WSP GLOBAL INC.

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE-MONTH PERIOD ENDED APRIL 1, 2023

May 10, 2023

WSP GLOBAL INC.
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	April 1, 2023	April 2, 2022
	$	$
Revenues (note 5)	**3,489.5**	**2,711.8**
Personnel costs	2,014.4	1,599.1
Subconsultants and direct costs	822.4	611.8
Other operational costs	247.9	186.2
Depreciation of right-of-use assets (note 9)	76.1	71.0
Amortization of intangible assets	60.0	33.7
Depreciation of property and equipment	29.8	28.7
Acquisition, integration and reorganization costs (note 6)	23.6	20.8
ERP implementation costs (note 6)	18.3	10.1
Exchange loss (gain)	3.5	(1.5)
Share of income of associates and joint ventures, net of tax	(6.4)	(5.3)
Earnings before net financing expense and income taxes	**199.9**	**157.2**
Net financing expense (note 7)	45.6	27.1
Earnings before income taxes	**154.3**	**130.1**
Income tax expense	40.9	34.5
Net earnings	**113.4**	**95.6**
Net earnings attributable to:		
Shareholders of WSP Global Inc.	112.5	95.0
Non-controlling interests	0.9	0.6
	113.4	**95.6**
Basic net earnings per share attributable to shareholders	0.90	0.81
Diluted net earnings per share attributable to shareholders	0.90	0.80
Basic weighted average number of shares	124,531,822	117,893,068
Diluted weighted average number of shares	124,853,450	118,216,762

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 the three-month periods ended	April 1, 2023	April 2, 2022
	$	$
Net earnings	113.4	95.6
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments	4.5	(64.7)
Translation adjustments on financial instruments designated as a net investment hedge	(2.3)	22.1
(Loss) gain on financial instruments designated as a cash flow hedge	(5.6)	12.9
Income tax (expense) recovery on items that may be reclassified subsequently to net earnings	2.5	(4.1)
Items that will not be reclassified to net earnings		
Actuarial gain (loss) on pension schemes	(7.7)	15.7
Exchange differences on pension schemes	(0.3)	1.2
Income tax recovery (expense) on pension schemes	1.9	(3.0)
Total comprehensive income for the period	**106.4**	**75.7**
Comprehensive income attributable to:		
Shareholders of WSP Global Inc.	105.5	75.1
Non-controlling interests	0.9	0.6
	106.4	**75.7**

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

WSP GLOBAL INC.
INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (UNAUDITED)

(in millions of Canadian dollars)

As at	April 1, 2023	December 31, 2022
Assets	**$**	**$**
Current assets		
Cash and cash equivalents (note 14)	321.7	495.6
Trade receivables and other receivables	2,435.3	2,625.8
Cost and anticipated profits in excess of billings	1,835.0	1,626.2
Prepaid expenses	208.7	138.9
Other financial assets	114.8	108.2
Income taxes receivable	44.1	39.5
	4,959.6	5,034.2
Non-current assets		
Right-of-use assets (note 9)	949.9	978.9
Intangible assets	1,140.6	1,102.6
Property and equipment	422.2	398.9
Goodwill (note 10)	6,875.9	6,792.2
Deferred income tax assets	387.3	351.3
Other assets	186.1	183.6
	9,962.0	9,807.5
Total assets	**14,921.6**	**14,841.7**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	2,466.2	2,736.4
Billings in excess of costs and anticipated profits	985.9	973.1
Income taxes payable	254.5	260.4
Provisions	152.3	152.2
Dividends payable to shareholders	46.7	46.7
Current portion of lease liabilities (note 9)	264.7	273.0
Current portion of long-term debt (note 11)	242.0	173.4
	4,412.3	4,615.2
Non-current liabilities		
Long-term debt (note 11)	3,027.7	2,781.1
Lease liabilities (note 9)	823.1	856.8
Provisions	267.9	288.9
Retirement benefit obligations	170.5	162.3
Deferred income tax liabilities	134.8	128.3
	4,424.0	4,217.4
Total liabilities	**8,836.3**	**8,832.6**
Equity		
Equity attributable to shareholders of WSP Global Inc.	6,081.3	6,006.0
Non-controlling interests	4.0	3.1
Total equity	**6,085.3**	**6,009.1**
Total liabilities and equity	**14,921.6**	**14,841.7**

