



**Unaudited Consolidated Interim Report to the
shareholders for the three months ended
March 31, 2024**

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Management's Discussion and Analysis Three months ended March 31, 2024 and 2023

The following Management's Discussion and Analysis ("MD&A") prepared as at May 14, 2024 for Dexterra Group Inc. ("Dexterra" or the "Corporation") provides information concerning Dexterra'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, 2024 ("Q1 2024") and March 31, 2023 ("Q1 2023"), respectively. Readers should also refer to Dexterra's most recent audited consolidated financial statements and MD&A for the years ended December 31, 2023 and 2022 and the Annual Information Form ("AIF") available on SEDAR at sedarplus.ca and Dexterra'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.

As previously announced, the Board and Management recently completed a strategic review of the Modular Solutions ("Modular") business and are in the process of finalizing an agreement with a buyer to sell the business unit. As a result, the assets and liabilities of Modular have been presented as held for sale in the condensed consolidated statement of financial position at March 31, 2024 and the operating results and cash flows of Modular have been presented as discontinued operations in the condensed consolidated statement of comprehensive income for the periods ended March 31, 2024 and 2023. Certain comparatives in the condensed consolidated statement of comprehensive income have been reclassified to conform with the current year presentation.

The accompanying Financial Statements of Dexterra are the responsibility of Dexterra's management and have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") and all amounts presented are in thousands of Canadian dollars unless otherwise indicated.

Financial Summary

(000's except per share amounts)	Three months ended March 31,	
	2024	2023 ⁽¹⁾
Revenue	\$ 231,635	\$ 216,029
Adjusted EBITDA ⁽²⁾	19,579	19,763
Adjusted EBITDA as a percentage of revenue ⁽²⁾	8%	9%
Net earnings from continuing operations	4,437	4,682
Net loss from discontinued operations, net of income taxes	(8,003)	—
Net earnings (loss) for the period	\$ (3,566)	\$ 4,682
Earnings per share:		
Net earnings from continuing operations per share, basic and diluted	\$ 0.07	\$ 0.07
Total net earnings (loss) per share, basic and diluted	\$ (0.06)	\$ 0.07
Total assets	\$ 656,086	\$ 630,940
Total loans and borrowings	132,656	110,567
Free Cash Flow from continuing operations ⁽²⁾	\$ 10,642	\$ (5,094)

(1) The comparative numbers have been restated as the Modular segment is classified as held for sale as at March 31, 2024 and its operations are included in net loss from discontinued operations, net of income taxes.

(2) Please refer to the "Non-GAAP measures" section for the definition of Adjusted EBITDA, Adjusted EBITDA as a percentage of revenue and Free Cash Flow from continuing operations and to the "Reconciliation of non-GAAP measures" section for the related calculations.

(3) Non-recurring charges included in pre-tax earnings are described in the reconciliation of Non-GAAP measures and include \$0.4 million in the three months ended March 31, 2024 (three months ended March 31, 2023 - \$1.8 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, net loss from discontinued operations, net of taxes, and non-recurring items; "Adjusted EBITDA as a percentage of revenue", calculated as Adjusted EBITDA divided by revenue; "Free Cash Flow from continuing operations", calculated as net cash flows from (used in) operating activities from continuing operations, less sustaining capital expenditures, lease payments and finance costs from continuing operations plus proceeds on the sale of property, plant and equipment from continuing operations; and "backlog" which is the total value of modular 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, 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. Sustaining capital expenditures included in the definition of Free Cash Flow from continuing operations are replacement expenditures and/or leases necessary to maintain existing business from continuing operations.

These measures and ratios provide investors with supplemental measures of Dexterra's operating performance and highlight trends in its core businesses that may not otherwise be apparent when relying solely on GAAP financial measures. Dexterra also

believes that securities analysts, investors and other interested parties frequently use non-GAAP measures in the evaluation of issuers. Dexterra'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 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 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 airports, 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 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 and as at March 31, 2024, is no longer a core business and is disclosed in discontinued operations.

First Quarter Overview

Highlights

- The IFM and WAFES business units generated strong results for Q1 2024 with consolidated revenue of \$231.6 million, an increase of 7.2% compared to Q1 2023 and consistent with Q4 2023. The increase in Q1 2024 was primarily driven by new contract wins in IFM and strong overall activity in WAFES;
- The Corporation's Q1 2024 Adjusted EBITDA, which excludes the impact of discontinued operations, was \$19.6 million compared to \$19.8 million and \$23.6 million for Q1 2023 and Q4 2023, respectively. The decrease from the last quarter reflects the normal seasonally lower workforce accommodations activity in the WAFES business in Q1. This reduction was partially offset by robust access matting activity and increased Adjusted EBITDA in IFM from defence contracts and the contribution of CMI Management LLC ("CMI"). For the three months ended March 31, 2024, net earnings from continuing operations was \$4.4 million compared to \$4.7 million in Q1 2023;
- For the three months ended March 31, 2024, Free Cash Flow from continuing operations was \$10.6 million compared to a deficit of \$5.1 million in the same quarter in 2023. The increase was mainly due to strong collections and reduced inventory levels. Q1 2024 Adjusted EBITDA conversion to FCF from continuing operations was 54%. FCF from continuing operations conversion of Adjusted EBITDA is expected to approximate 50% for 2024;
- Dexterra closed the previously announced acquisition of CMI on February 29, 2024. CMI has IFM operations and is based in Alexandria, Virginia serving a number of federal government agencies and commercial clients across the United States with annual revenue of approximately USD \$50 million. CMI is an excellent strategic fit for Dexterra and expands our U.S. IFM presence;
- The Corporation reported a consolidated net loss of \$3.6 million for Q1 2024 compared to net earnings of \$4.7 million in Q1 2023. The net loss in Q1 2024 was the result of the Modular discontinued operations loss of \$8.0 million as rework and remediation costs on social affordable housing projects escalated and overhead absorption was lower due to a temporary decrease in revenue. Net earnings from continuing operations per share at \$0.07 was consistent with the prior year results. Total net loss per share was \$(0.06);
- The Corporation is in the process of finalizing an agreement to sell the Modular business at approximately net book value. The sale is expected to close by early Q3 and will be subject to normal closing conditions;
- In connection to the ongoing Normal Course Issuer Bid ("NCIB"), Dexterra repurchased 279,300 common shares in Q1 2024 at a weighted average price of \$5.91 per share, for a total consideration of \$1.7 million under the terms of the NCIB. The Board has approved the extension of the program as of May 14, 2024, this will allow the Corporation to repurchase up to 165,600 shares available under the original NCIB of 1.3 million shares; and

- Dexterra declared a dividend for Q2 2024 of \$0.0875 per share for shareholders of record at June 28, 2024, to be paid July 15, 2024.

Operational Analysis

(000's)	Three months ended March 31,	
	2024	2023
Revenue:		
IFM	\$ 101,559	\$ 86,407
WAFES	130,336	129,622
Corporate and Inter-segment eliminations	(260)	—
Total Revenue	231,635	\$ 216,029
Adjusted EBITDA:		
IFM	\$ 5,316	\$ 5,233
WAFES	19,976	18,455
Corporate costs and inter-segment eliminations	(5,713)	(3,925)
Total Adjusted EBITDA	\$ 19,579	\$ 19,763
Adjusted EBITDA as a % of Revenue		
IFM	5 %	6 %
WAFES	15 %	14 %

IFM

Our IFM business delivers a suite of operations and maintenance solutions for built assets and infrastructure in the public and private sectors, including aviation, defence, education, rail, healthcare, and leisure. Services for the IFM business include management of facilities including maintenance, repair, utilities and energy performance. In addition, ancillary services such as customer care services, waste management, food services, parking and security services are also provided depending upon customer needs and requirements. Within the IFM segment, Dexterra delivers both single service and complex multi-service contracts.

For Q1 2024, IFM revenues were \$101.6 million, an increase of 17.5% from Q1 2023 and a 13.7% increase compared to Q4 2023. The acquisition of CMI contributed \$5.9 million of revenue in March 2024. The remaining increase in revenue was derived across all IFM services areas with the addition of new contracts and project work particularly in the post-secondary education space.

