

Consolidated Financial Statements of



Years ended December 31, 2024 and 2023



Independent auditor's report

To the Shareholders of Dexterra Group Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Dexterra Group Inc. and its subsidiaries (together, the Corporation) as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards).

What we have audited

The Corporation's consolidated financial statements comprise:

- the consolidated statements of financial position as at December 31, 2024 and 2023;
- the consolidated statements of comprehensive income for the years then ended;
- the consolidated statements of changes in equity for the years then ended;
- the consolidated statements of cash flows for the years then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2024. These matters were

PricewaterhouseCoopers LLP
PwC Tower, 18 York Street, Suite 2500, Toronto, Ontario, Canada M5J 0B2
T.: +1 416 863 1133, F.: +1 416 365 8215, Fax to mail: ca_toronto_18_york_fax@pwc.com

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Impairment assessment of goodwill <i>Refer to note 2 – Basis of preparation, note 3 – Material accounting policies and determination of fair values and note 10 – Intangible assets and goodwill to the consolidated financial statements.</i> The Corporation had goodwill of \$146.7 million as at December 31, 2024 which is allocated to cash generating units (CGUs). Goodwill is subject to impairment testing on an annual basis and at the end of each reporting period during the year if an indicator of impairment exists. Impairment exists when the carrying value of a CGU exceeds its recoverable amount. Management applied significant judgment in determining the recoverable amounts. The recoverable amounts of the CGUs were based on a fair value less costs of disposal method using discounted cash flow models. Significant assumptions used in the discounted cash flow models included revenue growth rates, earnings before interest, taxes, depreciation, amortization, depreciation from equity investment, share based compensation, and gain/loss on disposal of property, plant and equipment (EBITDA) and discount rates. Management concluded that there was no impairment of goodwill as at July 1, 2024, the date of the annual assessment. We considered this a key audit matter due to the significant judgment applied by management in determining the recoverable amounts of the CGUs, including the development of significant assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in	Our approach to addressing the matter included the following procedures, among others: • Evaluated how management determined the recoverable amounts of the CGUs, which included the following: – Tested the mathematical accuracy of the discounted cash flow models. – Evaluated the reasonableness of significant assumptions such as revenue growth rates and EBITDA applied by management in the discounted cash flow models by considering management’s budget, strategy and business plan approved by the Board of Directors, current and past performance of the CGUs and industry data. – Evaluated the appropriateness of management’s fair value less costs of disposal method and assessed the reasonableness of the discount rates with the assistance of professionals with specialized skill and knowledge in the field of valuation. – Tested the underlying data used in the discounted cash flow models. • Tested the disclosures made in the consolidated financial statements, particularly on the sensitivity of the significant assumptions used.



Key audit matter	How our audit addressed the key audit matter
performing procedures and evaluating audit evidence relating to the significant assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.



Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Corporation as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Alodie Cuvelier-Brew.

/s/PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Ontario
March 6, 2025

Consolidated statement of financial position

(000's)	Note	December 31, 2024	December 31, 2023
Assets			
Current assets			
Trade and other receivables	6	\$ 153,574	\$ 212,572
Inventories	7	18,129	28,690
Prepaid expenses and other		7,444	6,482
Total current assets		179,147	247,744
Non-current assets			
Property, plant and equipment	8	144,177	145,550
Right-of-use assets	9	16,379	23,370
Intangible assets	10	37,581	30,988
Goodwill	10	146,757	130,436
Deferred income tax assets	18	—	12,532
Other assets	11	849	16,468
Total non-current assets		345,743	359,344
Total assets		\$ 524,890	\$ 607,088
Liabilities			
Current liabilities			
Trade and other payables		\$ 124,786	\$ 163,158
Deferred revenue	15	7,884	10,618
Income tax payable		1,078	430
Asset retirement obligations	13	4,831	3,768
Lease liabilities	9	6,365	7,988
Total current liabilities		144,944	185,962
Non-current liabilities			
Lease liabilities	9	10,901	19,700
Contingent consideration		755	704
Asset retirement obligations	13	586	2,586
Loans and borrowings	12	67,859	89,615
Other long term liabilities	14	3,683	939
Deferred income tax liabilities	18	17,209	20,567
Non-current liabilities		100,993	134,111
Total liabilities		245,937	320,073
Shareholders' Equity			
Share capital	14	226,610	231,071
Contributed surplus		4,316	3,268
Accumulated other comprehensive income		1,161	174
Retained earnings		46,463	52,322
Non-controlling interest		403	180
Total shareholders' equity		278,953	287,015
Total liabilities and shareholders' equity		\$ 524,890	\$ 607,088

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



Mary Garden
Director, Audit Committee Chair



Mark Becker
Director, Chief Executive Officer

Consolidated statement of comprehensive income

		Years ended December 31,	
(000's except for earnings per share amounts)	Note	2024	2023
Revenue			
Revenue from operations		\$ 1,003,027	\$ 927,776
Operating expenses			
Direct costs	16	843,001	786,752
Selling, general and administrative expenses	17	53,519	42,141
Depreciation	8,9	29,842	30,080
Amortization of intangible assets	10	5,363	4,895
Share based compensation	14	4,557	1,778
Loss (gain) on disposal of property, plant and equipment		(354)	935
Asset impairment	8	—	2,210
Operating income		67,099	58,985
Finance costs	9,12,13	13,058	13,438
Loss (earnings) from equity investments	11	404	(1,957)
Earnings before income taxes		53,637	47,504
Income tax			
Income tax expense	18	16,097	11,694
Net earnings from continuing operations		37,540	35,810
Net loss from discontinued operations, net of income taxes	5	(17,447)	(9,060)
Net earnings for the period		20,093	26,750
Other comprehensive income			
Translation gain (loss) on foreign operations		987	(167)
Total comprehensive income for the year		\$ 21,080	\$ 26,583
Net earnings attributable to:			
Net earnings from continuing operations		\$ 37,317	\$ 35,678
Net loss from discontinued operations, net of income taxes		(17,447)	(9,060)
Net earnings attributed to shareholders		19,870	26,618
Net earnings attributed to non-controlling interest		223	132
Earnings per common share:			
Net earnings from continuing operations per share, basic and diluted	20	\$ 0.58	\$ 0.55
Net loss from discontinued operations per share, basic and diluted	20	(0.27)	(0.14)
Total net earnings per share, basic and diluted		\$ 0.31	\$ 0.41
Weighted average common shares outstanding:			
Basic	20	64,017	64,993
Diluted	20	64,297	65,221

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

Consolidated statement of changes in equity

(000's)	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	21	—	—	—	—	(22,708)	(145)	(22,853)
Exercise of stock options	14	40	173	(51)	—	—	—	122
Share based compensation	14	—	—	1,083	—	—	—	1,083
Shares purchased and cancelled	14	(855)	(3,070)	—	—	(1,833)	—	(4,903)
Total comprehensive income		—	—	—	(167)	26,618	132	26,583
Balance as at December 31, 2023		64,427	231,071	3,268	174	52,322	180	287,015
Dividends	21	—	—	—	—	(22,348)	—	(22,348)
Exercise of stock options	14	15	64	(18)	—	—	—	46
Share based compensation	14	—	—	1,066	—	—	—	1,066
Shares purchased and cancelled	14	(1,177)	(4,525)	—	—	(3,381)	—	(7,906)
Total comprehensive income		—	—	—	987	19,870	223	21,080
Balance as at December 31, 2024		63,264	\$ 226,610	\$ 4,316	\$ 1,161	\$ 46,463	\$ 403	\$ 278,953

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

Consolidated statement of cash flows

		Years ended December 31,	
(000's)	Note	2024	2023
Cash provided by (used in):			
Operating activities:			
Net earnings from continuing operations		\$ 37,540	\$ 35,810
Adjustments for:			
Depreciation	8,9	29,842	30,080
Amortization of intangible assets	10	5,363	4,895
Share based compensation	14	4,557	1,778
Loss (gain) on disposal of property, plant and equipment		(354)	935
Asset impairment	8	—	2,210
Net transfers between inventory and rental fleet	8	(6,736)	3,383
Loss (earnings) on equity investments	11	404	(1,957)
Non-cash revaluation of contingent consideration		—	7
Asset retirement obligation settled	13	(1,078)	(6,299)
Finance costs		13,058	13,438
Income tax expense	18	16,097	11,694
Changes in non-cash working capital	19	(1,175)	(14,198)
Income taxes paid		(1,037)	(48)
Net cash flows from operating activities		96,481	81,728
Net cash flows used in discontinued operating activities		(29,561)	(1,182)
Investing activities:			
Purchase of property, plant and equipment	8	(26,393)	(20,378)
Purchase of intangible assets	10	(40)	(96)
Proceeds on sale of property, plant and equipment		2,667	947
Acquisition of VCI	4	(380)	(3,704)
Acquisition of CMI	4	(24,863)	—
Holdback payment for prior acquisitions		—	(2,220)
Proceeds from divestiture of Modular	5	41,796	—
Cash distributions received from equity investments	11	14,178	1,572
Net cash flows from (used in) investing activities		6,965	(23,879)
Net cash flows used in discontinued investing activities		(148)	(167)
Financing activities:			
Issuance of common shares	14	46	92
Shares purchased and cancelled	14	(7,906)	(4,903)
Payments for lease liabilities		(6,882)	(8,307)
Repayments on loans and borrowings	12	(22,181)	(3,918)
Finance costs paid		(12,165)	(13,013)
Dividends paid to non-controlling interest		—	(331)
Dividends paid to shareholders	21	(22,450)	(22,779)
Net cash flows used in continuing financing activities		(71,538)	(53,159)
Net cash flows used in discontinued financing activities		(2,199)	(3,341)
Changes in continuing operations cash position		31,908	4,690
Changes in discontinued operations cash position		(31,908)	(4,690)
Change in cash position		—	—
Cash, beginning of year		—	—
Cash, end of year		\$ —	\$ —

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

1. Reporting entity

Dexterra Group Inc. (“Dexterra” 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 with 49% of the voting common shares at December 31, 2024 owned by subsidiaries of Fairfax Financial Holdings Limited resulting in de facto control over the Corporation as its largest equity and voting shareholder. Dexterra is a diversified support services organization delivering quality solutions for the management and operation of infrastructure across North America.

