WSP Global Inc.

Management's Discussion and Analysis

For the fourth quarter and year ended December 31, 2021

ABOUT US

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

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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 9, 2022, is intended to assist readers in understanding WSP Global Inc. (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, 2021. The Corporation’s audited consolidated financial statements for the year ended December 31, 2021 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, 2021. 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 September 26, 2021 to December 31, 2021 and the comparative fourth quarter results include the period from September 27, 2020 to December 31, 2020.

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. 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-IFRS 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, Resources and Industry sectors. WSP experts include advisors, engineers, environmental specialists, scientists, technicians, architects and planners, in addition to other design and program management professionals. With approximately 55,300 talented people globally, WSP is favourably 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 to successfully deliver projects, helping clients overcome challenges and respond to emerging areas in new mobility, resiliency, decarbonization, social equity, digital project and design.

- **Earth & Environment:** The Corporation has specialists working with and advising businesses and governments in all key areas of earth sciences and environmental consultancy, including Environmental, Social and Governance ("ESG") matters. These experts deliver a wide range of environmental services, including air, land, water, health and climate change. They work with and advise clients on environmental matters ranging from due diligence, permitting approvals and regulatory compliance, to consulting on management of waste and hazardous materials, land remediation, geotechnical engineering, environmental and social impact assessments, and employee health and safety. 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 and the environment. The services are offered at every stage of the project or asset's life-cycle from planning to decommissioning, and span various service areas like field data collection and site-based services, to advisory services to help our clients make the best ESG decisions.

- **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.

- **Resources:** The Corporation has the scale and expertise to support all its worldwide resource clients. In mining, WSP's experts work with clients throughout the mine life-cycle – from exploration and development, through operations and closure. WSP's mining expertise spans the major service areas of resource geology, mine engineering, mine waste, stability, mine water, mine environment, mineral processing, mine infrastructure and mine closure. In oil and gas, WSP delivers engineering and environmental services to companies operating in upstream exploration and production, midstream transportation and storage, or downstream refining and distribution. The Corporation supports its clients through the full life-cycle of projects, from permitting, planning and design to remediation and decommissioning of assets.

- **Power & Energy:** The Corporation offers energy sector clients complete solutions for all aspects of their projects, whether they are large-scale power plants, smaller on-site facilities or retrofitting and efficiency programs, with an aim to reduce energy demand and deliver schemes to create a sustainable future. WSP's experts can advise and collaborate on every stage of a project, from pre-feasibility to design, operation, maintenance and decommissioning. They offer long-term operational management support services from the first feasibility studies, providing advice on aspects ranging from technical, financial and environmental issues, to engineering design and energy simulations.

- **Industry:** The Corporation works in almost every industrial sector including food and beverages, pharmaceutical and biotechnology, automotive and chemicals. WSP's experts offer a variety of skills with a deep understanding of industrial and energy processes, and the engineering expertise required to plan, design, build and operate a new plant, or to automate equipment in an existing industrial facility. A full range of consulting and engineering services is offered within multiple disciplines that span all stages of a project - from strategic studies, concept design and productivity analysis, to serving as an owner's engineer at each stage of an EPCM contract.

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

- **Planning and Advisory Services**: The Corporation helps clients make informed decisions during various stages of the project life-cycle, taking into consideration changing economic, environmental and social factors, evolving government priorities and emerging technologies. To stay competitive and effectively manage and develop their infrastructure and property assets, public and private sector organizations are looking to gain access to more refined data and "lessons learned" from experts who help drive client success around the globe. The Corporation not only provides local expertise, but also offers international benchmarks and best practice solutions based on its extensive experience. WSP's team blends the technical skills of its global network with results-oriented business acumen, to provide effective and sustainable strategies that also contribute to the advancement of the communities where WSP is present.

- **Management Services:** The Corporation's professionals help clients assess and define their goals, as well as the technical, environmental and commercial realities and challenges they face. Coupled with the Corporation's integrated service offerings, this helps the Corporation build strategic relationships with clients. WSP supports them throughout the planning, implementation and commissioning stages of their projects, including during times of emergency. With a focus on cost, schedule, quality and safety, and using best-in-class management processes and techniques, WSP can mobilize the right team from anywhere in the organization across the world to execute projects of varying sizes and complexity.

- **Technology and Sustainability Services:** The Corporation's professionals work throughout the life-cycle of a project to offer innovative solutions with a strong focus on change management and executive engagement. As significant technological advancement offers the opportunity to improve the way we live, commute, and travel, it also sheds a new light on how property and infrastructure owners need to adapt and embrace the changes. The Corporation's Technology Services experts integrate the use of digital solutions and software to enhance engineering, infrastructure, buildings and environmental projects. In addition, as the world faces significant challenges related to population growth, resource demands and constraints, and extreme weather events that impact the resiliency and sustainability of communities, the Corporation remains committed to integrating the principles of sustainability into WSP's work in planning, designing and managing both property and infrastructure.

