WSP GLOBAL INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED APRIL 2, 2022

May 11, 2022

ABOUT US

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

HEAD OFFICE
WSP GLOBAL INC.
1600 RENE-LEVESQUE BLVD WEST, 11th FLOOR
MONTREAL, QC H3H 1P9
CANADA

wsp.com

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

For three-month periods ended	April 2, 2022	March 27, 2021
	$	$
Revenues (note 6)	**2,711.8**	**2,104.8**
Personnel costs (note 8)	1,599.1	1,275.6
Subconsultants and direct costs	611.8	438.0
Other operational costs	186.2	158.3
Depreciation of right-of-use assets (note 11)	71.0	61.3
Amortization of intangible assets	33.7	23.4
Depreciation of property and equipment	28.7	24.7
Acquisition, integration and reorganization costs (note 7)	20.8	0.6
ERP implementation costs	10.1	—
Exchange gain	(1.5)	(3.7)
Share of income of associates and joint ventures, net of tax	(5.3)	(2.4)
Earnings before net financing expense and income taxes	**157.2**	**129.0**
Net financing expense (note 9)	27.1	8.4
Earnings before income taxes	**130.1**	**120.6**
Income tax expense	34.5	32.6
Net earnings	**95.6**	**88.0**
Net earnings attributable to:		
Shareholders of WSP Global Inc.	95.0	87.9
Non-controlling interests	0.6	0.1
	95.6	**88.0**
Basic net earnings per share attributable to shareholders	0.81	0.77
Diluted net earnings per share attributable to shareholders	0.80	0.77
Basic weighted average number of shares	117,893,068	113,722,122
Diluted weighted average number of shares	118,216,762	114,053,906

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

WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

(in millions of Canadian dollars)

For three-month periods ended	April 2, 2022	March 27, 2021
	$	$
Net earnings	95.6	88.0
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments	(64.7)	(72.1)
Translation adjustments on financial instruments designated as a net investment hedge	22.1	3.5
Gain on financial instruments designated as a cash flow hedge	12.9	—
Income tax (expense) recovery	(4.1)	0.6
Items that will not be reclassified to net earnings		
Actuarial gain on pension schemes	15.7	17.5
Exchange differences on pension schemes	1.2	1.1
Income tax expense on pension schemes	(3.0)	(3.3)
Total comprehensive income for the period	**75.7**	**35.3**
Comprehensive income attributable to:		
Shareholders of WSP Global Inc.	75.1	35.2
Non-controlling interests	0.6	0.1
	75.7	**35.3**

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	April 2, 2022	December 31, 2021
Assets	**$**	**$**
Current assets		
Cash and cash equivalents (note 17)	691.1	927.4
Trade receivables and other receivables	1,879.8	1,916.8
Cost and anticipated profits in excess of billings	1,348.6	1,156.4
Prepaid expenses	189.8	169.6
Other financial assets	116.3	141.7
Income taxes receivable	41.9	28.9
	4,267.5	4,340.8
Non-current assets		
Right-of-use assets (note 11)	898.3	861.5
Intangible assets	514.9	549.9
Property and equipment	349.2	363.6
Goodwill (note 12)	4,707.5	4,762.3
Deferred income tax assets	174.6	165.1
Other assets	206.7	207.2
	6,851.2	6,909.6
Total assets	**11,118.7**	**11,250.4**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,040.5	2,217.3
Billings in excess of costs and anticipated profits	761.3	751.1
Income taxes payable	149.1	149.8
Provisions	57.9	77.5
Dividends payable to shareholders (note 16)	44.2	44.2
Current portion of lease liabilities (note 11)	269.0	254.2
Current portion of long-term debt (note 13)	311.0	297.4
	3,633.0	3,791.5
Non-current liabilities		
Long-term debt (note 13)	1,451.5	1,479.3
Lease liabilities (note 11)	780.1	766.1
Provisions	239.1	236.2
Retirement benefit obligations	190.1	212.9
Deferred income tax liabilities	103.6	99.2
	2,764.4	2,793.7
Total liabilities	**6,397.4**	**6,585.2**
Equity		
Equity attributable to shareholders of WSP Global Inc.	4,720.0	4,664.5
Non-controlling interests	1.3	0.7
Total equity	**4,721.3**	**4,665.2**
Total liabilities and equity	**11,118.7**	**11,250.4**

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.