Effective in the fourth quarter of 2024, Dexterra completed the repositioning of its business from an operational and external reporting perspective. This repositioning aligns our businesses with similar characteristics and has realigned the segment reporting, taking into consideration how management assesses performance of its business and makes decisions. The Corporation operates through two segments: Support Services and Asset Based Services. The Support Services business delivers a suite of operation, maintenance, and hospitality solutions for a diverse range of public and private sector clients, including remote operations, governments, aviation, education, industrial, transit, healthcare, and leisure. The Asset Based Services business provides workforce accommodation structures, access solutions, and space rentals to clients in the natural resources and infrastructure sectors among others. The 2023 comparatives have been restated to reflect the change in reportable segments. The change in segment reporting change does not have an impact on our consolidated results.

On August 30, 2024, the Corporation closed the sale of the Modular Solutions (“Modular”) business for a price of \$43.3 million. The operating results for 2024 have been presented as discontinued operations in the consolidated statement of comprehensive income and cash flows. Comparatives in the consolidated statement of comprehensive income and cash flows have been reclassified to conform with current year presentation for discontinued operations. Refer to Note 5 of these financial statements for further details.

2. Basis of preparation

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standard Board (“IFRS Accounting Standards”). The consolidated financial statements were authorized for issue by the Board of Directors on March 6, 2025.

b. Functional and presentation currency

These consolidated financial statements are presented in Canadian dollars (“CAD”), which is the Corporation and subsidiaries’ functional currency with the exception of a United States (“US”) operational entity which has a US dollar (“USD”) functional currency.

c. Use of estimates and judgement

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The judgements, estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these estimates. The judgements, estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised.

Critical accounting estimates and judgements

- Purchase price equations (see Note 4) - The acquired assets and assumed liabilities are recognized at fair value on the date the Corporation obtains control of a business. The measurement of each business combination is based on the information available on the acquisition date. Management applies significant judgement in estimating the fair value of the customer relationships. Management used the multi-period excess earnings method to fair value customer relationships using a discounted cash flow model. The significant assumptions used in the discounted cash flow models are revenue growth rates, the earnings before interest, taxes, depreciation, amortization, equity investment depreciation, share based compensation, and gain/loss on disposal of property, plant and equipment (“EBITDA”) and discount rates.
- Impairment - Impairment exists when the carrying value of an asset or cash generating unit (“CGU”) exceeds its recoverable amount, which is the higher of its fair value less costs of disposal (“FVLCD”) and its value in use (“VIU”). The FVLCD calculation is based on available data from binding sales transactions, conducted at arm’s length, for similar assets or observable market prices less incremental costs for disposing of the asset. If no such transactions can be identified, an appropriate valuation model is used. Management applied significant judgement in determining the recoverable amounts. The recoverable amounts of the CGUs were based on the FVLCD method using discounted cash flow models. Significant assumptions used in the discounted cash flow models included revenue growth rates, EBITDA and discount rates.

3. Material accounting policies and determination of fair values

(a) Basis of consolidation

i. Subsidiaries

Subsidiaries are entities controlled by the Corporation. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The accounting policies of subsidiaries are aligned with the policies adopted by the Corporation.

ii. Joint ventures

The Corporation's joint ventures are those entities over whose activities the Corporation has joint control, established through ownership, voting rights, or by contractual agreement. Joint ventures are accounted for using the equity method (equity accounted investees) and are initially recognized at cost.

iii. Special purpose entities

The Corporation has established a number of special purpose entities ("SPE") for operating purposes. A SPE is consolidated when, based on an evaluation of the substance of its relationship with the Corporation and the SPE's risks and rewards, the Corporation concludes that it controls the SPE. Control exists when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. See Note 25 for details.

iv. Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealized gains arising from transactions with equity accounted investees are eliminated against the investment to the extent of the Corporation's interest in the investee.

v. Non-controlling interest

The Corporation owns 49% of Tangmaarvik Inland Camp Services Inc. and is exposed to variable returns from its involvement with the entity such that control exists. As a result, the results of Tangmaarvik Inland Camp Services Inc. are consolidated with the results of the Corporation and a non-controlling interest is recorded. As at December 31, 2024 and 2023, none of the SPEs held any net assets and therefore there was no related non-controlling interest.

(b) Business combinations

Business combinations are accounted for using the acquisition method. Determining whether an acquisition meets the definition of a business combination or represents an asset purchase requires judgement on a case-by-case basis. If the acquisition meets the definition of a business combination, the assets acquired and assumed liabilities are classified or designated based on the contractual terms, economic conditions, the Corporation's operating and accounting policies, and other factors that exist on the acquisition date. The acquired identifiable net assets are measured at their fair value at the date of acquisition. Any excess of the purchase price over the fair value of the net assets acquired is recognized as goodwill. Acquisition costs, other than those associated with the issue of debt or equity securities, that the Corporation incurs in connection with a business combination are expensed as incurred.

Any contingent consideration is measured at fair value at the date of acquisition and is remeasured at each reporting date with subsequent changes in the fair value of the contingent consideration being recognized in profit or loss.

(c) Financial instruments

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through net earnings ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are not separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

i. Non-derivative financial assets

The initial classification of a financial asset depends upon the Corporation's business model for managing its financial assets and the contractual terms of the cash flows. There are three measurement categories into which the Corporation classifies its financial assets:

Amortized cost: Includes assets that are held within a business model whose objective is to hold assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest;

FVOCI: Includes assets that are held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets, where its contractual terms give rise on specified dates to cash flows that represent solely payments of principal and interest; or

FVTPL: Includes assets that do not meet the criteria for amortized cost or FVOCI and are measured at fair value through net earnings. This includes all derivative financial assets.

The Corporation initially recognizes trade and other receivables on the date that they originate. All other financial assets are recognized initially on the trade date at which the Corporation becomes a party to the contractual provisions of the instrument.

The Corporation's financial assets, trade and other receivables, are initially recognized at fair value plus any directly attributable transaction costs. Subsequently, they are measured at amortized cost using the effective interest method, less any impairment losses.

The Corporation derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained is recognized as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, there is a legal right to offset the amounts and the Corporation intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

ii. Non-derivative financial liabilities

The Corporation's financial liabilities are categorized as measured at amortized cost. The Corporation initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities are recognized initially on the trade date at which it becomes a party to the contractual provisions of the instrument.

The Corporation derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

Bank overdrafts that are repayable on demand and form an integral part of the Corporation's cash management are included as a component of loans and borrowings for the purpose of the statement of cash flows.

Liabilities are recognized initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

iii. Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognized as a deduction from equity, net of any tax effects. No gain or loss is recognized in the consolidated statement of comprehensive income for shares repurchased and cancelled.

(d) Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditures that are directly attributable to the acquisition of the asset, including non-recoverable indirect taxes, acquisition costs including the cost of materials and direct labour, any other costs directly attributable to bringing the assets to a working condition for their intended use, the costs of dismantling and removing the items and restoring the site on which they are located, and borrowing costs on qualifying assets.

Costs related to assets under construction are capitalized when incurred. Assets under construction are not depreciated until they are completed and available for use in the manner intended by management. When this occurs, the asset is transferred to the appropriate class of property, plant and equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized within operating expenses in the consolidated statement of comprehensive income.

ii. Subsequent costs

The cost of replacing a major component of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Corporation, and its cost can be measured reliably. The carrying amount of the replaced major component is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognized in the net earnings.

iii. Depreciation

Depreciation is calculated using the depreciable amount, which is the cost of an asset, less its residual value. Depreciation is recognized in net earnings on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Corporation will obtain ownership by the end of the lease term.

The estimated useful lives for the current and comparative periods are as follows:

Assets	Category	Method	Useful life
Camp & catering smallwares	Camp equipment & mats	Straight-line	1.5 years
Camp facilities (residual value of 20%)	Camp equipment & mats	Straight-line	15 years
Mats	Camp equipment & mats	Straight-line	3-6 years
Buildings	Land & buildings	Straight-line	25 years
Leasehold improvements	Land & buildings	Straight-line	Term of lease
Automotive	Automotive & trucking equipment	Straight-line	4-8 years
Computer hardware	Manufacturing & other equipment	Straight-line	5 years
Equipment	Manufacturing & other equipment	Straight-line	5-10 years
Furniture & fixtures	Manufacturing & other equipment	Straight-line	5 years

Depreciation methods, useful lives, and residual values are reviewed at each financial year end and adjusted if required. Land and assets under construction are not depreciated.

