for Dexterra Group's products and services; Dexterra Group's significant shareholder may substantially influence its direction and operations and its interests may not align with other shareholders; its significant shareholder's 49% ownership interest may impact the liquidity of the common shares; cash flow may not be sufficient to fund its ongoing activities at all times; loss of key personnel; the failure to receive or renew permits or security clearances; significant legal proceedings or regulatory proceedings/changes; environmental damage and liability is an operating risk in the industries in which Dexterra Group operates; climate changes could increase Dexterra Group's operating costs and reduce demand for its services; liabilities for failure to comply with public procurement laws and regulations; any deterioration in safety performance could result in a decline in the demand for its products and services; failure to realize anticipated benefits of acquisitions and dispositions; inability to develop and maintain relationships with Indigenous communities; the seasonality of Dexterra Group's business; inability to restore or replace critical capacity in a timely manner; reputational, competitive and financial risk related to cyber-attacks and breaches; failure to effectively identify and manage disruptive technology; economic downturns can reduce demand for Dexterra Group's services; its insurance program may not fully cover losses. Additional risks and uncertainties are described in Note 21 of the Corporation's Consolidated Financial Statements for the years ended December 31, 2021 and 2020 contained in its most recent Annual Report filed with securities regulatory authorities in Canada and available on SEDAR at sedar.com. The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Dexterra Group is under no obligation and does not undertake to update or alter this information at any time, except as may be required by applicable securities law.