

WSP GLOBAL INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE FIRST QUARTER ENDED MARCH 28, 2020



May 6, 2020

wsp



ABOUT US

As one of the world's leading professional services firms, WSP provides engineering and design services to clients in the Transportation & Infrastructure, Property & Buildings, Environment, Power & Energy, Resources and Industry sectors, as well as offering strategic advisory services. WSP's global experts include engineers, advisors, technicians, scientists, architects, planners, surveyors and environmental specialists, as well as other design, program and construction management professionals. Our talented people are well positioned to deliver successful and sustainable projects, wherever our clients need us.

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INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(UNAUDITED)

(in millions of Canadian dollars, except number of shares and per share data)

For the three-month periods ended	March 28, 2020	March 30, 2019
	\$	\$
Revenues (note 5)	2,210.0	2,173.6
Personnel costs	1,352.4	1,290.1
Subconsultants and direct costs	473.9	510.2
Other operational costs	171.7	164.0
Depreciation of right-of-use assets	62.6	59.1
Amortization of intangible assets	28.0	24.4
Depreciation of property and equipment	26.0	24.0
Acquisition, integration and restructuring costs (note 6)	10.8	9.0
Exchange loss (gain)	3.9	(0.5)
Share of income of associates and joint ventures, net of tax	(7.3)	(2.6)
Earnings before net financing expense and income taxes	88.0	95.9
Net financing expense (note 7)	68.3	10.7
Earnings before income taxes	19.7	85.2
Income tax expense	5.4	23.2
Net earnings	14.3	62.0
Net earnings attributable to:		
Shareholders of WSP Global Inc.	14.2	63.6
Non-controlling interests	0.1	(1.6)
	14.3	62.0
Basic net earnings per share attributable to shareholders	0.13	0.61
Diluted net earnings per share attributable to shareholders	0.13	0.61
Basic weighted average number of shares	106,086,809	104,768,837
Diluted weighted average number of shares	106,291,753	105,031,582

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

**INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(UNAUDITED)**

(in millions of Canadian dollars)

For the three-month periods ended	March 28, 2020	March 30, 2019
	\$	\$
Net earnings	14.3	62.0
Other comprehensive income		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments	177.1	(79.5)
Translation adjustments on financial instruments designated as net investment hedge	(86.1)	28.8
Income tax recovery (expense)	1.7	(0.8)
Items that will not be reclassified to net earnings		
Actuarial gain (loss) on pension schemes	14.0	(14.8)
Exchange differences	(1.4)	—
Income tax (expense) recovery	(2.5)	2.6
Total comprehensive income (loss) for the period	117.1	(1.7)
Comprehensive income (loss) attributable to:		
Shareholders of WSP Global Inc.	117.0	(0.1)
Non-controlling interests	0.1	(1.6)
	117.1	(1.7)

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

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

(in millions of Canadian dollars)

As at	March 28, 2020	December 31, 2019
	\$	\$
Assets		
Current assets		
Cash and cash equivalents (note 13)	902.6	255.6
Trade receivables and other receivables	1,842.8	1,767.8
Cost and anticipated profits in excess of billings	1,174.8	995.7
Other financial assets	103.3	114.5
Prepaid expenses	106.8	104.2
Income taxes receivable	22.8	18.8
	4,153.1	3,256.6
Non-current assets		
Right-of-use assets	944.2	913.4
Property and equipment	348.1	347.7
Intangible assets	350.4	355.4
Goodwill (note 9)	3,729.3	3,568.8
Deferred income tax assets	169.8	145.8
Other assets	93.3	88.4
	5,635.1	5,419.5
Total assets	9,788.2	8,676.1
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	1,693.8	1,650.7
Billings in excess of costs and anticipated profits	685.1	629.0
Income taxes payable	130.5	125.3
Provisions	63.5	71.8
Dividends payable to shareholders (note 12)	39.8	39.7
Current portion of lease liabilities	236.9	211.7
Current portion of long-term debt (note 10)	309.8	307.8
	3,159.4	3,036.0
Non-current liabilities		
Long-term debt (note 10)	1,965.1	1,091.9
Lease liabilities	852.0	838.9
Provisions	83.5	72.8
Retirement benefit obligations	207.4	213.4
Deferred income tax liabilities	94.5	91.2
	3,202.5	2,308.2
Total liabilities	6,361.9	5,344.2
Equity		
Equity attributable to shareholders of WSP Global Inc.	3,425.2	3,330.8
Non-controlling interests	1.1	1.1
Total equity	3,426.3	3,331.9
Total liabilities and equity	9,788.2	8,676.1