(e) Intangible assets and goodwill

i. Goodwill

Goodwill arises on the acquisition of subsidiaries, associates and joint ventures. Goodwill is measured at cost less accumulated impairment losses. In respect of equity accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment. Goodwill is not amortized but is tested at least annually for impairment and at the end of each reporting period during the year if an indicator of impairment exists.

ii. Assets acquired

Intangible assets are acquired as a result of a business combination or through the purchase of other contractual or legal rights which are transferable or separable. Intangibles acquired as part of a business combination are measured at fair value on initial recognition. Intangible assets purchased are measured at cost. Amortization is charged on a straight line basis to net earnings over their expected useful lives, as follows:

Assets	Method	Useful life
Customer relationships	Straight-line	Up to 10 years
Trade names and franchise fee agreements	Straight-line	7 years
Software and other	Straight-line	3 years

Amortization methods, useful lives, and residual values are reviewed at each financial year-end and adjusted if required.

(f) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on a weighted average cost principle and includes expenditures incurred in acquiring the inventories, production or conversion costs, and other costs in bringing them to their existing location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(g) Impairment

i. Financial assets

An impairment loss in respect of a financial asset measured at amortized cost is calculated using the “expected credit loss” model and recognizes expected credit losses as a loss allowance. The Corporation recognizes an amount equal to the lifetime expected credit losses based on the Corporation’s historical experience and including forward-looking information. The carrying amount of these assets in the consolidated statement of financial position is net of any loss allowance. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through net earnings.

ii. Non-financial assets

For the purpose of assessing impairment of non-financial assets, the Corporation determines its CGUs. Assets and liabilities are grouped into CGUs at the lowest level of separately identified cash inflows. Determination of what constitutes a CGU is subject to management judgment. The asset composition of a CGU can directly impact the recoverability of assets included within the CGU.

The carrying amounts of the Corporation’s non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives, the recoverable amount is estimated at least once a year. The annual impairment test for the year ended December 31, 2024 was completed on July 1, 2024 and no impairment existed.

The recoverable amount of an asset is the greater of its FVLCOB and VIU. In assessing the recoverable amount, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets. For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU or group of CGUs that are expected to benefit from the synergies of the business combination. Goodwill allocation must reflect the lowest level at which that goodwill is monitored for internal reporting purposes and cannot be larger than the operating segment before aggregation.

The Corporation’s corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the group of CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amounts of the other assets in the unit (group of units), on a pro rata basis. An impairment loss in respect of goodwill is not reversed.

(h) Employee benefits

i. Defined contribution plan

The Corporation’s defined contribution plan is a post-employment benefit plan under which the Corporation pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in Direct costs and Selling, general and administrative expenses in the consolidated statement of comprehensive income when they are due.

ii. Short-term benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid under the short-term cash bonus plans if the Corporation has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

iii. Share based compensation transactions

Equity-settled transactions

The grant date fair value of share-based compensation awards granted to directors, officers and employees is recognized as an expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards (vesting period).

Cash-settled transactions

The Corporation has a Restricted Share Unit ("RSU") and Performance Share Unit ("PSU") plan for its eligible directors, officers and employees. The fair value of the amount payable to officers and employees in respect of the RSUs and PSUs, for which the participants are eligible to receive an equivalent cash value of the common shares at a future date, adjusted by the performance criteria for the PSUs, is recognized as an expense with a corresponding increase in liabilities over the period that the employees and officers provide the related service and become entitled to payment. For PSUs, the amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is adjusted based on the number of awards that do meet the related service and non-market performance conditions at the vesting date. The liability is re-measured at each reporting date and at the settlement date. Any changes in the fair value of the liability are recognized in Share based compensation expense in net earnings.

(i) Provisions

A provision is recognized if, as a result of a past event, the Corporation has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax risk-free rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as a finance cost.

(j) Revenue

The Corporation recognizes revenues over time as it fulfills its performance obligations to clients in line with contracted terms. A performance obligation is a promise in a contract to transfer a distinct good or service to a client. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenues when, or as, the performance obligation is satisfied. If a client contract has multiple performance obligations, the consideration in the contract is allocated to the separate performance obligations based on stand-alone selling prices. Any modifications or variations to contracts-in-progress are assessed to determine if they fall under the scope of the existing contract performance obligation(s) or form part of a new performance obligation.

The transaction price of customer contracts may change over the duration of the contract period. Change orders may be issued to modify the original contract scope of work or conditions resulting in possible disputes or claims regarding additional amounts owing may arise. Service delivery related to a change order or claim may proceed, and costs may be incurred, in advance of final determination of the value of the change order. As change orders and claims may not be settled until the end of the project, management estimates what change orders to include in the determination of revenue recognized.

Deferred revenue relates to payments received in advance of performance under the customer contract. Deferred revenue is recognized as revenue as the Corporation fulfills its performance obligations under the contract. In normal course, deferred revenue is recognized within a year as Corporation contracts are expected to have a duration of one year or less.

Revenues are derived mainly from the following types of client contracts and major products and services:

i. Remote & Hospitality Services

Remote & Hospitality Services provide solutions for ongoing operations of infrastructure such as catering and housekeeping. Revenue is recognized over time as the services are provided to the customer. Catering and other hospitality services are generally provided to customers at a contract price per unit served. If a contract has distinct performance obligations, the transaction price is allocated to each performance obligation and recognized as revenue as the performance obligation is satisfied.

ii. Facilities Management

Facilities Management provides solutions for ongoing maintenance and operations of infrastructure. Ongoing facility management services are generally similar each month and are provided to customers at a contracted price based on the amount of hours of service by the Corporation's employees and the amount of supplies required. Revenue is recognized over time as the services are provided to the customer. If a contract has distinct performance obligations, the transaction price is allocated to each performance obligation and recognized as revenue as the performance obligation is satisfied.

iii. Asset Based Services

Asset Based Services includes the supply and installation of workforce structures and access solutions. Distinct performance obligations include the supply, installation, and rental of the relocatable structures, access mat rental and other ancillary services. Revenue is recognized over time as the supply and installation of the facilities is completed over a period of time as work is completed for its construction contracts and estimates progress of these contracts by comparing costs incurred to the total expected costs of the project. To determine the estimated costs to complete construction contracts, assumptions and estimates are required to evaluate matters related to schedule, material and labour costs, labour productivity, changes in scope, or terms of the contract, inflationary pressures and availability and terms for subcontractors. Due to the nature of construction activities, estimates can change over the life of the contracts which may significantly impact profitability. Rental days are used to measure rental fleet revenue. If a contract has distinct performance obligations, the transaction price is allocated to each performance obligation and recognized as revenue as the performance obligation is satisfied.

iv. Forestry Services

Forestry services include reforestation solutions, forest thinning and firefighting services. Revenue is recognized over time as the services are provided to the customer. Reforestation, forest thinning solutions and firefighting services are provided to customers generally at a contracted price per unit. If a contract has distinct performance obligations, the transaction price is allocated to each performance obligation and recognized as revenue as the performance obligation is satisfied.

v. Sale of used fleet

The Corporation routinely sells items of property, plant and equipment that it has held for rental and such assets are transferred to inventories at their carrying amount when they cease to be held for rent. The proceeds from the sale of such assets are recognized as revenue at a point in time when control of the assets transfers. Proceeds from the sale of rental fleet that is routinely sold before the end of its useful life are included in net cash flows from operating activities. The investments in the acquisition or manufacturing of rental fleet are also included in net cash flows from operating activities if the assets are expected to be predominantly sold before the end of their useful life, otherwise the investments are included in net cash flows from investing activities.

vi. Sale of food and other goods

Revenue from the sale of food and other goods is measured at the consideration received or receivable. The Corporation recognizes revenue when it transfers control of the product or service to a customer, which is generally when title passes from the Corporation to its customer, collectability is reasonably assured, the associated costs can be estimated reliably, and there is no continuing management involvement with the goods.

(k) Leases

A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Corporation assesses whether:

- The contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset.
- The Corporation has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The Corporation has the right to direct the use of the asset. The Corporation has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used.

The Corporation recognizes a right-of-use asset and a lease liability at the lease commencement date when it meets the above criteria. A right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying assets or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Corporation's incremental borrowing rate. Generally, the Corporation uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in a rate, if there is a change in the Corporation's estimate or the amount expected to be payable under the residual value guarantee, or if the Corporation changes its assessment of whether it will exercise a purchase, extension or termination period.

The Corporation presents right-of-use assets and finance lease liabilities in the consolidated statement of financial position.

The Corporation has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have an expected lease term of 12 months or less and leases of low-value assets. The Corporation recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessor

When the Corporation acts as a lessor, it determines at inception whether each lease is a finance lease or an operating lease. The Corporation makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incremental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Corporation considers certain indicators such as whether the lease is for the major part of the economic life of the asset. If the contract contains lease and non-lease components, the Corporation applies IFRS 15 to allocate the consideration in the contract.