IFM Adjusted EBITDA for the quarter was \$5.3 million which was higher compared to the \$5.2 million for Q1 2023 and \$4.8 million for Q4 2023, respectively. The increase was primarily attributable to the contribution from CMI as well as increased activities in the defence sector partially offset by lower margins in certain post-secondary food service contracts related to higher startup and labour costs related to the onboarding of new contracts. Inflation impacts are beginning to abate and we are recovering these higher costs through price adjustments with some time delays. Adjusted EBITDA margin for Q1 2024 was 5.2% compared to 6.1% for the same quarter last year and 5.3% in Q4 2023. As the aforementioned new food services contracts reach target profitability and other operational improvements are implemented, the IFM segment is expected to increase Adjusted EBITDA margins to over 6% in the back half of 2024.

Direct Costs

Direct costs are comprised of labour, materials and supplies, which vary directly with revenues, and have a relatively fixed component that includes rent and utilities. Direct costs for Q1 2024 were \$92.8 million compared to \$79.4 million for Q1 2023, an increase of \$13.4 million or 17% which is primarily driven by the revenue growth of the business. Direct costs as a percentage of revenue of 91.4% in Q1 2024 is consistent with both the 91.9% in Q1 2023 and the 92.0% in Q4 2023.

WAFES

WAFES is comprised of three revenue streams: Workforce Accommodations, Forestry and Energy Services. A significant portion of the WAFES business is support services related, capital light and aligns closely with our IFM business unit.

WAFES support services includes food and facilities services on-site at client owned remote facilities. Forestry is a seasonal business with its activities primarily taking place in Q2 and Q3 each year. The Energy Services business includes access matting and relocatable structures, rented or sold to clients.

For the three months ended March 31, 2024, WAFES support services activity accounted for 41% (59% asset-based services) of total WAFES revenue compared to 46% support services (54% asset-based services) for the same period in 2023. We

experienced strong asset utilization in Q1 2024 for both matting and relocatable structures which accounted for the shift in the activity mix.

Revenue from the WAFES business unit for Q1 2024 was \$130.3 million which is consistent with Q1 2023. New contracts coming on-stream in Q1 2024 offset the ramp down of major projects nearing completion. Revenue experienced an 8.1% decrease compared to Q4 2023 due to the normal seasonality of the business. The large new contracts mobilizing through Q2 2024 are expected to provide a strong support services revenue base going forward. Adjusted EBITDA for Q1 2024 was \$20.0 million compared to \$18.5 million in Q1 2023 and \$23.0 million in Q4 2023. The increase compared to the same quarter last year was primarily due to strong higher margin camp occupancy and asset utilization as well as strong access matting utilization and sales.

Direct Costs

Direct costs are comprised of labour, materials, supplies and transportation, which vary directly with revenues, and a relatively fixed component, which includes rent and utilities. Direct costs in the WAFES business unit for Q1 2024 were \$107.7 million and \$109.2 million for Q1 2023. This decrease in costs is due to product mix in Workforce Accommodations and higher margin access matting activities. Direct costs as a percentage of revenue in Q1 2024 were 82.5% compared to 83.9% in Q1 2023 and 82.0% in Q4 2023.

Corporate

Corporate costs for the quarter were \$5.7 million (excluding non-recurring costs) and represented 2.5% of revenue for Q1 2024. Costs increased compared to the \$3.9 million in Q1 2023 and the \$4.2 million in Q4 2023 primarily due to investments to increase scale in the IFM business, system implementations as well as earn-out expenses related to a prior acquisition.

Other Items

Discontinued Operations (Modular Solutions)

Management intends to exit the business and is in the process of finalizing a sale agreement at approximately net book value and which is expected to close in early Q3.

Net loss from discontinued operations for Q1 2024 was \$8.0 million (Q1 2023 - \$nil). Modular revenues were \$27.7 million for Q1 2024 compared to \$52.1 million in Q1 2023. Direct costs included in the loss on discontinued operations for Q1 2024 were \$35.7 million and were impacted by costs related to the rework and remediation on certain social affordable housing projects. These projects are now over 75% complete and are expected to be substantially complete near the end of Q2 2024. Additionally, lower overhead absorption due to the temporary decrease in revenue also impacted the Q1 2024 results.

See Note 5 of the Q1 2024 Financial Statements for more details on discontinued operations.

The Modular Solutions backlog of projects was \$61.2 million at the end of March 31, 2024. The backlog includes \$22.9 million (Q4 2023 - \$38.0 million) for social affordable housing projects and \$21.3 million (Q4 2023 - \$17 million) related to new commercial and industrial modular builds. The education portables and commercial/industrial modular business is on track to provide an additional recurring business of approximately \$55 million per annum. The sales pipeline has also expanded over the past few months. Plant staffing reductions have been undertaken in Q1 2024 to mitigate and bridge the temporary softness in the backlog which is expected to return to more normal activity levels as projects move from our sales pipeline to signed contracts in the backlog. The education portables and commercial/industrial modulars business continues to deliver positive growth and solid profitability.

Selling, General & Administrative Expense

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 2024 were \$12.5 million, an increase of \$2.3 million and \$1.9 million when compared to Q1 2023 and Q4 2023, respectively. These increases were primarily driven by \$0.9 million from CMI, \$0.4 million non-recurring costs related to CMI acquisition costs, and investments to increase the scale of the IFM business. Normalized SG&A expenses were 5.2% of total revenue in Q1 2024 which is higher than the 4.7% for Q1 2023 and 4.6% Q4 2023.

Depreciation and Amortization

(000's)	Three months ended March 31,	
	2024	2023
Depreciation of property, plant and equipment and right-of-use assets	\$ 6,890	\$ 6,714
Amortization of intangibles	1,213	1,237
Total depreciation and amortization	\$ 8,103	\$ 7,951

Depreciation and amortization from continuing operations was \$8.1 million in Q1 2024 which is consistent with the \$8.0 million in Q1 2023. The Corporation plans to continue to operate in a capital light model going forward and depreciation expense is expected to reduce as more assets become fully depreciated.

Finance costs

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

The effective interest rate on loans and borrowings for the three months ended March 31, 2024 was 8.3%, compared to 7.9% for the same period last year, including amortization of financing costs. The interest rate has been impacted by the increases in the Bank of Canada rate. The Corporation expects to pay interest on its bank facility at approximately 8% in 2024 absent any changes to the Bank of Canada rate or further acquisitions.

Goodwill

Goodwill at March 31, 2024 is \$146.5 million which is an increase of \$16.1 million compared to the \$130.4 million at December 31, 2023. This is mainly a result of the acquisition of CMI in Q1 2024.

Dexterra assesses indicators of impairment at the end of each reporting period and performs a detailed impairment test at least annually. An impairment test was performed at July 1, 2023 for all CGUs with allocated goodwill, which comprise IFM and Workforce Accommodation and Forestry. No impairment was identified. The Corporation concluded there were no indicators of impairment on its goodwill or intangibles as at March 31, 2024. See Note 10 of the Q1 2024 Financial Statements for more details.

Non-controlling interest

Dexterra holds a 49% ownership interest in Tangmaarvik Inland Camp Services Inc. ("Tangmaarvik") and controls its operations. As a result, the results of Tangmaarvik are consolidated with the results of Dexterra and a non-controlling interest is recognized. For Q1 2024, \$0.05 million was attributed to the non-controlling interest which is consistent with the same period of the prior year.

Joint Venture

Dexterra holds 49% ownership interests in Gitxaala Horizon North Services LP ("Gitxaala") and Big Spring Lodging Limited Partnership ("BSL LP"). These equity investments represent operations of the WAFES business unit and generate earnings from providing workforce accommodations and related rentals and maintenance of relocatable structures. For the three months ended March 31, 2024, earnings from equity investments were \$0.2 million which is lower than the \$0.5 million for the same periods in the prior year due to higher depreciation expense in Q1 2024.

Income taxes

For the three months ended March 31, 2024, the Corporation's effective income tax rate was 27% compared to 21% for the same period in 2023. The effective tax rate for the three months ended March 31, 2024 was generally consistent with the combined federal and provincial income tax rate of 25%. For the three months ended March 31, 2023, the effective tax rate was lower due to a positive adjustment on a tax reassessment.