4 FINANCIAL HIGHLIGHTS

(in millions of dollars, except percentages, per share data, DSO and ratios)	Fourth quarters ended December 31, 2021	Fourth quarters ended December 31, 2020	Years ended December 31, 2021	Years ended December 31, 2020
Revenues	$2,891.0	$2,248.3	$10,279.1	$8,803.9
Net revenues[1]	$2,147.4	$1,688.3	$7,869.6	$6,859.1
Earnings before net financing expense and income taxes	$185.2	$105.3	$724.6	$459.4
Adjusted EBITDA[2]	$361.2	$262.1	$1,322.5	$1,053.7
Adjusted EBITDA margin[3]	16.8 %	15.5 %	16.8 %	15.4 %
Net earnings attributable to shareholders of WSP Global Inc.	$126.7	$68.9	$473.6	$276.0
Basic net earnings per share attributable to shareholders	$1.08	$0.61	$4.07	$2.51
Adjusted net earnings[2] [4]	$171.7	$93.0	$592.9	$394.6
Adjusted net earnings per share[3] [4]	$1.46	$0.82	$5.09	$3.59
Cash inflows from operating activities	$513.2	$381.8	$1,060.1	$1,125.1
Free cash flow[2]	$369.9	$264.5	$646.1	$735.3

As at	December 31, 2021	December 31, 2020
Backlog[5]	$10,425.6	$8,421.3
DSO[5]	66 days	63 days
Net debt to adjusted EBITDA ratio[6]	0.6	0.1

(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, 2021, to exclude amortization of intangible assets related to acquisitions. The comparative periods have been restated. 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 into cash, net of billings in excess of costs and anticipated profits.

(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

WSP delivered very strong results in 2021, with organic net revenue growth in all segments, as well as significant growth in backlog (10.1% organic growth), adjusted EBITDA (up 25.5% or 140 basis points) and adjusted net earnings per share (up 41.8%).

Fourth quarter 2021 financial highlights

- Revenues and net revenues for the quarter reached $2.9 billion and $2.1 billion, up 28.6% and 27.2%, respectively, compared to Q4 2020. Organically, net revenues grew 9.7% in the quarter.
- Backlog as at December 31, 2021 stood at $10.4 billion, with substantial order intake of $3.3 billion in the quarter.
- Adjusted EBITDA in the quarter of $361.2 million, up 37.8%, compared to $262.1 million in Q4 2020.
- Adjusted EBITDA margin for the quarter reached 16.8%, compared to 15.5% in Q4 2020, an increase of 130 basis points, attributable to the strong performance of the platform and solid contribution from recent acquisitions.
- Earnings before net financing expense and income taxes in the quarter of $185.2 million, up $79.9 million, or 75.9%, compared to Q4 2020, mainly attributable to higher adjusted EBITDA.
- Adjusted net earnings for the quarter of $171.7 million, or $1.46 per share, up $78.7 million and $0.64, respectively, compared to Q4 2020. The respective increases of 84.6% and 78.0% in these metrics are mainly attributable to higher adjusted EBITDA.
- Net earnings attributable to shareholders for the quarter of $126.7 million, or $1.08 per share, up 83.9% and 77.0%, respectively, when compared to Q4 2020. The increase is mainly attributable to higher adjusted EBITDA, partially offset by higher amortization of intangible assets and net financing expense.
- Quarterly dividend declared of $0.375 per share, or $44.2 million, with a 51.5% Dividend Reinvestment Plan (“DRIP”) participation.

Fiscal year 2021 financial highlights

- Revenues and net revenues for the year reached $10.3 billion and $7.9 billion, up 16.8% and 14.7%, respectively, compared to 2020. The Golder Acquisition was the main contributor to the acquisition growth in net revenues of 15.3%, while net revenue organic growth of 3.3% was in line with Management's previously disclosed outlook.
- Backlog as at December 31, 2021 stood at $10.4 billion, representing 11.8 months of revenues, up 23.8% in the year. On a constant currency basis, backlog grew organically by 10.1% compared to backlog as at December 31, 2020.
- Adjusted EBITDA in the year of $1.32 billion, up 25.5%, compared to $1.05 billion in 2020. Adjusted EBITDA exceeded the higher end of Management's most recent outlook range.
- Adjusted EBITDA margin increased to 16.8% in 2021, compared to 15.4% in 2020, an increase of 140 basis points. The improvement in adjusted EBITDA margin is attributable to the strong performance of the platform and solid contribution from recent acquisitions.
- Earnings before net financing expense and income taxes in 2021 of $724.6 million, up 57.7% compared to 2020, mainly due to higher adjusted EBITDA and lower acquisition, integration and reorganization costs.