(l) Finance income and costs

Finance income comprises interest income on funds invested. Interest income is recognized as it accrues in net earnings, using the effective interest method.

Finance costs comprise of interest expense on loans and borrowings, interest on lease liabilities, unwinding of the discount on provisions, and foreign currency exchange gains/losses. Borrowing costs that are not directly attributable to the acquisition, construction, or production of a qualifying asset are recognized in net earnings using the effective interest method. Foreign currency gains and losses are reported on a net basis.

(m) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in income tax expense in the consolidated statement of comprehensive income except to the extent that it relates to a business combination or items recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable earnings, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(n) Earnings per share

The Corporation presents basic and diluted earnings per share ("EPS") data for its common shares. Basic EPS is calculated by dividing the net earnings attributable to common shareholders of the Corporation by the weighted average number of common shares outstanding during the year. Diluted EPS is calculated by the weighted average number of common shares outstanding for the effects of all dilutive potential common shares, which is comprised of share options granted to employees and directors.

(o) Segment reporting

A segment is a distinguishable component of the Corporation that is engaged either in providing related products or services (business segment) which is subject to risks and returns that are different from those of other segments. The business segments are determined based on the Corporation's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment, as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly investments and related revenue, loans and borrowings and related expenses, corporate assets and head office expenses, and income tax assets and liabilities.

Segment capital expenditure is the total cost incurred during the year to acquire property, plant and equipment and intangible assets other than goodwill.

(p) Foreign currency translation

The consolidated financial statements are presented in CAD.

Foreign currency transactions entered into are translated into the functional currency of the operations at the exchange rate on the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated into the functional currency using the exchange rate on the period end date. Foreign currency translation gains and losses resulting from the settlement of transactions and the re-translation at year end are recognized in the consolidated statement of comprehensive income within net earnings. Non-monetary items that originated in a foreign currency are translated at the exchange rate from the original transaction date.

The US entities have a USD functional currency and are therefore translated in the consolidated financial statements in CAD as follows: income and expenses are translated into CAD using the exchange rates on the dates of the transactions, and the assets and liabilities on the consolidated statement of financial position are translated into CAD at the year end exchange rate. The effect of translation is recognized in other comprehensive income and included as translation of foreign operations in accumulated other comprehensive income within equity.

(q) Adoption of new standards and interpretations

The new standards, amendments to standards and interpretations effective for the year ended December 31, 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 also 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 have no impact on the Corporation's consolidated financial statements.

(r) New standards and interpretations not yet adopted

The new standards, amendments to standards and interpretations not yet effective for the year ended December 31, 2024, and not applied in preparing these consolidated financial statements are disclosed below. The Corporation intends to adopt these standards when they become effective.

i. Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7)

On May 30, 2024, the IASB issued amendments to IFRS 9 Financial Instruments and IFRS 7 Financial Instruments: Disclosures which included clarification on the date of recognition and derecognition of certain financial assets and liabilities, and additional required disclosures for financial assets and liabilities with contractual terms that reference a contingent event. An entity is not required to restate comparative information when it first applies these amendments, however, it is permitted to do so only if possible without the use of hindsight. If an entity does not restate prior periods, the cumulative effect of initially applying the amendments is recognized as an adjustment to opening equity. The Corporation is currently evaluating the impact of the standard on its 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 impact of the standard on its consolidated financial statements.

4. Business combinations

(a) CMI

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 facilities management 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 December 31, 2024, the holdback amount of \$3.1 million has been included in trade and other payables on the consolidated statement of financial position. The acquisition is reported as part of the Support Services 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 intangible assets and goodwill 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 and administrative expenses in the consolidated statement of comprehensive income for the year ended December 31, 2024. The purchase price equation has been finalized.

From the date of acquisition to December 31, 2024, the Corporation recognized \$66.1 million in revenue and \$4.3 million in earnings before income taxes attributable to the acquired operations. If CMI was acquired January 1, 2024, the acquisition would have added revenue of \$77.8 million and earnings before income taxes of \$4.9 million.

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

Consideration:		(000's)
Cash consideration	\$	28,354
Holdback payable		3,126
Total consideration	\$	31,480
Fair value of assets acquired and liabilities assumed:		
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)
Tangible net assets		3,575
Customer relationships		12,735
Goodwill		15,170
Total identifiable net assets	\$	31,480

(b) VCI

On January 31, 2023, Dexterra 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 Support Services segment.

The following summarizes the assets acquired and liabilities assumed on VCI acquisition:

Consideration:		(000's)
Cash consideration	\$	3,793
Holdback, net of working capital adjustments		980
Total consideration	\$	4,773
Fair value of assets acquired and liabilities assumed:		
Cash	\$	589
Trade and other receivables		1,891
Prepaid expenses and other		171
Inventories		84
Property, plant and equipment		44
Right-of-use assets		211
Trade and other payables		(979)
Deferred income tax liabilities		(16)
Lease liabilities		(211)
Tangible net assets		1,784
Customer relationships		1,088
Goodwill		1,901
Total identifiable net assets	\$	4,773

The primary factors that contributed to the residual purchase price allocation and resulted in the recognition of goodwill are: the assembled workforce of VCI, access to growth opportunities with new customers, and the increased additive service offerings to existing customers. The goodwill recognized is not deductible for income tax purposes.

5. Discontinued operations

As disclosed in Note 1, the Corporation closed the sale of Modular on August 30, 2024. The operating results of Modular are presented as discontinued operations in the consolidated statement of comprehensive income and cash flows for the year ended December 31, 2024 and 2023 and the related prior year amounts have been restated.

Net Assets Divested

The following table summarizes the balance sheet impact of the sale of Modular for total consideration of \$43.3 million. A loss on sale of \$3.8 million was recorded in the year ended December 31, 2024 and included certain legal and advisory fees and other closing costs of \$1.8 million related to the divestiture. As at December 31, 2024, the working capital receivable of \$1.5 million is included in trade and other receivables in the statement of financial position.

Consideration:	Note	(000's)
Cash consideration received on closing	\$	41,796
Working capital adjustment		1,478
Total consideration	\$	43,274
Carrying value of assets and liabilities sold:		
Working capital	\$	34,351
Property, plant and equipment	8	9,270
Right-of-use assets	9	12,031
Intangible assets	10	1,367
Deferred tax liabilities		(1,049)
Lease liabilities - long-term		(10,705)
Total net assets sold	\$	45,265

Loss from Discontinued Operations

The following table summarizes the operating results of Modular which have been aggregated and presented as discontinued operations for the years ended December 31, 2024 and 2023.

(000's)	Note	December 31, 2024	December 31, 2023
Revenue		\$ 75,606	\$ 189,422
Operating expenses:			
Direct costs	16	85,179	190,276
Selling, general and administrative expenses	17	6,975	5,292
Depreciation and amortization	8,9,10	875	5,269
Share based compensation (recovery)		(55)	35
Other		(3)	(16)
Operating loss		(17,365)	(11,434)
Finance costs		450	832
Loss from discontinued operations before loss on sale		(17,815)	(12,266)
Loss on sale including transaction and other costs		(3,838)	—
Income tax recovery		4,205	3,206
Net loss from discontinued operations, net of income taxes		\$ (17,447)	\$ (9,060)

6. Trade and other receivables

(000's)	December 31, 2024	December 31, 2023
Trade receivables	\$ 118,157	\$ 133,897
Deferred trade receivables and holdbacks	6,208	28,961
Total trade receivables	124,365	162,858
Accrued trade receivables	22,775	42,406
Other receivables including receivable from sale of Modular of \$1.5 million	9,974	8,837
Allowance for expected credit losses	(3,540)	(1,529)
Total	\$ 153,574	\$ 212,572

Deferred trade receivables and holdbacks of \$6.2 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 deferred trade receivables and holdbacks are expected to be collected within 12 months. Credit risks are further described in Note 23.

7. Inventories

(000's)	December 31, 2024	December 31, 2023
Raw materials	\$ 1,782	\$ 9,419
Food inventory	7,853	9,477
Work-in-progress	936	1,150
Finished goods and supplies	7,557	8,644
Inventories ⁽¹⁾	\$ 18,129	\$ 28,690

(1) Total inventory for the year ended December 31, 2024 includes \$nil related to Modular (December 31, 2023 - \$8.4 million).