Outlook

Strategic Outlook

Dexterra's strategic focus is on profitable organic growth and accretive acquisitions in the IFM business and to continue to support and grow the WAFES business profitably.

We believe our decision to pursue the sale of the Modular business will allow us to simplify our business model and allocate capital and resources to the two remaining support services businesses with stronger returns. A sale is also expected to be positive for our Modular employees and customers as well as Dexterra shareholders.

Operations Outlook

Overall

The Canadian and global economies continue to experience inflationary pressures, higher interest rates and reduced labour availability. We are actively managing the impact of inflation through proactive pricing adjustments on contracts, cost management and other operational initiatives across all business units as we work to execute our business plan. Key components of our business plan include driving strong execution, improving profitability and winning new sales opportunities that meet margin profitability targets.

IFM

The focus of the IFM business is on profitable growth through developing a strong sales pipeline, strategic accretive acquisitions, and margin improvement in the base business. The combination of strong execution and operational improvements is expected to support Adjusted EBITDA margins in our base business of over 6.0% in the second half of 2024. The addition of CMI will also support the achievement of higher margins.

WAFES

The WAFES business is expected to remain strong in 2024 as activity levels remain high across the natural resources and infrastructure sectors nationwide. The Corporation continues to win new work with new contracts mobilizing in Q2 2024 offsetting certain large projects nearing completion, including LNG Canada and the Coastal GasLink ("CGL") pipeline. Forestry is a seasonal business with its activities taking place in Q2 and Q3 each year. As a result, those two quarters are expected to have the highest revenue and profitability. The results are also impacted by the number and intensity of forest fires. Our forestry business and fire fighting support contracts in place are consistent with 2023. Adjusted EBITDA margins as a percentage of revenue are dependent on sales mix and activity levels and are expected to continue to approximate 15% on an annualized basis.

Liquidity and Capital Resources

The Corporation has a credit facility with an available limit of \$260 million plus an uncommitted accordion of \$150 million. The facility matures on September 7, 2026. See Note 12 of the Q1 2024 Financial Statements for more details.

Debt was \$132.7 million at March 31, 2024, compared to \$89.6 million at Q4 2023. The increase from Q4 2023 is primarily related to the funding of the CMI acquisition as well as \$5.7 million of capital expenditures which include access matting additions.

Q1 2024 Adjusted EBITDA conversion to FCF from continuing operations was 54%. The conversion of Adjusted EBITDA to Free Cash Flow from continuing operations for 2024 is expected to be 50% on an annual basis with Q3 and Q4 experiencing the highest conversions to Free Cash Flow from continuing operations as a result of the seasonality of the WAFES and IFM business units.

Capital Spending

For the three months ended March 31, 2024, gross capital spending for property, plant and equipment was \$5.7 million, compared to the \$6.4 million in the same period of 2023. 2024 capital expenditures include sustaining access matting additions of \$3.2 million which are included in net cash flows from continuing operating activities. Sustaining capital expenditures are replacement expenditures and/or leases necessary to maintain existing business and are expected to continue to be approximately 1.5% of revenue on an annualized basis. Actual amounts may vary depending on the timing of expenditures. Growth capital expenditures are incurred when highly accretive and advantageous opportunities are identified.

Management's Discussion and Analysis
Three months ended March 31, 2024 and 2023

Quarterly Summary of Results

	Three months ended			
	2024 March	2023 December	2023 September	2023 June
<i>(000's except per share amounts)⁽¹⁾</i>				
Revenue	\$ 231,635	\$ 231,196	\$ 265,842	\$ 214,709
Adjusted EBITDA	19,579	23,567	38,204	25,239
Net Earnings (loss) attributed to shareholders	(3,615)	(313)	13,874	8,456
Net Earnings from continuing operations attributed to shareholders	4,388	7,430	13,899	9,747
Net Earnings (loss) per share, basic and diluted	\$ (0.06)	\$ —	\$ 0.21	\$ 0.13
Net Earnings from continuing operations per share, basic and diluted	\$ 0.07	\$ 0.12	\$ 0.21	\$ 0.15

	Three months ended			
	2023 March	2022 December	2022 September	2022 June
<i>(000's except per share amounts)</i>				
Revenue	\$ 216,029	\$ 201,687	\$ 205,267	\$ 184,269
Adjusted EBITDA	19,763	20,608	19,209	16,662
Net Earnings (loss) attributed to shareholders	4,602	(2,939)	5,164	310
Net Earnings from continuing operations attributed to shareholders	4,602	2,938	4,426	3,490
Net Earnings (loss) per share, basic and diluted	\$ 0.07	\$ (0.04)	\$ 0.08	\$ —
Net Earnings from continuing operations per share, basic and diluted	\$ 0.07	\$ 0.05	\$ 0.07	\$ 0.05

(1) Revenue and Adjusted EBITDA for the prior seven quarters have been restated for discontinued operations presentation.

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.

Adjusted EBITDA

<i>(000's)</i>	Three months ended March 31,	
	2024	2023
Net earnings (loss)	\$ (3,566)	\$ 4,682
Add:		
Share based compensation	713	603
Depreciation & amortization	8,103	7,951
Loss on disposal of property, plant and equipment	20	19
Equity investment depreciation	438	301
Finance costs	3,830	3,236
Income tax expense	1,677	1,218
Net Loss from discontinued operations, net of income taxes	8,003	—
Non-recurring:		
Contract loss provisions ⁽¹⁾	—	255
Restructuring and other costs ⁽²⁾	361	1,498
Adjusted EBITDA	\$ 19,579	\$ 19,763

(1) Contract loss provisions for the three months ended March 31, 2024 were \$nil (Q1 2023 - \$0.3 million).

(2) Restructuring and other costs for the three months ended March 31, 2024 of \$0.4 million, relates to legal and other expenses for the acquisition of CMI. Restructuring and other items for Q1 2023 include CEO transition costs of \$1.4 million and other selling, general and administration costs of \$0.1 million.

Free Cash Flow from continuing operations

<i>(000's)</i>	Three months ended March 31	
	2024	2023
Net cash flows from (used in) continuing operating activities	\$ 16,773	\$ (139)
Sustaining capital expenditures	(667)	(139)
Finance costs paid	(3,932)	(2,904)
Lease payments	(1,532)	(1,912)
Free Cash Flow from continuing operations	\$ 10,642	\$ (5,094)

Accounting Policies

Dexterra's IFRS accounting policies are provided in Note 3 to the Consolidated Financial Statements for the year ended December 31, 2023.

Outstanding Shares

Dexterra had 64,147,229 voting common shares issued and outstanding as at May 14, 2024, of which 49% or 31,957,781 are owned by subsidiaries of Fairfax Financial Holdings Limited.

See Note 14 of the Q1 2024 Financial Statements for details on the Normal Course Issuer Bid. The Board has approved the renewal of the share buy-back program as of May 14, 2024 as we believe that the Dexterra share price continues to be undervalued and we will be opportunistic in repurchasing shares.

Off-Balance Sheet Financing

Dexterra 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, internal controls over financial reporting ("ICFR") and 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.

Effective February 29, 2024, the Corporation completed the acquisition of CMI. As permitted by National Instrument 52-109, management limited the scope of their design of DC&P and ICFR to exclude the controls, policies and procedures of this business. This will allow the Corporation's management time to assess the DC&P and ICFR of CMI and ensure alignment with current Corporation practices. In addition, all assets and liabilities acquired were valued and recorded in the financial statements for the period ended March 31, 2024. For the first quarter ended March 31, 2024, the excluded acquisition identified above constituted 2.5% of revenue, 8.9% of net earnings from continuing operations, 3.5% of the current assets, 7.6% of non-current assets and 2.2% of current liabilities of the Q1 2024 Financial Statements.

Summary of financial information for CMI acquisition as at March 31, 2024:	
Cash ⁽¹⁾	\$ 2,933
Trade and other receivables	6,951
Prepaid expenses and other	309
Total current assets	\$ 10,193
Property, plant and equipment	599
Right-of-use assets	30
Customer Relationships and Goodwill	26,783
Total assets	\$ 37,606
Trade and other payables	(4,541)
Current income tax liabilities	(13)
Lease liabilities	(31)
Total current liabilities	\$ (4,585)
Deferred Tax Liability	(93)
Total Liabilities	\$ (4,678)

(1) Cash is reported net against loans and borrowings on the financial statements for the period ended March 31, 2024.

