



**Unaudited Consolidated Interim Report to the  
shareholders for the three and six months  
ended June 30, 2024**

# Contents

	Page
Management's Discussion and Analysis	3
Condensed Consolidated Interim Financial Statements	13
Notes to the Condensed Consolidated Interim Financial Statements	17

## Management's Discussion and Analysis Three and six months ended June 30, 2024 and 2023

The following Management's Discussion and Analysis ("MD&A") prepared as at August 6, 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 and six months ended June 30, 2024 ("Q2 2024") and June 30, 2023 ("Q2 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.

In Q2 2024, Dexterra reached an agreement for the sale of the Modular Solutions ("Modular") business to ATCO Structures & Logistics Ltd. The sale is expected to close in August 2024. The assets and liabilities of Modular have been presented as held for sale in the condensed consolidated statement of financial position at June 30, 2024 and the operating results and cash flows of Modular have been presented as discontinued operations in the condensed consolidated statements of comprehensive income and cash flows for the three and six month periods ended June 30, 2024 and 2023. Certain comparatives in the condensed consolidated interim statements of comprehensive income and cash flow 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 June 30,		Six months ended June 30,	
	2024	2023 <sup>(1)</sup>	2024	2023 <sup>(1)</sup>
Revenue	\$ 253,624	\$ 214,709	\$ 485,519	\$ 430,738
Adjusted EBITDA <sup>(2)</sup>	29,276	25,239	48,854	45,003
Adjusted EBITDA as a percentage of revenue <sup>(2)</sup>	11.5%	11.8 %	10.1%	10.4%
Net earnings from continuing operations <sup>(3)</sup>	12,162	8,935	16,597	13,618
Net loss from discontinued operations, net of income taxes	(3,082)	(441)	(11,085)	(441)
Net earnings for the period	\$ 9,080	\$ 8,494	\$ 5,512	\$ 13,177
Earnings per share:				
Net earnings from continuing operations per share, basic and diluted	\$ 0.19	\$ 0.14	\$ 0.26	\$ 0.21
Total net earnings per share, basic and diluted	\$ 0.14	\$ 0.13	\$ 0.08	\$ 0.20
Total assets	\$ 647,025	\$ 626,863	\$ 647,025	\$ 626,863
Total loans and borrowings	139,770	126,524	139,770	126,524
Free Cash Flow <sup>(2)</sup>	\$ (585)	\$ (4,638)	\$ 10,057	\$ (9,584)

(1) The comparative numbers have been restated as the Modular segment is classified as held for sale for the three and six months ended June 30, 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 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 \$nil and \$0.4 million in the three and six months ended June 30, 2024, respectively (three and six months ended June 30, 2023 - \$0.7 million and \$2.5 million, respectively).

### 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; and "Free Cash Flow", 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. Sustaining capital expenditures included in the definition of Free Cash Flow 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 management and operation of infrastructure across North America under its two operating business units: Integrated Facilities Management ("IFM") and Workforce Accommodations, Forestry and Energy Services ("WAFES"). Dexterra is building a support services platform with diverse and targeted end-markets throughout Canada and the U.S. We continue to optimize and scale this platform as we pursue our strategy of delivering strong, reliable, and profitable growth with the overarching objective of creating greater value for our stakeholders.

Our IFM business delivers a suite of operation and maintenance support service solutions for built assets and infrastructure in the public and private sectors, including airports, defence, education, rail, healthcare and leisure.

Our WAFES business provides a full range of workforce accommodations support services solutions, forestry services and asset based services to clients in the energy, mining, forestry and construction sectors among others. Greater than two thirds of our work in WAFES are support services providing hospitality, cleaning, maintenance, and other services to remote operations. Asset-based services in WAFES includes camp and space equipment rental, sales, and access matting, account for the balance of the business.

### Second Quarter Overview

#### Highlights

- The IFM and WAFES business units generated strong results for Q2 2024 with consolidated revenue of \$253.6 million, an increase of 18.1% compared to Q2 2023 and an increase of 9.5% compared to Q1 2024. The increase in Q2 2024 was primarily driven by strong natural resource market activity levels in WAFES and the full quarter inclusion of the CMI Management LLC ("CMI") acquisition which closed at the end of February 2024;
- Q2 2024 Adjusted EBITDA, which excludes the impact of discontinued operations, was \$29.3 million compared to \$25.2 million and \$19.6 million for Q2 2023 and Q1 2024, respectively. The increase from the same period last year and last quarter was due primarily to improved IFM margins, strong workforce accommodations occupancy, and high camp equipment and access matting asset utilization. For the three and six months ended June 30, 2024, net earnings from continuing operations were \$12.2 million and \$16.6 million compared to \$8.9 million and \$13.6 million for the three and six months ended June 30, 2023;
- For the three months ended June 30, 2024, Free Cash Flow ("FCF") was a deficit of \$0.6 million which was improved compared to a deficit of \$4.6 million in the same quarter in 2023. FCF on a year to date basis in 2024 is in line with expectations at \$10.1 million and reflects the normal seasonal fluctuations from higher working capital requirements in the first half of the year. Adjusted EBITDA conversion to FCF is expected to approximate 50% on an annualized basis;
- The Corporation reported consolidated net earnings of \$9.1 million and \$5.5 million for the three and six months ended June 30, 2024, respectively, compared to net earnings of \$8.5 million and \$13.2 million for the three and six months ended June 30, 2023, respectively. The lower net earnings year-to-date was due to the loss from discontinued operations which included remediation efforts on several challenged Modular projects which are now substantially complete. Earnings per share from continuing operations was \$0.19 in Q2 2024 and increased from \$0.14 compared to the same quarter last year. Earnings per share from continuing operations for the six months ended June 30, 2024 and 2023 was \$0.26 and \$0.21, respectively;
- In conjunction with the Gitxaala Horizon North Services Limited Partnership ("Gitxaala") (owned 49% by Dexterra), 329 relocatable space rental units were sold in June 2024. The selling price of \$20.5 million reflected the approximate net book value of the assets held as Dexterra proactively manages its capital investments and mix of assets. For the six months ended June 30, 2024, the Corporation made growth capital investments of \$0.6 million net of the Gitxaala sale of equipment which is consistent with our strategic focus on providing capital light support services; and
- Dexterra declared a dividend for Q3 2024 of \$0.0875 per share for shareholders of record at September 30, 2024, to be paid on October 15, 2024.

## Operational Analysis

(000's)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<b>Revenue:</b>				
IFM	\$ 100,297	\$ 76,538	\$ 201,856	\$ 162,945
WAFES	153,327	137,671	283,663	267,292
Corporate and Inter-segment eliminations	—	500	—	500
<b>Total Revenue</b>	<b>\$ 253,624</b>	<b>\$ 214,709</b>	<b>\$ 485,519</b>	<b>\$ 430,737</b>
<b>Adjusted EBITDA:</b>				
IFM	\$ 5,797	\$ 4,539	\$ 11,113	\$ 9,772
WAFES	29,154	25,034	49,130	43,489
Corporate costs and inter-segment eliminations	(5,675)	(4,334)	(11,389)	(8,258)
<b>Total Adjusted EBITDA</b>	<b>\$ 29,276</b>	<b>\$ 25,239</b>	<b>\$ 48,854</b>	<b>\$ 45,003</b>
<b>Adjusted EBITDA as a % of Revenue</b>				
IFM	5.8 %	5.9 %	5.5 %	6.0 %
WAFES	19.0 %	18.2 %	17.3 %	16.3 %

## 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. Certain IFM support services are seasonal and not distributed evenly throughout the year, with Q2 and Q3 typically experiencing lower activity.