Notes to the consolidated financial statements
Years ended December 31, 2024 and 2023

8. Property, plant and equipment

(000's)	Camp equipment & mats	Land & buildings	Automotive & trucking equipment	Manufacturing & other equipment	Total
Cost					
Balance as at December 31, 2022	\$ 153,189	\$ 33,564	\$ 17,879	\$ 11,864	\$ 216,496
Additions	14,920	3,599	375	1,666	20,560
Acquisition of VCI (Note 4 (b))	—	—	—	44	44
Asset retirement obligations (Note 13)	642	—	—	—	642
Net transfers from (to) inventory	(4,439)	—	—	—	(4,439)
Disposals	(1,179)	(1,348)	(378)	(464)	(3,369)
Asset impairment ⁽¹⁾	(2,210)	—	—	—	(2,210)
Balance as at December 31, 2023	160,923	35,815	17,876	13,110	227,724
Additions	23,426	1,451	323	1,341	26,541
Acquisition of CMI (Note 4 (a))	—	—	620	—	620
Change in asset retirement obligations (Note 13)	(43)	—	—	—	(43)
Net transfers from (to) inventory	6,345	—	—	—	6,345
Disposals ⁽³⁾	(4,387)	(11,674)	(3,426)	(3,834)	(23,321)
Foreign currency translation ⁽²⁾	—	—	35	9	44
Balance as at December 31, 2024	\$ 186,264	\$ 25,592	\$ 15,428	\$ 10,626	\$ 237,910
Accumulated depreciation					
Balance as at December 31, 2022	\$ 34,717	\$ 5,210	\$ 13,315	\$ 6,646	\$ 59,888
Depreciation	18,301	2,231	2,361	1,935	24,828
Net transfers from (to) inventory	(1,057)	—	—	—	(1,057)
Disposals	(893)	(116)	(357)	(119)	(1,485)
Balance as at December 31, 2023	51,068	7,325	15,319	8,462	82,174
Depreciation	19,077	1,658	1,281	1,636	23,652
Net transfers from (to) inventory	(391)	—	—	—	(391)
Disposals ⁽³⁾	(2,125)	(3,751)	(2,915)	(2,981)	(11,772)
Foreign currency translation ⁽²⁾	—	—	69	1	70
Balance as at December 31, 2024	\$ 67,629	\$ 5,232	\$ 13,754	\$ 7,118	\$ 93,733
Net book value					
Balance as at December 31, 2023	\$ 109,855	\$ 28,490	\$ 2,557	\$ 4,648	\$ 145,550
Balance as at December 31, 2024	\$ 118,635	\$ 20,360	\$ 1,674	\$ 3,508	\$ 144,177

(1) For the year ended December 31, 2023, the Corporation recognized an impairment of \$2.2 million on camp assets which were held for sale. The loss was included in the consolidated statement of comprehensive income.

(2) Foreign currency translation relates to the assets held in Dexterra Services LLC and CMI which have a functional currency of USD.

(3) Total disposals include derecognition of assets with a carrying value of \$9.3 million as a result of the divestiture of Modular (see Note 5).

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, 2022	\$ 7,796	\$ 29,271	\$ 5,121	\$ 319	\$ 42,507
Acquisition of VCI (Note 4 (b))	—	49	162	—	211
Additions	1,463	4,536	3,530	162	9,691
Disposals	(4,809)	(6,198)	(178)	(290)	(11,475)
Balance as at December 31, 2023	4,450	27,658	8,635	191	40,934
Acquisition of CMI (Note 4 (a))	—	—	—	38	38
Additions	1,440	5,639	4,779	115	11,973
Disposals ⁽²⁾	(1,805)	(21,837)	(464)	(141)	(24,247)
Foreign currency translation ⁽¹⁾	—	5	20	—	25
Balance as at December 31, 2024	\$ 4,085	\$ 11,465	\$ 12,970	\$ 203	\$ 28,723
Accumulated depreciation					
Balance as at December 31, 2022	\$ 4,256	\$ 12,646	\$ 1,999	\$ 243	\$ 19,144
Depreciation	3,350	4,832	1,610	75	9,867
Disposals	(4,809)	(6,198)	(150)	(290)	(11,447)
Balance as at December 31, 2023	2,797	11,280	3,459	28	17,564
Depreciation	1,673	2,713	2,478	92	6,956
Disposals ⁽²⁾	(1,805)	(10,111)	(210)	(55)	(12,181)
Foreign currency translation ⁽¹⁾	—	—	—	5	5
Balance as at December 31, 2024	\$ 2,665	\$ 3,882	\$ 5,727	\$ 70	\$ 12,344
Net book value					
Balance as at December 31, 2023	\$ 1,653	\$ 16,378	\$ 5,176	\$ 163	\$ 23,370
Balance as at December 31, 2024	\$ 1,420	\$ 7,583	\$ 7,243	\$ 133	\$ 16,379

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

(2) Total disposals include derecognition of assets with a carrying value of \$12.0 million as a result of the divestiture of Modular (see Note 5).

(ii) Lease liabilities

Maturity Analysis – contractual undiscounted cash flows	(000's)
Year 1	\$ 7,407
Year 2	4,973
Year 3	3,189
Year 4	1,419
Year 5 and beyond	2,818
Total undiscounted lease payable as at December 31, 2024	\$ 19,806
Lease liabilities included in the statement of financial position at December 31, 2024	\$ 17,266
Current	6,365
Non-current	10,901

For the year ended December 31, 2024, the Corporation had a \$0.1 million lease receivable related to sublet leased equipment (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 year ended December 31, 2024 was \$1.5 million (2023 - \$1.6 million). Of these amounts, \$0.5 million in lease interest expense pertain to discontinued operations for the corresponding periods.

10. Intangible assets and goodwill

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

(000's)	Trade names and franchise fee agreements	Customer Relationships	Computer software and other	Total
Cost				
Balance as at December 31, 2022	\$ 4,550	\$ 40,657	\$ 4,767	\$ 49,974
Acquisition of VCI (Note 4 (b))	—	1,088	—	1,088
Additions	91	—	5	96
Foreign currency translation ⁽¹⁾	—	(22)	—	(22)
Balance as at December 31, 2023	4,641	41,723	4,772	51,136
Acquisition of CMI (Note 4 (a))	—	12,735	—	12,735
Additions	40	—	—	40
Disposals ⁽²⁾	(3,801)	(2)	(65)	(3,868)
Foreign currency translation ⁽¹⁾	—	852	—	852
Balance as at December 31, 2024	\$ 880	\$ 55,308	\$ 4,707	\$ 60,895
Accumulated amortization				
Balance as at December 31, 2022	\$ 1,932	\$ 9,232	\$ 3,435	\$ 14,599
Amortization	902	3,691	956	5,549
Balance as at December 31, 2023	2,834	12,923	4,391	20,148
Amortization	379	4,827	266	5,472
Disposals ⁽²⁾	(2,443)	(2)	(56)	(2,501)
Foreign currency translation ⁽¹⁾	—	195	—	195
Balance as at December 31, 2024	\$ 770	\$ 17,943	\$ 4,601	\$ 23,314
Net book value				
Balance as at December 31, 2023	\$ 1,807	\$ 28,800	\$ 381	\$ 30,988
Balance as at December 31, 2024	\$ 110	\$ 37,365	\$ 106	\$ 37,581

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

(2) Total disposals include derecognition of assets with a carrying value of \$1.4 million as a result of the divestiture of Modular (see Note 5).

Goodwill re-allocation

Subsequent to the annual impairment test, the Corporation realigned its reporting structure to better reflect its continuing businesses from an operational and external reporting perspective. As a result of the realignment of its segments, the Corporation has amended its CGUs as follows: Remote & Hospitality Services, Facilities Management, and Asset Based Services.

Goodwill under the Corporation's new operating segments at the consolidated statement of financial position date is as follows:

(000's)	December 31, 2024
Goodwill allocated to:	
Support Services	
Remote & Hospitality Services	\$ 58,541
Facilities Management	20,565
Asset Based Services	67,651
Balance, end of year	\$ 146,757

(1) For the year ended December 31, 2023, Goodwill of \$95.8 million and \$34.6 million was allocated to the Integrated Facilities Management ("IFM") and Workforce Accommodations and Forestry ("WAF") CGUs, respectively.

Goodwill impairment assessment

The Corporation 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 as at July 1, 2024 for all CGUs with allocated goodwill, which at that time comprised of IFM and WAF. No impairment was identified.

The recoverable amount of the CGUs was calculated based on FVLCOF discounted cash flow models. The cash flows are derived from the Corporation's forecast, budget, strategy and business plan approved by the Board of Directors. The approved forecast, budget, strategy and business plan use current and anticipated contracts and market conditions to project revenue. EBITDA is calculated using historical margins and additional operational factors. The calculation of the FVLCOF discounted cash flow model was based on the following key assumptions:

- The discount rate was estimated based on the Corporation's weighted average cost of capital, taking into account the nature of the assets being valued and their specific risk profile. The after-tax discount rates used in determining the recoverable amount for both CGUs was 12.5% (July 1, 2023 - 14.0%).
- The revenue growth rates are based on management's internal forecast and projections. Average annual revenue growth rates for 2025 - 2029 were estimated to be up to 5.0% for WAF and 11.0% for IFM.
- The long-term growth rate after 5 years used in determining the recoverable amount is 2.5% (July 1, 2023 - 2.5%).
- EBITDA for the period to 2029 is based on management's internal forecast and projections. EBITDA margins were projected to exceed 6% for IFM and approximate 12% for WAF.

Sensitivities

The most sensitive inputs to the discounted cash flow model are in the IFM segment and relate to the discount rate, the revenue growth rate, and EBITDA margins. All else being equal, a 300 basis points decrease in the revenue growth rates (8%), a 100 basis points decrease in EBITDA margin (6.0%), or a 75 basis points increase in the discount rate (13.25%) would, on an individual basis, result in an immaterial impairment in the IFM CGU.