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

Based on the evaluation of design and operating effectiveness of the Corporation's DC&P and ICFR, subject to the exemption described above, the CEO and CFO concluded that the Corporation's DC&P and ICFR were effective as of March 31, 2024. There have been no other changes in these programs that occurred during the period from January 1, 2024 to March 31, 2024 that have materially affected, or are reasonably likely to materially affect the Corporation's ICFR and DC&P.

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 and its business, which should be carefully considered, are disclosed in the Annual Information Form dated March 7, 2024 under "Risk Factors", and this MD&A should be read in conjunction with them. Such risks may not be the only risks facing Dexterra. Additional risks not currently known may also impair Dexterra's business operations and results of operations.

Critical Accounting Estimates and Judgements

This MD&A of Dexterra'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 2023 Annual 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 2023 Annual 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'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's future operating results and economic performance; its capital light model management market and inflationary environment expectations, lodge occupancy levels, its leverage, Discontinued Operations, Free Cash Flow from continuing operations, NRB Modular Solutions backlog and revenue, wildfire activity expectations and its objectives and strategies are forward-looking statements. These statements are based on certain factors and assumptions, including expected growth, market recovery, results of operations, performance and business prospects and opportunities regarding Dexterra, a reasonable valuation and other satisfactory terms being finalized for the sale of the Modular business which Dexterra believes are reasonable as of the current date. While management considers these assumptions to be reasonable based on information currently available to Dexterra, 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'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 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's products and services; Dexterra'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 operates; climate changes could increase Dexterra'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'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's services; its insurance program may not fully cover losses. Additional risks and uncertainties are described in Note 22 of the Corporation's Consolidated Financial Statements for the year ended December 31, 2023 and 2022 contained in its most recent Annual Report filed with securities regulatory authorities in Canada and available on SEDAR at [sedarplus.ca](https://www.sedarplus.ca). The reader should not place undue importance on forward-looking information and should not rely upon this information as of any other date. Dexterra 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.

Condensed consolidated statement of financial position (Unaudited)

(000's)	Note	March 31, 2024	December 31, 2023
Assets			
Current assets			
Trade and other receivables	6	\$ 165,362	\$ 212,572
Inventories	7	19,093	28,690
Prepaid expenses and other		6,874	6,482
Assets held for sale	5	101,538	—
Income tax receivable		296	—
Total current assets		293,163	247,744
Non-current assets			
Property, plant and equipment	8	136,555	145,550
Right-of-use assets	9	10,484	23,370
Intangible assets	10	39,153	30,988
Goodwill	10	146,460	130,436
Deferred income tax assets		15,355	12,532
Other assets	11	14,916	16,468
Total non-current assets		362,923	359,344
Total assets		\$ 656,086	\$ 607,088
Liabilities			
Current liabilities			
Trade and other payables		\$ 130,970	\$ 163,158
Deferred revenue		12,430	10,618
Income tax payable		—	430
Asset retirement obligations	13	3,564	3,768
Lease liabilities	9	4,893	7,988
Liabilities directly associated with assets held for sale	5	59,364	—
Total current liabilities		211,221	185,962
Non-current liabilities			
Lease liabilities	9	6,773	19,700
Contingent consideration		704	704
Asset retirement obligations	13	2,763	2,586
Loans and borrowings	12	132,656	89,615
Other long term liabilities	4, 14	4,478	939
Deferred income tax liabilities		21,032	20,567
Non-current liabilities		168,406	134,111
Total liabilities		379,627	320,073
Shareholders' Equity			
Share capital	14	230,068	231,071
Contributed surplus		3,508	3,268
Accumulated other comprehensive income		207	174
Retained earnings		42,447	52,322
Non-controlling interest		229	180
Total shareholders' equity		276,459	287,015
Total liabilities and shareholders' equity		\$ 656,086	\$ 607,088

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of comprehensive income (loss) (Unaudited)

(000's except per share amounts)	Note	Three months ended March 31,	
		2024	2023
Revenue			
Revenue from operations		\$ 231,635	\$ 216,029
Operating expenses			
Direct costs	15	200,531	188,596
Selling, general and administrative expenses	16	12,536	10,209
Depreciation	8,9	6,890	6,714
Amortization of intangible assets	10	1,213	1,237
Share based compensation	14	713	603
Loss on disposal of property, plant and equipment		20	19
Operating income		9,732	8,651
Finance costs		3,830	3,236
Earnings from equity investments		(212)	(485)
Earnings before income taxes		6,114	5,900
Income tax			
Income tax expense	17	1,677	1,218
Net earnings from continuing operations		4,437	4,682
Net loss from discontinued operations, net of income taxes	5	(8,003)	—
Net earnings (loss) for the period		(3,566)	4,682
Other comprehensive income			
Translation of foreign operations		33	(43)
Total comprehensive income (loss) for the period		\$ (3,533)	\$ 4,639
Net earnings (loss) Attributable to:			
Net earnings from continuing operations		\$ 4,388	\$ 4,602
Net loss from discontinued operations		(8,003)	—
Net earnings (loss) attributed to shareholders		\$ (3,615)	\$ 4,602
Net earnings attributed to non-controlling interest		\$ 49	\$ 81
Earnings per common share			
Net earnings from continuing operations per share, basic and diluted	19	\$ 0.07	\$ 0.07
Net loss from discontinued operations per share, basic and diluted	19	\$ (0.12)	\$ 0.00
Total net earnings (loss) per share, basic and diluted	19	\$ (0.06)	\$ 0.07
Weighted average common shares outstanding:			
Basic	19	64,268	65,242
Diluted	19	64,505	65,476

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

**Condensed consolidated statement of changes in equity
(Unaudited)**

<i>(000's)</i>	Note	Share capital - Number of Shares	Share capital	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Non- controlling interest	Total
Balance as at December 31, 2022		65,242	\$ 233,968	\$ 2,236	\$ 341	\$ 50,245	\$ 193	\$ 286,983
Dividends declared		—	—	—	—	(5,709)	—	(5,709)
Share based compensation	14	—	—	327	—	—	—	327
Total comprehensive income		—	—	—	(43)	4,601	81	4,639
Balance as at March 31, 2023		65,242	\$ 233,968	\$ 2,563	\$ 298	\$ 49,137	\$ 274	\$ 286,240
Balance as at December 31, 2023		64,427	\$ 231,071	\$ 3,268	\$ 174	\$ 52,322	\$ 180	\$ 287,015
Dividends declared	20	—	—	—	—	(5,613)	—	(5,613)
Share based compensation	14	—	—	240	—	—	—	240
Shares purchased and cancelled	14	(279)	(1,003)	—	—	(647)	—	(1,650)
Total comprehensive income		—	—	—	33	(3,615)	49	(3,533)
Balance as at March 31, 2024		64,147	\$ 230,068	\$ 3,508	\$ 207	\$ 42,447	\$ 229	\$ 276,459

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

Condensed consolidated statement of cash flows (Unaudited)

(000's)	Note	Three months ended March 31,	
		2024	2023
Cash provided by (used in):			
Operating activities:			
Net earnings from continuing operations		\$ 4,437	\$ 4,682
Adjustments for:			
Depreciation	8,9	6,890	6,714
Amortization of intangible assets	10	1,213	1,237
Share based compensation	14	713	603
Loss on disposal of property, plant and equipment		20	19
Net transfers between inventory and rental fleet	8	(3,087)	(1,243)
Earnings on equity investments		(212)	(485)
Asset retirement obligation settled	13	(54)	(1,106)
Finance costs		3,830	3,236
Income tax expense	17	1,677	1,218
Changes in non-cash working capital	18	2,340	(14,974)
Income taxes paid		(994)	(40)
Net cash flows from (used in) continuing operating activities		16,773	(139)
Net cash flows from (used in) discontinued operating activities		(20,109)	3,864
Investing activities:			
Purchase of property, plant and equipment	8	(2,338)	(6,391)
Purchase of intangible assets	10	—	(5)
Proceeds on sale of property, plant and equipment		75	345
Cash paid for acquisitions, net of cash acquired	4	(24,499)	(3,231)
Cash distributions from equity investments (net of contributions)	11	660	544
Net cash flows used in continuing investing activities		(26,102)	(8,738)
Net cash flows used in discontinued investing activities		(89)	(26)
Financing activities:			
Shares purchased and cancelled	14	(1,650)	—
Payments for lease liabilities		(1,532)	(1,912)
Advances on loans and borrowings	12	42,928	16,406
Finance costs paid		(3,932)	(2,904)
Dividends paid to shareholders	20	(5,637)	(5,709)
Net cash flows from continuing financing activities		30,177	5,881
Net cash flows used in discontinued financing activities		(650)	(842)
Changes in continuing operations cash position		20,848	(2,996)
Changes in discontinued operations cash position		(20,848)	2,996
Change in cash position		—	—
Cash, beginning of period		—	—
Cash, end of period		\$ —	\$ —

The accompanying notes are an integral part of the condensed consolidated interim financial statements.