(in millions of Canadian dollars)

	Attributable to Shareholders of WSP Global Inc.						
	Share capital	Contributed surplus	Retained earnings	Accumulated other comprehensive income (loss)	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Balance - January 1, 2022	**3,801.2**	**208.3**	**709.5**	**(54.5)**	**4,664.5**	**0.7**	**4,665.2**
Comprehensive income							
Net earnings	—	—	95.0	—	95.0	0.6	95.6
Actuarial gain on pension schemes, net of tax	—	—	—	13.9	13.9	—	13.9
Currency translation adjustments, net of tax	—	—	—	(65.4)	(65.4)	—	(65.4)
Net investment hedge, net of tax	—	—	—	22.1	22.1	—	22.1
Cash flow hedge, net of tax	—	—	—	9.5	9.5	—	9.5
Total comprehensive income	**—**	**—**	**95.0**	**(19.9)**	**75.1**	**0.6**	**75.7**
Common shares issued under the DRIP (note 14)	22.8	—	—	—	22.8	—	22.8
Exercise of stock options (note 14)	0.8	(0.1)	—	—	0.7	—	0.7
Stock-based compensation expense	—	1.1	—	—	1.1	—	1.1
Declared dividends to shareholders of WSP Global Inc.	—	—	(44.2)	—	(44.2)	—	(44.2)
	23.6	**1.0**	**(44.2)**	**—**	**(19.6)**	**—**	**(19.6)**
Balance - April 2, 2022	**3,824.8**	**209.3**	**760.3**	**(74.4)**	**4,720.0**	**1.3**	**4,721.3**

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

(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, 2021	**3,394.2**	**207.3**	**412.2**	**66.7**	**4,080.4**	**1.0**	**4,081.4**
Comprehensive income							
Net earnings	—	—	87.9	—	87.9	0.1	88.0
Actuarial gain on pension schemes, net of tax	—	—	—	15.3	15.3	—	15.3
Currency translation adjustments, net of tax	—	—	—	(72.0)	(72.0)	—	(72.0)
Net investment hedge, net of tax	—	—	—	4.0	4.0	—	4.0
Total comprehensive income	**—**	**—**	**87.9**	**(52.7)**	**35.2**	**0.1**	**35.3**
Common shares issued via public offerings and private placements	(0.2)	—	—	—	(0.2)	—	(0.2)
Common shares issued under the DRIP (note 14)	23.0	—	—	—	23.0	—	23.0
Exercise of stock options (note 14)	3.5	(0.7)	—	—	2.8	—	2.8
Stock-based compensation expense	—	1.0	—	—	1.0	—	1.0
Declared dividends to shareholders of WSP Global Inc.	—	—	(42.7)	—	(42.7)	—	(42.7)
	26.3	**0.3**	**(42.7)**	**—**	**(16.1)**	**—**	**(16.1)**
Balance - March 27, 2021	**3,420.5**	**207.6**	**457.4**	**14.0**	**4,099.5**	**1.1**	**4,100.6**

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

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)

(in millions of Canadian dollars)

For three-month periods ended	April 2, 2022	March 27, 2021
	$	$
Operating activities		
Net earnings	95.6	88.0
Adjustments (note 17)	113.8	96.8
Net financing expense (note 9)	27.1	8.4
Income tax expense	34.5	32.6
Income taxes paid	(54.5)	(25.6)
Change in non-cash working capital items (note 17)	(299.5)	(36.8)
Cash inflows (outflows) from operating activities	**(83.0)**	**163.4**
Financing activities		
Lease payments (note 11)	(81.4)	(61.9)
Dividends paid to shareholders of WSP Global Inc.	(21.4)	(19.5)
Net financing expenses paid, excluding interest on lease liabilities	(13.5)	(4.8)
Net repayment of long-term debt	(6.7)	(11.9)
Issuance of common shares, net of issuance costs (note 14)	0.7	2.6
Cash outflows from financing activities	**(122.3)**	**(95.5)**
Investing activities		
Net disbursements related to business acquisitions (note 4)	(11.0)	(45.2)
Additions to property and equipment, excluding business acquisitions	(18.5)	(13.5)
Additions to identifiable intangible assets, excluding business acquisitions	(2.9)	(3.0)
Proceeds from disposal of property and equipment	0.5	0.3
Dividends received from associates	2.2	—
Proceeds from sale of investment in an associate	—	4.4
Net proceeds from disposal of businesses	1.5	—
Net cash received on a loan from associate	0.3	0.3
Cash outflows from investing activities	**(27.9)**	**(56.7)**
Effect of exchange rate change on cash and cash equivalents	(3.7)	(8.2)
Change in net cash and cash equivalents	**(236.9)**	**3.0**
Cash and cash equivalents, net of bank overdraft - beginning of the period	926.3	434.7
Cash and cash equivalents, net of bank overdraft - end of period (note 17)	**689.4**	**437.7**