Approved by the Board of Directors

(signed) Alexandre L'Heureux

Director

(signed) Louis-Philippe Carrière

Director

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

**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)**

(in millions of Canadian dollars)

	Attributable to Shareholders of WSP Global Inc.						
	Share capital	Contributed Surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance - January 1, 2020	2,752.2	204.6	303.4	70.6	3,330.8	1.1	3,331.9
Comprehensive income							
Net earnings	—	—	14.2	—	14.2	0.1	14.3
Actuarial loss on pension schemes, net of tax	—	—	—	10.0	10.0	—	10.0
Currency translation adjustments, net of tax	—	—	—	168.9	168.9	—	168.9
Net investment hedge, net of tax	—	—	—	(76.1)	(76.1)	—	(76.1)
Total comprehensive income	—	—	14.2	102.8	117.0	0.1	117.1
Common shares issued under the DRIP (note 11)	16.8	—	—	—	16.8	—	16.8
Stock-based compensation expense	—	0.4	—	—	0.4	—	0.4
Declared dividends to shareholders of WSP Global Inc.	—	—	(39.8)	—	(39.8)	—	(39.8)
Dividends to non-controlling interests	—	—	—	—	—	(0.1)	(0.1)
Balance - March 28, 2020	2,769.0	205.0	277.8	173.4	3,425.2	1.1	3,426.3

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

**INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
(UNAUDITED)**

(in millions of Canadian dollars)

	Attributable to Shareholders of WSP Global Inc.						
	Share capital	Contributed Surplus	Retained earnings	Accumulated other comprehensive income	Total	Non-controlling interests	Total equity
	\$	\$	\$	\$	\$	\$	\$
Balance - January 1, 2019	2,656.5	204.9	181.3	216.3	3,259.0	0.7	3,259.7
Comprehensive income							
Net earnings	—	—	63.6	—	63.6	(1.6)	62.0
Actuarial gain on pension schemes, net of tax	—	—	—	(12.2)	(12.2)	—	(12.2)
Currency translation adjustments, net of tax	—	—	—	(76.4)	(76.4)	—	(76.4)
Net investment hedge, net of tax	—	—	—	24.9	24.9	—	24.9
Total comprehensive income	—	—	63.6	(63.7)	(0.1)	(1.6)	(1.7)
Common shares issued under the DRIP (note 11)	19.6	—	—	—	19.6	—	19.6
Exercise of stock options (note 11)	0.1	—	—	—	0.1	—	0.1
Declared dividends to shareholders of WSP Global Inc.	—	—	(39.3)	—	(39.3)	—	(39.3)
Balance - March 30, 2019	2,676.2	204.9	205.6	152.6	3,239.3	(0.9)	3,238.4

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

WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

8

(in millions of Canadian dollars)

For the three-month periods ended	March 28, 2020	March 30, 2019
	\$	\$
Operating activities		
Net earnings	14.3	62.0
Adjustments (note 13)	97.3	94.7
Net financing expense (note 7)	68.3	10.7
Income tax expense	5.4	23.2
Income taxes paid	(25.1)	(20.4)
Change in non-cash working capital items (note 13)	(157.0)	(142.5)
Cash inflows from operating activities	3.2	27.7
Financing activities		
Net proceeds of long-term debt	803.1	64.0
Lease payments	(70.4)	(65.4)
Net financing expenses paid	(23.5)	(11.8)
Dividends paid to shareholders of WSP Global Inc.	(22.9)	(19.6)
Dividends paid to a non-controlling interest	(0.1)	—
Issuance of common shares, net of issuance costs	—	0.1
Cash inflows (outflows) from financing activities	686.2	(32.7)
Investing activities		
Net disbursements related to business acquisitions	(44.8)	(4.7)
Additions to property and equipment, excluding business acquisitions	(16.5)	(22.6)
Additions to identifiable intangible assets, excluding business acquisitions	(6.9)	(4.4)
Dividends received from associates	3.8	—
Proceeds from disposal of property and equipment	0.3	6.5
Cash outflows from investing activities	(64.1)	(25.2)
Effect of exchange rate change on cash and cash equivalents	27.9	(6.4)
Change in net cash and cash equivalents	653.2	(36.6)
Cash and cash equivalents, net of bank overdraft - beginning of the period	237.3	253.9
Cash and cash equivalents, net of bank overdraft - end of period (note 13)	890.5	217.3

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

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures are in millions of Canadian dollars, unless otherwise stated)

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**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

1 BASIS OF PRESENTATION

WSP Global Inc. (the “Corporation” or “WSP”) is a professional services consulting firm which provides technical expertise and strategic advice to clients in the transportation & infrastructure, property & buildings, environment, industry, resources (including mining and oil and gas) and energy sectors. The Corporation also offers highly specialized services in project and program delivery and advisory services. The address of its main registered office is 1600 René-Lévesque Blvd West, Montreal, Quebec, Canada.