11. Other assets

Other assets at December 31, 2024 include equity accounted investments in Gitxaala Horizon North Services Limited Partnership ("Gitxaala") and Big Spring Lodging Limited Partnership ("BSL LP"). These joint ventures are 49% owned by the Corporation with a carrying value of \$nil (December 31, 2023 - \$13.1 million) and \$0.8 million (December 31, 2023 - \$2.2 million), respectively. During the year ended December 31, 2024, Gitxaala and BSL LP paid cash distributions of \$13.1 million and \$1.1 million, respectively (December 31, 2023 - \$1.4 million and \$0.2 million, respectively) to the Corporation for its share of cumulative profit. These equity investments represent operations which generate earnings from providing workforce accommodations, rentals, and maintenance of relocatable structures. In addition to the equity investments, the other assets include long-term lease receivables of \$nil (December 31, 2023 - \$1.1 million).

On November 28, 2024, the Corporation signed a new limited partnership agreement with an existing Indigenous partner to form Cree Horizon Limited Partnership ("Cree Horizon LP"). The Corporation owns 49% of the newly formed partnership. The Partnership had no activities during the year ended December 31, 2024. Subsequent to year-end, the Corporation contributed assets to Cree Horizon LP with a carrying value of \$1.1 million. The Partnership is accounted for as a joint venture using the equity method.

12. Loans and borrowings

(000's)	December 31, 2024	December 31, 2023
Committed credit facility	\$ 68,723	\$ 90,904
Unamortized financing costs	(864)	(1,289)
Total borrowings	\$ 67,859	\$ 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 Average ("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.

As at December 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 \$13.0 million (2023 - \$16.7 million). For the year ended December 31, 2024, the Corporation incurred finance costs relating to the loans and borrowings of \$11.2 million (2023 - \$12.2 million).

13. Asset retirement obligations

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

(000's)	December 31, 2024	December 31, 2023
Balance, beginning of year	\$ 6,354	\$ 11,642
Asset retirement obligations settled	(1,078)	(6,299)
Change in estimate	(43)	642
Accretion of provisions	184	369
Balance, end of year	\$ 5,417	\$ 6,354

The estimated present value of rehabilitating the sites at the end of their useful lives has been estimated using existing technology, adjusted for inflation and discounted using a risk-free rate. The Corporation has estimated the net present value of its asset retirement obligation at December 31, 2024 to be \$5.4 million (December 31, 2023 - \$6.4 million). The Corporation used an average risk free interest rate of 3.01% and an inflation rate of 1.47% (December 31, 2023 - 3.88% and 1.72%, respectively) to calculate the net present value of its asset retirement obligations as at December 31, 2024. The timing of these payments is dependent on various factors, such as the estimated lives of the equipment and industry activity in the region but is anticipated to occur up to 2028.

(000's)	December 31, 2024	December 31, 2023
Current	\$ 4,831	\$ 3,768
Non-current	586	2,586
Balance, end of year	\$ 5,417	\$ 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, 2022	65,241,628	\$ 233,968
Shares purchased and cancelled	(855,100)	(3,070)
Options exercised	40,001	173
Balance, December 31, 2023	64,426,529	231,071
Shares purchased and cancelled	(1,177,100)	(4,525)
Options exercised	15,000	64
Balance, December 31, 2024	63,264,429	\$ 226,610

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, 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 Corporation subsequently amended the NCIB program, increasing the maximum number of common shares that the Corporation can repurchase to 3,207,361 of Dexterra's issued and outstanding common shares up to May 22, 2025.

For the year ended December 31, 2024, the Corporation purchased and cancelled 1,177,100 common shares (December 31, 2023 - 855,100 common shares) at a weighted average price of \$6.72 per share (December 31, 2023 - \$5.73 per share) for a total consideration of \$7.9 million (December 31, 2023 - \$4.9 million). As at December 31, 2024, the Corporation had cumulatively purchased and cancelled 2,032,200 common shares under the NCIB program at a weighted average share price of \$6.30 and total consideration of \$12.8 million.

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.

(b) Long-term incentive plans

(i) Share option plan

	Outstanding options	Weighted average exercise price
Balance, December 31, 2022	1,632,000	\$ 5.90
Granted	841,615	5.35
Exercised	(40,001)	3.05
Forfeited	(246,956)	6.52
Balance, December 31, 2023	2,186,658	5.67
Granted	1,122,127	5.84
Exercised	(15,000)	3.05
Forfeited	(126,113)	6.02
Balance, December 31, 2024	3,167,672	\$ 5.73

The exercise prices for options outstanding and exercisable at December 31, 2024 were as follows:

	Total options outstanding			Exercisable options	
Exercise price per share	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	2,362,673	\$ 5.14	3.0	760,770	\$ 3.98
\$5.96 to \$6.53	417,751	6.49	1.0	417,751	6.49
\$6.54 to \$8.50	387,248	8.48	2.0	258,158	8.48
	3,167,672	\$ 5.73	2.6	1,436,679	\$ 5.52

The exercise prices for options outstanding and exercisable at December 31, 2023 were as follows:

	Total options outstanding			Exercisable options	
Exercise price per share	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	1,315,776	\$ 4.52	3.0	525,075	\$ 3.21
\$5.96 to \$6.53	456,843	6.48	2.1	312,585	6.48
\$6.54 to \$8.50	414,039	8.45	3.0	138,003	8.45
	2,186,658	\$ 5.67	2.8	975,663	\$ 5.00

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

	December 31, 2024	December 31, 2023
Fair value per option	\$1.07	\$1.46
Forfeiture rate	9.58 %	9.15 %
Grant price	\$5.84	\$5.35
Expected life	3.0 years	3.0 years
Risk free interest rate	3.78 %	3.74 %
Dividend yield rate	6.03 %	6.65 %
Volatility	35.85 %	54.94 %

For the year ended December 31, 2024, share based compensation for share options included in net earnings amounted to \$1.1 million (2023 - \$1.1 million). Subsequent to year-end, the Corporation issued 1,043,702 share options under the plan with an exercise price of \$7.71 per share, and participants of the plan exercised 33,334 share options at a weighted average exercise price of \$3.05 per share.

(ii) RSU and PSU incentive award plan ("RSU Plan" and "PSU Plan", respectively)

(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. RSUs were granted to members of the Board of Directors, as well as officers and key employees.

The following table summarizes the RSU's outstanding:

	December 31, 2024	December 31, 2023
Units outstanding, beginning of year	134,491	40,621
Granted	230,312	117,473
Vested and exercised	(51,285)	(16,759)
Forfeited	(4,466)	(6,844)
Units outstanding, end of year	309,052	134,491

As at December 31, 2024, trade and other payables and other long term liabilities included \$0.9 million and \$0.7 million, respectively, for outstanding RSUs (2023 - \$0.5 million and \$nil, respectively). For the year ended December 31, 2024, share based compensation for RSUs included in net earnings amounted to \$1.4 million (2023 - \$0.4 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.

The following table summarizes the PSU's outstanding:

	December 31, 2024	December 31, 2023
Units outstanding, beginning of year	867,524	519,129
Granted	406,843	492,013
Forfeited and expired	(251,698)	(143,618)
Units outstanding, end of year	1,022,669	867,524

As at December 31, 2024, other long term liabilities included \$3.0 million for outstanding PSUs (December 31, 2023 - \$0.9 million). For the year ended December 31, 2024, share based compensation for PSUs included in net earnings amounted to \$2.1 million (2023 - \$0.3 million).

15. Revenue

Contract balances

The following table provides information about contract assets and contract liabilities from contracts with customers:

(000's)	December 31, 2024	December 31, 2023
Contract assets, which are included in total trade and accrued trade receivables	\$ 6,208	\$ 45,548
Contract liabilities, which are included in deferred revenue	7,884	10,618

The contract assets relate to the Corporation's rights for work completed but not billed at the reporting date, and are included in total trade and accrued trade receivables. The contract assets are transferred to trade receivables when the rights become unconditional. This usually occurs when the Corporation completes a construction milestone under the agreed upon contract. Accrued trade receivables and deferred trade receivables as at December 31, 2023 include Modular balances of \$16.6 million and \$13.7 million, respectively. Contract assets are generally due within three to six months of services being completed. The deferred revenue is comprised of contract liabilities which mainly relate to payments received from customers, and for which revenue is recognized over time and is excluded from revenue from operations.

The amount of \$10.6 million recognized in contract liabilities at the beginning of the year has been recognized as revenue for the year ended December 31, 2024 (2023 - \$10.7 million).

As the Corporation's contracts have an expected duration of one year or less, the Corporation has taken the practical expedient and not disclosed the remaining performance obligations as at December 31, 2024.

16. Direct costs

(000's)	Years ended December 31,	
	2024	2023
Wages and benefits	\$ 405,321	\$ 378,026
Subcontracting	134,059	85,419
Product cost	189,578	198,386
Equipment and repairs	11,998	11,058
Transportation and travel	21,606	20,177
Partnership profit sharing	14,108	18,313
Utilities and occupancy costs	33,405	40,115
Other operating expenses	32,927	35,258
Direct costs related to continuing operations	843,001	786,752
Direct costs related to discontinued operations (Note 5)	85,179	190,276
Total direct costs	\$ 928,180	\$ 977,028

17. Selling, general and administrative expenses

(000's)	Years ended December 31,	
	2024	2023
Wages and benefits ⁽¹⁾	\$ 34,679	\$ 27,347
Other selling and administrative expenses	18,840	14,794
Selling, general and administrative expenses related to continuing operations	53,519	42,141
Selling, general and administrative expenses related to discontinued operations (Note 5)	6,975	5,292
Total selling, general and administrative expenses	\$ 60,494	\$ 47,433

(1) Wages and benefits for the year ended December 31, 2024 include CEO & CFO transition costs of \$nil (2023 - \$1.9 million).