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

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

NOTES

(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. (together with its subsidiaries, the “Corporation” or “WSP”) is a professional services consulting firm which provides technical expertise and strategic advice to clients in the Transportation & Infrastructure, Earth & Environment, Property & Buildings, Power & Energy and Industry market 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 11, 2022.

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, 2021, 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 interim condensed consolidated financial statements should be read in conjunction with the Corporation’s consolidated financial statements for the year ended December 31, 2021.

These 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 general, the third and fourth quarters historically generate the largest contribution to revenues and earnings before net financing expense and income taxes, and the first quarter the least. The Corporation's cash flows from operations are also, to a certain degree, subject to seasonal fluctuations, with the fourth quarter historically generating a higher amount of cash flows from operations. These historical seasonality trends described above have not necessarily been maintained in recent years, due to the impacts of the COVID-19 pandemic on the Corporation’s operations.

The Corporation’s second and third quarters are always comprised of 13 weeks of operations. However, the number of weeks of operations in the first and fourth quarters will vary as the Corporation has a statutory December 31 year end. The first quarter results include the period from January 1, 2022 to April 2, 2022 and the comparative first quarter results include the period from January 1, 2021 to March 27, 2021.

ACCOUNTING STANDARD AMENDMENTS EFFECTIVE IN 2022

The following amendment to existing standards was adopted by the Corporation on January 1, 2022 and had no impact on the Corporation’s consolidated financial statements.

ONEROUS CONTRACTS – COST OF FULFILLING A CONTRACT

In May 2020, the IASB issued *Onerous Contracts - Cost of Fulfilling a Contract*, which includes amendments to *IAS 37 - Provisions, Contingent Liabilities and Contingent Assets*. The amendments specify which costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous. The 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract or an allocation of other costs that relate directly to fulfilling contracts.

RECENT STANDARDS, AMENDMENTS AND INTERPRETATIONS NOT YET EFFECTIVE AND NOT APPLIED

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, IASB issued a narrow-scope amendment to *IAS 1 - Presentation of Financial Statements*, which clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. Classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability or events after the reporting date. The amendment also clarifies what *IAS 1* means when it refers to the ‘settlement’ of a liability. The amendment is effective for the Corporation's annual reporting period beginning on January 1, 2023, with earlier application permitted. The Corporation is assessing the potential impact of this amendment.

3 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the interim condensed consolidated financial statements requires management to make judgments, assumptions and estimates in applying the Corporation's accounting policies. The types of significant judgments, estimates 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, 2021.

Estimates and assumptions 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. Actual results will differ from estimates used, and such differences could be material.

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

4 BUSINESS ACQUISITIONS

Acquisitions are accounted for using the acquisition method, and the operating results are included in the consolidated financial statements from the date of acquisition. If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Corporation will report provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, and additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The measurement period is the period from the date of acquisition to the date the Corporation obtains complete information about facts and circumstances that existed as of the acquisition date, up to a maximum of one year.

GOLDER ASSOCIATES

On April 7, 2021, WSP closed the acquisition of 100% of the voting shares of Enterra Holdings Ltd., the holding company of Golder Associates ("Golder" and the "Golder Acquisition"). Golder is a global consulting firm with approximately 7,000 employees and 60 years of experience in providing earth sciences and environmental consulting services. The transaction included purchase consideration totalling $1,251.5 million and repayment of long-term debt of $235.0 million, as detailed below. The resulting aggregate cash outflow in connection with the Golder Acquisition was $1.5 billion (US$1.2 billion).

