UNLOCKING Possibilities

2023 ANNUAL REPORT

On the Cover
The Spiral, also known as 66 Hudson Boulevard in Manhattan, New York, USA. See page 15.
Image courtesy of Tishman Speyer.

This annual report is an interactive PDF and is designed to be viewed with Adobe Reader and an Internet connection. The report can also be viewed offline, but any external links will not be accessible.

What We Stand For

Our teams bring global expertise to their local communities, dare to challenge the status quo, collaborate with and learn from others, and are empowered to turn challenges into opportunities.

OUR PURPOSE

We exist to future-proof our cities and environments

OUR BELIEF

For societies to thrive, we believe that we must all hold ourselves accountable for tomorrow

OUR GUIDING PRINCIPLES

We value our people and our reputation

We are locally dedicated with international scale

We are future-focused and challenge the status quo

We foster collaboration in everything we do

We have an empowering culture and hold ourselves accountable

Chairman's Message

I am very pleased to share that 2023 was a strong year for WSP. Our company continued to demonstrate the agility it needs to succeed and grow in a fast-changing environment.

Now that we have completed the second year of our 2022-2024 Global Strategic Action Plan, our performance remains on track and has even exceeded expectations on several levels. We continue to make excellent progress toward our ambitions, allowing us to enter the last year of our strategic cycle with confidence.

Once again, consistent and solid leadership in conscientiously serving our clients was the key to our success, supported by our experienced global management team and the wider workforce. On behalf of the Board, I wish to thank and congratulate WSP's leaders and our 66,500 employees worldwide for the integral role they play.

Our success is also derived from strengthening and expanding our diversified platform through acquisitions. Following the addition of John Wood plc's Environment and Infrastructure business and other companies in 2022, we have been focused on their integration into WSP. In 2023, we also maintained our growth momentum through four strategic acquisitions including Calibre in Australia, which strengthened our mining resources, and BG Consulting Engineers in Switzerland, which supported our European ambitions, expanded our market leadership and broadened our expertise.

As we continue to grow, vigilance regarding external forces is top of mind for the Board. In the current dynamic geopolitical context, the Board continues to take a proactive approach to risk management by demonstrating agility, foresight, and a comprehensive understanding of the potential implications for the business.

Similarly, trends such as artificial intelligence and digitization present both risks and opportunities. Thanks to our technological expertise, we are in a good position to leverage these innovations in a way that best serves our clients.

Of equal importance is our sustainability strategy. Our commitment to achieving our ambitious goals remains strong. In the past year, we garnered awards and recognition, including being named to the Dow Jones Sustainability North American Index.

The bold actions we are taking to build a sustainable future are a testament to our global leadership. For example, we are committed to providing sustainable future-focused services to our clients, and to achieving net zero emissions across our value chain by 2040.

Additionally, we continue to improve our programs for our people and increase our positive impact on the communities we serve. We have also enhanced our oversight of internal controls and processes for our Environmental, Social and Governance (ESG) program through the Audit Committee.

Our Board continues to enjoy the support of our stakeholders as it oversees a culture that places a strong emphasis on health and safety, inclusion, equity, diversity, and ethics, among other critical matters which underpin our performance culture.

As the world is dealing with climate change and the energy transition, WSP is poised to provide the sustainable solutions required and keep building a powerful and lasting legacy.

I would like to thank our Board members for their work and highlight the addition of Macky Tall and Claude Tessier, whose backgrounds and experience are sure to bring significant value.

I am incredibly proud and honoured to be WSP's Chairman. With the full backing of our leadership team, we have pledged to consistently deliver best-in-class professional services while playing a pivotal role in some of the world's most significant projects.

As we prepare for our next three-year strategic cycle, I feel confident that we have the leadership and experience we need to achieve our goals. I am grateful to our employees, clients, shareholders, investors, and other stakeholders for placing their trust in us as we work to build a more sustainable world for all.

CHRIS COLE
CHAIRMAN OF THE BOARD

> We continue to make excellent progress toward our ambitions, allowing us to enter the last year of our strategic cycle with confidence.

President and CEO's Message

2023 was an exciting and inspiring year for us at WSP. Our dedication and hard work have enabled us to build one of the most innovative engineering and professional services firms in the world.

This year, thanks to the leadership, passion, and rigour of our teams worldwide, and our strong operational execution, we met our financial ambitions, including solid organic growth and improved profitability.

We focused on diligently integrating the businesses acquired in previous years, the majority having been in our Earth & Environment sector, which welcomed 13,000 new employees in the past two years. We also completed four strategic acquisitions in 2023, including BG Consulting Engineers in Switzerland and Calibre in Australia. They have respectively strengthened our foothold in Europe and boosted our mining capabilities in a key Australian market. This ability to diversify our offering and seize market opportunities has fuelled our work intake, attesting to the growing demand for our services.

Our dedication and hard work have enabled us to build one of the most innovative engineering and professional services firms in the world.

People Are our Superpower

We recognize our people are our superpower and continue to support them to do the best work of their lives. In 2023, we introduced a significant level of transformation activities including the roll-out of a new ERP in Canada, and several initiatives to enhance our employee experience and be an even more agile WSP.

We remain committed to fostering a workplace culture that inspires collaboration, empowers individuals, and cultivates the importance of diversity, equity and inclusion. We are pleased to report that we achieved our goal of increasing internal progression and improving the representation of underrepresented groups.

Our engagement scores remain healthy, and we have reached our internal promotion objective with 75% of our leadership roles having been filled internally. This is a testament to our commitment to career development and succession planning.

Creating Enduring Legacies for our Clients and Communities

WSP is dedicated to creating lasting legacies for local communities across the globe. We are privileged to work with like-minded clients and partners who share our objective of building a more inclusive, equitable, and sustainable world. In 2023, approximately 63% of our annualized revenues were derived from activities that support the UN Sustainable Development Goals,[1] an increase relative to last year.

Our key initiatives and leadership in creating a more sustainable and resilient world continued to gain widespread industry recognition in the form of awards, rankings, and ratings. In the current context of energy transition, decarbonization, and aging infrastructure, there is a clear and growing need for our strategic expertise. WSP is well positioned to offer best-in-class services to our public and private-sector clients while reaping the benefits of stimulus programs deployed across our key geographies.

> In the current context of energy transition, decarbonization, and aging infrastructure, there is a clear and growing need for our strategic expertise.

1 Our SDG-Linked Revenues are unaudited and are based on mapping WSP's project taxonomy to services that align with the UN SDGs.

Reporting Strong Financial Performance

In fiscal 2023, we achieved strong financial performance, with net revenues reaching $11 billion, up 22% compared to 2022. We delivered $1.9 billion adjusted EBITDA and our adjusted EBITDA margin rose to 17.6%, up from 17.1% the previous year. We are making significant strides towards attaining our goal of 1 million hours saved globally through improvements and simplification. Market conditions remain healthy and we are on track to exceed our 2024 strategic financial ambitions.

Late last year, we enhanced our sustainability-linked financing structure to reflect the significant progress we have made over the past few years to advance our ESG strategy, set ambitious targets and broaden our scope of impact. We are grateful to all our investors for their support and commitment to our long-term strategic vision.

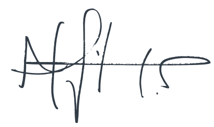
As we enter the last year of our three-year strategic plan, we will continue to focus on achieving our goals and leading our business with discipline. We will seek to unlock further opportunities, face challenges head-on, and we are already planning and preparing our next strategic cycle. We maintain our unwavering dedication to being distinguished as the undisputed leader in our industry.

Unlocking Possibilities

I am proud of our well-balanced business and exceptional team and am convinced that 2024 will bring a wealth of possibilities for us to keep transforming the world. While the macroeconomic and geopolitical environments are fluid, our business is well-diversified and resilient, and I trust in our ability to navigate with agility, vigilance, and discipline.

We remain steadfast in our efforts to create a more sustainable future for our teams, our clients, our communities, as well as for the industry as a whole. We have entered 2024 with renewed optimism and determination, and trust in our ability to develop solutions and deliver on our purpose.

I wish to extend my sincere thanks to our employees, clients, Board members, and shareholders for their trust and ongoing confidence in our company.



ALEXANDRE L'HEUREUX
GLOBAL PRESIDENT AND
CHIEF EXECUTIVE OFFICER

I am proud of our well-balanced business and exceptional team and am convinced that 2024 will bring a wealth of possibilities for us to keep transforming the world.

2023 Year in Review

In the second year of our 2022-2024 strategic cycle, we maintained our momentum and strengthened the foundations of our resilient business. We consistently garnered recognition for our market leadership and sustainability impacts.

JANUARY 31

WSP Completes Acquisitions of BG Consulting Engineers and enstruct

WSP acquired BG Bonnard & Gardel Holding SA, one of Switzerland's leading engineering consulting firms. The transaction added 700 professionals, strengthening WSP's foothold in Europe.

WSP also completed the acquisition of Enstruct Group Pty Ltd., a 75-employee structural and civil engineering firm in Australia.

MAY 3

WSP Acquires lgt

The acquisition of LGT Inc., a Quebec City-based building engineering firm, added 150 professionals and bolstered WSP's building services in the region.

MAY 5

WSP is Recognized by Environment Analyst for its Climate and ESG Impact Leadership

WSP is among the four out of 50 leading environmental firms that received a five-star rating for their climate and ESG impact leadership.

JUNE 8

WSP Completes the Acquisition of Calibre

The acquisition of Australian-based Calibre added 800 professionals to WSP's workforce, reinforcing its position as a leading provider of services across the full mining asset life cycle.

JUNE 15

WSP's Robust Ethics & Compliance Program Earns Recognition

WSP's commitment to maintaining a best-in-class ethics and compliance program garnered Ethisphere's coveted Compliance Leader Verification designation for the second time.

JUNE 28

WSP Ranks among Canada's Best 50 Corporate Citizens

WSP was recognized as one of Canada's Best 50 Corporate Citizens by Corporate Knights for the third year in a row. WSP's strong showing was accompanied by top scores in environmental metrics, sustainable investment and diversity.

2023

JULY 10

WSP Earns Three Sustainability Consulting Awards

WSP received three Sustainability Consulting Awards from Environment Analyst in recognition of its commitment to making a positive and sustainable impact on people, communities and the environment.

JULY 17

WSP Recognized as a Leader in Climate Change Consulting

WSP was named among the most prominent climate change consultants worldwide by Verdantix. WSP appeared in the Leaders' Quadrant as one of six firms demonstrating comprehensive climate change consulting capabilities.

AUGUST 7

WSP Sells Louis Berger Services

Louis Berger Services (LBS) was sold to Versar Inc. LBS specializes in operations and maintenance services for complex infrastructure assets at mission-essential defence and civilian facilities around the world.

AUGUST 24

WSP Maintains its Position as the World's No. 1 Design Firm

For the third consecutive year, WSP scored the No. 1 position in Engineering News-Record's annual list of the Top 225 International Design Firms.

SEPTEMBER 14

WSP Named to TIME's 2023 List of World's Best Companies

WSP was included in TIME's list of the world's best companies for 2023 as one of only four Canadian-based firms in the prestigious Top 100.

SEPTEMBER 27

WSP Included in Fortune's Annual Change the World List

WSP earned a spot in Fortune's 2023 Change the World list, which recognizes companies making a positive social impact through activities in line with their core business strategy.

DECEMBER 11

WSP Retains its Position as the Top Environmental & Sustainability Consulting Firm

WSP was recognized as the world's leading environmental and sustainability consulting firm in Environment Analyst's annual state of the industry report.

DECEMBER 19

WSP Included in the Dow Jones Sustainability North America Index

WSP earned a place in the Dow Jones Sustainability North America Index for the very first time. This industry standard recognizes the Top 20% sustainability performers among the 600 largest companies in the US and Canada based on long-term economic, environmental and social criteria.

WSP Today

REVENUES BY MARKET SECTOR

41%
Transportation & Infrastructure

33%
Earth & Environment

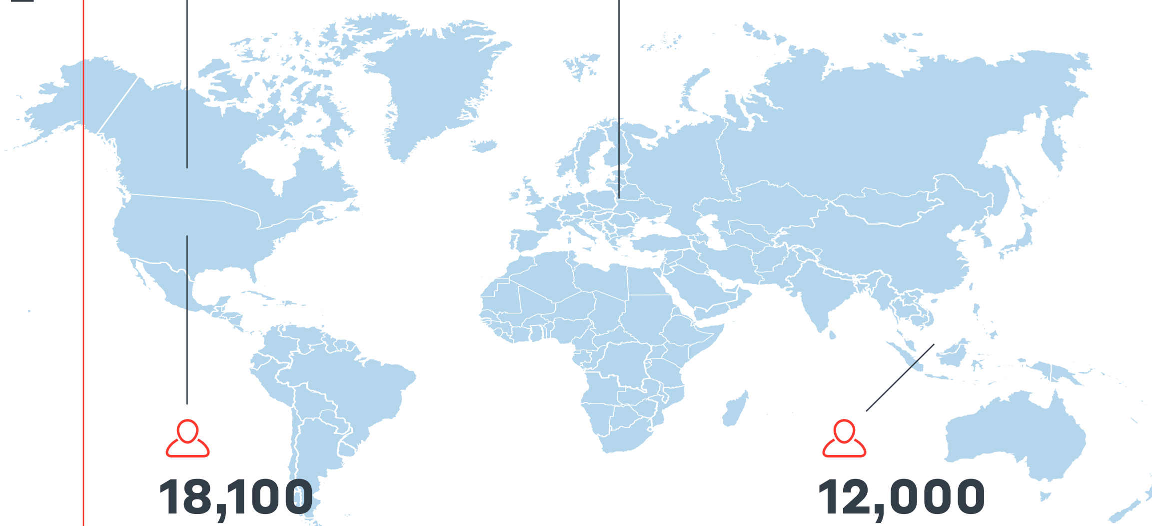
19%
Property & Buildings

7%
Power & Energy, Industry

For the year ended December 31, 2023.

EMPLOYEES BY REGION

66,500
Employees Worldwide



12,200
CANADA

24,200
EMEIA
EUROPE, MIDDLE EAST, INDIA AND AFRICA

18,100
AMERICAS
UNITED STATES AND LATIN AMERICA

12,000
APAC
ASIA PACIFIC

NET REVENUES BY REGION

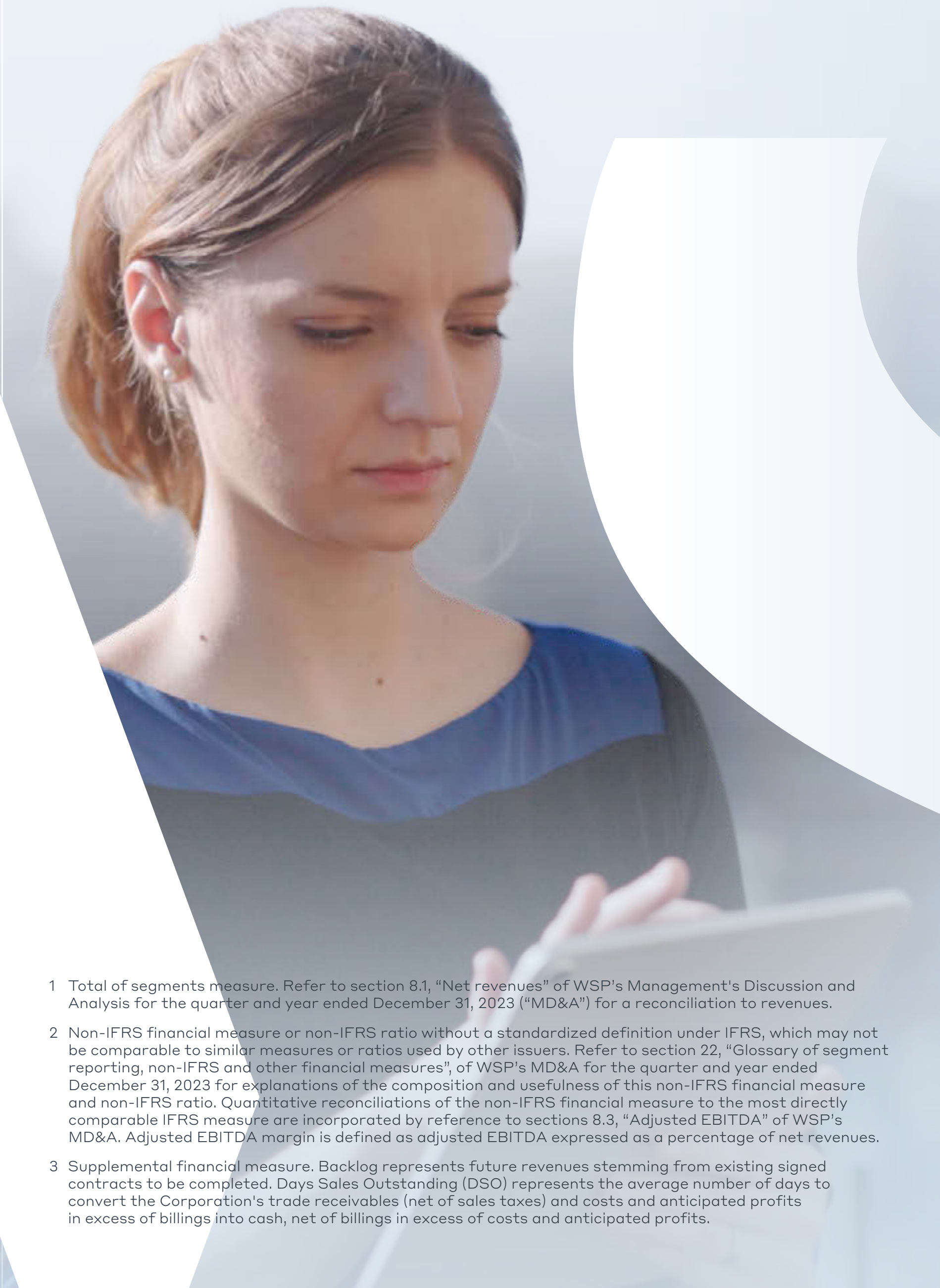
18%	CANADA
37%	AMERICAS[1]
29%	EMEIA[2]
16%	APAC[3]

As of December 31, 2023.

1 United States and Latin America.
2 Europe (including United Kingdom & Ireland, Central Europe, and Nordics), Middle East, India, and Africa.
3 Asia, Australia, and New Zealand.

Financial Highlights

We are pleased to report solid 2023 financial results. With strong organic growth in net revenues, improved margins, and record-high order intake, our performance is on track to meet our 2024 ambitions.



$14.44B
Revenues (CAD)

$10.90B
Net revenues[1] (CAD)

7.3%
Organic growth in net revenues

$550.0M
Net earnings attributable to shareholders (CAD)

$4.41
Basic net earnings per share attributable to shareholders (CAD)

$1.92B
Adjusted EBITDA[2] (CAD)

$947.5M
Earnings before net financing expense and income taxes (CAD)

17.6%
Adjusted EBITDA margin[2]

76
Days sales outstanding[3]

$14.1B
Backlog[3] (CAD)

1 Total of segments measure. Refer to section 8.1, “Net revenues” of WSP's Management's Discussion and Analysis for the quarter and year ended December 31, 2023 (“MD&A”) for a reconciliation to revenues.

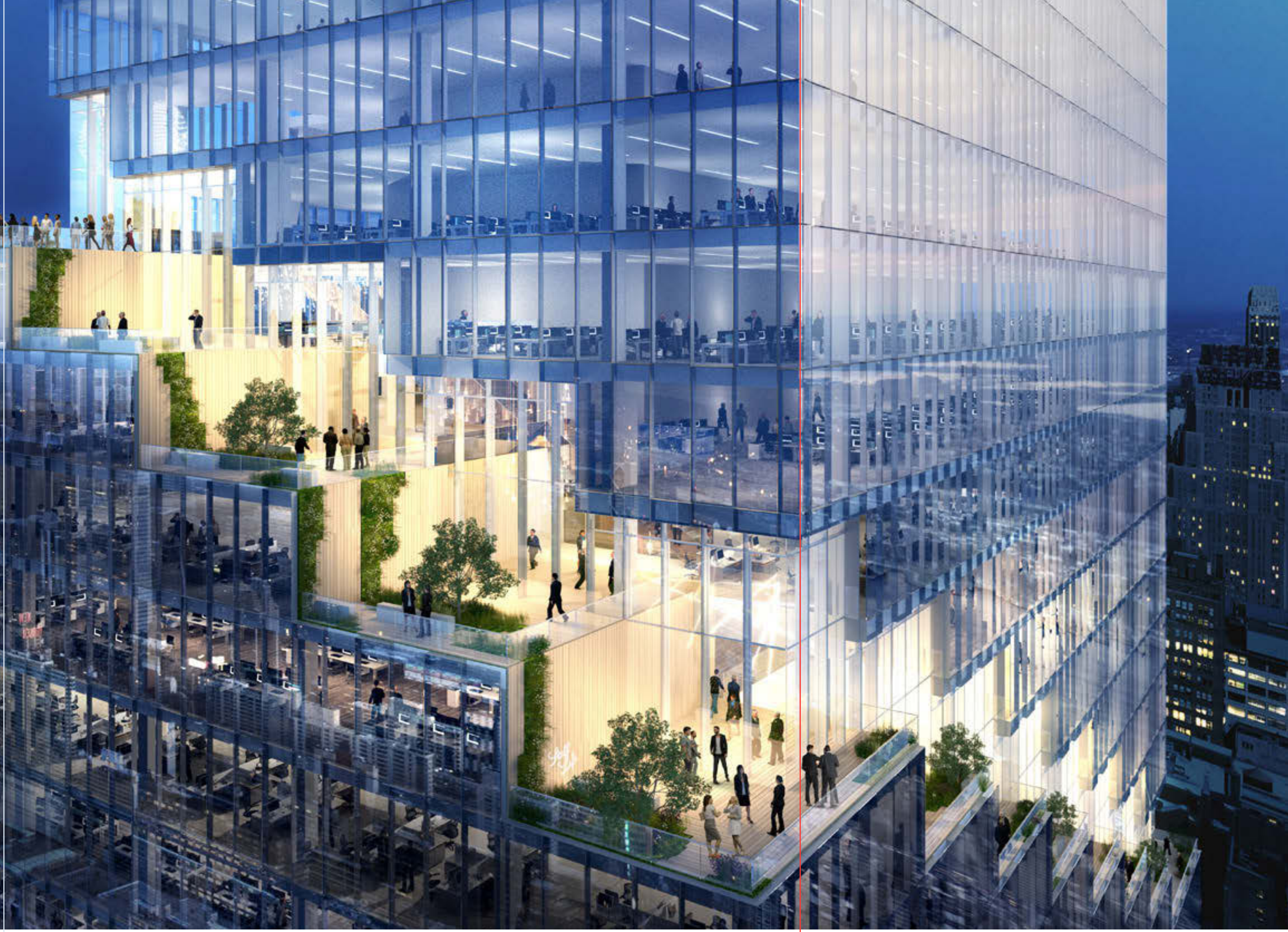
2 Non-IFRS financial measure or non-IFRS ratio without a standardized definition under IFRS, which may not be comparable to similar measures or ratios used by other issuers. Refer to section 22, “Glossary of segment reporting, non-IFRS and other financial measures”, of WSP's MD&A for the quarter and year ended December 31, 2023 for explanations of the composition and usefulness of this non-IFRS financial measure and non-IFRS ratio. Quantitative reconciliations of the non-IFRS financial measure to the most directly comparable IFRS measure are incorporated by reference to sections 8.3, “Adjusted EBITDA” of WSP's MD&A. Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues.

3 Supplemental financial measure. Backlog represents future revenues stemming from existing signed contracts to be completed. Days Sales Outstanding (DSO) represents the average number of days to convert the Corporation's trade receivables (net of sales taxes) and costs and anticipated profits in excess of billings into cash, net of billings in excess of costs and anticipated profits.

Our Projects

Our innovative projects are shaping tomorrow's communities and providing opportunities to contribute to a low-carbon world.

HERE IS A SELECTION OF OUR TRANSFORMATIVE PROJECTS FROM AROUND THE WORLD.



The Spiral offers a vision of the workplace of the future with a human-focused design that prioritizes health and well-being.

In terms of stand-out features, every floor of this 1,041-foot-tall skyscraper is structurally designed with the flexibility to remove slabs and introduce double-height atrium spaces that open onto “cascading” landscaped green terraces. Its open floorplates provide flexibility for tenants to help maximize leasing potential and provide uninterrupted views.

Thanks to wind tunnel testing commissioned by WSP, it was determined that wind loads were significantly lower than standard assumptions, enabling a more efficient structural design and significantly reducing the embedded carbon (since the steel frame and trusses are so strong, less material is needed in the building core).

Efficient project delivery was made possible through early-stage collaboration with constructors. WSP's engineers produced detailed computer models as part of an integrated, collaborative and time-saving process. This helped to meet a challenging completion deadline.

THE WORKPLACE OF THE FUTURE

THE SPIRAL
NEW YORK CITY, USA

WSP engineers designed The Spiral building to be future-ready, anticipating multiple-use changes over time.

FACT

DRIVING TRANSFORMATION WITH DIGITAL INTELLIGENCE

FREE-FLOW TOLLING SYSTEM
HONG KONG

WSP is deeply involved in the implementation of the fundamental data acquisition system (DAS) for Hong Kong's Free-Flow Tolling System, known as HKeToll. This comprehensive system covers six major toll tunnels owned by the government.

The project aims to enhance driving experiences and improve overall transportation efficiency, aligning with Hong Kong's smart mobility ambitions. The Free-Flow Tolling System will be rolled out in three phases, with full completion anticipated by 2025.

Tolls often create significant bottlenecks in densely populated areas like Hong Kong, where traffic congestion is a daily challenge. With the Free-Flow Tolling System, drivers no longer need to stop at toll booths, resulting in smoother traffic flow near tunnels. This advancement will also enhance fuel efficiency, maximize road capacity, and enhance user satisfaction.

To ensure the success of the project, WSP's experts have leveraged cutting-edge technologies such as radio frequency identification (RFID), automatic number plate recognition (ANPR), and light detection and ranging (LiDAR) technology. These technologies work in unison to facilitate accurate and efficient toll collection.

This smart project introduces a fully automated solution enabling electronic toll collection, eliminating the need for physical toll booths.

FACT

CLEAN ENERGY FOR A MILLION HOUSEHOLDS

POSEIDON OFFSHORE WIND FARM
SKAGERRAK, SWEDEN

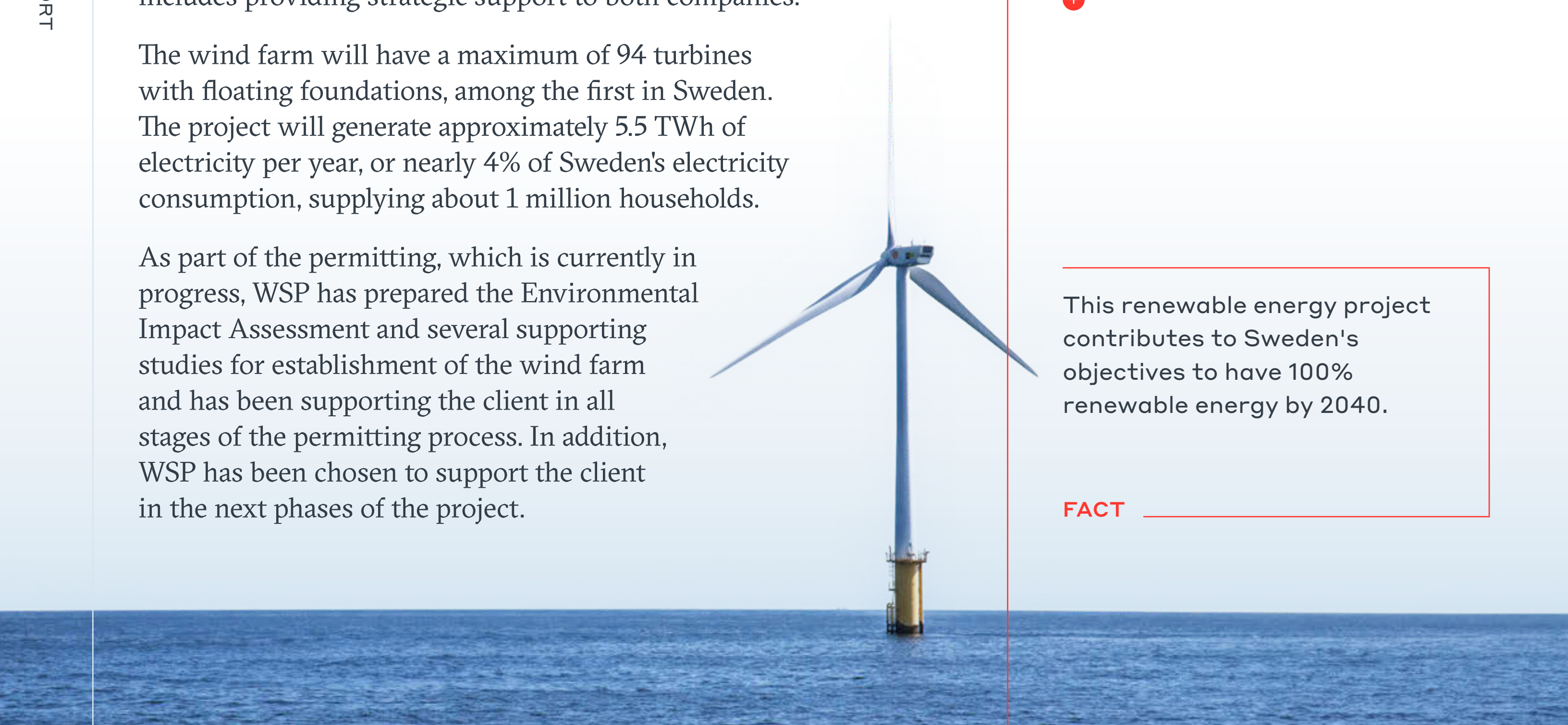
Vattenfall and Zephyr, two Nordic leaders in renewable energy, are planning an offshore wind farm off the west coast of Sweden, about 40 km northwest of Gothenburg - the Poseidon Offshore Wind Farm. WSP's mandate includes providing strategic support to both companies.

The wind farm will have a maximum of 94 turbines with floating foundations, among the first in Sweden. The project will generate approximately 5.5 TWh of electricity per year, or nearly 4% of Sweden's electricity consumption, supplying about 1 million households.

As part of the permitting, which is currently in progress, WSP has prepared the Environmental Impact Assessment and several supporting studies for establishment of the wind farm and has been supporting the client in all stages of the permitting process. In addition, WSP has been chosen to support the client in the next phases of the project.

This renewable energy project contributes to Sweden's objectives to have 100% renewable energy by 2040.

FACT



WSP is partnering with Atelier d'Urbanité Roland Castro (urban designers) and Snøhetta (architects) to revitalize Boulevard de la Croisette, Cannes' renowned waterfront thoroughfare.

The 19th century promenade has long been associated with the Cannes Film Festival and other international events. When the legendary boulevard – largely untouched since the 1960s – needed restoring, the City of Cannes embraced the opportunity to transform it into a more open, accessible and sustainable place.

Working closely with its client, WSP is using its Future Ready® approach to devise a broad range of solutions. To provide more shade in hot weather, umbrella pine trees will be planted throughout the boulevard, along with a specially designed shaded terrace at the new pavilion in Reynaldo Hahn Square. In addition, new bicycle paths will encourage social interaction and physical activity.

REVITALIZING A FAMOUS PROMENADE

BOULEVARD DE LA CROISETTE
CANNES, FRANCE

+

The design of the promenade aims to encourage social interaction and physical activity for health and well-being.

FACT

Future Ready® is registered in Canada, United States and New Zealand. WSP Future Ready (Logo)® Is registered in Europe, Australia and in the United Kingdom.


© DS Flexhal

EUROPE'S LARGEST LOGISTICS CENTRE

DSV HORSENS – SUSTAINABLE LOGISTICS, HORSENS, DENMARK

WSP is advising on a project initiated by DSV, the global transport and logistics company. The goal is to create a future-proof logistics centre leading to green savings and greater efficiency. The project will be built on a 761,000 m^2 site in the village of Lund near Horsens.

The new logistics centre—one of Europe's largest—will also be the continent's biggest single-tenant facility. WSP's team is ensuring that the project is designed and executed correctly in accordance with applicable regulations, standards and specifications.

Given the across-the-board sustainability of this project, an ambitious, state-of-the-art energy solution is also being developed, with rooftop photovoltaic panels, power systems well-suited to battery-powered buildings, and charging capacity for the electric trucks of the future.

The new sustainable logistics centre will create green savings and boost efficiency.

FACT

REVITALIZING THE MAPOCHO RIVER

MAPOCHO RIVER PARK
SANTIAGO, CHILE

Mapocho River Park (Parque Mapocho Río) aims to revitalize the southern bank of the Mapocho River in the Chilean capital of Santiago, positively impacting the lives of over 250,000 people and the city's image when arriving from the international airport. The community will benefit from a park featuring over 1,000 new trees of native species, including willows, quillayes and peumos, known for their low water consumption. For this project, WSP is providing technical and specialized support to ensure the safety and quality of the work carried out.

New amenities will include children's playgrounds, lagoons (one for water sports and another for wildlife conservation), two riverside access points, facilities for various sports, artificial soccer fields, multipurpose fields, a figure skating rink, skateparks, a free climb/bouldering area, water game plazas, an athletic track and numerous outdoor recreation opportunities throughout the landscaped grounds.

The project, comprising six stages, initiated construction in December 2020 and is in progress. To date, two stages have already been inaugurated. WSP's team has been supporting and advising the Metropolitan Housing and Urban Planning Department (Serviu Metropolitano) on technical evaluations, project management monitoring, layout planning/delivery, strategic discussions and decision-making.

Combined with existing parks, Mapocho River Park forms a continuous 34-km-long stretch of green space, measuring 230 hectares.

FACT


© Ministerio Vivienda y Urbanismo de Chile (Minvu)

By creating a safer roadway, WSP is helping the Province of British Columbia to make it easier to navigate a difficult section of the Trans-Canada Highway in the Rocky Mountains. Spanning a total of 26 kilometres, the Kicking Horse Canyon project has seen the highway's capacity doubled from two lanes to four, making it safer to navigate the difficult roadway.

Phase 4 of this multi-phase project, a 4.8-km section representing the grueling final stretch of the upgrade, was substantially completed in late 2023.

WSP has been working closely with Kicking Horse Canyon Constructors, the consortium responsible for the Phase 4 work, to navigate the project's many challenges. These include significant upgrades to hazard mitigation (designed to prevent avalanches), new wildlife protections (including exclusion fencing) and curve re-alignment on the short stretch of highway.

As the owner's engineer on the project since 2017, WSP has worked with its government partners to plan, procure, and implement these upgrades to the Trans-Canada Highway.

TAMING THE ROCKY MOUNTAINS

KICKING HORSE CANYON
BRITISH COLUMBIA, CANADA

The re-designed Kicking Horse Canyon segment of the Trans-Canada Highway prioritizes vehicle and pedestrian safety, and works to minimize the impact on wildlife in the region.

FACT

WSP helped to develop Los Angeles Metro's new Regional Connector, a 1.9-mile rail line linking three existing lines and providing seamless, one-seat journeys for Metro's customers. The new link opened in June 2023.

Three new stations were created: Little Tokyo/Arts District Station; Historic Broadway Station; and Grand Avenue Arts/Bunker Hill Station. The project also marks Metro's first use of high-speed elevators in a station instead of escalators.

WSP provided environmental and engineering services to the project owner from the early planning stages through to design and construction. In a joint venture with AECOM as the Connector Partnership, WSP also provided transportation planning, rail design and rail planning. We were also involved with architecture, mechanical/electrical engineering and transit systems, including traction power, communications and train control.

SEAMLESS COMMUTING IN LOS ANGELES

REGIONAL CONNECTOR
LOS ANGELES, USA

The Regional Connector facilitates the commute for 88,000 daily riders, thanks to improved connections and an enhanced transit experience.

FACT

© Thomas Graham

A SUSTAINABLE HERITAGE PARADISE

HANOVER SQUARE AND GARDENS
LONDON, UK

WSP led the design and project management components of the scheme to revitalize Hanover Square and Gardens in Westminster, near Oxford Circus. The main goals were to "bring nature back" while adopting sustainability and circular principles, enhancing climate resilience and contributing to heritage restoration. This major transformation was completed in 2023.

The extensive consultation process reinforced the importance of preserving and showcasing key cultural and historical assets, including prominent statues and retaining London's famous plane trees.

The creation of a "paradise" for visitors and businesses in and around the 300-year-old public square is designed to increase footfall, thus enhancing commercial and business performance in the area. Accessibility has been improved by embracing inclusive design principles, including pavement finishes, cycling infrastructure and all level changes.

WSP's multidisciplinary team included landscape architects and specialists in the fields of transport, ecology, drainage and civil engineering.

Key materials for the project were sourced locally within the UK and prized heritage assets were retained.

FACT

Glenroy Community Hub is the first public building in Australia to achieve the Passivhaus energy efficiency standard, under which the internal environment is isolated from the outside world. The hub houses a library, kindergarten and health clinic, which were all in need of refurbishment.

The new facility consolidates these services in a single building, offering new opportunities for recreation and lifelong learning. It also incorporates a heritage structure: one of the former classrooms has been transformed into a space for local youth, with a jam room, recording studio, makerspace and games centre.

The Hub has Living Building Challenge certification (regenerative design/Zero Energy certification), emphasizing its connection to nature. The challenge facing WSP's designers was how to reconcile these conflicting approaches. The solution was to design the Hub as separate but connected structures, devising ways to prevent conditioned air from escaping.

LOCAL TRANSFORMATION, WORLD-CLASS SUSTAINABILITY

GLENROY COMMUNITY HUB, MELBOURNE, AUSTRALIA

+

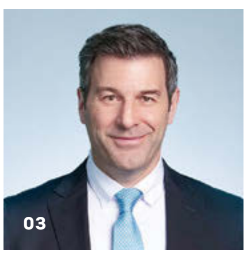
The heating, ventilation and air conditioning of Glenroy Community Hub can ramp up and down to meet stringent minimal energy standards and the demands of future climate extremes.