The common shares of the Corporation are listed under the trading symbol "WSP" on the Toronto Stock Exchange (“TSX”).

STATEMENT OF COMPLIANCE

These interim condensed consolidated financial statements have been prepared in compliance with IAS 34, “Interim Financial Reporting” as issued by the International Accounting Standards Board (“IASB”). These financial statements were prepared on a going concern basis, on a historical cost basis, except for certain financial assets and liabilities (including investments in securities and derivative instruments), liabilities for share unit plans, and contingent consideration, which are measured at fair value, and defined benefit liabilities, which are measured as the net total of the present value of the defined benefit obligations minus the fair value of plan assets.

These financial statements were approved by the Corporation’s Board of Directors on May 6, 2020.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies followed in these interim condensed consolidated financial statements are the same as those described in the Corporation’s consolidated financial statements for the year ended December 31, 2019, except as described below.

All disclosures required for annual consolidated financial statements have not been included in these interim condensed consolidated financial statements. Therefore, these unaudited interim condensed consolidated financial statements should be read in conjunction with the Corporation’s consolidated financial statements for the year ended December 31, 2019.

These unaudited interim condensed consolidated financial statements include all adjustments, composed of normal recurring adjustments, considered necessary by management to fairly state the Corporation’s results of operations, financial position and cash flows.

The operating results for interim periods are not necessarily indicative of results that may be expected for any other interim period or for the full year. The Corporation experiences seasonal trends in its business. In terms of revenues, excluding the impact of acquisitions, the first quarter of the fiscal year is typically the Corporation’s weakest quarter while the third quarter is usually its strongest quarter.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

NEW ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICY

CASH AND CASH EQUIVALENTS

The Corporation's definition of cash is expanded to include cash equivalents. Cash and cash equivalents consist of cash on hand and with banks and short-term deposits with a maturity of three months or less at the date of acquisition, which are subject to an insignificant risk of changes in value. For the purposes of the cash flow statement, cash and cash equivalents are net of bank overdraft.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

Upon adoption of *IFRS 9 - Financial Instruments*, as at January 1, 2018, the Corporation had elected to continue to use the criteria of *IAS 39 - Financial Instruments: Recognition and Measurement* for hedge accounting. Given the Corporation's recent hedging activities, Management has determined that the application of hedge accounting criteria in *IFRS 9* results in reliable and more relevant information about the effects of hedge transactions on the Corporation's financial performance. This change has been applied prospectively as at January 1, 2020, given retrospective application would not have a material impact on the Corporation's financial position as at January 1, 2020.

The summary of the Corporation's accounting policy for derivative financial instruments and hedging activities is as follows:

Derivatives are initially recognized at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Corporation designates certain derivatives as either:

- (a) hedges of the fair value of recognized assets and liabilities or a firm commitment (fair value hedge);
- (b) hedges of a particular risk associated with a recognized asset or liability or a highly probable forecast transaction (cash flow hedge); or
- (c) hedges of a net investment in a foreign operation (net investment hedge).

The Corporation documents at the inception of the transaction the relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions. The Corporation also documents its assessment, both at hedge inception and on an on-going basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

Fair value hedge

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recorded in net earnings together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

Cash flow hedge

The effective portion of the change in the fair value of the derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in net earnings.

Amounts accumulated in equity are reclassified to profit or loss in the periods when the hedged item affects profit or loss. However, when a forecasted transaction that is hedged results in the recognition of a non-financial asset, the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognized when the forecasted transaction is ultimately recognized in net earnings. When a forecasted transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred to net earnings.

Net investment hedge

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized in net earnings.

Gains and losses accumulated in equity are transferred to net earnings if a foreign operation is disposed of, partially or in its entirety.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgments are continually evaluated and are based on historical trends and other factors, including expectations of future events that are likely to materialize under reasonable circumstances. The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions concerning the future. These accounting estimates will, by definition, seldom equal the related actual results and such differences may be material.