The Golder Acquisition and other related transaction costs were financed using the proceeds from the Corporation's previously closed $310.0 million private placements of subscription receipts with GIC Pte. Ltd. ("GIC") and British Columbia Investment Management Corporation ("BCI"), and new bank financing term loans entered into on January 29, 2021.

As at December 31, 2021, the Corporation had not yet completed its fair value assessment of all assets acquired and liabilities assumed in connection with the Golder Acquisition. In the quarter ended April 2, 2022, the Corporation completed its fair value assessment of all assets acquired and liabilities assumed related to this acquisition. The final determination of the fair values required some adjustments to the preliminary assessments as shown below. The Corporation has not restated the consolidated statement of financial position as at December 31, 2021 as the adjustments were deemed not material. The Corporation also determined that the net impact on the net earnings as a result of these adjustments was not material for the year ended December 31, 2021, and as such, they were accounted for in the consolidated statement of earnings for the quarter ended April 2, 2022.

The table below presents management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed as well as the final determination of the fair values made within 12 months of the acquisition date.

Intangible assets identified relate primarily to customer relationships. Management applied the excess earnings method using discounted cash flow models to value customer relationships acquired. Management's significant estimates and assumptions in applying this methodology included forecast revenues and margins attributable to the customer relationships (in excess of backlog), rates of attrition and discount rates.

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

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**	**$**	**$**
Assets			
Cash and cash equivalents	115.4	—	115.4
Trade receivables and other receivables	220.1	—	220.1
Income taxes receivable	5.9	—	5.9
Cost and anticipated profits in excess of billings	122.8	(10.5)	112.3
Prepaid expenses	13.2	—	13.2
Right-of-use assets	160.3	57.7	218.0
Property and equipment	70.3	—	70.3
Software	3.0	—	3.0
Intangible assets related to acquisitions	357.6	—	357.6
Deferred income tax assets	2.0	(0.3)	1.7
Other financial and non-financial assets	4.5	—	4.5
Liabilities			
Accounts payable and accrued liabilities	(220.4)	0.8	(219.6)
Billings in excess of costs and anticipated profits	(52.9)	—	(52.9)
Lease liabilities	(202.9)	(53.9)	(256.8)
Long-term debt	(240.9)	—	(240.9)
Provisions	(45.7)	5.0	(40.7)
Income taxes payable	(10.4)	(2.0)	(12.4)
Deferred income tax liabilities	(61.2)	1.2	(60.0)
Fair value of identifiable assets and liabilities assumed	**240.7**	**(2.0)**	**238.7**
Goodwill (note 12)	1,010.8	2.0	1,012.8
Total purchase consideration	**1,251.5**	**—**	**1,251.5**
Repayment of long-term debt	235.0	—	235.0
	1,486.5	—	1,486.5
Cash and cash equivalents acquired	(115.4)	—	(115.4)
Net cash disbursements	**1,371.1**	**—**	**1,371.1**

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Corporation after the acquisition. None of the goodwill recognized as at April 2, 2022 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value of $184.0 million and gross contractual amount of $195.2 million.

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

5 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 reorganization costs, ERP implementation 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 interim 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 April 2, 2022				
	Canada	**Americas**	**EMEIA**	**APAC**	**Total**
	$	**$**	**$**	**$**	**$**
Revenues	482.1	1,029.4	790.4	409.9	2,711.8
Less: Subconsultants and direct costs	(115.8)	(304.6)	(127.0)	(64.4)	(611.8)
Net revenues	366.3	724.8	663.4	345.5	2,100.0
Adjusted EBITDA by segment	71.9	122.5	102.3	56.7	353.4
Head office corporate costs					(28.8)
Depreciation and amortization					(133.4)
Acquisition, integration and reorganization costs					(20.8)
ERP implementation costs					(10.1)
Net financing expenses, excluding interest income					(27.4)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(2.8)
Earnings before income taxes					130.1

(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 27, 2021				
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	271.2	796.5	735.2	301.9	2,104.8
Less: Subconsultants and direct costs	(47.1)	(243.5)	(111.0)	(36.4)	(438.0)
Net revenues	224.1	553.0	624.2	265.5	1,666.8
Adjusted EBITDA by segment	34.5	89.7	96.8	39.8	260.8
Head office corporate costs					(19.8)
Depreciation and amortization					(109.4)
Acquisition, integration and reorganization costs					(0.6)
Net financing expenses, excluding interest income					(8.6)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(1.8)
Earnings before income taxes					120.6