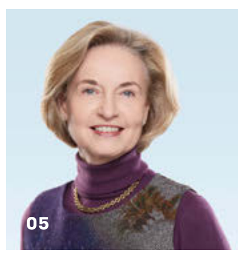
FACT

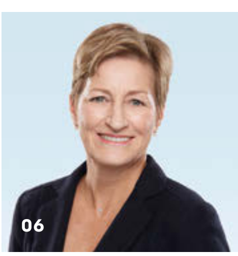
© Dianna Snape

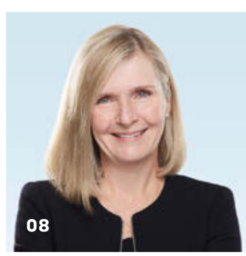
Corporate Governance

BOARD OF DIRECTORS









01
CHRISTOPHER COLE
CHAIRMAN AND MEMBER OF THE GOVERNANCE, ETHICS AND COMPENSATION COMMITTEE
Director since 2012
Independent
Professional Non-Executive Director

02
PIERRE SHOIRY
VICE CHAIRMAN
Director since 2006
Independent
Professional Non-Executive Director

03
ALEXANDRE L'HEUREUX
PRESIDENT AND CHIEF EXECUTIVE OFFICER, WSP GLOBAL INC.
Director since 2016
Non-independent

04
LOUIS-PHILIPPE CARRIÈRE
CHAIR OF THE AUDIT COMMITTEE
Director since 2017
Independent
Professional Non-Executive Director

05
BIRGIT NØRGAARD
MEMBER OF THE GOVERNANCE, ETHICS AND COMPENSATION COMMITTEE
Director since 2013
Independent
Professional Non-Executive Director

06
SUZANNE RANCOURT
MEMBER OF THE AUDIT COMMITTEE
Director since 2016
Independent
Professional Non-Executive Director

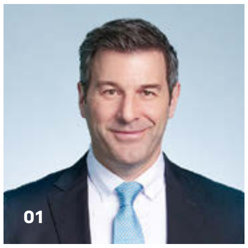
07
PAUL RAYMOND
MEMBER OF THE AUDIT COMMITTEE
Director since 2019
Independent
President and Chief Executive Officer, Alithya

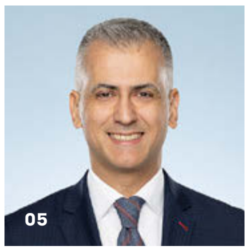
08
LINDA SMITH-GALIPEAU
CHAIR OF THE GOVERNANCE, ETHICS AND COMPENSATION COMMITTEE
Director since 2019
Independent
Professional Non-Executive Director

09
MACKY TALL
DIRECTOR
Director since 2023
Independent
Partner and Chair of Carlyle's Global Infrastructure Group

10
CLAUDE TESSIER
MEMBER OF THE AUDIT COMMITTEE
Director since 2023
Independent
Professional Non-Executive Director

GLOBAL LEADERSHIP TEAM





01
ALEXANDRE L'HEUREUX
PRESIDENT AND CHIEF EXECUTIVE OFFICER

02
MARC CHABOT
CHIEF GLOBAL CLIENTS OFFICER

03
PHILIPPE FORTIER
CHIEF LEGAL OFFICER AND CORPORATE SECRETARY

04
JULIANNA FOX
CHIEF ETHICS AND COMPLIANCE OFFICER

05
CHADI HABIB
CHIEF TECHNOLOGY OFFICER AND HEAD OF BUSINESS SOLUTIONS

06
ALAIN MICHAUD
CHIEF FINANCIAL OFFICER

07
GINO POULIN
CHIEF INFORMATION OFFICER

08
MARC RIVARD
GLOBAL SENIOR VICE PRESIDENT, OPERATIONAL PERFORMANCE

09
MEGAN VAN PELT
CHIEF HUMAN RESOURCES OFFICER

10
SANDY VASSIADIS
CHIEF COMMUNICATIONS OFFICER

11
KEVIN BEAUCHAMP
GLOBAL DIRECTOR, MINING

12
ANDRÉ-MARTIN BOUCHARD
GLOBAL DIRECTOR, EARTH AND ENVIRONMENT

13
ERIC PEISSEL
GLOBAL DIRECTOR, TRANSPORT AND INFRASTRUCTURE

14
TOM SMITH
GLOBAL DIRECTOR, PROPERTY AND BUILDINGS

15
IAN BLAIR
MANAGING DIRECTOR, NEW ZEALAND

16
LEWIS P. CORNELL
PRESIDENT AND CHIEF EXECUTIVE OFFICER, USA

17
MARIE-CLAUDE DUMAS
PRESIDENT AND CHIEF EXECUTIVE OFFICER, CANADA

18
GREG KANE
CHIEF EXECUTIVE OFFICER, AUSTRALIA

19
IVY KONG
CHIEF EXECUTIVE OFFICER, ASIA

20
DEAN MCGRAIL
CHIEF EXECUTIVE OFFICER, MIDDLE EAST

21
PETER MYERS
CHIEF EXECUTIVE OFFICER, LATIN AMERICA AND THE CARIBBEAN

22
MARK NAYSMITH
PRESIDENT AND CHIEF EXECUTIVE OFFICER, EUROPE, MIDDLE EAST AND AFRICA

23
ANNA-LENA ÖBERG-HÖGSTA
CHIEF EXECUTIVE OFFICER, NORDICS

2023 Management's Discussion & Analysis

WSP Global Inc.

For the fourth quarter and year ended December 31, 2023

TABLE OF CONTENTS

1 MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis ("MD&A") of the consolidated financial position and consolidated results of operations, dated February 28, 2024, is intended to assist readers in understanding WSP Global Inc. (together with its subsidiaries, the "Corporation" or "WSP") and its business environment, strategies, performance and risk factors. This MD&A should be read together with the Corporation's audited consolidated financial statements and accompanying notes for the year ended December 31, 2023. The Corporation's audited consolidated financial statements for the year ended December 31, 2023 have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB" and "IFRS"). All amounts shown in this MD&A are expressed in Canadian dollars, unless otherwise indicated. All quarterly information disclosed in this MD&A is based on unaudited figures.

This MD&A focuses on the Corporation's annual and quarterly results for the year and fourth quarter ended December 31, 2023. 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 fourth quarter results include the period from October 1, 2023 to December 31, 2023 and the comparative fourth quarter results include the period from October 2, 2022 to December 31, 2022.

In this MD&A, references to the "Corporation", "we", "us", "our" and "WSP" or "WSP Global" refer to WSP Global Inc. Depending on the context, this term may also include subsidiaries and associated companies.

2 NON-IFRS AND OTHER FINANCIAL MEASURES

The Corporation reports its financial results in accordance with IFRS as issued by the IASB. WSP uses a number of financial measures when assessing its results and measuring overall performance. Some of these financial measures are not calculated in accordance with IFRS. Regulation 52-112 respecting Non-GAAP and Other Financial Measures Disclosure ("Regulation 52-112") prescribes disclosure requirements that apply to the following types of measures used by the Corporation:

i. non-IFRS financial measures;
ii. non-IFRS ratios;
iii. total of segments measures;
iv. capital management measures; and
v. supplemental financial measures.

In this MD&A, the following non-IFRS and other financial measures are used by the Corporation: net revenues; total adjusted EBITDA by segment; total adjusted EBITDA margin by segment; adjusted EBITDA; adjusted EBITDA margin; adjusted net earnings; adjusted net earnings per share; backlog; free cash flow; days sales outstanding ("DSO"); and net debt to adjusted EBITDA ratio. These measures are defined in section 22, "Glossary of segment reporting, non-IFRS and other financial measures" and reconciliations to IFRS measures can be found in section 8, "Financial Review" and section 9, "Liquidity".

Management of the Corporation ("Management") believes that these non-IFRS and other financial measures provide useful information to investors regarding the Corporation's financial condition and results of operations as they provide additional key metrics of its performance. These non-IFRS and other financial measures are not recognized under IFRS, do not have any standardized meaning prescribed under IFRS and may differ from similarly-named measures as reported by other issuers, and accordingly may not be comparable. These measures should not be viewed as a substitute for the related financial information prepared in accordance with IFRS.

3 CORPORATE OVERVIEW

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 experts include advisors, engineers, environmental specialists, scientists, technicians, architects and planners, in addition to other design and program management professionals. With approximately 66,500 talented people globally, WSP is well positioned to deliver successful and sustainable projects, to meet clients' needs.

The Corporation's business model is centered on maintaining a leadership position in each of its end-markets and the regions in which it operates by establishing a strong commitment to, and recognizing the needs of, surrounding communities, as well as local and national clients. WSP offers a variety of professional services throughout all project execution phases, from the initial development and planning studies through to the project and program management, design, construction management, commissioning and maintenance phases.

Under this business model, the Corporation benefits from regional offices with a full-service offering. Functionally, sector and regional leaders work together to develop and coordinate markets served, combining local knowledge and relationships with nationally recognized expertise. The Corporation has developed a multidisciplinary team approach whereby employees work closely with clients to develop optimized solutions.

The Corporation believes it has the capability and the depth of expertise to transform clients' visions into realities that are sustainable in every sense - commercially, technically, socially and environmentally.

The market sectors in which the Corporation operates are described below.

- **Transportation & Infrastructure:** The Corporation's experts advise, plan, design and manage projects for rail, transit, aviation, highways, bridges, tunnels, water, maritime and urban infrastructure. Public and private sector clients, together with construction contractors and other partners, seek WSP's global expertise to undertake design services as well as create medium and long-term transportation and infrastructure strategies, and to provide guidance and support throughout the lifecycle of a wide range of projects and assets. WSP offers comprehensive, innovative and value-oriented solutions to assist clients in achieving their desired outcomes and takes great pride in solving clients' toughest problems. WSP offers a full range of services locally with extensive global experience and support to successfully deliver projects, helping clients overcome challenges and respond to emerging areas in new mobility, resiliency, decarbonization, social equity, digital project delivery, asset management and design.

- **Earth & Environment:** The Corporation has specialists working with and advising governments and private-sector clients on key aspects of earth sciences and environmental sustainability. WSP's experts advise on matters ranging from clean air, water and land, to biodiversity, green energy solutions, climate change and Environmental, Social and Governance ("ESG") issues. They provide specialized services to mining, oil and gas, power, industrial and transportation clients, all of whom operate in highly-regulated industries. The Corporation delivers a broad range of advisory and operational services, including due diligence, permit approvals, regulatory compliance, waste/hazardous materials management, geotechnical and mining engineering, environmental/ social impact assessments, feasibility and land remediation studies. WSP's reputation is built on helping clients worldwide mitigate risk, manage and reduce impacts and maximize opportunities related to sustainability, climate change, energy use, resource extraction and the environment. The Corporation is able to support its clients through the project life-cycle, from design, permitting, planning and operations, to decommissioning and asset remediation.

- **Property & Buildings:** WSP is a world-leading provider of technical and advisory services with a track record of delivering buildings of the highest quality. The Corporation is involved at every stage of the project life-cycle, from the business case, through design and construction, to asset management and refurbishment. The Corporation has teams of technical experts across the globe delivering engineering and consultancy services ranging from decarbonization strategies and digital building design to building engineering design and project management. The Corporation enables its clients to maximize the outcome of their projects across all sectors including commercial and residential, government and mobility, healthcare, science, technology and manufacturing, hospitality and entertainment.

- **Power & Energy:** The Corporation offers energy clients support on all kinds of projects, including large-scale power plants, clean energy investments like renewables, smaller on-site power generation and efficiency programs, energy transmission, storage and distribution. WSP's experts can advise and collaborate during every project stage, delivering full life-cycle solutions. From pre-feasibility studies and community engagement through operation and decommissioning, the Corporation aims to support clients' transition to cleaner, more efficient and sustainable energy.

- **Industry:** The Corporation operates in almost every industrial and manufacturing sector including food and beverage, pharmaceutical and biotechnology, aerospace, automotive, technology and chemicals. WSP's experts support industrial clients throughout the facility life-cycle, from siting and licensing, to procurement, construction management, engineering, process design, and productivity analysis. In addition, WSP provides operational and maintenance support during the facility's active life, as well as decommissioning services. The Corporation has a deep understanding of industrial and energy processes and incorporates automation capabilities, climate change resilience and ESG-driven metrics into its projects.

In addition to these sectors, the Corporation offers the highly specialized strategic advisory services listed below:

- **Planning and Advisory Services:** The Corporation helps clients throughout their journey from strategic planning to final project delivery. Combining technical talent and business acumen, WSP's team has a comprehensive understanding of market dynamics and expertise in areas such as finance, digital technology, economics, policy development, sustainability and risk. To stay competitive and effectively manage and develop their infrastructure and property assets, public and private sector clients are seeking access to more refined data and "lessons learned" from the Corporation. The Corporation provides local expertise and offers international benchmarks and best practice solutions based on its experience. WSP's team blends the technical skills of its global network with a results-oriented approach to provide effective and sustainable strategies that help to advance the communities where it is present.

- **Management Services:** The Corporation's professionals help clients to assess and define their goals, as well as to address the technical, environmental and commercial realities and challenges they face. WSP's integrated service offering also helps to forge strategic relationships with clients, who are supported throughout the project planning, implementation and commissioning stages, including during emergencies. Focusing on cost, on-time delivery, quality and safety, and applying best-in-class management processes and techniques, WSP can put together the right team from around the world to execute projects of varying sizes and complexity.

- **Technology and Sustainability Services:** The Corporation's professionals work throughout the project life cycle to design innovative solutions with a strong focus on change management and executive engagement. Major technological advancements are likely to improve the way we live, commute and travel, but they also shed new light on how property and infrastructure owners need to adapt to and embrace change. WSP's Technology Services experts use digital solutions and software to enhance engineering, infrastructure, building and environmental projects. In the face of challenges associated with population growth, resource demands and constraints, not to mention extreme weather events that impact community resiliency, the Corporation remains committed to integrating sustainability principles during the planning, design and management stages of all its projects.

4 FINANCIAL HIGHLIGHTS

	Fourth quarters ended		Years ended	
(in millions of dollars, except percentages, per share data, DSO and ratios)	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Revenues	$3,724.3	$3,560.8	$14,437.2	$11,932.9
Net revenues[(1)]	$2,756.0	$2,553.7	$10,897.0	$8,957.2
Earnings before net financing expense and income taxes	$211.0	$185.3	$947.5	$749.1
Adjusted EBITDA[(2)]	$524.9	$446.4	$1,921.3	$1,530.2
Adjusted EBITDA margin[(3)]	19.0 %	17.5 %	17.6 %	17.1 %
Net earnings attributable to shareholders of WSP Global Inc.	$130.6	$120.0	$550.0	$431.8
Basic net earnings per share attributable to shareholders	$1.05	$0.96	$4.41	$3.59
Adjusted net earnings[(2)]	$247.8	$209.3	$860.0	$692.6
Adjusted net earnings per share[(3)]	$1.99	$1.68	$6.90	$5.75
Cash inflows from operating activities	$776.6	$607.4	$986.3	$814.8
Free cash flow[(2)]	$610.3	$442.7	$433.1	$309.0

As at	**December 31, 2023**	**December 31, 2022**
Backlog[(4)]	$14,076.5	$13,006.5
Approximate number of employees	66,500	66,200
DSO[(4)]	76 days	73 days
Net debt to adjusted EBITDA ratio[(5)]	1.5	1.6

(1) Total of segments measure. Refer to section 8.1, "Net revenues" for a reconciliation to revenues.

(2) Non-IFRS financial measure without a standardized definition under IFRS, which may not be comparable to similar measures used by other issuers. Refer to sections 8.3, "Adjusted EBITDA", 8.8, "Adjusted net earnings", 9.1, "Operating activities and free cash flow", as well as section 22, "Glossary of segment reporting, non-IFRS and other financial measures", for quantitative reconciliations to the most directly comparable IFRS measures, as well as explanations of the composition and usefulness of these non-IFRS financial measures.

(3) Non-IFRS ratio without a standardized definition under IFRS, which may not be comparable to similar ratios used by other issuers. Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues. Adjusted net earnings per share is the ratio of adjusted net earnings divided by the basic weighted average number of shares outstanding for the period. Refer to section 22, "Glossary of segment reporting, non-IFRS and other financial measures" for references to the non-IFRS financial measures which are components of these non-IFRS ratios, and the use of these non-IFRS ratios.

(4) Supplemental financial measure. Backlog represents future revenues stemming from existing signed contracts to be completed. DSO represents the average number of days to convert the Corporation's trade receivables (net of sales taxes) and costs and anticipated profits in excess of billings, net of billings in excess of costs and anticipated profits, into cash.

(5) This capital management measure is the ratio of net debt to adjusted EBITDA for the trailing twelve-month period. Net debt is defined as long-term debt, including current portions but excluding lease liabilities, and net of cash.

5 EXECUTIVE SUMMARY

Strong 2023 performance with net revenues up 22% from healthy organic growth and recent strategic acquisitions. Adjusted EBITDA up 26% over 2022 resulting from strong growth and significantly improved adjusted EBITDA margin reaching 17.6%, up by 55 basis points ("bps") compared to 2022. Concluding positively a year of growth and consolidation, with continued robust market conditions evidenced by a record-high order intake of $15.1 billion in 2023.

Fourth quarter 2023 financial highlights

- Revenues and net revenues for the quarter reached $3.72 billion and $2.76 billion, up 4.6% and 7.9%, respectively, compared to the fourth quarter of 2022. Net revenue organic growth of 5.1% in the quarter is attributable to all reportable segments. Globally, net revenue organic growth would be approximately 6.5% when excluding the significantly lower level of activity in our emergency response services in the US.

- Adjusted EBITDA margin for the quarter increased by 150 bps to 19.0%, compared to 17.5% in the fourth quarter of 2022. The increase is mainly attributable to strong project performance and increased productivity.
- Adjusted EBITDA in the quarter grew to $524.9 million, compared to $446.4 million in the fourth quarter of 2022, an increase of 17.6%.
- Earnings before net financing expense and income taxes in the quarter stood at $211.0 million, up $25.7 million compared to the fourth quarter of 2022, mainly due to higher adjusted EBITDA.
- Adjusted net earnings for the quarter reached $247.8 million, up $38.5 million or 18.4%, compared to the fourth quarter of 2022. The increase is mainly attributable to a higher adjusted EBITDA, partially offset by higher interest on long-term debt.
- Net earnings attributable to shareholders for the quarter stood at $130.6 million, compared to $120.0 million in Q4 2022.
- Cash flows from operating activities increased 28% in the quarter, and free cash flow reached $610.3 million.
- Quarterly dividend declared of $0.375 per share, or $46.8 million.

Fiscal year 2023 financial highlights

- Revenues and net revenues increased by 21.0% and 21.7%, respectively, compared to 2022, growing to $14.44 billion and $10.90 billion, respectively, with net revenue reaching the high end of Management's revised outlook range for the year of $10.7 billion to $11.0 billion. The increase was due to healthy organic growth of 7.3%, which was achieved across all reportable segments, and to sizeable acquisition growth of 12.3%.
- Organic order intake reached a record high level of $15.1 billion for the year, resulting in backlog as at December 31, 2023 of $14.1 billion, representing 11.8 months of revenues,[1] up 8.2% in the year.
- Adjusted EBITDA margin increased to 17.6%, compared to 17.1% in 2022, mainly attributable to strong project performance and increased productivity.
- Adjusted EBITDA grew to $1.92 billion, up 25.6%, compared to $1.53 billion in 2022, reaching the high end of Management's revised outlook range of $1.90 billion to $1.93 billion.
- Earnings before net financing expense and income taxes stood at $947.5 million, up 26.5% compared to 2022, mainly due to increased adjusted EBITDA.
- Adjusted net earnings of $860.0 million, or $6.90 per share, increased by $167.4 million or $1.15 per share, compared to 2022. The respective increases of 24.2% and 20.0% in these metrics are mainly attributable to higher adjusted EBITDA, partially offset by higher interest on long-term debt.
- Net earnings attributable to shareholders reached $550.0 million, or $4.41 per share, up $118.2 million, or $0.82 per share, compared to 2022. The increase was mainly due to higher adjusted EBITDA, partially offset by impairment of long-lived assets resulting from ongoing optimizations as part of the Corporation's real estate strategy to review its footprint, realize synergies and reduce costs.
- DSO as at December 31, 2023 stood at 76 days, compared to 73 days as at December 31, 2022.

(1) Based on revenues for the trailing twelve-month period, incorporating a full twelve months of revenues for all acquisitions.

- Cash inflows from operating activities were $986.3 million compared to $814.8 million in 2022. Free cash flow was $433.1 million for the year, up 40.2% compared to $309.0 million in 2022. The improvement in free cash flow compared to 2022 was mainly attributable to the increase in adjusted EBITDA, partially offset by higher income taxes paid due to tax regulations in the US which delay the deductibility of certain expenses. Excluding the effect of the latter, free cash flow represents 1.1 times net earnings attributable to shareholders.
- Net debt to adjusted EBITDA ratio stood at 1.5x, within Management's target range of 1.0x to 2.0x.
- Full year dividend declared of $1.50 per share, or $186.9 million.

6 KEY EVENTS

The following are highlights from January 1, 2023 to February 28, 2024, the date of this MD&A for the fourth quarter and year ended December 31, 2023.

Acquisitions and divestiture

In January 2023, WSP acquired BG Bonnard & Gardel Holding SA (“BG”), one of Switzerland’s leading engineering consulting firms, with a strong presence in France, as well as a minor presence in 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 Group Pty Ltd (“enstruct”), a 75-employee structural engineering firm with offices in Sydney, Melbourne, and Brisbane, noted for designing and delivering building projects throughout Australia.

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.

In June 2023, WSP acquired Calibre Professional Services One Pty Ltd (“Calibre”) for an aggregate consideration of AUD 275.7 million ($245.1 million). Calibre is a leading 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.

These acquisitions were financed using WSP's available cash and credit facilities.

In August 2023, WSP sold Louis Berger Services, Inc. (“LBS”) to Versar Inc., a global engineering, environmental, and security services company. LBS specializes in operations and maintenance services for complex infrastructure assets at mission-essential defense and civilian facilities worldwide and employed approximately 1,400 people at the time of the divestiture.

Financing arrangement

On November 22, 2023, WSP completed a private placement of senior unsecured notes at par for aggregate gross proceeds of $500 million, due November 22, 2030 (the “Notes”). The Notes bear interest at a fixed rate of 5.548% per annum, payable semi annually until maturity on the 22nd day of May and November in each year beginning on May 22, 2024. The Notes were assigned rating of BBB (high), with a stable trend, by DBRS Morningstar. Proceeds from the Notes offering were used to repay existing indebtedness and for other general corporate purposes.

Leadership and Board announcements

In February 2023, Sandy Vassiadis joined WSP as Global Chief Communications Officer. Ms. Vassiadis is a seasoned communications executive specializing in public affairs, brand recognition and corporate social responsibility.

In May 2023, Mr. Macky Tall joined WSP's Board of Directors of the Corporation (the "Board"). Mr. Tall is a Partner and Chair of Carlyle's Global Infrastructure Group. He brings to the Board extensive senior management, financial and industry experience.

In December 2023, Mr. Claude Tessier joined WSP's Board and was appointed as a member of its Audit Committee. He brings to the Board extensive senior management, financial, and operational experience.

In November 2023, WSP announced that Lewis (Lou) Cornell, President and Chief Executive Officer, WSP in the USA, will retire in 2024. The process is underway to recruit Mr. Cornell's replacement.

DRIP termination

On May 10, 2023, the Board approved the termination of the Dividend Reinvestment Plan ("DRIP") of the Corporation in accordance with its terms. All cash dividends or distributions on the Corporation's common shares with a record date for payment after May 10, 2023, have been or will be paid in cash rather than in shares of the Corporation.

7 SEGMENT OPERATIONAL REVIEW

The Corporation's reportable segments are: Canada, Americas (USA and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising Australia, New Zealand and Asia). Segment performance is measured using net revenues and adjusted EBITDA by segment.

CANADA

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2023	**December 31, 2022**	**Variance**	**December 31, 2023**	**December 31, 2022**	**Variance**
Net revenues	$487.5	$438.4	11.2 %	$1,912.0	$1,585.2	20.6 %
Organic growth			9.5 %			6.8 %
Acquisition growth			1.7 %			13.8 %
Adjusted EBITDA by segment	$118.3	$91.9	28.7 %	$433.5	$347.9	24.6 %
Adjusted EBITDA margin by segment	24.3 %	21.0 %	330 bps	22.7 %	21.9 %	80 bps

As at	**December 31, 2023**	**December 31, 2022**	**Variance**
Backlog	$2,444.2	$2,304.8	6.0 %
Organic backlog growth in the year			5.1 %
Approximate number of employees	12,200	11,800	3.4 %

bps: basis points

Net revenues

In the quarter ended December 31, 2023, net revenues in Canada were $487.5 million, an increase of $49.1 million, or 11.2%, compared to the corresponding quarter in 2022. Organic growth and acquisition growth for the fourth quarter of 2023 were 9.5 % and 1.7 %, respectively.

In the year ended December 31, 2023, net revenues in Canada were $1.91 billion, an increase of $326.8 million, or 20.6%, compared to 2022. Organic growth and acquisition growth in the year were 6.8% and 13.8%, respectively. The year ended December 31, 2022 benefitted from the favourable impact of a significant change order on a project. Excluding the impact of the change order, organic growth in net revenues for 2023 stood at 7.3%.

Acquisition growth is due to the acquisition of the Environment & Infrastructure business ("E&I") of John Wood Group plc ("Wood") (the "E&I Acquisition") completed in September 2022 as well as the acquisition of LGT completed in May 2023.

In the year ended December 31, 2023, the Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 90% of net revenues and public sector clients accounted for 38% of net revenues.

Backlog

In 2023, backlog in Canada grew organically by 5.1%. The acquisition of LGT also contributed to the higher level of backlog.

Adjusted EBITDA margin

For both the quarter and the year ended December 31, 2023, adjusted EBITDA margin in Canada increased significantly mainly due to strong project performance and increased productivity. Notably, the first quarter of 2022 benefitted from the favourable impact of a significant change order on a project which accounted for approximately a 40 bps increase in the adjusted EBITDA margin in 2022. Excluding the impact of this change order in 2022, adjusted EBITDA margin in Canada in 2023 increased by 120 bps.

AMERICAS

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2023	**December 31, 2022**	**Variance**	**December 31, 2023**	**December 31, 2022**	**Variance**
Net revenues	$1,006.0	$986.1	2.0 %	$4,087.8	$3,256.4	25.5 %
Organic growth*			5.0 %			7.4 %
Acquisition growth*			—			15.5 %
Divestiture impact*			(4.4) %			(2.1) %
Foreign currency exchange impact**			1.4 %			4.7 %
Adjusted EBITDA by segment	$220.1	$211.1	4.3 %	$808.1	$644.7	25.3 %
Adjusted EBITDA margin by segment	21.9 %	21.4 %	50 bps	19.8 %	19.8 %	—

As at	**December 31, 2023**	**December 31, 2022**	**Variance**
Backlog	$6,473.3	$6,315.3	2.5 %
Organic backlog growth in the year			6.3 %
Approximate number of employees	18,100	20,500	(11.7) %

* Organic growth, acquisition growth and divestiture impact are calculated based on local currencies.
** Foreign currency exchange impact represents the foreign currency exchange component to convert net revenues in local currencies into the Canadian equivalent amount, net of organic growth, acquisition growth and divestiture impact.
bps: basis points

Net revenues

In the quarter ended December 31, 2023, net revenues in the Americas reportable segment were $1,006.0 million, largely stable compared to the corresponding quarter in 2022. Organic growth for the fourth quarter of 2023 was 5.0%, on a constant currency basis. Strong organic growth in the Transportation & Infrastructure market sector was partially offset by significantly lower demand for emergency response services due to less inspection activity. Excluding the impact of the latter, organic growth in the Americas would be 8.6% for the quarter.

In the year ended December 31, 2023, net revenues in the Americas reportable segment stood at $4.09 billion, an increase of $831.4 million, or 25.5%, compared to 2022. Organic growth and acquisition growth were 7.4% and 15.5%, respectively, both on a constant currency basis. Organic growth is predominantly driven by the Transportation & Infrastructure market sector. Acquisition growth mainly stems from the E&I Acquisition completed in September 2022.

The sale of LBS in August 2023 resulted in a divestiture impact of 4.4 % and 2.1 % in the quarter and year ended December 31, 2023, respectively.

In addition, in both the quarter and year ended December 31, 2023, the Americas segment benefitted from positive impacts of foreign exchange, principally due to the depreciation of the Canadian dollar against the US dollar.

In the year ended December 31, 2023, the Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 96% of net revenues and public sector clients accounted for 57% of net revenues.

Backlog

In 2023, backlog in the Americas reportable segment grew organically by 6.3%. Backlog also increased due to the depreciation of the Canadian dollar against the US dollar. Backlog growth was partially offset by divestiture impact following the sale of LBS in August 2023.

Adjusted EBITDA margin

In the quarter ended December 31, 2023, adjusted EBITDA margin for the Americas segment increased 50 bps, mainly due to improved productivity.

In the year ended December 31, 2023, adjusted EBITDA margin for the Americas segment remained stable as compared to 2022, as improvements in the US were offset by lower margins in Latin America largely due to ramp down of some projects.

EMEIA

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2023	**December 31, 2022**	**Variance**	**December 31, 2023**	**December 31, 2022**	**Variance**
Net revenues	$830.6	$738.5	12.5 %	$3,193.0	$2,651.1	20.4 %
Organic growth*			4.3 %			6.5 %
Acquisition growth*			4.6 %			10.7 %
Foreign currency exchange impact**			3.6 %			3.2 %
Adjusted EBITDA by segment	$138.2	$105.5	31.0 %	$489.9	$390.0	25.6 %
Adjusted EBITDA margin by segment	16.6 %	14.3 %	230 bps	15.3 %	14.7 %	60 bps

As at	**December 31, 2023**	**December 31, 2022**	**Variance**
Backlog	$3,542.3	$2,852.8	24.2 %
Organic backlog growth in the year			9.7 %
Approximate number of employees	24,200	22,500	7.6 %

* Organic growth and acquisition growth are calculated based on local currencies.
** Foreign currency exchange impact represents the foreign currency exchange component to convert net revenues in local currencies into the Canadian equivalent amount, net of organic growth, acquisition growth and divestiture impact.
bps: basis points

Net revenues

In the quarter ended December 31, 2023, net revenues in the EMEIA reportable segment were $830.6 million, an increase of $92.1 million, or 12.5%, compared to Q4 2022. Organic growth and acquisition growth for the fourth quarter of 2023 were 4.3% and 4.6 %, respectively, both on a constant currency basis.

In the year ended December 31, 2023, net revenues in the EMEIA operating segment stood at $3.19 billion, an increase of $541.9 million, or 20.4%, compared to 2022. Organic growth and acquisition growth were 6.5% and 10.7%, respectively, both on a constant currency basis.

Acquisition growth in the quarter and year includes the acquisition of BG Bonnard & Gardel Holding SA (“BG”) completed in January 2023. For the year, acquisition growth also includes the E&I Acquisition and the acquisition of Capita REI and GLH, both completed in September 2022, as well as the aquisition of BOD Arquitectura e Ingeniería (“BOD”) completed in June 2022.

In addition, in both the quarter and year ended December 31, 2023, the EMEIA segment benefitted from positive impacts of foreign exchange, principally due to the depreciation of the Canadian dollar against the pound sterling and the euro.

In the year ended December 31, 2023, the Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 91% of net revenues and public sector clients accounted for 58% of net revenues.

Backlog

In 2023, backlog in the EMEIA reportable segment grew organically by 9.7 %, mainly in the UK. Backlog also increased due to the acquisition of BG in January 2023, as well as the depreciation of the Canadian dollar, mainly against the pound sterling and the euro.

Adjusted EBITDA margin

In the quarter and year ended December 31, 2023, adjusted EBITDA margin for the EMEIA segment increased by 230 bps and 60 bps, respectively, as compared to the corresponding periods in 2022. The increases are mainly due to improved performance in the UK and Central Europe. Foreign exchange negatively impacted adjusted EBITDA margin variances by 40 bps and 50 bps in the quarter and the year, respectively.

APAC

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2023	**December 31, 2022**	**Variance**	**December 31, 2023**	**December 31, 2022**	**Variance**
Net revenues	$431.9	$390.7	10.5 %	$1,704.2	$1,464.5	16.4 %
Organic growth*			1.9 %			9.3 %
Acquisition growth*			8.9 %			6.9 %
Foreign currency exchange impact**			(0.3) %			0.2 %
Adjusted EBITDA by segment	$78.6	$69.7	12.8 %	$308.6	$267.1	15.5 %
Adjusted EBITDA margin by segment	18.2 %	17.8 %	40 bps	18.1 %	18.2 %	(10) bps
As at				**December 31, 2023**	**December 31, 2022**	**Variance**
Backlog				$1,616.7	$1,533.6	5.4 %
Organic backlog contraction in the year						(4.1) %
Approximate number of employees				12,000	11,400	5.3 %

* Organic growth and acquisition growth are calculated based on local currencies.
** Foreign currency exchange impact represents the foreign currency exchange component to convert net revenues in local currencies into the Canadian equivalent amount, net of organic growth, acquisition growth and divestiture impact.
bps: basis points

Net revenues

In the quarter ended December 31, 2023, net revenues in the APAC reportable segment were $431.9 million, an increase of $41.2 million, or 10.5%, when compared to the corresponding quarter in 2022. Organic growth and acquisition growth for the fourth quarter of 2023 were 1.9% and 8.9%, respectively, both on a constant currency basis.

In the year ended December 31, 2023, net revenues in the APAC reportable segment stood at $1.70 billion, an increase of $239.7 million, or 16.4%, when compared to 2022. Organic growth and acquisition growth were 9.3% and 6.9%, respectively, both on a constant currency basis.

The organic growth in the APAC reportable segment was driven by strong market conditions in Australia and New Zealand, partially offset by contraction in Asia mainly due to market slowdown in mainland China. Excluding the impact of Asia, the organic growth for the segment would be 6.3% and 14.3%, for the quarter and year respectively.

Acquisition growth in the quarter and year stems from the acquisitions of Enstruct Group Pty Ltd ("enstruct") in January 2023 and Calibre Professional Services One Pty Ltd ("Calibre") in June 2023. For the year, acquisition growth also includes the acquisition of Greencap Holdings Ltd ("Greencap") in August 2022.

In the year ended December 31, 2023, the Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 97% of net revenues and public sector clients accounted for 54% of net revenues.

Backlog

In 2023, backlog for the APAC segment increased 5.4 % mainly due to the acquisitions of enstruct and Calibre. Organic backlog contraction is mainly driven by difficult market conditions in China.

Adjusted EBITDA margin

In the quarter ended December 31, 2023, adjusted EBITDA margin for the APAC reportable segment increased by 40 bps mainly due to improved performance in most market sectors in Australia, partially offset by market slowdowns in China.

In the year ended December 31, 2023, adjusted EBITDA margin for the APAC reportable segment decreased by 10 bps, mainly due to non-recurring expenses, as well as lower performance resulting from difficult market conditions in China.

Excluding Asia, the increases in adjusted EBITDA margin for Australia and New Zealand combined, compared to the corresponding periods in 2022, would be 140 bps for the fourth quarter and 40 bps for the year.

8 FINANCIAL REVIEW

(in millions of dollars, except number of shares and per share data)	Fourth quarters ended December 31, 2023	Fourth quarters ended December 31, 2022	Years ended December 31, 2023	Years ended December 31, 2022
Revenues	**$3,724.3**	**$3,560.8**	**$14,437.2**	**$11,932.9**
Personnel costs	$2,010.6	$1,889.3	$8,047.1	$6,679.9
Subconsultants and direct costs	$968.3	$1,007.1	$3,540.2	$2,975.7
Other operational costs	$239.9	$229.0	$980.4	$794.0
Depreciation of right-of-use assets	$77.2	$77.6	$316.4	$288.5
Amortization of intangible assets	$58.7	$73.1	$221.7	$173.4
Depreciation of property and equipment	$39.7	$30.6	$135.1	$114.6
Impairment of long-lived assets	$81.7	$5.1	$87.1	$21.6
Acquisition, integration and reorganization costs	$26.3	$49.7	$105.0	$115.5
ERP implementation costs	$21.1	$19.4	$81.0	$49.9
Exchange loss (gain)	($1.2)	$1.0	$5.4	($5.3)
Share of income of associates and joint ventures, net of tax	($9.0)	($6.4)	($29.7)	($24.0)
Earnings before net financing expense and income taxes	**$211.0**	**$185.3**	**$947.5**	**$749.1**
Net financing expense	$47.4	$27.3	$202.6	$161.6
Earnings before income taxes	**$163.6**	**$158.0**	**$744.9**	**$587.5**
Income tax expense	$32.3	$37.6	$191.9	$152.8
Net earnings	**$131.3**	**$120.4**	**$553.0**	**$434.7**
Net earnings attributable to:				
Shareholders of WSP Global Inc.	$130.6	$120.0	$550.0	$431.8
Non-controlling interests	$0.7	$0.4	$3.0	$2.9
Basic net earnings per share attributable to shareholders	**$1.05**	**$0.96**	**$4.41**	**$3.59**
Diluted net earnings per share attributable to shareholders	**$1.05**	**$0.96**	**$4.40**	**$3.58**
Basic weighted average number of shares	124,647,422	124,426,229	124,603,768	120,400,365
Diluted weighted average number of shares	124,989,583	124,730,705	124,951,544	120,709,390

8.1 NET REVENUES

(in millions of dollars, except percentages)	Fourth quarters of 2023 vs 2022 Canada	Americas	EMEIA	APAC	Total
Net revenues - 2023	$487.5	$1,006.0	$830.6	$431.9	$2,756.0
Net revenues - 2022	$438.4	$986.1	$738.5	$390.7	$2,553.7
Net change %	11.2 %	2.0 %	12.5 %	10.5 %	7.9 %
Organic growth*	9.5 %	5.0 %	4.3 %	1.9 %	5.1 %
Acquisition growth*	1.7 %	—	4.6 %	8.9 %	3.1 %
Divestiture impact*	—	(4.4)%	—	—	(1.6)%
Foreign currency exchange impact**	—	1.4 %	3.6 %	(0.3)%	1.3 %
Net change %	11.2 %	2.0 %	12.5 %	10.5 %	7.9 %

* Organic growth, acquisition growth and divestiture impact are calculated based on local currencies.

