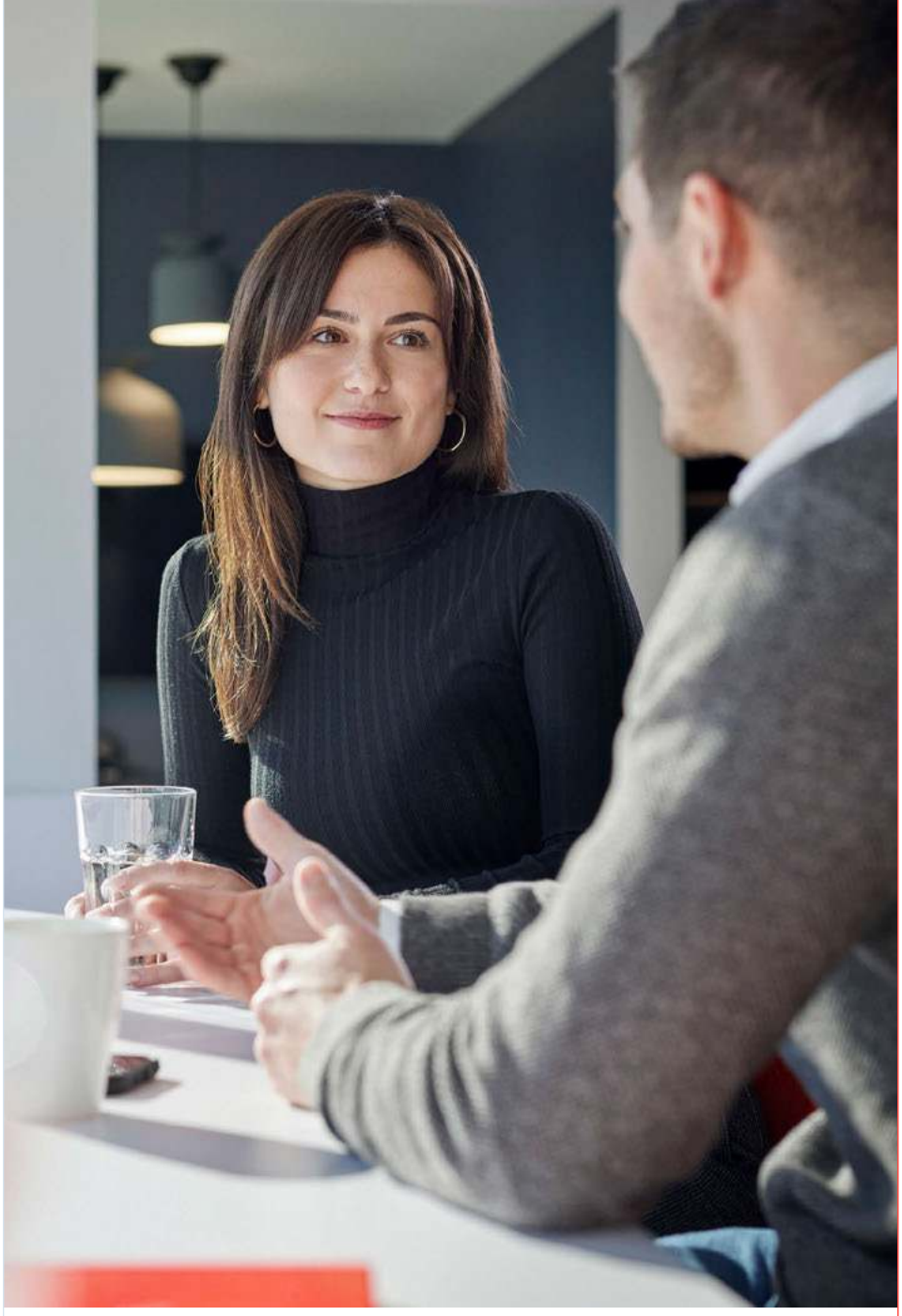
Purposeful Growth

2022 ANNUAL REPORT



03
Chairman's Message

06
President and CEO's Message

11
Year in Review

13
WSP Today

15
Financial Highlights

16
2022-2024 Global Strategic Action Plan - Update

18
Our Projects

24
Corporate Governance

26
M-1
Management's Discussion and Analysis

F-1
Consolidated Financial Statements

Our 2022 Annual Report – Purposeful Growth – provides a snapshot of our evolution in the first year of our 2022-2024 strategic cycle, as we expanded and stayed true to our purpose of future-proofing our cities and environment.

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.

Chairman's Message

I am always pleased to report on WSP's annual performance, and 2022 was another milestone year as we continued to grow in important areas of our business.

In this first year of WSP's 2022-2024 Global Strategic Action Plan, our performance exceeded expectations in many ways and we have already made significant progress towards our strategic ambitions, while recording our best organic growth in net revenues of the last decade - a sure sign of our robust business model.

We benefit significantly from our experienced leadership team, who manages our talented global workforce and who plays a key role in terms of consistency and continuity. On behalf of the Board, I would like to sincerely thank our management and dedicated employees for making WSP such an exceptional company.

Platform for growth

Building on the strong foundations of our diversified platform is the key to our success as we continue to grow with purpose. In 2022, we carried out a number of acquisitions, including Wood's Environment & Infrastructure business, as well as strategic additions in the UK, the US, Australia and Europe, growing our workforce

by more than 7,000 professionals, strengthening our leadership in environmental consulting and reinforcing our ability to deliver future-proof work that will yield a sustainable and prosperous society.

To support these acquisitions, we successfully completed an equity financing for aggregate gross proceeds of over $920 million. To the Board, this was a clear endorsement by our top institutional shareholders and the broader investment community of our plans.

In addition to strengthening our geographic presence and service offer, we enhanced our global client program and people metrics despite a highly dynamic job market. Talent acquisition and retention, as well as inclusion and diversity continue to be key areas of focus for management. As an industry leader, we aim to hire, train and retain people who can deliver high-impact projects for our clients and communities in every corner of the world.

As WSP becomes more complex and diverse, management is focused on leveraging the scale of our global business. By uniting our people under a strong brand with a clear sense of purpose and best in class project delivery processes, we are creating an environment in which they can thrive, work on the best projects and shape a compelling career path.

> Building on the strong foundations of our diversified platform is the key to our success as we continue to grow with purpose.

As we build on our foundations, our growth and diversification underpin our strategic plan whilst providing resilience to better manage the complexities and future of our expanding business. Our Board is forever mindful of these opportunities and challenges.

Good governance approach

Our talented people are key success drivers, and their efforts must be encouraged. In this regard, good governance is essential to support the success and sustainability of our organization as it fosters best-in-class practices while focusing on consistency and long-term outcomes. It also promotes a culture of sound decision-making, accountability and effective risk management. Good governance begins in the boardroom and extends to all levels of the company.

The Board supports a positive culture in which health & safety, inclusion, diversity and ethics receive equal emphasis alongside other key operational matters.

In embracing and promoting sustainable change, we must lead by example to inspire and motivate our people in their quest for excellence. That way, we will achieve our goals against a backdrop of respect and integrity. These matters are regularly discussed at Board meetings and are incorporated into our oversight of corporate strategy and risk.

In keeping with our focus on responsible stewardship, ESG (Environmental, Social and Governance) is core to our business. This is another recurring item on the Board's agenda, as we track progress on our ESG commitments, including our ambitious net zero and GHG (greenhouse gas) reduction targets. The Board believes that by providing strong ESG oversight, it can help to enhance WSP's reputation, better manage its risks, and improve long-term financial performance.

As our company grows in scale and complexity, our stakeholders expect increased transparency and accountability. Equally, the Board's oversight of governance and risk management continues to rise in an effort to discharge our duties in the best interest of WSP and in a way that maintains the trust of our stakeholders.

WSP in action

Navigating global challenges requires experience, vigilance, resilience and agility. Whilst engaging these dynamics with maturity, we will also stay true to our entrepreneurial mindset and culture – all drivers of our success.

Backed by our leadership team, we are well equipped to pursue our strategic ambitions with a view to becoming our industry's undisputed leader. We will support this ambition by always striving to provide the best professional service to our clients as we engage on many of the world's largest projects, including the ever-present challenges to support the mitigation of climate change.

I am proud and honoured to be WSP's chairman. Speaking on behalf of the Board, I believe WSP has the experience, vision and leadership to deliver on our ambitions. I am grateful to our employees, clients, shareholders, investors and other stakeholders for placing their trust in us as we strive to build a better world.

CHRIS COLE
CHAIRMAN OF THE BOARD

The Board supports a positive culture in which health & safety, inclusion, diversity and ethics receive equal emphasis alongside other key operational matters.

President and CEO's Message

We celebrated a banner year in 2022 and I am thrilled to share the considerable progress we have made in the first year of our strategic cycle.

As we worked to achieve our purpose of future-proofing our cities and environment, we completed several strategic acquisitions and delivered on our financial targets, including record organic growth in our net revenues.

Our 2022 achievements also included reinforcing our ESG and sustainability commitments, onboarding an impressive number of professionals, and elevating our people and client experience.

Boosting our competitive advantage

With a long-term vision to become the undisputed leader in our industry, and to double in size, we continued to deliver on our disciplined acquisition strategy to expand into new markets, gain competitive advantage and acquire new skillsets.

With Wood's Environment & Infrastructure business, our largest acquisition in 2022, we added 6,000 professionals, mainly in the US, Canada, and the UK. By joining forces, we increased our capabilities and scale in our Earth and Environment sector, while

boosting our expertise in the fast-growing ESG services and water sector.

The acquisition of the Capita REI and GL Hearn businesses added 1,000 UK-based employees to our workforce and expanded our strategic advisory services. Other acquisitions included CFA, a climate and finance consultancy in the US; Madrid-based BOD, an architecture and engineering firm; Greencap, an environmental firm in Australia; and Odeh Engineers, a structural engineering firm in the US. In addition to deepening our local presence, these transactions widened our client base and increased our market share.

The integration processes are well-underway, and we are already seeing many wins and seizing numerous opportunities from these recent acquisitions.

Early in 2023, we completed two additional acquisitions announced in late 2022: BG Consulting Engineers, one of Switzerland's leading engineering consulting firms, which added 700 experts in Switzerland and France; and Australia-based enstruct, a structural engineering firm.

Strengthening our ESG commitments

Through our acquisitions, we continued to significantly grow our Earth & Environment sector. With 23,000 experts in this field, we are now positioned as the world's leading environmental and sustainability consulting firm.

As we make the biggest sustainability impact via our clients' work, it is important for us to lead by example, which means making ambitious commitments and setting out a clear path to achieve them.

To reach our net zero targets, we launched our Climate Transition Plan, which sets out ways to decarbonize our activities. We are also proud to be among the leading companies to have our net zero target approved by the Science-Based Target initiative.

Contributing to the global conversation on climate action and biodiversity, WSP's experts joined world leaders and industry professionals at COP27 and COP15.

We also formalized our commitment to protecting biodiversity through our inaugural Biodiversity Statement. Drawing on this new set of guiding principles, we aim to engage with clients to protect, restore and enhance our ecosystems.

> As we worked to achieve our purpose of future-proofing our cities and environment, we completed several strategic acquisitions and delivered on our financial targets.

In 2022, our efforts to accelerate the green transition gained industry recognition, through numerous rankings and ratings, including for our leadership role in sustainability, resilience, and climate change transparency. A detailed update of our environmental, social and governance performance will be included in our 2022 Global ESG Report, expected to be released in May 2023.

Fostering employee engagement

Our people drive everything we do, and we are committed to making extraordinary efforts to provide our workforce with a best-in-class, inclusive work environment to deliver on their full potential. To keep our commitments to our clients, we also recognize that talent recruitment and retention are essential to our success.

Our workforce has grown at an impressive rate—we began 2022 with 55,300 people and by the end of the year, we had 66,200 professionals working under the WSP banner. In the last few years, we have been working towards building a sense of belonging while championing our culture and guiding principles.

Knowing how our people feel is important to us, so we were pleased with the participation and quality of feedback we received in our 2022 global surveys, indicating that employee engagement is trending positively. Based on this feedback, we aim to continuously improve our employees' journey and create an optimal workplace teeming with the power of possibility.

To build an even stronger workforce, and create an optimal employee experience, we will continue to emphasize professional development, internal promotions, and succession planning to ensure leadership continuity and a strong legacy.

Our people drive everything we do, and we are committed to making extraordinary efforts to provide our workforce with a best-in-class, inclusive work environment to deliver on their full potential.

As part of our 2022-2024 Global Strategic Action Plan, we aim to reach a 5% increase in the number of promotions per year, as well as a 5% year-over-year increase in the representation of women and underrepresented groups[1]. In 2022, we exceeded our annual promotion target and are on track in terms of increasing the representation of women and underrepresented groups in our workforce.

1 This includes business leaders and middle management.

As we continue to build on WSP's strong foundations, we will focus on integrating, developing, and caring for our people; leveraging our collective expertise; optimizing our ways of working; and enhancing our working environment. In so doing, we will preserve the entrepreneurial spirit that has always underpinned our culture, growth, and success. Meanwhile, our "non-negotiables"—health & safety, inclusion & diversity, and ethics & compliance—will remain top priorities.

Enhancing our client experience

It is rewarding for our people to work with like-minded public and private clients who share our goal of moving towards an inclusive, equitable and net zero world. For that reason, we strive to collaborate on projects that reflect our core beliefs and principles.

Since we aim to become the undisputed leader in our industry, we are committed to elevating our client partnership to a new level by fully embracing our role as a trusted partner.

To ensure we are our clients' number one choice, we continue to focus and make headway on our Global Client Program and Client Feedback initiatives. In 2022, we grew our key accounts and boosted client satisfaction. As part of our 2022-2024 Global Strategic Action Plan, we aim for a 5% increase in our client satisfaction rating each year.

Through our Future Ready® innovation program, we are leading a mindset shift towards developing client solutions while focusing on long-term resilience and adaptability. With about 150,000 active projects in a variety of sectors, we view each one as an opportunity to contribute to a low-carbon world and to accelerate the green transition.

Delivering on our financial ambitions

Thanks to our collective efforts in 2022, we delivered strong results that exceeded our expectations, including our highest organic growth in net revenues in the last decade, and a strong backlog level with substantial order intake.

Revenues and net revenues[1] reached $11.93 billion and $8.96 billion respectively, up 16% and 14% compared to 2021. At $1.53 billion, our adjusted EBITDA[2] surpassed expectations for the year, and we recorded a 30 bps increase in our adjusted EBITDA margin.[2]

Based on 2022 financial metrics, we are well on track to reach our 2024 financial ambitions. I am also pleased to report that we have exceeded our SDG-Linked Revenues[3] targets, with an estimated 59% of our revenues earned from services that contribute to the UN Sustainable Development Goals.

During the year, we successfully gained access to capital through equity markets to support our growth strategy and continued to diversify our shareholder base.

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.

1 Refer to section 8.1, "Net revenues" of WSP's Management's Discussion and Analysis for the quarter and year ended December 31, 2022 ("MD&A") for a reconciliation of net revenues to revenues.

2 Adjusted EBITDA is a non-IFRS financial measure and adjusted EBITDA margin is a non-IFRS ratio, both without standardized definitions 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 explanations of the composition and usefulness of this non-IFRS financial measure and non-IFRS ratio. In 2022, earnings before net financing expense and income taxes was $749.1 million. 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 We previously reported "Clean Revenues", which were defined as revenues earned from services that had an environmental benefit and contributed to the UN Sustainable Development Goals (SDGs). In line with industry practice, we have broadened our definition and enhanced our methodology to include revenues earned from services that contribute to any of the SDGs, and as a result, have renamed this metric "SDG-Linked Revenues".

We are grateful for the support of our strong institutional investors who believe in our long-term strategic vision and are equally passionate about driving the green transition, setting us up on the right path for success.

Pursuing purpose-driven growth

Looking back on 2022, I take pride in our collective achievements, as we reinforced the solid foundation of our diversified and resilient platform.

Despite the challenging macroeconomic context, we are well positioned to meet the challenges we will face in 2023. We are strengthened by a healthy backlog reflecting the high demand for our services, and a dedicated workforce to deliver on our client projects around the globe. While we remain disciplined, we can be optimistic about our future as we focus on profitable and sustainable growth.

Upon this second year of our strategic cycle, we will continue our journey, by forging ahead with an aligned strategy to optimize our business and leverage our scale and scope.

I would like to thank everyone who supported us throughout this eventful year. I wish to express my appreciation to our talent, who delivered successful outcomes across the globe. I am also grateful to our clients for entrusting us with their business, to our Board for providing invaluable guidance and to our shareholders for subscribing to our vision.

I look forward to the year ahead and am excited about what we can achieve together.

ALEXANDRE L'HEUREUX
GLOBAL PRESIDENT AND
CHIEF EXECUTIVE OFFICER

> In the second year of our strategic cycle, we will continue our journey, by forging ahead with an aligned strategy to optimize our business and leverage our scale and scope.

2022 in Review

In the first year of our 2022-2024 strategic cycle, we forged ahead with our disciplined acquisition strategy, made solid progress on our ESG commitments, and gained industry recognition, while delivering future-focused projects to our clients and communities.

FEBRUARY 1

WSP Recognized as Industry Mover in Sustainability by S&P Global

WSP's ongoing ESG efforts were recognized in S&P's 2022 Sustainability Yearbook and through an Industry Mover Award.

MARCH 9

WSP releases its 2022-2024 Global Strategic Action Plan

The 2022-2024 strategy is designed to guide the next phase of the WSP's evolution while setting out a long-term vision and an aspirational destination.

JUNE 2

WSP Acquires BOD in Spain

WSP acquired Madrid-based BOD Arquitectura e Ingeniería, expanding its Property & Buildings service offer and boosting its visibility in Madrid and across Spain.

JUNE 29

WSP Listed in Best 50 Corporate Citizens

In recognition of its social and environmental leadership, WSP was included in Corporate Knights' 2022 Best 50 Corporate Citizens in Canada for the second consecutive year.

FEBRUARY 14

WSP Acquires Climate Finance Advisors

The acquisition of this Washington, DC-based advisory firm specializing in climate-aligned investments served to underscore WSP's commitment to providing clients with sustainable and resilient solutions.

MARCH 23

WSP Publishes its Inaugural TCFD Report

WSP published a standalone report on the Task Force on Climate-related Financial Disclosures (TCFD), highlighting how it is embedding climate-related considerations into its operations.

JUNE 16

WSP Publishes its Climate Transition Plan

Together with its 2021 Global ESG Report, WSP published a Climate Transition Plan, a crucial element of its journey to reducing GHG emissions, setting out concrete actions to achieve net zero across its value chain by 2040.

AUGUST 1

WSP Acquires Greencap Holdings

WSP acquired Greencap Holdings Ltd., enhancing its expertise in the delivery of environmental, health and safety, contaminated land, and remediation services in Australia.

AUGUST 18

WSP Shines in ENR Rankings

WSP took the #1 spot in ENR Magazine's List of Top 225 International Design Firms for the second year in a row. The firm also achieved leading positions in Transportation, Buildings, Power, Hazardous Waste, and Manufacturing.

SEPTEMBER 21

WSP acquires the Environment & Infrastructure Business of John Wood Group PLC

With this transaction, WSP increased its workforce by 6,000 people and expanded its leadership in the fast-growing environmental and water sectors.

SEPTEMBER 23

WSP acquires Capita REI and GL Hearn businesses

Adding some 1,000 experts to our workforce, this transaction reinforced our service offer within the UK and expanded our strategic advisory capabilities.

OCTOBER 3

WSP Acquires Odeh Engineers

WSP acquired Odeh Engineers, a 40-person structural engineering firm, strengthening its structural engineering capabilities in the buildings sector in the US Northeast.

OCTOBER 26

WSP Receives Net-Zero Target Approval

WSP's net-zero target was approved under the Science Based Targets initiative's new Net-Zero Standard, positioning it to keep driving sustainable growth as a core part of its business.

DECEMBER 6

WSP Signs Agreement to Acquire BG Consulting Engineers

WSP announced an agreement to acquire BG Bonnard & Gardel Holding SA, one of Switzerland's leading engineering consulting firms, with some 700 professionals based primarily in Switzerland and France.

The acquisition of BG Consulting was completed on January 31, 2023.