6 REVENUES

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

	For the three-month period ended April 2, 2022				
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	142.8	582.8	357.6	205.4	1,288.6
Earth & Environment	204.0	248.5	108.7	76.0	637.2
Property & Buildings	85.4	124.6	256.4	111.4	577.8
Power & Energy	27.0	71.0	49.3	13.8	161.1
Industry	22.9	2.5	18.4	3.3	47.1
	482.1	1,029.4	790.4	409.9	2,711.8
Client category					
Public sector	155.7	632.3	436.0	227.8	1,451.8
Private sector	326.4	397.1	354.4	182.1	1,260.0
	482.1	1,029.4	790.4	409.9	2,711.8

(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 27, 2021				
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	119.6	504.2	360.9	156.2	1,140.9
Earth & Environment[(1)]	67.2	170.1	54.9	28.3	320.5
Property & Buildings	68.2	89.0	250.1	104.9	512.2
Power & Energy	12.1	30.2	48.4	11.1	101.8
Industry	4.1	3.0	20.9	1.4	29.4
	271.2	796.5	735.2	301.9	2,104.8
Client category					
Public sector	109.8	547.3	430.4	170.8	1,258.3
Private sector	161.4	249.2	304.8	131.1	846.5
	271.2	796.5	735.2	301.9	2,104.8

(1) As at January 1, 2022, the Resources market sector was combined with the Earth & Environment market sector. The disaggregated revenues for the three-month period ended March 27, 2021 have been restated to align to the new presentation.

7 ACQUISITION, INTEGRATION AND REORGANIZATION COSTS

	First quarters ended	
	April 2, 2022	March 27, 2021
	$	$
Business acquisition costs	0.5	2.0
Business integration costs	18.3	1.6
Restructuring and severance costs stemming from adjustments to cost structures	2.0	1.4
Gains on disposal of non-core assets	—	(4.4)
	20.8	0.6

Included in acquisition, integration and reorganization costs for the three-month period ended April 2, 2022 are employee benefit costs of $2.0 million ($0.3 million in the comparable period in 2021). Other than employee benefit costs, costs relate mainly to legal and professional fees and early contract termination costs.

8 GOVERNMENT GRANTS

During the quarter ended April 2, 2022, the Corporation recorded government subsidies of $1.0 million, recognized in personnel costs ($8.1 million during the comparable period in 2021). There are no unfulfilled conditions or contingencies attached to these grants.

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

9 NET FINANCING EXPENSE

	First quarters ended	
	April 2, 2022	March 27, 2021
	$	$
Interest expense related to credit facilities and senior unsecured notes	9.0	4.4
Interest expense on lease liabilities	9.5	9.8
Net financing expense on pension obligations	0.9	0.6
Exchange loss (gain) on assets and liabilities denominated in foreign currencies	1.5	(2.3)
Unrealized gain on derivative financial instruments	(5.6)	(2.0)
Other interest and bank charges	4.2	1.5
Loss (gain) on investments in securities	7.9	(3.4)
Interest income	(0.3)	(0.2)
	27.1	8.4

10 FINANCIAL INSTRUMENTS

FAIR VALUE

The Corporation's senior unsecured notes are financial liabilities carried at amortized costs. As at April 2, 2022, the fair value of the senior unsecured notes, which is based on unadjusted quote prices (Level 1), was $459.9 million.

FINANCIAL RISK MANAGEMENT

The Corporation enters into foreign currency forward contracts and options to hedge the variability in the foreign currency exchange rate of certain currencies against the Canadian dollar. As at April 2, 2022, the net fair market value gain of these forward contracts and options amounted to $8.2 million, and a gain of $7.8 million was recorded in net earnings in the first quarter ended April 2, 2022. The largest hedged currency outstanding as at April 2, 2022 represents a nominal amount of $295.0 million US dollars.

The Corporation also entered into interest rate swaps for a nominal amount of $325.0 million US dollars to hedge the variability in interest rates of its US-dollar denominated debt. The fair market value gain of these interest rate swap agreements as at April 2, 2022 amounted to $14.4 million and the change in fair value was recorded in other comprehensive income.