For Q2 2024, IFM revenues were \$100.3 million, an increase of 31.0% from Q2 2023 primarily related to the acquisition of CMI which contributed \$23.3 million, as well as the addition of new contracts across the IFM business and defence contract project work. Our pipeline of opportunities is also strong as we focus on delivering strong organic growth.

IFM Adjusted EBITDA for Q2 2024 was \$5.8 million which was higher compared to \$4.5 million of Adjusted EBITDA for Q2 2023. Adjusted EBITDA as a percentage of revenue for Q2 2024 was 5.8%, an improvement over 5.2% in Q1 2024. Improved Adjusted EBITDA and Adjusted EBITDA as a percentage of revenue resulted from managing inflationary costs, refining our mix of business, the positive impact from the CMI acquisition, partially offset by lower than normal food service event and conference activity at post-secondary universities due to campus protests. Adjusted EBITDA margins are expected to continue to improve through the balance 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 Q2 2024 were \$89.7 million compared to \$69.9 million for Q2 2023, which is primarily related to the revenue growth of the business. Direct costs as a percentage of revenue of 89.4% in Q2 2024 improved from the 91.4% in both Q2 2023 and Q1 2024. Direct costs as a percentage of revenue for the six months ended June 30, 2024 improved to 90.4%, compared to 91.6% for the same period in 2023 and reflects our focus on managing inflationary costs.

## WAFES

WAFES is comprised of three revenue streams: Workforce Accommodations, Forestry and Energy Services. The majority of the Workforce Accommodations business is support services related, capital light and aligns closely with our IFM business unit. The balance of the Workforce Accommodations business relates to asset-based services comprised of workforce accommodations assets which represent the more capital-intensive areas of the business.

Workforce Accommodations support services work has grown substantially over the past several years and the support services element provides stability of earnings with long term contracts with more than two thirds of work in Workforce

Accommodations considered support services providing hospitality, cleaning, maintenance, and other services to remote operations.

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.

WAFES has delivered strong results with strong organic growth and market share capture and has a robust pipeline of opportunities in the natural resources and infrastructure segments.

Revenue from the WAFES business for Q2 2024 was \$153.3 million compared to \$137.7 million in Q2 2023, an increase of 17.6% over Q1 2024 driven by strong market activity generally throughout the business. This was partly offset by lower wildfire support activity in Q2 2024 compared to Q2 2023. New large long-term contracts mobilized in Q1 2024 came fully on stream in Q2, replacing projects such as Coastal Gas Link ("CGL") and LNG Canada. Adjusted EBITDA for Q2 2024 was \$29.2 million compared to \$25.0 million in Q2 2023 and \$20.0 million in Q1 2024. Adjusted EBITDA margin for Q2 2024 was 19.0% compared to 18.2% for the same quarter last year and 15.3% in Q1 2024. The Adjusted EBITDA margin increase compared to the same quarter last year was primarily due to the aforementioned robust market activity which included greater than 90% camp, space rental, and access matting utilization, and inflationary price increases passed on to customers. Margins fluctuate based on activity level and mix of business.

For the six months ended June 30, 2024, revenue was \$283.7 million, an increase of 6.1%, and Adjusted EBITDA was 13.0% higher compared to the same period in the prior year. Adjusted EBITDA year to date 2024 as percentage of revenue was 17.3%, compared to 16.3% in 2023.

### **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 Q2 2024 were \$120.7 million and \$110.5 million for Q2 2023. This increase in costs is in line with the revenue growth over the same period. Direct costs as a percentage of revenue in Q2 2024 were 78.9% compared to 80.0% in Q2 2023 and 82.5% in Q1 2024. This decrease in cost is primarily due to product mix with strong asset utilization and higher margin asset-based business activities. Direct costs as a percentage of revenue for the six months ended June 30, 2024 were 80.5% compared to 82.2% for the same period in 2023 and were impacted by the factors discussed above.

### **Corporate**

Corporate costs for the quarter were \$5.7 million and represented 2.2% of revenue for Q2 2024 compared to 2.3% in Q2 2023. The increase in costs in 2024 was primarily due to investments made to support organic growth and the increasing scale of the business. Year-to-date costs in 2024 were also higher than in 2023 for the same reasons.

### **Other Items**

#### **Discontinued Operations (Modular Solutions)**

On June 6, 2024, the Corporation announced the sale of the Modular Solutions business. The sale closure is expected in August 2024.

Net loss from discontinued operations for Q2 2024 was \$3.1 million compared to a net loss for Q2 2023 of \$0.4 million. Modular revenues were \$26.7 million for Q2 2024 compared to \$53.1 million in Q2 2023 and \$27.7 million in Q1 2024. Direct costs included in the loss on discontinued operations for Q2 2024 were \$27.7 million and were impacted by costs related to the rework and remediation of certain challenged social affordable housing projects which are now substantially completed as well as lower overhead absorption due to the temporary decrease in revenue in Q2 2024. For the six months ended June 30, 2024, the net loss from discontinued operations was \$11.1 million, an increase of \$10.6 million compared to the same period in the prior year due to the reasons discussed above.

Refer to Note 5 of the Q2 2024 Financial Statements for more details on discontinued operations.

#### **Selling, General & Administrative Expense (SG&A)**

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 Q2 2024 were \$12.8 million, an increase of \$3.3 million and \$0.3 million when compared to Q2 2023 and Q1 2024, respectively. These increases were primarily driven by \$2.3 million related to CMI operations and investments to increase organic growth and scale in the IFM business. Normalized SG&A expenses were 5.0% of total revenue in Q2 2024 which is consistent with the 5.2% for Q1 2024.

**Management's Discussion and Analysis**  
**Three and six months ended June 30, 2024 and 2023**

For the six months ended June 30, 2024, SG&A expenses were \$25.5 million, an increase of \$5.8 million when compared to the same period last year. The increase was related to \$0.4 million non-recurring CMI acquisition costs and the reasons noted above.

**Depreciation and Amortization**

(000's)	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Depreciation of property, plant and equipment and right-of-use assets	\$ 7,324	\$ 7,377	\$ 14,214	\$ 14,091
Amortization of intangibles	1,277	1,240	2,489	2,476
Total depreciation and amortization	\$ 8,601	\$ 8,617	\$ 16,703	\$ 16,567

Depreciation and amortization from continuing operations was \$8.6 million and \$16.7 million for the three and six months ended June 30, 2024, respectively, which was consistent with the same periods in 2023. 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, accretion of asset retirement obligations and debt financing costs.

The effective interest rate on loans and borrowings for the six months ended June 30, 2024 was 8.3%, compared to 8.2% for the same period last year, including amortization of financing costs. The Corporation expects to pay interest on its bank facility at approximately 8.0% in 2024 absent any changes to the Bank of Canada rate, further acquisitions or share repurchases. The amounts drawn on the credit facility will incur interest at bank prime rate plus 0.50% to 1.75% or the Canadian Overnight Repo Rate Average ("CORRA") rate plus 1.50% to 2.75%. The CORRA rate as at June 30, 2024 is 4.8%.

**Goodwill**

Goodwill at June 30, 2024 is \$145.8 million which is an increase of \$15.4 million compared to the \$130.4 million at December 31, 2023. The increase includes \$15.2 million from the CMI acquisition in Q1 2024 and fluctuations in balances due to the foreign currency translation of US operations.