DECEMBER 7

WSP Unveils its Biodiversity Statement

Ahead of its participation in COP15, the UN Biodiversity Conference, WSP unveiled its strong engagement to protect and restore ecosystems through its biodiversity statement and a $700,000 donation to the Nature Conservancy of Canada.

DECEMBER 8

WSP Signs Agreement to Acquire Australia-Based enstruct

WSP announced an agreement to acquire enstruct, a 75-employee structural engineering firm noted for designing and delivering quality building projects throughout Australia.

The acquisition of enstruct was completed on January 31, 2023.

DECEMBER 16

WSP Scores an "A" for Transparency on Climate Change

Gaining recognition for its leadership in corporate transparency and climate change performance by the global environmental non-profit CDP, WSP secured a place on the organization's annual "A List".

WSP Today

CLIENT CATEGORY

Public sector	51%
Private sector	49%

Based on revenues for the year ended December 31, 2022.

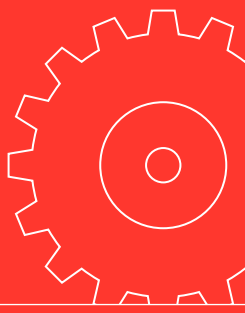
REVENUES BY MARKET SECTOR

45%
Transportation & Infrastructure

28%
Earth & Environment

19%
Property & Buildings

8%
Power & Energy, Industry



For the year ended December 31, 2022.

EMPLOYEES BY REGION

66,200
Employees Worldwide

11,800
CANADA

20,500
AMERICAS
US & LATAM

22,500
EMEIA
EUROPE, MIDDLE EAST, INDIA AND AFRICA

11,400
APAC
ASIA PACIFIC

NET REVENUES BY REGION

Canada	18%
Americas[1]	36%
EMEIA[2]	30%
APAC[3]	16%

Countries where WSP is present

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

As of December 31, 2022.

Financial Highlights

We are pleased to report solid financial results ahead of Management's expectations, including record organic growth in net revenues in the last decade and improved EBITDA margin.

$11.93B
Revenues (CAD)

$8.96B
Net Revenues[1] (CAD)

7.3%
Organic growth in Net Revenues

$431.8M
Net Earnings attributable to shareholders (CAD)

$3.59
Basic Net Earnings Per Share attributable to shareholders (CAD)

$1.53B
Adjusted EBITDA[2] (CAD)

$749.1M
Earnings before net financing expense and income taxes (CAD)

17.1%
Adjusted EBITDA margin[2]

73
Days Sales Outstanding[3]

$13.0B
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, 2022 ("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 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. 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.

Pursuing our Bold Ambitions

On March 9, 2022, we unveiled our Global Strategic Action Plan, to guide the next phase of our evolution. One year later, we are well on-track to achieve our 2024 objectives.

People and Culture

Fostering our people's ingenuity.

Expertise

Leading through technical excellence and innovation.

Clients

Elevating the standard of client experience.

Operational Excellence

Driving leading performance and efficiency through transformation.

2024 KEY ESG AMBITIONS

Our commitments to ESG are fundamental and non-negotiable.

	2022 Results	2022-2024 Targets
SDG-Linked Revenues[1]	ACHIEVED	>50%
Year-over-year increase in the representation of women and under-represented groups[2]	ON TRACK	5%
Integration of ESG criteria as part of global leader compensation	ACHIEVED	100%
Decrease in absolute scope 1 and 2 (operations) and scope 3 (supply chain) GHG emissions	ON TRACK	40% / 15%

2024 KEY FINANCIAL AMBITIONS

Our ambition is to grow net revenues in excess of 30%, adjusted EBITDA by 40% and adjusted net earnings per share by 50% by the end of 2024.[3]

	2022 Results	2022-2024 Targets
Net revenues (CAD)	ON TRACK $8.96B	>$10B
Annual organic net revenue growth	ON TRACK 7.3%	>5.0%
Adjusted EBITDA margin	ON TRACK 17.1%	17.5-18.5%
Net debt to adjusted EBITDA ratio	ON TRACK 1.6X	1X-2X

1 We previously reported "Clean Revenues", which were defined as revenues earned from services that had an environmental benefit and contributed to the UN Sustainable Development Goals (SDGs). In line with industry practice, we have broadened our definition and enhanced our methodology to include revenues earned from services that contribute to any of the SDGs, and as a result, have renamed this metric "SDG-Linked Revenues".

2 This includes business leaders and middle management.

3 This is a forward looking statement.

HIGHLIGHTS FROM OUR 4 PILLARS

66,200 professionals

Onboarded thousands of professionals globally and improved employee engagement satisfaction.

PEOPLE

6 acquisitions

Expanded into key sectors, such as environment, water, climate resilience and structural design.

EXPERTISE

7.6% backlog organic growth

Recorded a strong order intake of projects with new and existing clients.

CLIENTS

30 bps margin improvement

Improved adjusted EBITDA margin.

OPERATIONAL EXCELLENCE

For the year ended December 31, 2022.

Our Projects

Shaping the communities of tomorrow through our innovative projects, we view each one as an opportunity to contribute to a low-carbon world and to accelerate the green transition.

Here is a selection of our great projects from around the world.

© Werner Huthmacher

Connecting communities with design in mind

ATLANTIC BRIDGE, HELSINKI, FINLAND

The Atlantinsilta (Atlantic Bridge) project in Helsinki, Finland demonstrates WSP's capacity in bridge design. Overlooking the Gulf of Finland, the new structure connects various transportation routes and forms a spectacular landmark. The bridge also completes a previously fragmented tramway network. In addition to two different tram lines, the bridge now carries a heavy vehicle traffic flow. Pedestrian and cycle lanes run along both sides of the structure.

WSP was responsible for the design elements, the seawalls and the observation deck. The project combines our expertise in bridge, foundation and lighting design, as well as landscape architecture. Special care was taken to minimize impacts on the landscape.

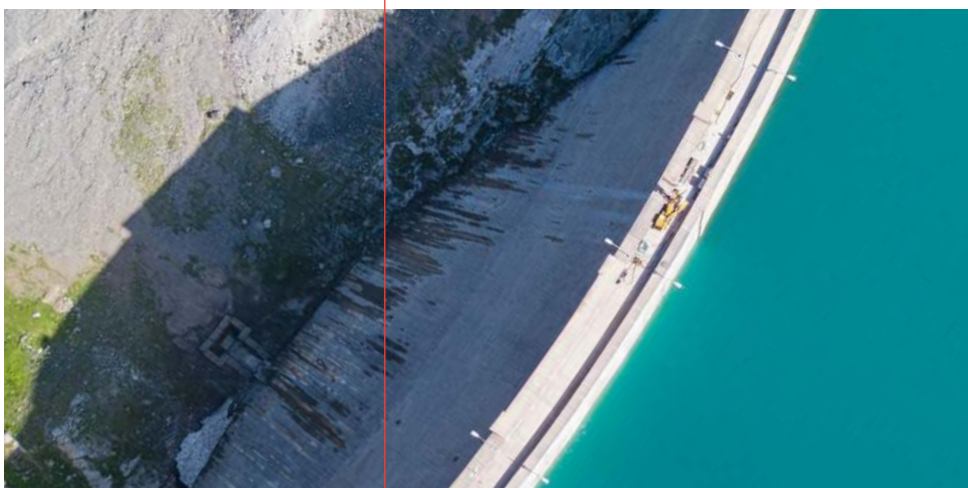
Atlantinsilta is the winner of the Bridge of the year Award in 2022.

Tapping into Canadian hydropower

CHAMPLAIN HUDSON POWER EXPRESS TRANSMISSION LINE, NEW YORK STATE, USA

The Champlain Hudson Power Express (CHPE) will be North America's largest underground high-voltage transmission project, delivering clean renewable electricity from Quebec to New York City. Multiple alternative energy sourcing and delivery opportunities are being pursued by New York State to advance its decarbonization and climate action objectives, with the CHPE foremost among them.

In partnership with the developer, WSP is providing owner's engineer and environmental compliance services. This $6 billion project is projected to decrease statewide electricity costs by $17.3 billion over 30 years while creating $23.2 billion in CO_2 emission reduction benefits and 1,400 new construction jobs.



Safeguarding our water supply

IQALUIT WATER CRISIS, NUNAVUT, CANADA

At the end of 2021, residents of the northern community of Iqaluit detected the smell and taste of fuel in the municipal water supply. As a result, an immediate "Do Not Consume" water advisory was issued.

Within a few days, members of WSP's water team from Manitoba arrived to assess the situation, identify the problem and resolve the matter. Working with government and private-sector professionals, the team managed to isolate the source and sever the contamination pathway quickly. A novel state of the art online water quality monitoring system was also put in place with the assistance of WSP.

WSP's team was called into action once again a few months later, this time focusing on a below-ground inspection of the water tanks. During this inspection, it was revealed that there was an inconsistency in the quality of the tank walls that had been constructed. In one location, a tar-like substance used to seal concrete had not been installed to manufacturer specifications. A bypass system was implemented to provide water to residents, while also establishing a remediation framework.

Our involvement to solve Iqaluit Water Emergency was named ENR Global Best Project Award in 2022.

Adapting to climate change

KARENS MINDE AKSEN PROJECT, COPENHAGEN, DENMARK

The area around Karens Minde in Copenhagen's South Harbour district is to be urbanized and climate-adapted as part of a single project covering an area of approximately 37,000 square metres and forming a 600-metre-long stretch of park, streets and urban space. The project will be able to handle 15,000m^3 stormwater.

This is a unique opportunity to rethink the city's urban space and to create a framework for diversity, local initiatives and events. This approach applies in particular to Karens Minde, where climate adaptation is integrated with other needs, including biodiversity conservation.

WSP is providing the overall technical advice, design and quality assurance services, focusing on hydraulics, linework, construction, traffic and mobility, electricity and lighting, groundwater conditions, pumping stations and other technical installations.

Increasing demand for public transport

METRO LINE 1 PROJECT, BOGOTA, COLOMBIA

This project is a prime example of global collaboration at its best. WSP in Colombia has been working closely with colleagues from the UK and Canada to support the construction of the first metro line in Bogota, one of the world's most densely populated cities and home to almost eight million people. Metro Line 1 will accommodate 72,000 passengers per hour in each direction, amounting to 1.05 million passengers per day.

As the lead civil and systems detailed designer, WSP is responsible for integrating designs and managing the approval process, in addition to supporting the client throughout the three design phases and ensuring that multiple environmental and social goals are reached.

Developing an iconic hub

ONE ZA'ABEEL, DUBAI, UNITED ARAB EMIRATES

One Za'abeel is set to become Dubai's next iconic building, consisting of two towers connected by "The Link"—the world's longest occupied cantilevered building. Thanks to its central location, this mixed-use sustainable development will be a hub for a variety of residents and visitors.

The residential tower will stand 58 floors high, while the second tower (68 floors) will house a luxury hotel, offices, branded residential units and penthouses, and the Investment Corporation of Dubai's headquarters. WSP's client, Ithra Dubai, is targeting LEED Gold certification.

The development will emphasize energy and water efficiency, indoor air quality, thermal comfort and waste reduction, reflecting Dubai's aim to become one of the world's most sustainable cities.

The Organic Resources Recovery Centre Phase 2 (O·PARK2) ties in with Hong Kong's strategies to tackle food waste. Anaerobic digestion, by which bacteria break down organic matter in the absence of oxygen, will be used to recycle food waste into renewable energy such as biogas, which can then be used to generate electricity.

Some 300 tonnes of waste will be processed per day. This will also reduce the need to dispose of waste at landfills and therefore contribute to the efforts in reducing greenhouse gas emissions. As the engineering design consultant, WSP is providing an array of services, including civil, structural, geotechnical and traffic engineering; architectural, landscape and building services design; and building information modeling.

Tackling food waste

ORGANIC RESOURCES RECOVERY CENTRE PHASE 2 (O·PARK2), HONG KONG

Concrete remains the standard go-to material for sewage treatment projects worldwide. However, on-site concrete construction involves more labour and time, not to mention considerable carbon emissions. The teams involved in the Wolsingham Sewage Treatment Works project came up with a more innovative and more sustainable approach: in a bold move, they decided to fabricate everything needed for the project off-site. This change of mindset proved key to the project's success.

By constructing various components from steel, as well as other sustainable materials, and assembling them off-site, WSP was able to achieve a massive reduction in the carbon typically required for on-site concrete-based work. This project won numerous awards in 2022, such as *Constructing Excellence National Award – Innovation*.

This work was initiated under Wood. WSP completed the acquisition of Wood's E&I business in 2022.

Challenging the status quo

WOLSINGHAM SEWAGE TREATMENT WORKS, COUNTY DURHAM, UK

Delivering a megalab

ROSALIND FRANKLIN LABORATORY,
ROYAL LEAMINGTON SPA, UK

The Rosalind Franklin Laboratory—one of the world's largest diagnostic testing facilities—was a key part of the government's response to COVID-19 and represented an investment in the UK's scientific capabilities. Initially focused on PCR test processing, the 225,000 sq. ft. megalab was built in record time with innovation design solutions.

The goal was to deliver this project to a world-class standard while minimizing its carbon footprint. Serving as principal designer, WSP provided an array of specialized services, including planning and BIM co-ordination. The secret to successful delivery was the collaborative framework within the cross-company multidisciplinary team, backed by cutting-edge technologies.

Embracing sustainable design

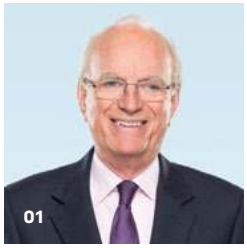
SYDNEY MODERN PROJECT,
SYDNEY, AUSTRALIA

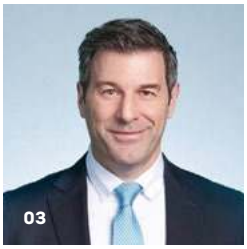
A new standalone building – designed by Pritzker Prize – winning architects Kazuyo Sejima and Ryue Nishizawa of SANAA – is the centrepiece of the Sydney Modern Project, the most significant cultural development to open in Sydney in nearly half a century. The completion of the project creates a new art museum campus comprising two buildings connected by a public art garden on Gadigal Country overlooking Sydney Harbour.

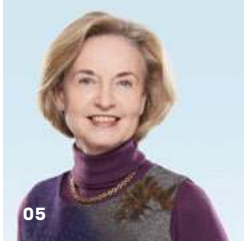
WSP worked extensively with the project team during the design phase to ensure the project achieved ecologically sustainable design outcomes. It is the first public art museum in Australia to achieve a 6-star Green Star design rating. It is also the largest government and philanthropic arts partnership of its kind to be successfully achieved in the country to date which creates a prominent new destination for Aboriginal and Torres Strait Islander art.

Corporate Governance

BOARD OF DIRECTORS







01
CHRISTOPHER COLE
CHAIRMAN

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
LINDA SMITH-GALIPEAU
CHAIR OF THE GOVERNANCE, ETHICS AND COMPENSATION COMMITTEE

Director since 2019
Independent
Professional Non-Executive Director

07
SUZANNE RANCOURT
MEMBER OF THE AUDIT COMMITTEE

Director since 2016
Independent
Professional Non-Executive Director

08
PAUL RAYMOND
MEMBER OF THE AUDIT COMMITTEE

Director since 2019
President and Chief Executive Officer, Alithya
Independent

GLOBAL LEADERSHIP TEAM

01 **ALEXANDRE L'HEUREUX**
PRESIDENT AND CHIEF EXECUTIVE OFFICER

02 **ALAIN MICHAUD**
CHIEF FINANCIAL OFFICER

03 **PHILIPPE FORTIER**
CHIEF LEGAL OFFICER AND CORPORATE SECRETARY

04 **MEGAN VAN PELT**
CHIEF HUMAN RESOURCES OFFICER

05 **JULIANNA FOX**
CHIEF ETHICS AND COMPLIANCE OFFICER

06 **CHADI HABIB**
CHIEF TECHNOLOGY OFFICER AND HEAD OF BUSINESS SOLUTIONS

07 **GINO POULIN**
CHIEF INFORMATION OFFICER

08 **MARC RIVARD**
GLOBAL SENIOR VICE PRESIDENT, OPERATIONAL PERFORMANCE

09 **ERIC PEISSEL**
GLOBAL DIRECTOR, TRANSPORT AND INFRASTRUCTURE

10 **ANDRÉ-MARTIN BOUCHARD**
GLOBAL DIRECTOR, EARTH AND ENVIRONMENT

11 **TOM SMITH**
GLOBAL DIRECTOR, PROPERTY AND BUILDINGS

12 **KEVIN BEAUCHAMP**
GLOBAL DIRECTOR, MINING

13 **IAN BLAIR**
MANAGING DIRECTOR, NEW ZEALAND

14 **LEWIS P. CORNELL**
PRESIDENT AND CHIEF EXECUTIVE OFFICER, USA

15 **MARIE-CLAUDE DUMAS**
PRESIDENT AND CHIEF EXECUTIVE OFFICER, CANADA

16 **IVY KONG**
CHIEF EXECUTIVE OFFICER, ASIA

17 **DEAN MCGRAIL**
CHIEF EXECUTIVE OFFICER, MIDDLE EAST

18 **PETER MYERS**
CHIEF EXECUTIVE OFFICER, LATIN AMERICA AND THE CARIBBEAN

19 **MARK NAYSMITH**
CHIEF EXECUTIVE OFFICER, UK, EUROPE, MIDDLE EAST AND AFRICA

20 **ANNA-LENA ÖBERG-HÖGSTA**
CHIEF EXECUTIVE OFFICER, NORDICS

21 **GUY TEMPLETON**
PRESIDENT AND CHIEF EXECUTIVE OFFICER, ASIA PACIFIC

22 **ERIC VAN DEN BROEK**
CHIEF EXECUTIVE OFFICER, CENTRAL EUROPE

Management's Discussion and Analysis

WSP Global Inc.

For the fourth quarter and year ended December 31, 2022

TABLE OF CONTENTS

1	MANAGEMENT'S DISCUSSION AND ANALYSIS	M-3
2	NON-IFRS AND OTHER FINANCIAL MEASURES	M-3
3	CORPORATE OVERVIEW	M-4
4	FINANCIAL HIGHLIGHTS	M-6
5	EXECUTIVE SUMMARY	M-7
6	KEY EVENTS	M-8
7	SEGMENT OPERATIONAL REVIEW	M-10
8	FINANCIAL REVIEW	M-15
9	LIQUIDITY	M-23
10	EIGHT QUARTER SUMMARY	M-26
11	SELECTED ANNUAL INFORMATION	M-26
12	GOVERNANCE	M-27
13	CRITICAL ACCOUNTING ESTIMATES	M-28
14	SIGNIFICANT ACCOUNTING POLICIES	M-28
15	FINANCIAL INSTRUMENTS	M-29
16	RELATED PARTY TRANSACTIONS	M-29
17	OFF-BALANCE SHEET AGREEMENTS	M-29
18	CONTRACTUAL OBLIGATIONS	M-29
19	FORWARD-LOOKING STATEMENTS	M-29
20	RISK FACTORS	M-31
21	ADDITIONAL INFORMATION	M-50
22	GLOSSARY OF SEGMENT REPORTING, NON-IFRS AND OTHER FINANCIAL MEASURES	M-50

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 March 8, 2023, 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, 2022. The Corporation's audited consolidated financial statements for the year ended December 31, 2022 have been prepared in compliance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). 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, 2022. 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 2, 2022 to December 31, 2022 and the comparative fourth quarter results include the period from September 26, 2021 to December 31, 2021.

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 66,200 talented people globally, WSP is well positioned to deliver successful and sustainable projects, wherever clients need us.

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 leaders work together with regional leaders 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 expertise around the world to create mid and long-term transport and infrastructure strategies, and to provide guidance and support throughout the life-cycle of a wide range of projects and assets. As WSP offers comprehensive, innovative and value-oriented solutions to assist clients in achieving their desired outcomes, the Corporation 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 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 which operate in some of the most 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 has been 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 entire 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 in delivering buildings of the highest quality. The Corporation can be involved at every stage of a project's 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 decarbonisation strategies and digital building design to structural and mechanical, electrical, and plumbing ("MEP") engineering. The Corporation is an expert in enabling clients to maximize the outcome of their projects in sectors from high-rise to healthcare, stadia to stations and commercial to cultural.