** Foreign currency exchange impact represents the foreign currency exchange component to convert net revenues in local currencies into the Canadian equivalent amount, net of organic growth, acquisition growth and divestiture impact.

(in millions of dollars, except percentages and number of employees)	Fiscal years 2023 vs 2022 Canada	Americas	EMEIA	APAC	Total
Net revenues - 2023	$1,912.0	$4,087.8	$3,193.0	$1,704.2	$10,897.0
Net revenues - 2022	$1,585.2	$3,256.4	$2,651.1	$1,464.5	$8,957.2
Net change %	20.6 %	25.5 %	20.4 %	16.4 %	21.7 %
Organic growth*	6.8 %	7.4 %	6.5 %	9.3 %	7.3 %
Acquisition growth*	13.8 %	15.5 %	10.7 %	6.9 %	12.3 %
Divestiture impact*	—	(2.1)%	—	—	(0.6)%
Foreign currency exchange impact**	—	4.7 %	3.2 %	0.2 %	2.7 %
Net change %	20.6 %	25.5 %	20.4 %	16.4 %	21.7 %
	As at				
Approximate number of employees - December 31, 2023	12,200	18,100	24,200	12,000	66,500
Approximate number of employees - December 31, 2022	11,800	20,500	22,500	11,400	66,200
Net change %	3.4 %	(11.7)%	7.6 %	5.3 %	0.5 %

* Organic growth, acquisition growth and divestiture impact are calculated based on local currencies.
** Foreign currency exchange impact represents the foreign currency exchange component to convert net revenues in local currencies into the Canadian equivalent amount, net of organic growth, acquisition growth and divestiture impact.

During the fourth quarter of 2023, the Corporation achieved net revenues of $2.76 billion, up 7.9% compared to the fourth quarter of 2022. The increase was principally driven by organic growth of 5.1%, as well as acquisition growth of 3.1%. Net revenues grew organically across all reportable segments. Globally, net revenue organic growth would be approximately 6.5% when excluding the significantly lower level of activity in our emergency response services in the US. The sale of LBS in August 2023 resulted in a divestiture impact in the US. The overall positive impacts of foreign exchange are principally due to the depreciation of the Canadian dollar against the pound sterling, the US dollar and the euro.

In the year ended December 31, 2023, net revenues grew to $10.90 billion, an increase of 21.7% compared to 2022, reaching the high end of Management's revised outlook range for the year of $10.7 billion to $11.0 billion. The increase was principally due to healthy organic growth of 7.3% and sizeable acquisition growth of 12.3%. Net revenue grew organically across all reportable segments. The E&I Acquisition was the main driver of acquisition growth, while the sale of LBS in August 2023 resulted in a divestiture impact in the US. The overall positive impacts of foreign exchange are principally due to the depreciation of the Canadian dollar against the US dollar, the pound sterling and the euro.

In 2023, the increases in the number of employees in EMEIA, APAC and Canada were partially offset in the Americas by a reduction of approximately 1,400 employees due to the sale of LBS, as well as some project ramp downs in South America.

Refer to section 7, "Segment operational review" for further analysis of net revenues by segment.

Reconciliation of net revenues

The Corporation's financial performance and results should be measured and analyzed in relation to fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of the performance of the professional consulting services business.

	Fourth quarters ended		Years ended	
(in millions of dollars)	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Revenues	**$3,724.3**	**$3,560.8**	**$14,437.2**	**$11,932.9**
Less: Subconsultants and direct costs	$968.3	$1,007.1	$3,540.2	$2,975.7
Net revenues(1)	**$2,756.0**	**$2,553.7**	**$10,897.0**	**$8,957.2**

(1) Total of segments measure. Refer to section 22, "Glossary of segment reporting, non-IFRS and other financial measures".

8.2 BACKLOG

(in millions of dollars)	Canada	Americas	EMEIA	APAC	Total
Backlog, as at December 31, 2022	$2,304.8	$6,315.3	$2,852.8	$1,533.6	$13,006.5
Revenues	$(2,498.5)	$(6,024.8)	$(3,900.4)	$(2,013.5)	$(14,437.2)
Organic order intake	$2,615.2	$6,382.8	$4,175.6	$1,950.2	$15,123.8
Net order intake (reduction) through business acquisition or divestiture	$26.3	$(426.5)	$317.2	$135.0	$52.0
Foreign exchange movement	$(3.6)	$226.4	$97.1	$11.4	$331.3
Backlog, as at December 31, 2023	$2,444.2	$6,473.3	$3,542.3	$1,616.7	$14,076.5
Organic backlog growth in the year	5.1 %	6.3 %	9.7 %	(4.1)%	5.6 %

Solid markets growth lead to a record-high organic order intake for the year of $15.1 billion and a healthy level of backlog. Backlog as at December 31, 2023 totalled $14.1 billion, representing 11.8 months of revenues[(1)], up 8.2% over 2022. Organic growth in the year since December 31, 2022 was 5.6%, as order intake was strong in all key markets. Backlog contraction in the APAC reportable segment is mainly driven by difficult market conditions in China.

(1) Based on revenues for the trailing twelve-month period, incorporating a full twelve months of revenues for all acquisitions.

8.3 ADJUSTED EBITDA

	Fourth quarter ended December 31, 2023				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$487.5	$1,006.0	$830.6	$431.9	$2,756.0
Adjusted EBITDA by segment[(1)]	$118.3	$220.1	$138.2	$78.6	$555.2
Adjusted EBITDA margin by segment[(1)]	24.3%	21.9%	16.6%	18.2%	20.1%
Head office corporate costs					$30.3
Adjusted EBITDA[(2)]					$524.9

	Fourth quarter ended December 31, 2022				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$438.4	$986.1	$738.5	$390.7	$2,553.7
Adjusted EBITDA by segment[(1)]	$91.9	$211.1	$105.5	$69.7	$478.2
Adjusted EBITDA margin by segment[(1)]	21.0%	21.4%	14.3%	17.8%	18.7%
Head office corporate costs					$31.8
Adjusted EBITDA[(2)]					$446.4

	Year ended December 31, 2023				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$1,912.0	$4,087.8	$3,193.0	$1,704.2	$10,897.0
Adjusted EBITDA by segment[(1)]	$433.5	$808.1	$489.9	$308.6	$2,040.1
Adjusted EBITDA margin by segment[(1)]	22.7%	19.8%	15.3%	18.1%	18.7%
Head office corporate costs					$118.8
Adjusted EBITDA[(2)]					$1,921.3

(1) Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment, presented in the “total” column of the table, are total of segments measures.
(2) Non-IFRS financial measure.

(in millions of dollars, except percentages)	Year ended December 31, 2022 Canada	Americas	EMEIA	APAC	Total
Net revenues	$1,585.2	$3,256.4	$2,651.1	$1,464.5	$8,957.2
Adjusted EBITDA by segment[(1)]	$347.9	$644.7	$390.0	$267.1	$1,649.7
Adjusted EBITDA margin by segment[(1)]	21.9%	19.8%	14.7%	18.2%	18.4%
Head office corporate costs					$119.5
Adjusted EBITDA[(2)]					$1,530.2

(1) Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment, presented in the "total" column of the table, are total of segments measures.
(2) Non-IFRS financial measure.

Total adjusted EBITDA by segment and total adjusted EBITDA margin by segment stood at $555.2 million and 20.1%, respectively, for the fourth quarter ended December 31, 2023, compared to $478.2 million and 18.7%, respectively, for the corresponding quarter in 2022.

For the year ended December 31, 2023, total adjusted EBITDA by segment and total adjusted EBITDA margin by segment stood at $2.04 billion and 18.7%, respectively, compared to $1.65 billion and 18.4%, respectively, in 2022.

The variance explanations by segment are described in section 7, "Segment operational review".

Head office corporate costs for the fourth quarter ended December 31, 2023 stood at $30.3 million, lower than the comparable quarter in 2022 mainly due to lower expenses related to long-term incentive plans. Head office corporate costs for the year ended December 31, 2023 stood at $118.8 million, lower than in 2022 and within the range of Management's outlook for the year of $110.0 million to $125.0 million.

Reconciliation of adjusted EBITDA

Management analyzes the Corporation's financial performance in relation to adjusted EBITDA as it believes this metric allows comparability of operating results from one period to another. These measures exclude the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the results of day-to-day operations. The following table reconciles this metric to the most comparable IFRS measure:

	Fourth quarters ended		Years ended	
(in millions of dollars)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Earnings before net financing expense and income taxes	**$211.0**	**$185.3**	**$947.5**	**$749.1**
Acquisition, integration and reorganization costs	$26.3	$49.7	$105.0	$115.5
ERP implementation costs	$21.1	$19.4	$81.0	$49.9
Depreciation of right-of-use assets	$77.2	$77.6	$316.4	$288.5
Amortization of intangible assets	$58.7	$73.1	$221.7	$173.4
Depreciation of property and equipment	$39.7	$30.6	$135.1	$114.6
Impairment of long-lived assets	$81.7	$5.1	$87.1	$21.6
Share of depreciation and taxes of associates and joint ventures	$4.5	$3.2	$14.9	$11.8
Interest income	$4.7	$2.4	$12.6	$5.8
Adjusted EBITDA*	**$524.9**	**$446.4**	**$1,921.3**	**$1,530.2**

* Non-IFRS financial measure.

8.4 EARNINGS BEFORE NET FINANCING EXPENSE AND INCOME TAXES

The following table summarizes selected operating results expressed as a percentage of net revenues.

	Fourth quarters ended		Years ended	
(percentage of net revenues)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net revenues	100.0 %	100.0 %	100.0 %	100.0 %
Personnel costs	73.0 %	74.0 %	73.9 %	74.5 %
Other operational costs	8.7 %	9.0 %	9.0 %	8.9 %
Exchange losses (gains) and interest income	(0.2)%	(0.1)%	(0.1)%	(0.1)%
Share of earnings of associates and joint ventures before depreciation and income taxes	(0.5)%	(0.4)%	(0.4)%	(0.4)%
Adjusted EBITDA margin	**19.0 %**	**17.5 %**	**17.6 %**	**17.1 %**
Depreciation of right-of-use assets	2.8 %	3.0 %	2.9 %	3.2 %
Depreciation of property and equipment	1.4 %	1.2 %	1.3 %	1.3 %
Amortization of intangible assets	2.1 %	2.9 %	2.0 %	1.9 %
Impairment of long-lived assets	3.0 %	0.2 %	0.8 %	0.2 %
Acquisition, integration and reorganization costs and ERP implementation costs	1.7 %	2.7 %	1.7 %	1.9 %
Share of depreciation and taxes of associates	0.1 %	0.1 %	0.1 %	0.1 %
Deduct: Interest income	0.2 %	0.1 %	0.1 %	0.1 %
Earnings before net financing expense and income taxes	**7.7 %**	**7.3 %**	**8.7 %**	**8.4 %**
Net financing expense	1.7 %	1.1 %	1.9 %	1.8 %
Income tax expense	1.2 %	1.5 %	1.7 %	1.7 %
Net earnings	**4.8 %**	**4.7 %**	**5.1 %**	**4.9 %**

In the fourth quarter of 2023, adjusted EBITDA reached $524.9 million, up 17.6% compared to $446.4 million in Q4 2022. As a percentage of net revenues, adjusted EBITDA margin for the quarter increased to 19.0%, compared to 17.5% in Q4 2022, an increase of 150 bps.

In the year ended December 31, 2023, adjusted EBITDA grew to $1.92 billion, up 25.6%, compared to $1.53 billion in 2022, reaching the high end of Management's revised outlook range of $1.90 billion to $1.93 billion. As a percentage of net revenues, adjusted EBITDA margin increased to 17.6%, compared to 17.1% in 2022.

The improvements in adjusted EBITDA margin in the quarter and the year ended December 31, 2023 are mainly attributable to strong project performance and increased productivity.

In the fourth quarter ended December 31, 2023, earnings before net financing expense and income taxes as a percentage of net revenues increased to 7.7%, compared to 7.3% in Q4 2022. The improvements in adjusted EBITDA were partially offset by impairment of right-of-use assets and leasehold improvements.

In the year ended December 31, 2023, earnings before net financing expense and income taxes increased as a percentage of net revenues to 8.7%, compared to 8.4% in 2022, mainly due to the increased adjusted EBITDA.

These variances are explained in further detail below.

Personnel costs

Personnel costs include payroll costs for all employees related to the delivery of consulting services and projects, as well as administrative and corporate staff.

For the quarter and year ended December 31, 2023, personnel costs decreased as a percentage of net revenues, as compared to the corresponding periods in 2022, mainly due to continuous improvement initiatives to optimize productivity.

Other operational costs

Other operational costs include fixed costs such as, but not limited to, non-recoverable client service costs, technology costs, professional indemnity insurance costs and office space related costs (mainly utilities and maintenance costs).

Other operational costs for the quarter ended December 31, 2023, as a percentage of net revenues, were lower as compared to the corresponding quarter in 2022, mainly due to lower discretionary spending and better cost absorption.

Other operational costs for the year ended December 31, 2023, as a percentage of net revenues, were largely stable as compared to 2022.

Exchange gains and losses and interest income

In the fourth quarter ended December 31, 2023, operational foreign exchange gains of $1.2 million had a positive impact, as compared to losses of $1.0 million in the corresponding period in 2022.

In 2023, operational foreign exchange losses of $5.4 million had a negative impact, as compared to gains of $5.3 million in 2022.

In addition, in the fourth quarter and year ended December 31, 2023, interest income increased to $4.7 million and $12.6 million, respectively, compared to $2.4 million and $5.8 million, in the corresponding periods in 2022.

Depreciation, amortization and impairment of long-lived assets

Depreciation of right-of-use assets, as a percentage of net revenues, decreased slightly in the quarter and year ended December 31, 2023 when compared to the corresponding periods in 2022, mainly due to lease terminations and lease modifications in connection with office closures and downsizing, as the Corporation achieves synergies with newly acquired businesses and leverages a hybrid workplace model.

Depreciation of intangible assets and property and equipment, as a percentage of net revenues, was largely stable for the year ended December 31, 2023, when compared to 2022.

In 2023 and 2022, the Corporation recorded charges against certain leased assets and leasehold improvements resulting from ongoing optimizations as part of its real estate strategy to review its footprint, realize synergies and reduce costs.

Acquisition, integration and reorganization costs and ERP implementation costs

Acquisition, integration and reorganization costs include, if and when incurred, transaction and integration costs related to business acquisitions, gains or losses on disposals of non-core assets, outsourcing program costs pertaining mainly to redundancy and transition costs resulting from the outsourcing of the Corporation’s infrastructure or other functions, restructuring costs, and severance costs stemming from adjustments to cost structures. In the table above, these costs are combined with ERP implementation costs.

Acquisition, integration and reorganization costs and ERP implementation costs are components of financial performance which the Corporation believes should be excluded in understanding its underlying operational financial performance, and are therefore presented separately in the consolidated statement of earnings.

In the quarter and year ended December 31, 2023, the Corporation incurred acquisition, integration and reorganization costs of $26.3 million and $105.0 million, respectively, compared to $49.7 million and $115.5 million, respectively, in the corresponding periods in 2022. The level of expenditures is lower than the corresponding periods mainly due to lower business acquisition costs.

In the quarter and year ended December 31, 2023, the Corporation incurred ERP implementation costs of $21.1 million and $81.0 million, respectively, higher than $19.4 million and $49.9 million, in the corresponding periods in 2022, due to the migration of the Canadian business into the Corporation's global cloud-based ERP solution, as well as continued design and implementation costs related to future rollouts to other countries.

8.5 FINANCING EXPENSES

Net financing expenses for the fourth quarter ended December 31, 2023 were higher than the comparable quarter in 2022, mainly attributable to higher interest on long-term debt due to recent increases in interest rates, as well as exchange losses on assets and liabilities denominated in foreign currencies compared to gains in the comparable period, partially offset by higher gains from derivative financial instruments and higher non-cash gains in value of investments related to a US employee deferred compensation plan.

Net financing expenses for the year ended December 31, 2023 were higher than in 2022, mainly due to higher interest on long-term debt following the E&I Acquisition, as well as recent increases in interest rates, partially offset by gains from derivative financial instruments and non-cash gains in value of investments related to a US employee deferred compensation plan compared to losses in the comparable period of 2022.

8.6 INCOME TAXES

In the fourth quarter of 2023, income tax expense of $32.3 million was recorded on earnings before income taxes of $163.6 million, representing an effective income tax rate of 19.7%. The lower effective tax rate is mainly related to adjustments in respect of prior years and foreign income tax rate differences.

For the year ended December 31, 2023, income tax expense of $191.9 million was recorded on earnings before income taxes of $744.9 million representing an effective income tax rate of 25.8%, in line with Management's outlook range of 25% to 29%.

8.7 NET EARNINGS

In the fourth quarter of 2023, the Corporation’s net earnings attributable to shareholders were $130.6 million, or $1.05 per share, compared to $120.0 million, or $0.96 per share in the comparable quarter in 2022. Higher adjusted EBITDA and lower acquisition costs were partially offset by higher impairment of long-lived assets and higher interest on long-term debt.

For the year ended December 31, 2023, the Corporation’s net earnings attributable to shareholders increased to $550.0 million, or $4.41 per share, compared to $431.8 million, or $3.59 per share in 2022. The increase is mainly due to higher adjusted EBITDA, partially offset by impairment of long-lived assets resulting from ongoing optimizations as part of the Corporation's real estate strategy to review its footprint, realize synergies and reduce costs as well as higher interest on long-term debt and income taxes, increased amortization of intangible assets due to recent acquisitions, and higher ERP implementation costs.

8.8 ADJUSTED NET EARNINGS

Management believes that adjusted net earnings and adjusted net earnings per share should be taken into consideration in assessing the Corporation's performance against its peers. In the context of highly acquisitive companies or consolidating industries such as engineering and construction, this non-IFRS measure isolates amortization of intangible assets related to acquisitions (created from the allocation of purchase price between goodwill and intangible assets) as well as other charges directly or indirectly related to acquisitions. In addition, this non-IFRS financial measure is adjusted for certain non-cash items related to market volatility, which are inherently unpredictable.

Adjusted net earnings stood at $247.8 million, or $1.99 per share, in the fourth quarter of 2023, compared to $209.3 million, or $1.68 per share, in Q4 2022. Adjusted net earnings stood at $860.0 million, or $6.90 per share, for the year ended December 31, 2023, compared to $692.6 million, or $5.75 per share, in 2022. The increases in these metrics in both the quarter and year are mainly attributable to higher adjusted EBITDA, partially offset by higher interest on long-term debt.

Reconciliation of adjusted net earnings

The following table reconciles this metric to the most comparable IFRS measure:

	Fourth quarters ended		Years ended	
(in millions of dollars, except per share data)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Net earnings attributable to shareholders	**$130.6**	**$120.0**	**$550.0**	**$431.8**
Amortization of intangible assets related to acquisitions	$47.2	$49.3	$181.7	$112.6
Impairment of long-lived assets	$81.7	$5.1	$87.1	$21.6
Acquisition, integration and reorganization costs	$26.3	$49.7	$105.0	$115.5
ERP implementation costs	$21.1	$19.4	$81.0	$49.9
(Gains) losses on investments in securities related to deferred compensation obligations	$(10.4)	$(5.0)	$(18.1)	$22.1
Unrealized (gains) losses on derivative financial instruments	$(8.9)	$(3.5)	$(27.4)	$20.1
Income taxes related to above items	$(39.8)	$(25.7)	$(99.3)	$(81.0)
Adjusted net earnings*	**$247.8**	**$209.3**	**$860.0**	**$692.6**
Adjusted net earnings per share*	**$1.99**	**$1.68**	**$6.90**	**$5.75**

* Non-IFRS financial measure or non-IFRS ratio.

9 LIQUIDITY

	Fourth quarters ended		Years ended	
(in millions of dollars)	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Cash inflows from operating activities	$776.6	$607.4	$986.3	$814.8
Cash inflows from (outflows used in) financing activities	$(604.1)	$(450.0)	$(597.4)	$1,420.7
Cash outflows used in investing activities	$(57.8)	$(87.0)	$(510.4)	$(2,682.7)
Effect of exchange rate change on cash	$1.8	$4.7	$(7.6)	$11.9
Change in net cash and cash equivalents	**$116.5**	**$75.1**	**$(129.1)**	**$(435.3)**
Dividends paid to shareholders of WSP Global Inc.	$(46.6)	$(23.7)	$(162.2)	$(90.1)
Net capital expenditures*	$(70.0)	$(72.8)	$(178.1)	$(164.5)

* Capital expenditures pertaining to property and equipment and intangible assets, net of proceeds from disposal and lease incentives received.

9.1 OPERATING ACTIVITIES AND FREE CASH FLOW

Cash flows from operating activities

The cash inflows from operating activities in the year ended December 31, 2023 increased compared to 2022. The increase in adjusted EBITDA was partially offset by higher income taxes paid mainly due to tax regulations in the US which delay the deductibility of certain expenses and higher ERP implementation costs. The investment in working capital remained stable, despite a 21.0% increase in revenues.

Free cash flow

In the fourth quarter ended December 31, 2023, the Corporation achieve its highest quarterly free cash flow, reaching $610.3 million.

Free cash flow for the year ended December 31, 2023 was $433.1 million, compared to $309.0 million in 2022. The improvement in free cash flow compared to 2022 was mainly attributable to the increase in adjusted EBITDA, partially offset by higher income taxes paid due to tax regulations in the US which delay the deductibility of certain expenses, as well as higher lease payments, ERP implementation costs and net capital expenditures. Excluding the effect of tax regulations in the US related to deductibility of certain expenses, free cash flow represents 1.1 times net earnings attributable to shareholders (otherwise the ratio is 0.8 times).

Reconciliation of free cash flow

Free cash flow is an indication of the Corporation's continuing capacity to generate discretionary cash from operations. It represents cash flows for the period available to the suppliers of capital, which are the Corporation's creditors and shareholders. The free cash flow metric should be reviewed year-over-year as opposed to quarter-to-quarter as the timing of investments in capital expenditure initiatives and management of working capital can have an impact in the shorter term.

	Fourth quarters ended		Years ended	
(in millions of dollars)	**December 31, 2023**	**December 31, 2022**	**December 31, 2023**	**December 31, 2022**
Cash inflows from operating activities	**$776.6**	**$607.4**	**$986.3**	**$814.8**
Lease payments in financing activities	$(96.3)	$(91.9)	$(375.1)	$(341.3)
Net capital expenditures*	$(70.0)	$(72.8)	$(178.1)	$(164.5)
Free cash flow**	**$610.3**	**$442.7**	**$433.1**	**$309.0**

* Capital expenditures pertaining to property and equipment and intangible assets, net of proceeds from disposal and lease incentives received.

** Non-IFRS financial measure.

9.2 FINANCING ACTIVITIES

In the fourth quarter ended December 31, 2023, cash outflows used in financing activities of $604.1 million were mainly due to net repayment of borrowings under credit facilities, lease payments, net financing expenses paid and dividends paid to shareholders of the Corporation, partially offset by issuance of senior unsecured notes.

In the year ended December 31, 2023, cash outflows used in financing activities of $597.4 million were mainly attributable to lease payments, net financing expenses paid and dividends paid to shareholders of the Corporation, partially offset by issuance of senior unsecured notes, net of repayment of borrowings under credit facilities.

9.3 INVESTING ACTIVITIES

In the fourth quarter ended December 31, 2023, cash outflows used in investing activities of $57.8 million related mainly to net capital expenditures.

In the year ended December 31, 2023, cash outflows used in investing activities related mainly to business acquisitions and net capital expenditures, and were partially offset by proceeds from the disposal of LBS.

9.4 NET DEBT TO ADJUSTED EBITDA RATIO

As at December 31, 2023, the Corporation's statement of financial position remained strong, with a net debt position of $2.88 billion and a net debt to adjusted EBITDA ratio of 1.5x, within the Corporation's target ratio range of 1.0x to 2.0x.

9.5 CAPITAL RESOURCES

	As at	
(in millions of dollars)	**December 31, 2023**	**December 31, 2022**
Cash and cash equivalents	$378.0	$495.6
Available syndicated credit facility	$1,467.8	$1,857.4
Other operating credit facilities	$193.0	$168.1
Available short-term capital resources	**$2,038.8**	**$2,521.1**

The Corporation believes that its cash flows from operating activities, combined with its available short-term capital resources, will enable it to support its continued growth strategy, its working capital requirements and planned capital expenditures.

9.6 CREDIT FACILITIES

The Corporation has in place, as at December 31, 2023, unsecured credit facilities and term loans:

- unsecured revolving credit facilities with a syndicate of financial institutions providing for a maximum amount of US$1.5 billion with maturities up to April 2028, comprised of two tranches; and
- unsecured term loans totalling US$1,325 million with maturities up to September 2027.

The US$1.5-billion revolving credit facilities are available for general corporate purposes and for financing business acquisitions.

As at December 31, 2023, the US$1,325-million unsecured term loans were fully drawn, whereas the US$1.5-billion revolving credit facility had an available balance of US$1.11 billion.

Under these credit facilities, the Corporation is required, among other conditions, to respect certain covenants calculated on a consolidated basis. The financial covenants are in regard to its consolidated net debt to consolidated adjusted EBITDA and the fixed charge coverage ratios. These terms and ratios are defined in the credit facility agreements and do not correspond to the Corporation's metrics described in section 22, "Glossary of segment reporting, non-IFRS and other financial measures", or to other terms used in this MD&A. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facilities. All covenants were met as at December 31, 2023.

9.7 DIVIDENDS

On November 8, 2023, the Corporation declared a quarterly dividend of $0.375 per common share to holders of common shares on record as of December 31, 2023, which was paid subsequent to the end of the year on January 15, 2024. The total amount of the dividend for the fourth quarter of 2023 was $46.8 million.

Following the payment of the dividends declared on November 9, 2022 and March 8, 2023, $24.6 million was reinvested in 147,859 common shares under the DRIP during the year ended December 31, 2023.

On May 10, 2023, the Board of Directors of the Corporation (the “Board”) approved the termination of the DRIP in accordance with its terms. All cash dividends or distributions on the Corporation's common shares with a record date for payment after May 10, 2023, have been or will be paid in cash rather than in shares of the Corporation.

The Board has determined that the current level of quarterly dividend is appropriate based on the Corporation’s current earnings and operational financial requirements. The dividend is currently expected to remain at this level subject to the Board’s ongoing assessment of the Corporation’s future cash requirements, financial performance, liquidity, and other factors that the Board may deem relevant. The actual amount of any dividend, as well as each declaration date, record date and payment date, is subject to the discretion of the Board. Some of the information in this section constitutes forward-looking information. Please refer to section 19, “Forward-Looking Statements”, of this MD&A.

10 SUMMARY OF QUARTERLY RESULTS

		2023				2022			
		Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
(in millions of dollars, except per share data)	Fiscal year 2023	Fourth quarter ended December 31	Third quarter ended September 30	Second quarter ended July 01	First quarter ended April 01	Fourth quarter ended December 31	Third quarter ended October 1	Second quarter ended July 2	First quarter ended April 2
Results of operations									
Revenues	$14,437.2	$3,724.3	$3,597.4	$3,626.0	$3,489.5	$3,560.8	$2,896.1	$2,764.2	$2,711.8
Net revenues	$10,897.0	$2,756.0	$2,734.8	$2,739.1	$2,667.1	$2,553.7	$2,193.9	$2,109.6	$2,100.0
Adjusted EBITDA*	$1,921.3	$524.9	$521.5	$461.6	$413.3	$446.4	$407.0	$352.2	$324.6
Net earnings attributable to shareholders	$550.0	$130.6	$156.2	$150.7	$112.5	$120.0	$127.5	$89.3	$95.0
Basic net earnings per share**	$4.41	$1.05	$1.25	$1.21	$0.90	$0.96	$1.05	$0.76	$0.81
Diluted net earnings per share**	$4.40	$1.05	$1.25	$1.21	$0.90	$0.96	$1.05	$0.75	$0.80
Backlog		$14,076.5	$14,276.4	$14,311.6	$13,833.7	$13,006.5	$13,253.8	$11,448.8	$11,021.4
Dividends									
Dividends declared	$186.9	$46.8	$46.7	$46.7	$46.7	$46.7	$46.6	$44.3	$44.2
Dividends declared, per share	$1.50	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375	$0.375

* Non-IFRS financial measure.

** Quarterly net earnings per share are not additive and may not equal the annual net earnings per share reported. This may be a result of the effect of shares issued on the weighted average number of shares, as well as the impact of dilutive options.

The Corporation's quarterly earnings and revenue measures are, to a certain degree, affected by seasonality. The third and fourth quarters historically generate the largest contribution to net revenues and adjusted EBITDA, 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.

11 SELECTED ANNUAL INFORMATION

For the years ended December 31	2023	2022	2021
(in millions of dollars, except per share data)			
Revenues	$14,437.2	$11,932.9	$10,279.1
Net revenues	$10,897.0	$8,957.2	$7,869.6
Net earnings attributable to shareholders of WSP Global Inc.	$550.0	$431.8	$473.6
Net earnings per share attributable to shareholders of WSP Global Inc.			
Basic	$4.41	$3.59	$4.07
Diluted	$4.40	$3.58	$4.05

As at December 31	2023	2022	2021
Total assets	$15,583.1	$14,841.7	$11,250.4
Non-current financial liabilities (1)	$3,802.9	$3,637.9	$2,245.4
Dividends declared per share to holders of common shares of WSP Global Inc.	$1.50	$1.50	$1.50

(1) Financial liabilities consist of long-term debt and lease liabilities, excluding current portions.

In 2022, revenues and net revenues increased 16.1% and 13.8%, respectively, compared to 2021. The increase in net revenue was principally due to acquisition growth of 8.2% and organic growth of 7.3%. Organic growth was achieved across all reportable segments, and most pronounced in the US, the UK, Canada and Australia. In 2023, revenues and net revenues grew by 21.0% and 21.7%, respectively, compared to 2022, with net revenues reaching the high end of Management's revised outlook range for the year of $10.7 billion to $11.0 billion. The increase in net revenue was principally due to healthy organic growth of 7.3% which was achieved across all reportable segments, and to sizeable acquisition growth of 12.3%.

Net earnings attributable to shareholders and net earnings per share attributable to shareholders decreased from 2021 to 2022 mainly due to higher net financing expenses, amortization and depreciation, business acquisition and integration costs and ERP implementation costs, partially offset by higher adjusted EBITDA. Net earnings attributable to shareholders and net earnings per share attributable to shareholders increased from 2022 to 2023 mainly due to higher adjusted EBITDA, partially offset by impairment of long-lived assets resulting from ongoing optimizations as part of the Corporation's real estate strategy to review its footprint, realize synergies and reduce costs.

From December 31, 2021 to December 31, 2022, total assets and non-current financial liabilities increased mainly due to business acquisitions. From December 31, 2022 to December 31, 2023, total assets increased mainly due to business acquisitions and increased contract balances, while non-current financial liabilities remained largely stable.

12 GOVERNANCE

Internal controls over financial reporting

The Corporation’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) are responsible for establishing and maintaining disclosure controls and procedures (“DC&P”) and have caused them to be designed under their supervision to provide reasonable assurance that:

- Material information related to the Corporation is made known to them by others, particularly during the period in which the annual filings are being prepared; and
- Information required to be disclosed by the Corporation in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation.

The CEO and CFO have evaluated or caused to be evaluated under their supervision, the effectiveness of the Corporation's DC&P and based on the evaluation, the CEO and CFO have concluded that the design and operation of the Corporation's DC&P were effective as at December 31, 2023.

The CEO and CFO are also responsible for establishing and maintaining internal controls over financial reporting ("ICFR") and have designed ICFR or have caused ICFR to be designed under their supervision using the Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 COSO Framework), to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

The CEO and CFO have evaluated or caused to be evaluated under their supervision, the effectiveness of the Corporation's ICFR and based on their evaluation, the CEO and CFO have concluded that ICFR were designed and operated effectively as at December 31, 2023.

Due to the inherent limitations of DC&P and ICFR, Management does not expect that DC&P and ICFR can prevent or detect all errors or intentional misstatements resulting from fraudulent activities.

There were no changes in the Corporation's ICFR that occurred during the period beginning on October 1, 2023 and ended on December 31, 2023 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

During the first half of 2023, most of the Corporation's Canadian operations completed the initial phase of implementation of a new enterprise resource planning (ERP) system. This ERP implementation has not resulted in any significant changes in internal controls. Management employed appropriate procedures to ensure internal controls over financial reporting were in place during and after the conversion. The Corporation regularly monitors and assesses its DC&P and ICFR, while reiterating the importance of internal controls and maintaining frequent communication across the organization at all levels, in order to maintain a strong control environment.

Responsibilities of the Board of Directors

The Board has oversight responsibilities for reported financial information. Accordingly, the Board of WSP has reviewed and approved, upon recommendation of the Audit Committee of the Corporation, this MD&A and the audited consolidated financial statements for the year ended December 31, 2023, before their publication.

13 CRITICAL ACCOUNTING ESTIMATES

The preparation of the financial statements requires Management to make judgments, assumptions and estimates in applying the Corporation's accounting policies. Critical accounting estimates are those which are highly uncertain at the time they are made and where different reasonably likely estimates, or reasonably likely changes in estimates from period to period, would have a material impact on the Corporation's financial condition or results of operations.

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.

The Corporation's most critical accounting estimates are discussed in note 4, "Critical accounting estimates and judgments", to the Corporation's audited consolidated financial statements for the year ended December 31, 2023.

14 MATERIAL ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICY EFFECTIVE IN 2023

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. The Corporation adopted these amendments effective January 1, 2023.

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. The Corporation adopted these amendments effective January 1, 2023, resulting in no impact on its consolidated financial statements as a result.

In May 2023, the IASB issued *International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12 – Income Taxes*, addressing income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules and disclosure requirements about the Pillar Two exposure. The Corporation applied the mandatory temporary exception effective January 1, 2023 and has presented the disclosure requirements in its audited consolidated financial statement.

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

Refer to note 3, “Accounting policy developments”, to the Corporation's audited consolidated financial statements for the year ended December 31, 2023, for further details.

15 FINANCIAL INSTRUMENTS

The Corporation’s financial assets include cash, trade receivables and other receivables. The Corporation's financial liabilities include accounts payable and accrued liabilities, dividends payable to shareholders, lease liabilities, and long-term debt.

The Corporation uses derivative financial instruments to manage its exposure to fluctuations of foreign currency exchange rates. It does not hold or use any derivative instruments for trading or speculative purposes. Refer to note 13, “Financial instruments”, to the Corporation's audited consolidated financial statements for the year ended December 31, 2023 for a description of the Corporation's hedging activities.

The Corporation's financial instruments expose the Corporation primarily to foreign exchange, credit, liquidity and interest rate risks. Refer to section 20, “Risk factors” , as well as note 13 “Financial instruments”, to the Corporation's audited consolidated financial statements for the year ended December 31, 2023, for a description of these risks and how they are managed, as well as for a description of how fair values are determined.

16 RELATED PARTY TRANSACTIONS

The Corporation's related parties, as defined by IFRS, are its joint operations, joint ventures, associates and key management personnel. A description of any material transactions with these related parties is included in note 29, “Related party transactions", to the Corporation's audited consolidated financial statements for the year ended December 31, 2023.

17 OFF-BALANCE SHEET AGREEMENTS

The Corporation does not engage in the practice of off-balance sheet financing, except for the use of letters of credit.

18 CONTRACTUAL OBLIGATIONS

The Corporation is committed under the terms of contractual obligations with various expiration dates, primarily for long-term debt and the rental of office space and computer equipment. The following table provide a summary of the timing of Corporation’s undiscounted long-term contractual obligations as at December 31, 2023:

(in millions of dollars)	2024	2025	2026 and thereafter	Total
Long-term debt	$743.7	$734.8	$2,380.2	$3,858.7
Lease liabilities	$319.5	$244.1	$598.9	$1,162.5

Management expects the Corporation's cash flows from its operations and amounts available under credit facilities will be sufficient to meet its contractual obligations in the future.

19 FORWARD-LOOKING STATEMENTS

In addition to disclosure of historical information, the Corporation may make or provide statements or information in this MD&A that are not based on historical facts and which are considered to be forward-looking information or forward-looking statements under Canadian securities laws (collectively, “forward-looking statements”). Such statements relate to future events or future performance and reflect the expectations of Management regarding, without limitation, the growth, results of operations, performance and business prospects and opportunities of the Corporation, the achievement of its 2022-2024 Global Strategic Action Plan, or the trends affecting its industry.

This MD&A may contain forward-looking statements. Forward-looking statements can typically be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “forecast”, “project”, “intend”, “target”, “potential”, “continue” or the negative of these terms or terminology of a similar nature. More specifically, this MD&A contains the following forward-looking statements: the impact of order intake on our backlog and the state of our backlog in various reportable segments; our belief that our cash flows from operating activities, combined with our available short-term capital resources, will enable us to support our continued growth strategy, working capital requirements and planned capital expenditures; our expected level of dividend declaration and payment on the Corporation’s common shares. Such forward-looking statements reflect current beliefs of Management and are based on certain factors and assumptions as set forth in this MD&A, which by their nature are subject to inherent risks and uncertainties. While the Corporation considers these factors and assumptions to be reasonable, actual events or results could differ materially from the results, predictions, forecasts, conclusions or projections expressed or implied in the forward-looking statements.