Dexterra assesses indicators of impairment at the end of each reporting period and performs a detailed impairment test at least annually. The Corporation concluded there were no indicators of impairment on its goodwill or intangibles as at June 30, 2024. See Note 10 of the Q2 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 three and six months ended June 30, 2024, \$0.10 million and \$0.15 million, respectively, was attributed to the non-controlling interest which is an increase from \$0.04 million and \$0.12 million respectively at the same periods of the prior year.

**Joint Venture**

Dexterra holds 49% ownership interests in 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. The sale of Gitxaala relocatable space rental assets in Q2 resulted in a cash distribution of \$9.8 million to Dexterra in June 2024.

For the three and six months ended June 30, 2024, loss from equity investments were \$0.2 million and \$nil, respectively, compared to earnings of \$0.4 million and \$0.9 million for the same periods in the prior year.

**Income taxes**

For the three and six months ended June 30, 2024, the Corporation's effective income tax rate was 24% and 25%, respectively, compared to 21% for the three and six months ended June 30, 2023. The effective tax rates for the three and six months ended June 30, 2024 were generally consistent with the combined federal and provincial income tax rates. The 2023 rate was lower than the combined federal and provincial income tax rates primarily due to the positive impact of the tax rate differential on certain transactions and adjustments related to prior periods.

## Outlook

### Strategic Outlook

Dexterra's strategic focus is on profitable IFM organic growth and niche IFM accretive acquisitions as they arise. The Corporation will also continue to support and grow the WAFES business profitably with the goal of delivering a return on equity greater than 15% over the long term. The sale of the Modular business, allows management to simplify our business model and focus on our two core support services businesses. Our capital allocation priorities in the medium term are to buyback shares following the close of the Modular sale, maintain the dividend, support sustaining and growth capex investments, pursue niche acquisitions and maintain a strong balance sheet.

A key priority for the Corporation, in the latter part of 2024, is also to reorganize the existing business and reposition the support services business from an operational and reporting perspective. This reorganization will help streamline our businesses with similar economic characteristics to provide clear strategic direction and focus. We will also be aligning our external reporting with these changes.

### Operations Outlook

#### Overall

The Canadian and global economies still continue to experience inflationary pressures, higher interest rates and reduced labour availability. We are working actively with our clients to manage 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 and operational excellence, improving the predictability of our business, 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 niche 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. Our pipeline of new sales opportunities remains strong in all areas of IFM including higher margin fully integrated service contracts.

#### WAFES

The WAFES business is expected to remain strong in 2024 and into 2025 as external indicators continue to project activity levels remaining high across the natural resources and infrastructure sectors nationwide. The Corporation continues to win new work and has a good pipeline of opportunities. Forestry is a seasonal business with its activities taking place in Q2 and Q3 each year. As a result, those quarters are expected to have the highest revenue and profitability. Our forestry business and fire fighting support contracts in place are consistent with 2023, although fire activity to date has been lower than the extraordinary fire season experienced in 2023. Adjusted EBITDA as a percentage of revenue is dependent on sales mix and activity levels and is expected to exceed 15% on an annualized basis.

## Liquidity and Capital Resources

The Corporation has a very strong balance sheet and 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 Q2 2024 Financial Statements for more details.

Debt was \$139.8 million at June 30, 2024, compared to \$132.7 million at Q1 2024. The increase from Q1 2024 was due to normal seasonality in the business. For the six months ended June 30, 2024 Adjusted EBITDA conversion to FCF from continuing operations was 20.6%, an increase compared to the outflow of 21.3% for the six months ended June 30, 2023. The improvement is primarily related to strong collections of receivables. The conversion of Adjusted EBITDA to FCF for 2024 for continuing operations is expected to be 50% on an annualized basis with Q3 and Q4 experiencing the highest conversions to FCF as a result of the seasonality of the WAFES and IFM business units. Management also intends to keep Adjusted EBITDA to bank debt levels below 2.0x in the future.

## Capital Spending

For the six months ended June 30, 2024, gross capital spending for property, plant and equipment was \$16.7 million, compared to the \$6.7 million for the same period of 2023. This spending was offset by the \$9.8 million cash distribution from Gitxaala in relation to the sale of the assets. 2024 capital expenditures include a \$10.3 million investment in growth capital associated with high return opportunities in WAFES as well as sustaining access matting replacements. Sustaining capital expenditures are replacement expenditures and/or leases necessary to maintain existing business and are expected to continue to be approximately 1% to 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 and six months ended June 30, 2024 and 2023**

**Quarterly Summary of Results**

	Three months ended			
	2024 June	2024 March	2023 December	2023 September
<i>(000's except per share amounts)<sup>(1)</sup></i>				
Revenue	\$ 253,624	\$ 231,635	\$ 231,196	\$ 265,842
Adjusted EBITDA	29,276	19,579	23,567	38,204
Net Earnings (loss) attributed to shareholders	8,978	(3,615)	(313)	13,874
Net Earnings from continuing operations attributed to shareholders	12,060	4,388	7,430	13,899
Net Earnings (loss) per share, basic and diluted	\$ 0.14	\$ (0.06)	\$ 0.00	\$ 0.21
Net Earnings from continuing operations per share, basic and diluted	\$ 0.19	\$ 0.07	\$ 0.12	\$ 0.21

  

	Three months ended			
	2023 June	2023 March	2022 December	2022 September
<i>(000's except per share amounts)<sup>(1)</sup></i>				
Revenue	\$ 214,709	\$ 216,029	\$ 201,687	\$ 205,267
Adjusted EBITDA	25,239	19,763	20,608	19,209
Net Earnings (loss) attributed to shareholders	8,456	4,602	(2,939)	5,164
Net Earnings from continuing operations attributed to shareholders	8,897	4,602	2,938	4,426
Net Earnings (loss) per share, basic and diluted	\$ 0.13	\$ 0.07	\$ (0.04)	\$ 0.08
Net Earnings from continuing operations per share, basic and diluted	\$ 0.14	\$ 0.07	\$ 0.05	\$ 0.07

(1) Revenue and Adjusted EBITDA for the prior six 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**

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(000's)</i>				
Net earnings	\$ 9,080	\$ 8,494	\$ 5,512	\$ 13,177
Add:				
Share based compensation	762	735	1,476	1,338
Depreciation & amortization	8,601	8,617	16,703	16,567
Loss (gain) on disposal of property, plant and equipment	(17)	42	3	60
Equity investment depreciation	325	434	763	736
Finance costs	3,528	3,323	7,358	6,559
Income tax expense	3,915	2,410	5,593	3,629
Net Loss from discontinued operations, net of income taxes	3,082	441	11,085	441
Non-recurring:				
Contract loss provisions <sup>(1)</sup>	—	—	—	255
Restructuring and other costs <sup>(2)</sup>	—	743	361	2,241
Adjusted EBITDA	\$ 29,276	\$ 25,239	\$ 48,854	\$ 45,003

(1) Contract loss provisions for the three and six months ended June 30, 2024 were \$nil (three and six months ended June 30, 2023 were \$nil and \$0.3 million).

(2) Restructuring and other costs for the six months ended June 30, 2024 include \$0.4 million (Q2 2024 - \$nil), which relates to legal and other expenses for the acquisition of CMI. Restructuring and other costs for the six months ended June 30, 2023 of \$2.2 million includes CEO transition costs of \$1.4 million (Q2 2023 - \$nil) and contract demobilization and restructuring costs of \$0.8 million (Q2 2023 - \$0.7 million).