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

- **Industry:** The Corporation works 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 through all stages of a facility's life-cycle, including siting and licensing, engineering and process design, and productivity analysis, in addition to engineering, procurement, and construction management services during construction, operations, and maintenance support during the facility's active life-span, and decommissioning services at the end. We have a deep understanding of industrial and energy processes, incorporating automation capabilities, climate change resilience, and ESG-driven metrics into our projects.

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

- **Planning and Advisory Services**: The Corporation works 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 through all stages of a facility's life-cycle, including siting and licensing, engineering and process design, and productivity analysis, in addition to engineering, procurement, and construction management services during construction, operations, and maintenance support during the facility's active life-span, and decommissioning services at the end. We have a deep understanding of industrial and energy processes, incorporating automation capabilities, climate change resilience, and ESG-driven metrics into our projects.

- **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 offer 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 and sustainability, 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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenues	$3,560.8	$2,891.0	$11,932.9	$10,279.1
Net revenues[1]	$2,553.7	$2,147.4	$8,957.2	$7,869.6
Earnings before net financing expense and income taxes	$185.3	$185.2	$749.1	$724.6
Adjusted EBITDA[2]	$446.4	$361.2	$1,530.2	$1,322.5
Adjusted EBITDA margin[3]	17.5 %	16.8 %	17.1 %	16.8 %
Net earnings attributable to shareholders of WSP Global Inc.	$120.0	$126.7	$431.8	$473.6
Basic net earnings per share attributable to shareholders	$0.96	$1.08	$3.59	$4.07
Adjusted net earnings[2][4]	$209.3	$171.7	$692.6	$592.9
Adjusted net earnings per share[3][4]	$1.68	$1.46	$5.75	$5.09
Cash inflows from operating activities	$607.4	$513.2	$814.8	$1,060.1
Free cash flow[2]	$442.7	$369.9	$309.0	$646.1

As at	December 31, 2022	December 31, 2021
Backlog[5]	$13,006.5	$10,425.6
DSO[5]	73 days	66 days
Net debt to adjusted EBITDA ratio[6]	1.6	0.6

(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) Management has amended its definition of adjusted net earnings, effective January 1, 2022, to exclude impairment charges on long-lived assets and reversals thereof. The comparative period results did not require restatement to apply the current definition as no impairment of long-lived assets was recorded in 2021. Refer to section 8.8, "Adjusted net earnings" for further explanation.

(5) 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.

(6) 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

In 2022, WSP delivered strong results ahead of Management's expectations, including the highest organic growth in net revenues in the last decade and a 30 bps increase in adjusted EBITDA margin. Overall net revenues, adjusted EBITDA and adjusted net earnings increased in 2022 by 14%, 16% and 17%, respectively.

Fourth quarter 2022 financial highlights

- Revenues and net revenues for the quarter reached $3.56 billion and $2.55 billion, up 23.2% and 18.9%, respectively, compared to Q4 2021. Net revenue organic growth of 4.8% in the quarter, despite four less billable days compared to Q4 2021. Net revenue organic growth of approximately 9.5% when normalized for the same number of billable days.

- Adjusted EBITDA in the quarter of $446.4 million, compared to $361.2 million in Q4 2021. Adjusted EBITDA margin for the quarter increased to 17.5%, compared to 16.8% in Q4 2021.

- Earnings before net financing expense and income taxes in the quarter of $185.3 million, up $0.1 million compared to Q4 2021.

- Adjusted net earnings for the quarter of $209.3 million, or $1.68 per share, up $37.6 million and $0.22, respectively, compared to Q4 2021. The respective increases in these metrics are mainly attributable to higher adjusted EBITDA.

- Net earnings attributable to shareholders for the quarter of $120.0 million, or $0.96 per share, compared to $126.7 million and $1.08 per share in Q4 2021. The decreases are mainly attributable to higher amortization and depreciation, higher business acquisition and integration costs and ERP implementation costs, and higher net financing expenses, partially offset by higher adjusted EBITDA.

- The Corporation achieved its highest quarterly free cash flow, reaching $442.7 million.

- Quarterly dividend declared of $0.375 per share, or $46.7 million, with a 31.1% Dividend Reinvestment Plan ("DRIP") participation.

Fiscal year 2022 financial highlights

- Revenues and net revenues reached $11.93 billion and $8.96 billion, up 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 net revenues exceeded the high end of Management's outlook range for the year of $8.9 billion.

- Backlog as at December 31, 2022 stood at $13.0 billion, representing 11.8 months of revenues, up 24.8% in the year. On a constant currency basis, backlog grew organically by 7.6% in the year.

- Adjusted EBITDA of $1.53 billion, up 15.7%, compared to $1.32 billion in 2021, reaching the high end of Management's outlook range for the year.

- Adjusted EBITDA margin increased to 17.1% in 2022, compared to 16.8% in 2021, an increase of 30 basis points, on track with the Corporation's 2022-2024 strategic financial ambitions.

- Earnings before net financing expense and income taxes in 2022 of $749.1 million, up 3.4% compared to 2021, mainly due to higher adjusted EBITDA, partially offset by ERP implementation costs which ramped up in 2022, and higher acquisition and integration costs, as well as amortization of intangible assets, due to recent acquisitions.

- Adjusted net earnings in 2022 of $692.6 million, or $5.75 per share, up $99.7 million or $0.66 per share, compared to 2021. The respective increases of 16.8% and 13.0% in these metrics are mainly attributable to higher adjusted EBITDA.

- Net earnings attributable to shareholders of $431.8 million in 2022, or $3.59 per share, down $41.8 million, or $0.48 per share, compared to 2021. The decrease was 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.

- DSO as at December 31, 2022 stood at 73 days, compared to 66 days as at December 31, 2021, in line with Management's outlook target range of 70 to 75.

- Free cash flow of $309.0 million for the year, primarily due to the expected normalization of our DSO levels in 2022, the increased investment in the global ERP implementation, higher acquisition, integration and reorganization costs, and higher income taxes paid mainly due to changes in tax regulations in the US which delays the deductibility of certain expenses.

- Cash inflows from operating activities of $814.8 million in the year ended December 31, 2022, compared to $1,060.1 million in 2021. The decrease is attributable to same elements as free cash flow listed above.

- Net debt to adjusted EBITDA ratio stood at 1.6x, compared to 0.6x as at December 31, 2021. The increase is due to issuance of long-term debt to finance recent acquisitions, while the trailing twelve-month adjusted EBITDA does not yet include the full results of recently acquired businesses. Incorporating a full twelve months of adjusted EBITDA of all acquired businesses, the net debt to adjusted EBITDA ratio would be 1.5x.

- Full year dividend declared of $1.50 per share, or $181.8 million, with a cash payout of $100.8 million and 44.5% Dividend Reinvestment Plan ("DRIP") participation.

6 KEY EVENTS

The following are highlights from January 1, 2022 to March 8, 2023, the date of this MD&A for the year ended December 31, 2022.

2022-2024 Strategic Plan

In March 2022, the Corporation released its 2022-2024 Global Strategic Action Plan, entitled Future Ready®, which sets the stage for the next three years of WSP's evolution, while simultaneously delineating its ambitious long-term vision. The 2022-2024 Global Strategic Action Plan will set the course for the continued evolution of the Corporation's foundational pillars (People & Culture, Clients, Operational Excellence and Expertise) to support profitable growth, drive technical excellence and innovation, and deliver exceptional value to our clients.

Acquisition of the Environment & Infrastructure business of John Wood Group plc

In September 2022, the Corporation acquired the Environment & Infrastructure business ("E&I") of John Wood Group plc ("Wood"), previously announced on June 1, 2022, for aggregate cash consideration of US$1.8 billion, subject to final adjustments ($2.4 billion) (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.

The E&I Acquisition was funded by a new fully committed US$1.8 billion term credit facility with various tenors of up to 5 years.

Future Ready® is a registered trademark of WSP Global Inc. in Canada, United States and New Zealand. WSP Future Ready (logo)® is a registered trademark of WSP Global Inc. in Europe, Australia and in the United Kingdom.

Other acquisitions

In June 2022, WSP acquired BOD Arquitectura e Ingeniería ("BOD"), a 45-employee architecture and engineering firm based in Madrid, Spain. The addition of BOD will expand WSP's Property & Buildings service offering, while boosting its visibility in Madrid and across Spain.

In August 2022, WSP acquired Australian-based Greencap Holdings Ltd. ("Greencap"), a subsidiary of Wesfarmers Industrial and Safety. Greencap's 250 professionals in Australia provide environmental, hazardous materials and risk management solutions to its clients.

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, subject to final adjustments ($112.4 million). Capita REI is a provider of specialist advisory, design, engineering, environmental and project management services, while GLH specialises in commercial real estate and planning advice to developers, investors and occupiers. Together, both businesses added around 1,000 UK-based employees to WSP's workforce.

Subsequent to the end of the year, 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.

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

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

Equity Financings

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.

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. Following the Concurrent Private Placement, CDPQ beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 22,483,722 common shares of the Corporation, representing 18.1% of the issued and outstanding common shares, and CPP Investments beneficially owned, or exercised control or direction over, directly or indirectly, an aggregate of 18,217,889 common shares of the Corporation, representing 14.7% of the issued and outstanding common shares.

The Corporation used the proceeds from the equity financings to reimburse a portion of the E&I Acquisition financing.

Leadership and Board announcements

In July 2022, Chadi Habib joined WSP as Global Chief Technology Officer and Head of Business Solutions. Mr. Habib is a senior technology and business transformation executive with over 25 years of international experience.

Subsequent to the end of the year, 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 her new role, she will oversee WSP's corporate communications, digital experience, brand, and marketing functions.

Subject to his election at WSP's 2023 shareholders meeting to be held on May 11, 2023, Mr. Macky Tall will be joining WSP's Board of Directors. Mr. Tall is a Partner and Chair of Carlyle's Global Infrastructure Group. He will bring to the Board extensive management, financial and industry experience.

7 SEGMENT OPERATIONAL REVIEW

The Corporation's reportable segments are: Canada, Americas (US 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, 2022	**December 31, 2021**	**Variance**	**December 31, 2022**	**December 31, 2021**	**Variance**
Net revenues	$438.4	$360.6	21.6 %	$1,585.2	$1,304.5	21.5 %
Organic growth			3.4 %			8.7 %
Acquisition growth			18.2 %			12.8 %
Adjusted EBITDA by segment	$91.9	$76.6	20.0 %	$347.9	$272.0	27.9 %
Adjusted EBITDA margin by segment	21.0 %	21.2 %	(20) bps	21.9 %	20.9 %	100 bps
As at				**December 31, 2022**	**December 31, 2021**	**Variance**
Backlog				$2,304.8	$1,817.3	26.8 %
Organic backlog growth in the year						(0.8) %
Approximate number of employees				11,800	9,500	24.2 %

bps: basis points

Net revenues

In the quarter ended December 31, 2022, net revenues in Canada were $438.4 million, an increase of $77.8 million, or 21.6%, compared to the same quarter in 2021. Organic growth and acquisition growth were 3.4 % and 18.2 %, respectively. Acquisition growth is due to the E&I Acquisition completed in September 2022.

In the year ended December 31, 2022, net revenues in Canada were $1.59 billion, an increase of $280.7 million, or 21.5%, compared to 2021. Organic growth and acquisition growth were 8.7% and 12.8%, respectively. Acquisition growth is due to the acquisition of Golder Associates ("Golder" and the "Golder Acquisition") completed in April 2021 and the E&I Acquisition completed in September 2022.

Strong demand resulted in net revenue organic growth in the quarter and year ended December 31, 2022, while recent acquisitions resulted in a more diversified platform. Net revenue organic growth for the fourth quarter would be approximately 10.0% if normalized for the same number of billable days.

In 2022, the Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 89% of net revenues and public sector clients accounted for 29% of net revenues.

Backlog

In 2022, backlog in Canada increased due to the acquisition of E&I. The pipeline of opportunities remains strong, despite organic contraction in backlog in the year, and recent wins are expected to positively impact backlog in coming quarters.

Adjusted EBITDA margin

For the quarter ended December 31, 2022, adjusted EBITDA margin in Canada remained stable. For the year ended December 31, 2022, adjusted EBITDA margin in Canada increased mainly due to improved project performance, stronger productivity and the favourable impact of a change order signed in the first quarter of 2022.

AMERICAS

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2022	December 31, 2021	Variance	December 31, 2022	December 31, 2021	Variance
Net revenues	$986.1	$763.3	29.2 %	$3,256.4	$2,709.2	20.2 %
Organic growth*			0.9 %			5.4 %
Acquisition growth*			20.9 %			11.2 %
Foreign currency exchange impact**			7.4 %			3.6 %
Adjusted EBITDA by segment	$211.1	$148.3	42.3 %	$644.7	$533.1	20.9 %
Adjusted EBITDA margin by segment	21.4 %	19.4 %	200 bps	19.8 %	19.7 %	10 bps

As at	December 31, 2022	December 31, 2021	Variance
Backlog	$6,315.3	$4,536.5	39.2 %
Organic backlog growth in the year			10.6 %
Approximate number of employees	20,500	16,000	28.1 %

* 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 and acquisition growth.
bps: basis points

Net revenues

In the quarter ended December 31, 2022, net revenues in the Americas reportable segment were $986.1 million, an increase of $222.8 million, or 29.2%, compared to the same quarter in 2021. Organic growth and acquisition growth were 0.9% and 20.9%, respectively, both on a constant currency basis. Net revenue organic growth for the quarter would be approximately 5.5% if normalized for the same number of billable days.

In the year ended December 31, 2022, net revenues in the Americas reportable segment stood at $3.26 billion, an increase of $547.2 million, or 20.2%, compared to 2021. Organic growth and acquisition growth were 5.4% and 11.2%, respectively, both on a constant currency basis.

In the fourth quarter of 2022, our US operations had three less billable days than the corresponding period in 2021. Net revenue organic growth normalized for the same number of billable days would be approximately 4.7%. In the year ended December 31, 2022, organic growth is attributable to both the US and Latin American operations.

Acquisition growth in the quarter stems from the acquisition of E&I in September 2022. Acquisition growth in the year also includes the acquisitions of Golder in April 2021, tk1sc in January 2021, Earth Consulting Group in February 2021, Knight Partners in June 2021 and Englekirk Structural Engineers in October 2021.

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

In 2022, 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

Backlog for the Americas segment increased in 2022, mainly due to the E&I Acquisition and organic growth of 10.6%. Backlog organic growth is mainly attributable to our US operations.

Adjusted EBITDA margin

In the quarter ended December 31, 2022, adjusted EBITDA margin for the Americas segment increased 200 bps, as compared to the corresponding period in 2021, mainly due to changes in estimates related to recoverability of investment tax credits, as well as stronger productivity and improved project performance as compared to Q4 2021. In the year ended December 31, 2022, adjusted EBITDA margin remained stable, as the increase in performance was partially offset by realized losses on foreign exchange hedges as compared to gains in 2021. Excluding the impact of foreign exchange hedges, the adjusted EBITDA margin increase would have been 80 bps higher in the year, due to the same items as detailed above for the fourth quarter.

EMEIA

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2022	December 31, 2021	Variance	December 31, 2022	December 31, 2021	Variance
Net revenues	$738.5	$658.1	12.2 %	$2,651.1	$2,528.4	4.9 %
Organic growth*			8.8 %			7.4 %
Acquisition growth*			9.3 %			4.7 %
Foreign currency exchange impact**			(5.9) %			(7.2) %
Adjusted EBITDA by segment	$105.5	$92.3	14.3 %	$390.0	$370.3	5.3 %
Adjusted EBITDA margin by segment	14.3 %	14.0 %	30 bps	14.7 %	14.6 %	10 bps

As at	December 31, 2022	December 31, 2021	Variance
Backlog	$2,852.8	$2,442.5	16.8 %
Organic backlog growth in the year			16.4 %
Approximate number of employees	22,500	20,100	11.9 %

* 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 and acquisition growth.
bps: basis points

Net revenues

In the quarter ended December 31, 2022, net revenues in the EMEIA reportable segment were $738.5 million, an increase of $80.4 million, or 12.2%, compared to Q4 2021. Organic growth and acquisition growth of 8.8% and 9.3 %, respectively, both on a constant currency basis, were partially offset by negative impacts of foreign exchange. Net revenue organic growth for the quarter would be approximately 10.4% if normalized for the same number of billable days.

In the year ended December 31, 2022, net revenues in the EMEIA operating segment stood at $2.65 billion, an increase of $122.7 million, or 4.9%, compared to 2021. Organic growth and acquisition growth of 7.4% and 4.7%, respectively, both on a constant currency basis, were partially offset by negative impacts of foreign exchange.

In the quarter and year ended December 31, 2022, organic growth was led by the a strong performance in the UK. The negative impacts of foreign exchange in the quarter and year are principally due to the appreciation of the Canadian dollar against the pound sterling and the Swedish krona.

Acquisition growth in the quarter stems from the acquisitions of E&I, Capita REI and GLH, all completed in September 2022. Acquisition growth in the year also includes the acquisitions of Golder and b+p baurealisation, both completed in April 2021, as well as BOD Arquitectura e Ingeniería completed in June 2022.

In 2022, the Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 91% of net revenues and public sector clients accounted for 52% of net revenues.

Backlog

Backlog for the EMEIA reportable segment increased mainly due to organic growth of 16.4% in the year, as compared to December 31, 2021.

Adjusted EBITDA margin

In the quarter and year ended December 31, 2022, adjusted EBITDA margin for the EMEIA segment increased 30 bps and 10 bps, respectively, as compared to the corresponding periods in 2021. The positive impact of realized gains on foreign exchange hedges as compared to the corresponding periods, combined with good performance in most countries in the reportable segment, were partially offset by lower performance in Central Europe.

APAC

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2022	**December 31, 2021**	**Variance**	**December 31, 2022**	**December 31, 2021**	**Variance**
Net revenues	$390.7	$365.4	6.9 %	$1,464.5	$1,327.5	10.3 %
Organic growth*			7.2 %			10.0 %
Acquisition growth*			2.2 %			4.1 %
Foreign currency exchange impact**			(2.5) %			(3.8) %
Adjusted EBITDA by segment	$69.7	$72.3	(3.6) %	$267.1	$246.3	8.4 %
Adjusted EBITDA margin by segment	17.8 %	19.8 %	(200) bps	18.2 %	18.6 %	(40) bps

As at	**December 31, 2022**	**December 31, 2021**	**Variance**
Backlog	$1,533.6	$1,629.3	(5.9) %
Organic backlog growth in the year			(4.6) %
Approximate number of employees	11,400	9,700	17.5 %

* 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 and acquisition growth.
bps: basis points

Net revenues

In the quarter ended December 31, 2022, net revenues in the APAC reportable segment were $390.7 million, an increase of $25.3 million, or 6.9%, when compared to the same quarter in 2021. Organic growth and acquisition growth of 7.2% and 2.2%, respectively, both on a constant currency basis, were partially offset by negative impacts of foreign exchange. Net revenue organic growth for the quarter would be approximately 15.7% if normalized for the same number of billable days.

In the year ended December 31, 2022, net revenues in the APAC reportable segment stood at $1.46 billion, an increase of $137.0 million, or 10.3%, when compared to 2021. Organic growth and acquisition growth of 10.0% and 4.1%, respectively, both on a constant currency basis, were partially offset by negative impacts of foreign exchange.

The organic growth in the quarter and year was driven mainly by strong market conditions across the region. The organic growth in both periods was partially offset by negative impacts of foreign exchange principally due to the appreciation of the Canadian dollar against the Australian dollar and the New Zealand dollar.

Acquisition growth in the quarter stems from the acquisitions of Greencap in August 2022. Acquisition growth in the year also includes the Golder Acquisition completed in April 2021.

In 2022, the Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 96% of net revenues and public sector clients accounted for 54% of net revenues.

Backlog

Backlog for the APAC segment contracted organically by 4.6%, when compared to December 31, 2021. Backlog growth in Australia was partially offset by contraction in Asia mainly due to COVID-19 lockdowns in mainland China, as well as contraction in New Zealand. The pipeline of opportunities in Australia and New Zealand remains strong and recent wins are expected to positively impact backlog in these countries in coming quarters.