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 (loss)	Total	Non-controlling interests	Total equity
	$	$	$	$	$	$	$
Balance - January 1, 2023	**4,784.4**	**212.4**	**959.5**	**49.7**	**6,006.0**	**3.1**	**6,009.1**
Comprehensive income							
Net earnings	—	—	112.5	—	112.5	0.9	113.4
Actuarial loss on pension schemes, net of tax	—	—	—	(6.1)	(6.1)	—	(6.1)
Currency translation adjustments, net of tax	—	—	—	5.5	5.5	—	5.5
Net investment hedge, net of tax	—	—	—	(2.3)	(2.3)	—	(2.3)
Cash flow hedge, net of tax	—	—	—	(4.1)	(4.1)	—	(4.1)
Total comprehensive income	**—**	**—**	**112.5**	**(7.0)**	**105.5**	**0.9**	**106.4**
Common shares issued under the DRIP (note 12)	14.5	—	—	—	14.5	—	14.5
Exercise of stock options (note 12)	0.9	(0.1)	—	—	0.8	—	0.8
Stock-based compensation expense	—	1.2	—	—	1.2	—	1.2
Declared dividends to shareholders of WSP Global Inc.	—	—	(46.7)	—	(46.7)	—	(46.7)
	15.4	**1.1**	**(46.7)**	**—**	**(30.2)**	**—**	**(30.2)**
Balance - April 1, 2023	**4,799.8**	**213.5**	**1,025.3**	**42.7**	**6,081.3**	**4.0**	**6,085.3**

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 (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 12)	22.8	—	—	—	22.8	—	22.8
Exercise of stock options (note 12)	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)

For the three-month periods ended	April 1, 2023	April 2, 2022
	$	$
Operating activities		
Net earnings	113.4	95.6
Adjustments (note 14)	141.4	113.8
Net financing expense (note 7)	45.6	27.1
Income tax expense	40.9	34.5
Income taxes paid	(74.9)	(54.5)
Change in non-cash working capital items (note 14)	(291.0)	(299.5)
Cash outflows from operating activities	**(24.6)**	**(83.0)**
Financing activities		
Net proceeds (repayment) of long-term debt	146.5	(6.7)
Lease payments (note 9)	(94.7)	(81.4)
Net financing expenses paid, excluding interest on lease liabilities	(46.2)	(13.5)
Dividends paid to shareholders of WSP Global Inc.	(32.2)	(21.4)
Issuance of common shares, net of issuance costs (note 12)	0.8	0.7
Cash outflows from financing activities	**(25.8)**	**(122.3)**
Investing activities		
Net disbursements related to business acquisitions	(104.2)	(11.0)
Additions to property and equipment, excluding business acquisitions	(17.4)	(18.5)
Additions to identifiable intangible assets, excluding business acquisitions	(4.9)	(2.9)
Proceeds from sale of investment in an associate	1.2	—
Net investment increase in associates and joint ventures	(0.2)	—
Dividends received from associates	0.1	2.2
Net cash received on a loan to an associate	—	0.3
Proceeds from disposal of property and equipment	0.5	0.5
Net proceeds from disposal of businesses	—	1.5
Cash outflows from investing activities	**(124.9)**	**(27.9)**
Effect of exchange rate change on cash and cash equivalents	(1.0)	(3.7)
Change in net cash and cash equivalents	**(176.3)**	**(236.9)**
Cash and cash equivalents, net of bank overdraft - beginning of the period	491.0	926.3
Cash and cash equivalents, net of bank overdraft - end of period (note 14)	**314.7**	**689.4**

The accompanying notes are an integral part of these interim 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, Montréal, 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 10, 2023.