**Free Cash Flow**

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(000's)</i>				
Net cash flows from (used in) continuing operating activities	\$ 5,695	\$ 1,543	\$ 22,465	\$ 1,567
Sustaining capital expenditures, net of proceeds	(1,367)	(1,160)	(2,031)	(1,299)
Finance costs paid	(3,278)	(3,058)	(7,210)	(5,491)
Lease payments	(1,635)	(1,963)	(3,167)	(4,361)
Free Cash Flow	\$ (585)	\$ (4,638)	\$ 10,057	\$ (9,584)

## 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 63,996,629 voting common shares issued and outstanding as at August 6, 2024, of which 49% or 31,957,781 are owned by subsidiaries of Fairfax Financial Holdings Limited.

See Note 14 of the Q2 2024 Financial Statements for details on the Normal Course Issuer Bid.

## 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 June 30, 2024. For the quarter ended June 30, 2024, the excluded acquisition identified above constituted 4.8% of revenue, 8.4% of net earnings from continuing operations, 4.3% of the current assets, 7.8% of non-current assets and 3.6% of current liabilities of the Q2 2024 Financial Statements.

Summary of financial information for CMI acquisition as at June 30, 2024	
Cash <sup>(1)</sup>	\$ 4,037
Trade and other receivables	7,789
Prepaid expenses and other	384
<b>Total current assets</b>	<b>\$ 12,210</b>
Property, plant and equipment	545
Right-of-use assets	15
Customer Relationships	12,518
Goodwill	15,218
<b>Total assets</b>	<b>\$ 40,506</b>
Trade and other payables	(6,572)
Income tax payable	(149)
Lease liabilities	(16)
<b>Total current liabilities</b>	<b>\$ (6,737)</b>
Deferred income tax liabilities	(134)
<b>Total Liabilities</b>	<b>\$ (6,871)</b>

(1) Cash is reported net against loans and borrowings on the financial statements for the period ended June 30, 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 June 30, 2024. There have been no other changes in these programs that occurred during the period from January 1, 2024 to June 30, 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, including return on equity and Adjusted EBITDA margins; reorganization of the existing business; its capital light model management, market and inflationary environment expectations, lodge occupancy levels, its leverage, Discontinued Operations, expected closing of the sale of the Modular business, Free Cash Flow, 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, the satisfaction of conditions 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	June 30, 2024	December 31, 2023
<b>Assets</b>			
<b>Current assets</b>			
Trade and other receivables	6	\$ 167,575	\$ 212,572
Inventories	7	18,890	28,690
Prepaid expenses and other		8,062	6,482
Assets held for sale	5	89,886	—
<b>Total current assets</b>		<b>284,413</b>	<b>247,744</b>
<b>Non-current assets</b>			
Property, plant and equipment	8	141,634	145,550
Right-of-use assets	9	14,046	23,370
Intangible assets	10	39,840	30,988
Goodwill	10	145,762	130,436
Deferred income tax assets		17,128	12,532
Other assets	11	4,202	16,468
<b>Total non-current assets</b>		<b>362,612</b>	<b>359,344</b>
<b>Total assets</b>		<b>\$ 647,025</b>	<b>\$ 607,088</b>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables		\$ 114,896	\$ 163,158
Deferred revenue		11,540	10,618
Income tax payable		3,117	430
Asset retirement obligations	13	3,557	3,768
Lease liabilities	9	5,756	7,988
Liabilities directly associated with assets held for sale	5	48,419	—
<b>Total current liabilities</b>		<b>187,285</b>	<b>185,962</b>
<b>Non-current liabilities</b>			
Lease liabilities	9	9,404	19,700
Contingent consideration		704	704
Asset retirement obligations	13	2,795	2,586
Loans and borrowings	12	139,770	89,615
Other long term liabilities	4, 14	4,863	939
Deferred income tax liabilities		22,678	20,567
<b>Non-current liabilities</b>		<b>180,214</b>	<b>134,111</b>
<b>Total liabilities</b>		<b>367,499</b>	<b>320,073</b>
<b>Shareholders' Equity</b>			
Share capital	14	229,538	231,071
Contributed surplus		3,737	3,268
Accumulated other comprehensive income		403	174
Retained earnings		45,517	52,322
Non-controlling interest		331	180
<b>Total shareholders' equity</b>		<b>279,526</b>	<b>287,015</b>
<b>Total liabilities and shareholders' equity</b>		<b>\$ 647,025</b>	<b>\$ 607,088</b>

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

## Condensed consolidated statement of comprehensive income (Unaudited)

(000's except per share amounts)	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
<b>Revenue</b>					
Revenue from operations		\$ 253,624	\$ 214,709	\$ 485,519	\$ 430,738
<b>Operating expenses</b>					
Direct costs	15	211,736	181,553	412,300	370,149
Selling, general and administrative expenses	16	12,767	9,472	25,531	19,681
Depreciation	8,9	7,324	7,377	14,214	14,091
Amortization of intangible assets	10	1,277	1,240	2,489	2,476
Share based compensation	14	762	735	1,476	1,338
Loss (gain) on disposal of property, plant and equipment		(17)	42	3	60
Operating income		19,775	14,290	29,506	22,943
Finance costs		3,528	3,323	7,358	6,559
Loss (earnings) from equity investments		170	(378)	(42)	(863)
Earnings before income taxes		16,077	11,345	22,190	17,247
<b>Income tax</b>					
Income tax expense	17	3,915	2,410	5,593	3,629
Net earnings from continuing operations		12,162	8,935	16,597	13,618
Net loss from discontinued operations, net of income taxes	5	(3,082)	(441)	(11,085)	(441)
Net earnings for the period		9,080	8,494	5,512	13,177
<b>Other comprehensive income</b>					
Translation of foreign operations		196	(121)	229	(161)
Total comprehensive income for the period		\$ 9,276	\$ 8,373	\$ 5,741	\$ 13,016
<b>Net earnings (loss) attributable to:</b>					
Net earnings from continuing operations		\$ 12,060	\$ 8,897	\$ 16,446	\$ 13,499
Net loss from discontinued operations		(3,082)	(441)	(11,085)	(441)
Net earnings attributed to shareholders		\$ 8,978	\$ 8,456	\$ 5,361	\$ 13,058
Net earnings attributed to non-controlling interest		\$ 102	\$ 38	\$ 151	\$ 119
<b>Earnings (loss) per common share</b>					
Net earnings from continuing operations per share, basic and diluted	19	\$ 0.19	\$ 0.14	\$ 0.26	\$ 0.21
Net loss from discontinued operations per share, basic and diluted	19	\$ (0.05)	\$ (0.01)	\$ (0.17)	\$ (0.01)
Total net earnings per share, basic and diluted	19	\$ 0.14	\$ 0.13	\$ 0.08	\$ 0.20
<b>Weighted average common shares outstanding:</b>					
Basic	19	64,112	65,205	64,190	65,223
Diluted	19	64,336	65,431	64,420	65,453

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		—	—	—	—	(11,403)	(145)	(11,548)
Exercise of stock options		22	94	(28)	—	—	—	66
Share based compensation	14	—	—	658	—	—	—	658
Shares purchased and cancelled	14	(189)	(679)	—	—	(380)	—	(1,059)
Total comprehensive income		—	—	—	(161)	13,058	119	13,016
<b>Balance as at June 30, 2023</b>		<b>65,075</b>	<b>\$ 233,383</b>	<b>\$ 2,866</b>	<b>\$ 180</b>	<b>\$ 51,520</b>	<b>\$ 167</b>	<b>\$ 288,116</b>
Balance as at December 31, 2023		64,427	\$ 231,071	\$ 3,268	\$ 174	\$ 52,322	\$ 180	\$ 287,015
Dividends declared	20	—	—	—	—	(11,213)	—	(11,213)
Exercise of stock options	14	15	64	(18)	—	—	—	46
Share based compensation	14	—	—	487	—	—	—	487
Shares purchased and cancelled	14	(445)	(1,597)	—	—	(953)	—	(2,550)
Total comprehensive income		—	—	—	229	5,361	151	5,741
<b>Balance as at June 30, 2024</b>		<b>63,997</b>	<b>\$ 229,538</b>	<b>\$ 3,737</b>	<b>\$ 403</b>	<b>\$ 45,517</b>	<b>\$ 331</b>	<b>\$ 279,526</b>