Adjusted EBITDA margin

In the quarter and year ended December 31, 2022, adjusted EBITDA margin for the APAC reportable segment decreased 200 bps and 40 bps, respectively.

In 2022, results in Australia in both the quarter and the year, were affected by lower project performance. In New Zealand, margins in Q4 2022 have normalized, as timing of variation orders realized in Q4 2021 favourably impacted results in the comparable period. Adjusted EBITDA margin in Asia has decreased for both the quarter and full year, mainly due to more stringent COVID-19 lockdown measures.

8 FINANCIAL REVIEW

(in millions of dollars, except number of shares and per share data)	Fourth quarters ended December 31, 2022	Fourth quarters ended December 31, 2021	Years ended December 31, 2022	Years ended December 31, 2021
Revenues	**$3,560.8**	**$2,891.0**	**$11,932.9**	**$10,279.1**
Personnel costs	$1,889.3	$1,582.1	$6,679.9	$5,851.2
Subconsultants and direct costs	$1,007.1	$743.6	$2,975.7	$2,409.5
Other operational costs	$229.0	$218.0	$794.0	$745.8
Depreciation of right-of-use assets	$77.6	$65.5	$288.5	$265.8
Amortization of intangible assets	$73.1	$46.8	$173.4	$139.1
Depreciation of property and equipment	$30.6	$29.8	$114.6	$113.6
Impairment of long-lived assets	$5.1	$—	$21.6	$—
Acquisition, integration and reorganization costs	$49.7	$23.6	$115.5	$60.8
ERP implementation costs	$19.4	$6.8	$49.9	$6.8
Exchange loss (gain)	$1.0	($3.8)	($5.3)	($18.6)
Share of income of associates and joint ventures, net of tax	($6.4)	($6.6)	($24.0)	($19.5)
Earnings before net financing expense and income taxes	**$185.3**	**$185.2**	**$749.1**	**$724.6**
Net financing expense	$27.3	$14.3	$161.6	$79.5
Earnings before income taxes	**$158.0**	**$170.9**	**$587.5**	**$645.1**
Income tax expense	$37.6	$44.1	$152.8	$171.0
Net earnings	**$120.4**	**$126.8**	**$434.7**	**$474.1**
Net earnings attributable to:				
Shareholders of WSP Global Inc.	$120.0	$126.7	$431.8	$473.6
Non-controlling interests	$0.4	$0.1	$2.9	$0.5
Basic net earnings per share attributable to shareholders	**$0.96**	**$1.08**	**$3.59**	**$4.07**
Diluted net earnings per share attributable to shareholders	**$0.96**	**$1.07**	**$3.58**	**$4.05**
Basic weighted average number of shares	124,426,229	117,661,970	120,400,365	116,479,695
Diluted weighted average number of shares	124,730,705	118,082,536	120,709,390	116,901,686

8.1 NET REVENUES

(in millions of dollars, except percentages)	Fourth quarters of 2022 vs 2021 Canada	Americas	EMEIA	APAC	Total
Net revenues - 2022	$438.4	$986.1	$738.5	$390.7	$2,553.7
Net revenues - 2021	$360.6	$763.3	$658.1	$365.4	$2,147.4
Net change %	21.6 %	29.2 %	12.2 %	6.9 %	18.9 %
Organic growth*	3.4 %	0.9 %	8.8 %	7.2 %	4.8 %
Acquisition growth*	18.2 %	20.9 %	9.3 %	2.2 %	13.7 %
Foreign currency exchange impact**	— %	7.4 %	(5.9)%	(2.5)%	0.4 %
Net change %	21.6 %	29.2 %	12.2 %	6.9 %	18.9 %

* 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 and acquisition growth.

(in millions of dollars, except percentages and number of employees)	Fiscal years 2022 vs 2021				
	Canada	Americas	EMEIA	APAC	Total
Net revenues - 2022	$1,585.2	$3,256.4	$2,651.1	$1,464.5	$8,957.2
Net revenues - 2021	$1,304.5	$2,709.2	$2,528.4	$1,327.5	$7,869.6
Net change %	21.5 %	20.2 %	4.9 %	10.3 %	13.8 %
Organic growth*	8.7 %	5.4 %	7.4 %	10.0 %	7.3 %
Acquisition growth*	12.8 %	11.2 %	4.7 %	4.1 %	8.2 %
Foreign currency exchange impact**	— %	3.6 %	(7.2)%	(3.8)%	(1.7)%
Net change %	21.5 %	20.2 %	4.9 %	10.3 %	13.8 %
	As at				
Approximate number of employees - December 31, 2022	11,800	20,500	22,500	11,400	66,200
Approximate number of employees - December 31, 2021	9,500	16,000	20,100	9,700	55,300
Net change %	24.2 %	28.1 %	11.9 %	17.5 %	19.7 %

* 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 and acquisition growth.

During the fourth quarter of 2022, the Corporation achieved net revenues of $2.55 billion, up 18.9% compared to the fourth quarter of 2021. The increase was driven by the acquisition of E&I in September 2022, as well as organic growth of 4.8%, despite four less billable days compared to Q4 2021. Net revenue organic growth would be approximately 9.5% if normalized for the same number of billable days. Organic growth spanned all reportable segments, led by the UK and Australia. Organic and acquisition growth in EMEIA and APAC segments were partially offset by negative impacts of foreign exchange.

In the year ended December 31, 2022, net revenues increased 13.8% compared to 2021, exceeding the high end of Management's outlook range for the year of $8.9 billion. The increase 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. The Golder Acquisition and E&I Acquisition were the main contributors to the acquisition growth. Organic and acquisition growth in EMEIA and APAC segments was partially offset by negative impacts of foreign exchange.

In 2022, the number of employees increased by approximately 10,900. The increase in the number of employees is mainly attributable to 7,600 employees from recently acquired businesses, as well as recruitment to support organic growth of our business across all segments.

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.

(in millions of dollars)	Fourth quarters ended		Years ended	
	December 31, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Revenues	**$3,560.8**	**$2,891.0**	**$11,932.9**	**$10,279.1**
Less: Subconsultants and direct costs	$1,007.1	$743.6	$2,975.7	$2,409.5
Net revenues[1]	**$2,553.7**	**$2,147.4**	**$8,957.2**	**$7,869.6**

[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, 2021	$1,817.3	$4,536.5	$2,442.5	$1,629.3	$10,425.6
Revenues	$(2,151.2)	$(4,826.4)	$(3,207.8)	$(1,747.5)	$(11,932.9)
Organic order intake	$2,136.3	$5,305.9	$3,592.1	$1,675.1	$12,709.4
Net order intake through business acquisition	$497.6	$1,088.0	$158.4	$18.0	$1,762.0
Foreign exchange movement	$4.8	$211.3	$(132.4)	$(41.3)	$42.4
Backlog, as at December 31, 2022	$2,304.8	$6,315.3	$2,852.8	$1,533.6	$13,006.5
Organic backlog growth in the year	(0.8)%	10.6 %	16.4 %	(4.6)%	7.6 %

As at December 31, 2022, backlog stood at $13.0 billion, representing 11.8 months of revenues[(1)], an increase of 24.8% as compared to December 31, 2021. Organically and on a constant currency basis, backlog grew by 7.6% compared to backlog as at December 31, 2021. Throughout 2022, we continued to see positive momentum in all reportable segments with a substantial order intake amounting to $12.7 billion.

This strong level of backlog, coupled with the increases in the number of employees worldwide, sets the Corporation in a favourable position. In Canada and APAC, the pipeline of opportunities remains strong and recent wins are expected to positively impact backlog in coming quarters.

(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, 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

	Fourth quarter ended December 31, 2021				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$360.6	$763.3	$658.1	$365.4	$2,147.4
Adjusted EBITDA by segment[(1)]	$76.6	$148.3	$92.3	$72.3	$389.5
Adjusted EBITDA margin by segment[(1)]	21.2%	19.4%	14.0%	19.8%	18.1%
Head office corporate costs					$28.3
Adjusted EBITDA[(2)]					$361.2

(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.

	Year ended December 31, 2022				
(in millions of dollars, except percentages)	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

	Year ended December 31, 2021				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$1,304.5	$2,709.2	$2,528.4	$1,327.5	$7,869.6
Adjusted EBITDA by segment[1]	$272.0	$533.1	$370.3	$246.3	$1,421.7
Adjusted EBITDA margin by segment[1]	20.9%	19.7%	14.6%	18.6%	18.1%
Head office corporate costs					$99.2
Adjusted EBITDA[2]					$1,322.5

(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 $478.2 million and 18.7%, respectively, for the fourth quarter ended December 31, 2022, compared to $389.5 million and 18.1%, respectively, for the corresponding period in 2021. Adjusted EBITDA margin by segment increased mainly due to the US operations, partially offset by lower adjusted EBITDA margin in the APAC segment.

For the year ended December 31, 2022, total adjusted EBITDA by segment and total adjusted EBITDA margin by segment stood at $1.65 billion and 18.4%, respectively, compared to $1.42 billion and 18.1%, respectively, in 2021. Adjusted EBITDA margin by segment increased due to strong performance in Canada, partially offset by lower adjusted EBITDA margin in APAC.

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

Head office corporate costs for the fourth quarter and year ended December 31, 2022 stood at $31.8 million and $119.5 million, respectively, higher than the comparable periods in 2021 mainly due to the long-term incentive plans and recent acquisitions. Head office corporate costs exceeded Management's outlook range for the year of $95.0 million to $110.0 million, largely due to recent acquisitions.

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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Earnings before net financing expense and income taxes	**$185.3**	**$185.2**	**$749.1**	**$724.6**
Acquisition, integration and reorganization costs	$49.7	$23.6	$115.5	$60.8
ERP implementation costs	$19.4	$6.8	$49.9	$6.8
Depreciation of right-of-use assets	$77.6	$65.5	$288.5	$265.8
Amortization of intangible assets	$73.1	$46.8	$173.4	$139.1
Depreciation of property and equipment	$30.6	$29.8	$114.6	$113.6
Impairment of long-lived assets	$5.1	$—	$21.6	$—
Share of depreciation and taxes of associates	$3.2	$2.1	$11.8	$9.4
Interest income	$2.4	$1.4	$5.8	$2.4
Adjusted EBITDA*	**$446.4**	**$361.2**	**$1,530.2**	**$1,322.5**

* 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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net revenues	100.0 %	100.0 %	100.0 %	100.0 %
Personnel costs	74.0 %	73.7 %	74.5 %	74.4 %
Other operational costs	9.0 %	10.1 %	8.9 %	9.5 %
Exchange gain and interest income	(0.1)%	(0.2)%	(0.1)%	(0.3)%
Share of earnings of associates and joint ventures before depreciation and income taxes	(0.4)%	(0.4)%	(0.4)%	(0.4)%
Adjusted EBITDA margin	**17.5 %**	**16.8 %**	**17.1 %**	**16.8 %**
Depreciation of right-of-use assets	3.0 %	3.1 %	3.2 %	3.4 %
Depreciation of property and equipment	1.2 %	1.4 %	1.3 %	1.4 %
Amortization of intangible assets	2.9 %	2.2 %	1.9 %	1.8 %
Impairment of long-lived assets	0.2 %	— %	0.2 %	— %
Acquisition, integration and reorganization costs and ERP implementation costs	2.7 %	1.4 %	1.9 %	0.9 %
Share of depreciation and taxes of associates	0.1 %	0.1 %	0.1 %	0.1 %
Deduct: Interest income	0.1 %	— %	0.1 %	— %
Earnings before net financing expense and income taxes	**7.3 %**	**8.6 %**	**8.4 %**	**9.2 %**
Net financing expense	1.1 %	0.7 %	1.8 %	1.0 %
Income tax expense	1.5 %	2.0 %	1.7 %	2.2 %
Net earnings	**4.7 %**	**5.9 %**	**4.9 %**	**6.0 %**

In the fourth quarter of 2022, adjusted EBITDA margin increased to 17.5%, compared to 16.8% in the fourth quarter of 2021. For the year, the adjusted EBITDA margin increased to 17.1%, compared to 16.8% in 2021. The increases are due to lower other operating costs, mainly due to lower discretionary spending, partially offset by higher travel costs. In both periods, the adjusted EBITDA was negatively impacted by overall lower foreign exchange gains than in the comparable periods.

In the fourth quarter ended December 31, 2022, earnings before net financing expense and income taxes remained stable, but decreased as a percentage of net revenues, mainly due to ERP implementation costs which ramped up in 2022, and higher acquisition and integration costs, as well as amortization of intangible assets, due to recent acquisitions. In the year ended December 31, 2022, earnings before net financing expense and income taxes increased, but decreased as a percentage of net revenues, as higher adjusted EBITDA was offset by higher acquisition and integration costs due to recent acquisitions and ERP implementation costs, as well as charges against certain leased assets related to office consolidations as part of our real estate strategy.

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 ended December 31, 2022, the increases in personnel costs as a percentage of net revenues, as compared to the corresponding periods in 2021, stemmed mainly from inflationary pressures on salaries.

For the year ended December 31, 2022, personnel costs were largely stable as a percentage of net revenues, as compared to 2021.

During the quarter and year ended December 31, 2022, the Corporation recorded $2.1 million and $6.8 million of government subsidies, recognized in personnel costs ($0.9 million and $14.4 million, respectively, during the comparable periods in 2021).

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, 2022, as a percentage of net revenues, were lower than the comparable period in 2021, mainly due to lower discretionary spending, partially offset by higher travel costs.

Other operational costs for the year ended December 31, 2022, as a percentage of net revenues, were lower than in 2021, in part due to certain synergies realized related to businesses acquired in 2021, mainly Golder, partially offset by higher travel costs.

Exchange gains and losses and interest income

In the quarter and year ended December 31, 2022, operational foreign exchange resulted in losses of $1.0 million and gains of $5.3 million, respectively, as compared to gains of $3.8 million and $18.6 million in the corresponding periods in 2021. These variances are mainly attributable to the US dollar.

In both periods, lower foreign exchange gains were partially offset by higher interest income of $2.4 million and $5.8 million, respectively, compared to $1.4 million and $2.4 million, respectively, in the corresponding periods in 2021.

Depreciation, amortization and impairment of long-lived assets

Depreciation of intangible assets increased in the quarter ended December 31, 2022, mainly due to a higher level of intangible assets from recently acquired businesses.

Depreciation of right-of-use assets, as a percentage of net revenues, decreased slightly in the quarter and year ended December 31, 2022 when compared to the corresponding periods in 2021, 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 works toward a hybrid workplace model.

In 2022, the Corporation recorded charges against certain leased assets in the context of on-going reorganizations as part of our real estate strategy following recent acquisitions to reduce our footprint, realize synergies and improve the cost structure of the combined business.

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, any 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 its consolidated statement of earnings.

The Corporation incurred acquisition, integration and reorganization costs of $49.7 million in the fourth quarter of 2022 and $115.5 million in the year ended December 31, 2022. The increases in the quarter and in the year are mainly due to higher business acquisition and integration costs in 2022, related to the Golder Acquisition, the E&I Acquisition and other recently completed and previously-contemplated acquisitions. Acquisition, integration and reorganization costs exceeded Management's outlook range for the year of $50.0 million to $60.0 million, largely due to a higher volume of transactions.

In the quarter and year ended December 31, 2022, the Corporation incurred ERP implementation costs of $19.4 million and $49.9 million, respectively, higher than $6.8 million in both corresponding periods in 2021, due to the ramp up in the design and implementation of the Corporation's global cloud-based ERP solution. ERP implementation costs were within Management's outlook range for the year of $45.0 million to $55.0 million.

8.5 FINANCING EXPENSES

Net financing expenses for the fourth quarter and year ended December 31, 2022 were higher than the comparable periods in 2021. In the quarter and year, the increases were mainly attributable to higher interest on long-term debt following the acquisition of E&I as well as recent increases in interest rates. In the year, the variance is also attributable to non-cash losses in value of investments related to a US employee deferred compensation plan compared to gains in 2021, as well as higher losses from derivative financial instruments in 2022 than in 2021.

8.6 INCOME TAXES

In the fourth quarter of 2022, income tax expense of $37.6 million was recorded on earnings before income taxes of $158.0 million, representing an effective income tax rate of 23.8%.

For the year ended December 31, 2022, income tax expense of $152.8 million was recorded on earnings before income taxes of $587.5 million representing an effective income tax rate of 26.0%, in line with Management's outlook range of 25% to 29%.

8.7 NET EARNINGS

In the fourth quarter of 2022, the Corporation's net earnings attributable to shareholders decreased to $120.0 million, or $0.96 per share on a diluted basis, compared to $126.7 million, or $1.07 per share on a diluted basis for the comparable period in 2021. The decrease is mainly attributable to higher amortization and depreciation, higher business acquisition and integration costs and ERP implementation costs, and higher net financing expenses, partially offset by higher adjusted EBITDA.

For the year ended December 31, 2022, the Corporation's net earnings attributable to shareholders were $431.8 million, or $3.59 per share, compared to $473.6 million, or $4.07 per share in 2021. The decrease is 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.

8.8 ADJUSTED NET EARNINGS

Management has amended its definition of adjusted net earnings, effective January 1, 2022, to exclude impairment charges on long-lived assets and reversals thereof. The amendment was made in the context of on-going and planned reorganizations as part of our real estate strategy following recent and planned acquisitions in order to realize synergies and improve the cost structure of the combined business. The comparative period results did not require restatement to apply the current definition as no impairment of long-lived assets was recorded in 2021.

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 peer group. 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 $209.3 million, or $1.68 per share, in the fourth quarter of 2022, compared to $171.7 million, or $1.46 per share, in Q4 2021. In the year ended December 31, 2022, adjusted net earnings stood at $692.6 million, or $5.75 per share, compared to $592.9 million, or $5.09 per share, in 2021. The increases in these metrics are mainly attributable to higher adjusted EBITDA.

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, 2022	December 31, 2021	December 31, 2022	December 31, 2021
Net earnings attributable to shareholders	**$120.0**	**$126.7**	**$431.8**	**$473.6**
Amortization of intangible assets related to acquisitions	$49.3	$32.1	$112.6	$95.1
Impairment of long-lived assets	$5.1	$—	$21.6	$—
Acquisition, integration and reorganization costs	$49.7	$23.6	$115.5	$60.8
ERP implementation costs	$19.4	$6.8	$49.9	$6.8
Losses (gains) on investments in securities related to deferred compensation obligations	$(5.0)	$(4.0)	$22.1	$(14.0)
Unrealized losses on derivative financial instruments	$(3.5)	$(1.7)	$20.1	$7.7
Income taxes related to above items	$(25.7)	$(11.8)	$(81.0)	$(37.1)
Adjusted net earnings*	**$209.3**	**$171.7**	**$692.6**	**$592.9**
Adjusted net earnings per share*	**$1.68**	**$1.46**	**$5.75**	**$5.09**

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

9 LIQUIDITY

(in millions of dollars)	Fourth quarters ended December 31, 2022	Fourth quarters ended December 31, 2021	Years ended December 31, 2022	Years ended December 31, 2021
Cash inflows from operating activities	$607.4	$513.2	$814.8	$1,060.1
Cash inflows (outflows) from financing activities	$(450.0)	$(138.3)	$1,420.7	$790.2
Cash outflows from investing activities	$(87.0)	$(76.1)	$(2,682.7)	$(1,344.9)
Effect of exchange rate change on cash	$4.7	$(4.6)	$11.9	$(13.8)
Change in net cash and cash equivalents	**$75.1**	**$294.2**	**$(435.3)**	**$491.6**
Dividends paid to shareholders of WSP Global Inc.	$(23.7)	$(20.1)	$(90.1)	$(80.6)
Net capital expenditures*	$(72.8)	$(60.6)	$(164.5)	$(110.8)

* 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 decrease in cash inflows from operating activities in the year ended December 31, 2022, compared to 2021 is mainly attributable to the expected normalization of our DSO levels in 2022, the increased investment in the global ERP implementation, higher acquisition, integration and reorganization costs, and higher income taxes paid mainly due to changes in tax regulations in the US which delays the deductibility of certain expenses. In addition, organic growth in revenues in 2022 resulted in an increased investment in working capital.

Free cash flow

In the fourth quarter ended December 31, 2022, the Corporation achieved its highest quarterly free cash flow, reaching $442.7 million.