Forward-looking statements made by the Corporation are based on a number of assumptions believed by the Corporation to be reasonable as at the date such statements were made, including assumptions set out through this MD&A and assumptions about general economic and political conditions; the state of the global economy and the economies of the regions in which the Corporation operates; the state of and access to global and local capital and credit markets; interest rates; working capital requirements; the collection of accounts receivable; the Corporation obtaining new contract awards; the type of contracts entered into by the Corporation; the anticipated margins under new contract awards; the utilization of the Corporation's workforce; the ability of the Corporation to attract new clients; the ability of the Corporation to retain current clients; changes in contract performance; project delivery; the Corporation's competitors; the ability of the Corporation to successfully integrate acquired businesses; the acquisition and integration of businesses in the future; the Corporation's ability to manage growth; external factors affecting the global operations of the Corporation; the current or expected state of the Corporation's backlog; the joint arrangements into which the Corporation has or will enter; capital investments made by the public and private sectors; relationships with suppliers and subconsultants; relationships with management, key professionals and other employees of the Corporation; the maintenance of sufficient insurance; the management of environmental, social and health and safety risks; the sufficiency of the Corporation's current and planned information systems, communications technology and other technology; compliance with laws and regulations; future legal proceedings; the sufficiency of internal and disclosure controls; the regulatory environment; impairment of goodwill; foreign currency fluctuation; the tax legislation and regulations to which the Corporation is subject and the state of the Corporation's benefit plans. If these assumptions prove to be inaccurate, the Corporation's actual results could differ materially from those expressed or implied in forward-looking statements.

In evaluating these forward-looking statements, investors should specifically consider various risk factors, which, if realized, could cause the Corporation's actual results to differ materially from those expressed or implied in forward-looking statements. Such risk factors include, but are not limited to, the following risk factors discussed in greater detail in section 20, "Risk factors" : "Health, Safety, Environment and Security Hazards and Risks"; "Non-Compliance with Laws or Regulations"; "Information Technology and Information Security"; "Geopolitical Risks"; "Availability, Retention and Well-being of Qualified Professional Staff"; "Adequate Utilization of Workforce"; "Global Operations"; "Competition in the Industry"; "Professional Services Contracts"; "Economic Environment"; "Working with Government Agencies"; "Challenges Associated with Size"; "Growth by Acquisitions"; "Acquisition Integration and Management"; "Current or Future Legal Proceedings"; "Reputation"; "Insurance Limits"; "Challenges associated with infectious disease outbreaks"; "Controls and Disclosure"; "Increasing Requirements and Stakeholder Expectations Regarding ESG matters"; "Risks related to Generative AI"; "Climate Change and related Physical and Transition Risks"; "Ecological and Social Impacts of Projects"; "Joint Arrangements"; "Reliance on Suppliers and Subconsultants"; "Work Stoppage and Labour Disputes"; "Changes to Backlog"; "Protection of Intellectual Property Rights"; "Deterioration of Financial Position or Net Cash Position"; "Working Capital Requirements"; "Accounts Receivable"; "Increased Indebtedness and Raising Capital"; "Impairment of Long-Lived Assets"; "Foreign Currency Exposure"; "Income Taxes"; "Underfunded Defined Benefits Obligations"; as well as other risks detailed from time to time in reports filed by the Corporation with securities regulators or securities commissions or other documents that the Corporation makes public, which may cause events or results to differ materially from the results expressed or implied in any forward-looking statement.

The Corporation cautions that the foregoing list of risk factors is not exhaustive. Actual results and events may be significantly different from what we currently expect because of the risks associated with our business, industry and global economy and of the assumptions made in relation to these risks. As such, there can be no assurance that actual results will be consistent with forward-looking statements. Except to the extent required by applicable law, the Corporation assumes no obligation to publicly update or revise forward-looking statements made in this MD&A or otherwise, whether as a result of new information, future events or otherwise. The forward-looking statements contained in this MD&A describe the Corporation's expectations as of the date of this MD&A and, accordingly, are subject to change after such date. The forward-looking statements contained in this MD&A are expressly qualified by this cautionary statement. The Corporation may also make oral forward-looking statements from time to time. The Corporation advises that the above paragraphs and the risk factors set forth in section 20, "Risk factors" should be read for a description of certain factors that could cause the actual results of the Corporation to differ materially from the results expressed or implied in any oral forward-looking statements. Readers should not place undue reliance on forward-looking statements.

20 RISK FACTORS

The Corporation is subject to a number of risks and uncertainties and is affected by a number of factors which could have a material adverse effect on the Corporation’s business, financial condition, operating results, future prospects or achievement of its 2022-2024 Global Strategic Action Plan. These risks should be considered when evaluating an investment in the Corporation and may, among other things, cause a decline in the price of the Corporation's shares or adversely affect the Corporation’s ability to declare and/or pay dividends on the shares.

This section describes the risks Management considers as the most material to the Corporation's business. This is not, however, a comprehensive list of the potential risks the Corporation currently faces, or could eventually face. Risks and uncertainties not presently known to the Corporation or that the Corporation currently considers as not material could become material in the future or impair its business operations, cause a decline in the price of shares or adversely affect the Corporation’s ability to declare and/or pay dividends on the shares.

RISKS RELATED TO THE BUSINESS

Health, Safety, Environment and Security Hazards and Risks

The Corporation’s Health, Safety, Environment & Quality (“HSEQ”) systems, processes and policies are aimed at reducing risks to employees, subconsultants and others; however, services and activities to be performed on work sites can put employees, subconsultants and others in challenging or remote locations which may increase the risk to health and safety from hazards related to heavy mobile equipment, working at height, energy sources, working near water and ground stability. On some project sites, the Corporation may be responsible for safety and, accordingly, it has an obligation to implement effective safety procedures. Through recent acquisitions in the Earth and Environment sector, the Corporation has increased its exposure to health and safety risks on project sites primarily due to the nature of services rendered in this sector which often include activities to be performed directly on project sites. Failure to implement or follow appropriate safety procedures by the Corporation or others could result in personal injury, illness or loss of life to people, environmental damage or other damage to the Corporation’s property or the property of others.

In the ordinary course of the Corporation’s business, the Corporation's employees frequently make professional judgments and recommendations about environmental and engineering conditions of project sites for the Corporation's clients. The Corporation may be deemed to be responsible for these professional judgments and recommendations if they are later determined to be inadequate or result in injury or damage. Unsafe work conditions also have the potential of increasing employee turnover, increasing project and operating costs and could negatively impact the awarding of new contracts. The Corporation could also be exposed to substantial security costs in order to maintain the safety of its personnel, to civil and/or statutory liability to employees and to reputational harm arising from injuries or deaths because of inadequate health and safety policies and practices. The Corporation cannot fully protect against all these risks, nor are all these risks insurable. The Corporation may become liable for damages arising from events against which it cannot insure or against which it may elect not to insure for various reasons.

The Corporation operates in regions across the world in a global capacity, working in some very high risk and challenging environments and geographies, which present numerous risks including security issues, political unrest, country stability and varying degrees of medical risk to personnel, all combined with differing cultures, regional legislative requirements and regional operating standards. Acts of terrorism, including domestic terrorism, and threats of armed conflicts in or around various regions in which the Corporation operates could limit or disrupt markets and its operations, including disruptions resulting from the evacuation of personnel, cancellation of contracts, or the loss of key employees, contractors or assets. Furthermore, the Corporation risks incurring additional costs on projects that have sustained environmental, health, and safety hazards because they may require additional time to complete or because employee time may be lost due to injury.

Non-Compliance with Laws or Regulations

The Corporation faces risks relating to non-compliance with laws, regulations, rules and other current, new or changing legal requirements enforced by governments or other authorities, including with respect to trade restrictions, sanctions, export control, false claims, protection of classified information, lobbying or similar activities, securities, antitrust, data privacy, tax, environmental, social and governance (“ESG”) matters, labour relations, artificial intelligence (“AI”) as well as laws related to corruption, anti-competitive acts, illegal political contributions, human rights, including modern slavery and ethics-related issues, which could have a significant adverse impact on the Corporation. In particular, the regulatory landscape surrounding ESG matters is evolving at a rapid pace in multiple jurisdictions and there is a significant degree of uncertainty regarding the scope of future requirements. As a result, we may be required to rapidly adapt data collection and assurance processes, with the risk that information will not be available to the Corporation to respond to the relevant requirements in a timely manner.

Although the Corporation has control measures and policies to mitigate these risks, including an anti-corruption compliance program, these control measures and policies have inherent limitations, including human error, and could be intentionally circumvented or become inadequate as conditions change. Moreover, the coordination of the Corporation’s activities to address the broad range of complex legal and regulatory environments in which it operates presents significant challenges. The Corporation's control measures may not be sufficiently effective to protect it from the consequences of acts committed by its current and former directors, officers, employees, consultants, agents and/or partners, corruption in connection with its operations and ethics-related issues. Accordingly, fraud, corruption and other reckless or criminal acts may occur and remain undetected, resulting in a loss of assets and/or misstatement in the Corporation’s financial statements and related public disclosure. Moreover, fraud, corruption, illegal political contributions, non-compliance with previously enacted or proposed laws or regulations, anti-competitive or other reckless acts or criminal acts or misconduct by the Corporation’s current or former directors, officers, employees, consultants, agents and/or partners, including those of businesses acquired by the Corporation, could subject the Corporation to fines and penalties, criminal, civil and administrative legal sanctions and suspension from its ability to bid, enter into or perform public or private contracts, resulting in reduced revenues and profits, and could materially damage the Corporation's business, operating results, financial condition, reputation, brand, expansion effort, and ability to attract and retain employees and clients, and may have a negative impact on the market price of the Corporation’s shares. The institution of formal charges with respect to any such circumstances by appropriate governmental authorities may have to be immediately accounted for in the results of the Corporation and may have a material adverse impact on the assets, liabilities, revenues and goodwill of the Corporation.

As part of its global business dealings with different governmental bodies, entities and agencies in each of the countries in which the Corporation operates, WSP must also comply with complex public procurement laws and regulations aimed at ensuring that public sector bodies award and manage contracts in a transparent, competitive, efficient and non-discriminatory manner in these jurisdictions. In certain jurisdictions in which the Corporation operates, the Corporation is also subject to legislation that grants governmental authorities exceptional measures for the reimbursement and recovery of amounts improperly obtained as a result of fraud or fraudulent tactics in the course of the tendering, awarding or management of public contracts. In connection with a reimbursement or settlement under such legislation, a number of conditions may be imposed on the Corporation and the Corporation may be required to undergo certain changes to its business practices which could impose additional costs on the Corporation and adversely affect its ability to pursue business opportunities.

The services provided by the Corporation are also subject to numerous environmental protection laws and regulations that are complex and stringent. Significant fines, penalties and other sanctions may be imposed for non-compliance with environmental laws and regulations, and some environmental laws provide for joint and several strict liabilities for remediation of releases of hazardous substances, rendering a person liable for environmental damage, without regard to negligence or fault on the part of such person. These laws and regulations may expose the Corporation to liability arising out of the conduct of operations or conditions caused by others, and in certain cases for acts of the Corporation that were in compliance with all applicable laws at the time these acts were performed. Failure to comply with environmental laws and regulations could have a material adverse impact on our business, financial condition and result of operations.

Furthermore, a portion of the Corporation's professional services business is generated directly or indirectly as a result of laws and regulations. Changes in such laws or regulations could affect the Corporation's business more significantly than they would affect other professional services firms. Accordingly, changes to the number or scope of these laws and regulations could significantly reduce the size of its market sector in such market and materially adversely impact the Corporation's business, financial condition and results of operations.

Across its global operations and in connection with its M&A activities, the Corporation must comply with numerous privacy and data protection laws and regulations applicable in multiple jurisdictions designed to protect privacy rights and personal information. The global data protection landscape continues to evolve, and the Corporation is required to navigate distinct obligations and compliance risks in various countries and regions it operates in. The impact and cost of ensuring compliance and protecting the data and privacy rights of individuals in line with the specifics of each applicable legislation continues to grow each year. Failing to protect privacy rights and personal information in compliance with those laws, including the EU and UK General Data Protection Regulation, the Canadian federal Personal Information Protection and Electronic Documents Act (and other substantially similar provincial laws), the California Consumer Privacy Act as amended by the California Privacy Rights Act, Brazil's General Personal Data Protection law and other emerging global privacy laws, could result in the Corporation being subject to significant regulatory penalties, legal liability and remediation costs and negatively impact its reputation.

Information Technology and Information Security

In order to operate properly, ensure adequate service delivery to its clients and meet its business objectives, the Corporation relies heavily on information technologies. Within these technologies, the Corporation processes proprietary information relating to its business, client information and information in relation to other third parties including in connection with its M&A activities. This may include proprietary, sensitive, confidential, and personal information limited to the nature of professional services it or third parties provide and personal information relating to employees.

The Corporation faces numerous threats that are constantly evolving, increasingly sophisticated and difficult to detect and successfully defend against. These include cyber threats from criminal hackers, ransomware, denial of service and other forms of malicious attacks, hacktivists, state sponsored organizations and industrial espionage, phishing and other social engineering techniques, physical or electronic security breaches, computer viruses, unauthorized access, employee misconduct, human or technological errors, or similar events or disruptions. In addition, AI is increasingly being incorporated into cyber attacks, for example through system reconnaissance and social engineering. Any of these threats may lead to system interruptions, delays, and loss of critical data and expose the Corporation, clients, or other third parties to potential liability, litigation and regulatory action, as well as the loss of client confidence, loss of existing or potential clients, loss of sensitive government contracts, damage to brand and reputation, financial reporting capabilities and other financial loss. The current geopolitical instability has exacerbated these threats, which could lead to increased risk and frequency of cybersecurity incidents.

The Corporation relies on industry-accepted security measures and technical and organizational controls to protect its information and information technology systems, and there can be no assurance that our efforts will prevent all threats to our systems. The Corporation may be required to allocate increasingly significant resources, and additional security measures, to protect against the cyber threats referenced above.

Compliance with information security standards such as NIST, DFAR and ISO27001, among others, are increasing the requirements to bid for projects. Inability to meet such requirements would limit our ability to pursue certain business opportunities. Further, the Corporation provides services that may be highly sensitive or that may relate to critical national security matters; if a security breach were to occur, our ability to procure future government contracts could be severely limited. The precautions the Corporation takes to prevent and detect these activities may not be effective and the Corporation could face unknown material risks or losses.

The Corporation's operations could be interrupted or delayed if the Corporation is unable to continually and adequately maintain its information technologies, to scale and add software and hardware, to effectively upgrade its systems and network infrastructure, to maintain key information technology personnel, and take other steps to improve the efficiency and protection of its systems. Existing business continuity plans may not be sufficient to enable the Corporation to recover from material information technology disruptions.

The Corporation's ability to meet its objectives and deliver on its strategic plan depend on its capacity to transform the organization as it develops its new enterprise resource planning platform, while maintaining an adequate level of service to clients and protecting profitability. Failure to properly review critical changes within the business before and during the implementation and deployment of key technological systems or failure to align client expectations with the Corporation's client commitments and operating capabilities could adversely affect the Corporation's operating results or financial position

The Corporation relies on third-party software and services to support its delivery of professional services to clients such as design, collaboration and project management, and to support the Corporation's accounting and financial information systems. While the Corporation selects third-party vendors carefully, it does not control their actions. Any technology services provided by a third party, including contractors, business partners, vendors and other third parties, may be subject to breakdowns, disruption in information and communication services, inability to handle current or higher volumes, cyber-attacks, security and data breaches. These risks could have a material adverse effect on the Corporation's operations and its ability to deliver services to clients. Furthermore, the Corporation may incur additional costs to remediate errors or failures by third parties.

The Corporation's employees are provided with systems and infrastructure that facilitate secure remote working, including from their place of residence, public spaces and sites owned or managed by third parties and clients. However, these locations may not have the same level of physical security controls as the Corporation's offices which could increase the risk of a physical security event, such as device theft, which may disrupt operations.

The Corporation's digital services are permanently in an evolving state and increasingly utilize emerging technologies such as cloud computing, machine learning and AI, including generative AI. These technologies come with additional risks, such as the risk of data loss, hallucination (AI services unknowingly providing false information) or unintentional intellectual property infringement. In addition, our client deliveries increasingly use innovative technologies such as smart buildings and automated robotics that require investment to protect their use. Any cybersecurity incident of these technologies or systems may expose the Corporation and its clients to remediation and litigation costs.

The Corporation processes personal information in relation to its employees and for the clients and other third parties it works with. If a data breach were to compromise this information, the Corporation could be exposed to regulatory fines, reputational damage and financial costs associated with remediation. If, in connection with any such breach, deficiencies are identified in the Corporation's privacy and information governance program, the financial and reputational impacts on the Corporation may be exacerbated.

Furthermore, cybersecurity and privacy insurance is becoming more challenging to procure and is unlikely to cover all cybersecurity or privacy related losses. The insurance available may not fully indemnify and compensate the Corporation for all damages it may suffer, including reputational losses. These risks, if materialized, could have a material adverse effect on the Corporation's business, financial condition and results of operations.

Geopolitical Risks

The Corporation is exposed to various geopolitical risks as it operates across the world in an increasingly interconnected global economy. In addition, the geopolitical landscape is becoming more complex as the world continues to face more and more crises and tensions between competing nations and alliances. The Corporation has a geographically dispersed client base which it serves with local presence and through a network of operations located around the globe. Escalating conflicts and unrest can affect particular regions and may also have severe repercussions in other parts of the world. As such, the Corporation may be adversely affected by deteriorating uncertainties arising from political, economic, military or social conditions emerging from domestic or international political tensions, conflicts and crises.

The potential impacts on the Corporation depend on the extent and depth of geopolitical issues and conflicts as they materialize and may include consequences such as delays or cancellation of contracts, changes in regulatory practices, impact to tariffs and taxes, restrictions to global mobility, restrictions to contracting capabilities, productivity slowdowns, inability to deliver projects in the affected region, deterioration of local and global economies as well as consequences on the health, safety and well-being of employees.

In particular, the on-going armed conflict between Ukraine and Russia continues to significantly affect the global economy and has deepened its negative effects on certain regions. Although shortages of specific materials in the construction industry have resulted in certain of our projects being postponed or cancelled, the Corporation has suffered limited impacts and continues to monitor this conflict closely and adjust its operations and practices to minimize potential impacts.

The Israel-Hamas conflict that abruptly escalated in early October 2023 has impacted our operations and employees in the affected region. The conflict is expected to continue in 2024, and although our operations continue, and our offices located in low-risk areas remain open, there can be no certainty as to the continuity of our operations in the region if it continues to escalate. This conflict also exacerbates the overall geopolitical risk landscape in the Middle East and diplomatic tensions between global powers are increasing.

The Corporation deployed a crisis management team to closely monitor the conflict and mitigate any impact on our employees and operations. However, should the Israel-Hamas conflict or the Ukraine-Russia conflict persist for a significant period of time or escalate further with the active participation of other interested countries, the Corporation may be materially adversely affected by deteriorating impacts on its employees, operations and business.

The Corporation is also exposed to the risks related to the rise of domestic political tensions in certain countries where key elections are underway. The volatile, uncertain and unpredictable nature of external factors related to geopolitical risks cannot be easily managed. The Corporation has established a process and business continuity plans to assess and monitor regional conditions and has defined appropriate policies and controls to engage in work that aligns with its risk tolerance levels, however these conditions may change through time and potentially render these controls ineffective. If the Corporation does not successfully and timely adjust to these factors or implement appropriate mitigations, its workforce, business and results of operations may be materially adversely impacted.

Availability, and Retention and Well-being of Qualified Professional Staff

There is strong competition for qualified technical and management personnel in the sectors in which the Corporation operates. The Corporation's success depends in part on its continued ability to attract and retain qualified and skilled engineers, scientists, planners, technical experts and other professional staff and to establish and execute an effective succession plan. Over the years, a significant shortage of engineers and other professionals serving our industry has developed in some markets which has resulted in continued upward pressure on professional compensation packages and has resulted in high turnover rates, adding pressure on employee retention. Competition in the industry today largely involves the competition for talent. Considering longer term trends in the industry including demographics, scarcity of talent relative to demand and the pace of technological advances, the Corporation expects this risk to remain significant to its business. There can be no assurance that the Corporation will be able to attract, hire and retain sufficient qualified management personnel, engineers and other professional staff necessary to continue to maintain and grow its business. Furthermore, some of the Corporation's personnel hold government granted clearance in certain regions that may be required in order to work on specific government projects. If the Corporation were to lose some or all of these personnel, such staff may be difficult to replace. Loss of the services of, or failure to recruit, qualified technical and leadership personnel with governmental clearances could limit the Corporation's ability to successfully complete existing projects and/or compete for new projects requiring such clearances.

When the Corporation fails to retain key personnel or when such personnel retire or otherwise depart the Corporation, the roles and responsibilities of such employees need to be filled, which requires that the Corporation devote time and resources to identify, hire and integrate new employees. If the Corporation's succession plan fails to identify those individuals with high potential or to develop these key individuals, it may be unable to replace key members who retire or leave the Corporation and may be required to expend significant time and resources to recruit and/or train new employees. The inability to attract, hire and retain enough qualified management personnel, engineers and other professional staff as well as to establish and execute an effective succession plan could limit the Corporation's ability to successfully complete existing projects and compete for new projects, which could adversely affect the Corporation's ability to sustain and increase revenues and its future results.

In addition, the Corporation strives to protect, support and promote the well-being of its people through workplace practices and well-being programs. Failure to meet those goals may lead to deteriorating work-life balance, reduction in productivity, decline in workforce mental and physical health, increase in absenteeism, voluntary turnover, work incidents and accidents. This may impact the delivery of our professional services and consequently adversely impact the Corporation's business objectives and financial position.

Over the past several years, as attention to issues of societal inequity and racial injustice have increased globally, the Corporation has continued to emphasize its commitment to inclusion, equity and diversity. The Corporation is committed to promoting a culture that empowers its people through a work environment where inclusion, equity and diversity are expected and valued. Among other things, the Corporation has set in its 2022-2024 Global Strategic Action Plan a target of 5% year-over-year increase in the representation of women and under-represented groups. Failure to meet our goals of fostering an inclusive, equitable, diverse and non-discriminatory culture, including our targets of increasing representation of women and under-represented groups, could impact our workforce development goals, our retention efforts, our ability to achieve our business objectives, our reputation and adversely affect our business and future success. Although the Corporation has set inclusion, equity and diversity standards that are to be observed by its employees when conducting business, the Corporation remains subject to the risk of misconduct, non-compliance or other improper behaviour by its employees, agents or partners.

Adequate Utilization of Workforce

The cost of providing its services, including the extent to which the Corporation utilizes its workforce, affects its profitability. The rate at which the Corporation utilizes its workforce is affected by a number of factors, including:

- its ability to transition employees from completed projects to new assignments and to hire and integrate timely new employees, including those coming from newly acquired entities;
- its ability to forecast demand for its services and thereby maintain an appropriate headcount in each of its geographies;
- its ability to adequately plan succession to ensure leadership roles, critical positions and technical capabilities are properly maintained, developed and timely prepared to carry on the Corporation's business objectives and its future growth;
- its ability to manage attrition; its need to devote time and resources to training, business development, professional development, and other non-chargeable activities;
- its ability to match the skill sets of its employees to the needs of the marketplace; and
- its ability to adapt its organizational structure to support and meet the needs of its clients while optimizing its resources to meet its margin objectives.

If the Corporation does not utilize its workforce effectively, this could impact employee attrition, safety and project execution, which could result in a decline in future profitability.

Global Operations

The Corporation's operations are global, which subjects the Corporation to a variety of risks, including:

- general social, economic and political conditions or instability in one or more specific markets and/or globally, including recessions, political changes or disruptions and other economic crises in one or more markets in which the Corporation operates;
- risks related to complying with a wide variety of local, national, and international laws, regulations and policies, together with potential adverse or significant changes in laws and regulatory framework and practices;
- changes in local government trade laws, regulations and policies affecting the markets for the Corporation's services, including applicable international sanctions;
- international hostilities, civil unrest, force majeure, war, terrorism, including domestic terrorism, and other armed conflict;

- difficulty or expense in enforcing contractual rights due to a lack of a developed legal system or other factors in certain jurisdictions;
- difficulties and costs of staffing and managing global operations and changes in labour conditions;
- difficulties, delays and expenses that may be experienced or incurred in connection with the movement of personnel through the customs and immigration authorities of various jurisdictions;
- a greater risk of uncollectible accounts and longer collection cycles;
- fluctuations in exchange rates;
- changes in regulatory practices, tariffs and taxes;
- foreign ownership restrictions with respect to operations in certain countries or the risk that such restrictions will be adopted or increase in the future;
- multiple and possibly overlapping tax structures;
- exchange controls and other funding restrictions and limitations on the Corporation's ability to repatriate cash, funds or capital invested or held in certain jurisdictions where the Corporation operates; and
- cultural, logistical and communications challenges.

Competition in the Industry

In a people-based industry, the Corporation operates in highly competitive markets and has numerous competitors for all of the services it offers. Size and characteristics of competitors vary widely with the type of service they provide, the geographic area and the industry. Some of the Corporation's competitors have longer operating histories, greater brand recognition, larger customer bases and have achieved substantially more market penetration in certain of the areas or locations in which the Corporation competes.

In addition, some of the Corporation's competitors may allocate substantially more financial or marketing resources to particular competitive bidding processes and/or benefit from greater financial flexibility than the Corporation in certain markets or they may be willing to take greater risks or accept terms and conditions that the Corporation may not deem to be acceptable. Other competitors are smaller and may be more specialized and concentrate their resources in particular areas of expertise.

Moreover, the technical and professional aspects of some of the Corporation's services generally do not require large upfront capital expenditures and provide limited barriers against new competitors. The Corporation's competitors may also consolidate or establish teaming or other relationships among themselves or with third parties to increase their ability to address customers' needs.

In the midst of rapid technological development, the Corporation must continue to anticipate changes in its clients' needs and to do so, must adapt its services so that it maintains and improves its competitive advantage. If the Corporation does not continue to innovate and leverage technology advancements, fails to adequately develop or implement its business and sales strategies or inadequately manages its projects, its ability to retain existing clients and attract new clients may be adversely affected.

In addition, competitive pressures may result in the Corporation being successful in a lesser number of competitive bids than budgeted for, which if material, could result in a negative impact on its profitability. Moreover, we may not be awarded contracts because of existing government policies designed to promote locally based businesses and under-represented minority contractors.

All of these competitive forces may result in our inability to win bids for future projects, increased margin pressure and loss of revenue, profitability and market share, which if significant, could have a material adverse effect on the Corporation's business, reputation, financial condition and results of operations.

Professional Services Contracts

Most of the Corporation's revenues come from fixed-price contracts, cost-plus contracts with ceilings and time and material contracts with fixed rates. Under fixed-price contracts, the Corporation agrees to perform either all or a specified portion of work under the contract for a fixed fee which could expose the Corporation to a greater risk of cost overruns.

Fixed-price contracts, cost-plus contracts with ceilings and time and material contracts with fixed rates are established in part on partial or incomplete designs, cost and scheduling estimates that are based on a number of assumptions, including those about future economic conditions (including inflation and interest rates), commodity and other materials pricing (including construction costs) and availability of labour, equipment and materials and other requirements. If these assumptions prove inaccurate or if unexpected changes arise, then cost overruns may occur and the Corporation could experience reduced profits or, in some cases, a loss for that project.

Increasing the volume of fixed-price contracts, cost-plus contracts with ceilings or time and material contracts with fixed rates and/or increasing the size of such contracts would increase the Corporation's exposure to these risks and if the project is significant, or there are one or more issues that impact multiple projects, costs overruns could have a material adverse impact on the Corporation's business, financial condition and results of operations.

In addition, the Corporation sometimes partners with construction delivery professionals on engineering, procurement and construction ("EPC") projects. In such cases, the Corporation may be required to assume not only design risks, but also certain procurement and construction risks, except for any risks that are contractually assumed by the client. Losses under EPC projects could adversely affect the Corporation's business, operating results and financial condition.

The Corporation may have pending claims made to clients under some of its contracts for payment of work performed beyond the initial contractual requirements. In general, the Corporation cannot guarantee that such claims will be approved by its clients in whole, in part, or at all. If these claims are not approved, the Corporation's revenues may be reduced in future periods or a dispute (including legal proceedings) could arise which could be detrimental to the Corporation.

Moreover, in certain instances, the Corporation may provide a guarantee to a client that it will complete a project by a certain date. As such, the Corporation may incur additional costs should the project be managed ineffectively or should it subsequently fail to meet the scheduled completion date for any other reason. Projects that are not completed on schedule further reduce profitability. Staff must continue to work on such projects for longer than anticipated; this may prevent them from pursuing and working on new or other projects. Projects that are over budget or not on schedule may also lead to client dissatisfaction and legal proceedings, which can be costly and detrimental to and adversely impact the Corporation's reputation. A project's revenues could also be reduced should the Corporation be required to pay liquidated damages in connection with contractual penalty provisions. Such damages can be substantial and can accrue on a daily basis.

In addition, certain contract bidding frameworks are inherently stringent and inflexible, which limits the ability of a bidder or tenderer to negotiate certain contractual terms and conditions. These types of contracts could potentially expose the Corporation to significant additional risks or costs, including making any pricing adjustment difficult in a highly inflationary environment, that could lead to lower margins and adversely affect the profitability of the Corporation's projects.

Economic Environment

Demand for the Corporation's services can be impacted by economic factors and events. Global and local capital and credit markets and global and local economies may experience significant uncertainty, characterized by the bankruptcy, failure, collapse or transactions in one or more market sectors, including financial institutions, and a considerable level of intervention from governments and international organizations around the world. Economic conditions in any of the markets in which the Corporation operates may be weak and may remain weak or become weaker in the future. In addition, many governments used, or continue to use, significant levels of fiscal stimulus in an attempt to avoid recessions and now have significant and growing debts and deficits that may require actions such as spending cuts and higher taxes. Any of these conditions may impact demand for the Corporation's services by public and private entities or impact our cost of doing business. Demand for the Corporation's services may also be vulnerable to reductions in private industry spending resulting from sudden economic downturns or changes in commodity prices such as oil, natural gas or metals, which may result in clients delaying, curtailing or cancelling proposed and existing projects, in some cases with little or no prior notice. Any of these conditions may adversely affect the demand for the Corporation's services, which may negatively affect its business, financial condition and results of operations.

In addition, currency and interest rate fluctuations, financial market volatility or credit market disruptions may limit the Corporation's access to capital and may also negatively affect the ability of the Corporation's customers to obtain credit to finance their businesses on acceptable terms. If the operating and financial performance of the Corporation's customers deteriorates or if they are unable to make scheduled payments or obtain credit, the Corporation's customers may not be able to pay the Corporation. Any inability of customers to pay the Corporation for its services may adversely affect its backlog, earnings and cash flows.

Lastly, rising inflation, interest rates and construction costs could reduce the demand for the Corporation's services in the markets in which it operates or may operate in the future. The Corporation also generally bears the risk of rising inflation in connection with fixed-price contracts and may also bear inflation risk in relation to cost-plus contracts with ceilings or contracts on a time and material basis where hourly rates are fixed. In addition, if the Corporation expands its business into markets or geographic areas in which fixed-price work is more prevalent, inflation may have a larger impact on the Corporation's results of operations. The impact of inflation could also subject the Corporation to significant cost pressure, including increasing costs of borrowing, or lead to a decrease in the liquidity of capital markets.

Working with Government Agencies

The demand for the Corporation's services is affected by the level of government funding that is allocated for rebuilding, improving, and expanding infrastructure systems. The Corporation derives a significant portion of its revenues from governments or government-funded projects and expects to continue to do so in the future. Significant changes in the level of government funding, the short-term and long-term impacts of the COVID-19 pandemic (including future budgetary constraints, concerns regarding deficits, inflation and a recession), economic crisis, changing political priorities, changes in governments or delays in projects caused by political deadlock, may adversely affect the Corporation's business, prospects, financial condition and results of operations.

The success and further development of the Corporation's business depend, in part, on the continued funding of these government programs and on the Corporation's ability to participate in these programs. However, governments may not have available resources to fund these programs or may decide not to fund these programs for diverse political reasons.

Most government contracts are awarded through a rigorous competitive process which may result in the Corporation facing significant additional pricing pressure, uncertainties, and additional costs. As such:

- Government contracts in most regions are based on strict regulatory and statutory foundations of public procurement. Non-compliance with these regulatory requirements by the Corporation may result in termination of contracts, suspension or debarment from future governmental projects and/or other sanctions including the imposition of penalties or fines.
- Government contracts are typically subject to renewal or extensions over a defined period, and thus the Corporation cannot be assured of its continued work under these contracts in the future. Government budgetary approval procedures take place annually, which may result in partial contract funding where contract performance is expected to take more than one year. Moreover, those budgetary processes may also result in defunding where multi-year contracts were partially funded in the early stages of implementation.
- Government agencies can typically terminate these contracts at their convenience or render the Corporation ineligible to contract with such government agencies in the future. The Corporation may incur costs in connection with the termination of these contracts and suffer a loss of business.
- In certain markets, contracts with government agencies are subject to substantial regulation and audit of the actual costs incurred. These audits can result in a determination that a rule or regulation has been violated or that adjustments are necessary to the amount of contract costs the Corporation believes are reimbursable by the agencies and the amount of overhead costs allocated to the agencies. Consequently, there may be a downward adjustment to the Corporation's revenues if costs already recognized exceed the contractual entitlements, as audited by the relevant government agency.

Our inability to win new contracts or be awarded additional work under existing contracts could have a material adverse impact on the Corporation's business, financial condition and results of operations.

In addition, as part of its global business dealings with different governmental bodies, entities and agencies in each of the countries in which the Corporation operates, WSP must comply with complex public procurement laws and regulations aimed at ensuring that public sector bodies award and manage contracts in a transparent, competitive, efficient and non-discriminatory manner in these jurisdictions. These rules can also provide for verification processes and disclosure requirements, as well as address national security concerns, among other matters. WSP can be subject to audits and investigations by government departments and agencies with respect to compliance with these rules. Non-compliance with these requirements may result in the Corporation incurring penalties and sanctions, including contract termination, suspension of payments, suspension or debarment from doing business with the government, and fines. In addition, WSP may be required to obtain authorizations or certifications in order to enter into contracts with governmental bodies, entities and agencies in certain jurisdictions, which authorizations or certifications may be revoked in a variety of circumstances, including at the discretion of a governmental authority or if the Corporation or its affiliates or directors or officers are convicted of an offense. If the Corporation fails to comply with these laws and regulations or the terms of these authorizations or certifications or if the Corporation, its directors, officers, employees or agents commit legal violations or misconduct specified in any of these rules, the Corporation could be subject to mandatory or discretionary exclusion or suspension, on a permanent or temporary basis, from contracting with these governmental bodies, entities and agencies or within certain jurisdictions, in addition to termination of certain government contracts, fines, penalties and other sanctions that could be imposed on the Corporation. Upon conviction of an offense, the Corporation could be debarred from participating in procurements with governmental bodies, entities and agencies for extended periods of time and suffer significant damage to its reputation. The disqualification of the Corporation from public contracts, the conviction of the Corporation with respect to certain offenses or the institution of formal charges with respect to such offenses in any jurisdiction in which it has operations or carries out business activities could impact its ability to bid, enter into or perform public contracts or subcontracts in that and other jurisdictions, any of which may adversely affect the Corporation’s business, financial condition and results of operations.

Challenges Associated with Size

In recent years, the Corporation has significantly increased in size and, as at December 31, 2023, had approximately 66,500 employees globally. The Corporation must effectively communicate, monitor and manage its culture, values, standards, internal controls and policies throughout the larger organization. The Corporation may not be able to achieve its strategic objectives if it does not overcome the challenges associated with managing cultural diversity and the particularities of local markets. Cultural differences in various countries may also present barriers to introducing new ideas or aligning WSP’s vision and strategy throughout the organization.

In addition, the size and scope of the Corporation’s operations heighten the possibility that it will have employees who engage in unlawful or fraudulent activity, or otherwise expose it to business or reputational risks, despite the Corporation's efforts to provide training and maintain controls to prevent such instances. If the Corporation cannot overcome these obstacles, it may not be able to achieve its growth and profitability objectives and/or it may suffer reputationally. In addition, from time to time, the Corporation has made, and may continue to make, changes to its operating model, including how it is organized, to adapt to the needs and size of its business evolution. If the Corporation does not successfully and timely implement any such changes, its business and results of operation may be negatively impacted.

Growth by Acquisitions

A key part of our growth strategy is through M&A activities; that is, acquiring firms that align with our strategic objectives and/or that operate in geographies and/or specialties that are complementary to our existing operations. Management believes that growth through acquisitions can enhance the Corporation’s value proposition and can accelerate our ability to achieve our strategic goals. However, a variety of factors may adversely affect the anticipated benefits of a given acquisition or prevent these from materializing to the extent envisaged or at all, or from occurring within the time periods forecasted by the Corporation. In addition, entities the Corporation acquires may have liabilities, contingencies, incompatibilities or other obstacles to successful integration that the Corporation failed to discover or was unable to accurately quantify in the due diligence conducted prior to completion of an acquisition and which could have a material adverse effect on the Corporation's business, financial condition or future prospects.

Although we seek to complete a thorough due diligence process in connection with any acquisition or related transaction we pursue, there remains a level of risk regarding the accuracy and completeness of the information provided to the Corporation or our ability to discover or accurately quantify certain liabilities, deficiencies, contingencies or other obstacles to a successful integration, particularly in competitive processes, such as auction-style processes, where we may not have access to all material information prior to submitting a binding offer, which could have a material adverse effect on the Corporation's business, financial condition or future prospects. While we strive to obtain adequate indemnification rights from the sellers of acquired businesses and/or insurance that could mitigate certain of these risks, such rights may be difficult to enforce, the losses may exceed any dedicated escrow funds or holdbacks and the indemnitors may not have the ability to financially support the indemnity, or the insurance coverage may be unavailable or insufficient to cover all losses.