The Corporation entered into cross-currency interest rate swaps for a nominal amount of $500.0 million Canadian dollars to hedge the variability in the USD/CAD currency risk of the Corporation’s net investment in foreign entities having the USD as their functional currency. The fair market value loss of these cross-currency interest rate swaps agreements as at April 2, 2022 amounted to $4.1 million and the change in fair value 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 long-term incentive plan (“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

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

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. As at April 2, 2022, the Corporation had hedges outstanding for 760,000 of its common shares, with total fair value loss of $4.4 million. In the first quarter ended April 2, 2022, mark-to-market losses on LTIP hedging instruments recorded in personnel costs were $16 million.

11 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	For the three-month period ended April 2, 2022			For the three-month period ended March 27, 2021		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	830.4	31.1	861.5	831.4	62.9	894.3
Additions through business acquisitions and measurement period adjustments	66.0	(0.1)	65.9	7.6	—	7.6
Additions	35.4	6.1	41.5	20.1	4.7	24.8
Lease renewals, reassessments and modifications	11.2	(1.3)	9.9	13.6	(44.8)	(31.2)
Depreciation expense	(67.3)	(3.7)	(71.0)	(59.1)	(2.2)	(61.3)
Utilization of lease inducement allowances	3.6	—	3.6	4.5	—	4.5
Exchange differences	(11.7)	(1.4)	(13.1)	(13.9)	(0.5)	(14.4)
Balance - End of year	867.6	30.7	898.3	804.2	20.1	824.3

LEASE LIABILITIES

	For the three-month period ended April 2, 2022			For the three-month period ended March 27, 2021		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	994.0	26.3	1,020.3	963.1	55.3	1,018.4
Additions through business acquisitions and measurement period adjustments	62.0	0.1	62.1	7.6	—	7.6
Additions	35.4	6.1	41.5	20.1	4.7	24.8
Lease renewals, reassessments and modifications	11.0	(1.1)	9.9	13.6	(42.7)	(29.1)
Interest expense on lease liabilities (note 9)	9.3	0.2	9.5	9.7	0.1	9.8
Payments	(77.5)	(3.9)	(81.4)	(59.2)	(2.7)	(61.9)
Exchange differences	(12.3)	(0.5)	(12.8)	(15.0)	(0.3)	(15.3)
Balance - End of year	1,021.9	27.2	1,049.1	939.9	14.4	954.3
Current portion of lease liabilities	255.7	13.3	269.0	216.2	9.0	225.2
Non-current portion of lease liabilities	766.2	13.9	780.1	723.7	5.4	729.1

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

12 GOODWILL

	April 2, 2022	December 31, 2021
	$	$
Balance – As at January 1	4,762.3	3,731.9
Goodwill resulting from business acquisitions	1.4	1,135.7
Measurement period adjustments (note 4)	(4.4)	(14.4)
Exchange differences	(51.8)	(90.9)
Balance – As at end of period	4,707.5	4,762.3

13 LONG-TERM DEBT

As at	April 2, 2022	December 31, 2021
	$	$
Borrowings under credit facilities	1,185.8	1,202.3
Senior unsecured notes	500.0	500.0
Bank overdraft	1.7	1.1
Other financial liabilities	75.0	73.3
	1,762.5	1,776.7
Current portion	311.0	297.4
Non-current portion	1,451.5	1,479.3

CREDIT FACILITIES

WSP has in place a US$1,400-million credit facility with a syndicate of financial institutions comprised of:

- a senior unsecured non-revolving term loan of US$200.0 million expiring on December 18, 2022; and
- a senior unsecured revolving credit facility to a maximum amount of US$1,200.0 million with a maturity date of April 13, 2027.

The amount available under the US$1,400-million credit facility was $1,424.7 million as at April 2, 2022.

WSP has in place a US$750-million credit facility. As at April 2, 2022 this committed credit facility has been fully drawn in the form of term loans with various maturity dates up to April 2025.

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

SENIOR UNSECURED NOTES

On April 19, 2021, WSP issued senior unsecured notes at par for aggregate gross proceeds of $500 million, due April 19, 2028 (the "Notes"). The Notes bear interest at a fixed rate of 2.408% per annum, payable semiannually until maturity on the 19th day of April and October in each year.