1. Reporting entity

Dexterra Group Inc. (“Dexterra Group” or the “Corporation”) 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 (“Modular”) 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.

During the period ended March 31, 2024, the Corporation completed a strategic review of the Modular business and initiated a plan for the sale of the Modular business unit. As a result, the assets and liabilities of Modular have been presented as held for sale in the condensed consolidated statement of financial position and the operating results have been presented as discontinued operations in the condensed consolidated statement of comprehensive income. Comparatives in the condensed consolidated statement of comprehensive income have been reclassified to conform with current year presentation for discontinued operations. Refer to note 5 of these financial statements for further details.

2. Statement of compliance

These financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements, under International Accounting Standard 34, Interim Financial Reporting and using the accounting policies the Corporation adopted in its consolidated financial statements for the year ended December 31, 2023. The condensed consolidated interim financial statements do not include all of the information required for annual financial statements. These financial statements were approved by the Board of Directors of Dexterra Group on May 14, 2024.

3. Basis of Preparation

The basis of preparation, accounting policies and methods of their application, and critical accounting estimates and judgements in these condensed consolidated interim financial statements, including comparatives, are consistent with those used in Dexterra Group’s audited annual consolidated financial statements for the year ended December 31, 2023, and should be read in conjunction with those annual consolidated financial statements. The Corporation’s functional currency, and the preparation currency of the condensed consolidated interim financial statements is the Canadian dollar.

New standards and interpretations not yet adopted

The new standards, amendments to standards and interpretations effective on January 1, 2024 and applied in preparing these consolidated financial statements are disclosed below.

- i. Classification of liabilities with covenants as current or non-current (Amendments to IAS 1)

With the introduction of the two amendments to IAS 1 in 2024, for a liability to be classified as non-current, a company must have the right to defer settlement of the liability for at least twelve months after the reporting period. The right must have substance and exist at the end of the reporting period and the classification of the liability must be unaffected by the likelihood that the company will exercise that right. If a company is required to comply with covenants on or before the end of the reporting period, these covenants will affect whether such a right exists at the end of the reporting period. The amendments are effective for annual periods beginning on or after January 1, 2024 and do not have a significant impact on the Corporation’s consolidated financial statements.

4. Business Combinations

On February 29, 2024, Dexterra acquired 100% of the issued and outstanding shares of CMI Management LLC (“CMI”) for \$28.4 million (consideration of \$31.9 million less \$3.5 million cash acquired). CMI is based in Alexandria, Virginia and provides capital light IFM services to a number of federal agencies and commercial clients across the United States. The purchase price includes a holdback that will be released to the previous owners 18 months after the closing date of the transaction on the assumption that certain standard warranties expire with no payments required. As at March 31, 2024, the holdback amount of \$3.1 million has been included in other long term liabilities on the statement of financial position.

Acquisitions are accounted for using the acquisition method whereby the assets acquired, and the liabilities assumed are recorded at their fair values with the surplus of the aggregate consideration relative to the fair value of the identifiable net assets recorded as goodwill. The results of operations are included in the Corporation’s consolidated financial statements from the respective date of acquisition.

The primary factors that resulted in the recognition of goodwill and intangible assets are: contracts with existing customers and the strategic value to the Corporation’s platform, people and growth plan. The goodwill recognized is not deductible for income tax purposes.

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three months ended March 31, 2024 and 2023**

The Corporation incurred certain legal and advisory fees of \$0.4 million related to the acquisition which were included in selling, general & administrative expenses in the condensed consolidated statement of comprehensive income for Q1 2024.

As at March 31, 2024, the Corporation has not finalized the purchase price equation.

The following summarizes the assets acquired and liabilities assumed related to the CMI acquisition:

Consideration:		(000's)
Cash consideration	\$	27,954
Holdback Payable		3,126
Working capital adjustment		819
Total consideration	\$	31,899
Fair value of assets acquired and liabilities assumed:		
Cash	\$	3,455
Trade and other receivables		6,609
Prepaid expenses and other		370
Property, plant and equipment		620
Right-of-use assets		38
Trade and other payables		(6,021)
Lease liabilities		(38)
Tangible net assets	\$	5,033
Customer Relationships and Goodwill		26,866
Total identifiable net assets	\$	31,899

2023 Business Combinations

On January 31, 2023, Dexterra Group acquired 100% of the issued and outstanding shares of VCI Controls Inc. ("VCI") for net consideration of \$4.2 million, after cash acquired and the holdback net of working capital adjustments. This acquisition provided the Corporation with access to growth opportunities with new customers and increased additive service offerings to existing customers. The acquisition is reported as part of the IFM segment.

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three months ended March 31, 2024 and 2023**

5. Discontinued Operations

As at March 31, 2024, the Corporation determined that the Modular segment has met the accounting criteria for assets held for sale and as a result, the assets and liabilities of Modular Solutions have been presented as held for sale in the condensed consolidated statement of financial position as at March 31, 2024. The operating results of Modular Solutions have been presented as discontinued operations in the condensed consolidated statements of comprehensive income for the three months ended March 31, 2024 and 2023 and related prior year amounts have been revised accordingly.

Assets & Liabilities classified as held for sale

The value of the assets held for sale are presented at the lower of the carrying amount and fair value less costs to sell. As at March 31, 2024 the assets held for sale and liabilities directly associated with the assets held for sale are recorded at carrying value and comprised the following:

<i>(000's)</i>	Note	March 31, 2024	
Assets			
Trade and other receivables	6	\$	66,703
Inventories	7		11,188
Prepaid expenses and other			1,036
Property, plant and equipment	8		9,212
Right-of-use assets	9		12,031
Intangible assets	10		1,368
Total assets classified as held for sale		\$	101,538
Liabilities			
Trade and other payables		\$	38,892
Deferred revenue			4,500
Lease liabilities	9		14,889
Deferred income tax liabilities			1,049
Other long term liabilities	14		34
Total liabilities directly associated with assets held for sale		\$	59,364

Loss from Discontinued Operations

The following table summarizes the operating results of Modular which have been aggregated and presented as discontinued operations for the three months ended March 31, 2024 and 2023:

Three months ended (000's)	Note	March 31, 2024	March 31, 2023
Revenue		\$ 27,656	\$ 52,058
<i>Operating expenses:</i>			
Direct costs	15	35,683	49,071
Selling, general and administrative expenses	16	1,547	1,613
Depreciation and amortization	8,9,10	875	1,324
Share based compensation	14	20	32
Gain on disposal of property, plant and equipment		(3)	—
Operating income (loss)		\$ (10,466)	18
Finance costs		314	188
Loss from discontinued operations before tax		\$ (10,780)	\$ (170)
Income tax recovery	17	(2,777)	(170)
Net loss from discontinued operations, net of income taxes		\$ (8,003)	\$ —

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three months ended March 31, 2024 and 2023**

6. Trade and other receivables

(000's)	March 31, 2024	December 31, 2023
Trade receivables	\$ 152,391	\$ 133,897
Modular holdback receivables	10,310	13,657
Deferred trade receivables	16,474	15,304
Total trade and modular receivables	\$ 179,175	\$ 162,858
Accrued trade receivables	44,357	42,406
Other receivables	10,578	8,837
Allowance for expected credit losses	(2,045)	(1,529)
Less: Assets classified as held for sale (Note 5)	(66,703)	—
Total trade and other receivables	\$ 165,362	\$ 212,572

Modular holdback receivables and deferred trade receivables of \$26.8 million (December 31, 2023 - \$29.0 million) represent amounts billed on contracts which are not due until the contract work is substantially complete and any lien period has expired. All Modular holdback receivables and deferred trade receivables are expected to be collected within 12 months.