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, 2022, 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, 2022.

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.

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, 2023 to April 1, 2023 and the comparative first quarter results include the period from January 1, 2022 to April 2, 2022.

ACCOUNTING STANDARD AMENDMENTS EFFECTIVE IN 2023

The following amendments to existing standards were adopted by the Corporation on January 1, 2023 and had no impact on the Corporation's consolidated financial statements.

ACCOUNTING POLICIES AND ESTIMATES

In February 2021, the IASB issued narrow-scope amendments to *IAS 1 - Presentation of Financial Statements*, *IFRS Practice Statement 2 - Making Materiality Judgements* and *IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors.* The amendments require the disclosure of material, rather than significant, accounting policy information, define accounting estimates and clarify the distinction between changes in accounting policies from changes in accounting estimates.

INCOME TAXES

In May 2021, the IASB issued targeted amendments to *IAS 12 - Income Taxes*, which narrows the scope exemption when recognizing deferred taxes. In specified circumstances, entities are exempt from recognizing deferred income taxes when they recognize assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions where both assets and liabilities are recognized (and give rise to equal and offsetting temporary differences) such as leases and decommissioning obligations and that entities are required to recognize deferred income taxes on such transactions.

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, 2024, with earlier application permitted. The Corporation is assessing the potential impact of this amendment.

LONG-TERM DEBT COVENANTS

In October 2022, the IASB issued amendments to *IAS 1 - Presentation of Financial Statements*, which specify that for long-term debt with covenants to be complied with after the reporting date, such covenants do not affect the classification of debt as current or non-current at the reporting date, but do require disclosures in the notes to the financial statements. The amendments are effective for the Corporation's annual reporting period beginning on January 1, 2024, with earlier application permitted. The Corporation has concluded its current accounting policies are in line with the amended standard and therefore this amendment will have no impact on its consolidated financial statements.

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

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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, 2022.

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.

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 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 financing expenses, depreciation, amortization, impairment 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 1, 2023				
	Canada	**Americas**	**EMEIA**	**APAC**	**Total**
	$	**$**	**$**	**$**	**$**
Revenues	569.1	1,503.0	950.7	466.7	3,489.5
Less: Subconsultants and direct costs	(128.7)	(477.5)	(151.7)	(64.5)	(822.4)
Net revenues	440.4	1,025.5	799.0	402.2	2,667.1
Adjusted EBITDA by segment	79.4	173.9	122.7	66.5	442.5
Head office corporate costs					(29.2)
Depreciation and amortization					(165.9)
Acquisition, integration and reorganization costs					(23.6)
ERP implementation costs					(18.3)
Net financing expenses, excluding interest income					(47.9)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(3.3)
Earnings before income taxes					154.3

(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 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

5 REVENUES

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

	For the three-month period ended April 1, 2023				
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	142.0	671.1	399.7	238.8	1,451.6
Earth & Environment	281.8	551.0	176.2	95.0	1,104.0
Property & Buildings	91.5	155.7	291.6	117.1	655.9
Power & Energy	29.2	123.2	61.1	11.7	225.2
Industry	24.6	2.1	22.0	4.1	52.8
	569.1	1,503.1	950.6	466.7	3,489.5
Client category					
Public sector	210.7	846.4	470.8	263.4	1,791.3
Private sector	358.4	656.7	479.8	203.3	1,698.2
	569.1	1,503.1	950.6	466.7	3,489.5

(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 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

6 ACQUISITION, INTEGRATION AND REORGANIZATION COSTS AND ERP IMPLEMENTATION COSTS

	Three-months ended	
	April 1, 2023	April 2, 2022
	$	$
Business acquisition costs	0.9	0.5
Business integration costs	22.7	18.3
Restructuring and severance costs stemming from adjustments to cost structures	—	2.0
	23.6	20.8

Included in acquisition, integration and reorganization costs for the three-month period ended April 1, 2023 are employee benefit costs of $7.6 million ($2.0 million in the comparable period in 2022). Other than employee benefit costs, costs relate mainly to legal and professional fees and early contract termination costs.