The Notes are senior unsecured obligations of WSP, ranked pari passu with all other unsecured and unsubordinated indebtedness of WSP, issued pursuant to a Trust Indenture, as supplemented by a first supplemental indenture, each dated April 19, 2021.

14 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, 2021	113,534,451	3,394.2
Shares issued related to private placements	3,333,898	300.8
Shares issued under the Dividend Reinvestment Plan (DRIP)	696,892	92.6
Shares issued upon exercise of stock options	217,774	13.8
Costs related to public bought deals and private placements of previous periods	—	(0.2)
Balance as at December 31, 2021	117,783,015	3,801.2
Shares issued under the DRIP (note 16)	133,471	22.8
Shares issued upon exercise of stock options	9,238	0.8
Balance as at April 2, 2022	117,925,724	3,824.8

On January 14, 2021, the Corporation closed a private placement subscription receipt financing. The Corporation issued an aggregate of 3,333,898 subscription receipts (the "Subscription Receipts") from treasury at a price of $92.98 per Subscription Receipt by way of a private placement to each of GIC and BCI, for aggregate gross proceeds of approximately $310.0 million.

Upon completion of the Golder Acquisition on April 7, 2021, each of GIC and BCI received one common share of WSP for each Subscription Receipt held, plus an amount per common share equal to any dividend payable by WSP on the common shares between the date of issuance of the Subscription Receipts and the closing of the Golder Acquisition.

As at April 2, 2022, no preferred shares were issued.

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

15 CAPITAL MANAGEMENT

The Corporation's primary objectives when managing capital structure are as follows:

- maintain financial flexibility in order to meet financial obligations, to provide dividends, to execute growth plan and to continue growth through business acquisitions;
- manage the Corporation's activities in a responsible way in order to provide an adequate return for its shareholders; and
- comply with financial covenants required under the credit facilities.

One way the Corporation monitors its capital structure is by using the consolidated net debt to consolidated adjusted EBITDA ratio. This ratio is used to determine what the maximum debt level could be.

As at	April 2, 2022	December 31, 2021
Long-term debt[1]	1,762.5	1,776.7
Less: Cash and cash equivalents (note 17)	(691.1)	(927.4)
Net debt	1,071.4	849.3

For the trailing twelve-month period ended	April 2, 2022	December 31, 2021
Adjusted EBITDA	1,406.1	1,322.5
Net debt to adjusted EBITDA ratio	0.8	0.6

(1) Including current portion.

16 DIVIDENDS

On March 9, 2022, the Corporation declared a dividend of $0.375 per share, paid on April 18, 2022, to shareholders of record on March 31, 2022. The total amount of the dividend payable for the first quarter was $44.2 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 9, 2021, $22.8 million was reinvested in 133,471 common shares under the DRIP during the three-month period ended April 2, 2022.

Subsequent to the end of the quarter, on April 18, 2022, $21.9 million of the first quarter dividend was reinvested in 140,926 additional common shares under the DRIP, issued at a discount of 2.0%.

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

17 STATEMENTS OF CASH FLOWS

CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT

As at	April 2, 2022	December 31, 2021
	$	$
Cash on hand and with banks	691.1	927.4
Less: Bank overdraft (note 13)	(1.7)	(1.1)
Cash and cash equivalents, net of bank overdraft	689.4	926.3

ADJUSTMENTS

For the three-month periods ended	April 2, 2022	March 27, 2021
	$	$
Depreciation and amortization	133.4	109.4
Share of income of associates and joint ventures, net of tax	(5.3)	(2.4)
Defined benefit pension scheme expense	2.3	3.4
Cash contribution to defined benefit pension schemes	(3.1)	(2.3)
Foreign exchange and non-cash movements	(2.0)	(7.6)
Gains on disposal of non-core assets	—	(4.4)
Other	(11.5)	0.7
	113.8	96.8

CHANGE IN NON-CASH WORKING CAPITAL ITEMS

For the three-month periods ended	April 2, 2022	March 27, 2021
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	50.7	0.8
Costs and anticipated profits in excess of billings	(215.4)	(64.3)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(155.1)	58.6
Billings in excess of costs and anticipated profits	20.3	(31.9)
	(299.5)	(36.8)