The types of significant estimates, judgments and assumptions made by management in applying the Corporation's accounting policies are the same as those applied and described in the annual consolidated financial statements for the year ended December 31, 2019. In addition, the outbreak of the novel strain of the coronavirus, COVID-19, has resulted in governments worldwide enacting emergency measures to combat the spread of the virus. Management's estimates and judgments considered the uncertainties and economic implications of the COVID-19 pandemic on the Corporation's business, financial performance and financial position, and did not result in material impacts for the quarter ended March 28, 2020.

Subsequent to the end of the quarter, these measures have intensified in many countries, causing material disruption to businesses globally resulting in an economic slowdown, including demand for products and ability to secure timely access to supplies. The uncertainty surrounding the COVID-19 pandemic could generate, in future reporting periods, a significant risk of material adjustment to the carrying amounts of the following: revenue recognition, including estimated losses on revenue-generating contracts, goodwill and other long-lived asset impairment, leases, deferred tax assets and provisions for uncertain tax treatments and litigation and claims. At the date of publication of these interim financial statements, it is not possible to reliably estimate the length and severity of these developments and their potential impact on the Corporation's financial results, conditions and cash flows.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

4 OPERATING SEGMENTS

SEGMENTED INFORMATION

The Corporation manages its business by geographic region. The Corporation's operating segments represent countries, or groups of countries, in which it operates. The Corporation has four reportable segments: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising Asia, Australia and New Zealand).

The Corporation's global leadership team ("GLT") assesses the performance of the reportable segments based on net revenues and adjusted EBITDA by segment. Adjusted EBITDA by segment excludes items such as business acquisition, integration and restructuring costs, and head office corporate costs, which are not considered when assessing the underlying financial performance of the reportable segments. Head office corporate costs are expenses and salaries related to centralized functions, such as global finance, legal, human resources and technology teams, which are not allocated to segments. This measure also excludes the effects of financial expenses, depreciation, amortization and income taxes.

Sales between segments are carried out on terms equivalent to arm's length transactions and are eliminated upon consolidation.

The net revenues reported to the GLT are derived from revenues net of subconsultant and direct costs, which are measured in a similar manner as in the consolidated statements of earnings, and exclude intersegmental net revenues.

The tables below present the Corporation's operations based on reportable segments :

	For the three-month period ended March 28, 2020				
	Canada	Americas	EMEIA	APAC	Total
	\$	\$	\$	\$	\$
Revenues	276.5	857.0	769.0	307.5	2,210.0
Less: Subconsultants and direct costs	(33.5)	(272.9)	(128.0)	(39.5)	(473.9)
Net revenues by segment	243.0	584.1	641.0	268.0	1,736.1
Adjusted EBITDA by segment	37.3	78.0	84.8	40.3	240.4
Head office corporate costs					(22.0)
Depreciation and amortization					(116.6)
Acquisition, integration and restructuring costs					(10.8)
Net financing expenses, excluding interest income					(69.1)
Share of depreciation and taxes of associates					(2.2)
Earnings before income taxes					19.7

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

	For the three-month period ended March 30, 2019				
	Canada	Americas	EMEIA	APAC	Total
	\$	\$	\$	\$	\$
Revenues	284.5	828.4	748.7	312.0	2,173.6
Less: Subconsultants and direct costs	(40.0)	(289.4)	(135.8)	(45.0)	(510.2)
Net revenues by segment	244.5	539.0	612.9	267.0	1,663.4
Adjusted EBITDA by segment	38.0	78.6	83.2	38.1	237.9
Head office corporate costs					(21.0)
Depreciation and amortization					(107.5)
Acquisition, integration and restructuring costs					(9.0)
Net financing expenses, excluding interest income					(13.7)
Share of depreciation and taxes of associates					(1.5)
Earnings before income taxes					85.2

5 REVENUES

The tables below present the Corporation's disaggregated revenues by market sector and client category:

	For the three-month period ended March 28, 2020				
	Canada	Americas	EMEIA	APAC	Total
	\$	\$	\$	\$	\$
Market sector					
Transportation & Infrastructure	112.1	533.8	372.5	154.2	1,172.6
Property & Buildings	67.7	83.4	256.0	98.5	505.6
Environment	54.7	151.5	71.5	33.1	310.8
Resources	19.9	64.8	1.4	10.8	96.9
Power & Energy	10.8	21.4	46.8	9.0	88.0
Industry	11.3	2.1	20.8	1.9	36.1
	276.5	857.0	769.0	307.5	2,210.0
Client Category					
Public sector	104.5	601.3	445.5	166.2	1,317.5
Private sector	172.0	255.7	323.5	141.3	892.5
	276.5	857.0	769.0	307.5	2,210.0