- Adjusted net earnings in 2021 of $592.9 million, or $5.09 per share, up $198.3 million or $1.50 per share, compared to 2020. The respective increases of 50.3% and 41.8% in these metrics are mainly attributable to higher adjusted EBITDA.

- Net earnings attributable to shareholders of $473.6 million in 2021, or $4.07 per share, up $197.6 million, or $1.56 per share, compared to 2020. The increase was mainly due to higher adjusted EBITDA and lower acquisition, integration and reorganization costs, partially offset by higher amortization and depreciation expense.

- DSO as at December 31, 2021 stood at 66 days, compared to 63 days as at December 31, 2020, significantly outperforming Management's most recent outlook range of 73 to 77 days.

- Free cash flow of $646.1 million for the year, representing 1.4 times net earnings attributable to shareholders.

- Cash inflows from operating activities of $1.06 billion in the year ended December 31, 2021, compared to $1.13 billion in 2020. The variance is mainly due to the fact that 2020 benefitted from a deferral of income tax and other remittances in some jurisdictions.

- The net debt to adjusted EBITDA ratio stood at 0.6x, compared to 0.1x as at December 31, 2020, increasing mainly due to the acquisition of Golder Associates. The ratio is well below Management's target of 1.0 to 2.0, due to strong free cash flow in 2021.

- Full year dividend declared of $1.50 per share, or $174.9 million, with cash payout of $81.9 million or 46.8% as a result of the DRIP participation.

6 KEY EVENTS

The following are highlights from January 1, 2021 to March 9, 2022, the date of the MD&A for the year ended December 31, 2021.

COVID-19 pandemic

The Corporation continues to actively monitor the COVID-19 pandemic and WSP operates without significant interruption. While certain WSP locations remain in various stages of lockdown, signs of normalcy are returning in a number of locations. Our regional management teams are rolling out hybrid return-to-office programs and our teams have resumed a modified travel schedule. Our focus is on developing competitive, flexible, agile, yet structured work environments that capitalize on the lessons we have learned about being productive with a largely remote workforce, as well as maximizing in-person team engagement. WSP's primary objective remains to ensure the health, safety and wellbeing of its employees and families, of its clients and of the communities in which it operates while remaining focused on delivering on client expectations and pursuing new assignments.

Golder Acquisition

On April 7, 2021, WSP completed the acquisition of Enterra Holdings Ltd., the holding company of Golder Associates ("Golder" and the "Golder Acquisition"). Golder is an engineering and consulting firm with 60 years of experience in the geosciences sector; a global engineering firm focused on earth and environmental conditions. Golder provides engineering, remediation, regulatory & compliance, design and environmental services to clients in the mining, manufacturing, oil & gas, power and infrastructure industries. Golder operates in 155 offices with approximately 7,000 employees across more than 30 countries globally. The aggregate cash consideration paid in connection with the Golder Acquisition was US$1.2 billion (C$1.5 billion).

Private placements and financing arrangements

On January 14, 2021, the Corporation closed the private placements of subscription receipt financings to fund a portion of the Golder Acquisition purchase price. 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 Pte. Ltd. ("GIC") and British Columbia Investment Management Corporation ("BCI"), for aggregate gross proceeds of approximately $310.0 million (the "Private Placements"). 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.

The Golder Acquisition and other related transaction costs were financed using the proceeds from the Corporation's Private Placements and new bank financing term loans entered into on January 29, 2021.

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 beginning on October 19, 2021. The Notes were assigned rating of BBB (high), with a stable trend, by DBRS Morningstar. On April 23, 2021, the Corporation used the net proceeds of the offering to repay existing indebtedness.

Other acquisitions

In January 2021, WSP acquired tk1sc, a 240-employee mechanical, electrical and plumbing engineering firm based in California, US. The acquisition of tk1sc further expands WSP's building sector capabilities in the complex US healthcare and science and technology markets.

In February 2021, WSP acquired Earth Consulting Group, Inc. ("EarthCon"), a 90-employee US-based environmental and engineering consulting firm. The acquisition of EarthCon adds highly specialized technical expertise in remediation to WSP's existing suite of services further strengthening WSP's capabilities in strategic environmental engineering and consulting services, compliance, due diligence, and data management, while expanding its geographic presence in the southeastern US.

In April 2021, WSP acquired b+p baurealisation ("b+p"), a 100-employee engineering and consulting firm based in Zurich, Switzerland. B+p offers primarily project & construction management and cost management services to both public and private sector clients.