18. Income taxes

For the year ended December 31, 2024, the Corporation's effective income tax rate was 30%, compared to 25% in 2023. The provision for income taxes differs from that which would be expected by applying statutory rates as follows:

(000's)	Years ended December 31,	
	2024	2023
Earnings before income tax	\$ 53,637	\$ 47,504
Combined federal and provincial income tax rate	25 %	25 %
Expected income tax expense	13,409	11,876
Non-deductible items	238	298
Changes in tax rates	(609)	(150)
Tax rate differential on certain transactions	874	192
Adjustments related to prior periods	765	(522)
Tax impact of disposition of capital assets	1,239	—
Other items	181	—
Income tax expense	\$ 16,097	\$ 11,694

The Corporation has non-capital losses for Canadian tax purposes of \$6.9 million at December 31, 2024, (December 31, 2023 - \$54.2 million) available to reduce future taxable income. The Corporation believes that it is probable that the results of future operations will generate sufficient taxable income to fully utilize these losses before their expiry.

The current and deferred tax expense breakdown is as follows:

Income tax expense (000's):	Years ended December 31,	
	2024	2023
Current	\$ 1,671	\$ 34
Deferred	14,426	11,660
	\$ 16,097	\$ 11,694

On June 20, 2024, Bill C-69, Budget Implementation Act, 2024, No. 1, became enacted into law. Among other measures, Bill C-69 included a revised version of Canada's Global Minimum Tax Act, which implements into Canadian domestic law the global minimum tax under Pillar Two as developed by the Organisation for Economic Co-operation and Development. In general terms, the global minimum tax is intended to ensure that large multinational enterprises are subject to an effective tax rate of at least 15% on their profits in each jurisdiction in which they operate. In jurisdictions where the effective tax rate is less than 15%, a top-up tax may be levied. The Corporation has determined it is not subject to the top up tax as a result of this legislation.

19. 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 and discontinued operations:

(000's)	Years ended December 31,	
	2024	2023
Trade and other receivables	\$ 3,086	\$ (2,308)
Inventories	2,170	(3,582)
Prepaid expenses and other	58	(3,119)
Trade and other payables	(12,866)	(3,509)
Deferred revenue	6,377	(1,680)
Change in non-cash working capital, continuing operations	\$ (1,175)	\$ (14,198)

20. Net earnings per share

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

	Years ended December 31,	
	2024	2023
Number of common shares, beginning of year	64,426,529	65,241,628
Common shares issued, weighted average	8,770	19,479
Shares cancelled under NCIB, weighted average	(417,960)	(268,496)
Weighted average common shares outstanding - basic	64,017,339	64,992,611
Effect of share purchase options ⁽¹⁾	279,320	228,796
Weighted average common shares outstanding - diluted	64,296,659	65,221,407

(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 year exceeds the exercise price of the option.

21. Dividends

A dividend of \$0.0875 per share (\$0.35 annually) was declared for the quarter ended December 31, 2024 and has been accrued in trade and other payables as at December 31, 2024. The dividend is payable to shareholders of record at the close of business on December 31, 2024 and was paid on January 15, 2025. Subsequent to December 31, 2024, Dexterra declared a dividend of \$0.0875 per share for shareholders of record at March 31, 2025, to be paid April 15, 2025.

(000's except per share amounts)	2024		2023	
	Amount per share	Dividend declared	Amount per share	Dividend declared
March 31	\$ 0.0875	\$ 5,612	\$ 0.0875	\$ 5,708
June 30	0.0875	5,600	0.0875	5,695
September 30	0.0875	5,600	0.0875	5,667
December 31	0.0875	5,536	0.0875	5,638
Total dividends declared	\$ 0.3500	\$ 22,348	\$ 0.3500	\$ 22,708

22. Reportable segment information

The Corporation's new operating segments, as described in Note 1, are as follows:

- **Support Services:** Comprised of Remote & Hospitality Services and Facilities Management. Remote & Hospitality Services includes amounts relating to support services previously under WAF, as well as food services previously under IFM.
- **Asset Based Services:** Comprised of Access Solutions & Relocatable Structures (formerly Energy Services) and workforce structures revenue previously grouped to WAF.

Segmented revenue, operating income (loss), earnings (loss) before income taxes, and total assets for years ended December 31, 2024 and 2023 are as follows:

Year ended December 31, 2024 (000's)	Support Services	Asset Based Services	Corporate, Other, and Inter-segment Eliminations	Total
Revenue ⁽¹⁾	\$ 811,180	\$ 191,847	\$ —	\$ 1,003,027
Operating expenses:				
Direct costs	709,505	131,357	2,139	843,001
Selling, general and administrative expenses	27,739	4,648	21,132	53,519
Depreciation and amortization	11,025	23,414	766	35,205
Share based compensation	466	184	3,907	4,557
Loss (gain) on disposal of property, plant and equipment	18	(372)	—	(354)
Operating income (loss)	62,427	32,616	(27,944)	67,099
Finance costs	(1,014)	(397)	(11,647)	(13,058)
Earnings (loss) from equity investments ⁽²⁾	193	(597)	—	(404)
Earnings (loss) before income taxes	\$ 61,606	\$ 31,622	\$ (39,591)	\$ 53,637
Total assets	\$ 275,876	\$ 236,500	\$ 12,514	\$ 524,890

(1) For the year ended December 31, 2024, revenue from Canadian and U.S. operations were \$922.5 million and \$80.5 million, respectively. All U.S. revenue was generated in the Support Services segment.

(2) Earnings (loss) from equity investments for the year ended December 31, 2024 includes equity investment depreciation of \$1.0 million in Asset Based Services.

Notes to the consolidated financial statements
Years ended December 31, 2024 and 2023

Year ended December 31, 2023 (000's)	Support Services	Asset Based Services	Discontinued Operations	Corporate, Other, and Inter-segment Eliminations	Total
Revenue ⁽¹⁾⁽²⁾	\$ 734,340	\$ 192,936	\$ —	\$ 500	\$ 927,776
Operating expenses					
Direct costs	664,663	120,367	—	1,722	786,752
Selling, general and administrative expenses ⁽³⁾	16,782	3,933	—	21,426	42,141
Depreciation and amortization	8,856	24,898	—	1,221	34,975
Share based compensation	213	55	—	1,510	1,778
Loss (gain) on disposal of property, plant and equipment	(171)	(9)	—	1,115	935
Asset impairment ⁽⁴⁾	—	2,210	—	—	2,210
Operating income (loss)	43,997	41,482	—	(26,494)	58,985
Finance costs	(870)	(309)	—	(12,259)	(13,438)
Earnings from equity investments ⁽⁵⁾	1,310	647	—	—	1,957
Earnings (loss) before income taxes	\$ 44,437	\$ 41,820	\$ —	\$ (38,753)	\$ 47,504
Total assets excluding goodwill	\$ 169,237	\$ 189,738	\$ 95,624	\$ 22,053	\$ 476,652
Goodwill ⁽⁶⁾	—	—	—	—	130,436
Total assets	\$ 169,237	\$ 189,738	\$ 95,624	\$ 22,053	\$ 607,088

(1) Corporate results for the year ended December 31, 2023 included revenue in the amount of \$0.5 million related to contract restructuring.

(2) For the year ended December 31, 2023, revenue from Canadian and U.S. operations were \$914.8 million and \$13.0 million, respectively. All U.S. revenue was generated in the Support Services segment.

(3) Selling, general and administrative expenses for the year ended December 31, 2023 included CEO and CFO transition costs of \$1.9 million.

(4) For the year ended December 31, 2023, the Corporation recognized an asset impairment of \$2.2 million on excess camp assets which were held for sale.

(5) Earnings from equity investments for the year ended December 31, 2023 includes equity investment depreciation of \$1.6 million in Asset Based Services.

(6) Goodwill was allocated to the Corporation's new CGUs at December 31, 2024. There was no such allocation for the comparative period.

23. Financial risk management

Overview

The Corporation is exposed to a number of different financial risks arising from the normal course of business operations as well as through the Corporation's financial instruments comprised of cash, trade and other receivables, trade and other payables, and loans and borrowings. These risk factors include geopolitical risk, credit risk, liquidity risk, and market risk, including interest rate. The Corporation's risk management practices include identifying, analyzing and monitoring the risks faced by the Corporation.

Geopolitical risk

The current transition in the U.S. government and the possibility of protectionist trade and other policies pose risks to the Canadian economy including the energy and mining sectors. The threat of tariffs and trade restrictions may disrupt supply chains and reduce market access, while a potential economic downturn could decrease demand for our products and services. The Corporation is closely monitoring these developments and are prepared to adapt our strategies to mitigate any adverse effects on our business.