7. Inventories

(000's)	March 31, 2024	December 31, 2023
Raw materials	\$ 12,888	9,419
Food inventory	8,962	9,477
Work-in-progress	1,210	1,150
Finished goods and supplies	7,221	8,644
Less: Assets classified as held for sale (Note 5)	(11,188)	—
Inventories	\$ 19,093	\$ 28,690

8. Property, plant and equipment

Carrying Amounts (000's)	Camp equipment & mats	Land & buildings	Automotive & trucking equipment	Manufacturing & other equipment	Total
Cost					
Balance as at December 31, 2023	\$ 160,923	\$ 35,815	\$ 17,876	\$ 13,110	\$ 227,724
Additions	2,122	72	123	111	2,428
Acquisition of CMI (Note 4)	—	—	—	620	620
Net transfers from inventory	2,985	—	—	—	2,985
Disposals	(365)	—	(360)	(139)	(864)
Foreign Currency Translation ⁽¹⁾	—	—	(4)	—	(4)
Balance as at March 31, 2024	\$ 165,665	\$ 35,887	\$ 17,635	\$ 13,702	\$ 232,889
Accumulated Depreciation					
Balance as at December 31, 2023	\$ 51,068	\$ 7,325	\$ 15,319	\$ 8,462	\$ 82,174
Depreciation	4,404	529	413	478	5,824
Net transfers from inventory	(102)	—	—	—	(102)
Disposals	(359)	—	(273)	(139)	(771)
Foreign Currency Translation ⁽¹⁾	—	—	(3)	—	(3)
Balance as at March 31, 2024	\$ 55,011	\$ 7,854	\$ 15,456	\$ 8,801	\$ 87,122
Net book value					
Balance as at March 31, 2024, prior to classification	\$ 110,654	\$ 28,033	\$ 2,179	\$ 4,901	\$ 145,767
Less: Assets classified as held for sale (Note 5)	(398)	(7,644)	(389)	(781)	(9,212)
Balance as at March 31, 2024	\$ 110,256	\$ 20,389	\$ 1,790	\$ 4,120	\$ 136,555
Balance as at December 31, 2023	\$ 109,855	\$ 28,490	\$ 2,557	\$ 4,648	\$ 145,550

(1) Foreign currency translation relates to the assets held in Dexterra Services LLC and CMI entities which have a functional currency of US dollars.

Notes to the condensed consolidated interim financial statements (Unaudited)
Three months ended March 31, 2024 and 2023

9. Leases

(i) Right-of-use assets

(000's)	Camp equipment & mats	Land & buildings	Automotive & trucking equipment	Manufacturing & other equipment	Total
Cost					
Balance as at December 31, 2023	\$ 4,450	\$ 27,658	\$ 8,635	\$ 191	\$ 40,934
Acquisition of CMI (Note 4)	—	38	—	—	38
Additions	—	374	480	92	946
Disposals	—	(26)	—	—	(26)
Foreign Currency Translation ⁽¹⁾	—	(7)	—	—	(7)
Balance as at March 31, 2024	\$ 4,450	\$ 28,037	\$ 9,115	\$ 283	\$ 41,885
Accumulated Depreciation					
Balance as at December 31, 2023	\$ 2,797	\$ 11,280	\$ 3,459	\$ 28	\$ 17,564
Depreciation	360	934	519	19	1,832
Disposals	—	(26)	—	—	(26)
Balance as at March 31, 2024	\$ 3,157	\$ 12,188	\$ 3,978	\$ 47	\$ 19,370
Net book value					
Balance as at March 31, 2024, prior to classification	\$ 1,293	\$ 15,849	\$ 5,137	\$ 236	\$ 22,515
Less: Assets classified as held for sale (Note 5)	—	(11,727)	(218)	(86)	(12,031)
Balance as at March 31, 2024	\$ 1,293	\$ 4,122	\$ 4,919	\$ 150	\$ 10,484
Balance as at December 31, 2023	\$ 1,653	\$ 16,378	\$ 5,176	\$ 163	\$ 23,370

(1) Foreign currency translation relates to the assets held in Dexterra Services LLC and CMI entities which have a functional currency of US dollars.

(ii) Lease liabilities

Maturity Analysis – contractual undiscounted cash flows	(000's)
Year 1	\$ 9,141
Year 2	7,427
Year 3	5,886
Year 4	4,644
Year 5 and beyond	2,678
Total undiscounted lease payable as at March 31, 2024	\$ 29,776
Less: Undiscounted lease liabilities directly associated with assets held for sale	(17,073)
Total undiscounted lease payable, continuing operations as at March 31, 2024	12,703
Current	4,893
Non-current	6,773
Lease liabilities, continuing operations at March 31, 2024	\$ 11,666
Liabilities directly attributed to assets held for sale (Note 5)	\$ 14,889

At March 31, 2024, the Corporation had a \$0.8 million lease receivable related to sublet leased equipment (December 31, 2023 - \$1.1 million). The lease and sub-lease expire in 2025. There were no restrictions or covenants imposed by leases of a material nature and there were no sale and leaseback transactions.

The amount of lease interest expense recognized for the three months ended March 31, 2024 was \$0.4 million (2023 - \$0.4 million) of which \$0.2 million is related to discontinued operations.

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three months ended March 31, 2024 and 2023**

10. Intangibles and Goodwill

Intangible assets at the consolidated statement of financial position date are as follows:

(000's)	Trade Names	Customer Relationships	Computer software and other	Total
Cost				
Balance as at December 31, 2023	\$ 4,641	\$ 41,723	\$ 4,772	\$ 51,136
Acquisition of CMI (Note 4)	—	10,866	—	10,866
Foreign Currency Translation ⁽¹⁾	—	(11)	—	(11)
Balance as at March 31, 2024	\$ 4,641	\$ 52,578	\$ 4,772	\$ 61,991
Accumulated Amortization				
Balance as at December 31, 2023	\$ 2,834	\$ 12,923	\$ 4,391	\$ 20,148
Amortization	175	927	220	1,322
Balance as at March 31, 2024	\$ 3,009	\$ 13,850	\$ 4,611	\$ 21,470
Net book value				
Balance as at March 31, 2024, prior to classification	\$ 1,632	\$ 38,728	\$ 161	\$ 40,521
Less: Assets classified as held for sale (Note 5)	(1,358)	—	(10)	(1,368)
Balance as at March 31, 2024	\$ 274	\$ 38,728	\$ 151	\$ 39,153
Balance as at December 31, 2023	\$ 1,807	\$ 28,800	\$ 381	\$ 30,988

(1) Foreign currency translation relates to the assets held in Dexterra Services LLC and CMI entities which have a functional currency of US dollars.

Goodwill at the consolidated statement of financial position date is as follows:

(000's)	March 31, 2024	December 31, 2023
Goodwill allocated to:		
Integrated Facilities Management ⁽¹⁾	\$ 111,875	\$ 95,851
Workforce Accommodations and Forestry	34,585	34,585
Balance, end of period	\$ 146,460	\$ 130,436

(1) See note 4 for additions to Goodwill of \$16.0 million related to the acquisition completed in Q1 2024. The fluctuations in goodwill balances are from foreign currency translation of US operations.

11. Other assets

Other assets at March 31, 2024 include equity accounted investments in Gitxaala Horizon North Services Limited Partnership ("Gitxaala") and Big Spring Lodging Limited Partnership ("BSL LP"), both joint ventures that are 49% owned by the Corporation with a carrying value of \$12.7 million (December 31, 2023 - \$13.1 million) and \$2.2 million (December 31, 2023 - \$2.2 million), respectively. During the three months ended March 31, 2024, Gitxaala paid cash distributions of \$0.7 million (three months ended March 31, 2023 - \$0.5 million) to the Corporation. These equity investments are operations of the WAFES segment and generate earnings by providing services related to the rental and maintenance of relocatable structures. In addition to the equity investments, other assets include long-term lease receivables of \$nil (December 31, 2023 - \$1.1 million).