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

	For the three-month period ended March 30, 2019				
	Canada	Americas	EMEIA	APAC	Total
	\$	\$	\$	\$	\$
Market sector					
Transportation & Infrastructure	113.7	518.3	370.5	158.7	1,161.2
Property & Buildings	69.0	99.9	240.6	103.0	512.5
Environment	56.0	100.5	59.9	26.0	242.4
Resources	27.0	76.8	4.3	14.5	122.6
Power & Energy	9.2	29.0	48.5	8.5	95.2
Industry	9.6	3.9	24.9	1.3	39.7
	284.5	828.4	748.7	312.0	2,173.6
Client Category					
Public sector	113.6	511.7	423.1	171.5	1,219.9
Private sector	170.9	316.7	325.6	140.5	953.7
	284.5	828.4	748.7	312.0	2,173.6

6 ACQUISITION, INTEGRATION AND RESTRUCTURING COSTS

For the three-month periods ended	March 28, 2020	March 30, 2019
	\$	\$
Business acquisition costs	3.2	0.4
Business integration costs	3.9	6.9
Restructuring costs	3.7	1.7
	10.8	9.0

Included in acquisition, integration and restructuring costs are employee benefit costs of \$3.1 million for the first quarter ended March 28, 2020 (\$5.3 million in the comparable period in 2019). Other than employee benefit costs, costs relate mainly to legal and professional fees and early contract termination costs.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

7 NET FINANCING EXPENSE

For the three-month periods ended	March 28, 2020	March 30, 2019
	\$	\$
Interest expense related to credit facility	15.3	16.5
Interest expense on lease liabilities	11.4	12.0
Net financing expense on pension obligations	1.0	1.3
Exchange loss (gain) on assets and liabilities denominated in foreign currencies	4.4	0.3
Unrealized loss (gain) on derivative financial instruments	16.0	(8.2)
Other interest and bank charges	4.4	2.5
Loss (gain) on investments in securities	16.6	(10.7)
Interest income	(0.8)	(3.0)
	68.3	10.7

8 FINANCIAL INSTRUMENTS

During the first quarter of 2020, the Corporation entered into cross currency swaps for a nominal amount of \$338.2 million US dollars to hedge a portion of its US-dollar denominated debt at a USD/CAD rate of 1.3563 (not designated as hedging instruments), and a nominal amount of \$50.7 million US dollars at a USD/SEK rate of 9.4281 (designated as a net investment hedge). The fair market value loss of these instruments amounted to \$16.0 million and was recorded in net earnings and other comprehensive income. These cross currency swap agreements expire in the second quarter of 2020.

The Corporation entered into foreign currency forward contracts and options to hedge the variability in the foreign currency exchange rate of certain currencies against the Canadian dollar. The largest hedged currencies represent a nominal amount of \$290.8 million US dollars and \$48.0 million pound sterling. The net fair market value loss of these forward contracts and options amounted to \$17.1 million and was recorded in net earnings.

The Corporation also entered into interest rate swaps for a nominal amount of \$550 million US dollars to hedge the variability in interest rates of its US-dollar denominated debt. The fair market value loss of these interest rate swap agreements amounted to \$3.8 million and was recorded in other comprehensive income.

The Corporation enters into derivative financial instruments with Canadian financial institutions to limit the Corporation's exposure to the variability of cash-settled LTIP share unit compensation plans caused by fluctuations in its common share price. The value of the derivative financial instruments fluctuates in accordance with the movement of the Corporation's common share price and are classified as fair value through profit or loss. As such, they are measured at fair value on the consolidated statement of financial position and the mark-to-market gain or loss pertaining to derivative financial instruments is recorded in personnel costs. In the first quarter of 2020, the mark-to-market gain recorded in personnel costs amounted to \$1.4 million. As at March 28, 2020, the Corporation had hedges outstanding for 356,664 of its common shares.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

9 GOODWILL

For the year-to-date period ended	March 28, 2020	December 31, 2019
	\$	\$
Balance – As at January 1	3,568.8	3,493.2
Goodwill resulting from business acquisitions	35.4	198.7
Measurement period adjustments	—	13.1
Impairment charges	—	(3.7)
Exchange differences	125.1	(132.5)
Balance – As at end of period	3,729.3	3,568.8

In January 2020, WSP acquired LT Environmental Inc., a 140-employee environmental consulting firm based in Colorado, US. This acquisition was financed using WSP's available cash and credit facilities.