Free cash flow for the year ended December 31, 2022 was $309.0 million, compared to $646.1 million in 2021. Free cash flows represent 0.7 times the net earnings attributable to shareholders. Lower free cash flow in 2022 was mainly attributable to the decrease in cash flows from operating activities, as well as increases in net capital expenditures and lease payments to support growth.

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.

(in millions of dollars)	Fourth quarters ended December 31, 2022	Fourth quarters ended December 31, 2021	Years ended December 31, 2022	Years ended December 31, 2021
Cash inflows from operating activities	**$607.4**	**$513.2**	**$814.8**	**$1,060.1**
Lease payments in financing activities	$(91.9)	$(82.7)	$(341.3)	$(303.2)
Net capital expenditures*	$(72.8)	$(60.6)	$(164.5)	$(110.8)
Free cash flow**	**$442.7**	**$369.9**	**$309.0**	**$646.1**

* 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, 2022, cash outflows from financing activities of $450.0 million were mainly due to net repayments of borrowings under credit facilities and lease payments.

In the year ended December 31, 2022, cash inflows from financing activities of $1,420.7 million were mainly due to net proceeds of borrowings under credit facilities and the issuance of common shares.

9.3 INVESTING ACTIVITIES

In the fourth quarter ended December 31, 2022, cash outflows used for investing activities related mainly to net capital expenditures and business acquisitions.

In the year ended December 31, 2022, cash outflows used for investing activities related mainly to business acquisitions. Net capital expenditures in 2022 of $164.5 million were within Management's outlook range of $160 million to $180 million.

9.4 NET DEBT TO ADJUSTED EBITDA RATIO

As at December 31, 2022, the Corporation's statement of financial position remained strong, with a net debt position of $2,458.9 million and a net debt to adjusted EBITDA ratio of 1.6x, within the Corporation's target ratio range of 1.0x to 2.0x. The increase in the net debt to adjusted EBITDA ratio is due to issuance of long-term debt used to finance the E&I Acquisition, while the trailing twelve-month adjusted EBITDA does not yet include the full results of recently acquired businesses. Incorporating a full twelve months of adjusted EBITDA of all acquired businesses, the net debt to adjusted EBITDA ratio would be 1.5x.

9.5 CAPITAL RESOURCES

	As at	
(in millions of dollars)	**December 31, 2022**	**December 31, 2021**
Cash and cash equivalents	$495.6	$927.4
Available syndicated credit facility	$1,857.4	$1,442.9
Other operating credit facilities	$168.1	$182.4
Available short-term capital resources	**$2,521.1**	**$2,552.7**

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, 2022, three credit facilities:

- a credit facility with a syndicate of financial institutions providing for a maximum amount of US$1.5 billion with maturities up to April 2027, comprised of a US$1.5-billion revolver in two tranches;
- a US$750-million fully-committed bank financing in the form of term loans with maturities up to April 2025; and
- a US$1.0-billion fully-committed credit facility in the form of term loans, described in the following paragraph.

The US$1.5-billion credit facility is available for general corporate purposes and for financing business acquisitions.

In August 2022, the Corporation entered into a fully-committed US$1.8-billion term credit facility with various tenors of up to 5 years, which was fully drawn to finance the E&I Acquisition which closed in September 2022. Also in September 2022, the Corporation repaid a portion of the indebtedness under that credit facility, such that the maximum amount of the credit facility became US$1.0 billion. As at December 31, 2022, the US$1.0-billion credit facility was fully drawn.

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, 2022.

9.7 DIVIDENDS

On November 9, 2022, the Corporation declared a quarterly dividend of $0.375 per common share to holders of common shares on record as of December 30, 2022, which was paid on January 16, 2023. The total amount of the dividend for the fourth quarter of 2022 was $46.7 million, paid subsequent to the end of the year.

Following the payment of the dividends declared on November 9, 2021, March 9, 2022, May 11, 2022 and August 8, 2022, $89.2 million was reinvested in 584,457 common shares under the DRIP during the year ended December 31, 2022.

Subsequent to the end of the year, holders of 38,716,764 common shares, representing 31.1% of all outstanding shares as at December 30, 2022, elected to participate in the DRIP. As a result, on January 16, 2023, $14.5 million of the fourth quarter dividend declared on November 9, 2022 was reinvested in common shares of the Corporation. The net cash outflow on January 16, 2023 for the fourth quarter dividend payment was $32.2 million.

The Board of Directors 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.

9.8 STOCK OPTIONS

As at March 7, 2023, 837,889 stock options were outstanding at exercise prices ranging from $41.69 to $180.65.

10 EIGHT QUARTER SUMMARY

(in millions of dollars, except per share data)	Fiscal year 2022	2022 Q4 Fourth quarter ended December 31	2022 Q3 Third quarter ended October 1	2022 Q2 Second quarter ended July 2	2022 Q1 First quarter ended April 2	2021 Q4 Fourth quarter ended December 31	2021 Q3 Third quarter ended September 25	2021 Q2 Second quarter ended June 26	2021 Q1 First quarter ended March 27
Results of operations									
Revenues	$11,932.9	$3,560.8	$2,896.1	$2,764.2	$2,711.8	$2,891.0	$2,650.2	$2,633.1	$2,104.8
Net revenues	$8,957.2	$2,553.7	$2,193.9	$2,109.6	$2,100.0	$2,147.4	$2,026.6	$2,028.8	$1,666.8
Adjusted EBITDA*	$1,530.2	$446.4	$407.0	$352.2	$324.6	$361.2	$377.7	$342.6	$241.0
Net earnings attributable to shareholders	$431.8	$120.0	$127.5	$89.3	$95.0	$126.7	$139.0	$120.0	$87.9
Basic net earnings per share**	$3.59	$0.96	$1.05	$0.76	$0.81	$1.08	$1.18	$1.03	$0.77
Diluted net earnings per share**	$3.58	$0.96	$1.05	$0.75	$0.80	$1.07	$1.18	$1.02	$0.77
Backlog		$13,006.5	$13,253.8	$11,448.8	$11,021.4	$10,425.6	$10,032.4	$9,632.4	$8,430.9
Dividends									
Dividends declared	$181.8	$46.7	$46.6	$44.3	$44.2	$44.2	$44.1	$44.0	$42.7
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	2022	2021	2020
(in millions of dollars, except per share data)			
Revenues	$11,932.9	$10,279.1	$8,803.9
Net revenues	$8,957.2	$7,869.6	$6,859.1
Net earnings attributable to shareholders of WSP Global Inc.	$431.8	$473.6	$276.0
Net earnings per share attributable to shareholders of WSP Global Inc.			
Basic	$3.59	$4.07	$2.51
Diluted	$3.58	$4.05	$2.50
As at December 31	**2022**	**2021**	**2020**
Total assets	$14,841.7	$11,250.4	$8,837.4
Non-current financial liabilities [1]	$3,637.9	$2,245.4	$1,062.6
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 2021, revenues and net revenues increased 16.8% and 14.7%, respectively, compared to 2020, mainly due to net revenue acquisition growth of 15.3%, as well as net revenue organic growth of 3.3%, led by Canada and the UK. The Golder Acquisition was the principal contributor to the net revenue acquisition growth in 2021. 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. Net revenues exceeded the high end of Management's outlook range for the year of $8.9 billion.

Net earnings attributable to shareholders and net earnings per share attributable to shareholders increased from 2020 to 2021 mainly due to higher adjusted EBITDA and lower acquisition, integration and reorganization costs, partially offset by higher amortization and depreciation expense. 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.

From December 31, 2020 to December 31, 2021 and from December 31, 2021 to December 31, 2022 total assets and non-current financial liabilities increased mainly due to business acquisitions.

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, 2022.

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, 2022.

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.

The CEO and the CFO have limited the scope of their design of DC&P and ICFR to exclude controls, policies and procedures of E&I, which was acquired on September 21, 2022, as permitted by the Canadian Securities Administrators' National Instrument 52-109 - *Certification of Disclosure in Issuers' Annual and Interim Filings* for 365 days following an acquisition. Note 5, Business Acquisitions, of the Corporation's audited consolidated financial statements for the year ended December 31, 2022 presents summary financial information with respect to E&I.

There were no changes in the Corporation's ICFR that occurred during the period beginning on October 2, 2022 and ended on December 31, 2022 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

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, 2022, 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, 2022.

14 SIGNIFICANT ACCOUNTING POLICIES

CHANGES IN ACCOUNTING POLICY EFFECTIVE IN 2022

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

ONEROUS CONTRACTS – COST OF FULFILLING A CONTRACT

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

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

Refer to note 3, Accounting policy developments, to the Corporation's audited consolidated financial statements for the year ended December 31, 2022, 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 14, Financial instruments, to the Corporation's audited consolidated financial statements for the year ended December 31, 2022 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 14, Financial instruments, to the Corporation's audited consolidated financial statements for the year ended December 31, 2022, 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 30, Related party transactions, to the Corporation's audited consolidated financial statements for the year ended December 31, 2022.

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 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, 2022:

(in millions of dollars)	2023	2024	2025 and thereafter	Total
Long-term debt	$345.6	$707.0	$2,359.3	$3,411.9
Lease liabilities	$325.4	$265.5	$707.7	$1,298.6

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, 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: our expectations and other statements relating to the achievement of, or tracking towards, our 2022-2024 Global Strategic Action Plan; the impact of positive wins 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 and Safety Risks and Hazards”; “Non-Compliance with Laws or Regulations”; “Information Technology and Information Security”; “Availability and Retention of Qualified Professional Staff”; “Adequate Utilization of Workforce”; “Global Operations”; “Competition in the Industry”; “Professional Services Contracts”; “Economic Environment”; “Geopolitical Risks”; “Working with Government Agencies”; “Challenges Associated with Size”; “Growth by Acquisitions”; “Acquisition Integration and Management”; “Challenges associated with disease outbreaks, including COVID-19”; “Controls and Disclosure”; “Current or Future Legal Proceedings”; “Reputation”; “Increasing Requirements and Stakeholder Expectations Regarding Environment, Social and Governance “ESG” matters”; “Climate Change and related Physical and Transition Risks”; “Ecological and Social Impacts of Projects”; “Work Stoppage and Labour Disputes”; “Joint Arrangements”; “Reliance on Suppliers and Subconsultants”; “Insurance Limits”; “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" of this MD&A 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 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 and Safety Risks and Hazards

The Corporation's health, safety and wellbeing 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, or environmental and 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 as well as 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 and threats of armed conflicts in or around various areas 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.

In addition, the Corporation strives to protect, support and promote the wellbeing of its people through workplace practices and wellbeing 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.

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, export control, false claims, protection of classified information, lobbying or similar activities, securities, antitrust, data privacy, tax, environmental, social and governance matters and labour relations, as well as laws related to corruption, anti-competitive acts, illegal political contributions, and ethics-related issues, which could have a significant adverse impact on the Corporation. In particular, the regulatory landscape surrounding environmental, social and governance 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 such 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. For additional information on compliance risks associated with working with

government bodies, entities and agencies, see "Working with Government Agencies". 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 (GDPR), the Canadian federal Personal Information Protection and Electronic Documents Act (PIPEDA), the California Consumer Privacy Act (CCPA) 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. This may include proprietary, sensitive, confidential and personal information limited to the nature of professional services it provides 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. This includes 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. 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 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.

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 artificial intelligence. In addition, our client deliveries increasingly use innovative technologies such as smart buildings and automated robotics. These technologies come with additional risks that require investment to protect their use, and any cybersecurity incident of these systems may expose the Corporation and its clients to remediation and litigation costs.

Availability and Retention 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 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.

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 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, it 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;

- 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;
- international hostilities, civil unrest, force majeure, war, terrorism and other armed conflict; 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.

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. Also, there is a growing risk of recessions or other economic downturns. 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.

Geopolitical Risks

The Corporation is exposed to various geopolitical risks as it operates across the world in an increasingly interconnected global economy. 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 conflicts and crisis.

The potential impacts on the Corporation depend on the extent and depth of geopolitical 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, productivity slowdowns, low workforce morale, inability to deliver projects in the affected region and deterioration of local and global economies.

In particular, the armed conflict between Ukraine and Russia has accelerated a global energy crisis as a result of Western sanctions imposed against Russia. Although the impacts are felt across the world, the European Union, and more particularly the Nordics region, are significantly affected by this ongoing conflict. The conflict between Ukraine and Russia has adversely impacted the price of fuel and energy and has impacted mobility of people and goods across the European Union. Consequently, major logistical issues have caused shortages of certain materials in the construction industry which has forced certain of our projects to be postponed or cancelled. The Corporation has suffered limited impacts so far and continues to monitor this conflict closely and adjust its operations and practices to minimize potential impacts. However, should the Ukraine-Russia conflict persist for a significant period of time, the Corporation may be adversely affected by deteriorating impacts on its employees, operations and business.

The volatile, uncertain and unpredictable nature of external factors related to geopolitical risks cannot be easily managed. The Corporation has established a systematic process 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.

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 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, 2022, had approximately 66,200 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 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, 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. 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.

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, expenses, 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.

While in transition, information technology and financial management systems integration of acquired firms may expose us to information security, cyber security risks, and gaps in internal controls.

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, including the ability to realize the anticipated synergies from combining the acquired business into WSP. 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.

Each year, the Corporation incurs acquisition and integration costs which may be material. Such costs are difficult to estimate accurately and may exceed estimates. The Corporation may also fail to accurately forecast the financial impact of an acquisition, including tax and accounting charges. Accordingly, the benefits from an acquisition may be offset by unexpected costs incurred in integrating the businesses, which could cause our revenue assumptions to be inaccurate.

In addition, the overall integration may result in unanticipated operational problems, including the Corporation's own operational, financial and management systems which may be incompatible with or inadequate to effectively integrate and manage the acquired businesses. There can be no assurance that we will be able to respond adequately or quickly enough to the changing demands that material expansion will impose on management, team members and existing

infrastructure, and changes to our operating structure may result in increased costs or inefficiencies that we cannot anticipate. Any of these difficulties could adversely impact our business performance and results of operations.

Challenges associated with disease outbreaks, including COVID-19

Disease outbreaks, including epidemics, pandemics or similar widespread public health concerns, can cause serious demand, supply and operational challenges that may negatively impact the Corporation's 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. The likelihood and magnitude of such impacts or the occurrence of any such disease outbreak are inherently difficult to predict and will depend on many factors beyond the Corporation's control and knowledge.

In particular, the COVID-19 pandemic has created significant volatility, uncertainty and economic disruption since it was declared a global pandemic in 2020. Although global economic recovery from the effects of the COVID-19 pandemic is progressing and the necessity for containment efforts implemented by international, federal, state and local public health and other governmental authorities to fight the spread of the disease have significantly diminished or, in most cases, been eliminated, the pandemic has caused and may continue to cause material disruptions to businesses and to equity and capital markets globally, and could continue to have an adverse impact on global economic conditions, which could materially adversely affect our business. Further, the possibility of new variants or mutations of the virus could cause governmental authorities or companies to strengthen or reintroduce emergency measures and restrictions which could lead to disruption in the future and materially adversely affect our business. The extent to which the COVID-19 pandemic impacts our future business, including our operations and the market for our securities, will depend on future developments, which are highly uncertain and cannot be predicted at this time.

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.

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 often allege professional errors and omissions or other incidents that may occur during project delivery.

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 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, 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. The Corporation has already made specific disclosures about investigations, allegations and findings of inappropriate conduct with respect to some of its activities, directors, officers and employees. 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, 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.

Increasing Requirements and Stakeholder Expectations Regarding Environmental, Social and Governance ("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 wellbeing 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 (also known as scope 3 emissions).

If the Corporation misses its stated ESG targets, or fails to manage, measure or report on its progress in relation to such ESG targets in a balanced manner, 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. In addition, 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. 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 which 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.

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.

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 wellbeing 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/Aboriginal 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.

Work Stoppage and Labour Disputes

As at December 31, 2022, employees predominantly in the Nordics, Brazil and Continental Europe, representing less than 11% of the Corporation's total employees and the vast majority of the Corporation's unionized employees, were covered by collective bargaining agreements. 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.

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. 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 the 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 significant losses and claims.

The failure of the Corporation to adequately and proportionately flow down its contractual liability 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.

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.

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, 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. 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 that could result in costly litigation and 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, 2022, the Corporation had $6.79 billion of goodwill, representing 46% of its total assets of $14.84 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 change that would more likely than not

reduce the fair value of a Cash Generating Unit ("CGU") below its book value, which would mean the value of the acquired assets has fallen below what the Corporation generally paid for them. 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 could 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.sedar.com. The Corporation's Annual Information Form for the year ended December 31, 2022 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, 2022, the Corporation had 124,453,717 common shares outstanding. As at March 7, 2023, the Corporation had 124,548,081 common shares outstanding.

The Corporation has no other shares outstanding.

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

Management has amended its definition of adjusted net earnings, effective January 1, 2022, to exclude impairment charges on long-lived assets and reversals thereof. The amendment was made in the context of on-going and planned reorganizations as part of our real estate strategy following recent and planned acquisitions in order to realize synergies and improve the cost structure of the combined business. The comparative period results did not require restatement to apply the current definition as no impairment of long-lived assets was recorded in 2021.

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 significant business combinations, in which the Corporation may incur significant 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 to be completed. 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.

Consolidated Financial Statements

WSP Global Inc.

For the year ended December 31, 2022

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, 2022 and 2021, 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, 2022 and 2021;
- the consolidated statements of comprehensive income for the years ended December 31, 2022 and 2021;
- the consolidated statements of financial position as at December 31, 2022 and 2021;
- the consolidated statements of changes in equity for the years ended December 31, 2022 and 2021;
- the consolidated statements of cash flows for the years ended December 31, 2022 and 2021; and
- the notes to the consolidated financial statements, which include significant accounting policies 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.

PricewaterhouseCoopers LLP
1250 René-Lévesque Boulevard West, Suite 2500, Montréal, Quebec, Canada H3B 4Y1
T: +1 514 205 5000, F: +1 514 876 1502

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

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, 2022. 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 – Summary of significant 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, 2022, approximately 77% of the Corporation's total revenues of $11,932.9 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, for certain segments, the effectiveness of controls over the determination of estimated costs. • Tested how management determined the estimated costs for a sample of contracts, which included the evaluation of the reasonableness of the costs to complete the project, 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 contract to the actual margin; and – Compared the costs incurred and the estimated costs to complete to the original 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 significant judgments made by management when developing the estimated costs required to complete the projects, which led to significant 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.	• Compared the original total estimated costs to the total costs incurred for contracts completed during the year.
Preliminary valuation of customer relationships acquired in the Environment & Infrastructure business of John Wood Group plc business combination *Refer to note 4 – Critical accounting estimates and judgments, note 5 – Business acquisitions to the consolidated financial statements* On September 21, 2022, the Corporation closed the acquisition of the Environment & Infrastructure business of John Wood Group plc for a total purchase consideration subject to final adjustments of $2.4 billion. The preliminary fair value of the identifiable assets acquired included $652.2 million in intangible assets of which a significant portion relate to customer relationships. Management uses key estimates and assumptions in measuring the fair value of the intangible assets acquired. Management applied the excess earnings method using discounted cash flow models (models) to value customer relationships acquired. Management's key estimates and assumptions in applying this methodology included forecasted revenue and margins attributable to the customer relationships (in excess of backlog), rates of attrition and discount rates. As of December 31, 2022, the assessment of the fair values of the intangible assets is preliminary.	Our approach to addressing the matter included the following procedures, among others: • Tested how management measured the preliminary fair value of the customer relationships, which included the following: – Read the purchase agreement. – Tested the underlying data used by management in the models. – Evaluated the reasonableness of key assumptions and estimates used by management related to forecasted revenue and margins attributable to the customer relationships (in excess of backlog) and rates of attrition, by considering the current performance of the acquired business, as well as economic and industry data. – Professionals with specialized skill and knowledge in the field of valuation assisted in evaluating the appropriateness of the valuation method and models used, as well as the reasonableness of certain key assumptions such as discount rates.

Key audit matter	How our audit addressed the key audit matter
We considered this a key audit matter due to the significant judgment applied by management in measuring the preliminary fair value of the customer relationships, including the development of key estimates and assumptions. This, in turn, led to a high degree of auditor judgment, subjectivity and effort in performing procedures and evaluating audit evidence relating to the key estimates and assumptions used by management. The audit effort involved the use of professionals with specialized skill and knowledge in the field of valuation.	