In June 2021, WSP acquired Knight Partners, LLC ("Knight"), a 150-employee engineering and consulting firm based in Illinois, US. The acquisition of Knight complements WSP's service offerings in the transportation market sector, delivering planning, design and program and construction management at multiple project stages for various client types.

In October 2021, WSP acquired Englekirk Structural Engineers, a 90-employee consulting firm based in California, US, adding significant capabilities in structural engineering for the buildings sector, with expertise designing structures in high-seismic regions, while growing WSP's structural engineering practice on the US West Coast.

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

Leadership announcements

In April 2021, Marie-Claude Dumas was named President and CEO of WSP in Canada. Since joining WSP in January 2020, Ms. Dumas had served as Global Director, Major Projects & Programs/Executive Market Leader – Quebec, working closely with our Global and Canadian operations and leadership.

In May 2021, Megan Van Pelt was named Chief Human Resources Officer. Ms. Van Pelt joined WSP in 2017 as Chief Human Resources Officer for WSP in the US. With over 20 years of experience in human resources, she brings proven expertise in directing Human Resources programs.

Wendy Stoveland was appointed to the role of Global Communications Director, Senior Vice President in June 2021. Ms. Stoveland has three decades of experience in the field and served as Golder's Global Director of Communications from 2016-2021.

In September 2021, Dean McGrail was appointed Chief Executive Officer of WSP in the Middle East, replacing Greg Kane, who assumed the role of Chief Operating Officer of WSP in Australia. Mr. McGrail previously held the role of Managing Director of Property & Buildings for the Middle East business.

Effective October 2021, WSP appointed two successors to replace Magnus Meyer, who previously held the dual role of WSP's CEO for the Nordics and Managing Director, Central Europe. Anna-Lena Öberg-Högsta was named CEO of the Nordics and Eric van den Broek as CEO for Central Europe. Ms. Öberg-Högsta formerly served as Golder's Regional President for Europe and the Nordics. Mr. van den Broek most recently served and will continue to serve as WSP's Managing Director for the Netherlands.

In October 2021, Eric Peissel was named Global Director of Transportation & Infrastructure. Since joining WSP in 2001, Mr. Peissel has held many senior transportation leadership roles across Canada, most recently as the Canadian Executive Vice President and Global Manager for Transportation and Infrastructure Networks.

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, 2021	**December 31, 2020**	**Variance**	**December 31, 2021**	**December 31, 2020**	**Variance**
Net revenues	$360.6	$224.7	60.5 %	$1,304.5	$952.1	37.0 %
Organic growth			13.8 %			8.1 %
Acquisition growth			46.7 %			31.9 %
Divestiture impact			— %			(3.0) %
Adjusted EBITDA by segment	$76.6	$51.0	50.2 %	$272.0	$183.2	48.5 %
Adjusted EBITDA margin by segment	21.2 %	22.7 %	(150) bps	20.9 %	19.2 %	170 bps
As at				**December 31, 2021**	**December 31, 2020**	**Variance**
Backlog				$1,817.3	$1,022.4	77.7 %
Organic backlog growth in the year						13.6 %
Approximate number of employees				9,500	7,000	35.7 %

bps: basis points

Net revenues

In the quarter ended December 31, 2021, net revenues in Canada were $360.6 million, an increase of $135.9 million, or 60.5%, compared to the same quarter in 2020. Acquisition growth and organic growth were 46.7% and 13.8%, respectively.

In the year ended December 31, 2021, net revenues in Canada were $1.3 billion, an increase of $352.4 million, or 37.0%, compared to 2020. Acquisition growth and organic growth were 31.9% and 8.1%, respectively.

Organic growth reached the high end of Management's outlook assumptions of mid-single-digit growth for 2021. This healthy improvement is mainly due to continued positive momentum stemming from most market sectors.

Acquisition growth is due to the Golder Acquisition completed in April 2021. The divestiture impact of 3.0% in 2021 relates mainly to the reorganization of a business into a joint venture in the third quarter of 2020.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 89% of net revenues for the year ended December 31, 2021. Public sector clients accounted for 33% of net revenues, for the same period.

Backlog

Backlog increased significantly compared to December 31, 2020, due to the Golder Acquisition, as well as organic growth of 13.6%.

Adjusted EBITDA margin

For the quarter ended December 31, 2021, adjusted EBITDA margin in Canada decreased 150 bps, mainly due to government subsidies received in the fourth quarter of 2020, as well as lower levels of office lock-downs and COVID-19 travel restrictions in 2021. For the year ended December 31, 2021, adjusted EBITDA margin in Canada increased 170 bps, mainly due to increased productivity and the higher margin profile of the Golder business.