In addition, as there is strong competition among acquirers in our industry, it may prove increasingly challenging to identify attractive targets for acquisitions, and such firms may not be available on terms and conditions, including pricing, that are acceptable to us, which may negatively impact our ability to successfully pursue our growth strategy. Existing cash balances and cash flow from operations, together with borrowing capacity under our credit facilities, may be insufficient to make acquisitions. Future acquisitions may require us to obtain additional equity or debt financing, which may not be available on attractive terms, or at all.

Further, the Corporation may enter into new markets or take on new activities as a result of its acquisitions. This carries the risk that the Corporation may struggle to efficiently or effectively exploit such new markets or services, and/or to comply with laws and regulations applicable thereto, or it may misjudge or inefficiently mitigate the risks associated with these new markets or activities.

Consummation of acquisitions may be subject to the satisfaction of customary closing conditions. One or more of these conditions may not be fulfilled and, accordingly, the transaction may not be consummated or may be significantly delayed. If the transaction is not consummated, we will have incurred costs, often substantial, without realizing the expected benefits of the acquisition. In addition, there may be challenges associated with obtaining adequate insurance coverage for the target's operations prior to closing. To the extent the market price of our shares reflects a market assumption that the transaction will be consummated or will be consummated within a particular timeframe, the market price of our shares may decline. The announcement of the transaction or its pendency can cause uncertainty among clients and employees about the effect of the transaction which could have an adverse effect on the Corporation's ability to maintain existing business relationships or retain key employees. The pursuit of the transaction will also require management attention and use of internal resources that would otherwise be focused on general business operations. Any of the foregoing, or other risks arising in connection with a failure or delay in consummating a transaction, including the diversion of management attention or loss of other opportunities during the pendency of the transaction, could have a material adverse effect on our business, financial condition and results of operations.

Furthermore, as we regularly review our global business and operations, we may wish to divest certain of the Corporation's businesses that do not align with its current and future strategy. Divestitures involve risks and uncertainties and may take longer or be costlier than expected, are subject to market conditions and may not be completed at all. We may also retain liabilities related to divested businesses post-disposal. If we are unable to complete divestitures or to successfully transition divested businesses, or if closing of a divestiture is significantly delayed, our business and financial results could be negatively impacted.

Acquisition Integration and Management

Achievement of the benefits of acquisitions depends in part on successfully consolidating functions, integrating and leveraging operations, procedures, systems, and personnel in a timely and efficient manner, as well as the Corporation's ability to share knowledge and realize revenues, synergies and other growth opportunities from combining acquired businesses and operations with those of WSP. There is no assurance that the Corporation will be able to successfully integrate its acquisitions. Failure by the Corporation to effectively and timely integrate acquired businesses, including the integration of personnel, culture, values, operations, standards, controls, procedures, policies and systems, including IT systems, could lead to, among other matters: a failure to realize anticipated benefits of one or more acquisitions, including cost savings, synergies, business opportunities and growth opportunities; unanticipated operational problems resulting in inefficiencies, expenses, including higher than anticipated integration costs, liabilities and claims; the loss or disengagement of certain key personnel; and an increase in the risks to which the Corporation is subject.

The successful integration of an acquired business is subject to the risk that personnel and professionals from the acquired business and the Corporation may not be able to work together successfully, which could affect morale and the Corporation's operations. Cultural differences, including but not limited to differences in corporate cultures, may also present barriers to the successful integration of businesses acquired by the Corporation. Among other things, the Corporation may seek to require as a condition of completion of one or more acquisitions that key personnel and professionals from the acquired business enter into employment agreements for specified post-acquisition periods and/or non-competition undertakings; however, there are risks that such commitments will not be respected or that the personnel and professionals subject to same or other personnel and professionals will not be successfully integrated as productive contributors to the Corporation's business. In addition, all acquisitions carry the risk of the potential loss of key personnel or that key personnel may compete with the Corporation's business post-closing which would hinder our ability to protect the goodwill acquired in connection with the transaction.

While in transition, the integration of information technology systems and financial management systems of acquired firms may expose us to information security risks, cyber security risks, and gaps in internal controls, in particular where there may be gaps in the security protections implemented in target firms relative to the standards implemented in the Corporation.

There may also be gaps in the standard contracts terms implemented in target firms relative to those implemented in the Corporation, resulting in less favourable terms and conditions post-acquisition. The implementation of WSP contracting standards and guidelines following completion may require significant time and resources and correspondingly, result in increased risk during the transition period.

Integration requires the dedication of substantial management effort, time and resources, which may divert Management's focus and resources from other strategic opportunities (including other potential acquisitions) and from operational matters during the integration process. The acquisition integration process may also result in the disruption of ongoing business, client, employee and other relationships that may adversely affect the Corporation's ability to achieve the anticipated benefits of a given acquisition. In particular, major clients of the acquired businesses may not be retained following the acquisition of such businesses. The Corporation may not ever realize the full benefits of an acquisition, including the synergies, cost savings, or sales or growth opportunities, any of these difficulties could adversely impact our business performance and results of operations.

Current or Future Legal Proceedings

In the ordinary course of conducting its business, the Corporation is threatened from time to time with, or named as a defendant in, or may become subject to, various legal proceedings. These legal proceedings (which may include civil suits, demands for arbitration or class actions) often allege professional errors and omissions or other incidents that may occur during project delivery, or commercial or regulatory disputes involving with clients, service providers, partners, project owners, contractors, and the Corporation's employees.

As part of its service offerings, the Corporation also issues reports and opinions to clients based on its professional engineering expertise, as well as its other professional credentials, in compliance with applicable laws, regulations and professional standards. The Corporation could be liable to third parties who use or rely upon such reports or opinions even if the Corporation is not contractually bound to those third parties. In particular, such third-party liability could include expert liability under applicable laws. The Corporation may not always have the ability to control the manner in which its reports and work produced for clients may be released, quoted from, or summarized in the public domain. As a result, the Corporation could attract liability if its clients reproduce such work products to solicit funds from investors without appropriate disclaimers or context, or the information proves to be incorrect, misleading, or incomplete.

In addition, legal proceedings may result from the business historically carried on by the Corporation’s predecessors as well as employees’ or former employees’ failure to comply with applicable laws and regulations.

On December 27, 2019, over 100 plaintiffs filed suit in the US District Court for Washington, DC against a number of US government contractors, including The Louis Berger Group, Inc. and Louis Berger International, Inc. (collectively, “LB”) which the Corporation acquired in December 2018, alleging that between 2009 and 2017, LB had violated the Anti-Terrorism Act. The Corporation is of the view that LB has a strong defense on both the legal aspects of the litigation and the factual underpinnings in this complex and rarely litigated statute. Preliminary motions to dismiss the proceedings have been filed by the Defendants. However, the Corporation cannot, at this preliminary stage, predict the outcome of this suit, potential losses or the impact on its reputation.

Defending lawsuits of this nature or arising out of any of the services provided by the Corporation could require substantial attention from Management, necessitate financial resources to defend such claims and/or result in significant attorney fees, damage awards and the imposition of significant fines, penalties or injunctive relief for which the Corporation may not be fully insured and which could harm its reputation, thereby affecting its ability to bid on and/or obtain future projects and retain qualified employees. Even if the Corporation is successful or if it is fully indemnified or insured, such lawsuits could damage the Corporation’s reputation and make it more difficult to compete effectively or obtain adequate insurance in the future. In addition, the institution of proceedings against the Corporation may have to be immediately accounted for in the results of the Corporation and may have a material adverse impact on the assets, liabilities, revenues and/or goodwill of the Corporation, the magnitude of which the Corporation may not predict.

Reputation

To remain competitive, the Corporation depends to a large extent on its relationships with its clients and its reputation for high-quality professional services and as a professional services firm that complies with the highest ethical standards. This positive reputation plays an important role in the Corporation’s long-term success and is crucial for it to continue to compete effectively and maintain its goodwill. The failure of the Corporation to meet its clients’ expectations in the course of a project, or the occurrence of events outside of the control of the Corporation including the possibility of a catastrophic failure or incident affecting such a project, could have a negative impact on how it is perceived in the market. Further, the Corporation’s failure to comply with applicable laws, regulations or generally recognized and accepted guidelines on corporate, environmental, social (including health and safety), and governance responsibilities, failure to adequately report on or meet its environmental, social and governance objectives, human rights standards or commitment of any acts of misconduct or corruption, illegal political contributions, alleged or proven non-compliance with laws or regulations, anti-competitive or criminal acts or other ethics-related acts or omissions by its officers, directors, employees, subconsultants, contractors, agents, third party suppliers and/or partners could negatively impact the Corporation’s reputation. Harm to the Corporation’s reputation could also arise from a number of other factors, including questions surrounding competence, data breaches, actual or alleged quality, timing or performance issues on its projects, a poor health and safety record or the accuracy and quality of financial reporting and public disclosure. Any negative publicity about, or significant damage to, the Corporation’s reputation and image could have an adverse impact on client, employee and investor perception and confidence and may result in the cancellation of current projects and adversely impact its ability to obtain future projects, affect the Corporation’s ability to attract or retain qualified personnel, or negatively impact the Corporation’s relationship with its investors and potential investors, all of which could materially and adversely affect its revenues and profitability. Also, the pervasiveness and viral nature of social media could exacerbate any negative publicity with respect to the Corporation's business.

Insurance Limits

The Corporation maintains comprehensive insurance coverage for various aspects of its business and operations, to provide indemnity for its losses and liabilities. The Corporation’s insurance programs are subject to varying coverage limits, retentions as well as exclusions that are customary or reasonable given the cost of procuring insurance, and current operating conditions, and other relevant considerations. As a result, the Corporation may be subject to future liability for which it is only partially insured, or completely uninsured. The Corporation is of the view that its insurance programs address all material insurable risks and provides coverage that is in accordance with what would be maintained by a prudent operator of a similar business. However, there can be no guarantee that such insurance will continue to be offered on economically feasible terms, that all events that could give rise to a loss or liability are or will be insurable, or that the amounts of insurance will always be sufficient to cover every loss or claim that may occur involving the Corporation’s assets or operations.

Challenges associated with infectious disease outbreaks

Infectious disease outbreaks, including epidemics, pandemics such as COVID-19 or similar widespread public health concerns, can cause serious demand, supply and operational challenges that may negatively impact the Corporation's employees, business, financial performance and financial position.

These public health concerns pose the risk that our employees, clients, subconsultants and other business partners may be prevented from, or restricted in, conducting business activities for an indefinite period, including due to the transmission of the disease or to emergency measures or restrictions that may be requested or mandated by governmental authorities.

Pathogens are constantly and rapidly evolving and they are impacted by climate change which also increases the spread of infectious diseases.

The likelihood and magnitude of such impacts or the occurrence of any such infectious disease outbreaks are inherently difficult to predict and will depend on many factors beyond the Corporation’s control and knowledge. If infectious disease outbreaks continue to materialize, and if the Corporation’s business continuity plans are insufficient to adequately mitigate any impacts, there could be a material adverse impact on the Corporation’s business, financial results and/or operations.

Controls and Disclosure

Inherent limitations to the Corporation’s internal or disclosure controls could result in a material misstatement of financial information or other metrics disclosed by the Corporation, which could cause the Corporation to incur incremental compliance costs, fail to meet its public reporting requirements or require a restatement of its financial statements. The Corporation maintains accounting systems and internal controls over its financial reporting and disclosure controls and procedures. There are inherent limitations to any control framework, as controls can be circumvented by acts of individuals, intentional or not, by collusion of two or more individuals, by management override of controls, by lapses in judgment and breakdowns resulting from human error. There are no systems or controls that can provide absolute assurance that all fraud, errors, circumvention of controls or omission of disclosure are prevented or detected. Such fraud, errors, circumvention of controls or omission of disclosure could result in a material misstatement of financial information. Also, projections of any evaluation of the effectiveness of controls to future periods are subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate. Inadequate controls could also result in fraud and inappropriate decision-making based on non-current internal information. Inadequate internal or disclosure controls may also have a material adverse impact on the assets, liabilities, revenues, expenses, and reputation of the Corporation.

Increasing Requirements and Stakeholder Expectations Regarding ESG Matters

The Corporation and its clients are facing increasing ESG risk management and reporting expectations driven by stakeholders including clients, investors, employees and communities as well as by an increasing number of regulatory requirements globally. These expectations and obligations are expected to continue to evolve in the near future.

Through its designs and advisory services, as well as through its own actions, WSP is committed to helping address and solve some of the most pressing environmental and social issues. The Corporation has pledged to reduce its greenhouse gas (“GHG”) emissions, create a more inclusive and diverse workplace, protect the health, safety and well-being of its workforce, and assess its impacts on biodiversity, among other ESG commitments. The achievement of these goals and objectives is subject to risks and uncertainties, notably for targets that are not under the Corporation’s direct control, such as the GHG emissions reductions of its business partners and suppliers (scope 3 emissions). The Corporation offers advisory services in relation to setting ESG targets and reporting on frameworks and as such, is subject to increased scrutiny of its corporate ESG disclosures. More acute generalized scrutiny also adds pressure to secure reliable and precise ESG data with clear accountability across the organization and to deploy robust data collection processes with effective controls that will allow external verification in the near future. As a result, if the Corporation misses its stated ESG targets, or fails to accurately manage, measure or report on its progress in relation to such ESG targets, this could have financial, reputational, legal and regulatory repercussions. For example, the Corporation's activities are rated by ESG rating agencies, and the resulting scores and rankings are used as an investment tool, notably among institutional investors. Failure by the Corporation to reach its ESG targets could potentially lead to downgrades in its ratings and loss of clients, partners or internal talent.

In addition, the emergence of ''greenwashing'' litigation by various groups creates a new and evolving set of compliance risks. Gaps in perception and acceptability of how ESG factors in shareholder value also call for increased vigilance when it comes to ESG reporting and communication.

If the Corporation's ESG risk management and reporting practices fail to achieve the expectations of its stakeholders, this could influence investor behaviour and negatively affect our reputation, all of which would have an adverse effect on our business, results of operations and financial condition.

Risks related to Generative AI

The digital transformation and the adoption of emerging technologies, such as generative AI, are requiring us to identify and manage new risks. Although the integration of generative AI into the Corporation's operations may perform a broad range of knowledge-intensive tasks and provide a business advantage, it also carries risks related to:

- Accuracy and bias: Generative AI tools may generate inaccurate or unreliable output which may be biased or discriminatory, include unethical or inappropriate content, or be repetitive. If generative AI output is relied upon with insufficient human validation, there may be an increased risk of errors and omissions in the Corporation's services and work products, and consequently, increased risk of litigation and claims and erosion of trust with clients.
- Data privacy and confidentiality of client, personal and corporate data: questions and prompts that may interact with public generative AI services may be stored and re-used in the tool. In such instances, the data entered is not protected against disclosure and may be permanently available to third parties, increasing compliance risks with data protection laws.
- Regulation: emerging regulations, data protection laws or contractual obligations relating to generative AI may lead to additional compliance risks for the Corporation.
- Intellectual property: generative AI service providers may pose aggressive terms and conditions on the ownership of information provided by or to the tool, raising the risk of copyright or intellectual property violations.

Although the Corporation has established internal controls and processes regarding generative AI, these may not be sufficient to adequately protect against all risks. This may result in fines, penalties, litigation and impact our reputation, which may adversely impact the Corporation's business, financial condition and results of operations.

Climate Change and related Physical and Transition Risks

As an organization providing consultancy services with no significant real estate assets, the Corporation believes its financial exposure to acute physical impacts from climate change is limited. However, there is the potential that changes in climate such as increasing heatwaves, sea level rise, extreme weather events, storm-related flooding or extended drought, or other acute or chronic changes to the climate could disrupt its clients' projects, its project delivery, or the health and safety of its employees. The effects of climate change and extreme weather events on the Corporation's clients have the potential to cause negative impacts on the Corporation, including work stoppages, project delays, financial losses and additional costs to resume operations, including increased insurance costs or loss of coverage, legal liability and reputational losses. Existing business continuity plans may not be sufficient to enable the Corporation to recover from these negative impacts.

Generally, the Corporation occupies modern offices in well-connected locations. It also has significant regional, national and global presence to ensure that all offices would not be disrupted by adverse climate impacts at the same time.

However, the health and well-being of our employees may be impacted if there are significant, region-wide events such as heatwaves or extreme weather, regardless of where employees are working, which may impact project delivery. The Corporation conducts outdoor field activities in the course of its projects, including but not limited to professional surveying, resident engineering services, field data surveys and collection, archeology, geotechnical investigations and exploratory geological or geo-environmental drilling, construction oversight and inspection, and plant start-up, testing and operations. Therefore, extreme weather events could also hinder the ability of its field employees to perform their work, which may result in delays or loss of revenues, while certain costs continue to be incurred.

In addition to physical risks, climate change poses transitional risks to the Corporation such as market and technology shifts, which could result in decreased demand for some of the Corporation's services. Furthermore, policy changes made by governments in response to climate concerns could increase the costs or impact the viability of projects for some clients, or alternatively increase demand for some of our services. It is currently difficult to predict the outcome of climate-related proposals and their impact on the Corporation and its clients.

Ecological and Social Impacts of Projects

WSP works in industries including energy, mining, water, transportation and infrastructure, where related projects may impact the environment or local or Indigenous communities or take place in regions subject to geopolitical tensions or with elevated human rights concerns. The impacts of our clients' projects may include a reduction in biodiversity, deforestation, water pollution, displacement of local populations, otherwise disrupt communities or lead to the loss of territories claimed by certain groups. Beyond abiding by all applicable laws and regulations, the Corporation's clients must gain social acceptance for their projects from a wide number of stakeholders. Failure to involve concerned citizens and impacted communities in decision-making could lead to negative publicity, protests, litigation, policy changes, or even cancellation of projects, which could adversely impact the Corporation's business, financial condition, or its reputation.

Joint Arrangements

As part of its business strategy, the Corporation may enter into certain contracts through joint arrangements with unaffiliated third parties such as joint ventures, partnerships or other strategic alliances. The success of the Corporation's joint arrangements depends, in part, on the satisfactory performance by its partners of their respective obligations. The failure or unwillingness of any partner in a joint arrangement to perform its obligations or to provide the required levels of financial support could impose financial and performance obligations on the Corporation that could result in increased costs and adversely affect the Corporation's reputation, business and financial condition. If these circumstances occur, the Corporation may be required to pay financial penalties or liquidated damages, provide additional services outside of its responsibilities, or make additional investments to ensure adequate performance and delivery of the contracted services. Under agreements with joint and several (or solidary) liabilities or whereby the work to be delivered to our client is integrated with our contract partners, the Corporation could be liable for both its own obligations and those of its partners which could have an adverse impact on its financial condition and results of operations. These circumstances could also lead to disputes and litigation with the Corporation's partners or clients.

Reliance on Suppliers and Subconsultants

The Corporation engages with a large number of third-party suppliers and subconsultants to fulfill its obligations towards its clients. The proper and profitable completion of some contracts depends to a large extent on the satisfactory performance of the subconsultants that complete different elements of the work delivered by the Corporation to its clients. If these subconsultants do not perform to acceptable standards or fail to deliver as per the agreed schedule, the Corporation may have to replace its subconsultant to complete the subcontracted deliverables and the Corporation's ability to fulfill its obligations may be jeopardized. This may result in additional costs to the Corporation which could impact profitability on a specific job and in certain circumstances may lead to margin erosion, significant losses, dissatisfied clients and claims.

The failure of the Corporation to flow down its contractual liability adequately and proportionately to its suppliers and subconsultants and the failure of any such third party, supplier or subconsultant to deliver on their contractual commitments or to meet the Corporation's expectations set out in its Business Partners Code of Conduct could have an adverse effect on the Corporation's business, reputation, prospects, financial condition and results of operations.

Work Stoppage and Labour Disputes

As at December 31, 2023, employees predominantly in the Nordics, Brazil, Canada and Central Europe, representing approximately 11% of the Corporation's total employee population were unionized. Although the Corporation believes that it has good relations with its employees, the Corporation has in the past experienced labour disputes with its employees and could experience such conflicts in the future which could lead to strikes, loss of productivity, project interruptions, financial losses or damages to the Corporation's reputation as an employer of choice. A lengthy strike or other work stoppages, caused by or involving unionized or non-unionized employees, in connection with any of the Corporation's projects could have a material adverse effect on the Corporation. There is an inherent risk that on-going or future negotiations relating to collective bargaining agreements or union representation may not be favourable to the Corporation. From time to time, the Corporation has also experienced attempts to unionize the Corporation's non-unionized employees. Such efforts can often disrupt or delay work and present risk of labour unrest.

Changes to Backlog

The Corporation cannot guarantee that the revenues projected in its backlog will be realized or, if realized, will result in profits. Projects may remain in the backlog for an extended period of time. In addition, project delays, suspensions, terminations, cancellations, reductions in scope or other adjustments do occur from time to time in the Corporation's industry due to considerations beyond its control and may have a material impact on the value of reported backlog with a corresponding adverse impact on future revenues and profitability. Future project cancellations and scope adjustments could further reduce the dollar amount of the backlog and the revenues that the Corporation actually receives.

In addition, most of the Corporation's contracts contain "termination for convenience" or termination upon short notice provisions, which permit the client to terminate or cancel the contract at its convenience upon providing the Corporation with notice of a specified period of time before the termination date or paying the Corporation equitable compensation or both, depending on the specific contract terms. In the event a significant number of the Corporation's clients were to avail themselves of such "termination for convenience" provisions, or if one or more significant contracts were terminated for convenience, the Corporation's reported backlog would be adversely affected with a corresponding adverse impact on expected future revenues and profitability. Although the Corporation's revenues do not materially depend on any specific client, there can be no assurance that the Corporation will be able to retain its relationships with its largest clients. If a significant backlog adjustment occurs, the Corporation could incur costs resulting from reductions in staff that would have the effect of reducing its net earnings.

Protection of Intellectual Property Rights

The Corporation's technology and intellectual property provide, in certain instances, a competitive advantage. Where appropriate, the Corporation seeks to protect its technology and intellectual property, including trademarks, patents, copyright, know-how and industrial designs, by relying on registration, licensing, security controls and other available mechanisms, as well as by implementing the proper legal contractual arrangement and non-disclosure agreements. However, there is no assurance that such measures will be enforceable or adequate. Trade secrets are generally difficult to protect. Our employees and contractors are subject to confidentiality obligations, but this protection may be inadequate to deter or prevent misappropriation of our confidential information and/or infringement of our intellectual property. If the Corporation is not able to fully protect its intellectual property rights or detect unauthorized use of same or otherwise take appropriate steps to enforce its rights, they could be invalidated, circumvented, challenged or become obsolete which could adversely impact the Corporation's capacity to differentiate itself from its competitors. Litigation to determine the scope of intellectual property rights, even if ultimately successful, could be costly and could divert management's attention away from other aspects of our business.

Clients and third parties occasionally provide the Corporation with access to their technology and intellectual property, and although the Corporation takes reasonable steps to protect such information from improper use or distribution, there is a risk that it may not be adequately protected which could lead to claims and litigation and resulting liabilities, loss of contracts or other consequences that could have a material adverse impact on our business, financial condition and results of operations. In addition, the Corporation publishes numerous articles and reports, in a variety of websites, journals or magazines and may, even unintentionally, entail copyright infringement. The Corporation may face allegations or claims by clients and third parties of infringement, misappropriation or other violations of their intellectual property rights. Any infringement, misappropriation or related claims, whether or not meritorious, could be time consuming, divert technical and management personnel, and costly to resolve and could substantially harm our business, financial results and overall reputation.

RISKS RELATED TO THE CORPORATION'S LIQUIDITY, CAPITAL RESOURCES AND FINANCIAL POSITION

Deterioration of Financial Position or Net Cash Position

The Corporation relies both on its cash position as well as on the bank, credit and capital markets to provide a portion of its capital requirements and it is, in certain instances, required to obtain bank guarantees, letters of credit and/or performance and payment bonds as a means to secure its various contractual obligations. Significant instability or disruptions of the capital markets, including the credit markets, or a deterioration in or weakening of its financial position, including its net cash position, due to internal or external factors, could restrict or prohibit the Corporation's access to, or significantly increase the cost of, one or more of these financing sources, including credit facilities, the issuance of long-term debt (such as the issuance of debentures, bonds or notes), or the availability of bank guarantees, letters of credit and/or bonding to guarantee its contractual and project obligations.

There can be no assurance that the Corporation will maintain an adequate net cash position and generate sufficient cash flow from operations to fund its operations and liquidity needs, service its debt and/or maintain its ability to obtain and secure bank guarantees.

A draw on letters of credit or bank guarantees by one or more third parties could, among other things, significantly reduce the Corporation's cash position and have a material adverse effect on its business and results of operations.

Working Capital Requirements

The Corporation may have significant working capital requirements, which if unfunded could negatively impact its business, financial condition and cash flows. In some cases, the Corporation may require significant working capital to finance the performance of engineering and other work on certain projects before it receives payment from clients. In other cases, the Corporation is contractually obligated to its clients to fund working capital on projects. Increases in working capital requirements could negatively impact the Corporation's business, financial condition and cash flows.

Further, significant deterioration of the current global economic and credit market environment could challenge the Corporation's efforts to maintain a diversified asset allocation with credit worthy financial institutions.

In addition, the Corporation may invest some of its cash in longer-term investment opportunities, including the acquisition of other entities or operations, capital expenditures, the reduction of certain liabilities such as unfunded pension liabilities and/or repurchases of the Corporation's outstanding shares. To the extent the Corporation uses cash for such other purposes, the amount of cash available for the working capital needs described above would be reduced.

Accounts Receivable

As is common in the professional services industry, the Corporation carries a high level of accounts receivable on its balance sheet. This value is spread among numerous contracts and clients. While the Corporation performs regular reviews of accounts receivable to identify clients with overdue payments and resolve issues causing any delays, including issues relating to the financial capacity of such clients, there can be no assurance that outstanding accounts receivable will be paid on a timely basis or at all. The non-payment of accounts receivable may have an adverse impact on the

Corporation's financial condition and profitability. While the Corporation maintains provisions to account for projected collection issues, such provisions are based on estimates and projections which may differ significantly from actual results.

The Corporation's credit risk is principally attributable to its trade receivables. The amounts presented in the balance sheet are net of expected credit losses, estimated by Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, although credit is extended following an evaluation of creditworthiness, the Corporation does not require collateral or other security from customers for trade accounts receivable. Large uncollectible accounts receivable balances could have a material adverse effect on the Corporation's financial condition.

Increased Indebtedness and Raising Capital

The Corporation may draw on its credit facilities or may issue other debt instruments, such as bonds, to fund its activities, including acquisitions it may complete from time to time. Depending on its level of indebtedness, the Corporation could be required to dedicate an important part of its cash flow to making interest and capital payments on its indebtedness, which could have other important consequences for investors, including the following:

- it may limit the Corporation's ability to make investments that are important to its growth and strategies while meeting its other cash needs or obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes;
- certain of the Corporation's borrowings are at variable interest rates and expose the Corporation to the risk of increased interest rates;
- it may limit the Corporation's ability to adjust to changing market conditions and place the Corporation at a competitive disadvantage compared to its competitors that have less debt;
- it may negatively impact the Corporation's credit ratings;
- the Corporation may not be able to declare and pay dividends on its shares or may have to lower the dividends it declares and pays on its shares; and
- the Corporation may be vulnerable in a downturn in general economic conditions.

Under the terms of the contracts governing its indebtedness, the Corporation is permitted to incur additional debt in certain circumstances. However, doing so could increase the risks described above. Under its credit facility and trust indenture, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated adjusted EBITDA and the interest coverage ratios, which are non-IFRS measures. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing and reporting requirements under its credit facility and trust indenture. A breach of any covenant or our inability to comply with the required financial ratios could result in a default under our credit facilities and limit our ability to do further borrowing.

If the Corporation is unable to obtain capital on acceptable terms in order to fund its growth strategy, the Corporation may be required to reduce the scope of its anticipated expansion, which may negatively affect its business strategy, future competitiveness and results of operations. Using internally generated cash or taking on high levels of debt to complete acquisitions could substantially limit the Corporation's operational and financial flexibility. The extent to which the Corporation will be able or willing to issue equity as a means of financing acquisitions will depend on the market value of its shares from time to time and the willingness of potential sellers to accept its shares as full or partial consideration. The Corporation may also be required to incur additional debt if it acquires another business, which could increase its debt repayment obligations and have a negative impact on future liquidity and profitability.

In addition, the Corporation may also be required to raise additional capital in the public or private markets to support its strategy and operational needs in the future. The availability of future financing will depend on prevailing market conditions, and the acceptability of financing terms offered. There can be no assurance that future financing will be available, or available on acceptable terms, in an amount sufficient to fund its needs, especially during periods of economic downturn.

Impairment of Long-Lived Assets

Because the Corporation has grown in part through acquisitions, goodwill and intangible assets represent a substantial portion of the Corporation's assets. As at December 31, 2023, the Corporation had $7.16 billion of goodwill, representing 46% of its total assets of $15.58 billion. Under IFRS, the Corporation is required to test goodwill and indefinite-lived intangible assets carried in its consolidated statement of financial position for possible impairment on an annual basis; the Corporation uses a fair value approach. The Corporation has chosen to perform its annual impairment review of goodwill on the first day of the Corporation's fourth quarter of its fiscal year. The Corporation is also required to test long-lived assets for impairment between annual tests if events occur or circumstances indicate that an asset or Cash Generating Unit ("CGU") may be impaired. These events or circumstances could include a significant change in the business climate, including a significant sustained decline in a CGU's market value, legal factors, operating performance indicators, competition, sale or disposition of a significant portion of its business, potential government actions toward its facilities, and other factors. If the recoverable amount of a CGU is less than its carrying value, the Corporation would be required to record an impairment charge. The amount of any impairment could be significant and could have a material adverse impact on the Corporation's financial condition and results of operations for the period in which the charge is taken.

Foreign Currency Exposure

Foreign currency risk is the risk that fair value of an asset or liability or future cash flows will fluctuate because of changes in foreign exchange rates, and where a change in exchange rates would have a direct impact on net earnings of the Corporation. The Corporation operates internationally which significantly increases its exposure to the foreign currency risk arising from its operating activities denominated in various currencies, including US dollars, pounds sterling, Swedish kronas and Australian dollars and to its net assets in foreign operations. A significant portion of the Corporation's earnings and net assets is denominated in multiple foreign currencies, including US dollar, pound sterling, Swedish krona and Australian dollars. Accordingly, fluctuations in exchange rates between the Canadian dollar and such currencies may have an adverse effect on the Corporation's results and financial condition. Future events that may significantly increase or decrease the risk of future movement in the exchange rates for these currencies cannot be predicted.

In situations where revenues and costs are transacted in different currencies, the Corporation sometimes enters into foreign exchange contracts in order to limit its exposure to fluctuating foreign currencies. Nonetheless, future cash flows in a foreign currency carry the risk that the foreign currency will fluctuate in value before the transaction in question is completed and the currency is exchanged into the Corporation's functional currency.

Income Taxes

The Corporation is subject to income taxes in various foreign jurisdictions. The tax legislation, regulation and interpretation that apply to its operations are continually changing. In addition, deferred income tax benefits and liabilities are dependent on factors that are inherently uncertain and subject to change, including future earnings, future tax rates, and anticipated business mix in the various jurisdictions in which the Corporation operates. Significant judgment is required in determining required provision for income taxes and Management uses accounting and fiscal principles to determine income tax positions that it believes are likely to be sustained by applicable tax authorities. However, there is no assurance that the Corporation's tax benefits or tax liability will not materially differ from its estimates or expectations. In the ordinary course of business, there are many transactions and calculations where the ultimate tax determination is uncertain. The Corporation is regularly under audit by tax authorities. It is these tax authorities that will make the final determination of the actual amounts of taxes payable or receivable, of any deferred income tax benefits or liabilities and of income tax expense that the Corporation may ultimately recognize. Although Management believes that its income tax estimates and tax positions are reasonable, they could be materially affected by many factors including the final outcome of tax audits and related litigation, the introduction of new income tax accounting standards, legislation, regulations, and related interpretations, the Corporation's global mix of earnings, the realizability of deferred income tax assets and changes in uncertain tax positions. Any of the above factors could have a material adverse effect on the Corporation's net income or cash flows by affecting its operations and profitability, the availability of tax credits, the cost of the services it provides, and the availability of deductions for operating losses as the Corporation grows its business. An increase or decrease in the Corporation's effective income tax rate could have a material adverse impact on its financial condition and results of operations.

Underfunded Defined Benefits Obligations

The Corporation may be required to contribute additional cash to meet any underfunded benefit obligations associated with retirement and post-retirement employee benefit plans managed by the Corporation. Such contributions are generally determined by calculating the projected benefit obligations of a plan, minus the fair value of such plan assets. In the future, the Corporation's benefit plan obligations may increase or decrease depending on, among other things, changes in life expectancy, interest rates and asset performance. If the Corporation is required to contribute a significant amount to cover deficit under underfunded benefit plans, the Corporation's cash flows may be materially and adversely affected.

Changing economic conditions and demographics may result in significant increases in the Corporation's funding obligations thereby reducing the availability of such funds for other corporate purposes, which could have a material adverse effect on the Corporation's business, financial condition and results of operations.

21 ADDITIONAL INFORMATION

Additional information regarding the Corporation is available on our website at www.wsp.com and on SEDAR+ at www.sedarplus.ca. The Corporation's Annual Information Form for the year ended December 31, 2023 is available on these websites.

The common shares of the Corporation are traded on the Toronto Stock Exchange under the symbol "WSP". As at December 31, 2023, the Corporation had 124,663,950 common shares outstanding. As at February 27, 2024, the Corporation had 124,668,249 common shares outstanding.

The Corporation has no other shares outstanding.

As at February 27, 2024, 909,883 stock options were outstanding at exercise prices ranging from $41.69 to $183.27.

Under the Corporation's share unit plan, which forms part of its long-term incentive plans, vested redeemable share units may be redeemed for common shares of the Corporation or cash, at the choice of the participant. Subject to the achievement of specified performance measures and objectives, the Corporation's redeemable share units outstanding as at February 27, 2024, could be redeemed for a maximum of 231,598 common shares of the Corporation, when vested.

22 GLOSSARY OF SEGMENT REPORTING, NON-IFRS AND OTHER FINANCIAL MEASURES

Net revenues

Net revenues is defined as revenues less direct costs for subconsultants and other direct expenses that are recoverable directly from clients.

Net revenues is a segment reporting measure and a total of segments measure, without a standardized definition within IFRS, which may not be comparable to similar measures presented by other issuers.

Management analyzes the Corporation's financial performance in relation to fee-based revenues, or net revenues, since direct recoverable costs can vary significantly from contract to contract and are not indicative of the performance of the professional consulting services business. Refer to section 8.1, "Net revenues", for reconciliations of revenues to net revenues.

Adjusted EBITDA and adjusted EBITDA margin

Adjusted EBITDA is defined as earnings before net financing expense (except interest income), income tax expense, depreciation, amortization, impairment charges on long-lived assets and reversals thereof, share of income tax expense and depreciation of associates and joint ventures, acquisition, integration and reorganization costs and ERP implementation costs. Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of net revenues.

Adjusted EBITDA is a non-IFRS financial measures. Adjusted EBITDA margin is a non-IFRS ratio. These measures have no standardized definitions under IFRS, and, accordingly, these measures may not be comparable to similar measures used by other issuers.

Management analyzes the Corporation’s financial performance in relation to adjusted EBITDA as it believes this metric allows comparability of operating results from one period to another. These measures exclude the effects of items that primarily reflect the impact of long-term investment and financing decisions, rather than the results of day-to-day operations. Refer to section 8.3, “Adjusted EBITDA”, for reconciliations of earnings before net financing expense and income taxes to adjusted EBITDA.

Adjusted EBITDA by segment and adjusted EBITDA margin by segment

Adjusted EBITDA by segment is defined as adjusted EBITDA excluding head office corporate costs. Head office corporate costs are expenses and salaries related to centralized functions, such as head office finance, human resources and technology teams, which are not allocated to reportable segments. Adjusted EBITDA margin by segment is defined as adjusted EBITDA before head office corporate costs expressed as a percentage of net revenues.

These are segment reporting and total of segments measures without standardized definitions within IFRS. Other issuers may define adjusted EBITDA by segment differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

These metrics provide Management with comparability from one reportable segment to another. Refer to section 8.3, “Adjusted EBITDA”, for reconciliations of adjusted EBITDA to adjusted EBITDA by segment and of earnings before net financing expense and income taxes to adjusted EBITDA.

Adjusted net earnings and adjusted net earnings per share

Adjusted net earnings is defined as net earnings attributable to shareholders excluding:

- amortization of intangible assets related to acquisitions;
- impairment charges on long-lived assets and reversals thereof;
- acquisition, integration and reorganization costs;
- ERP implementation costs;
- gains or losses on investments in securities related to deferred compensation obligations, included in other financial assets;
- unrealized gains or losses on derivative financial instruments; and
- the income tax effects related to the above-mentioned items.

Adjusted net earnings per share is calculated using the basic weighted average number of shares.

Adjusted net earnings is a non-IFRS financial measure and adjusted net earnings per share is a non-IFRS ratio. These measures have no standardized definitions under IFRS, and, accordingly, these measures may not be comparable to similar measures used by other issuers.

The exclusion of acquisition, integration and reorganization costs, amortization of intangible assets related to acquisitions and impairment charges on long-lived assets and reversals thereof provides a comparative measure of the Corporation’s performance in a context of material business combinations, in which the Corporation may incur material acquisition, integration and reorganization costs and as a result of which the Corporation's amortization expense may increase due to recognition of intangible assets which would not normally be recognized outside of a business combination. In addition, reorganization of the business in line with our real estate strategy and realization of synergies following acquisitions may lead to impairment or abandonment of certain assets in order to improve the Corporation's overall cost structure. Management also excludes ERP implementation costs as such costs are not representative of the operating activities of the business. In addition, this non-IFRS financial measure is adjusted for certain non-cash items related to market volatility, which are inherently unpredictable. In the US, the Corporation maintains a deferred compensation plan under which a portion of employees' compensation is deferred and invested in financial assets held in a trust, included in other financial assets in the Corporation's statement of financial position. These financial assets held in a trust are for the ultimate benefit of the employees but are available to the Corporation's creditors in the event of insolvency and are therefore not considered actuarial gains and losses recorded through other comprehensive income, and instead are recorded in financing expense. Finally, unrealized gains or losses on derivative financial instruments relate to future transactions and therefore are not comparable when included in the current period results.