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 June 30,		Six months ended June 30,	
		2024	2023	2024	2023
<b>Cash provided by (used in):</b>					
<b>Operating activities:</b>					
Net earnings from continuing operations		\$ 12,162	\$ 8,935	\$ 16,597	\$ 13,618
Adjustments for:					
Depreciation	8,9	7,324	7,377	14,214	14,091
Amortization of intangible assets	10	1,277	1,240	2,489	2,476
Share based compensation	14	762	735	1,476	1,338
Loss (gain) on disposal of property, plant and equipment		(17)	42	3	60
Net transfers between inventory and rental fleet	8	(801)	713	(3,889)	(531)
Loss (earnings) on equity investments		170	(378)	(42)	(863)
Asset retirement obligation settled	13	(18)	(1,969)	(72)	(3,074)
Finance costs		3,528	3,323	7,358	6,559
Income tax expense	17	3,915	2,410	5,593	3,629
Changes in non-cash working capital	18	(22,876)	(20,492)	(20,536)	(35,464)
Income taxes refunded (paid)		269	(393)	(726)	(271)
Net cash flows from continuing operating activities		5,695	1,543	22,465	1,567
Net cash flows from (used in) discontinued operating activities		(924)	1,255	(21,031)	4,955
<b>Investing activities:</b>					
Purchase of property, plant and equipment	8	(10,098)	(6,567)	(12,437)	(12,938)
Purchase of intangible assets	10	—	—	—	(5)
Proceeds on sale of property, plant and equipment		87	207	162	553
Cash paid for acquisitions, net of cash acquired	4	36	—	(24,463)	(3,231)
Cash distributions from equity investments (net of contributions)	11	10,563	382	11,223	926
Net cash flows from (used in) continuing investing activities		588	(5,978)	(25,515)	(14,695)
Net cash flows used in discontinued investing activities		(60)	(101)	(148)	(147)
<b>Financing activities:</b>					
Issuance of common shares	14	46	66	46	66
Shares purchased and cancelled	14	(901)	(1,059)	(2,550)	(1,059)
Payments for lease liabilities		(1,635)	(1,963)	(3,167)	(4,361)
Advances on loans and borrowings	12	7,012	15,850	49,940	32,256
Finance costs paid		(3,278)	(3,058)	(7,210)	(5,491)
Dividends paid to shareholders	20	(5,613)	(5,709)	(11,250)	(11,418)
Net cash flows from (used in) continuing financing activities		(4,369)	4,127	25,809	9,993
Net cash flows used in discontinued financing activities		(930)	(846)	(1,580)	(1,673)
Changes in continuing operations cash position		1,914	(308)	22,759	(3,135)
Changes in discontinued operations cash position		(1,914)	308	(22,759)	3,135
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.

On June 4, 2024, the Corporation announced the sale of the Modular business for a sale price of \$40 million, payable in cash and subject to normal closing adjustments and conditions. The transaction is expected to close in August 2024. 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 and cash flows. 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 August 6, 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.

- ii. Presentation and Disclosure in Financial Statements (IFRS 18)

On April 9, 2024 the IASB issued IFRS 18 which replaces IAS 1 Presentation of Financial Statements while carrying forward many of the requirements in IAS 1. IFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of earnings and to provide disclosures on management-defined performance measures in the notes to the financial statements, and also makes certain amendments to IAS 7 Statement of Cash Flows and IAS 33 Earnings per Share. The standard is to be applied retrospectively, with specific transition provisions, for annual reporting periods beginning on or after January 1, 2027 with earlier application permitted. The Corporation is currently evaluating the expected impact of the standard on its 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 \$28.0 million (consideration of \$31.5 million less \$3.5 million cash acquired). CMI is based in Alexandria, Virginia and provides capital light IFM services to a number of federal government 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 June 30, 2024, the holdback amount of \$3.1 million has been included in other long term liabilities on the statement of financial position. The acquisition is reported as part of the IFM segment.

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 deductible for income tax purposes.

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 June 30, 2024, the Corporation has finalized the purchase price equation.

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

<b>Consideration:</b>	<b>(000's)</b>
Cash consideration	\$ 27,954
Holdback Payable	3,126
Working capital adjustment	400
<b>Total consideration</b>	<b>\$ 31,480</b>
<b>Fair value of assets acquired and liabilities assumed:</b>	
Cash	\$ 3,491
Trade and other receivables	6,733
Prepaid expenses and other	370
Property, plant and equipment	620
Right-of-use assets	38
Trade and other payables	(7,638)
Lease liabilities	(39)
<b>Tangible net assets</b>	<b>\$ 3,575</b>
Customer Relationships	12,735
Goodwill	15,170
<b>Total identifiable net assets</b>	<b>\$ 31,480</b>

#### 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 VCI financial results are reported as part of the IFM segment.

**Notes to the condensed consolidated interim financial statements (Unaudited)  
Three months ended June 30, 2024 and 2023**

**5. Discontinued Operations**

As at June 30, 2024, the Modular segment had 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 June 30, 2024. The operating results of Modular Solutions have also been presented as discontinued operations in the condensed consolidated statement of comprehensive income and cash flows for the three and six months ended June 30, 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 June 30, 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:

(000's)	Note	June 30, 2024
<b>Assets</b>		
Trade and other receivables	6	\$ 56,878
Inventories	7	9,627
Prepaid expenses and other		710
Property, plant and equipment	8	9,272
Right-of-use assets	9	12,031
Intangible assets	10	1,368
<b>Total assets classified as held for sale</b>		<b>\$ 89,886</b>
<b>Liabilities</b>		
Trade and other payables		\$ 30,503
Deferred revenue		2,940
Lease liabilities	9	14,158
Deferred income tax liabilities		776
Other long term liabilities		42
<b>Total liabilities directly associated with assets held for sale</b>		<b>\$ 48,419</b>

**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 and six months ended June 30, 2024 and 2023:

(000's)	Note	Three months ended June 30,		Six months ended June 30,	
		2024	2023	2024	2023
Revenue		\$ 26,735	\$ 53,121	\$ 54,391	\$ 105,179
<i>Operating expenses:</i>					
Direct costs	15	27,704	49,861	63,386	98,932
Selling, general and administrative expenses	16	3,063	1,284	4,611	2,897
Depreciation and amortization	8,9,10	—	1,312	875	2,637
Share based compensation (recovery)		1	(5)	21	27
Gain on disposal of property, plant and equipment		—	—	(3)	—
Operating income (loss)		\$ (4,033)	669	\$ (14,499)	686
Finance costs		45	182	359	370
Income (loss) from discontinued operations before tax		\$ (4,078)	\$ 487	\$ (14,858)	\$ 316
Income tax expense (recovery)	17	(996)	928	(3,773)	757
<b>Net loss from discontinued operations, net of income taxes</b>		<b>\$ (3,082)</b>	<b>\$ (441)</b>	<b>\$ (11,085)</b>	<b>\$ (441)</b>