AMERICAS

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2021	**December 31, 2020**	**Variance**	**December 31, 2021**	**December 31, 2020**	**Variance**
Net revenues	$763.3	$578.8	31.9 %	$2,709.2	$2,372.8	14.2 %
Organic growth*			9.9 %			2.6 %
Acquisition growth*			27.1 %			19.6 %
Foreign currency exchange impact**			(5.1) %			(8.0) %
Adjusted EBITDA by segment	$148.3	$111.0	33.6 %	$533.1	$436.2	22.2 %
Adjusted EBITDA margin by segment	19.4 %	19.2 %	20 bps	19.7 %	18.4 %	130 bps

As at	**December 31, 2021**	**December 31, 2020**	**Variance**
Backlog	$4,536.5	$4,017.8	12.9 %
Organic backlog growth in the year			7.6 %
Approximate number of employees	16,000	12,900	24.0 %

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

Net revenues

In the quarter ended December 31, 2021, net revenues in the Americas reportable segment were $763.3 million, an increase of $184.5 million, or 31.9%, compared to the same quarter in 2020. Acquisition growth and organic growth were 27.1% and 9.9%, respectively, both on a constant currency basis.

In the year ended December 31, 2021, net revenues in the Americas reportable segment stood at $2.7 billion, an increase of $336.4 million, or 14.2%, compared to 2020. Acquisition growth and organic growth were 19.6% and 2.6%, respectively, both on a constant currency basis.

In the fourth quarter and year ended December 31, 2021, organic growth stemmed from both the US and Latin American operations, slightly lower than Management's outlook assumptions, due to delays in public sector infrastructure spending in our US operations. 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 US dollar.

Acquisition growth in the quarter and year stems mainly from the acquisitions of Golder in April 2021, kW Mission Critical Engineering in December 2020, tk1sc in January 2021, Earthcon in February 2021, Knight in June 2021 and Englekirk Structural Engineers in October 2021.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 95% of net revenues for the year ended December 31, 2021. Public sector clients accounted for 60% of net revenues, for the same period.

Backlog

Backlog for the Americas segment increased compared to December 31, 2020, due to acquisition growth and organic growth, partially offset by the negative impacts of foreign exchange rates. Organically, backlog grew 7.6% in the year, mainly due to substantial order intake in our US operations in the fourth quarter.

Adjusted EBITDA margin

In the quarter ended December 31, 2021, adjusted EBITDA margin for the Americas segment increased 20 bps as compared to the corresponding quarter in 2020, mainly due to higher margin profile of the Golder business in both the US and Latin America and other recent US acquisitions.

In the year ended December 31, 2021, adjusted EBITDA margin for the Americas segment increased 130 bps as compared to 2020, mainly due to the higher margin profile of the Golder business in both the US and Latin America and of other recent US acquisitions, increased productivity, as well as realized gains on foreign exchange hedges in 2021 versus losses in 2020.

EMEIA

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
Net revenues	$658.1	$600.8	9.5 %	$2,528.4	$2,378.4	6.3 %
Organic growth*			5.9 %			2.5 %
Acquisition growth*			8.3 %			5.6 %
Divestiture impact*			(0.2) %			(0.3) %
Foreign currency exchange impact**			(4.5) %			(1.5) %
Adjusted EBITDA by segment	$92.3	$69.5	32.8 %	$370.3	$316.9	16.9 %
Adjusted EBITDA margin by segment	14.0 %	11.6 %	240 bps	14.6 %	13.3 %	130 bps

As at	December 31, 2021	December 31, 2020	Variance
Backlog	$2,442.5	$2,043.9	19.5 %
Organic backlog growth in the year			10.8 %
Approximate number of employees	20,100	18,500	8.6 %

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

Net revenues

In the quarter ended December 31, 2021, net revenues in the EMEIA reportable segment were $658.1 million, an increase of $57.3 million, or 9.5%, compared to Q4 2020. Acquisition growth and organic growth were 8.3% and 5.9%, respectively, both on a constant currency basis.

In the year ended December 31, 2021, net revenues in the EMEIA operating segment stood at $2.5 billion, an increase of $150.0 million, or 6.3%, compared to 2020. Acquisition growth and organic growth were 5.6% and 2.5%, respectively, both on a constant currency basis. Organic growth for the year was in line with Management's outlook assumptions.

In the quarter and year, organic growth was led by the economic recovery in the UK, which saw its third consecutive quarter of double-digit organic growth, and good performance across all market sectors in the Middle East, partially offset by lower results in the Nordics. The organic growth in the quarter was partially offset by negative impacts of foreign exchange principally due to the appreciation of the Canadian dollar against the Swedish krona and pound sterling.