10 LONG-TERM DEBT

As at	March 28, 2020	December 31, 2019
	\$	\$
Borrowings under credit facility	2,239.4	1,350.4
Bank overdraft	12.1	18.3
Other financial liabilities	18.6	26.0
Other debt	4.8	5.0
	2,274.9	1,399.7
Current portion	309.8	307.8
Non-current portion	1,965.1	1,091.9

CREDIT FACILITY

WSP has in place a US\$1,800.0 million credit facility with a syndicate of financial institutions (the "Lenders") comprised of:

- a senior unsecured non-revolving term credit facility which consists of a principal amount of US\$600.0 million (the "Term Facility"), made up of three term loans of US\$200.0 million, expiring on December 31, 2020, December 18, 2021 and December 18, 2022, respectively; and
- a senior unsecured revolving credit facility to a maximum amount of US\$1,200.0 million (the "Revolving Credit Facility"). The maturity date of the Revolving Credit Facility is December 31, 2023.

The amount available under the credit facility is \$201.4 million as at March 28, 2020.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

11 SHARE CAPITAL

Authorized

An unlimited number of common shares without par value, voting and participating.

An unlimited number of preferred shares without par value, participating, issuable in series.

Issued and paid

	Common shares	
	Number	\$
Balance as at January 1, 2019	104,441,416	2,656.5
Shares issued under the Dividend Reinvestment Plan (DRIP)	1,161,114	79.9
Shares issued upon exercise of stock options	330,312	15.8
Balance as at December 31, 2019	105,932,842	2,752.2
Shares issued under the DRIP (note 12)	185,604	16.8
Balance as at March 28, 2020	106,118,446	2,769.0

As at March 28, 2020, no preferred shares were issued.

12 DIVIDENDS

On February 26, 2020, the Corporation declared a dividend of \$0.375 per share, payable on or about April 15, 2020, to shareholders of record on March 31, 2020. The total amount of the dividend payable for the first quarter is \$39.8 million, which was paid subsequent to the end of the quarter.

Dividend Reinvestment Plan (DRIP)

Under the DRIP, the holders of common shares may elect to have cash dividends reinvested into additional common shares. The shares to be delivered can be purchased on the open market or issued from treasury at the discretion of Management. The shares issued from treasury can be issued at a discount of up to 5.0% of the applicable average market price.

Following the payment of dividends declared on November 6, 2019, \$16.8 million was reinvested in 185,604 common shares under the DRIP during the three-month period ended March 28, 2020. Subsequent to the end of the quarter, on April 15, 2020, \$13.6 million of the first quarter dividend was reinvested in 161,648 additional common shares under the DRIP.

**NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(UNAUDITED)**

(Tabular figures in millions of Canadian dollars, except the number of shares and per share data and when otherwise stated)

13 STATEMENTS OF CASH FLOWS

CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT

As at	March 28, 2020	December 31, 2019
	\$	\$
Cash on hand and with banks	323.7	255.6
Short-term deposits	578.9	—
Cash and cash equivalents	902.6	255.6
Less: Bank overdraft (note 10)	(12.1)	(18.3)
Cash and cash equivalents, net of bank overdraft	890.5	237.3

ADJUSTMENTS

For the three-month periods ended	March 28, 2020	March 30, 2019
	\$	\$
Depreciation, amortization and impairment	116.6	107.5
Share of earnings of associates and joint-ventures, net of tax	(7.3)	(2.6)
Defined benefit pension scheme expense	3.6	4.4
Cash contribution to defined benefit pension schemes	(3.6)	(3.4)
Foreign exchange and non-cash movements	(12.6)	(5.5)
Other	0.6	(5.7)
	97.3	94.7

CHANGE IN NON-CASH WORKING CAPITAL ITEMS

For the three-month periods ended	March 28, 2020	March 30, 2019
	\$	\$
Decrease (increase) in:		
Trade, prepaid and other receivables	8.1	21.8
Costs and anticipated profits in excess of billings	(136.5)	(28.0)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(57.2)	(66.9)
Billings in excess of costs and anticipated profits	28.6	(69.4)
	(157.0)	(142.5)