Management believes these items should be excluded in understanding the underlying operational financial performance achieved by the Corporation. Refer to section 8.8, "Adjusted net earnings", for reconciliations of net earnings attributable to shareholders to adjusted net earnings.

Backlog

Backlog represents future revenues stemming from existing signed contracts with customers. For public-sector clients funded by a governmental body, such funding has been confirmed.

Backlog is a supplementary financial measure without a standardized definition within IFRS. Backlog is different from the IFRS definition of unfulfilled performance obligations, as backlog also includes cost-plus contracts without stated ceilings, and cost-plus contracts with ceilings and fixed-price contracts on which work has not yet commenced. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

Free cash flow

Free cash flow (or outflow) is defined as cash flows from operating activities, plus discretionary cash generated by the Corporation from other activities (if any), less lease payments and net capital expenditures.

Free cash flow is a non-IFRS financial measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

Free cash flow provides a consistent and comparable measure of discretionary cash generated by, and available to, the Corporation to service debt, meet other payment obligations and make strategic investments. Refer to section 9.1, "Operating activities and free cash flow", for reconciliations of free cash flow to cash flows from operating activities.

Days sales outstanding ("DSO")

DSO represents the average number of days to convert the Corporation's trade receivables (net of sales taxes) and costs and anticipated profits in excess of billings, net of billings in excess of costs and anticipated profits, into cash. DSO is a supplementary financial measure without a standardized definition within IFRS. Other issuers may define a similar measure differently and, accordingly, this measure may not be comparable to similar measures used by other issuers.

Net debt to adjusted EBITDA ratio

Net debt to adjusted EBITDA ratio is a capital management measure. Net debt is defined as long-term debt, including current portions but excluding lease liabilities, and net of cash. The Corporation uses this ratio as a measure of financial leverage and it is calculated using the trailing twelve-month adjusted EBITDA.

2023 Consolidated Financial Statements

WSP Global Inc.

For the year ended December 31, 2023

Independent auditor’s report

To the Shareholders of WSP Global Inc.

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of WSP Global Inc. and its subsidiaries (together, the Corporation) as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IFRS).

What we have audited

The Corporation’s consolidated financial statements comprise:

- the consolidated statements of earnings for the years ended December 31, 2023 and 2022;
- the consolidated statements of comprehensive income for the years ended December 31, 2023 and 2022;
- the consolidated statements of financial position as at December 31, 2023 and 2022;
- the consolidated statements of changes in equity for the years ended December 31, 2023 and 2022;
- the consolidated statements of cash flows for the years ended December 31, 2023 and 2022; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
Revenue recognition – Estimated costs on cost-plus contracts with ceilings and fixed-price contracts *Refer to note 2 – Material accounting policies, note 4 – Critical accounting estimates and judgments and note 7 – Revenues to the consolidated financial statements.* The Corporation typically recognizes revenues over time, using an input measure, as it fulfills its performance obligations in line with contracted terms. For the year ended December 31, 2023, a portion of the Corporation's total revenues of $14,437.2 million were generated from cost-plus contracts with ceilings and fixed-price contracts. For these contracts, revenues are recognized progressively based on a percentage-of-completion method, whereby the percentage of revenues earned to date is estimated using an input measure, usually as the ratio of contract costs incurred to date to total estimated costs. Recognition of revenues and costs and anticipated profits in excess of billings involves estimates of costs required to complete the project. On a periodic basis, management reviews the costs incurred to date and the estimated costs to complete for each project to determine whether the amount recognized as costs and anticipated profits in excess of billings is an accurate estimate of the amount that the Corporation has earned on its projects.	Our approach to addressing the matter included the following procedures, among others: • Tested how management determined the total estimated costs for a sample of contracts, as follows: – Obtained and read contract agreements, and change orders, when applicable, to understand contract scope and key terms; – Evaluated the timely identification of circumstances that may warrant a modification to the total estimated costs including, but not limited to, contracts subject to claims and contract modifications; – Interviewed operational personnel of the Corporation to evaluate progress to date, the estimate of costs to be incurred, and factors impacting the amount of time and cost to complete the project; – Compared the original margin expected on the contracts to the actual margin; and – Determined an expected total estimated costs derived from the margin achieved for contracts executed in the same region and compared this expectation to the estimated total estimated costs. • Tested, on a sample basis, the costs incurred to supporting evidence.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the judgments made by management when developing the estimated costs required to complete the projects, which led to auditor judgments and audit effort in performing procedures to evaluate the total estimated costs, including the assessment of management's judgments about its ability to determine the estimated costs required to complete the project.	

Other information

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Jean-François Lecours.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
February 28, 2024

---

[1] CPA auditor, public accountancy permit No. A126402

CONSOLIDATED STATEMENTS OF EARNINGS

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

Years ended December 31	**2023**	**2022**
	$	**$**
Revenues (note 7)	**14,437.2**	**11,932.9**
Personnel costs	8,047.1	6,679.9
Subconsultants and direct costs	3,540.2	2,975.7
Other operational costs	980.4	794.0
Depreciation of right-of-use assets (note 17)	316.4	288.5
Amortization of intangible assets (note 18)	221.7	173.4
Depreciation of property and equipment (note 19)	135.1	114.6
Impairment of long-lived assets (notes 17 and 19)	87.1	21.6
Acquisition, integration and reorganization costs (note 10)	105.0	115.5
ERP implementation costs (note 10)	81.0	49.9
Exchange losses (gains)	5.4	(5.3)
Share of income of associates and joint ventures, net of tax	(29.7)	(24.0)
Earnings before net financing expense and income taxes	**947.5**	**749.1**
Net financing expense (note 11)	202.6	161.6
Earnings before income taxes	**744.9**	**587.5**
Income tax expense (note 12)	191.9	152.8
Net earnings	**553.0**	**434.7**
Net earnings attributable to:		
Shareholders of WSP Global Inc.	550.0	431.8
Non-controlling interests	3.0	2.9
	553.0	**434.7**
Basic net earnings per share attributable to shareholders	4.41	3.59
Diluted net earnings per share attributable to shareholders	4.40	3.58
Basic weighted average number of shares	124,603,768	120,400,365
Diluted weighted average number of shares	124,951,544	120,709,390

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

(in millions of Canadian dollars)

Years ended December 31	2023	2022
	$	$
Net earnings	553.0	434.7
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments	(51.1)	179.8
Translation adjustments on financial instruments designated as a net investment hedge	4.2	(130.5)
(Loss) gain on financial instruments designated as a cash flow hedge	(28.7)	37.0
Income tax recovery (expense) on items that may be reclassified subsequently to net earnings	9.0	(9.8)
Items that will not be reclassified to net earnings		
Actuarial (loss) gain on pension schemes	(11.0)	36.1
Exchange differences on pension schemes	0.1	(0.1)
Income tax recovery (expense) on pension schemes	2.5	(8.3)
Total comprehensive income for the year	**478.0**	**538.9**
Comprehensive income attributable to:		
Shareholders of WSP Global Inc.	475.0	536.0
Non-controlling interests	3.0	2.9
	478.0	**538.9**

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)

As at December 31	2023	2022
Assets	**$**	**$**
Current assets		
Cash and cash equivalents (note 28)	378.0	495.6
Trade receivables and other receivables (note 14)	2,726.4	2,625.8
Cost and anticipated profits in excess of billings (note 15)	1,911.6	1,626.2
Prepaid expenses	239.4	138.9
Other financial assets (note 16)	123.3	108.2
Income taxes receivable	38.4	39.5
	5,417.1	5,034.2
Non-current assets		
Right-of-use assets (note 17)	824.2	978.9
Intangible assets (note 18)	1,104.1	1,102.6
Property and equipment (note 19)	435.3	398.9
Goodwill (note 20)	7,155.8	6,792.2
Deferred income tax assets (note 12)	429.3	351.3
Other assets (note 21)	217.3	183.6
	10,166.0	9,807.5
Total assets	**15,583.1**	**14,841.7**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 22)	2,738.2	2,736.4
Billings in excess of costs and anticipated profits (note 15)	1,158.0	973.1
Income taxes payable	171.0	260.4
Provisions (note 23)	134.9	152.2
Dividends payable to shareholders (note 27)	46.8	46.7
Current portion of lease liabilities (note 17)	257.5	273.0
Current portion of long-term debt (note 24)	204.2	173.4
	4,710.6	4,615.2
Non-current liabilities		
Long-term debt (note 24)	3,058.3	2,781.1
Lease liabilities (note 17)	744.6	856.8
Provisions (note 23)	399.3	288.9
Retirement benefit obligations (note 9)	187.5	162.3
Deferred income tax liabilities (note 12)	149.4	128.3
	4,539.1	4,217.4
Total liabilities	**9,249.7**	**8,832.6**
Equity		
Equity attributable to shareholders of WSP Global Inc.	6,328.9	6,006.0
Non-controlling interests	4.5	3.1
Total equity	**6,333.4**	**6,009.1**
Total liabilities and equity	**15,583.1**	**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 consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(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	—	—	550.0	—	550.0	3.0	553.0
Other comprehensive loss	—	—	—	(75.0)	(75.0)	—	(75.0)
Total comprehensive income	**—**	**—**	**550.0**	**(75.0)**	**475.0**	**3.0**	**478.0**
Common shares issued under the DRIP (note 25)	24.6	—	—	—	24.6	—	24.6
Exercise of stock options (note 25)	6.3	(1.1)	—	—	5.2	—	5.2
Stock-based compensation expense	—	5.0	—	—	5.0	—	5.0
Declared dividends to shareholders of WSP Global Inc.	—	—	(186.9)	—	(186.9)	—	(186.9)
Dividends paid to non-controlling interests	—	—	—	—	—	(0.4)	(0.4)
Purchase of non-controlling interests	—	—	—	—	—	(1.2)	(1.2)
	30.9	**3.9**	**(186.9)**	**—**	**(152.1)**	**(1.6)**	**(153.7)**
Balance - December 31, 2023	**4,815.3**	**216.3**	**1,322.6**	**(25.3)**	**6,328.9**	**4.5**	**6,333.4**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(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	—	—	431.8	—	431.8	2.9	434.7
Other comprehensive income	—	—	—	104.2	104.2	—	104.2
Total comprehensive income	**—**	**—**	**431.8**	**104.2**	**536.0**	**2.9**	**538.9**
Common shares issued via bought deal public offering (note 25)	445.9	—	—	—	445.9	—	445.9
Common shares issued via private placements (note 25)	446.1	—	—	—	446.1	—	446.1
Common shares issued under the DRIP (note 25)	89.2	—	—	—	89.2	—	89.2
Exercise of stock options (note 25)	2.0	(0.4)	—	—	1.6	—	1.6
Stock-based compensation expense	—	4.5	—	—	4.5	—	4.5
Declared dividends to shareholders of WSP Global Inc.	—	—	(181.8)	—	(181.8)	—	(181.8)
Dividends to non-controlling interests	—	—	—	—	—	(0.5)	(0.5)
	983.2	**4.1**	**(181.8)**	**—**	**805.5**	**(0.5)**	**805.0**
Balance - December 31, 2022	**4,784.4**	**212.4**	**959.5**	**49.7**	**6,006.0**	**3.1**	**6,009.1**

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

(in millions of Canadian dollars)

Years ended December 31	2023	2022
	$	$
Operating activities		
Net earnings	553.0	434.7
Adjustments (note 28)	658.9	535.6
Net financing expense (note 11)	202.6	161.6
Income tax expense (note 12)	191.9	152.8
Income taxes paid	(334.4)	(185.2)
Change in non-cash working capital items (note 28)	(285.7)	(284.7)
Cash inflows from operating activities	**986.3**	**814.8**
Financing activities		
Issuance of senior unsecured notes (note 24)	496.2	—
Net repayment of long-term debt	(364.5)	(235.2)
Issuance of long-term debt related to business acquisitions	—	2,309.3
Repayment of long-term debt following business acquisitions	—	(1,025.8)
Lease payments (note 17)	(375.1)	(341.3)
Net financing expenses paid, excluding interest on lease liabilities	(196.6)	(79.2)
Dividends paid to shareholders of WSP Global Inc.	(162.2)	(90.1)
Issuance of common shares, net of issuance costs (note 25)	5.2	883.5
Dividends paid to non-controlling interests	(0.4)	(0.5)
Cash inflows from (outflows used in) financing activities	**(597.4)**	**1,420.7**
Investing activities		
Net disbursements related to business acquisitions and disposals of businesses (notes 5 and 20)	(354.3)	(2,554.1)
Additions to property and equipment, excluding business acquisitions	(159.9)	(130.9)
Additions to identifiable intangible assets, excluding business acquisitions	(20.1)	(35.6)
Proceeds from disposal of property and equipment	1.9	2.0
Dividends received from associates	22.6	22.0
Other	(0.6)	13.9
Cash outflows used in investing activities	**(510.4)**	**(2,682.7)**
Effect of exchange rate change on cash and cash equivalents	(7.6)	11.9
Change in net cash and cash equivalents	**(129.1)**	**(435.3)**
Cash and cash equivalents, net of bank overdraft - beginning of the year	491.0	926.3
Cash and cash equivalents, net of bank overdraft - end of the year (note 28)	**361.9**	**491.0**

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

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

NOTES

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 consolidated financial statements have been prepared in compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IASB" and "IFRS"). 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 February 28, 2024.

2 MATERIAL ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise stated in note 3, Accounting policy developments.

CONSOLIDATION, JOINT ARRANGEMENTS AND ASSOCIATES

These consolidated financial statements include the accounts of the Corporation and its subsidiaries.

Non-controlling interests represent equity interests in subsidiaries owned by outside parties. The share of net assets of subsidiaries attributable to non-controlling interests is disclosed as a component of equity. Their share of net earnings and comprehensive income is recognized directly in equity. Changes in the parent Corporation's ownership interest in subsidiaries that do not result in a loss of control are accounted for as equity transactions.

SUBSIDIARIES

Subsidiaries are all entities over which the Corporation has control. The Corporation controls an entity when the Corporation is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is obtained by the Corporation. They are deconsolidated from the date that control ceases.

Intercompany transactions, balances and unrealized gains and losses on transactions between the Corporation's companies are eliminated. When necessary, amounts reported by subsidiaries have been adjusted to conform to the Corporation's accounting policies.

The table below lists the Corporation's most significant subsidiaries for each fiscal year ended December 31, based on revenues. The Corporation held 100% of the interest in all the subsidiaries listed below.

2023		2022	
Entity	**Country of incorporation**	**Entity**	**Country of incorporation**
WSP USA Inc.	United States	WSP USA Inc.	United States
WSP Canada Inc.	Canada	WSP Canada Inc.	Canada
WSP UK Ltd	United Kingdom	WSP UK Ltd	United Kingdom
WSP USA Environment & Infrastructure Inc	United States	WSP Australia Pty Ltd	Australia
WSP Australia Pty Ltd	Australia	WSP Sverige AB	Sweden
WSP Sverige AB	Sweden	Golder Associates Ltd	Canada
WSP New Zealand Ltd	New Zealand	WSP New Zealand Ltd	New Zealand
WSP E&I Canada Limited	Canada	WSP USA Solutions Inc.	United States

JOINT ARRANGEMENTS

Joint arrangements are classified as either joint operations or joint ventures. The determination of whether an arrangement is a joint operation or joint venture is based on the rights and obligations arising from the contractual obligations between the parties to the arrangement. Joint arrangements that provide the Corporation with the rights to the individual assets and obligations arising from the arrangement are classified as joint operations; and joint arrangements that provide the Corporation with rights to the net assets of the arrangement are classified as joint ventures.

The interests in joint operations are recognized by the Corporation by recording its share of the assets, liabilities, revenues, costs and cash flows using the most recent financial statements of these joint operations.

The interests in joint ventures are accounted for using the equity method and included in other assets in the statements of financial position. The carrying amount of investments in joint ventures is tested for impairment as described below under the caption “Impairment of long-lived assets”.

ASSOCIATES

Associates are all entities over which the Corporation has significant influence but not control or joint control. Investments in associates are accounted for using the equity method and included in other assets in the statements of financial position. The carrying amount of investments in associates is tested for impairment as described below under the caption “Impairment of long-lived assets”.

FOREIGN CURRENCY

The consolidated financial statements are presented in Canadian dollars, which is the Corporation’s functional currency.

Items included in the financial statements of each of the Corporation’s subsidiaries are measured using the currency of the primary economic environment in which the entity operates (i.e. the functional currency). Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities not denominated in the functional currency of an entity are recognized in net earnings, except when deferred in other comprehensive income as qualifying for net investment hedges. Foreign exchange gains and losses that relate to borrowings and cash are disclosed within finance expenses.

Assets and liabilities of entities with functional currencies other than the Canadian dollar are translated at the period-end exchange rates, and the results of their operations are translated at average exchange rates for the period. The resulting changes are recognized in accumulated other comprehensive income in equity as currency translation adjustments.

SEGMENT REPORTING

Segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing the performance of the reportable segments and has been identified as the global leadership team ("GLT"). The Corporation is managed through four reportable segments: Canada, Americas (United States of America ("US") and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific – comprising Asia, Australia and New Zealand).

REVENUE RECOGNITION

The Corporation derives revenues from the delivery of engineering services. If the Corporation has recognized revenues, but not issued an invoice, then the entitlement to consideration is recognized as a contract asset presented as costs and anticipated profits in excess of billings on the Corporation's consolidated statement of financial position. The contract asset is transferred to trade receivables when the invoice is issued indicating that the entitlement to payment has become unconditional. If payments are received, or invoices are issued to a customer, prior to the rendering of services, the Corporation recognizes a contract liability under the caption billings in excess of costs and anticipated profits on the Corporation's consolidated statement of financial position. The contract liability is transferred to revenues once related services have been rendered.

Revenues are measured based on the consideration specified in a contract with a customer. The Corporation typically recognizes revenues over time, using an input measure, as it fulfills its performance obligations in line with contracted terms.

A performance obligation is a promise in the contract to transfer a distinct good or service to the customer. A contract's transaction price is allocated to each distinct performance obligation and recognized as revenues when, or as, the performance obligations are satisfied. Most of the Corporation's contracts have a single performance obligation as the promise to transfer individual goods or services is not separately identifiable from other promises in the contracts and, therefore, not distinct. Any modifications or variations to contracts in progress are assessed to determine if they fall under the scope of the existing contract performance obligation or form part of a new performance obligation.

The Corporation's revenues are derived mainly from three types of contracts, which are described below, and the Corporation disaggregates its revenues by market sector and client category, as described below.

Revenues (and profits) from cost-plus contracts with ceilings and from fixed-price contracts are recognized progressively based on a percentage-of-completion method, whereby the percentage of revenues earned to date is estimated using an input measure, usually as the ratio of contract costs incurred to date to total estimated costs.

Revenues (and profits) from cost-plus contracts without stated ceilings are recognized when costs are incurred and are calculated based on billing rates for the services performed.

Certain costs incurred by the Corporation for subconsultants and other expenses are recoverable directly from customers and are billed to them. These charges are included in revenues and costs (under the caption subconsultants and direct costs) when the Corporation controls the goods or services before they are transferred to the customer. The value of goods and services purchased by the Corporation when acting as a purchasing agent for a customer are not recorded as revenues and costs.

The effects of revisions to estimated revenues and costs, including the impact from any modifications or variations to contracts in progress, are recorded when they represent enforceable rights of the Corporation and amounts can be reasonably estimated. These revisions can occur at any time and could be material. Where total estimated contract costs exceed total estimated contract revenues, the expected loss is recognized as an expense immediately via a provision for losses to completion, irrespective of the stage of completion and based on a best estimate of forecast results including, where appropriate, rights to additional income or compensation (e.g. award or incentive fees).

The Corporation's main market sectors, as disclosed in note 7, Revenues, are: Transportation & Infrastructure, Earth & Environment, Property & Buildings, Power & Energy and Industry.

The Corporation's main client categories are public and private sector clients. Revenues generated from contracts where the end user of services provided is identified to be a public sector entity are classified as public sector revenues. Entities controlled by any branch of government are considered public sector entities. Revenues generated from contracts where the end user of services provided is not identified as a public sector entity are classified as private sector revenues.

Revenues are shown net of value-added tax and after eliminating sales within the Corporation.

ACQUISITION, INTEGRATION AND REORGANIZATION COSTS

Acquisition, integration and reorganization costs include, among others, the following costs, if and when incurred:

- Transaction costs related to business acquisitions, successful or not;
- Costs of integrating newly acquired businesses following the date of acquisition;
- Gains or losses on disposals of non-core assets;
- Outsourcing program costs pertaining mainly to redundancy and transition costs resulting from the outsourcing of the Corporation's infrastructure or other functions;
- Restructuring costs; and
- Severance costs stemming from adjustments to cost structures.

The above list may be adjusted, from time to time, when it is deemed appropriate to highlight other items under this caption to assist users in understanding the financial performance of the Corporation.

ERP IMPLEMENTATION COSTS

The Corporation is in the process of designing and implementing a global cloud-based ERP solution with broad capabilities. Customization and configuration costs in a cloud computing arrangement that do not meet the definition of an asset or a lease, along with implementation costs, are expensed as incurred and reported as ERP implementation costs.

LEASE ACCOUNTING

The Corporation leases various office premises and equipment under lease agreements. Lease terms are negotiated on an individual basis, contain a wide range of terms and conditions and usually can be renewed at market rates.

The majority of leases are recognized as right-of-use assets, with a corresponding liability, at the date at which the leased asset is available for use by the Corporation. Lease payments are allocated between the liability and finance cost. The finance cost is charged to the statement of earnings over the lease period using the effective interest rate method. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. Lease extension and termination options are included in the lease term only when it is reasonably certain that the Corporation will exercise the option.

Liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:

- fixed payments (including in-substance fixed payments and fixed payments for any extension options included in the lease term), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate;
- amounts expected to be payable by the Corporation under residual value guarantees;
- the exercise price of a purchase option if the Corporation is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising that option.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives received;
- any initial direct costs; and
- any obligations to incur restoration costs.

The lease payments are discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the relevant incremental borrowing rate.

Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in the Corporation's statement of earnings. Short-term leases have a lease term of twelve months or less. Low-value asset leases comprise mostly computer equipment and small items of office furniture.

FINANCIAL INSTRUMENTS

CLASSIFICATION AND MEASUREMENT

Financial assets and financial liabilities are initially recognized at fair value, and their subsequent measurements are dependent on their classification. Financial assets are classified and measured at amortized cost or fair value through profit or loss ("FVTPL") based on how the Corporation manages the financial instruments and the contractual cash flow characteristics of the financial asset.

The table below summarizes the classification and measurement of the Corporation's financial instruments:

Financial assets	
Cash, cash equivalents and restricted cash	Amortized cost
Trade receivables, other receivables, amounts due from joint ventures and associates	Amortized cost
Investments in securities	FVTPL
Derivative financial instruments	FVTPL

Financial liabilities	
Accounts payables and accrued liabilities	Amortized cost
Dividends payable to shareholders	Amortized cost
Borrowings under credit facility and bank overdrafts	Amortized cost
Consideration payable related to business acquisitions	Amortized cost or FVTPL
Derivative financial instruments	FVTPL

Financial assets and liabilities classified as amortized cost are subsequently measured using the effective interest rate method less any impairment loss.

Changes in fair value are recorded in net financing expenses in the statement of earnings.

Financial liabilities are derecognized when the obligation specified in the contract is discharged, canceled or expired.

EXPECTED CREDIT LOSSES

The Corporation applies the simplified approach to measuring expected credit losses for all trade receivables and contract assets (costs and anticipated profits in excess of billings). Therefore, the Corporation does not track changes in credit risk, but instead recognizes a loss allowance at an amount equal to the lifetime expected credit losses at each reporting date. The factors that the Corporation considers to classify trade receivables as credit-impaired are as follows: the customer is in bankruptcy or under administration, payments are in dispute, or payments are past due.

To measure the expected credit losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics. The contract assets, which are costs and anticipated profits in excess of billings, have substantially all the same risk characteristics as the trade receivables for the same types of contracts. The Corporation has therefore concluded that the expected loss rates for trade receivables are a reasonable approximation of the loss rates for the contract assets.

The Corporation considers a financial asset in default when contractual payments are between 0-60 days past due, depending on the various economic and asset-specific factors, or if it becomes probable that a customer will enter bankruptcy. A financial or contract asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

DETERMINATION OF FAIR VALUE

The fair value of a financial instrument is the amount of consideration that would be agreed to be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on closing prices for financial assets and financial liabilities. When independent prices are not available, fair values are determined by using valuation techniques that refer to observable market inputs and minimizing the use of unobservable inputs.

OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are offset and the net amount reported in the statements of financial position when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGING ACTIVITIES

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.

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.

CASH AND 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.

TRADE RECEIVABLES

Trade receivables are amounts due from customers for the rendering of services in the ordinary course of business. Trade receivables are classified as current assets if payment is due within one year or less. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost, less allowance for expected credit losses.

PROPERTY AND EQUIPMENT

Property and equipment are recorded at historical cost less accumulated depreciation and accumulated impairment losses. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. Repairs and maintenance costs are charged to net earnings during the period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the methods described below to allocate their cost to their residual values over their estimated useful lives. The estimated useful lives, residual values and depreciation methods are reviewed at each reporting period, with the effect of any changes in estimates accounted for on a prospective basis.

The following table summarizes the depreciation methods, rates and periods used:

Category	Method	Rate or period
Buildings	Straight-line or declining balance	25 to 50 years or 2% to 4%
Leasehold improvements	Straight-line	Shorter of lease term or useful life
Furniture and equipment	Straight-line or declining balance	3 to 10 years
Computer equipment	Straight-line or declining balance	3 to 8 years

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in net earnings within other operational costs.

INTANGIBLE ASSETS

Intangible assets consist of software, customer relationships, contract backlogs and trade names. Intangible assets acquired in business acquisitions are recognized separately from goodwill and are initially recognized at their fair value as at the acquisition date. Intangible assets are carried at cost less accumulated amortization and accumulated impairment losses.

Software, contract backlogs, customer relationships and certain trade names are considered intangible assets with finite useful lives. Based on the strength, long history and expected future use, certain trade names are indefinite-lived intangible assets. The useful life of intangible assets that are not being amortized is reviewed each reporting period to determine whether events and circumstances continue to support an indefinite useful life assessment. If not, the change in the assessment from indefinite to finite will be accounted for as a change in accounting estimate.

Intangible assets are amortized on a straight-line basis over the following periods:

Category	Period
Software	3 to 7 years
Contract backlogs	2 to 9 years
Customer relationships	3 to 15 years
Finite-lived trade names	3 to 8 years

IMPAIRMENT OF LONG-LIVED ASSETS

Long-lived assets with finite useful lives are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. Indefinite-lived assets are not subject to amortization but are tested for impairment on an annual basis as at the first day of the Corporation's fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. Impairment exists when the recoverable amount of an asset is less than its carrying value. The recoverable amount is the higher of the asset's fair value less costs to sell ("FVLCS") and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows (a cash-generating unit or "CGU"). The amount of impairment loss, if any, is the excess of the carrying value over its recoverable amount. Assets other than goodwill that have suffered impairment are reviewed for indicators of possible reversal of the impairment at each reporting date.

GOODWILL

Goodwill represents the excess of the consideration transferred for the acquired businesses over the estimated fair value at the acquisition date of net identifiable assets acquired. Goodwill is not subject to amortization and is carried at cost less accumulated impairment loss and is tested for impairment on an annual basis or more frequently if events or circumstances indicate that it may be impaired.

For the purpose of impairment testing, goodwill is allocated to each CGU or group of CGUs expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually as at the first day of the Corporation's fourth quarter, or more frequently if events or circumstances indicate that the carrying value may not be recoverable. If the higher of the CGU's FVLCS or value in use is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU and then to the other assets of the CGU pro rata on the basis of the carrying amount of each asset. An impairment loss recognized for goodwill cannot be reversed in a subsequent period.

TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less. Trade payables are recognized initially at fair value and subsequently measured at amortized cost.

PROVISIONS

Provisions represent liabilities of the Corporation for which the amount or timing is uncertain. Provisions are recognized when the Corporation has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. When the Corporation expects some or all of a provision to be reimbursed, for example, under an insurance contract, and when the reimbursement is virtually certain, the expected reimbursement is recognized as a separate asset. The expense relating to any provision is presented in the consolidated statements of earnings, net of any reimbursement receivable recognized. Provisions are measured at the present value of the expected expenditures to settle the obligation, including legal fees, using a discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

LONG-TERM INCENTIVE PLANS (“LTIPs”)

The Corporation has in place LTIPs for directors and key employees under which stock options and the following types of share units can be issued: cash-settled performance share units (“PSUs”), cash-settled deferred share units (“DSUs”) cash-settled restricted share units (“RSUs”), performance share units redeemable for common shares of the Corporation or cash at the choice of the participant (“redeemable PSUs”), and restricted share units redeemable for common shares of the Corporation or cash at the choice of the participant (“redeemable RSUs”). Stock options, PSUs, RSUs, redeemable PSUs, and redeemable RSUs vest over time in accordance with the terms of the grant. DSUs vest when granted. The cash-settled LTIP instruments (PSUs, DSUs and RSUs) and redeemable PSUs and redeemable RSUs are measured at fair value based on the Corporation's share price at the end of each reporting period and recorded in current and non-current liabilities, over the vesting period. Stock options are valued at fair value using a Black-Scholes pricing model at grant date and recorded in contributed surplus over the vesting period.

INCOME TAXES

Income taxes are recognized in net earnings except to the extent related to a business combination, or items recognized in other comprehensive income or directly in equity.

Current tax expense is the expected tax payable or receivable on taxable income or loss for the period, calculated using tax rates and laws that were enacted or substantively enacted for the reporting period. It may also include adjustments for prior periods.

The Corporation follows the liability method when accounting for income taxes. Under this method, deferred income tax assets and liabilities are recognized for the expected future tax consequences attributable to temporary differences between the financial statement carrying values of existing assets and liabilities and their respective tax bases. This approach also requires the recording of deferred income tax assets related to operating losses and tax credit carry forwards. Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates applicable when temporary differences and carry forwards are expected to be recovered or settled. Deferred income taxes are not recognized for the initial recognition of goodwill, the initial recognition of assets or liabilities that affects neither accounting nor taxable profit or loss, and temporary differences related to investments in subsidiaries and joint ventures where the Corporation controls the reversal of the temporary difference and reversal is not expected in the foreseeable future. The Corporation has applied a temporary mandatory relief from deferred tax accounting for the impacts of the new Pillar Two top-up tax and will account for it as a current tax when it is incurred.

Deferred income tax assets for unused tax loss carry forwards and deductible temporary differences are only recognized when it is probable that there will be future taxable profits against which the assets can be utilized. Deferred income tax assets are reviewed at each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are classified as non-current. They are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority on either the same taxable entity or different entities where there is an intention to settle the balance on a net basis.

As tax legislation is complex and subject to interpretation, in determining current and deferred income taxes, the Corporation takes into account the impact of uncertain tax positions and whether additional taxes and penalties may be due. The Corporation values uncertain income tax positions based on the probability of whether tax authorities with full knowledge of all relevant information will accept the Corporation's tax treatments. This assessment, based on judgment, requires estimates and assumptions considering facts and circumstances existing as at the reporting period. Estimates are reviewed each reporting period and updated, based on new information available.

INVESTMENT TAX CREDITS (ITCs)

ITCs are recognized where there is reasonable assurance that the ITCs will be received and all attached conditions will be complied with. ITCs are subject to examination and approval by regulating authorities, and, therefore, the amounts granted may differ from those recorded. ITCs determined to be earned by the Corporation are recorded as a reduction of the operating expenses incurred.

PENSION SCHEMES

The Corporation maintains a number of defined contribution schemes and contributions are charged to net earnings in the period in which they are due.

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

In addition, the Corporation operates defined benefit schemes which require contributions to be made to separately administered funds. The cost of providing benefits under defined benefit schemes is determined separately for each scheme using the projected unit credit actuarial valuation method. Current service costs, past service costs, curtailment costs and settlement costs along with interest costs which are based on a notional charge based on scheme liabilities during the year, less expected returns on scheme assets, are charged to net earnings. Actuarial gains and losses are fully recognized in equity through other comprehensive income as they arise. The consolidated statement of financial position reflects the schemes' surplus or deficit as at the end of the reporting period.

SHARE CAPITAL

Issuance costs directly attributable to the issuance of shares are recognized as a deduction from equity, net of income tax effects.

DIVIDENDS

Dividends on common shares of WSP Global Inc. are recognized in the Corporation's consolidated financial statements in the period in which the dividends are declared.

EARNINGS PER SHARE

Basic earnings per share are determined using the weighted average number of shares outstanding during the period.

Diluted earnings per share are determined using the weighted average number of shares outstanding during the period, plus the effects of dilutive potential shares outstanding during the period. The calculation of diluted earnings per share follows the treasury stock method.

3 ACCOUNTING POLICY DEVELOPMENTS

NEW ACCOUNTING STANDARDS EFFECTIVE IN 2023

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. The Corporation adopted these amendments effective January 1, 2023.

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. The Corporation adopted these amendments effective January 1, 2023, resulting in no impact on its consolidated financial statements as a result.

In May 2023, the IASB issued *International Tax Reform – Pillar Two Model Rules - Amendments to IAS 12 – Income Taxes*, addressing income taxes arising from tax law enacted or substantively enacted to implement the Pillar Two model rules published by the Organisation for Economic Co-operation and Development (OECD). The amendments introduce a mandatory temporary exception to the accounting for deferred taxes arising from the implementation of the Pillar Two model rules and disclosure requirements about the Pillar Two exposure. The Corporation applied the mandatory temporary exception effective January 1, 2023 and has presented the disclosure requirements in its audited consolidated financial statement.

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 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.

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.

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the financial statements requires Management to make judgments, assumptions and estimates in applying the Corporation's accounting policies. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

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.

REVENUE RECOGNITION

The Corporation values its costs and anticipated profits in excess of billings based on the time and materials charged into each project and estimated future costs and total revenues. Recognition of revenues and contract assets involves estimates of costs required to complete the project. On a periodic basis, Management reviews the costs incurred to date and the estimated costs to complete for each project to determine whether the amount recognized as contract assets is an accurate estimate of the amount that the Corporation has earned on its projects. Where the review determines that the value of costs and anticipated profits in excess of billings exceed the amount that has been earned, adjustments are made to the contract assets. Changes in the estimate of costs required to complete projects could lead to reversals of revenues.

IDENTIFIABLE INTANGIBLE ASSETS AND GOODWILL

Identifiable intangible assets and goodwill, excluding software, amounted to $8,127.4 million as at December 31, 2023 ($7,848.1 million as at December 31, 2022). These assets arise out of business combinations and the Corporation applies the acquisition method of accounting to these transactions. Management uses material estimates and assumptions in measuring the fair value of the assets acquired and the liabilities assumed and estimating the useful lives of identifiable intangible assets. Material estimates include expected cash flows, discount rates and terminal growth rates.

Intangible assets related to business combinations and recognized separately from goodwill are initially recognized at their fair value at the acquisition date and are mostly amortized with determined finite lives. Management uses judgment to identify indefinite-lived intangible assets. If actual useful lives are shorter than estimated, the Corporation may be required to accelerate amortization.

For the purposes of assessing impairment, Management exercises judgment to identify independent cash inflows to determine CGUs. The fair value of CGUs are determined using material estimates including the applicable discount rate and the expected future cash flows. The inputs used in the discounted cash flows model are Level 3 inputs (inputs not based on observable market data). Management applies judgment to identify indicators of possible impairment or reversal of impairment at each reporting date.

LEGAL CLAIMS PROVISIONS

In the normal course of business the Corporation faces legal proceedings for work carried out on projects. The Corporation has professional liability insurance (subject to certain self retention thresholds) in order to manage risks related to such proceedings. Management uses judgment to assess the potential outcomes of claims and estimates the claims provisions, based on advice and information provided by its legal advisors and on its own past experience in the settlement of similar proceedings. Claims provisions include litigation costs and also take into account indemnities. Final settlements could have a material effect on the financial position or operating results of the Corporation.

RETIREMENT BENEFIT OBLIGATIONS

The present value of obligations is calculated on an actuarial basis which depends on a number of assumptions relating to the future. These assumptions include discount rates, inflation rates and life expectancy. The key assumptions are assessed regularly according to market conditions and data available to Management. Additional details and sensitivity analyses are given in note 9, Pension schemes.

INCOME TAX PROVISION

The Corporation is subject to income tax laws and regulations in multiple jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. The Corporation recognizes liabilities for anticipated tax audit issues on the basis of amounts expected to be paid to the tax authorities. Where the final tax outcome of these matters is different from the amounts that were initially provisioned, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation.

DEFERRED INCOME TAX ASSETS

Management exercises judgment in the assessment of the probability of future taxable income, to estimate the extent to which deferred income tax assets can be realized. Estimates are based on the Corporation’s most recent approved budget forecast, which is adjusted for significant non-taxable income and expenses and specific limits to the use of any unused tax loss or credit. The tax rules and tax planning strategies in the numerous jurisdictions in which the Corporation operates are carefully taken into consideration. Management uses judgment to assess specific facts and circumstances to evaluate legal, economic or other uncertainties.