In the quarter and year, acquisition growth stemmed mainly from the Golder Acquisition, as well as the acquisition of b+p, both completed in April 2021.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 91% of net revenues for the year ended December 31, 2021. Public sector clients accounted for 55% of net revenues, for the same period.

Backlog

Backlog for the EMEIA reportable segment increased mainly due to organic growth of 10.8%, when compared to December 31, 2020, predominantly driven by significant order intake in the Nordics and the UK. Additionally, acquisition growth in backlog was due to the acquisitions of Golder and b+p.

Adjusted EBITDA margin

In the quarter ended December 31, 2021, adjusted EBITDA margin for the EMEIA segment increased compared to the corresponding period in 2020, mainly due to productivity improvement and to a lower fourth quarter of 2020 explained by margin erosion on certain contracts and additional accrual for discretionary employee compensation.

In the year ended December 31, 2021, adjusted EBITDA margin for the EMEIA segment increased compared to 2020, mainly due to increased productivity and favorable market conditions in the UK and the Middle East.

APAC

(in millions of dollars, except percentages and number of employees)	Fourth quarters ended			Years ended		
	December 31, 2021	December 31, 2020	Variance	December 31, 2021	December 31, 2020	Variance
Net revenues	$365.4	$284.0	28.7 %	$1,327.5	$1,155.8	14.9 %
Organic growth*			14.2 %			2.3 %
Acquisition growth*			18.8 %			12.6 %
Foreign currency exchange impact**			(4.3) %			— %
Adjusted EBITDA by segment	$72.3	$51.7	39.8 %	$246.3	$202.7	21.5 %
Adjusted EBITDA margin by segment	19.8 %	18.2 %	160 bps	18.6 %	17.5 %	110 bps

As at	December 31, 2021	December 31, 2020	Variance
Backlog	$1,629.3	$1,337.2	21.8 %
Organic backlog growth in the year			13.2 %
Approximate number of employees	9,700	8,600	12.8 %

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

Net revenues

In the quarter ended December 31, 2021, net revenues in the APAC reportable segment were $365.4 million, an increase of $81.4 million, or 28.7%, when compared to the same quarter in 2020. Acquisition growth and organic growth were 18.8% and 14.2%, respectively, both on a constant currency basis.

In the year ended December 31, 2021, net revenues in the APAC reportable segment stood at $1.3 billion, an increase of $171.7 million, or 14.9%, when compared to 2020. Acquisition growth and organic growth were 12.6% and 2.3%, respectively, both on a constant currency basis.

The organic growth in the quarter spanned the region, and was driven mainly by better market conditions in Australia and Asia, as well a lower fourth quarter of 2020 due to cumulative adjustments to account for margin erosion in certain projects mostly in Asia. The organic growth in the quarter was partially offset by negative impacts of foreign exchange principally due to the appreciation of the Canadian dollar against the Australian dollar.

The organic growth in the year is in line with Management's outlook assumptions for the region. Organic growth in Asia and New Zealand was partially offset by Australia, where demobilization-at-completion of certain large projects in the Transportation & Infrastructure market sector affected net revenues in the first half of 2021.

Acquisition growth is due to the Golder Acquisition completed in April 2021.

The Transportation & Infrastructure, Earth & Environment and Property & Buildings market sectors accounted for 93% of net revenues for the year ended December 31, 2021. Public sector clients accounted for 53% of net revenues, for the same period.

Backlog

Backlog for the APAC segment increased mainly due to organic growth of 13.2% compared to December 31, 2020, across the region. Additionally, acquisition growth in backlog was due to the Golder Acquisition.

Adjusted EBITDA margin

In the quarter and year ended December 31, 2021, adjusted EBITDA margin for the APAC reportable segment increased, relative to the comparable periods in 2020. The increase in the quarter is mainly attributable to our New Zealand and Asian operations, while the increase for the year is mainly due to our Australian operations, including the impact of the higher margin profile of the Australian Golder business.