Included in ERP implementation costs for the three-month period ended April 1, 2023 are employee benefit costs of $4.9 million ($3.0 million in the comparable period in 2022). Other than employee benefit costs, costs relate mainly to professional fees.

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

7 NET FINANCING EXPENSE

	Three-months ended	
	April 1, 2023	April 2, 2022
	$	$
Interest expense related to credit facilities and senior unsecured notes	40.7	9.0
Interest expense on lease liabilities	9.7	9.5
Net financing expense on pension obligations	1.6	0.9
Exchange loss on assets and liabilities denominated in foreign currencies	3.8	1.5
Unrealized gains on derivative financial instruments	(7.4)	(5.6)
Other interest and bank charges	4.9	4.2
(Gain) loss on investments in securities	(5.4)	7.9
Interest income	(2.3)	(0.3)
	45.6	27.1

8 FINANCIAL INSTRUMENTS

FAIR VALUE

The Corporation's senior unsecured notes are financial liabilities carried at amortized costs. As at April 1, 2023, the fair value of the senior unsecured notes, which is based on unadjusted quote prices (Level 1), was $447.2 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 1, 2023, the net fair market value loss of these forward contracts and options amounted to $10.0 million, and gains of $4.8 million were recorded in net earnings in the three-month period ended April 1, 2023. The largest hedged currency outstanding as at April 1, 2023 represents a nominal amount of $674.2 million US dollars.

The Corporation has interest rate swap agreements 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 1, 2023 amounted to $19.0 million and the change in fair value was recorded in other comprehensive income.

The Corporation has cross-currency interest rate swap agreements 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 1, 2023 amounted to $26.5 million and the change in fair value was recorded in other comprehensive income.

In the quarter ended April 1, 2023, the Corporation entered into cross-currency interest rate swap agreements to hedge the variability in multiple currencies to the Canadian dollar, as well as the variability in interest rates of multiple foreign currency-denominated debts. The cross-currency component and interest rate component of each of these financial instruments are bifurcated and each component designated as either a net investment hedge or cash flow hedge, respectively. The fair market value loss of these cross-currency interest rate swaps agreements as at April 1, 2023 amounted to $0.3 million and the change in fair value was recorded in other comprehensive income.

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

In the quarter ended April 1, 2023, the Corporation entered into interest rate collar agreements for a nominal amount of $300.0 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 collar agreements as at April 1, 2023 amounted to $0.3 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 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 and financing expense as an offset of the revaluation of the LTIP liability. As at April 1, 2023, the Corporation had hedges outstanding for 660,000 of its common shares, with total fair value gain of $4.4 million (for 780,000 shares, with a loss of $6.9 million as at December 31, 2022). In the first quarter ended April 1, 2023, mark-to-market variations on LTIP hedging instruments recorded in net earnings were a gain of $12.7 million, (gain of $16 million during the first quarter of 2022).

9 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	For the three-month period ended April 1, 2023			For the three-month period ended April 2, 2022		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of period	935.7	43.2	978.9	830.4	31.1	861.5
Additions through business acquisitions and measurement period adjustments	8.5	—	8.5	66.0	(0.1)	65.9
Additions	13.6	10.0	23.6	35.4	6.1	41.5
Lease renewals, reassessments and modifications	11.9	0.1	12.0	11.2	(1.3)	9.9
Depreciation expense	(70.5)	(5.6)	(76.1)	(67.3)	(3.7)	(71.0)
Utilization of lease inducement allowances	2.4	—	2.4	3.6	—	3.6
Exchange differences	0.5	0.1	0.6	(11.7)	(1.4)	(13.1)
Balance - End of period	902.1	47.8	949.9	867.6	30.7	898.3