12. Loans and borrowings

(000's)	March 31, 2024	December 31, 2023
Committed credit facility	\$ 133,832	\$ 90,904
Unamortized financing costs	(1,176)	(1,289)
Total borrowings	\$ 132,656	\$ 89,615

The credit facility matures on September 7, 2026, has an available limit of \$260 million plus an uncommitted accordion of \$150 million, and is secured by a \$400 million first fixed and floating charge debenture over all assets of the Corporation and its wholly-owned subsidiaries. The interest rate is calculated on a grid pricing structure based on the Corporation's debt to EBITDA ratio. Amounts drawn on the credit facility incur interest at bank prime rate plus 0.50% to 1.75% or the Bankers' Acceptance rate plus 1.50% to 2.75%. The credit facility has a standby fee on the committed available limit ranging from 0.30% to 0.55% per annum.

Loans and borrowings are considered part of the Corporate segment and therefore no borrowings have been classified as liabilities directly associated with assets held for sale.

Notes to the condensed consolidated interim financial statements (Unaudited)
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As at March 31, 2024, the Corporation was in compliance with all financial and non-financial covenants related to the credit facility and had letters of credit outstanding in the amount of \$17.6 million (December 2023 - \$16.7 million). For the three months ended March 31, 2024, the Corporation incurred finance costs relating to the loans and borrowings of \$2.9 million (2023 - \$2.7 million).

13. Asset retirement obligations

Provisions include constructive site restoration obligations for company owned camp projects to restore lands to previous condition when camp facilities are dismantled and removed.

(000's)	March 31, 2024	December 31, 2023
Balance, beginning of period	\$ 6,354	\$ 11,642
Asset retirement obligations settled	(54)	(6,299)
Change in estimate	—	642
Accretion of provisions	27	369
Balance, end of period	\$ 6,327	\$ 6,354

(000's)	March 31, 2024	December 31, 2023
Current	\$ 3,564	\$ 3,768
Non-current	2,763	2,586
Balance, end of period	\$ 6,327	\$ 6,354

14. Share capital

(a) Authorized and issued

The Corporation is authorized to issue an unlimited number of voting common shares without nominal or par value and an unlimited number of preferred shares issuable in series, of which no preferred shares are outstanding. The number of common shares and share capital are presented in the table below:

(In 000's, other than number of shares)	Total number of shares	Total share capital
Balance, December 31, 2023	64,426,529	\$ 231,071
Shares purchased and cancelled	(279,300)	(1,003)
Balance, March 31, 2024	64,147,229	\$ 230,068

On May 15, 2023, Dexterra commenced a Normal Course Issuer Bid (“NCIB”) under which the Corporation can purchase up to a maximum of 1,300,000 shares over the period to May 14, 2024, representing approximately 2% of the common shares outstanding, subject to certain restrictions under the securities laws. The shares purchased and cancelled are accounted for as a reduction in the Corporation’s equity. No gain or loss is recognized in the consolidated statement of comprehensive income on the purchase and cancellation of treasury shares under the terms of the NCIB. The total consideration paid includes any commissions or fees which are recognized directly in equity.

For the three months ended March 31, 2024, the Corporation purchased and cancelled 279,300 common shares at a weighted average price of \$5.91 per share, for a total consideration of \$1.7 million under the terms of the NCIB. As at March 31, 2024, the Corporation had purchased and cancelled 1,134,400 common shares under the current NCIB at a weighted average share price of \$5.78 and total consideration of \$6.6 million.

(b) Long-term incentive plans

(i) Share option plan

	Outstanding options	Weighted average exercise price
Balance, December 31, 2023	2,186,658	\$ 5.67
Granted	1,055,807	5.87
Forfeited	(14,941)	7.55
Balance, March 31, 2024	3,227,524	\$ 5.73

**Notes to the condensed consolidated interim financial statements (Unaudited)
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The exercise prices for options outstanding and exercisable at March 31, 2024 are as follows:

Exercise price per share	Total options outstanding			Exercisable options	
	Number	Weighted average exercise price per share	Weighted average remaining contractual life in years	Number	Weighted average exercise price per share
\$3.05 to \$5.95	2,371,583	\$ 5.12	3.7	745,350	\$ 3.84
\$5.96 to \$6.53	456,843	6.48	1.8	443,509	6.48
\$6.54 to \$8.50	399,098	8.48	2.8	266,058	8.48
	3,227,524	\$ 5.73	3.3	1,454,917	\$ 5.50

The Corporation calculates the fair value of the share options granted using the Black-Scholes pricing model to estimate the fair value of the share options issued at the date of grant. The weighted average fair value of all options granted during the period and the assumptions used in their determination are as follows:

	March 31, 2024	Year-ended December 31, 2023
Fair value per option	\$ 1.09	\$ 1.46
Forfeiture rate	9.60 %	9.15 %
Grant price	\$ 5.87	\$ 5.35
Expected life	3.0 years	3.0 years
Risk free interest rate	3.76 %	3.74 %
Dividend yield rate	5.99 %	6.65 %
Volatility	36.22 %	54.94 %

For the three months ended March 31, 2024, share based compensation for share options included in net earnings amounted to \$0.2 million (2023 - \$0.3 million).

(ii) Restricted Share Units (“RSU”) and Performance Share Units (“PSU”) incentive award plan

(a) RSUs

The Corporation has a RSU Plan whereby RSUs may be granted, subject to certain terms and conditions.

Under the terms of the RSU Plan, the awarded units vest in three equal portions on the first, second and third anniversary from the grant date, and will be settled in cash in the amount equal to the fair market value of the Corporation's share price on that date. All outstanding RSUs as at December 31, 2023 were granted to members of the Board of Directors as well as officers and key employees. In 2024, RSUs were granted to the Board of Directors as well as officers and key employees.

The following table summarizes the RSU’s outstanding:

	Number of Units
Units outstanding at December 31, 2023	134,491
Granted	230,312
Vested and exercised	(51,285)
Units outstanding at March 31, 2024	313,518

As at March 31, 2024, trade and other payables and other long term liabilities included \$0.4 million and \$0.2 million, respectively, for outstanding RSUs (December 2023 - \$0.5 million in trade and other payables). For the three months ended March 31, 2024, share based compensation for RSUs included in net earnings amounted to \$0.2 million (Q1 2023 - \$0.1 million), and vested units were cash settled for \$0.3 million.

(b) PSUs

The Corporation has a PSU Plan whereby PSUs may be granted, subject to certain terms and conditions.

Under the terms of the PSU Plan, the awarded units vest no later than the third anniversary of the grant date according to the vesting criteria, and the vested units will be settled in cash in the amount equal to the fair market value of the Corporation's share price on that date. The vesting criteria is fixed by the Board. Performance Criteria set by the Board at the time of the grant of PSUs, may include i) total shareholder return, including dividends; ii) the participant’s satisfactory individual performance; and (iii) any other terms and conditions the Board may in its discretion determine with respect to vesting. The PSUs have been issued to the Corporation’s officers and key employees and will be settled in cash upon vesting, if the performance criteria are met.

**Notes to the condensed consolidated interim financial statements (Unaudited)
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The following table summarizes the PSU's outstanding:

	Number of Units
Units outstanding at December 31, 2023	867,524
Granted	379,964
Forfeited	(224,591)
Units outstanding at March 31, 2024	1,022,897

As at March 31, 2024, other long term liabilities included \$1.2 million for outstanding PSUs (December 31, 2023 - \$0.9 million). For the three months ended March 31, 2024, net earnings included a share based compensation expense of \$0.3 million for PSUs (2023 - \$0.2 million).