8 FINANCIAL REVIEW

	Fourth quarters ended		Years ended	
(in millions of dollars, except number of shares and per share data)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenues	**$2,891.0**	**$2,248.3**	**$10,279.1**	**$8,803.9**
Personnel costs	$1,582.1	$1,292.2	$5,851.2	$5,221.8
Subconsultants and direct costs	$743.6	$560.0	$2,409.5	$1,944.8
Other operational costs	$218.0	$144.5	$745.8	$606.1
Depreciation of right-of-use assets	$65.5	$71.0	$265.8	$268.3
Amortization of intangible assets	$46.8	$25.0	$139.1	$104.7
Depreciation of property and equipment	$29.8	$25.2	$113.6	$103.3
Acquisition, integration and reorganization costs	$23.6	$30.3	$60.8	$103.4
ERP implementation costs	$6.8	$—	$6.8	$—
Exchange loss (gain)	($3.8)	$0.1	($18.6)	$10.3
Share of income of associates and joint ventures, net of tax	($6.6)	($5.3)	($19.5)	($18.2)
Earnings before net financing expense and income taxes	**$185.2**	**$105.3**	**$724.6**	**$459.4**
Net financing expense	$14.3	$1.9	$79.5	$73.5
Earnings before income taxes	**$170.9**	**$103.4**	**$645.1**	**$385.9**
Income tax expense	$44.1	$33.4	$171.0	$108.5
Net earnings	**$126.8**	**$70.0**	**$474.1**	**$277.4**
Net earnings attributable to:				
Shareholders of WSP Global Inc.	$126.7	$68.9	$473.6	$276.0
Non-controlling interests	$0.1	$1.1	$0.5	$1.4
Basic net earnings per share attributable to shareholders	**$1.08**	**$0.61**	**$4.07**	**$2.51**
Diluted net earnings per share attributable to shareholders	**$1.07**	**$0.61**	**$4.05**	**$2.50**
Basic weighted average number of shares	117,661,970	113,472,584	116,479,695	110,020,798
Diluted weighted average number of shares	118,082,536	113,751,792	116,901,686	110,263,100

8.1 NET REVENUES

(in millions of dollars, except percentages)	Fourth quarters of 2021 vs 2020 Canada	Americas	EMEIA	APAC	Total
Net revenues - 2021	$360.6	$763.3	$658.1	$365.4	$2,147.4
Net revenues - 2020	$224.7	$578.8	$600.8	$284.0	$1,688.3
Net change %	60.5 %	31.9 %	9.5 %	28.7 %	27.2 %
Organic growth*	13.8 %	9.9 %	5.9 %	14.2 %	9.7 %
Acquisition growth*	46.7 %	27.1 %	8.3 %	18.8 %	21.8 %
Divestiture impact*	— %	— %	(0.2)%	— %	(0.1)%
Foreign currency exchange impact**	— %	(5.1)%	(4.5)%	(4.3)%	(4.2)%
Net change %	60.5 %	31.9 %	9.5 %	28.7 %	27.2 %

(in millions of dollars, except percentages and number of employees)	Fiscal years 2021 vs 2020 Canada	Americas	EMEIA	APAC	Total
Net revenues - 2021	$1,304.5	$2,709.2	$2,528.4	$1,327.5	$7,869.6
Net revenues - 2020	$952.1	$2,372.8	$2,378.4	$1,155.8	$6,859.1
Net change %	37.0 %	14.2 %	6.3 %	14.9 %	14.7 %
Organic growth*	8.1 %	2.6 %	2.5 %	2.3 %	3.3 %
Acquisition growth*	31.9 %	19.6 %	5.6 %	12.6 %	15.3 %
Divestiture impact*	(3.0)%	— %	(0.3)%	— %	(0.6)%
Foreign currency exchange impact**	— %	(8.0)%	(1.5)%	— %	(3.3)%
Net change %	37.0 %	14.2 %	6.3 %	14.9 %	14.7 %
	As at				
Approximate number of employees - December 31, 2021	9,500	16,000	20,100	9,700	55,300
Approximate number of employees - December 31, 2020	7,000	12,900	18,500	8,600	47,000
Net change %	35.7 %	24.0 %	8.6 %	12.8 %	17.7 %

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

During the fourth quarter of 2021, the Corporation achieved net revenues of $2.1 billion, up 27.2% compared to the fourth quarter of 2020. The increase was driven by acquisition growth of 21.8%, across all segments, as well as overall organic growth of 9.7%, mainly in the US, Canada, the UK, Australia and Asia, with all segments showing positive organic growth.

In the year ended December 31, 2021, net revenues increased to $7.9 billion, up 14.7% over 2020. The Golder Acquisition was the main contributor to the acquisition growth of 15.3%, while organic growth of 3.3%, in line with Management's outlook, was mainly led by Canada and the UK.

The increase in the number of employees is mainly due to the addition of employees from acquisitions completed in 2021.