**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 2024 and 2023**

**6. Trade and other receivables**

(000's)	June 30, 2024	December 31, 2023
Trade receivables	\$ 145,765	\$ 133,897
Modular holdback receivables	13,853	13,657
Deferred trade receivables	5,501	15,304
Total trade and modular receivables	\$ 165,119	\$ 162,858
Accrued trade receivables	47,734	42,406
Other receivables	13,235	8,837
Allowance for expected credit losses	(1,635)	(1,529)
Less: Assets classified as held for sale (Note 5)	(56,878)	—
Total trade and other receivables	\$ 167,575	\$ 212,572

Modular holdback receivables and deferred trade receivables of \$19.4 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)	June 30, 2024	December 31, 2023
Raw materials	\$ 11,523	\$ 9,419
Food inventory	8,170	9,477
Work-in-progress	1,210	1,150
Finished goods and supplies	7,614	8,644
Less: Assets classified as held for sale (Note 5)	(9,627)	—
Inventories	\$ 18,890	\$ 28,690

**8. Property, plant and equipment**

Carrying Amounts (000's)	Camp equipment & mats	Land & buildings	Automotive & trucking equipment	Manufacturing & other equipment	Total
<b>Cost</b>					
Balance as at December 31, 2023	\$ 160,923	\$ 35,815	\$ 17,876	\$ 13,110	\$ 227,724
Additions	11,605	225	143	613	12,586
Acquisition of CMI (Note 4)	—	—	—	620	620
Change in asset retirement obligations (Note 13)	(23)	—	—	—	(23)
Net transfers from inventory	3,717	—	—	—	3,717
Disposals	(815)	(447)	(406)	(154)	(1,822)
Foreign Currency Translation <sup>(1)</sup>	—	—	7	—	7
Balance as at June 30, 2024	\$ 175,407	\$ 35,593	\$ 17,620	\$ 14,189	\$ 242,809
<b>Accumulated Depreciation</b>					
Balance as at December 31, 2023	\$ 51,068	\$ 7,325	\$ 15,319	\$ 8,462	\$ 82,174
Depreciation	9,042	897	725	914	11,578
Net transfers from inventory	(172)	—	—	—	(172)
Disposals	(785)	(421)	(321)	(151)	(1,678)
Foreign Currency Translation <sup>(1)</sup>	—	—	1	—	1
Balance as at June 30, 2024	\$ 59,153	\$ 7,801	\$ 15,724	\$ 9,225	\$ 91,903
<b>Net book value</b>					
Balance as at June 30, 2024, prior to classification	\$ 116,254	\$ 27,792	\$ 1,896	\$ 4,964	\$ 150,906
Less: Assets classified as held for sale (Note 5)	(398)	(7,644)	(449)	(781)	(9,272)
Balance as at June 30, 2024	\$ 115,856	\$ 20,148	\$ 1,447	\$ 4,183	\$ 141,634
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 which have a functional currency of US dollars.

**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 2024 and 2023**

**9. Leases**

(i) Right-of-use assets

(000's)	Camp equipment & mats	Land & buildings	Automotive & trucking equipment	Manufacturing & other equipment	Total
<b>Cost</b>					
Balance as at December 31, 2023	\$ 4,450	\$ 27,658	\$ 8,635	\$ 191	\$ 40,934
Acquisition of CMI (Note 4)	—	38	—	—	38
Additions	388	3,915	1,701	103	6,107
Disposals	—	(1,365)	—	—	(1,365)
Foreign Currency Translation <sup>(1)</sup>	—	(18)	—	—	(18)
Balance as at June 30, 2024	\$ 4,838	\$ 30,228	\$ 10,336	\$ 294	\$ 45,696
<b>Accumulated Depreciation</b>					
Balance as at December 31, 2023	\$ 2,797	\$ 11,280	\$ 3,459	\$ 28	\$ 17,564
Depreciation	830	1,438	1,101	33	3,402
Disposals	—	(1,347)	—	—	(1,347)
Balance as at June 30, 2024	\$ 3,627	\$ 11,371	\$ 4,560	\$ 61	\$ 19,619
<b>Net book value</b>					
Balance as at June 30, 2024, prior to classification	\$ 1,211	\$ 18,857	\$ 5,776	\$ 233	\$ 26,077
Less: Assets classified as held for sale (Note 5)	—	(11,727)	(218)	(86)	(12,031)
Balance as at June 30, 2024	\$ 1,211	\$ 7,130	\$ 5,558	\$ 147	\$ 14,046
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 which have a functional currency of US dollars.

(ii) Lease liabilities

Maturity Analysis – contractual undiscounted cash flows	(000's)
Year 1	\$ 10,226
Year 2	7,577
Year 3	6,488
Year 4	4,433
Year 5 and beyond	4,830
Total undiscounted lease payable as at June 30, 2024	\$ 33,554
Less: Undiscounted lease liabilities directly associated with assets held for sale	(16,143)
Total undiscounted lease payable, continuing operations as at June 30, 2024	17,411
Current	5,756
Non-current	9,404
Lease liabilities, continuing operations at June 30, 2024	\$ 15,160
Liabilities directly attributed to assets held for sale (Note 5)	\$ 14,158

At June 30, 2024, the Corporation had a \$0.6 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 lease interest expense recognized for the three and six months ended June 30, 2024 was \$0.4 million and \$0.8 million, respectively (\$0.4 million and \$0.8 million for the same periods in 2023). Of these amounts, \$0.1 million and \$0.4 million in lease interest expense pertain to discontinued operations for the corresponding periods.

**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 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
<b>Cost</b>				
Balance as at December 31, 2023	\$ 4,641	\$ 41,723	\$ 4,772	\$ 51,136
Acquisition of CMI (Note 4)	—	12,735	—	12,735
Foreign Currency Translation <sup>(1)</sup>	—	92	—	92
Balance as at June 30, 2024	\$ 4,641	\$ 54,550	\$ 4,772	\$ 63,963
<b>Accumulated Amortization</b>				
Balance as at December 31, 2023	\$ 2,834	\$ 12,923	\$ 4,391	\$ 20,148
Amortization	242	2,121	235	2,598
Foreign Currency Translation <sup>(1)</sup>	—	9	—	9
Balance as at June 30, 2024	\$ 3,076	\$ 15,053	\$ 4,626	\$ 22,755
<b>Net book value</b>				
Balance as at June 30, 2024, prior to classification	\$ 1,565	\$ 39,497	\$ 146	\$ 41,208
Less: Assets classified as held for sale (Note 5)	(1,358)	—	(10)	(1,368)
Balance as at June 30, 2024	\$ 207	\$ 39,497	\$ 136	\$ 39,840
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 which have a functional currency of US dollars.

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

(000's)	June 30, 2024	December 31, 2023
<b>Goodwill allocated to:</b>		
Integrated Facilities Management <sup>(2)</sup>	\$ 111,177	\$ 95,851
Workforce Accommodations and Forestry	34,585	34,585
Balance, end of period	\$ 145,762	\$ 130,436

(2) See Note 4 for additions to Goodwill of \$15.2 million related to the acquisition completed in Q1 2024. The remaining fluctuations in goodwill balances are from foreign currency translation of US operations.

## 11. Other assets

Other assets at June 30, 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 \$2.7 million (December 31, 2023 - \$13.1 million) and \$1.5 million (December 31, 2023 - \$2.2 million), respectively. During the three and six months ended June 30, 2024, Gitxaala sold 329 space rental units for a sales price of \$20.5 million. The sales price reflected the approximate net book value of the assets held. For the same periods, the Corporation received cash distributions of \$10.6 million and \$11.2 million, respectively (2023 - \$0.4 million and \$0.9 million) from these equity investments. 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)	June 30, 2024	December 31, 2023
Committed credit facility	\$ 140,844	\$ 90,904
Unamortized financing costs	(1,074)	(1,289)
Total borrowings	\$ 139,770	\$ 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 Canadian Overnight Repo Rate ("CORRA") 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.