INVESTMENT TAX CREDITS (ITCs)

The Corporation benefits from certain government assistance programs in the different jurisdictions where it operates, including scientific research and experimental development tax credit programs. In preparing claims, judgment is required in interpreting the regulations related to these programs, determining if the operations of the Corporation qualify and identifying quantifying eligible expenses. These claims are subject to examination and audit by local tax authorities, who may disagree with interpretations made by the Corporation. Management estimates the amounts receivable under these programs. Final settlements following examinations and audits could be different from amounts recorded and could have a material effect on the financial position or operating results of the Corporation.

LEASES

The Corporation uses judgment to establish the lease term based on the conditions of the lease and whether it is reasonably certain that it will exercise any extension or termination options. When the implicit interest rate of a lease is not readily available, the Corporation is required to use its incremental borrowing rate (“IBR”), which is generally the case. The determination of the IBR requires the use of various assumptions. The Corporation uses judgment to determine if a lease modification which increases the scope of a lease should be accounted as a separate lease. Such determination requires the use of judgment to determine if the increase in lease payments is commensurate to the change in scope.

The Corporation applies estimates to assesses whether a right-of-use asset is impaired, particularly when it expects to vacate an office space, including the ability to sublease the assets or surrender the lease and recover its costs. The Corporation examines its lease conditions as well as local market conditions and estimates its recoverability potential for each vacated premise.

5 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, 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.

2023 TRANSACTIONS

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 Group Pty Ltd (“enstruct”), a 75-employee structural engineering firm with offices in Sydney, Melbourne, and Brisbane, experienced in designing and delivering building projects throughout Australia.

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.

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

In June 2023, WSP acquired Calibre Professional Services One Pty Ltd ("Calibre") for an aggregate consideration of AUD 275.7 million ($245.1 million). 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.

These acquisitions were financed using WSP's available cash and credit facilities.

These acquisitions were not individually material, therefore the Corporation has chosen to disclose the required information in aggregate. The table below presents the fair values of the assets acquired and the liabilities assumed as at December 31, 2023. For LGT and Calibre, the fair values represent Management's preliminary assessments, with the most significant aspects remaining to be finalized relating to the valuation of trade receivables, contract assets and liabilities, and intangible assets. For BG and enstruct, the Corporation has completed its measurement of fair values.

Recognized amounts of identifiable assets acquired and liabilities assumed	**$**
Assets	
Cash and cash equivalents	18.8
Trade receivables and other receivables	73.9
Cost and anticipated profits in excess of billings (note 15)	28.1
Prepaid expenses	3.3
Income taxes receivable	2.9
Right-of-use assets (note 17)	24.1
Intangible assets (note 18)	109.3
Property and equipment (note 19)	34.3
Deferred income tax assets (note 12)	3.5
Other assets	1.4
Liabilities	
Accounts payable and accrued liabilities	(92.7)
Billings in excess of costs and anticipated profits (note 15)	(19.2)
Income taxes payable	(4.4)
Provisions (note 23)	(31.1)
Lease liabilities (note 17)	(23.9)
Long-term debt	(4.8)
Deferred income tax liabilities (note 12)	(26.2)
Other current and non-current liabilities	(8.5)
Fair value of identifiable assets and liabilities assumed	**88.8**
Goodwill (note 20)	296.4
Total purchase consideration	**385.2**
Cash acquired	(18.8)
Consideration payable	(2.1)
Net cash disbursements	**364.3**

Goodwill is attributable to the workforce of the acquired businesses and the synergies expected to arise with the Corporation after the acquisitions. None of the goodwill recognized as at December 31, 2023 is expected to be deductible for income tax purposes.

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

The trade receivables acquired had a fair value of $68.5 million and gross contractual amount of $74.1 million.

The acquired businesses contributed revenues of $290.0 million and net earnings of $18.3 million from their respective acquisition dates to December 31, 2023.

2022 TRANSACTIONS

ENVIRONMENT & INFRASTRUCTURE BUSINESS OF JOHN WOOD GROUP plc

On September 21, 2022, the Corporation closed the acquisition of the Environment & Infrastructure business ("E&I") of John Wood Group plc ("Wood") (the "E&I Acquisition"). E&I provides engineering, remediation consulting, environmental permitting, inspection & monitoring, and environmental management services to clients in the government, industrial, infrastructure, oil & gas, power, water and mining industries. E&I operates in approximately 100 offices with approximately 6,000 environmental consulting staff across more than 10 countries. Following final adjustments, the aggregate cash consideration for the E&I Acquisition was US$1.8 billion ($2.4 billion).

In 2022, the Corporation entered into a fully-committed term credit facility with various tenors of up to 5 years in length, to fund the E&I Acquisition and other related transaction costs.

In the year ended December 31, 2023, the Corporation completed its final determination of the fair values of all assets and acquired liabilities assumed in connection with the E&I Acquisition, which required some adjustments to the preliminary assessment. The initial preliminary determination of the fair values was adjusted in the year ended December 31, 2023, as shown below. The Corporation did not restate the consolidated statement of financial position as at December 31, 2022 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, 2022, and as such, they were accounted for in the consolidated statement of earnings for the year ended December 31, 2023.

The table below presents Management's initial 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.

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**	**$**	**$**
Assets			
Cash and cash equivalents	22.2	—	22.2
Trade receivables and other receivables	255.4	(12.8)	242.6
Cost and anticipated profits in excess of billings (note 15)	125.7	25.1	150.8
Prepaid expenses	1.3	2.7	4.0
Income taxes receivable	0.3	—	0.3
Right-of-use assets (note 17)	72.8	20.0	92.8
Intangible assets other than software (note 18)	652.2	(13.3)	638.9
Software (note 18)	1.1	—	1.1
Property and equipment (note 19)	16.1	(0.7)	15.4
Deferred income tax assets (note 12)	18.8	3.9	22.7

(Table continued on next page...)

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

(...Table continued from previous page)	**Preliminary**	**Adjustments**	**Final**
Liabilities			
Accounts payable and accrued liabilities	(173.6)	(76.6)	(250.2)
Billings in excess of costs and anticipated profits (note 15)	(70.7)	—	(70.7)
Income taxes payable	(10.5)	4.4	(6.1)
Provisions (note 23)	(169.6)	(67.7)	(237.3)
Lease liabilities (note 17)	(82.9)	(12.7)	(95.6)
Retirement benefit obligations (note 9)	(3.5)	(5.3)	(8.8)
Deferred income tax liabilities (note 12)	(20.0)	9.5	(10.5)
Fair value of identifiable assets and liabilities assumed	**635.1**	**(123.5)**	**511.6**
Goodwill (note 20)	1,789.9	154.5	1,944.4
Total purchase consideration	**2,425.0**	**31.0**	**2,456.0**
Cash acquired	(22.2)	—	(22.2)
Consideration payable	(5.4)	5.4	—
Net cash disbursements	**2,397.4**	**36.4**	**2,433.8**

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Corporation after the acquisition. The majority of the goodwill recognized as at December 31, 2023 is expected to be deductible for income tax purposes. Intangible assets are mainly attributable to customer relationships and contract backlogs. Management applied the excess earnings method using discounted cash flow models to value customer relationships and backlogs 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.

The trade receivables acquired had a final fair value of $190.7 million and gross contractual amount of $223.4 million.

The acquired E&I business contributed revenues of $443.9 million and net earnings of $34.1 million from September 21, 2022 to December 31, 2022. Considering the nature of the acquisition, the available financial information does not allow for the accurate disclosure of pro forma revenues and net earnings, had the Corporation concluded these acquisitions at the beginning of its fiscal year.

OTHER ACQUISITIONS IN 2022

In 2022, the Corporation concluded several other individually immaterial acquisitions. In February, 2022, WSP acquired Climate Finance Advisors (“CFA”), a US-based climate and finance consultancy. In June 2022, WSP acquired BOD Arquitectura e Ingeniería (“BOD”), a 45-employee architecture and engineering firm based in Madrid, Spain. In August 2022, WSP acquired Australian-based Greencap Holdings Ltd. (“Greencap”), a 250-employee subsidiary of Wesfarmers Industrial and Safety. In September 2022, WSP acquired two UK-based businesses, Capita (Real Estate & Infrastructure) Ltd. (“Capita REI”) and GL Hearn Ltd. (“GLH”), both part of the Capita plc group, for an aggregate cash consideration of £69.7 million, ($112.4 million), adding around 1,000 UK-based employees. In October 2022, WSP acquired Odeh Engineers, a US-based 40-person structural engineering firm. These acquisitions were financed using WSP's available cash and credit facilities.

These acquisitions were not individually material, therefore the Corporation has chosen to disclose the required information in aggregate.

The table below presents Management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed as at December 31, 2022, any adjustments recognized during the subsequent measurement periods and the final determinations of the fair values as at December 31, 2023.

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

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, 2022 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, 2022, and as such, they were accounted for in the consolidated statement of earnings for the year ended December 31, 2023.

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**	**$**	**$**
Assets			
Cash and cash equivalents	18.0	4.5	22.5
Trade receivables and other receivables	29.1	(2.6)	26.5
Cost and anticipated profits in excess of billings (note 15)	4.9	(5.2)	(0.3)
Prepaid expenses	15.2	—	15.2
Right-of-use assets (note 17)	4.3	1.0	5.3
Intangible assets (note 18)	21.3	12.0	33.3
Software (note 18)	0.7	2.5	3.2
Property and equipment (note 19)	3.6	—	3.6
Deferred income tax assets (note 12)	0.8	2.9	3.7
Liabilities			
Accounts payable and accrued liabilities	(26.1)	(4.2)	(30.3)
Billings in excess of costs and anticipated profits (note 15)	(1.1)	(6.4)	(7.5)
Income taxes payable	(1.3)	—	(1.3)
Provisions (note 23)	(0.6)	(11.9)	(12.5)
Lease liabilities (note 17)	(4.3)	(1.0)	(5.3)
Long-term debt (note 28)	(1.1)	—	(1.1)
Deferred income tax liabilities (note 12)	(4.9)	(0.7)	(5.6)
Fair value of identifiable assets and liabilities assumed	**58.5**	**(9.1)**	**49.4**
Goodwill (note 20)	95.5	9.1	104.6
Total purchase consideration	**154.0**	**(9.1)**	**154.0**
Cash acquired	(18.0)	(4.5)	(22.5)
Consideration payable	(11.5)	1.3	(10.2)
Net cash disbursements	**124.5**	**(12.3)**	**121.3**

Goodwill is attributable to the workforce of the acquired businesses and the synergies expected to arise with the Corporation after the acquisitions. Approximately $27 million of the goodwill recognized as at December 31, 2023 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value of $26.5 million and gross contractual amount of $29.7 million.

The acquired businesses contributed revenues of $72.8 million and net earnings of $4.8 million from their respective acquisition dates to December 31, 2022.

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

6 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 (US and Latin America), EMEIA (Europe, Middle East, India and Africa) and APAC (Asia Pacific, comprising Asia, Australia and New Zealand). Management has applied the following judgments to aggregate certain operating segments:

- Americas - The operating segments of US and Latin America are in the same geographic region of the Americas and have been aggregated as the Latin America operating segment does not meet any of the quantitative thresholds to be reported separately.

- EMEIA - The operating segments of the United Kingdom "UK" and Ireland, Nordic European countries and Central European countries have been aggregated as these segments have similar products and services, the same types of customers and operate in similar economies. The Middle East, India and Africa operating segments have also been aggregated in EMEIA as they do not meet any of the quantitative thresholds to be reported separately.

- APAC - The operating segments of Australia and New Zealand have been aggregated as these segments have similar products and services, the same types of customers and operate in similar economies. The Asia operating segment has also been aggregated in APAC as it does not meet any of the quantitative thresholds to be reported separately and it is part of the same geographic region.

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 consolidated statements of earnings, and exclude intersegmental net revenues.

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

The tables below present the Corporation's operations based on reportable segments, for the years ended December 31:

					2023
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	2,498.5	6,024.8	3,900.4	2,013.5	14,437.2
Less: Subconsultants and direct costs	(586.5)	(1,937.0)	(707.4)	(309.3)	(3,540.2)
Net revenues	1,912.0	4,087.8	3,193.0	1,704.2	10,897.0
Adjusted EBITDA by segment	433.5	808.1	489.9	308.6	2,040.1
Head office corporate costs					(118.8)
Depreciation and amortization					(673.2)
Impairment of long-lived assets					(87.1)
Acquisition, integration and reorganization costs					(105.0)
ERP implementation costs					(81.0)
Net financing expenses, excluding interest income					(215.2)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(14.9)
Earnings before income taxes					744.9

					2022
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	2,151.2	4,826.4	3,207.8	1,747.5	11,932.9
Less: Subconsultants and direct costs	(566.0)	(1,570.0)	(556.7)	(283.0)	(2,975.7)
Net revenues	1,585.2	3,256.4	2,651.1	1,464.5	8,957.2
Adjusted EBITDA by segment	347.9	644.7	390.0	267.1	1,649.7
Head office corporate costs					(119.5)
Depreciation and amortization					(576.5)
Impairment of long-lived assets					(21.6)
Acquisition, integration and reorganization costs					(115.5)
ERP implementation costs					(49.9)
Net financing expenses, excluding interest income					(167.4)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(11.8)
Earnings before income taxes					587.5

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

GEOGRAPHIC INFORMATION

The Corporation's revenues are allocated to geographic regions based on the country of operation, as follows, for the years ended December 31:

	2023	2022
	$	$
US	5,655.2	4,503.1
Canada	2,498.5	2,151.2
UK	1,583.2	1,299.6
Australia	1,155.2	970.1
Sweden	664.2	660.8
Other	2,880.9	2,348.1
	14,437.2	11,932.9

Right-of-use assets, property and equipment, goodwill and intangible assets are allocated in the following countries, as at December 31:

	2023	2022
	$	$
US	4,415.9	4,610.7
Canada	2,268.6	2,306.1
Australia	705.0	422.2
UK	703.6	653.8
Other	1,426.3	1,279.8
	9,519.4	9,272.6

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

7 REVENUES

The tables below present the Corporation's disaggregated revenues by market sector and client category, for the years ended December 31:

					2023
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	593.2	2,679.9	1,675.8	993.6	5,942.5
Earth & Environment	1,302.5	2,311.7	709.3	484.0	4,807.5
Property & Buildings	394.4	650.6	1,192.6	469.0	2,706.6
Power & Energy	108.3	375.2	252.4	50.9	786.8
Industry	100.1	7.4	70.3	16.0	193.8
	2,498.5	6,024.8	3,900.4	2,013.5	14,437.2
Client category					
Public sector	1,091.2	3,379.9	2,049.0	1,059.8	7,579.9
Private sector	1,407.3	2,644.9	1,851.4	953.7	6,857.3
	2,498.5	6,024.8	3,900.4	2,013.5	14,437.2

					2022
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	585.1	2,470.1	1,449.6	885.0	5,389.8
Earth & Environment	1,016.1	1,466.2	479.2	353.9	3,315.4
Property & Buildings	335.7	520.9	996.3	441.9	2,294.8
Power & Energy	118.8	360.7	205.6	51.8	736.9
Industry	95.5	8.5	77.1	14.9	196.0
	2,151.2	4,826.4	3,207.8	1,747.5	11,932.9
Client category					
Public sector	607.5	2,847.6	1,677.3	961.7	6,094.1
Private sector	1,543.7	1,978.8	1,530.5	785.8	5,838.8
	2,151.2	4,826.4	3,207.8	1,747.5	11,932.9

8 LONG-TERM INCENTIVE PLANS ("LTIPs")

STOCK OPTIONS

Options granted under the stock option plan, to officers and employees, may be exercised during a period not exceeding ten years from the grant date. Options vest, at latest, three years after the grant date. Any unexercised options expire at the earlier of one month after the date a beneficiary ceases to be an employee or the expiration date of the stock option.

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

	2023	2022
Number of stock options exercised during the year ended December 31	62,374	22,295
Exercise price range of stock options exercised during the year ended December 31	$57.98 to $180.65	$41.69 to $121.18
Stock options outstanding as at December 31	782,722	706,602
Vested stock options outstanding as at December 31	651,150	572,511
Exercise price range of stock options outstanding as at December 31	$41.69 to $180.65	$41.69 to $180.65

The fair value of stock options at grant date was measured using the Black-Scholes option pricing model. The historical share price of the Corporation's common shares is used to estimate expected volatility, and government bond rates are used to estimate the risk-free interest rate. For options granted during the years ended December 31, 2023 and 2022, the following table illustrates the inputs used in the measurement of the grant date fair values of the stock options:

	2023	2022
Expected stock price volatility	24%	22%
Dividend	0.88%-0.96%	0.80%
Risk-free interest rate	3.33%-3.70%	1.85%
Expected option life	5.8	5.7
Fair value – weighted average of options issued	$39.93	$41.43

During the year ended December 31, 2023, the Corporation recorded stock-based compensation expense of $5.0 million ($4.5 million in 2022) in personnel costs.

PSUs, RSUs, DSUs, redeemable PSUs and redeemable RSUs

The PSUs are settled in cash and vest after three years if the Corporation meets certain performance targets. The RSUs are settled in cash and vest after three years. The DSUs are settled in cash and vest immediately when granted but their settlement is deferred until employment with the Corporation is terminated for any reason other than for cause. Redeemable PSUs vest after three years, subject to performance-based vesting conditions. Redeemable RSUs vest after three years. Redeemable PSUs and redeemable RSUs may be redeemed by the participant at any time after vesting but prior to the tenth anniversary of the grant date for common shares of the Corporation or cash, or any combination of them, at the choice of the participant.

The compensation expense and corresponding liability for the share unit plan awards are measured using the market value of the Corporation's share price, the Corporation's expected performance vis-a-vis targets, and other factors, as applicable, and the expense is recorded over the vesting period for PSUs, RSUs, redeemable PSUs and redeemable RSUs and as granted for DSUs.

At the end of each financial reporting period, changes in the Corporation's payment obligation due to changes in the market value of the Corporation's common shares on the TSX, or changes in the number of units based on the Corporation's expected performance and other factors, as applicable, are recorded as an expense or recovery.

The Corporation recorded personnel costs of $60.2 million during 2023 ($39.1 million in 2022) related to the share unit plans. As at December 31, 2023, there were 742,377 PSUs, RSUs, DSUs, redeemable PSUs and redeemable RSUs outstanding and the cumulative obligation liability stood at $120.9 million (748,344 units and $119.9 million, respectively, as at December 31, 2022). The intrinsic value of the liability for all share unit plans for which the participants' right to cash had vested as at December 31, 2023 was $87.3 million ($83.9 million as at December 31, 2022).

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

The Corporation enters into derivative financial instruments with Canadian financial institutions to limit the Corporation's exposure to the variability of LTIP-based units 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 these instruments are classified as FVTPL. 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. In 2023, the mark-to-market gain recorded in net earnings amounted to $17.2 million ($20.6 million loss in 2022). As at December 31, 2023, the Corporation had derivatives outstanding for 660,000 of its common shares (780,000 as at December 31, 2022).

9 PENSIONS SCHEMES

Pension costs included in personnel costs consist of the following for the years ended December 31:

	2023	2022
	$	$
Current service cost of defined benefit pension schemes	10.0	2.1
Past service cost of defined benefit pension schemes	(0.6)	(1.0)
Employer contributions to defined benefit pension schemes	9.8	13.6
Employer contributions to defined contribution pension schemes	208.7	161.2
	227.9	175.9

The Corporation operates both defined contribution and defined benefit pension schemes. Defined contributions are charged to net earnings as incurred.

In the UK, there are several defined benefit schemes, all of which are closed to new members. The assets of the schemes are held separately from those of the Corporation in independently administered funds.

In Sweden, a portion of a multi-employer and collectively-bargained defined benefit plan is recognized on the Corporation's consolidated statement of financial position as a defined benefit plan. Accrual of service costs under this arrangement ceased in 2008 when the Corporation began insuring new accruals with an insurance company. This portion of the plan accounted for as a defined benefit plan relates to the historical accruals prior to 2008, which are unfunded.

The benefits within the collectively-bargained plan in Sweden which are insured with an insurance company are considered a multi-employer plan. Since the insurance company is not able to specify the portion of their insurance assets which are set aside to meet each and every individual employers' share of pension obligation, it is treated as a defined contribution scheme in the Corporation's consolidated financial statements.

In the US, the Corporation maintains a deferred compensation plan under which a portion of employees' compensation is deferred and invested in financial assets held in a trust (included in financial assets as disclosed in note 16, Other financial assets). The financial assets held in a trust are for the ultimate benefit of the employees but are available to the Corporation's creditors in the event of insolvency. Therefore this plan is reported as an unfunded plan.

In the US, the Corporation also maintains a funded defined benefit schemes, which is closed to new members. The assets of the scheme are held separately from those of the Corporation in independently administered funds.

For funded and unfunded defined benefit plans, any deficit of the fair value of plan assets over the present value of the defined benefit obligation is recognized as a liability in the consolidated statement of financial position. Actuarial gains and losses are recognized in full as they arise in other comprehensive income. These gains and losses reflect changes in actuarial assumptions, and differences between actuarial assumptions and what has actually occurred.

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

The actuarial costs charged to the consolidated statements of earnings in respect of defined benefit plans may consist of current service cost, net interest on defined benefit liability (asset), past service costs and costs of curtailments.

The liabilities of the Corporation arising from defined benefit obligations and their related current service cost are determined using the projected unit credit method. Valuations are performed annually. Actuarial advice is provided by both external consultants and actuaries. The actuarial assumptions used to calculate the benefit obligations vary according to the economic conditions of the country in which the plan is located and are set out below.

The main assumptions used to calculate the liabilities related to defined benefit obligations and their related current service cost were as follows as at and for the years ended December 31:

	2023	**2022**
UK		
Rate of increase in pension payments	2.05% to 2.95%	1.90% to 3.50%
Discount rate	4.75 %	5.00 %
Inflation assumption	2.75% to 3.10%	2.80% to 3.15%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.2	87.9
– Women	89.6	90.2
Sweden		
Discount rate	3.25 %	4.00 %
Inflation assumption	1.60 %	1.90 %
Life expectancy at age 65 (for member currently aged 65)		
– Men	86.9	87.0
– Women	88.9	89.0
US		
Discount rate (unfunded plans)	4.75% to 4.80%	4.95% to 5.10%
Discount rate (funded plans)	4.91 %	5.19 %

The fair values by major categories of plan assets pertaining to the funded US and UK defined benefits pension schemes were as follows, as at December 31:

		2023		**2022**
	$	**%**	**$**	**%**
Equities	13.1	6	46.1	18
Bonds	85.4	38	63.9	25
Liability-driven investments	62.0	28	48.8	20
Cash and cash equivalents	13.4	6	0.1	—
Other	48.5	22	93.9	37
	222.4	100	252.8	100

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

Amounts recognized in the statements of financial position are as follows, as at December 31:

	2023	2022
	$	$
Fair value of plan assets (UK)	156.0	184.7
Present value of funded obligations (UK)	(140.8)	(183.0)
Net asset of funded plans (UK)	15.2	1.7
Fair value of plan assets (US)	66.4	68.1
Present value of funded obligations (US)	(78.6)	(77.5)
Deficit of funded plans (US)	(12.2)	(9.4)
Present value of unfunded obligations (US)	(137.7)	(122.6)
Present value of unfunded obligations (Sweden)	(37.6)	(32.0)
Net pension liability	(172.3)	(162.3)

Amounts recognized in the consolidated net earnings were as follows, for the years ended December 31:

	2023	2022
	$	$
Current service cost	10.0	2.1
Past service cost	(0.6)	(1.0)
Administration cost	1.3	0.3
Defined benefit pension scheme expense	10.7	1.4
Interest expense	19.2	9.3
Expected return on plan assets	(12.9)	(5.8)
Net financing expense on pension liabilities	6.3	3.5

Changes in the present value of the defined benefit obligation are as follows for the years ended December 31:

	2023	2022
	$	$
Present value of obligation – beginning balance	415.1	478.1
Present value of obligation – acquisitions	4.2	78.5
Current service cost	10.0	2.1
Past service cost	(0.6)	(1.0)
Contributions from scheme members	—	0.1
Benefits paid	(28.1)	(26.9)
Payments in respect of settlements	(44.7)	—
Interest expenses	19.2	9.3
Actuarial losses - changes in assumptions	14.8	(136.1)
Actuarial losses - changes in experience adjustments	2.8	4.2
Exchange differences	2.0	6.8
Present value of obligation – ending balance	394.7	415.1

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

Changes in the fair value of plan assets are as follows, as at December 31:

	2023	2022
	$	$
Fair value of plan assets – beginning balance	252.8	265.2
Expected return on plan assets	12.9	5.8
Contributions from scheme members	—	0.1
Contributions from employer	9.8	13.6
Benefits paid	(16.9)	(12.7)
Payments in respect of settlements	(44.7)	—
Administration costs	(1.3)	(0.3)
Actuarial gain (experience)	6.6	(95.8)
Exchange differences	3.2	1.9
Fair value of plan assets – ending balance	222.4	252.8

Net retirement obligations deficit summary, as at December 31:

	2023	2022
	$	$
Fair value of scheme assets	222.4	252.8
Present value of scheme liabilities	(394.7)	(415.1)
Deficit	(172.3)	(162.3)

The Corporation's defined benefit plans expose it to interest risk, inflation risk, longevity risk, currency risk and market investment risk. Sensitivity analysis of the overall pension deficit as at December 31, 2023 to changes in principal assumptions is shown below:

Assumption	Change in basis points / years	Increase in pension deficit
		$
Discount rate	- 10 bps	2.4
Inflation rate[(1)]	+ 10 bps	1.4
Mortality[(1)]	+ 1 year	5.3

(1) Impact on pension deficit of defined benefit plans in UK and Sweden only.

The combined employee and employer contributions to be paid in the year ending December 31, 2024, pertaining to the Corporation's defined benefit pension schemes in the UK, are expected to be approximately $1.6 million.

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

10 ACQUISITION, INTEGRATION AND REORGANIZATION COSTS AND ERP IMPLEMENTATION COSTS

	2023	2022
	$	$
Business acquisition costs	12.5	39.8
Integration costs of acquired businesses	92.5	70.9
Other	—	4.8
	105.0	115.5

Included in acquisition, integration and reorganization costs in 2023 are employee benefit costs of $41.2 million ($16.2 million 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 in 2023 are employee benefit costs of $22.5 million ($13.8 million in 2022). Other than employee benefit costs, costs relate mainly to professional fees.

11 NET FINANCING EXPENSE

	2023	2022
	$	$
Interest expense related to credit facilities and senior unsecured notes	185.1	68.4
Interest expense on lease liabilities	40.9	37.4
Net financing expense on pension obligations	6.3	3.5
Exchange losses on assets and liabilities denominated in foreign currencies	4.7	2.3
Unrealized (gains) losses on derivative financial instruments	(27.4)	20.1
Other interest and bank charges	23.7	13.6
(Gains) losses on investments in securities	(18.1)	22.1
Interest income	(12.6)	(5.8)
	202.6	161.6

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

12 INCOME TAXES

INCOME TAX EXPENSE AND TAX RATE RECONCILIATION

The components of the income tax expense for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
	$	$
Current income tax expense		
Current income tax expense on earnings for the year	304.1	313.8
Adjustments in respect of prior years	(50.6)	(2.5)
	253.5	311.3
Deferred income tax recovery		
Origination and reversal of temporary differences	(100.1)	(161.1)
Impact of changes in substantively enacted income tax rates	0.1	(2.0)
Adjustments in respect of prior years	38.4	4.6
	(61.6)	(158.5)
Income tax expense	191.9	152.8

The reconciliation of the difference between the income tax expense using the combined Canadian federal and provincial statutory income tax rate of 26.5% in 2023 and in 2022 and the actual effective income tax rate is as follows for the years ended December 31:

		2023		2022
	$	%	$	%
Earnings before income taxes	744.9		587.5	
Income tax expense at the combined Canadian federal and provincial statutory income tax rate	197.4	26.5 %	155.7	26.5 %
Changes resulting from:				
Foreign income tax rate differences	(12.1)	(1.6)%	(17.2)	(2.9)%
Non-deductible expenses, net of non-taxable income	5.3	0.7 %	6.3	1.1 %
Net unrecognized income tax benefits	13.3	1.8 %	7.7	1.3 %
Adjustments in respect of prior years	(12.2)	(1.6)%	2.1	0.4 %
Effect of change in income tax rates	0.1	— %	(2.0)	(0.4)%
Other items	0.1	— %	0.2	— %
	191.9	25.8 %	152.8	26.0 %

In 2023 and 2022, net unrecognized income tax benefits represented the impact of unrecognized current and prior years income tax benefits related mostly to foreign subsidiaries where recovery is not considered probable, partly offset by the recognition of previously unrecognized deferred income tax assets related to certain subsidiaries that generated profits in the current year.

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

TEMPORARY DIFFERENCES

The significant components of deferred income tax assets and liabilities were as follows, as at December 31:

						2023
	As at January 1	**Credited (charged) to statement of earnings**	**Credited to other comprehensive income**	**Business acquisitions and disposals**	**Exchange differences**	**As at December 31**
	$	**$**	**$**	**$**	**$**	**$**
Deferred income tax assets						
Deductible provisions upon settlement	213.7	(4.1)	—	25.6	(4.0)	231.2
Tax loss carry forwards	22.9	22.9	—	1.7	—	47.5
Pension schemes	42.8	(2.1)	2.5	1.4	(0.8)	43.8
Deferred issuance-related costs	14.1	(4.9)	—	—	—	9.2
Property and equipment	19.7	0.4	—	—	0.3	20.4
Leases	27.8	13.9	—	(1.8)	(0.6)	39.3
Research and development expenses	165.1	76.3	—	5.0	(5.0)	241.4
Other temporary differences	55.6	(18.9)	—	(2.2)	(0.8)	33.7
	561.7	83.5	2.5	29.7	(10.9)	666.5
Deferred income tax liabilities						
Costs and anticipated profits in excess of billings	(103.2)	(21.9)	—	(0.2)	(0.2)	(125.5)
Holdbacks	(18.9)	2.0	—	—	—	(16.9)
Property and equipment	(24.4)	6.3	—	(3.6)	1.0	(20.7)
Intangible assets	(128.3)	43.1	—	(33.3)	(0.2)	(118.7)
Goodwill	(16.6)	(30.3)		1.3	0.8	(44.8)
Other temporary differences	(47.3)	(21.1)	9.0	(0.5)	(0.1)	(60.0)
	(338.7)	(21.9)	9.0	(36.3)	1.3	(386.6)
	223.0	**61.6**	**11.5**	**(6.6)**	**(9.6)**	**279.9**

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

							2022
	As at January 1	**Credited (charged) to statement of earnings**	**Charged to other compre-hensive income**	**Credited directly to equity**	**Business acquisitions**	**Exchange differences**	**As at December 31**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Deferred income tax assets							
Deductible provisions upon settlement	219.3	(24.3)	—	—	11.8	6.9	213.7
Tax loss carry forwards	24.2	(1.8)	—	—	0.6	(0.1)	22.9
Pension schemes	45.3	3.2	(8.3)	—	0.9	1.7	42.8
Deferred issuance-related costs	7.4	(1.3)	—	8.1	—	(0.1)	14.1
Property and equipment	19.9	(0.1)	—	—	0.5	(0.6)	19.7
Leases	22.3	(10.6)	—	—	15.4	0.7	27.8
Research and development expenses	4.5	154.6	—	—	—	6.0	165.1
Other temporary differences	25.8	13.1	—	—	14.7	2.0	55.6
	368.7	132.8	(8.3)	8.1	43.9	16.5	561.7
Deferred income tax liabilities							
Costs and anticipated profits in excess of billings	(93.5)	(9.9)	—	—	(4.0)	4.2	(103.2)
Holdbacks	(19.0)	0.5	—	—	—	(0.4)	(18.9)
Property and equipment	(15.2)	(7.6)	—	—	(0.5)	(1.1)	(24.4)
Intangible assets	(118.9)	38.5	—	—	(44.7)	(3.2)	(128.3)
Goodwill	(7.4)	(8.4)	—	—	—	(0.8)	(16.6)
Other temporary differences	(48.8)	12.6	(9.8)	—	(0.2)	(1.1)	(47.3)
	(302.8)	25.7	(9.8)	—	(49.4)	(2.4)	(338.7)
	65.9	**158.5**	**(18.1)**	**8.1**	**(5.5)**	**14.1**	**223.0**

The deferred income taxes are presented as follows on the consolidated statements of financial position, as at December 31:

	2023	**2022**
	$	**$**
Deferred income tax assets	429.3	351.3
Deferred income tax liabilities	(149.4)	(128.3)
	279.9	223.0

As at December 31, 2023, the Corporation had recognized deferred income tax assets of $47.5 million ($22.9 million as at December 31, 2022) related to tax losses of the current and prior years. The deferred income tax assets are recognized, as the Corporation believes it is probable that taxable profits will be available in the future against which the tax loss carry forwards can be utilized.

As at December 31, 2023, the Corporation had $165.4 million ($159.3 million as at December 31, 2022) of unrecognized deferred income tax assets. Of these, a portion relates to tax loss carry forwards of $436.3 million, of which $75.8 million expire between 2024 and 2033 and the remainder of which having no expiry ($367.2 million and $49.5 million, respectively, as at December 31, 2022) and a portion relates to gross temporary differences with no expiry of $31.1 million ($60.7 million as at December 31, 2022). Additionally, $42.9 million of unrecognized deferred income tax assets relate to tax credits that expire between 2024 and 2033 ($45.3 million as at December 31, 2022). The Corporation considers the recovery of those unrecognized deferred income tax assets as not probable.

As at December 31, 2023, a deferred income tax liability relating to $1,070.1 million of taxable temporary differences associated with the undistributed earnings of subsidiaries, has not been recognized as the Corporation controls the timing of the reversal of these temporary differences and does not expect they will reverse in the foreseeable future ($851.0 million as at December 31, 2022). Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to corporate or withholding income taxes.

OECD PILLAR TWO RULES

The Corporation operates in various countries which have enacted or substantively enacted new Pillar Two legislation to implement a global minimum top-up tax. The legislation will be effective for the Corporation's annual reporting period beginning on January 1, 2024. The Corporation has performed an assessment of its potential exposure to Pillar Two income taxes based on the most recent tax filings, country-by-country reporting and financial statements for its constituent entities. Based on the assessment, the Corporation does not expect a material exposure to Pillar Two income taxes.

The Corporation has applied a temporary mandatory relief from deferred tax accounting for the impacts of the new Pillar Two top-up tax and will account for it as a current tax when it is incurred.

13 FINANCIAL INSTRUMENTS

FAIR VALUE

Cash, trade and other receivables, accounts payable, dividends payable to shareholders, bank overdrafts, long-term debt related to credit facilities and other financial liabilities are financial instruments whose fair values approximate their carrying values due to their short-term maturity, variable interest rates or current market rates for instruments with fixed rates.

The fair value hierarchy under which the Corporation’s financial instruments are valued is as follows:

- Level 1 includes unadjusted quoted prices in active markets for identical assets or liabilities;
- Level 2 includes inputs other than quoted prices included in Level 1 that are observable for the assets or liability, either directly or indirectly;
- Level 3 includes inputs for the assets or liability that are not based on observable market data.

The Corporation's senior unsecured notes are financial liabilities carried at amortized costs. As at December 31, 2023, the fair value of the $1.0 billion of senior unsecured notes, which is based on unadjusted quote prices (Level 1), was $987.9 million ($439.5 million for the $500 million of senior unsecured notes as at December 31, 2022).

As at December 31, 2023 and 2022, fair values of other financial assets and hedges of the Corporation's common shares are determined under Level 1. Fair values of foreign currency risk based financial instruments, notably foreign currency forward contracts and cross currency swap agreements, are determined under Level 2.

FINANCIAL RISK MANAGEMENT

The Corporation is exposed to credit risk, foreign currency risk, interest rate risk and liquidity risk. The following analyses provide a portrait of those risks as at December 31, 2023 and 2022.

CREDIT RISK

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss.

Financial instruments which potentially subject the Corporation to significant credit risk consist principally of cash, trade receivables, other receivables, derivative financial instruments, investments in securities and amounts due from joint ventures and associates. Costs and anticipated profits in excess of billings are also evaluated for credit risk using the same model. The Corporation's maximum amount of credit risk exposure is limited to the carrying amount of these financial instruments and contract assets, which is $5,139.1 million as at December 31, 2023 ($4,855.0 million as at December 31, 2022).

The Corporation's cash is held with investment-grade financial institutions. Therefore, the Corporation considers the risk of non-performance on these instruments to be minimal.

The Corporation's credit risk is principally attributable to its trade receivables and costs and anticipated profits in excess of billings. The amounts disclosed in the consolidated statements of financial position are net of an allowance for expected credit losses, estimated by Management and based, in part, on the age of the specific receivable balance and the current and expected collection trends. Generally, the Corporation does not require collateral or other security from customers for trade accounts receivable; however, credit is extended following an evaluation of creditworthiness. In addition, the Corporation performs ongoing credit reviews of all its customers and establishes an allowance for expected credit losses when the likelihood of collecting the account has significantly diminished. The Corporation believes that the credit risk of trade accounts receivable is limited. During the year ended December 31, 2023, the Corporation recognized net credit losses of $18.8 million (net recovery of previously recognized allowance for expected credit losses of $9.3 million in 2022).

The Corporation mitigates its credit risk by providing services to diverse clients in various market sectors, countries and sectors of the economy.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Corporation operates internationally and is exposed to currency risks arising from its operating activities denominated in US dollars, pounds sterling, Australian dollars, Swedish krona, New Zealand dollars, euros, and other currencies as well as from its net assets in foreign operations. These risks are partially offset by purchases and operating expenses incurred in these currencies.

The Corporation has investments in foreign operations, whose net assets are exposed to foreign currency risk. This risk is partly offset through borrowings denominated in the relevant foreign currency. The exchange gains or losses on the net equity investment of these operations are reflected in the accumulated other comprehensive income account in shareholders' equity, as part of the currency translation adjustment.