Other information

Management is responsible for the other information. The other information comprises the Management's Discussion and Analysis, which we obtained prior to the date of this auditor's report, and the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, which is expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information, and we do not and will 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 on the other information that we obtained prior to the date of this auditor's report, 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. When we read the information, other than the consolidated financial statements and our auditor's report thereon, included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

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 Michael Trudeau.

/s/PricewaterhouseCoopers LLP[1]

Montréal, Quebec
March 8, 2023

[1] CPA auditor, public accountancy permit No. A113048

WSP GLOBAL INC.
CONSOLIDATED STATEMENTS OF EARNINGS

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

	2022	2021
	$	$
Revenues (note 7)	**11,932.9**	**10,279.1**
Personnel costs (note 11)	6,679.9	5,851.2
Subconsultants and direct costs	2,975.7	2,409.5
Other operational costs	794.0	745.8
Depreciation of right-of-use assets (note 18)	288.5	265.8
Amortization of intangible assets (note 19)	173.4	139.1
Depreciation of property and equipment (note 20)	114.6	113.6
Impairment of long-lived assets (note 18 and 20)	21.6	—
Acquisition, integration and reorganization costs (note 10)	115.5	60.8
ERP implementation costs (note 10)	49.9	6.8
Exchange gain	(5.3)	(18.6)
Share of income of associates and joint ventures, net of tax	(24.0)	(19.5)
Earnings before net financing expense and income taxes	**749.1**	**724.6**
Net financing expense (note 12)	161.6	79.5
Earnings before income taxes	**587.5**	**645.1**
Income tax expense (note 13)	152.8	171.0
Net earnings	**434.7**	**474.1**
Net earnings attributable to:		
Shareholders of WSP Global Inc.	431.8	473.6
Non-controlling interests	2.9	0.5
	434.7	**474.1**
Basic net earnings per share attributable to shareholders	3.59	4.07
Diluted net earnings per share attributable to shareholders	3.58	4.05
Basic weighted average number of shares	120,400,365	116,479,695
Diluted weighted average number of shares	120,709,390	116,901,686

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in millions of Canadian dollars)

	2022	2021
	$	$
Net earnings	434.7	474.1
Other comprehensive income (loss)		
Items that may be reclassified subsequently to net earnings		
Currency translation adjustments	179.8	(124.9)
Translation adjustments on financial instruments designated as a net investment hedge	(130.5)	1.5
Gain on financial instruments designated as a cash flow hedge	37.0	—
Income tax (expense) recovery on items that may be reclassified subsequently to net earnings	(9.8)	2.3
Items that will not be reclassified to net earnings		
Actuarial gain (loss) on pension schemes	36.1	(4.3)
Exchange differences on pension schemes	(0.1)	1.8
Income tax recovery (expense) on pension schemes	(8.3)	2.4
Total comprehensive income for the year	**538.9**	**352.9**
Comprehensive income attributable to:		
Shareholders of WSP Global Inc.	536.0	352.4
Non-controlling interests	2.9	0.5
	538.9	**352.9**

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

WSP GLOBAL INC.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in millions of Canadian dollars)

As at December 31	2022	2021
Assets	**$**	**$**
Current assets		
Cash and cash equivalents (note 29)	495.6	927.4
Trade receivables and other receivables (note 15)	2,625.8	1,916.8
Cost and anticipated profits in excess of billings (note 16)	1,626.2	1,156.4
Prepaid expenses	138.9	169.6
Other financial assets (note 17)	108.2	141.7
Income taxes receivable	39.5	28.9
	5,034.2	4,340.8
Non-current assets		
Right-of-use assets (note 18)	978.9	861.5
Intangible assets (note 19)	1,102.6	549.9
Property and equipment (note 20)	398.9	363.6
Goodwill (note 21)	6,792.2	4,762.3
Deferred income tax assets (note 13)	351.3	165.1
Other assets (note 22)	183.6	207.2
	9,807.5	6,909.6
Total assets	**14,841.7**	**11,250.4**
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 23)	2,736.4	2,217.3
Billings in excess of costs and anticipated profits (note 16)	973.1	751.1
Income taxes payable	260.4	149.8
Provisions (note 24)	152.2	77.5
Dividends payable to shareholders (note 28)	46.7	44.2
Current portion of lease liabilities (note 18)	273.0	254.2
Current portion of long-term debt (note 25)	173.4	297.4
	4,615.2	3,791.5
Non-current liabilities		
Long-term debt (note 25)	2,781.1	1,479.3
Lease liabilities (note 18)	856.8	766.1
Provisions (note 24)	288.9	236.2
Retirement benefit obligations (note 9)	162.3	212.9
Deferred income tax liabilities (note 13)	128.3	99.2
	4,217.4	2,793.7
Total liabilities	**8,832.6**	**6,585.2**
Equity		
Equity attributable to shareholders of WSP Global Inc.	6,006.0	4,664.5
Non-controlling interests	3.1	0.7
Total equity	**6,009.1**	**4,665.2**
Total liabilities and equity	**14,841.7**	**11,250.4**

Approved by the Board of Directors

(signed) Alexandre L'Heureux Director (signed) Louis-Philippe Carrière Director

The accompanying notes are an integral part of these 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
Actuarial gain on pension schemes, net of tax	—	—	—	27.7	27.7	—	27.7
Currency translation adjustments, net of tax	—	—	—	176.0	176.0	—	176.0
Net investment hedge, net of tax	—	—	—	(126.7)	(126.7)	—	(126.7)
Cash flow hedge, net of tax	—	—	—	27.2	27.2	—	27.2
Total comprehensive income	**—**	**—**	**431.8**	**104.2**	**536.0**	**2.9**	**538.9**
Common shares issued via bought deal public offering (note 26)	445.9	—	—	—	445.9	—	445.9
Common shares issued via private placements (note 26)	446.1	—	—	—	446.1	—	446.1
Common shares issued under the DRIP (note 26)	89.2	—	—	—	89.2	—	89.2
Exercise of stock options (note 26)	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 paid 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.

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, 2021	**3,394.2**	**207.3**	**412.2**	**66.7**	**4,080.4**	**1.0**	**4,081.4**
Comprehensive income							
Net earnings	—	—	473.6	—	473.6	0.5	474.1
Actuarial loss on pension schemes, net of tax	—	—	—	(0.1)	(0.1)	—	(0.1)
Currency translation adjustments, net of tax	—	—	—	(123.3)	(123.3)	—	(123.3)
Net investment hedge, net of tax	—	—	—	2.2	2.2	—	2.2
Total comprehensive income	**—**	**—**	**473.6**	**(121.2)**	**352.4**	**0.5**	**352.9**
Common shares issued via public offerings and private placements (note 26)	300.6	—	—	—	300.6	—	300.6
Common shares issued under the DRIP (note 26)	92.6	—	—	—	92.6	—	92.6
Exercise of stock options (note 26)	13.8	(2.5)	—	—	11.3	—	11.3
Stock-based compensation expense	—	3.5	—	—	3.5	—	3.5
Declared dividends to shareholders of WSP Global Inc.	—	—	(174.9)	—	(174.9)	—	(174.9)
Dividends to non-controlling interests	—	—	—	—	—	(0.8)	(0.8)
Purchase of non-controlling interests	—	—	(1.4)	—	(1.4)	—	(1.4)
	407.0	**1.0**	**(176.3)**	**—**	**231.7**	**(0.8)**	**230.9**
Balance - December 31, 2021	**3,801.2**	**208.3**	**709.5**	**(54.5)**	**4,664.5**	**0.7**	**4,665.2**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

(in millions of Canadian dollars)

	2022	2021
	$	$
Operating activities		
Net earnings	434.7	474.1
Adjustments (note 29)	535.6	436.6
Net financing expense (note 12)	161.6	79.5
Income tax expense (note 13)	152.8	171.0
Income taxes paid	(185.2)	(134.0)
Change in non-cash working capital items (note 29)	(284.7)	32.9
Cash inflows from operating activities	**814.8**	**1,060.1**
Financing activities		
Issuance of long-term debt related to business acquisitions (note 13)	2,309.3	1,200.7
Repayment of long-term debt following business acquisitions (note 13)	(1,025.8)	(262.7)
Net repayment of other long-term debt	(235.2)	(523.9)
Issuance of common shares, net of issuance costs (note 26)	883.5	308.5
Lease payments (note 18)	(341.3)	(303.2)
Dividends paid to shareholders of WSP Global Inc.	(90.1)	(80.6)
Net financing expenses paid, excluding interest on lease liabilities	(79.2)	(47.8)
Issuance of senior unsecured notes (note 25)	—	500.0
Dividends paid to non-controlling interests	(0.5)	(0.8)
Cash inflows from financing activities	**1,420.7**	**790.2**
Investing activities		
Net disbursements related to business acquisitions (note 5)	(2,556.7)	(1,244.9)
Additions to property and equipment, excluding business acquisitions	(130.9)	(100.7)
Additions to identifiable intangible assets, excluding business acquisitions	(35.6)	(20.5)
Dividends received from associates	22.0	14.4
Net cash received on a loan to an associate	1.2	0.3
Proceeds from sale of investment in an associate	1.2	4.6
Decrease (increase) in investments in securities	11.5	(7.1)
Net proceeds from disposal of businesses	2.6	—
Proceeds from disposal of property and equipment	2.0	10.4
Repurchase of non-controlling interest	—	(1.4)
Cash outflows from investing activities	**(2,682.7)**	**(1,344.9)**
Effect of exchange rate change on cash and cash equivalents	11.9	(13.8)
Change in net cash and cash equivalents	**(435.3)**	**491.6**
Cash and cash equivalents, net of bank overdraft - beginning of the year	926.3	434.7
Cash and cash equivalents, net of bank overdraft - end of the year (note 29)	**491.0**	**926.3**

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	F-15
2	SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES	F-15
3	ACCOUNTING POLICY DEVELOPMENTS	F-26
4	CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS	F-27
5	BUSINESS ACQUISITIONS	F-29
6	OPERATING SEGMENTS	F-35
7	REVENUES	F-37
8	LONG-TERM INCENTIVE PLANS ("LTIPS")	F-38
9	PENSIONS SCHEMES	F-40
10	ACQUISITION, INTEGRATION AND REORGANIZATION COSTS AND ERP IMPLEMENTATION COSTS	F-43
11	GOVERNMENT GRANTS	F-44
12	NET FINANCING EXPENSE	F-44
13	INCOME TAXES	F-45
14	FINANCIAL INSTRUMENTS	F-48
15	TRADE AND OTHER RECEIVABLES	F-51
16	CONTRACT BALANCES	F-52
17	OTHER FINANCIAL ASSETS	F-53
18	RIGHT-OF-USE ASSETS AND LEASE LIABILITIES	F-54
19	INTANGIBLE ASSETS	F-55
20	PROPERTY AND EQUIPMENT	F-56
21	GOODWILL	F-57
22	OTHER ASSETS	F-59
23	ACCOUNTS PAYABLE AND ACCRUED LIABILITIES	F-60
24	PROVISIONS	F-60
25	LONG-TERM DEBT	F-61
26	SHARE CAPITAL	F-62
27	CAPITAL MANAGEMENT	F-63
28	DIVIDENDS	F-64
29	STATEMENTS OF CASH FLOWS	F-65
30	RELATED PARTY TRANSACTIONS	F-66
31	CONTINGENT LIABILITIES	F-67
32	SUBSEQUENT EVENTS	F-67

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 ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These financial statements were prepared on a going concern basis, on a historical cost basis, except for certain financial assets and liabilities (including investments in securities and derivative instruments), liabilities for share unit plans, and contingent consideration, which are measured at fair value, and defined benefit liabilities, which are measured as the net total of the present value of the defined benefit obligations minus the fair value of plan assets.

These financial statements were approved by the Corporation's Board of Directors on March 8, 2023.

2 SUMMARY OF SIGNIFICANT 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.

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

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.

2022		2021	
Entity	**Country of incorporation**	**Entity**	**Country of incorporation**
WSP USA Inc.	US	WSP USA Inc.	US
WSP Canada Inc.	Canada	WSP Canada Inc.	Canada
WSP UK Ltd	UK	WSP UK Ltd	UK
WSP Australia Pty Ltd	Australia	WSP Australia Pty Ltd	Australia
WSP Sverige AB	Sweden	WSP Sverige AB	Sweden
Golder Associates Ltd	Canada	Golder Associates Ltd	Canada
WSP New Zealand Ltd	New Zealand	WSP New Zealand Ltd	New Zealand
Golder Associates USA Inc	US	WSP USA Solutions Inc.	US

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 (USA 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 significant. 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.

PERSONNEL COSTS

Personnel costs include various payroll costs relating to the delivery of consulting services and projects and administrative salaries, such as finance, information technologies, human resources and communications.

SUBCONSULTANTS AND DIRECT COSTS

Subconsultants and direct costs include subconsultant costs and other direct costs incurred to deliver consulting services and that are recoverable directly from clients.

OTHER OPERATIONAL COSTS

Other operational costs include but are not limited to fixed costs, such as non-recoverable client services costs, technology costs, professional services costs and insurance.

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 has a long-term project to design and implement 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.

DEFERRED FINANCING FEES

Deferred financing fees are capitalized and amortized over the expected life of the credit facility agreement.

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.

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

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.

INVESTMENTS IN SECURITIES

Investments in securities are accounted for at fair value with unrealized gains or losses recognized in net earnings. Investments in securities are included in other financial assets.

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	1 to 9 years
Customer relationships	2 to 14 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, cash-settled performance share units (“PSUs”), cash-settled deferred share units ("DSUs") and cash-settled restricted share units ("RSUs") have been and can be issued. Stock options, PSUs and 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) 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.

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.

GOVERNMENT GRANTS AND INVESTMENT TAX CREDITS (ITCs)

Government grants and ITCs are recognized where there is reasonable assurance that the grant or ITCs will be received and all attached conditions will be complied with.

Government grants intended to compensate an expense item are recognized in net earnings on a systematic basis over the periods that the related costs are expensed.

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.

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 2022

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

ONEROUS CONTRACTS – COST OF FULFILLING A CONTRACT

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

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

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

In January 2020, IASB issued a narrow-scope amendment to *IAS 1 - Presentation of Financial Statements*, which clarifies that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period. Classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability or events after the reporting date. The amendment also clarifies what *IAS 1* means when it refers to the 'settlement' of a liability. The amendment is effective for the Corporation's annual reporting period beginning on January 1, 2024, with earlier application permitted. The Corporation is assessing the potential impact of this amendment.

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 will 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 amendments are effective for the Corporation's annual reporting period beginning on January 1, 2023, with earlier application permitted. The Corporation has concluded its current accounting policies and disclosures are in line with the amended standards and therefore these amendments will have no impact on its consolidated financial statements.

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 amendments are effective for the Corporation's annual reporting period beginning on January 1, 2023, 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, represented $7,848.1 million of total assets on the consolidated statement of financial position as at December 31, 2022 ($5,241.2 million as at December 31, 2021). These assets arise out of business combinations and the Corporation applies the acquisition method of accounting to these transactions. Management uses significant 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. Significant estimates include expected cash flows, economic risk and weighted average cost of capital.

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 significant 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.

GOVERNMENT ASSISTANCE AND 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.

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") for aggregate cash consideration of US$1.8 billion, subject to final adjustments ($2.4 billion) (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.

The E&I Acquisition and other related transaction costs were funded by a new fully committed US$1.8-billion term credit facility with various tenors of up to 5 years in length, as described in note 25, Long-term debt.

As at December 31, 2022, the Corporation has not yet completed its fair value assessment of all the assets acquired and the liabilities assumed. The most significant aspects remaining to be finalized relate to the valuation of right-of-use assets and lease liabilities, trade receivables, contract assets and liabilities, and intangible assets. Consequently, certain fair value adjustments related to the E&I Acquisition are included in goodwill in the preliminary fair value assessment, and may affect the final valuation of any assets acquired and liabilities assumed.

The table below presents Management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed. The final determination of the fair values will be made within 12 months of the acquisition date. Accordingly, the following values are subject to change and such changes may be material.

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

	Preliminary
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**
Assets	
Cash	22.2
Trade receivables and other receivables	255.4
Cost and anticipated profits in excess of billings (note 16)	125.7
Prepaid expenses	1.3
Right-of-use assets (note 18)	72.8
Property and equipment (note 20)	16.1
Software (note 19)	1.1
Intangible assets (note 19)	652.2
Income taxes receivable	0.3
Deferred income tax assets (note 13)	18.8
Liabilities	
Accounts payable and accrued liabilities	(173.6)
Billings in excess of costs and anticipated profits (note 16)	(70.7)
Income taxes payable	(10.5)
Lease liabilities (note 18)	(82.9)
Provisions (note 24)	(169.6)
Retirement benefit obligations (note 9)	(3.5)
Deferred income tax liabilities (note 13)	(20.0)
Fair value of identifiable assets and liabilities assumed	**635.1**
Goodwill (note 21)	1,789.9
Total purchase consideration	**2,425.0**
Cash acquired	(22.2)
Consideration payable	(5.4)
Net cash disbursements	**2,397.4**

Preliminary 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, 2022 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 preliminary fair value of $197.6 million and gross contractual amount of $225.7 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.

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

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, subject to final adjustments ($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.

	Preliminary
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**
Assets	
Cash	18.0
Trade receivables and other receivables	29.1
Cost and anticipated profits in excess of billings (note 16)	4.9
Prepaid expenses	15.2
Right-of-use assets (note 18)	4.3
Property and equipment (note 20)	3.6
Software (note 19)	0.7
Intangible assets (note 19)	21.3
Deferred income tax assets (note 13)	0.8
Other financial assets	
Liabilities	
Accounts payable and accrued liabilities	(26.1)
Billings in excess of costs and anticipated profits (note 16)	(1.1)
Income taxes payable	(1.3)
Lease liabilities (note 18)	(4.3)
Long-term debt (note 29)	(1.1)
Provisions (note 24)	(0.6)
Deferred income tax liabilities (note 13)	(4.9)
Fair value of identifiable assets and liabilities assumed	**58.5**
Goodwill (note 21)	95.5
Total purchase consideration	**154.0**
Cash acquired	(18.0)
Consideration payable	(11.5)
Net cash disbursements	**124.5**

Goodwill is attributable to the workforce of the acquired businesses and the synergies expected to arise with the Corporation after the acquisitions. Approximately $23 million of the goodwill recognized as at December 31, 2022 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value of $29.1 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.

2021 TRANSACTIONS

GOLDER ASSOCIATES

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

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

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

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

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

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

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**	**$**	**$**
Assets			
Cash and cash equivalents	115.4	—	115.4
Trade receivables and other receivables	220.1	—	220.1
Income taxes receivable	5.9	—	5.9
Cost and anticipated profits in excess of billings	122.8	(10.5)	112.3
Prepaid expenses	13.2	—	13.2
Right-of-use assets	160.3	57.7	218.0
Property and equipment (note 20)	70.3	—	70.3
Software (note 19)	3.0	—	3.0
Intangible assets (note 19)	357.6	—	357.6
Deferred income tax assets (note 13)	2.0	(0.3)	1.7
Other financial and non-financial assets	4.5	—	4.5
Liabilities			
Accounts payable and accrued liabilities	(220.4)	0.8	(219.6)
Billings in excess of costs and anticipated profits	(52.9)	—	(52.9)
Lease liabilities	(202.9)	(53.9)	(256.8)
Long-term debt	(240.9)	—	(240.9)
Provisions (note 24)	(45.7)	5.0	(40.7)
Income taxes payable	(10.4)	(2.0)	(12.4)
Deferred income tax liabilities (note 13)	(61.2)	1.2	(60.0)
Fair value of identifiable assets and liabilities assumed	**240.7**	**(2.0)**	**238.7**
Goodwill (note 21)	1,010.8	2.0	1,012.8
Total purchase consideration	**1,251.5**	**—**	**1,251.5**
Repayment of long-term debt	235.0	—	235.0
	1,486.5	—	1,486.5
Cash and cash equivalents acquired	(115.4)	—	(115.4)
Net cash disbursements	**1,371.1**	**—**	**1,371.1**

Goodwill is attributable to the workforce of the acquired business and the synergies expected to arise with the Corporation after the acquisition. None of the goodwill recognized as at December 31, 2022 is expected to be deductible for income tax purposes.