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

LEASE LIABILITIES

	For the three-month period ended April 1, 2023			For the three-month period ended April 2, 2022		
	Real estate	**Equipment**	**Total**	**Real estate**	**Equipment**	**Total**
	$	**$**	**$**	**$**	**$**	**$**
Balance - Beginning of period	1,089.9	39.9	1,129.8	994.0	26.3	1,020.3
Additions through business acquisitions and measurement period adjustments	8.5	—	8.5	62.0	0.1	62.1
Additions	13.6	10.0	23.6	35.4	6.1	41.5
Lease renewals, reassessments and modifications	10.4	0.1	10.5	11.0	(1.1)	9.9
Interest expense on lease liabilities (note 7)	9.2	0.5	9.7	9.3	0.2	9.5
Payments	(88.5)	(6.2)	(94.7)	(77.5)	(3.9)	(81.4)
Exchange differences	0.4	—	0.4	(12.3)	(0.5)	(12.8)
Balance - End of period	1,043.5	44.3	1,087.8	1,021.9	27.2	1,049.1
Current portion of lease liabilities	245.5	19.2	264.7	255.7	13.3	269.0
Non-current portion of lease liabilities	798.0	25.1	823.1	766.2	13.9	780.1

10 GOODWILL

	April 1, 2023	**December 31, 2022**
	$	**$**
Balance – As at January 1	6,792.2	4,762.3
Goodwill resulting from business acquisitions	77.3	1,885.4
Measurement period adjustments	4.3	4.8
Exchange differences	2.1	139.7
Balance – As at end of period	6,875.9	6,792.2

In January 2023, WSP acquired BG Bonnard & Gardel Holding SA (“BG”), a Swiss engineering consulting firm, with offices also in France, Portugal and Italy. With approximately 700 professionals, BG offers consulting, engineering, and project management services in the infrastructure, building, water, environment, and energy sectors.

In January 2023, WSP acquired enstruct, a 75-employee structural engineering firm with offices in Sydney, Melbourne, and Brisbane, noted for designing and delivering quality building projects throughout Australia.

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

11 LONG-TERM DEBT

As at	April 1, 2023	December 31, 2022
	$	$
Borrowings under credit facilities	2,581.6	2,401.3
Senior unsecured notes	500.0	500.0
Bank overdraft	7.0	4.6
Other financial liabilities	181.1	48.6
	3,269.7	2,954.5
Current portion	242.0	173.4
Non-current portion	3,027.7	2,781.1

The table below presents the contractual maturities of long-term debt as at April 1, 2023. The amounts disclosed are contractual principal repayments and exclude interest payments.

	Carrying amount	Within 12 months	12 to 24 months	24 to 36 months	More than 36 months
	$	$	$	$	$
US$1.5-billion credit facility	214.4	—	—	214.4	—
US$1,750-million term loans	2,367.2	135.3	574.9	574.9	1,082.1
Senior unsecured notes	500.0	—	—	—	500.0
Bank overdraft	7.0	7.0	—	—	—
Other financial liabilities	181.1	99.7	25.7	20.1	35.6
	3,269.7	242.0	600.6	809.4	1,617.7

CREDIT FACILITIES

WSP has in place a US$1.5-billion credit facility with a syndicate of financial institutions comprised of:

- a senior unsecured revolving credit facility to a maximum amount of US$500.0 million maturing in April 2026; and
- a senior unsecured revolving credit facility to a maximum amount of US$1,000.0 million maturing in April 2028.

The amount available under the US$1.5-billion credit facility was $1,670.3 million (US$1,234.8 million) as at April 1, 2023.

WSP has in place a US$750-million credit facility. As at April 1, 2023 this committed credit facility has been fully drawn in the form of term loans with various maturity dates up to April 2025.

WSP has in place a fully-committed US$1.0-billion credit facility in the form of term loans with various tenors of up to 5 years. As at April 1, 2023, the US$1.0-billion credit facility was fully drawn.

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

SENIOR UNSECURED NOTES

WSP has $500 million of senior unsecured notes that mature on 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.