Credit risk

The following shows the aged balances of trade and other receivables:

(000's)	December 31, 2024	December 31, 2023
Trade receivables		
Neither impaired nor past due	102,020	132,761
Outstanding 31-60 days	8,267	15,623
Outstanding 61-90 days	8,363	2,885
Outstanding more than 90 days	5,715	11,589
Total trade receivables	124,365	162,858
Accrued trade receivables	22,775	42,406
Other receivables	9,974	8,837
Allowance for expected credit losses	(3,540)	(1,529)
Total trade and other receivables	\$ 153,574	\$ 212,572

As at December 31, 2024, the Corporation provided for expected credit losses in the amount of \$3.5 million (2023 - \$1.5 million). The provision for expected credit losses is based on an expected credit losses matrix and fluctuates based on the aging of balances in receivables. The Corporation continues to monitor the recoverability of trade receivables and the impact of current and expected future credit losses.

The Corporation had no major customer from which it generated greater than 10% of total revenue in 2024 (2023 - none).

Liquidity risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation's approach to managing liquidity risk is to ensure that it always has sufficient cash and borrowing capacity on its credit facility to meet its obligations when they become due. Management typically forecasts cash flows for each quarter to identify financing requirements. These requirements are then addressed through a combination of demand credit facilities and access to capital markets while maintaining optimal capital structure. The Corporation believes that future cash flows generated by the operations and access to additional liquidity through capital and banking markets will be adequate to meet its financial obligations.

The following shows the timing of cash outflows relating to trade and other payables, lease liabilities and loans and borrowings:

	December 31, 2024			December 31, 2023		
(000's)	Trade and other payables ⁽¹⁾	Lease liabilities ⁽²⁾	Loans and borrowings ⁽³⁾	Trade and other payables ⁽¹⁾	Lease liabilities ⁽²⁾	Loans and borrowings ⁽³⁾
Year 1	\$ 125,864	\$ 7,407	\$ —	\$ 163,588	\$ 9,337	\$ —
Year 2	2,597	4,973	68,723	—	7,520	—
Year 3	1,842	3,189	—	1,643	5,891	90,904
Year 4	—	1,419	—	—	4,970	—
Year 5 and beyond	—	2,818	—	—	3,418	—
	\$ 130,303	\$ 19,806	\$ 68,723	\$ 165,231	\$ 31,136	\$ 90,904

(1) Trade and other payables include trade and other payables, other long-term liabilities, contingent consideration and income tax payable.

(2) Lease liabilities include total undiscounted lease payments.

(3) Loans and borrowings include Dexterra's senior secured revolving term credit facility. The timing and amount of interest payments will fluctuate depending on balances outstanding and applicable interest rates.

Market risk

Market risk is the risk or uncertainty arising from possible market price movements and their impact on future performance of the Corporation. The market price movements that could adversely affect the value of the Corporation's financial assets, liabilities and expected future cash flows include foreign currency exchange risk and interest rate risk. As the Corporation's exposure to foreign currency exchange risk and interest rate risk is limited, the Corporation does not currently hedge its financial instruments.

i. Foreign currency exchange risk

The Corporation's exposure to foreign currency exchange risk arises from its foreign operations in Dexterra Services LLC and CMI which have a US functional currency. If the USD exchange rate were to decrease by 1.00%, the impact on the Corporation's net earnings and shareholder's equity would be immaterial. For the remainder of the Corporation's operations, there is limited exposure to foreign currency exchange risk as sales and purchases are typically denominated in CAD.

ii. Interest rate risk

The Corporation is exposed to interest rate risk as changes in interest rates may affect interest expense and future cash flows. The primary exposure is related to the Corporation's revolving credit facility which bears interest at bank prime rate plus 0.50% to 1.75% or the Canadian Overnight Repo Rate Average ("CORRA") plus 1.50% to 2.75%. If rates were to have increased by 1.00%, it is estimated that the Corporation's net earnings and shareholder's equity would have decreased by approximately \$1.3 million for the year ended December 31, 2024 (2023 - \$1.4 million). This assumes that the amount and mix of fixed and floating rate debt in the year remains unchanged and that the change in interest rates is effective from the beginning of the year.

24. Related parties

(000's)	December 31, 2024	December 31, 2023
Joint ventures		
Revenue	\$ 1,080	\$ 1,399
Management fee	520	625
Included in accounts receivable	1,584	2,421

Joint ventures and affiliates

The Corporation charged \$0.5 million (2023 - \$0.6 million) in management fees for administrative overhead related to accounting and management services. As at December 31, 2024, Gitxaala owed \$1.0 million (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. The amount is paid to the Corporation as Gitxaala billings to customers are collected.

The Corporation earned revenue of \$1.1 million (2023 - \$1.4 million) for the year ended December 31, 2024 for catering services and equipment rentals provided to BSL LP. As at December 31, 2024, BSL LP owed \$0.6 million (2023 - \$0.4 million) in payables to the Corporation which are considered to be part of normal course of operations.

Insurance

Dexterra Group has certain property insurance policies with Northbridge. The premiums paid in both years are approximately \$0.3 million annually at normal commercial rates.

Key management personnel

Key management personnel are those persons that have the authority and responsibility for planning, directing and controlling the activities of the Corporation, directly or indirectly. Key management personnel of the Corporation include its named executive officers and the board of directors.

The Corporation has entered into executive employment agreements with certain executive officers that provide for termination payments. These agreements continue indefinitely until terminated in accordance with the terms thereof and the base salary payable under the agreements is subject to annual review.

Key management personnel compensation for the year ended December 31, 2024 and 2023 is comprised as follows:

(000's)	Years ended December 31,	
	2024	2023
Short-term employee benefits	\$ 5,405	\$ 4,171
Post-employment benefits	314	203
Termination benefits ⁽¹⁾	390	1,854
Share-based compensation	2,736	1,230
	\$ 8,845	\$ 7,458

(1) The termination benefits for the year ended December 31, 2023 include CEO & CFO transition costs of \$1.9 million (2024 - \$nil).

25. Subsidiaries

Subsidiary Name	Country of Incorporation	Ownership Interest (%)	
		December 31, 2024	December 31, 2023
Acden Horizon North Limited Partnership ("Acden")	Canada	49	49
Acho Horizon North Camp Services Limited Partnership ("Acho")	Canada	49	49
CMI Management LLC ("CMI")	USA	100	—
Dana Hospitality Limited Partnership ("Dana")	Canada	100	100
Deninu Kue Horizon North Camp & Catering Limited Partnership ("DKHN")	Canada	49	49
Dexterra Community Initiatives ("DCI")	Canada	100	100
Dexterra Group USA Inc.	USA	100	100
Dexterra on Demand Inc. ⁽¹⁾	Canada	100	—
Dexterra Services LLC	USA	100	100
Eclipse Camp Solutions Incorporated ("Eclipse")	Canada	40	40
FCPI Dana Investments Inc. ⁽²⁾	Canada	—	100
Halfway River Horizon North Camp Services Limited Partnership ("HRHN")	Canada	49	49
HN Pituvvik Camp Services Ltd. ("Pituvvik")	Canada	49	49
Horizon North Camp & Catering Partnership ("HNCCP")	Canada	100	100
Horizon North Kapewin Inc. ("Kapewin")	Canada	49.5	49.5
Kitikmeot Camp Solutions Limited ("Kitikmeot")	Canada	49	49
Marek Hospitality Inc. ("Marek")	Canada	100	100
NRB Inc. ⁽³⁾	Canada	—	100
Pioneer Site Service Ltd. ("Pioneer")	Canada	100	100
Powerful Group of Companies ("PGC") ⁽¹⁾	Canada	—	100
Secwepemc Camp & Catering Limited Partnership ("Secwepemc")	Canada	49	49
Sekui Limited Partnership ("Sekui")	Canada	49	49
Skin Tyee Horizon North Camp Services Limited Partnership ("STHN")	Canada	49	49
Tahltan Horizon North Services Inc. ("Tahltan")	Canada	49	49
Tangmaarvik Inland Camp Services Inc. ("Tangmaarvik")	Canada	49	49
Two Lakes Horizon North Camp Services Limited Partnership ("TLHN")	Canada	49	49
VCI Controls Inc. ("VCI") ⁽¹⁾	Canada	—	100

(1) On January 1, 2024, PGC and VCI were amalgamated into one combined entity named Dexterra On Demand Inc.

(2) On January 2, 2024, FCPI Dana Investment Inc. was dissolved.

(3) On December 13, 2024, NRB Inc. was amalgamated with its parent, Dexterra Group Inc..

Special purpose entities

The Corporation has an equity interest in Kitikmeot, Acho, Secwepemc, HRHN, TLHN, Tahltan, Acden, Sekui, Eclipse, DKHN, STHN, Pituvvik, Kapewin and Tangmaarvik and maintains two out of four or five board of director seats in these SPE with the remaining voting rights and board of director seats being held by Indigenous partners. Based on an evaluation of the substance of its relationship with the Corporation and the SPE's risks and rewards, the Corporation controls these entities. The control results in the Corporation receiving the majority of the benefits related to the SPE's operations and net assets, being exposed to the majority of risks incident to the SPE's activities and retaining the majority of the residual or ownership risks related to the SPE or their assets. The SPE, other than Tangmaarvik, do not have net earnings and have limited assets with the non-flow through expenses being management fees paid to the partners. Indigenous participation in the governance of these SPE is required to secure projects in specific regions of Canada.