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

The acquired business contributed revenues of $1,169.4 million and net earnings of $50.9 million from April 7, 2021 to December 31, 2021.

OTHER 2021 TRANSACTIONS

In 2021, the Corporation concluded several other individually immaterial acquisitions. In January 2021, WSP acquired tk1sc, a 240-employee mechanical, electrical and plumbing engineering firm based in California, US. In February 2021, WSP acquired Earth Consulting Group, Inc., a 90-employee US-based environmental and engineering consulting firm. In April 2021, WSP acquired b+p baurealisation, a 100-employee engineering and consulting firm based in Zurich, Switzerland. In June 2021, WSP

acquired Knight Partners, LLC, a 150-employee engineering and consulting firm based in Chicago, US. In October 2021, WSP acquired Englekirk Structural Engineers, a 90-employee consulting firm based in California, US. These acquisitions were financed using WSP's available cash and credit facilities.

The table below presents Management's preliminary assessment of the fair values of the assets acquired and the liabilities assumed as at December 31, 2021, any adjustments recognized during the subsequent measurement periods and the final determinations of the fair values as at December 31, 2022.

The final determination of the fair values required some adjustments to the preliminary assessments as shown below. The Corporation has not restated the consolidated statement of financial position as at December 31, 2021 as the adjustments were deemed not material. The Corporation also determined that the net impact on the net earnings as a result of these adjustments was not material for the year ended December 31, 2021, and as such, they were accounted for in the consolidated statement of earnings for the year ended December 31, 2022.

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

	Preliminary	Adjustments	Final
Recognized amounts of identifiable assets acquired and liabilities assumed	**$**	**$**	**$**
Assets			
Cash	9.3	—	9.3
Trade receivables and other receivables	46.4	(1.9)	44.5
Costs and anticipated profits in excess of billings	3.3	3.8	7.1
Prepaid expenses	—	—	—
Right-of-use assets (note 18)	15.9	8.4	24.3
Property and equipment and intangible assets	4.5	—	4.5
Software	0.6	—	0.6
Deferred income tax assets	1.3	—	1.3
Other financial assets	3.7	—	3.7
Liabilities			
Accounts payable and accrued liabilities	(35.6)	3.2	(32.4)
Billings in excess of costs and anticipated profits	(1.3)	(1.2)	(2.5)
Lease liabilities (note 18)	(18.3)	(8.4)	(26.7)
Long-term debt	(6.3)	—	(6.3)
Provisions	(4.8)	(3.2)	(8.0)
Other current and non-current liabilities	—		—
Deferred income tax liabilities	(1.9)	(1.1)	(3.0)
Fair value of identifiable assets and liabilities assumed	**16.8**	**(0.4)**	**16.4**
Goodwill	124.9	2.8	127.7
Total purchase consideration	**141.7**	**2.4**	**144.1**
Cash acquired	(9.3)	—	(9.3)
Consideration payable	(34.2)	9.7	(24.5)
Net cash disbursements	**98.2**	**12.1**	**110.3**

Goodwill is attributable to the workforce of the acquired businesses and the synergies expected to arise with the Corporation after the acquisitions. $56.6 million of the goodwill recognized as at December 31, 2022 is expected to be deductible for income tax purposes.

The trade receivables acquired had a fair value of $42.9 million and gross contractual amount of $48.7 million.

The acquired businesses contributed revenues of $188.1 million and net earnings of $31.7 million from their respective acquisition dates to December 31, 2021.

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 (USA 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 USA 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 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:

					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

					2021
	Canada	Americas	EMEIA	APAC	Total
	$	$	$	$	$
Revenues	1,690.3	3,955.7	3,070.2	1,562.9	10,279.1
Less: Subconsultants and direct costs	(385.8)	(1,246.5)	(541.8)	(235.4)	(2,409.5)
Net revenues	1,304.5	2,709.2	2,528.4	1,327.5	7,869.6
Adjusted EBITDA by segment	272.0	533.1	370.3	246.3	1,421.7
Head office corporate costs					(99.2)
Depreciation and amortization					(518.5)
Acquisition, integration and reorganization costs					(60.8)
ERP implementation costs					(6.8)
Net financing expenses, excluding interest income					(81.9)
Share of depreciation, financing expenses and taxes of associates and joint ventures					(9.4)
Earnings before income taxes					645.1

(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:

	2022	2021
	$	$
US	4,503.1	3,697.2
Canada	2,151.2	1,690.3
UK	1,299.6	1,165.6
Australia	970.1	820.7
Sweden	660.8	733.0
Other	2,348.1	2,172.3
	11,932.9	10,279.1

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

	2022	2021
	$	$
US	4,610.7	2,526.9
Canada	2,306.1	1,866.2
UK	653.8	529.0
Other	1,702.0	1,615.2
	9,272.6	6,537.3

7 REVENUES

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

					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

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

					2021
	Canada	Americas	EMEIA	APAC	Total
Market sector	$	$	$	$	$
Transportation & Infrastructure	540.4	2,185.8	1,440.2	723.5	4,889.9
Earth & Environment[1]	780.0	1,224.0	390.2	339.4	2,733.6
Property & Buildings	294.1	419.3	982.2	444.7	2,140.3
Power & Energy	55.6	117.0	184.0	48.9	405.5
Industry	20.2	9.6	73.6	6.4	109.8
	1,690.3	3,955.7	3,070.2	1,562.9	10,279.1
Client category					
Public sector	587.8	2,537.0	1,696.8	851.5	5,673.1
Private sector	1,102.5	1,418.7	1,373.4	711.4	4,606.0
	1,690.3	3,955.7	3,070.2	1,562.9	10,279.1

(1) As at January 1, 2022, the Resources market sector was combined with the Earth & Environment market sector. The disaggregated revenues for the year ended December 31, 2021 have been restated to align to the new presentation.

In 2022, 77% of the revenues were generated from cost-plus contracts with ceilings and fixed-price contracts and 23% from cost-plus contracts without stated ceilings (72% and 28%, respectively, in 2021).

8 LONG-TERM INCENTIVE PLANS ("LTIPs")

The Corporation maintains a long-term incentive plan for certain employees under which stock options can be issued. The Corporations also maintains long-term incentive plans for certain employees under which cash-settled performance share units (“PSUs”), cash-settled deferred share units ("DSUs") and cash-settled restricted share units ("RSUs") can be issued.

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.

	2022	2021
Number of stock options exercised during the year ended December 31	22,295	217,774
Exercise price range of stock options exercised during the year ended December 31	$41.69 to $121.18	$35.12 to $121.18
Stock options outstanding as at December 31	706,602	614,972
Vested stock options outstanding as at December 31	572,511	349,230
Exercise price range of stock options outstanding as at December 31	$41.69 to $180.65	$41.69 to $134.28

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, 2022 and 2021, the following table illustrates the inputs used in the measurement of the grant date fair values of the stock options:

	2022	2021
Expected stock price volatility	22%	22%
Dividend	0.80%	1.17%-1.24%
Risk-free interest rate	1.85%	0.95%-1.5%
Expected option life	5.7	6.2
Fair value – weighted average of options issued	$41.43	$23.62

During the year ended December 31, 2022, the Corporation recorded stock-based compensation expense of $4.5 million ($3.5 million in 2021) in personnel costs.

PSUs, RSUs and DSUs

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.

The compensation expense and corresponding liability for these 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 and 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 an expense of $39.1 million during 2022 ($97.1 million in 2021) related to the PSUs, RSUs and DSUs in personnel costs. As at December 31, 2022, there were 748,344 PSUs, RSUs and DSUs outstanding and the cumulative obligation liability stood at $119.9 million (810,230 and $145.1 million, respectively, as at December 31, 2021). The intrinsic value of the liability for all share unit plans for which the participants' right to cash had vested as at December 31, 2022 was $83.9 million ($97.7 million as at December 31, 2021).

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 2022, the mark-to-market loss recorded in net earnings amounted to $20.6 million ($41.6 million gain in 2021). As at December 31, 2022, the Corporation had derivatives outstanding for 780,000 of its common shares (710,000 as at December 31, 2021).

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

9 PENSIONS SCHEMES

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

	2022	2021
	$	$
Current service cost of defined benefit pension schemes	2.4	9.0
Employer contributions to defined benefit pension schemes	13.6	12.8
Employer contributions to defined contribution pension schemes	161.2	155.0
	177.2	176.8

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 six separate 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 17, 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.

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.

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.

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

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:

	2022	2021
UK		
Rate of increase in pension payments	1.90% to 3.50%	2.15% to 3.30%
Discount rate	5.00 %	1.80 %
Inflation assumption	2.80% to 3.15%	3.05% to 3.45%
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.9	87.9
– Women	90.2	90.1
Sweden		
Discount rate	4.00 %	1.90 %
Inflation assumption	1.90 %	2.25 %
Life expectancy at age 65 (for member currently aged 65)		
– Men	87.0	87.0
– Women	89.0	89.0
US		
Discount rate	4.95% to 5.10%	1.45% to 2.15%

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

	2022		2021	
	$	%	$	%
Equities	14.9	8	66.5	25
Bonds	30.7	17	48.3	18
Liability-driven investments	48.8	26	85.9	33
Other	90.3	49	64.5	24

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

	2022	2021
	$	$
Fair value of plan assets (UK)	184.7	265.2
Present value of funded obligations (UK)	(183.0)	(277.4)
Deficit (UK)	1.7	(12.2)
Present value of unfunded obligations (Sweden)	(32.0)	(53.6)
Present value of unfunded obligations (US)	(132.0)	(147.1)
Pension liability	(162.3)	(212.9)

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

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

	2022	2021
	$	$
Current service cost	2.4	9.0
Past service cost	(1.0)	—
Total service costs	1.4	9.0
Interest expense	8.3	6.4
Expected return on plan assets	(4.8)	(4.0)
Net financing expense on pension liabilities	3.5	2.4

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

	2022	2021
	$	$
Present value of obligation – beginning balance	478.1	494.1
Present value of obligation – acquisitions	3.5	—
Current service cost	2.4	9.0
Past service cost	(1.0)	—
Contributions from scheme members	0.1	0.1
Benefits paid	(25.3)	(24.5)
Interest expenses	8.3	6.4
Actuarial losses - changes in assumptions	(129.8)	4.2
Actuarial losses - changes in experience adjustments	4.2	0.4
Exchange differences	6.5	(11.6)
Present value of obligation – ending balance	347.0	478.1

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

	2022	2021
	$	$
Fair value of plan assets – beginning balance	265.2	261.7
Expected return on plan assets	4.8	4.0
Contributions from scheme members	0.1	0.1
Contributions from employer	13.6	12.8
Benefits paid	(11.1)	(9.2)
Actuarial gain (experience)	(89.5)	0.3
Exchange differences	1.6	(4.5)
Fair value of plan assets – ending balance	184.7	265.2

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

Net retirement obligations deficit summary, as at December 31:

	2022	2021
	$	$
Fair value of scheme assets	184.7	265.2
Present value of scheme liabilities	(347.0)	(478.1)
Deficit	(162.3)	(212.9)

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, 2022 to changes in principal assumptions is shown below:

Assumption	Change in basis points / years	Increase in pension deficit
		$
Discount rate	- 10 bps	3.4
Inflation rate[1]	+ 10 bps	1.2
Mortality[1]	+ 1 year	6.9

[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, 2023, pertaining to the Corporation's defined benefit pension schemes in the UK, are expected to be approximately $8.4 million.

10 ACQUISITION, INTEGRATION AND REORGANIZATION COSTS AND ERP IMPLEMENTATION COSTS

Acquisition, integration and reorganization costs consist of the following for the years ended December 31:

	2022	2021
	$	$
Business acquisition costs	39.8	11.8
Business integration costs	70.9	33.9
Restructuring and severance costs stemming from adjustments to cost structures	6.0	20.9
Gains on disposal of non-core assets	(1.2)	(5.8)
	115.5	60.8

Included in acquisition, integration and reorganization costs in 2022 are employee benefit costs of $16.2 million ($20.3 million in 2021). Other than employee benefit costs, costs relate mainly to legal and professional fees and early contract termination costs.

Included in ERP implementation costs in 2022 are employee benefit costs of $13.8 million ($1.1 million in 2021). Other than employee benefit costs, costs relate mainly to professional fees.

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

11 GOVERNMENT GRANTS

In 2022, the Corporation recorded $6.8 million of government subsidies, recognized in personnel costs ($14.4 million in 2021). There are no unfulfilled conditions or contingencies attached to these grants as at December 31, 2022.

12 NET FINANCING EXPENSE

	2022	2021
	$	$
Interest expense related to credit facilities and senior unsecured notes	68.4	32.7
Interest expense on lease liabilities	37.4	40.6
Net financing expense on pension obligations	3.5	2.4
Exchange loss on assets and liabilities denominated in foreign currencies	2.3	5.2
Unrealized losses on derivative financial instruments	20.1	7.7
Other interest and bank charges	13.6	7.3
Loss (gain) on investments in securities	22.1	(14.0)
Interest income	(5.8)	(2.4)
	161.6	79.5

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

13 INCOME TAXES

The components of the income tax expense for the years ended December 31, 2022 and 2021 were as follows:

	2022	2021
	$	$
Current income tax expense		
Current income tax expense on earnings for the year	313.8	193.9
Adjustments in respect of prior years	(2.5)	12.4
	311.3	206.3
Deferred income tax recovery		
Origination and reversal of temporary differences	(161.1)	(28.7)
Impact of changes in substantively enacted income tax rates	(2.0)	0.1
Adjustments in respect of prior years	4.6	(6.7)
	(158.5)	(35.3)
Income tax expense	152.8	171.0

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 2022 and in 2021 and the actual effective income tax rate is as follows for the years ended December 31:

	2022		2021	
	$	%	$	%
Earnings before income taxes	587.5		645.1	
Income tax expense at the combined Canadian federal and provincial statutory income tax rate	155.7	26.5 %	171.0	26.5 %
Changes resulting from:				
Foreign income tax rate differences	(17.2)	(2.9)%	(16.5)	(2.5)%
Non-deductible expenses, net of non-taxable income	6.3	1.1 %	2.6	0.4 %
Net unrecognized income tax benefits	7.7	1.3 %	8.0	1.2 %
Adjustments in respect of prior years	2.1	0.4 %	5.7	0.9 %
Effect of change in income tax rates	(2.0)	(0.4)%	0.1	— %
Other items	0.2	— %	0.1	— %
	152.8	26.0 %	171.0	26.5 %

In 2022 and 2021, 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)

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

							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 and goodwill	(126.3)	30.1	—	—	(44.7)	(4.0)	(144.9)
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**

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

							2021
	As at January 1	Credited (charged) to statement of earnings	Credited 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	171.2	25.0	—	—	27.6	(4.5)	219.3
Tax loss carry forwards	30.0	(7.3)	—	—	2.7	(1.2)	24.2
Pension schemes	46.8	(2.8)	2.4	—	—	(1.1)	45.3
Deferred issuance-related costs	5.4	(1.4)	—	3.4	—	—	7.4
Property and equipment	19.9	(1.1)	—	—	1.5	(0.4)	19.9
Leases	9.6	1.4	—	—	11.5	(0.2)	22.3
Other temporary differences	27.0	(0.8)	0.7	—	3.5	(0.1)	30.3
	309.9	13.0	3.1	3.4	46.8	(7.5)	368.7
Deferred income tax liabilities							
Costs and anticipated profits in excess of billings	(105.4)	5.6	—	—	(1.5)	7.8	(93.5)
Holdbacks	(9.6)	(4.3)	—	—	(5.1)	—	(19.0)
Property and equipment	(17.3)	9.7	—	—	(7.7)	0.1	(15.2)
Intangible assets and goodwill	(50.8)	12.5	—	—	(89.2)	1.2	(126.3)
Other temporary differences	(48.0)	(1.2)	1.6	—	(1.9)	0.7	(48.8)
	(231.1)	22.3	1.6	—	(105.4)	9.8	(302.8)
	78.8	**35.3**	**4.7**	**3.4**	**(58.6)**	**2.3**	**65.9**

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

	2022	2021
	$	$
Deferred income tax assets	351.3	165.1
Deferred income tax liabilities	(128.3)	(99.2)
	223.0	65.9

As at December 31, 2022, the Corporation had recognized deferred income tax assets of $22.9 million ($24.2 million as at December 31, 2021) 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, 2022, the Corporation had $159.3 million ($143.4 million as at December 31, 2021) of unrecognized deferred income tax assets. Of these, a portion relates to tax loss carry forwards of $367.2 million, of which $49.5 million expire between 2023 and 2039 and the remainder of which having no expiry ($324.1 million and $52.1 million, respectively,

as at December 31, 2021) and a portion relates to gross temporary differences with no expiry of $60.7 million ($65.2 million as at December 31, 2021). Additionally, $45.3 million of unrecognized deferred income tax assets relate to tax credits that expire between 2023 and 2032 ($40.4 million as at December 31, 2021). The Corporation considers the recovery of those unrecognized deferred income tax assets as not probable.

As at December 31, 2022, a deferred income tax liability relating to $851.0 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 ($685.6 million as at December 31, 2021). Upon distribution of these earnings in the form of dividends or otherwise, the Corporation may be subject to corporate or withholding income taxes.

14 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, 2022, the fair value of the senior unsecured notes, which is based on unadjusted quote prices (Level 1), was $439.5 million ($498.5 million as at December 31, 2021).

As at December 31, 2022 and 2021, 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, 2022 and 2021.

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 $4,855.0 million as at December 31, 2022 ($4,136.2 million as at December 31, 2021).

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, 2022, the Corporation recognized a net recovery of $9.3 million of previously recognized allowance for expected credit loss (net credit losses of $20.4 million in 2021).

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, Swedish krona, Australian dollars, euros, New Zealand dollars, 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 entered 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, 2022, the net fair market value loss of these forward contracts and options amounted to $17.4 million, and a loss of $13.5 million was recorded in net earnings in 2022. The largest hedged currency outstanding as at December 31, 2022 represents a nominal amount of $688.6 million US dollars.

The Corporation also entered into interest rate swaps for a nominal amount of $325.0 million US dollars to hedge the variability in interest rates of its US-dollar denominated debt. The fair market value gain of these interest rate swap agreements as at December 31, 2022 amounted to $23.6 million and the change in fair value was recorded in other comprehensive income.

The Corporation entered into cross-currency interest rate swaps for a nominal amount of $500.0 million Canadian dollars to hedge the variability in the USD/CAD currency risk of the Corporation's net investment in foreign entities having the USD as their functional currency. The fair market value loss of these cross-currency interest rate swaps agreements as at December 31, 2022 amounted to $26.9 million and the change in fair value was recorded in other comprehensive income.

The Corporation enters into derivative financial instruments with Canadian financial institutions to limit the Corporation's exposure to the variability of cash-settled long-term incentive plan ("LTIP") share unit compensation plans caused by fluctuations in its common share price. The value of the derivative financial instruments fluctuates in accordance with the movement of the Corporation's common share price and are classified as fair value through profit or loss. As such, they are measured at fair value on the consolidated statement of financial position and the mark-to-market gain or loss pertaining to

derivative financial instruments is recorded in personnel costs and financing expense as an offset of the revalutation of the LTIP liability. As at December 31, 2022, the Corporation had hedges outstanding for 780,000 of its common shares, with total fair value loss of $6.9 million (for 710,000 shares, with a gain of $41.2 million as at December 31, 2021). In 2022, mark-to-market variations on LTIP hedging instruments recorded in net earnings were a loss of $20.6 million (a gain of $41.6 million in 2021).

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:

				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

				2021
	US Dollar	Pound sterling	Australian Dollar	Swedish krona
	$	$	$	$
Net earnings	16.6	6.5	3.6	2.4
Other comprehensive income	247.4	34.5	40.8	20.0

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.

A 100-base point change in interest rates would not have a material impact on the Corporation's net earnings.

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 25, Long-term debt.

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

The tables below presents the contractual maturities of financial liabilities as at December 31, 2022 and 2021. The amounts disclosed are contractual undiscounted cash flows.