INTEREST-RATE HEDGING

The corporation uses a combination of interest swaps and fixed rate debt to hedge its exposure to interest rate fluctuations. As at April 1, 2023, 32% of the Corporation's long-term debt is fixed either through the usage of interest rate swaps and/or fixed rate debt.

12 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, 2022	117,783,015	3,801.2
Shares issued related to bought deal public offering	3,031,400	445.9
Shares issued related to private placements	3,032,550	446.1
Shares issued under the Dividend Reinvestment Plan (DRIP)	584,457	89.2
Shares issued upon exercise of stock options	22,295	2.0
Balance as at December 31, 2022	124,453,717	4,784.4
Shares issued under the DRIP	88,319	14.5
Shares issued upon exercise of stock options	6,045	0.9
Balance as at April 1, 2023	124,548,081	4,799.8

Preferred Shares

As at April 1, 2023, 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)

13 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 1, 2023	December 31, 2022
Long-term debt[1]	3,269.7	2,954.5
Less: Cash and cash equivalents (note 14)	(321.7)	(495.6)
Net debt	2,948.0	2,458.9

For the trailing twelve-month period ended	April 1, 2023	December 31, 2022
Adjusted EBITDA	1,618.9	1,530.2
Net debt to adjusted EBITDA ratio	1.8	1.6

(1) Including current portion.

14 STATEMENTS OF CASH FLOWS

CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT

As at	April 1, 2023	December 31, 2022
	$	$
Cash on hand and with banks	321.7	495.6
Less: Bank overdraft (note 11)	(7.0)	(4.6)
Cash and cash equivalents, net of bank overdraft	314.7	491.0

ADJUSTMENTS

For the three-month periods ended	April 1, 2023	April 2, 2022
	$	$
Depreciation and amortization of long-lived assets	165.9	133.4
Share of income of associates and joint ventures, net of tax	(6.4)	(5.3)
Defined benefit pension scheme expense	3.0	2.3
Cash contribution to defined benefit pension schemes	(2.3)	(3.1)
Foreign exchange and non-cash movements	(5.1)	(2.0)
Other	(13.7)	(11.5)
	141.4	113.8

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

CHANGE IN NON-CASH WORKING CAPITAL ITEMS

For the three-month periods ended	April 1, 2023	April 2, 2022
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	242.2	50.7
Costs and anticipated profits in excess of billings	(184.6)	(215.4)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(343.2)	(155.1)
Billings in excess of costs and anticipated profits	(5.4)	20.3
	(291.0)	(299.5)

15 SUBSEQUENT EVENTS

Subsequent to the end of the quarter, in April 2023, WSP entered into an agreement to acquire Calibre Professional Services One Pty Ltd ("Calibre") for aggregate consideration of AUD 275 million (approximately $250 million), payable upon closing. Calibre is an engineering services provider in Australia, focused on rail, infrastructure, rehabilitation, and renewable projects supporting blue-chip mining clients, with a workforce of approximately 800 professionals. The transaction is subject to customary closing conditions, including obtaining approval from the Foreign Investment Review Board in Australia.

Subsequent to the end of the quarter, in May 2023, WSP acquired LGT Inc. ("lgt"), a Quebec-based building engineering firm with over 150 employees. lgt provides advisory services in the areas of mechanical engineering, electricity, sustainable development, structural, and civil engineering.

Subsequent to the end of the quarter, on May 10, 2023, the Board of Directors of the Corporation (the "Board") declared a quarterly dividend of $0.375 per common share of the Corporation, payable on or about July 15, 2023, to shareholders of record as at the close of business on June 30, 2023. The final aggregate amount of the dividend payment will depend on the number of issued and outstanding common shares at the close of business on June 30, 2023, and has not been recognized as a liability as at April 1, 2023.

On May 10, 2023, the Board approved the termination of the DRIP in accordance with its terms, effective May 10, 2023 (the "Effective Date"). Upon the termination of the DRIP, all cash dividends or distributions on the Corporation's common shares with a record date for payment of such dividend or distribution after the Effective Date will be paid in cash rather than in shares of the Corporation.