**Notes to the condensed consolidated interim financial statements (Unaudited)  
Three months ended June 30, 2024 and 2023**

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.

As at June 30, 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 \$16.3 million (December 31, 2023 - \$16.7 million). For the three and six months ended June 30, 2024, the Corporation incurred finance costs relating to the loans and borrowings of \$3.4 million and \$6.4 million (three and six months ended June 30, 2023 - \$3.1 million and \$5.8 million, respectively).

**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.

<i>(000's)</i>	June 30, 2024	December 31, 2023
Balance, beginning of period	\$ 6,354	\$ 11,642
Asset retirement obligations settled	(72)	(6,299)
Change in estimate	(23)	642
Accretion of provisions	93	369
Balance, end of period	\$ 6,352	\$ 6,354

  

<i>(000's)</i>	June 30, 2024	December 31, 2023
Current	\$ 3,557	\$ 3,768
Non-current	2,795	2,586
Balance, end of period	\$ 6,352	\$ 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:

<i>(In 000's, other than number of shares)</i>	Total number of shares	Total share capital
Balance as at December 31, 2023	64,426,529	\$ 231,071
Shares purchased and cancelled	(444,900)	(1,597)
Options exercised	15,000	64
Balance, June 30, 2024	63,996,629	\$ 229,538

On May 15, 2023, Dexterra commenced a Normal Course Issuer Bid ("NCIB") under which the Corporation was permitted to purchase 1,300,000 shares over the period to May 14, 2024 subject to certain restrictions under the securities laws. The Corporation had purchased and cancelled 1,134,400 common shares under this NCIB. On May 23, 2024, the Corporation renewed the NCIB program permitting the purchase of the remaining 165,600 common shares not purchased under the previous NCIB. 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 and six months ended June 30, 2024, the Corporation purchased and cancelled 165,600 and 444,900 common shares, respectively, at a weighted average price of \$5.44 and \$5.73 per share, respectively, for a total consideration of \$0.9 million and \$2.6 million, respectively. As at June 30, 2024, the Corporation had cumulatively purchased and cancelled 1,300,000 common shares under the NCIB program at a weighted average share price of \$5.73 and total consideration of \$7.5 million.

**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 2024 and 2023**

(b) Long-term incentive plans

(i) Share option plan

	Outstanding options	Weighted average exercise price
Balance as at December 31, 2023	2,186,658	\$ 5.67
Granted	1,055,807	5.87
Exercised	(15,000)	3.05
Forfeited	(34,941)	6.83
Balance, June 30, 2024	3,192,524	\$ 5.74

The exercise prices for options outstanding and exercisable at June 30, 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	2,356,583	\$ 5.13	3.4	762,106	\$ 3.93
\$5.96 to \$6.53	436,843	6.49	1.5	436,843	6.49
\$6.54 to \$8.50	399,098	8.48	2.5	266,058	8.48
	3,192,524	\$ 5.74	3.1	1,465,007	\$ 5.52

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:

	June 30, 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 and six months ended June 30, 2024, share based compensation for share options included in net earnings amounted to \$0.2 million and \$0.5 million (2023 - \$0.3 million and \$0.7 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. In 2023 and 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 June 30, 2024	313,518

As at June 30, 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 and six months ended June 30, 2024, share based compensation for RSUs included in net earnings amounted to \$0.2 million and \$0.4 million (2023 - \$0.1 million and \$0.2 million), and vested units were cash settled for \$0.3 million.



**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 2024 and 2023**

(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.

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 June 30, 2024	1,022,897

As at June 30, 2024, other long term liabilities included \$1.5 million for outstanding PSUs (December 31, 2023 - \$0.9 million). For the three and six months ended June 30, 2024, net earnings included a share based compensation expense of \$0.3 million and \$0.6 million for PSUs (2023 - \$0.3 million and \$0.5 million).

**15. Direct costs**

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(000's)</i>				
Cost of goods manufactured - materials and direct labour	\$ 19,257	\$ 41,760	\$ 49,686	\$ 82,550
Wages and benefits	111,649	98,702	210,024	195,728
Subcontracting	31,414	17,515	64,782	36,707
Product cost	53,051	47,581	106,764	100,569
Equipment and repairs	2,999	3,331	6,582	6,073
Transportation and travel	6,439	5,912	10,525	11,143
Partnership profit sharing	3,496	4,021	6,117	9,473
Utilities and occupancy costs	8,576	9,350	16,962	21,105
Other operating expenses	2,559	3,242	4,244	5,733
<b>Total Direct costs</b>	<b>239,440</b>	<b>231,414</b>	<b>475,686</b>	<b>\$ 469,081</b>
Less: Direct costs related to discontinued operations (Note 5)	(27,704)	(49,861)	(63,386)	(98,932)
<b>Direct costs related to continuing operations</b>	<b>\$ 211,736</b>	<b>\$ 181,553</b>	<b>\$ 412,300</b>	<b>\$ 370,149</b>

**16. Selling, general and administrative expenses**

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
<i>(000's)</i>				
Wages and benefits <sup>(1)</sup>	\$ 6,192	\$ 5,255	\$ 12,535	\$ 11,660
Other selling and administrative expenses <sup>(2)</sup>	9,638	5,501	17,607	10,918
Less: SG&A costs related to discontinued operations (Note 5)	(3,063)	(1,284)	(4,611)	(2,897)
<b>SG&amp;A costs related to continuing operations</b>	<b>\$ 12,767</b>	<b>\$ 9,472</b>	<b>\$ 25,531</b>	<b>\$ 19,681</b>

(1) Wages and benefits for the six months ended June 30, 2023 includes CEO transition costs of \$1.4 million (six months ended June 30, 2024 - \$nil).

(2) Other selling and administrative expenses for the three and six months ended June 30, 2024 includes \$nil and \$0.4 million, respectively, related to acquisition costs (2023 - \$nil).

**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 2024 and 2023**

### 17. Income taxes

For the three and six months ended June 30, 2024, the Corporation's effective income tax rate was 24% and 25%, respectively, compared to 21% for the three and six months ended June 30, 2023. The effective tax rates for the three and six months ended June 30, 2024 were generally consistent with the combined federal and provincial income tax rates. The 2023 rate was lower than the combined federal and provincial income tax rates primarily due to the positive impact of the tax rate differential on certain transactions and adjustments related to prior periods.

The Corporation has non-capital losses for Canadian tax purposes of \$60.7 million at June 30, 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.