					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

					2021
	Carrying amount	Contractual cash flows	Less than a year	Between 1 and 2 years	More than 2 years
	$	$	$	$	$
Accounts payable and accrued liabilities	2,217.3	2,217.3	2,217.3	—	—
Dividends payable to shareholders	44.2	44.2	44.2	—	—
Lease liabilities	1,020.3	1,249.9	294.1	237.5	718.3
Long-term debt	1,776.7	1,853.3	326.2	180.1	1,347.0
	5,058.5	5,364.7	2,881.8	417.6	2,065.3

As at December 31, 2022, the Corporation had amounts available under the credit facility of $1,857.4 million ($1,442.9 million in 2021), net of outstanding letters of credit of $141.8 million ($75.7 million in 2021). The Corporation's cash and cash equivalents, net of bank overdraft, as at December 31, 2022 was $491.0 million ($926.3 million in 2021).

15 TRADE AND OTHER RECEIVABLES

As at December 31	2022	2021
	$	$
Net trade receivables	2,232.6	1,615.2
Other receivables	351.7	250.2
Derivative financial instruments	33.3	46.1
Amounts due from joint ventures and associates	8.2	5.3
	2,625.8	1,916.8

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

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	2022	2021
	$	$
Current	847.7	629.9
Past due 0-30 days	732.0	454.0
Past due 31-60 days	286.4	227.4
Past due 61-90 days	122.0	106.1
Past due 91-180 days	168.9	109.2
Past due over 180 days	233.2	262.2
Trade receivables	2,390.2	1,788.8
Allowance for expected credit loss	(157.6)	(173.6)
Net trade receivables	2,232.6	1,615.2

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, 2022, the Corporation recognized a net recovery of $9.3 million of previously recognized allowance for expected credit loss (net credit losses of $20.4 million in 2021).

16 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:

	2022		2021	
	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	1,156.4	(751.1)	950.5	(708.5)
Increases due to cash received or amounts invoiced prior to rendering of services	—	(2,536.6)	—	(1,205.5)
Transfers to revenues once related services have been deemed rendered	—	2,409.0	—	1,197.8
Additions to contract assets through revenues recognition	9,523.9	—	9,081.3	—
Transfers from costs and anticipated profits in excess of billings to trade receivables	(9,224.2)	—	(8,973.4)	—
Changes due to business acquisitions and disposals (note 5)	123.9	(73.0)	124.5	(54.5)
Effect of exchange rate changes	46.2	(21.4)	(26.5)	19.6
Balance - As at December 31	1,626.2	(973.1)	1,156.4	(751.1)

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

In the year ended December 31, 2022, revenue recognized that was included in contract liability as at January 1, 2022 amounted to $738.7 million ($512.1 million in 2021). In the year ended December 31, 2022, revenue recognized from performance obligations satisfied or partially satisfied in previous years amounted to $22.4 million ($37.6 million in 2021).

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 $11.1 billion as of December 31, 2022 ($8.7 billion as at December 31, 2021). 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, 2022 will unwind over the following 12 months.

17 OTHER FINANCIAL ASSETS

As at December 31	2022	2021
	$	$
Investments in securities	107.4	135.6
Other	0.8	6.1
	108.2	141.7

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 $107.0 million ($123.9 million in 2021), 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).

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

18 RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

RIGHT-OF-USE ASSETS

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	830.4	31.1	861.5	831.4	62.9	894.3
Additions through business acquisitions and measurement period adjustments	125.7	17.5	143.2	176.2	7.9	184.1
Additions	144.0	12.9	156.9	55.7	16.9	72.6
Lease renewals, reassessments and modifications	95.5	(1.5)	94.0	30.3	(44.1)	(13.8)
Depreciation expense	(270.9)	(17.6)	(288.5)	(254.0)	(11.8)	(265.8)
Impairment	(17.1)	—	(17.1)	—	—	—
Utilization of lease inducement allowances	15.3	—	15.3	14.1	—	14.1
Exchange differences	12.8	0.8	13.6	(23.3)	(0.7)	(24.0)
Balance - End of year	935.7	43.2	978.9	830.4	31.1	861.5

In 2022, the Corporation recorded impairment charges against certain real estate right-of-use assets, in the context of on-going reorganizations as part of the real estate strategy following recent acquisitions in order to reduce the Corporation's footprint, realize synergies and improve the cost structure of the combined business.

LEASE LIABILITIES

	For the year ended December 31, 2022			For the year ended December 31, 2021		
	Real estate	Equipment	Total	Real estate	Equipment	Total
	$	$	$	$	$	$
Balance - Beginning of year	994.0	26.3	1,020.3	963.1	55.3	1,018.4
Additions through business acquisitions and measurement period adjustments	130.5	19.0	149.5	220.8	8.3	229.1
Additions	144.0	12.9	156.9	55.7	16.9	72.6
Lease renewals, reassessments and modifications	92.5	(2.3)	90.2	32.8	(41.8)	(9.0)
Interest expense on lease liabilities (note 12)	36.4	1.0	37.4	39.7	0.9	40.6
Payments	(323.5)	(17.8)	(341.3)	(290.3)	(12.9)	(303.2)
Exchange differences	16.0	0.8	16.8	(27.8)	(0.4)	(28.2)
Balance - End of year	1,089.9	39.9	1,129.8	994.0	26.3	1,020.3
Current portion of lease liabilities	255.3	17.7	273.0	241.3	12.9	254.2
Non-current portion of lease liabilities	834.6	22.2	856.8	752.7	13.4	766.1

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

19 INTANGIBLE ASSETS

	Software	Contract backlogs	Customer relation-ships	Trade names	Total
	$	$	$	$	$
Balance as at January 1, 2021					
Cost	192.7	129.4	255.7	49.7	627.5
Accumulated amortization	(124.6)	(101.7)	(125.7)	—	(352.0)
Net value	68.1	27.7	130.0	49.7	275.5
Additions	46.3	—	—	—	46.3
Additions through business acquisitions (note 5)	3.6	46.0	269.5	57.1	376.2
Amortization for the year	(44.9)	(39.5)	(49.4)	(5.3)	(139.1)
Exchange differences	(2.1)	(0.9)	(4.4)	(1.6)	(9.0)
Balance as at December 31, 2021	71.0	33.3	345.7	99.9	549.9
Balance as at December 31, 2021					
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 (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

The carrying amount of intangible assets assessed as having an indefinite useful life, which consists of the WSP trade name, is $46.7 million as at December 31, 2022 ($48.8 million in December 31, 2021).

The Corporation performed its annual impairment test for the WSP trade name as at October 1, 2022 and September 25, 2021 in accordance with its policy described in note 2, Summary of significant accounting policies. As a result, no impairment for the WSP trade name was recorded.

In 2022, the Corporation acquired intangible assets amounting to $710.9 million ($422.5 million in 2021), 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)

20 PROPERTY AND EQUIPMENT

	Freehold land and buildings	Leasehold improve-ments	Furniture and equipment	Computer equipment	Total
	$	$	$	$	$
Balance as at January 1, 2021					
Cost	29.2	261.9	296.5	277.9	865.5
Accumulated depreciation	(6.3)	(153.9)	(209.9)	(180.5)	(550.6)
Net value	22.9	108.0	86.6	97.4	314.9
Additions	0.2	18.7	21.6	60.2	100.7
Additions through business acquisitions (note 5)	3.5	34.5	27.6	9.2	74.8
Disposals, including through business disposals	(1.4)	(0.3)	(2.0)	(0.7)	(4.4)
Depreciation for the year	(0.9)	(29.9)	(33.3)	(49.5)	(113.6)
Exchange differences	(0.9)	(1.1)	(3.5)	(3.3)	(8.8)
Balance as at December 31, 2021	23.4	129.9	97.0	113.3	363.6
Balance as at December 31, 2021					
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 (note 5)	0.4	3.6	15.3	0.4	19.7
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

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

21 GOODWILL

	December 31, 2022	December 31, 2021
	$	$
Balance – As at January 1	4,762.3	3,731.9
Goodwill resulting from business acquisitions	1,885.4	1,135.7
Measurement period adjustments (note 5)	4.8	(14.4)
Exchange differences	139.7	(90.9)
Balance – As at December 31	6,792.2	4,762.3

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	2022	2021
	$	$
Goodwill allocated to CGUs		
USA	3,563.6	1,984.1
Canada	1,654.7	1,335.4
UK	417.7	318.7
Nordic Europe	345.6	363.6
Australia	283.1	271.8
New Zealand	185.4	186.8
Central Europe	127.9	117.5
Asia	85.6	80.0
Latin America	73.6	53.0
Middle East	55.0	51.4
	6,792.2	4,762.3

IMPAIRMENT TEST OF LONG-LIVED ASSETS

The Corporation performed its annual impairment test for goodwill and other indefinite-lived intangible assets as at October 1, 2022 and September 25, 2021 in accordance with its policy described in note 2, Summary of significant accounting policies. The key assumptions used to determine the fair value of each CGUs for the most recently completed impairment calculations for 2022 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. In 2022 and 2021, the fair value of each CGU exceeded its carrying value and no goodwill impairment was identified.

VALUATION TECHNIQUE

FAIR VALUE LESS COSTS TO SELL ("FVLCS")

The recoverable amount of each CGU has been 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 of each CGUs, 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 each 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"). This approach requires assumptions regarding revenue growth rates, adjusted EBITDA and 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 Corporation 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.

SIGNIFICANT ASSUMPTIONS USED IN DETERMINING THE FVLCS

The discount rates and terminal growth rates applied to CGUs in 2022 were the following:

	Discount rate	Terminal growth rate
USA	7.50 %	2.0 %
Canada	8.25 %	2.0 %
Nordic Europe	8.00 %	2.0 %
UK	8.25 %	2.0 %
New Zealand	8.25 %	2.0 %
Australia	7.50 %	2.0 %
Asia	10.25 %	2.0 %
Latin America	10.00 %	2.0 %
Central Europe	10.50 %	2.0 %
Middle East	11.00 %	2.0 %

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 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 and anticipated EBITDA efficiency improvements. The revenue growth rates applied following the first year's projections ranged from 2.0% to 5.0%. Management considered past experience, economic trends as well as industry and market trends in assessing reasonableness of financial projections used.

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

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.

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.

COSTS TO SELL

The costs to sell for each CGU have been estimated at approximately 0.75% of the CGU's enterprise value. The costs to sell reflect the incremental costs, excluding finance costs and income taxes, which would be directly attributable to the disposal of the CGU, including legal and direct incremental costs incurred in preparing the CGU for sale.

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.

22 OTHER ASSETS

As at December 31	2022	2021
	$	$
Investments in associates	87.8	89.1
Investments in joint ventures	32.4	28.9
Receivables from insurance companies	57.0	82.8
Other	6.4	6.4
	183.6	207.2

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

23 ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

As at December 31	2022	2021
	$	$
Trade payables	1,038.8	765.7
Employee benefits payable	952.2	875.0
Accrued expenses and other payables	587.0	465.5
Sales taxes payable	121.3	100.1
Derivative financial instruments	33.3	10.3
Amounts due to joint ventures and associates	3.8	0.7
	2,736.4	2,217.3

24 PROVISIONS

	Claims provisions	Other provisions	Total
	$	$	$
Balance as at January 1, 2022	226.7	87.0	313.7
Additions through business acquisitions	92.9	75.5	168.4
Additional provision recognized	29.6	45.3	74.9
Utilized or reversed	(38.4)	(80.4)	(118.8)
Exchange differences	0.5	2.4	2.9
Balance as at December 31, 2022	311.3	129.8	441.1
Current portion	80.0	72.2	152.2
Non-current portion	231.3	57.6	288.9

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 15) for current claims and in other assets (note 22) for long-term claims.

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

25 LONG-TERM DEBT

As at	December 31, 2022	December 31, 2021
	$	$
Borrowings under credit facilities	2,401.3	1,202.3
Senior unsecured notes	500.0	500.0
Bank overdraft	4.6	1.1
Other financial liabilities	48.6	73.3
	2,954.5	1,776.7
Current portion	173.4	297.4
Non-current portion	2,781.1	1,479.3

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 with a maturity date of April 13, 2025; and
- a senior unsecured revolving credit facility to a maximum amount of US$1,000.0 million with a maturity date of April 13, 2027.

The amount available under the US$1.5-billion credit facility was $1,857.4 million (US$1,371.8 million) as at December 31, 2022.

WSP has in place a US$750-million credit facility. As at December 31, 2022 this committed credit facility has been fully drawn in the form of term loans with various maturity dates up to April 2025.

In August 2022, the Corporation entered into a fully-committed US$1.8-billion term credit facility with various tenors of up to 5 years, which was fully drawn to finance the E&I Acquisition which closed in September 2022. Also in September 2022, the Corporation repaid a portion of the indebtedness under that credit facility, such that the maximum amount of the credit facility became US$1.0 billion. As at December 31, 2022, 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 2.25% 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$750-million and the $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, 2022 and December 31, 2021. Borrowings under these credit facilities were entirely denominated in US dollars as at December 31, 2022 and December 31, 2021.

Under the US$1.5-billion credit facility and other facilities, as at December 31, 2022, the Corporation may issue irrevocable letters of credit up to $954.2 million ($938.7 million under a US$1,400-million facility and other facilities as at December 31, 2021). As at December 31, 2022, the Corporation issued irrevocable letters of credit totaling $559.5 million ($471.6 million as at December 31, 2021).

As at December 31, 2022, the Corporation had available other operating lines of credit amounting to $181.3 million ($183.5 million in 2021), of which $168.1 million were unused at year end ($182.4 million in 2021).

SENIOR UNSECURED NOTES

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

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

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, 2022, 32% of the Corporation's long-term debt is fixed either through the usage of interest rate swaps and/or fixed rate debt.

26 SHARE CAPITAL

AUTHORIZED

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

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

ISSUED AND PAID

	Common shares	
	Number	**$**
Balance as at January 1, 2021	113,534,451	3,394.2
Shares issued related to private placements	3,333,898	300.8
Shares issued under the Dividend Reinvestment Plan (DRIP)	696,892	92.6
Shares issued upon exercise of stock options	217,774	13.8
Costs related to public bought deals and private placements of previous periods	—	(0.2)
Balance as at December 31, 2021	117,783,015	3,801.2
Shares issued 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 DRIP (note 28)	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

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.

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.

2021 Equity Financing

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

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

Preferred Shares

As at December 31, 2022, no preferred shares were issued.

27 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	2022	2021
	$	$
Borrowings under credit facilities	2,401.3	1,202.3
Senior unsecured notes	500.0	500.0
Equity attributable to shareholders of WSP Global Inc.	6,006.0	4,664.5
Non-controlling interests	3.1	0.7
	8,910.4	6,367.5
Less: Cash and cash equivalents, net of bank overdraft	(491.0)	(926.3)
	8,419.4	5,441.2

(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	2022	2021
Long-term debt[1]	2,954.5	1,776.7
Less: Cash and cash equivalents (note 29)	(495.6)	(927.4)
Net debt	2,458.9	849.3

For the years ended December 31	2022	2021
Adjusted EBITDA	1,530.2	1,322.5
Net debt to adjusted EBITDA ratio	1.6	0.6

[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.

28 DIVIDENDS

In 2022, the Corporation declared dividends of $181.8 million or $1.50 per share ($174.9 million or $1.50 per share in 2021).

DIVIDEND REINVESTMENT PLAN (DRIP)

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

Following the payment of dividends declared on November 9, 2021, March 9, 2022, May 11, 2022 and August 8, 2022, $89.2 million was reinvested in 584,457 common shares under the DRIP during the year ended December 31, 2022. Shares issued under the DRIP in 2022 and 2021 applied a 2% discount of the applicable average market price.

Subsequent to the end of the year, on January 16, 2023, $14.5 million of the fourth quarter dividend declared on November 9, 2022 was reinvested in 88,319 additional common shares under the DRIP.

Subsequent to the end of the year, on March 8, 2023, 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, 2023, to shareholders of record as at the close of business on March 31, 2023. The final aggregate amount of the dividend payment will depend on the number of issued and outstanding common shares at the close of business on March 31, 2023, and has not been recognized as a liability 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)

29 STATEMENTS OF CASH FLOWS

CASH AND CASH EQUIVALENTS, NET OF BANK OVERDRAFT

As at	December 31, 2022	December 31, 2021
	$	$
Cash on hand and with banks	495.6	927.4
Less: Bank overdraft (note 25)	(4.6)	(1.1)
Cash and cash equivalents, net of bank overdraft	491.0	926.3

In 2022, cash disbursed related to acquisitions made prior to January 1, 2022 amounted to $34.8 million ($10.6 million in 2021, related to acquisitions made prior to January 1, 2021).

ADJUSTMENTS

For the years ended December 31	2022	2021
	$	$
Depreciation, amortization and impairment of long-lived assets	598.1	518.5
Share of income of associates and joint ventures, net of tax	(24.0)	(19.5)
Cash contribution to defined benefit pension schemes	(13.6)	(12.8)
Defined benefit pension scheme expense	1.4	9.0
Foreign exchange and non-cash movements	17.1	(17.1)
Gains on disposal of property and equipment	—	(5.8)
Gains on disposal of non-core assets	(1.2)	(5.6)
Other	(42.2)	(30.1)
	535.6	436.6

CHANGE IN NON-CASH WORKING CAPITAL ITEMS

For the years ended December 31	2022	2021
	$	$
Decrease (increase) in:		
Trade, prepaid and other receivables	(291.9)	(142.1)
Costs and anticipated profits in excess of billings	(299.7)	(107.8)
Increase (decrease) in:		
Accounts payable and accrued liabilities	179.2	275.2
Billings in excess of costs and anticipated profits	127.7	7.6
	(284.7)	32.9

(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, 2021	574.2	1,018.4	42.5	1,635.1
Changes from financing cash flows	914.1	(262.6)	(80.6)	570.9
Addition through business acquisitions and measurement period adjustments	273.9	229.1	—	503.0
New leases, renewals, modifications	—	63.6	—	63.6
Net repayment of bank overdraft	(1.3)	—	—	(1.3)
Foreign exchange rate adjustments	(1.9)	(28.2)	—	(30.1)
Other non-cash changes	17.7	—	82.3	100.0
Balance as at December 31, 2021	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 repayment 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

30 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:

	2022	2021
	$	$
Short-term employee benefits	25.6	21.3
Share-based awards	8.9	41.9
	34.5	63.2

JOINT VENTURES AND ASSOCIATES

The Corporation related parties include its joint ventures and associates. Refer to note 15, Trade and other receivables, and note 23, Accounts payables and accrued liabilities, for balances receivable and payable from and to these entities.

31 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 significantly 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, 2022 amounted to $311.3 million ($226.7 million as at December 31, 2021). The movements in this provision are described in note 24, 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.

32 SUBSEQUENT EVENTS

Subsequent to the end of the year, in January 2023, WSP acquired BG Bonnard & Gardel Holding SA ("BG"), an engineering consulting firm located in Switzerland and France, with 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.

Subsequent to the end of the year, in January 2023, WSP acquired enstruct, a 75-employee structural engineering firm in Australia.

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

As one of the world's leading professional services firms, WSP exists to future-proof our cities and environment. We provide strategic advisory, engineering, and design services to clients in the transportation, infrastructure, environment, building, energy, water, and mining sectors. Our 66,000 trusted professionals are united by the common purpose of creating positive, long-lasting impacts on the communities we serve through a culture of innovation, integrity, and inclusion. Sustainability and science permeate our work. In 2022, WSP derived more than half of its $11.9 B (CAD) revenues from services that support the UN Sustainable Development Goals. The Corporation's shares are listed on the Toronto Stock Exchange (TSX:WSP).

Caution Regarding Forward-Looking Statements

This Annual Report contains forward-looking statements that reflect our expectations regarding our 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, including financial and ESG ambitions. Forward-looking statements are based on a number of assumptions and are subject to inherent risks and uncertainties. Refer to sections 19 "forward-looking statements" and 20 "risk factors" of our Management's Discussion and Analysis for the fourth quarter and year ended December 31, 2022 included in this Annual Report for a discussion of such risks and uncertainties and the material factors and assumptions related to the statements set forth in this Annual Report. The discussion of the Corporation's financial position and results of operations contained in this Annual Report should be read in conjunction with the financial statements for the year ended December 31, 2022.

wsp.com

WSP Global Inc.
1600 Boulevard René-Lévesque West
11th Floor, Montréal, Quebec
Canada H3H 1P9