15. Direct costs

(000's)	Three months ended March 31,	
	2024	2023
Cost of goods manufactured - materials and direct labour	\$ 30,428	\$ 40,790
Wages and benefits	98,374	97,026
Subcontracting	33,368	19,192
Product cost	53,713	52,988
Equipment and repairs	3,582	2,742
Transportation and travel	4,086	5,231
Partnership profit sharing	2,622	5,452
Utilities and occupancy costs	8,386	11,755
Other operating expense	1,655	2,491
Total Direct costs	236,214	237,667
Less: Direct costs related to discontinued operations (Note 5)	(35,683)	(49,071)
Direct costs related to continuing operations	\$ 200,531	\$ 188,596

16. Selling, general and administrative expenses

(000's)	Three months ended March 31,	
	2024	2023
Wages and benefits ⁽¹⁾	\$ 6,344	\$ 6,405
Other selling and administrative expenses ⁽²⁾	7,739	5,417
Less: SG&A costs related to discontinued operations (Note 5)	(1,547)	(1,613)
SG&A costs related to continuing operations	\$ 12,536	\$ 10,209

(1) Wages and benefits for the three months ended March 31, 2024 includes CEO transition costs of \$nil (2023 - \$1.4 million).

(2) Other selling and administrative expenses for the three months ended March 31, 2024 includes \$0.4 million related to acquisition costs (2023 - \$nil).

17. Income taxes

For the three months ended March 31, 2024, the Corporation's effective income tax rate was 27% compared to 21% for the same period in 2023. The effective tax rate for the three months ended March 31, 2024 was generally consistent with the combined federal and provincial income tax rate of 25%. For the three months ended March 31, 2023, the effective tax rate was lower due to a positive adjustment on a tax reassessment.

The Corporation has non-capital losses for Canadian tax purposes of \$58.0 million at March 31, 2024 (December 31, 2023 - \$54.2 million) available to reduce future taxable income in Canada. The Corporation expects to fully utilize these losses before their expiry.

**Notes to the condensed consolidated interim financial statements (Unaudited)
Three months ended March 31, 2024 and 2023**

The current and deferred tax expense breakdown is as follows:

	Three months ended March 31,	
	2024	2023
Income tax expense (recovery) (000's):		
Current	\$ 211	\$ 355
Deferred	(1,311)	693
Less: Income tax recovery classified as discontinued operations	2,777	170
Income tax expense related to continuing operations	\$ 1,677	\$ 1,218

18. Cash flow information

The details of the changes in non-cash working capital are as follows, and excludes the opening balance sheet impacts related to the acquisitions:

(000's)	Three months ended March 31,	
	2024	2023
Trade and other receivables	\$ (9,700)	\$ (17,709)
Inventories	1,206	(3,472)
Prepaid expenses and other	148	(2,403)
Trade and other payables	(238)	10,538
Deferred revenue	10,924	(1,928)
Change in non-cash working capital, continuing operations	\$ 2,340	\$ (14,974)
Change in non-cash working capital, discontinued operations	(10,535)	2,327
Change in non-cash working capital	\$ (8,195)	\$ (12,647)

19. Net earnings per share

A summary of the common shares used in calculating earnings per share is as follows:

	Three months ended March 31,	
	2024	2023
Number of common shares, beginning of period	\$ 64,426,529	65,241,628
Shares cancelled under NCIB, weighted average	(158,482)	—
Weighted average common shares outstanding - basic	64,268,047	65,241,628
Effect of share purchase options ⁽¹⁾	236,470	234,260
Weighted average common shares outstanding - diluted	64,504,517	65,475,888

(1) The Corporation utilizes the treasury stock method for calculating the dilutive effect of share purchase options when the average market price of the Corporation's common stock during the period exceeds the exercise price of the option.

20. Dividends

A dividend of \$0.0875 per share was declared for the quarter ended March 31, 2024 and is recorded in trade and other payables as at March 31, 2024. The dividend was paid to shareholders of record at the close of business on April 12, 2024. A dividend of \$0.0875 per share was declared for the quarter ended December 31, 2023, and was paid in January 2024. Subsequent to March 31, 2024, Dexterra declared a dividend of \$0.0875 per share for shareholders of record at June 28, 2024, to be paid July 15, 2024.

Notes to the condensed consolidated interim financial statements (Unaudited)
Three months ended March 31, 2024 and 2023

21. Reportable segment information

The Corporation operates through three operating segments: IFM, WAFES and Modular Solutions as described in Note 1. Information regarding the results of all segments is included below with Modular Solutions classified as discontinued operations. Inter-segment pricing is determined on an arm's length basis.

Three months ended March 31, 2024 (000's)	IFM	WAFES	Corporate and Other	Discontinued Operations	Inter-segment Eliminations	Total
Revenue	\$ 101,559	\$ 130,336	\$ (260)	\$ —	\$ —	\$ 231,635
<i>Operating expenses:</i>						
Direct costs	92,802	107,729	—	—	—	200,531
Selling, general and administrative expenses	3,441	3,282	5,813	—	—	12,536
Depreciation and amortization	1,936	5,904	263	—	—	8,103
Share based compensation	59	61	593	—	—	713
Gain on disposal of property, plant and equipment	(27)	47	—	—	—	20
Operating income (loss)	3,348	13,313	(6,929)	—	—	9,732
Finance costs	44	180	3,606	—	—	3,830
Earnings from equity investments	—	(212)	—	—	—	(212)
Earnings (loss) before income taxes from continuing operations	3,304	13,345	(10,535)	—	—	6,114
Loss before income taxes from discontinued operations	—	—	—	(10,690)	(90)	(10,780)
Earnings (loss) before income taxes	\$ 3,304	\$ 13,345	\$ (10,535)	\$ (10,690)	\$ (90)	\$ (4,666)
Total assets	\$ 227,692	\$ 303,591	\$ 24,731	\$ 101,538	\$ (1,466)	\$ 656,086
<hr/>						
Three months ended March 31, 2023 (000's)	IFM	WAFES	Corporate and Other	Discontinued Operations	Inter-segment Eliminations	Total
Revenue	\$ 86,407	\$ 129,622	\$ —	\$ —	\$ —	\$ 216,029
<i>Operating expenses:</i>						
Direct costs	79,374	109,222	—	—	—	188,596
Selling, general and administrative expenses	1,800	2,731	5,678	—	—	10,209
Depreciation and amortization	1,771	5,839	341	—	—	7,951
Share based compensation	64	34	505	—	—	603
Gain on disposal of property, plant and equipment	81	(62)	—	—	—	19
Operating income (loss)	3,317	11,858	(6,524)	—	—	8,651
Finance costs	42	180	3,014	—	—	3,236
Earnings from equity investments	—	(485)	—	—	—	(485)
Earnings (loss) before income taxes from continuing operations	3,275	12,163	(9,538)	—	—	5,900
Loss before income taxes from discontinued operations	—	—	—	(170)	—	(170)
Earnings (loss) before income taxes	\$ 3,275	\$ 12,163	\$ (9,538)	\$ (170)	\$ —	\$ 5,730
Total assets	\$ 190,988	\$ 326,704	\$ 12,943	\$ 101,681	\$ (1,376)	\$ 630,940

22. Financial risk management

There were no significant changes to the Corporation's risk exposures, including credit risk, liquidity risk, and market risk, or the processes used by the Corporation for managing those risk exposures at March 31, 2024 compared to those identified and discussed in the Corporation's annual consolidated financial statements for the year ended December 31, 2023.

23. Related parties

For the three months ended March 31, 2024 the Corporation charged \$0.2 million (March 31, 2023 - \$0.1 million) in management fees for administrative overhead related to accounting and management services to Gitxaala, a joint venture in which the Corporation has a 49% interest. As at March 31, 2024, Gitxaala owed \$3.0 million (December 31, 2023 - \$2.0 million) in payables to the Corporation which comprised of flow-through revenue generated from providing catering and workforce accommodation services to third parties through Gitxaala LP. The amount is paid to the Corporation as Gitxaala billings to customers are collected.

For the three months ended March 31, 2024 the Corporation earned revenue of \$0.3 million (March 31, 2023 - \$0.4 million) for catering services and equipment rentals provided to Big Springs JV, a joint venture in which the Corporation has a 49% interest. As at March 31, 2024, BSL LP owed \$0.4 million (December 31, 2023 - \$0.4 million) in payables to the Corporation which are considered to be part of normal course of operations.

Dexterra Group has certain property insurance policies with Northbridge. The premiums paid in the three months ended March 31, 2023 and 2024 are approximately \$0.1 million at normal commercial rates.