The current and deferred tax expense breakdown is as follows:

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Income tax expense (recovery) ('000's):				
Current	\$ 3,319	\$ 362	\$ 3,530	\$ 717
Deferred	1,592	2,976	5,836	3,669
Less: Income tax recovery (expense) classified as discontinued operations (Note 5)	996	(928)	3,773	(757)
Income tax expense related to continuing operations	\$ 3,915	\$ 2,410	\$ 5,593	\$ 3,629

### 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 June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Trade and other receivables	\$ (2,302)	\$ 4,069	\$ (12,002)	\$ (13,775)
Inventories	204	1,403	1,410	(2,069)
Prepaid expenses and other	(1,007)	(1,653)	(859)	(3,923)
Trade and other payables	(18,625)	(25,464)	(18,863)	(14,922)
Deferred revenue	(1,146)	1,153	9,778	(775)
Change in non-cash working capital, continuing operations	\$ (22,876)	\$ (20,492)	\$ (20,536)	\$ (35,464)
Change in non-cash working capital, discontinued operations	3,109	(722)	(7,424)	1,604
Change in non-cash working capital	\$ (19,767)	\$ (21,214)	\$ (27,960)	\$ (33,860)

### 19. Net earnings per share

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

	Three months ended June 30,		Six months ended June 30,	
	2024	2023	2024	2023
Number of common shares, beginning of period	64,147,229	65,241,628	64,426,529	65,241,628
Common shares issued, weighted average	4,945	2,198	2,473	1,105
Shares cancelled under NCIB, weighted average	(40,459)	(39,068)	(239,121)	(19,642)
Weighted average common shares outstanding - basic	64,111,715	65,204,758	64,189,881	65,223,091
Effect of share purchase options <sup>(1)</sup>	224,607	226,039	230,450	229,576
Weighted average common shares outstanding - diluted	64,336,322	65,430,797	64,420,331	65,452,667

(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 June 30, 2024. The dividend is recorded in trade and other payables as at June 30, 2024 and was paid on July 15, 2024. A dividend of \$0.0875 per share was declared for the quarters ended December 31, 2023 and March 31, 2024 and were paid in January and April 2024, respectively. Subsequent to June 30, 2024, Dexterra declared a dividend of \$0.0875 per share for shareholders of record at September 30, 2024, to be paid October 15, 2024.

**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 2024 and 2023**

**21. Reportable segment information**

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

Three months ended June 30, 2024 (000's)	IFM	WAFES	Corporate and Other	Discontinued Operations	Inter-segment Eliminations	Total
Revenue	\$ 100,297	\$ 153,327	\$ —	\$ —	\$ —	\$ 253,624
<i>Operating expenses:</i>						
Direct costs	89,695	120,744	1,297	—	—	211,736
Selling, general and administrative expenses	4,805	3,583	4,379	—	—	12,767
Depreciation and amortization	2,235	6,256	110	—	—	8,601
Share based compensation	63	65	634	—	—	762
Gain on disposal of property, plant and equipment	(12)	(5)	—	—	—	(17)
Operating income (loss)	3,511	22,684	(6,420)	—	—	19,775
Finance costs	5	211	3,312	—	—	3,528
Earnings from equity investments	—	170	—	—	—	170
Earnings (loss) before income taxes from continuing operations	3,506	22,303	(9,732)	—	—	16,077
Loss before income taxes from discontinued operations	—	—	—	(3,823)	(255)	(4,078)
Earnings (loss) before income taxes	\$ 3,506	\$ 22,303	\$ (9,732)	\$ (3,823)	\$ (255)	\$ 11,999
Total assets	\$ 221,011	\$ 306,440	\$ 31,064	\$ 89,886	\$ (1,376)	\$ 647,025
<hr/>						
Three months ended Jun 30, 2023 (000's)	IFM	WAFES	Corporate and Other	Discontinued Operations	Inter-segment Eliminations	Total
Revenue	\$ 76,538	\$ 137,671	\$ 500	\$ —	\$ —	\$ 214,709
<i>Operating expenses:</i>						
Direct costs	69,930	110,485	1,138	—	—	181,553
Selling, general and administrative expenses	2,069	2,965	4,438	—	—	9,472
Depreciation and amortization	1,755	6,546	316	—	—	8,617
Share based compensation	72	44	619	—	—	735
Gain on disposal of property, plant and equipment	(83)	125	—	—	—	42
Operating income (loss)	2,795	17,506	(6,011)	—	—	14,290
Finance costs	46	234	3,043	—	—	3,323
Earnings from equity investments	—	(378)	—	—	—	(378)
Earnings (loss) before income taxes from continuing operations	2,749	17,650	(9,054)	—	—	11,345
Loss before income taxes from discontinued operations	—	—	—	487	—	487
Earnings (loss) before income taxes	\$ 2,749	\$ 17,650	\$ (9,054)	\$ 487	\$ —	\$ 11,832
Total assets	\$ 186,492	\$ 327,514	\$ 13,820	\$ 100,413	\$ (1,376)	\$ 626,863
<hr/>						
Six months ended June 30, 2024 (000's)	IFM	WAFES	Corporate and Other	Discontinued Operations	Inter-segment Eliminations	Total
Revenue	\$ 201,856	\$ 283,663	\$ —	\$ —	\$ —	\$ 485,519
<i>Operating expenses:</i>						
Direct costs	182,497	228,472	1,331	—	—	412,300
Selling, general and administrative expenses	8,246	6,865	10,420	—	—	25,531
Depreciation and amortization	4,171	12,159	373	—	—	16,703
Share based compensation	122	126	1,228	—	—	1,476
Loss (gain) on disposal of property, plant and equipment	(39)	42	—	—	—	3
Operating income (loss)	6,859	35,999	(13,352)	—	—	29,506
Finance costs	49	391	6,918	—	—	7,358
Earnings from equity investments	—	(42)	—	—	—	(42)
Earnings (loss) before income taxes from continuing operations	6,810	35,650	(20,270)	—	—	22,190
Loss before income taxes from discontinued operations	—	—	—	(14,514)	(344)	(14,858)
Earnings (loss) before income taxes	\$ 6,810	\$ 35,650	\$ (20,270)	\$ (14,514)	\$ (344)	\$ 7,332
Total assets	\$ 221,011	\$ 306,440	\$ 31,064	\$ 89,886	\$ (1,376)	\$ 647,025

**Notes to the condensed consolidated interim financial statements (Unaudited)**  
**Three months ended June 30, 2024 and 2023**

Six months ended June 30, 2023 (000's)	IFM	WAFES	Corporate and Other	Discontinued Operations	Inter-segment Eliminations	Total
Revenue	\$ 162,945	\$ 267,293	\$ 500	\$ —	\$ —	\$ 430,738
<i>Operating expenses:</i>						
Direct costs	149,303	219,708	1,138	—	—	370,149
Selling, general and administrative expenses	3,870	5,696	10,115	—	—	19,681
Depreciation and amortization	3,527	12,383	657	—	—	16,567
Share based compensation (recovery)	136	78	1,124	—	—	1,338
Loss (gain) on disposal of property, plant and equipment	(2)	62	—	—	—	60
Operating income (loss)	6,111	29,366	(12,534)	—	—	22,943
Finance costs	88	413	6,058	—	—	6,559
Earnings from equity investments	—	(863)	—	—	—	(863)
Earnings (loss) before income taxes from continuing operations	6,023	29,816	(18,592)	—	—	17,247
Loss before income taxes from discontinued operations	—	—	—	316	—	316
Earnings (loss) before income taxes	\$ 6,023	\$ 29,816	\$ (18,592)	\$ 316	\$ —	\$ 17,563
Total assets	\$ 186,492	\$ 327,514	\$ 13,820	\$ 100,413	\$ (1,376)	\$ 626,863

## 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 June 30, 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 and six months ended June 30, 2024 the Corporation charged \$0.1 million and \$0.3 million, respectively, (three and six months ended June 30, 2023 - \$0.2 million and \$0.3 million, respectively) 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 June 30, 2024, Gitxaala owed \$6.0 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 and six months ended June 30, 2024 the Corporation earned revenue of \$0.3 million and \$0.6 million (three and six months ended June 30, 2023 - \$0.3 million and \$0.7 million, respectively) for catering services and equipment rentals provided to Big Springs JV, a joint venture in which the Corporation has a 49% interest. As at June 30, 2024, BSL LP owed \$0.3 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 six months ended June 30, 2024 and 2023 are approximately \$0.1 million at normal commercial rates.