The Corporation enters into foreign currency forward contracts and options to hedge the variability in the foreign currency exchange rates of certain currencies against the Canadian dollar. As at December 31, 2023, the net fair market value gain of these forward contracts and options amounted to $10.0 million, and a gain of $22.0 million was recorded in net earnings in

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

2023. The largest hedged currency outstanding as at December 31, 2023 represents a nominal amount of $734.6 million US dollars.

The Corporation holds 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 December 31, 2023 amounted to $6.7 million and the change in fair value was recorded in other comprehensive loss.

The Corporation holds cross-currency interest rate swap agreements for a nominal amount of $1.0 billion 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 December 31, 2023 amounted to $2.5 million and the change in fair value was recorded in other comprehensive loss.

In 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 net loss of these cross-currency interest rate swaps agreements as at December 31, 2023 amounted to $19.5 million and the changes in fair value were recorded in other comprehensive loss.

In 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 gain of these interest rate collar agreements as at December 31, 2023 amounted to $0.3 million and the change in fair value was recorded in other comprehensive loss.

In 2023, the Corporation entered into cross-currency interest rate swap agreements for a nominal amount of $275 million Australian dollars to hedge the variability in the Australian dollar to the US dollar, as well as variability in interest rates. These financial instruments are not designated in a hedging relationship. The fair market value loss of these cross-currency interest rate swaps agreements as at December 31, 2023 amounted to $12.9 million and the change in fair value was recorded in net earnings.

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 revalutation of the LTIP liability. As at December 31, 2023, the Corporation had hedges outstanding for 660,000 of its common shares, with total fair value gain of $8.9 million (for 780,000 shares, with a loss of $6.9 million as at December 31, 2022). In 2023, mark-to-market variations on LTIP hedging instruments recorded in net earnings were a gain of $17.2 million (a loss of $20.6 million in 2022).

Taking into account the amounts denominated in foreign currencies and presuming that all of the other variables remain unchanged, a fluctuation in exchange rates would have an impact on the Corporation's net earnings and equity. Management believes that a 10% change in exchange rates could be reasonably possible. The table below summarizes the impacts on net earnings and other comprehensive income of a 10% weakening or strengthening in exchange rates against the Canadian dollar, for the years ended December 31:

				2023
	US dollar	**Pound sterling**	**Australian dollar**	**Swedish krona**
	$	**$**	**$**	**$**
Net earnings	25.3	6.7	5.2	3.2
Other comprehensive income	342.7	63.2	62.7	20.9

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

				2022
	US Dollar	Pound sterling	Australian Dollar	Swedish krona
	$	$	$	$
Net earnings	18.2	7.5	3.7	1.9
Other comprehensive income	453.3	54.5	39.8	16.5

INTEREST RISK

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Corporation's exposure to the risk of changes in market interest rates relates primarily to its long-term debt and other non-current financial liabilities with floating interest rates. This risk is partially offset by cash held at variable rates.

Management believes a 100-basis point change in interest rates is reasonably possible. An 100-basis point increase in interest rates, all other variables held constant, would decrease the Corporation's net earnings by of $13.8 million. An 100-basis point decrease in interest rates, all other variables held constant, would increase the Corporation's net earnings by of $15.7 million.

LIQUIDITY RISK

Liquidity risk is the risk that the Corporation will encounter difficulties in meeting its obligations as they fall due.

A centralized treasury function ensures that the Corporation maintains funding flexibility by assessing future cash flow expectations and by maintaining sufficient headroom on its committed borrowing facilities. Borrowing limits, cash restrictions and compliance with debt covenants are also taken into account.

The Corporation watches for liquidity risks arising from financial instruments on an ongoing basis. Management monitors the liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times. WSP has access to committed lines of credit with banks, as described in note 24, Long-term debt.

The tables below presents the contractual maturities of financial liabilities as at December 31, 2023 and 2022. The amounts disclosed are contractual undiscounted cash flows.

					2023
	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	More than 2 years
	$	$	$	$	$
Accounts payable and accrued liabilities	2,738.3	2,738.3	2,738.3	—	—
Dividends payable to shareholders	46.8	46.8	46.8	—	—
Lease liabilities	1,002.1	1,162.5	319.5	244.1	598.9
Long-term debt	3,262.5	3,858.7	743.7	734.8	2,380.2
	7,049.7	7,806.3	3,848.3	978.9	2,979.1

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

					2022
	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	More than 2 years
	$	$	$	$	$
Accounts payable and accrued liabilities	2,736.4	2,736.4	2,736.4	—	—
Dividends payable to shareholders	46.7	46.7	46.7	—	—
Lease liabilities	1,129.8	1,298.6	325.4	265.5	707.7
Long-term debt	2,954.5	3,411.9	345.6	707.0	2,359.3
	6,867.4	7,493.6	3,454.1	972.5	3,067.0

As at December 31, 2023, the Corporation had amounts available under the credit facility of $1,467.8 million ($1,857.4 million in 2022), net of outstanding letters of credit of $148.9 million ($141.8 million in 2022). The Corporation's cash and cash equivalents, net of bank overdraft, as at December 31, 2023 was $361.9 million ($491.0 million in 2022).

14 TRADE AND OTHER RECEIVABLES

As at December 31	2023	2022
	$	$
Net trade receivables	2,364.2	2,232.6
Other receivables	328.5	351.7
Derivative financial instruments	25.9	33.3
Amounts due from joint ventures and associates	7.8	8.2
	2,726.4	2,625.8

In applying the simplified approach to measuring expected credit losses, the Corporation does not track changes in credit risk and therefore does not assign credit risk rating grades to trade receivables. The Corporation does track the aging of gross trade receivables past due, which was as follows:

As at December 31	2023	2022
	$	$
Current	907.7	847.7
Past due 0-30 days	714.0	732.0
Past due 31-60 days	306.0	286.4
Past due 61-90 days	182.3	122.0
Past due 91-180 days	182.4	168.9
Past due over 180 days	241.8	233.2
Trade receivables	2,534.2	2,390.2
Allowance for expected credit loss	(170.0)	(157.6)
Net trade receivables	2,364.2	2,232.6

The Corporation is exposed to credit risk with respect to its trade receivables and maintains provisions for potential credit losses. Potential for such losses is mitigated because customer creditworthiness is evaluated before credit is extended and no single customer represented more than 10% of revenues. During the year ended December 31, 2023, the Corporation recognized net credit losses of $18.8 million (net recovery of previously recognized allowance for expected credit losses of $9.3 million in 2022).

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

15 CONTRACT BALANCES

Changes in costs and anticipated profits in excess of billings (contract assets) and in billings in excess of costs and anticipated profits (contract liabilities) are as follows:

	2023		2022	
	Costs and anticipated profits in excess of billings	**Billings in excess of costs and anticipated profits**	**Costs and anticipated profits in excess of billings**	**Billings in excess of costs and anticipated profits**
	$	**$**	**$**	**$**
Balance - As at January 1	1,626.2	(973.1)	1,156.4	(751.1)
Increases due to cash received or amounts invoiced prior to rendering of services	—	(3,339.6)	—	(2,536.6)
Transfers to revenues once related services have been deemed rendered	—	3,167.5	—	2,409.0
Additions to contract assets through revenues recognition	11,269.7	—	9,523.9	—
Transfers from costs and anticipated profits in excess of billings to trade receivables	(10,978.0)	—	(9,224.2)	—
Changes due to business acquisitions and disposals (note 5)	15.8	(25.6)	123.9	(73.0)
Effect of exchange rate changes	(22.1)	12.8	46.2	(21.4)
Balance - As at December 31	1,911.6	(1,158.0)	1,626.2	(973.1)

In the year ended December 31, 2023, revenue recognized that was included in contract liability as at January 1, 2023 amounted to $819.7 million ($738.7 million in 2022). In the year ended December 31, 2023, revenue recognized from performance obligations satisfied or partially satisfied in previous years amounted to $86.2 million ($22.4 million in 2022).

Unfulfilled performance obligations, representing the Corporation's remaining contractual obligations related to signed cost-plus contracts with ceilings and fixed-price contracts on which work has commenced, amounted to $11.4 billion as of December 31, 2023 ($11.1 billion as at December 31, 2022). Cost-plus contracts without stated ceilings have been excluded as the full amount of the contracted work cannot be definitively assessed.

Timing of contract execution is subject to many factors outside of the Corporation's control. Project scope changes, client-driven time lines and customers' project financing are just a few examples of such factors. The Corporation estimates that approximately 60% of the unfulfilled performance obligations as at December 31, 2023 will unwind over the following 12 months.

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

16 OTHER FINANCIAL ASSETS

As at December 31	2023	2022
	$	$
Investments in securities	123.1	107.4
Other	0.2	0.8
	123.3	108.2

Investments in securities include investments in a multitude of mutual funds, based on employees' investment elections, with respect to the deferred compensation obligations of the Corporation in the US as disclosed in note 9, Pension schemes. The fair value of these investments is $122.6 million ($107.0 million in 2022), determined by the market price of the funds at the reporting date, which are Level 1 inputs (unadjusted quoted prices in active markets for identical assets).

17 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	935.7	43.2	978.9	830.4	31.1	861.5
Additions through business acquisitions and measurement period adjustments	43.1	2.0	45.1	125.7	17.5	143.2
Additions	97.3	22.1	119.4	144.0	12.9	156.9
Lease renewals, reassessments and modifications	65.9	0.1	66.0	95.5	(1.5)	94.0
Disposal of a business	(5.7)	—	(5.7)	—	—	—
Depreciation expense	(293.5)	(22.9)	(316.4)	(270.9)	(17.6)	(288.5)
Impairment	(65.1)	—	(65.1)	(17.1)	—	(17.1)
Utilization of lease inducement allowances	8.9	—	8.9	15.3	—	15.3
Exchange differences	(6.4)	(0.5)	(6.9)	12.8	0.8	13.6
Balance - End of year	780.2	44.0	824.2	935.7	43.2	978.9

In 2023 and 2022, the Corporation recorded impairment charges against certain real estate right-of-use assets, in the context of on-going reorganizations as part of its real estate strategy.

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

LEASE LIABILITIES

	For the year ended December 31, 2023			For the year ended December 31, 2022		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	1,089.9	39.9	1,129.8	994.0	26.3	1,020.3
Additions through business acquisitions and measurement period adjustments	36.1	1.5	37.6	130.5	19.0	149.5
Additions	97.3	22.1	119.4	144.0	12.9	156.9
Lease renewals, reassessments and modifications	64.3	—	64.3	92.5	(2.3)	90.2
Disposal of a business	(6.0)	—	(6.0)	—	—	—
Interest expense on lease liabilities (note 11)	39.0	1.9	40.9	36.4	1.0	37.4
Payments	(349.6)	(25.5)	(375.1)	(323.5)	(17.8)	(341.3)
Exchange differences	(8.5)	(0.3)	(8.8)	16.0	0.8	16.8
Balance - End of year	962.5	39.6	1,002.1	1,089.9	39.9	1,129.8
Current portion of lease liabilities	239.7	17.8	257.5	255.3	17.7	273.0
Non-current portion of lease liabilities	722.8	21.8	744.6	834.6	22.2	856.8

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

18 INTANGIBLE ASSETS

	Software	Contract backlogs	Customer relation-ships	Trade names	Total
	$	$	$	$	$
Balance as at January 1, 2022					
Cost	218.2	171.9	486.2	105.2	981.5
Accumulated amortization	(147.2)	(138.6)	(140.5)	(5.3)	(431.6)
Net value	71.0	33.3	345.7	99.9	549.9
Additions	35.6	—	—	—	35.6
Additions through business acquisitions and measurement period adjustments (note 5)	1.8	208.0	465.5	—	675.3
Amortization for the year	(60.8)	(33.1)	(72.5)	(7.0)	(173.4)
Exchange differences	(0.9)	2.4	15.0	(1.3)	15.2
Balance as at December 31, 2022	46.7	210.6	753.7	91.6	1,102.6
Balance as at December 31, 2022					
Cost	217.9	266.6	972.5	104.2	1,561.2
Accumulated amortization	(171.2)	(56.0)	(218.8)	(12.6)	(458.6)
Net value	46.7	210.6	753.7	91.6	1,102.6
Additions	123.3	—	—	—	123.3
Additions through business acquisitions and measurement period adjustments (note 5)	2.6	20.6	77.2	10.1	110.5
Disposals through business disposals	—	(1.0)	(2.7)	—	(3.7)
Amortization for the year	(40.0)	(88.7)	(84.2)	(8.8)	(221.7)
Exchange differences	(0.1)	(1.5)	(6.5)	1.2	(6.9)
Balance as at December 31, 2023	132.5	140.0	737.5	94.1	1,104.1
Balance as at December 31, 2023					
Cost	320.4	234.2	1,028.6	115.3	1,698.5
Accumulated amortization	(187.9)	(94.2)	(291.1)	(21.2)	(594.4)
Net value	132.5	140.0	737.5	94.1	1,104.1

The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the WSP trade name, is $48.0 million as at December 31, 2023 ($46.7 million in December 31, 2022).

In 2023, the Corporation acquired intangible assets amounting to $233.8 million ($710.9 million in 2022), all of which are subject to amortization.

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

19 PROPERTY AND EQUIPMENT

	Freehold land and buildings	Leasehold improve-ments	Furniture and equipment	Computer equipment	Total
	$	$	$	$	$
Balance as at January 1, 2022					
Cost	30.8	285.3	303.5	304.6	924.2
Accumulated depreciation	(7.4)	(155.4)	(206.5)	(191.3)	(560.6)
Net value	23.4	129.9	97.0	113.3	363.6
Additions	0.1	23.4	29.6	77.8	130.9
Additions through business acquisitions and measurement period adjustments (note 5)	0.4	3.6	15.3	0.4	19.7
Disposals, including through business disposals	—	(0.1)	(0.8)	(0.7)	(1.6)
Depreciation	(1.0)	(29.8)	(29.3)	(54.5)	(114.6)
Impairment	(4.5)	—	—	—	(4.5)
Exchange differences	1.1	4.6	(1.5)	1.2	5.4
Balance as at December 31, 2022	19.5	131.6	110.3	137.5	398.9
Balance as at December 31, 2022					
Cost	26.2	299.6	340.3	363.6	1,029.7
Accumulated depreciation	(6.7)	(168.0)	(230.0)	(226.1)	(630.8)
Net value	19.5	131.6	110.3	137.5	398.9
Additions	—	27.4	44.8	87.7	159.9
Additions through business acquisitions and measurement period adjustments (note 5)	32.2	0.2	0.4	0.8	33.6
Disposals, including through business disposals	—	(1.2)	(4.3)	(0.1)	(5.6)
Depreciation	(1.1)	(32.1)	(30.7)	(71.2)	(135.1)
Impairment	—	(16.1)	(1.6)	—	(17.7)
Exchange differences	3.2	(1.3)	(0.3)	(0.3)	1.3
Balance as at December 31, 2023	53.8	108.5	118.6	154.4	435.3
Balance as at December 31, 2023					
Cost	61.8	319.7	366.7	443.1	1,191.3
Accumulated depreciation	(8.0)	(211.2)	(248.1)	(288.7)	(756.0)
Net value	53.8	108.5	118.6	154.4	435.3

In 2023, the Corporation recorded impairment charges against certain leasehold improvements and furniture & equipment, in the context of on-going reorganizations as part of its real estate strategy.

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

20 GOODWILL

	2023	2022
	$	$
Balance – As at January 1	6,792.2	4,762.3
Goodwill resulting from business acquisitions	296.4	1,885.4
Measurement period adjustments	163.6	4.8
Disposal of a business	(28.4)	—
Exchange differences	(68.0)	139.7
Balance – As at December 31	7,155.8	6,792.2

In August 2023, WSP sold Louis Berger Services, Inc. ("LBS") to Versar Inc., a global engineering, environmental, and security services company. LBS specializes in operations and maintenance services for complex infrastructure assets at mission-essential defense and civilian facilities worldwide and employed approximately 1,400 people at the time of the divestiture.

Goodwill is allocated to the Corporation's CGUs. The carrying value of goodwill by CGU is identified in the table below:

As at December 31	2023	2022
Goodwill allocated to CGUs	$	$
US	3,566.3	3,563.6
Canada	1,712.8	1,654.7
UK	448.2	417.7
Nordic Europe	344.4	345.6
Australia	488.9	283.1
New Zealand	180.6	185.4
Central Europe	201.5	127.9
Asia	84.0	85.6
Latin America	75.3	73.6
Middle East	53.8	55.0
	7,155.8	6,792.2

IMPAIRMENT TEST OF LONG-LIVED ASSETS

The Corporation performed its annual impairment test for goodwill and other indefinite-lived intangible assets as at September 30, 2023 in accordance with its policy described in note 2, Material accounting policies. The key assumptions used to determine the fair value of each CGUs for 2023 are discussed below. The Corporation has not identified any indicators of impairment at any other date and as such has not completed an additional impairment calculation.

VALUATION TECHNIQUE

FAIR VALUE LESS COSTS TO SELL ("FVLCS")

The recoverable amount of a CGU is determined based on the FVLCS. Fair value measurement is a market-based measurement rather than an entity-specific measurement. The fair value of a CGU must be measured using the assumptions that market participants would use rather than those related specifically to the Corporation. In determining the FVLCS, an income approach using the discounted cash flow methodology was utilized. The inputs used in the discounted cash flows model are Level 3 inputs (inputs not based on observable market data). In addition, the market approach was employed in assessing the reasonableness of the conclusions reached.

INCOME APPROACH

Management has determined that the discounted cash flow ("DCF") technique provides the best assessment of what a CGU could be exchanged for in an arm's length transaction. Fair value is represented by the present value of expected future cash flows of the business together with the terminal value of the business at the end of the forecast period. The DCF technique was applied on an enterprise-value basis, where the after-tax cash flows prior to interest expense are discounted using a weighted average cost of capital ("WACC" or "discount rate"). This approach requires assumptions regarding revenue growth rates, adjusted EBITDA margins, level of working capital, capital expenditures, tax rates and discount rates.

MARKET APPROACH

It is assumed under the market approach that the value of a CGU reflects the price at which comparable companies in the same industry are purchased under similar circumstances. A comparison of a CGU to similar companies in the same industry whose financial information is publicly available may provide a reasonable basis to estimate fair value. Fair value under this approach is calculated based on an adjusted EBITDA multiple compared to the average median multiple based on publicly available information for comparable companies and transaction prices.

MATERIAL ESTIMATES USED IN DETERMINING THE FVLCS

CASH FLOW PROJECTIONS

The cash flow projections are based on the financial forecast approved by Management and the Board of Directors. These projections use assumptions that reflect the Corporation's most likely planned course of action, given Management's judgment of the most probable set of economic conditions, adjusted to reflect the expectations of a market participant. Adjusted EBITDA margin is based on budgeted values in the first year of the five-year projection period ("projection period"), with increases over the projection period using an estimated revenue growth rate. The revenue growth rates applied following the first year's projections ranged from 2.0% to 5.0%. The adjusted EBITDA margin ranged from 11.8% to 23.5%. Management considered past experience, economic trends as well as industry and market trends in assessing reasonableness of financial projections used.

DISCOUNT RATE

The discount rate reflects the current market assessment of the risk specific to comparable companies. The discount rate was based on the weighted average cost of equity and cost of debt for comparable companies within the industry. The discount rate represents the after-tax WACC. Determining the WACC requires analyzing the cost of equity and debt separately, and takes into account a risk premium that is based on the applicable CGU. The discount rate applied ranged from 8.0% to 11.0%.

TERMINAL GROWTH RATE

Growth rates used to extrapolate the Corporation's projection were determined using published industry growth rates in combination with inflation assumptions and the input of each CGU's management group based on historical trend analysis and future expectations of growth. The terminal growth rate applied was 2.0%.

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

SENSITIVITY TO CHANGES IN ASSUMPTIONS

The following analyses are presented in isolation from one another, i.e. all other estimates left unchanged:

A 5% decrease, evenly distributed over future periods, in the expected future net cash inflows would not have resulted in an impairment of goodwill in any CGU.

An increase of 50 basis points in the discount rates used to perform the impairment tests would not have resulted in an impairment of goodwill in any CGU.

A decrease of 25 basis points in the terminal growth rates used to perform the impairment tests would not have resulted in an impairment of goodwill in any CGU.

21 OTHER ASSETS

As at December 31	2023	2022
	$	$
Investments in associates	89.8	87.8
Investments in joint ventures	35.6	32.4
Receivables from insurance companies	70.7	57.0
Retirement benefit assets (note 9)	15.2	—
Other	6.0	6.4
	217.3	183.6

22 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31	2023	2022
	$	$
Trade payables	1,107.8	1,038.8
Employee benefits payable	944.4	952.2
Accrued expenses and other payables	525.6	587.0
Sales taxes payable	128.6	121.3
Derivative financial instruments	25.9	33.3
Amounts due to joint ventures and associates	6.0	3.8
	2,738.3	2,736.4

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

23 PROVISIONS

	Claims provisions	Other provisions	Total
	$	$	$
Balance as at January 1, 2023	311.3	129.8	441.1
Additions through business acquisitions	68.9	41.8	110.7
Additional provision recognized	109.9	7.4	117.3
Utilized or reversed	(63.2)	(68.9)	(132.1)
Exchange differences	(3.6)	0.8	(2.8)
Balance as at December 31, 2023	423.3	110.9	534.2
Current portion	98.1	36.8	134.9
Non-current portion	325.2	74.1	399.3

Some of the claims provisioned qualify under the Corporation's insurance coverage for reimbursement and as such receivables from insurance companies are recorded for certain claims in other receivables (note 14) for current claims and in other assets (note 21) for long-term claims.

24 LONG-TERM DEBT

As at	2023	2022
	$	$
Borrowings under credit facilities	2,124.7	2,401.3
Senior unsecured notes	996.2	500.0
Bank overdraft	16.1	4.6
Other financial liabilities	125.5	48.6
	3,262.5	2,954.5
Current portion	204.2	173.4
Non-current portion	3,058.3	2,781.1

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

The table below presents the contractual maturities of long-term debt as at December 31, 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$1.50-billion credit facility	369.9	—	—	102.9	267.0
US$1,325-million term loans	1,754.8	132.4	562.8	529.8	529.8
Senior unsecured notes	996.2	—	—	—	996.2
Bank overdraft	16.1	16.1	—	—	—
Other financial liabilities	125.5	55.7	24.3	22.1	23.4
	3,262.5	204.2	587.1	654.8	1,816.4

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$1.0 billion maturing in April 2028.

The amount available under the US$1.5-billion credit facility was $1,467.8 million (US$1,108.3 million) as at December 31, 2023.

WSP has in place a US$325-million credit facility. As at December 31, 2023 this committed credit facility has been fully drawn in the form of a term loan maturing in 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 4 years. As at December 31, 2023, the US$1.0-billion credit facility was fully drawn.

The US$1.5-billion credit facility bears interest at Canadian prime rate, US-based rate, Bankers' acceptances rate or Term SOFR (Secured Overnight Financing Rate) plus an applicable margin of up to 2.00% that will vary depending on the type of advances. The Corporation pays a commitment fee on the available unused credit facility.

Under the US$1.5-billion, the US$325-million and the US$1.0-billion credit facilities, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. The main covenants are in regard to its consolidated funded debt to consolidated adjusted EBITDA and the interest coverage ratios. Management reviews compliance with these covenants on a quarterly basis in conjunction with filing requirements under its credit facilities. All covenants have been met as at December 31, 2023 and December 31, 2022. Borrowings under these credit facilities were mostly denominated in US dollars as at December 31, 2023 and December 31, 2022.

Under the US$1.5-billion credit facility and other facilities, as at December 31, 2023, the Corporation may issue irrevocable letters of credit up to $936.0 million ($954.2 million as at December 31, 2022). As at December 31, 2023, the Corporation issued irrevocable letters of credit totaling $597.6 million ($559.5 million as at December 31, 2022).

As at December 31, 2023, the Corporation had available other operating lines of credit amounting to $216.6 million ($181.3 million as at December 31, 2022), of which $193.0 million were unused at year end ($168.1 million as at December 31, 2022).

(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 senior unsecured notes outstanding, issued at par (the “Notes”), with a book value of $996.2 million. The table below describe the key terms of the Notes.

Issuance date		Face value	Fixed interest rate per annum	Maturity date	Semi annual interest payment dates
April 19, 2021	$	500.0	2.408 %	April 19, 2028	19th day of April and October in each year
November 22, 2023	$	500.0	5.548 %	November 22, 2030	22nd day of May and November 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 and November 22, 2023, respectively.

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 December 31, 2023, 66% of the Corporation's long-term debt is protected against interest rate fluctuations either through the usage of interest rate swaps, options and/or fixed rate debt.

25 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	147,859	24.6
Shares issued upon exercise of stock options	62,374	6.3
Balance as at December 31, 2023	124,663,950	4,815.3

2022 Equity Financing

On August 16, 2022, the Corporation completed a bought deal public offering (the “Offering”) of common shares of the Corporation (the “Offering Common Shares”) and a private placement (the "Concurrent Private Placement") of common shares of the Corporation (the “Private Placement Common Shares”) for aggregate gross proceeds of $920.2 million.

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

The Corporation issued from treasury 3,031,400 Offering Common Shares, including 395,400 Offering Common Shares issued as a result of the exercise of the over-allotment option at a price of $151.75 per Offering Common Share for aggregate gross proceeds of $460.0 million.

In addition, the Corporation issued 3,032,550 Private Placement Common Shares at a price of $151.75 per Private Placement Common Share by way of the Concurrent Private Placement with GIC Pte. Ltd. ("GIC"), Caisse de dépôt et placement du Québec ("CDPQ") and a subsidiary of Canada Pension Plan Investment Board ("CPP Investments") for aggregate gross proceeds of $460.2 million, which includes 395,550 Private Placement Common Shares issued pursuant to the exercise in full of the additional subscription options.

Preferred Shares

As at December 31, 2023, no preferred shares were issued.

26 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.

For capital management, the Corporation has defined its capital as the combination of borrowings under credit facilities, shareholders’ equity and non-controlling interest, net of cash (net of bank overdraft).

As at December 31	**2023**	**2022**
	$	**$**
Borrowings under credit facilities	2,124.7	2,401.3
Senior unsecured notes	996.2	500.0
Equity attributable to shareholders of WSP Global Inc.	6,328.9	6,006.0
Non-controlling interests	4.5	3.1
	9,454.3	8,910.4
Less: Cash and cash equivalents, net of bank overdraft	(361.9)	(491.0)
	9,092.4	8,419.4

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

The Corporation's financing strategy is to maintain a flexible structure consistent with the objectives stated above, to respond adequately to changes in economic conditions and to allow growth organically and through business acquisitions. The Corporation monitors its capital structure 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 December 31	**2023**	**2022**
Long-term debt[1]	3,262.5	2,954.5
Less: Cash and cash equivalents (note 28)	(378.0)	(495.6)
Net debt	2,884.5	2,458.9

For the years ended December 31	**2023**	**2022**
Adjusted EBITDA	1,921.3	1,530.2
Net debt to adjusted EBITDA ratio	1.5	1.6

(1) Including current portion.

In order to maintain and adjust its capital structure, the Corporation may issue new shares in the market, contract bank loans and negotiate new credit facilities.

27 DIVIDENDS

In 2023, the Corporation declared dividends of $186.9 million or $1.50 per share ($181.8 million or $1.50 per share in 2022).

Subsequent to the end of the year, on February 28, 2024, the Board of Directors of the Corporation declared a quarterly dividend of $0.375 per common share of the Corporation, payable on or about April 15, 2024, to shareholders of record as at the close of business on March 31, 2024. 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 March 31, 2024, and has not been recognized as a liability as at December 31, 2023.

DIVIDEND REINVESTMENT PLAN (DRIP)

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

In 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 are being paid in cash rather than in shares of the Corporation.

Following the payment of dividends declared on November 9, 2022 and March 8, 2023, $24.6 million was reinvested in 147,859 common shares under the DRIP during the year ended December 31, 2023. Shares issued under the DRIP in 2023 and 2022 applied a 2% discount of the applicable average market price.

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

28 STATEMENTS OF CASH FLOWS

CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT

As at	2023	2022
	$	$
Cash on hand and with banks	378.0	495.6
Less: Bank overdraft (note 24)	(16.1)	(4.6)
Cash and cash equivalents, net of bank overdraft	361.9	491.0

In 2023, cash disbursed related to acquisitions made prior to January 1, 2023 amounted to $42.2 million ($34.8 million in 2022, related to acquisitions made prior to January 1, 2022).

ADJUSTMENTS

For the years ended December 31	2023	2022
	$	$
Depreciation, amortization and impairment of long-lived assets	760.3	598.1
Non-cash movements in investment tax credits	(28.5)	(37.5)
Share of income of associates and joint ventures, net of tax	(29.7)	(24.0)
Defined benefit pension scheme expense	10.7	1.4
Cash contribution to defined benefit pension schemes	(9.8)	(13.6)
Foreign exchange and non-cash movements	(2.5)	17.1
Gains on disposal of property and equipment	(1.0)	—
Other	(40.6)	(4.7)
	658.9	535.6

CHANGE IN NON-CASH WORKING CAPITAL ITEMS

For the years ended December 31	2023	2022
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	(119.9)	(291.9)
Costs and anticipated profits in excess of billings	(291.7)	(299.7)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(46.2)	179.2
Billings in excess of costs and anticipated profits	172.1	127.7
	(285.7)	(284.7)

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

CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Long-term debt	Lease liabilities	Dividends payable to shareholders	Total
	$	$	$	$
Balance as at January 1, 2022	1,776.7	1,020.3	44.2	2,841.2
Changes from financing cash flows	1,048.3	(303.9)	(90.1)	654.3
Addition through business acquisitions and measurement period adjustments	8.3	149.5	—	157.8
New leases, renewals, modifications	—	247.1	—	247.1
Net proceeds of bank overdraft	3.5	—	—	3.5
Foreign exchange rate adjustments	96.1	16.8	—	112.9
Other non-cash changes	21.6	—	92.6	114.2
Balance as at December 31, 2022	2,954.5	1,129.8	46.7	4,131.0
Changes from financing cash flows	131.7	(334.2)	(162.2)	(364.7)
Addition through business acquisitions and measurement period adjustments, net of business disposals	0.2	31.6	—	31.8
New leases, renewals, modifications	—	183.7	—	183.7
Net proceeds of bank overdraft	11.5	—	—	11.5
Foreign exchange rate adjustments	8.3	(8.8)	—	(0.5)
Other non-cash changes	156.3	—	162.3	318.6
Balance as at December 31, 2023	3,262.5	1,002.1	46.8	4,311.4

29 RELATED PARTY TRANSACTIONS

KEY MANAGEMENT PERSONNEL

Key management includes the Board of Directors, the President and Chief Executive Officer and the members of the GLT. The following table shows the compensation paid or payable to key management included in personnel costs for the years ended December 31:

	2023	2022
	$	$
Short-term employee benefits	27.9	25.6
Share-based awards	35.6	8.9
	63.5	34.5

JOINT VENTURES AND ASSOCIATES

The Corporation related parties include its joint ventures and associates. Refer to note 14, Trade and other receivables, and note 22, Accounts payables and accrued liabilities, for balances receivable and payable from and to these entities.

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

30 CONTINGENT LIABILITIES

LEGAL PROCEEDINGS

The Corporation currently faces legal proceedings for services performed in the normal course of its business. The Corporation defends such proceedings and adopts appropriate risk management measures to resolve and prevent such proceedings. Furthermore, the Corporation secures general and professional liability insurance in order to manage the risks related to such proceedings. Based on advice and information provided by its legal advisors and on its experience in the resolution of similar proceedings, Management believes that the Corporation has accounted for sufficient provisions in that regard and that the final outcome should not exceed the insurance coverage materially or should not have a material effect on the financial position or operating results of the Corporation. The claims provision recognized as at December 31, 2023 amounted to $423.3 million ($311.3 million as at December 31, 2022). The movements in this provision are described in note 23, Provisions.

REGULATORY INVESTIGATION AND ACTION

As a government contractor, the Corporation may be subject to laws and regulations that are more restrictive than those applicable to non-government contractors. Government scrutiny of contractors' compliance with those laws and regulations through audits and investigations is inherent in government contracting, and, from time to time, Management receives inquiries and similar demands related to the Corporation's ongoing business with government entities. Violations could result in civil or criminal liabilities as well as suspension or debarment from eligibility for awards of new government contracts or option renewals.

On December 27, 2019, over 100 plaintiffs filed suit in the US District Court for Washington, DC against a number of US government contractors, including The Louis Berger Group Inc. and Louis Berger International Inc. (collectively, "LB"), which the Corporation acquired in December 2018, alleging that between 2009 and 2017 they had violated the Anti-Terrorism Act. The Corporation is of the view that LB has a strong defense to offer on both the legal aspects of the litigation and the factual underpinnings in this complex and rarely litigated statute. The Corporation intends to vigorously defend this matter and has filed Preliminary motions to dismiss. It is too early to predict the outcome of this suit.

FORWARD-LOOKING STATEMENTS

Certain information regarding WSP contained herein are not based on historical facts and may constitute forward-looking statements or forward-looking information under Canadian securities laws (collectively, "forward-looking statements"). Forward-looking statements may include estimates, plans, strategic ambitions, objectives, expectations, opinions, forecasts, projections, guidance, outlook or other statements that are not statements of fact. Forward-looking statements made by the Corporation in this Annual Report include statements that reflect our expectations regarding the use of our technical expertise to leverage innovations for our clients, our commitment to provide sustainable future-focused services to our clients, our commitment to achieve net zero emissions across our value chain by 2040, meeting our 2024 strategic financial ambitions, future growth, results of operations, performance, business prospects and opportunities, and the achievement of our targets or ambitions under our 2022-2024 Global Strategic Action Plan, including financial and ESG objectives.

These forward-looking statements are based on a number of assumptions believed by the Corporation to be reasonable as at February 28, 2024, including economic and market assumptions regarding the competition, political environment and economic performance of each region where it operates; sufficiency of internal and external resources, the continuation of supportive stakeholder engagement and collaboration; our ability to develop and implement various corporate and business initiatives, including new procedures, policies and targets to decarbonize our operations and supply chain, reduce our energy consumption and foster a new culture of low carbon behavioural change and choices; our ability to purchase sufficient credible carbon credits and renewable energy certificates to offset or further reduce our greenhouse gas (GHG) emissions, if and when required; Sufficient supplier and business partner engagement and collaboration in reducing their own GHG emissions; our ability to access and implement all technology necessary to achieve our science-based greenhouse gas emissions reduction targets, as well as the development and performance of such technology; no new business acquisitions or technologies, investments or joint ventures that would materially increase our anticipated levels of GHG emissions; no negative impact on the calculation of our GHG emissions from refinements in or modifications to international standards; suppliers' compliance with our agreed requirements including the business partner code of conduct, assumptions set out through this Annual Report, assumptions about the state of and access to global and local capital and credit markets; interest rates; working capital requirements; the collection of accounts receivable; the Corporation obtaining new contract awards; the type of contracts entered into by the Corporation; the anticipated margins under new contract awards; the utilization of the Corporation's workforce; the ability of the Corporation to attract new clients; the ability of the Corporation to retain current clients; changes in contract performance; project delivery; the Corporation's competitors; the ability of the Corporation to successfully integrate acquired businesses; the acquisition and integration of businesses in the future; the Corporation's ability to manage growth; external factors affecting the global operations of the Corporation; the current or expected state of the Corporation's backlog; the joint arrangements into which the Corporation has or will enter; capital investments made by the public and private sectors; relationships with suppliers and subconsultants; relationships with management, key professionals and other employees of the Corporation; the maintenance of sufficient insurance; the management of environmental, social and health and safety risks; the sufficiency of the Corporation's current and planned information systems, communications technology and other technology; compliance with laws and regulations; future legal proceedings; the sufficiency of internal and disclosure controls; the regulatory environment; impairment of goodwill; foreign currency fluctuation; the tax legislation and regulations to which the Corporation is subject and the state of the Corporation's benefit plans.

Although WSP believes that the expectations reflected in such forward-looking statements are reasonable, it can give no assurance that such expectations will prove to have been correct. These statements are subject to certain risks and uncertainties and may be based on assumptions that could cause actual results to differ materially from those anticipated or implied in the forward-looking statements, and such risks include, but are not limited to, difficulty in accurately measuring, evaluating and disclosing the company's ESG performance; the unwillingness of suppliers to disclose GHG emissions data and reduce emissions, including for historical years; the deterioration of our financial position or net cash position; our working capital requirements; our accounts receivable; our increased indebtedness and raising capital; the impairment of long-lived assets; our foreign currency exposure; our income taxes; underfunded defined benefits obligations, and any other risk factors described under section 20 "Risk Factors" of WSP's MD&A for the fourth quarter and year ended December 31, 2023 which is available on SEDAR+ at www.sedarplus.ca. WSP's forward-looking statements are expressly qualified in their entirety by this cautionary statement. The complete version of the cautionary note regarding risk factors, which, if realized, could cause the Corporation's actual results to differ materially from those expressed or implied in forward-looking statements, are discussed in greater detail in section 20, "Risk factors" of WSP's MD&A for the fourth quarter and year ended December 31, 2023 which is available on SEDAR+ at www.sedarplus.ca. The forward-looking statements contained in this Annual Report are made as of the date hereof and, accordingly, are subject to change after such date. Except to the extent required by applicable law, WSP does not assume any obligation to publicly update or revise any forward-looking statements made in this Annual Report or otherwise, whether as a result of new information, future events or otherwise.

As one of the largest professional services firms in the world, WSP exists to future-proof our cities and our environment. It provides strategic advisory, engineering, and design services to clients seeking sustainable solutions in the transportation, infrastructure, environment, building, energy, water, and mining sectors. Its 66,500 trusted professionals are united by the common purpose of creating positive, long-lasting impacts on the communities it serves through a culture of innovation, integrity, and inclusion. In 2023, WSP reported $14.4 B (CAD) in revenue. The Corporation's shares are listed on the Toronto Stock Exchange (TSX: WSP).

wsp.com

WSP Global Inc.
1600 René Lévesque Boulevard West
11th Floor, Montréal, Québec
Canada H3H 1P9