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

Reconciliation of net revenues

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

	Fourth quarters ended		Years ended	
(in millions of dollars)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Revenues	**$2,891.0**	**$2,248.3**	**$10,279.1**	**$8,803.9**
Less: Subconsultants and direct costs	$743.6	$560.0	$2,409.5	$1,944.8
Net revenues[1]	**$2,147.4**	**$1,688.3**	**$7,869.6**	**$6,859.1**

[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, 2020	$1,022.4	$4,017.8	$2,043.9	$1,337.2	$8,421.3
Revenues	$(1,690.3)	$(3,955.7)	$(3,070.2)	$(1,562.9)	$(10,279.1)
Organic order intake	$1,829.6	$4,243.0	$3,285.7	$1,734.7	$11,093.0
Net order intake through business acquisition	$655.2	$498.7	$215.6	$131.6	$1,501.1
Foreign exchange movement	$0.4	$(267.3)	$(32.5)	$(11.4)	$(310.8)
Backlog, as at December 31, 2021	$1,817.3	$4,536.5	$2,442.5	$1,629.3	$10,425.6
Organic backlog growth in the year	13.6 %	7.6 %	10.8 %	13.2 %	10.1 %

As at December 31, 2021, backlog stood at $10.4 billion, representing 11.8 months of revenues[1], an increase of 23.8% as compared to December 31, 2020. In the year ended December 31, 2021, acquisition growth of 18.6%, mainly due to the Golder Acquisition, was a key driver of the increase in all reportable segments. Organically and on a constant currency basis, backlog grew significantly by 10.1% compared to backlog as at December 31, 2020. Since the beginning of the year, we have seen positive momentum in all regions and the fourth quarter has seen a substantial increase in order intake amounting to $3.3 billion, led by the Americas reportable segment where the pipeline of opportunities remains strong. In 2021, the volume of unfunded contract awards not yet included in backlog has increased by approximately 70% as compared to December 31, 2020.

[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, 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

	Fourth quarter ended December 31, 2020				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$224.7	$578.8	$600.8	$284.0	$1,688.3
Adjusted EBITDA by segment(1)	$51.0	$111.0	$69.5	$51.7	$283.2
Adjusted EBITDA margin by segment(1)	22.7%	19.2%	11.6%	18.2%	16.8%
Head office corporate costs					$21.1
Adjusted EBITDA(2)					$262.1

	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

	Year ended December 31, 2020				
(in millions of dollars, except percentages)	Canada	Americas	EMEIA	APAC	Total
Net revenues	$952.1	$2,372.8	$2,378.4	$1,155.8	$6,859.1
Adjusted EBITDA by segment(1)	$183.2	$436.2	$316.9	$202.7	$1,139.0
Adjusted EBITDA margin by segment(1)	19.2%	18.4%	13.3%	17.5%	16.6%
Head office corporate costs					$85.3
Adjusted EBITDA(2)					$1,053.7

(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 $389.5 million and 18.1%, respectively, for the fourth quarter ended December 31, 2021, compared to $283.2 million and 16.8%, respectively, for the corresponding period in 2020.

For the year ended December 31, 2021, total adjusted EBITDA by segment and total adjusted EBITDA margin by segment stood at $1.4 billion and 18.1%, respectively, compared to $1.1 billion and 16.6%, respectively, in 2020.

In both the quarter and the year, adjusted EBITDA and adjusted EBITDA margins increased largely due to the strong performance of the WSP platform and the strong contribution of recent acquisitions. In the year, realized gains on foreign exchange hedges in 2021 versus losses in 2020 also contributed to the increase in EBITDA. 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, 2021 stood at $28.3 million and $99.2 million, respectively, in line with Management's outlook assumptions, but higher than the comparable periods in 2020 mainly due to the long-term incentive plans.

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, 2021**	**December 31, 2020**	**December 31, 2021**	**December 31, 2020**
Earnings before net financing expense and income taxes	**$185.2**	**$105.3**	**$724.6**	**$459.4**
Acquisition, integration and reorganization costs	$23.6	$30.3	$60.8	$103.4
ERP implementation costs	$6.8	$—	$6.8	$—
Depreciation of right-of-use assets	$65.5	$71.0	$265.8	$268.3
Amortization of intangible assets	$46.8	$25.0	$139.1	$104.7
Depreciation of property and equipment	$29.8	$25.2	$113.6	$103.3
Share of depreciation and taxes of associates	$2.1	$3.7	$9.4	$9.4
Interest income	$1.4	$1.6	$2.4	$5.2
Adjusted EBITDA*	**$361.2**	**$262.1**	**$1,322.5**	**$1,053.7**

* 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net revenues	100.0 %	100.0 %	100.0 %	100.0 %
Personnel costs	73.7 %	76.5 %	74.4 %	76.1 %
Other operational costs	10.1 %	8.6 %	9.5 %	8.8 %
Exchange loss (gain) and interest income	(0.2)%	(0.1)%	(0.3)%	0.1 %
Share of earnings of associates and joint ventures before depreciation and income taxes	(0.4)%	(0.5)%	(0.4)%	(0.4)%
Adjusted EBITDA margin	**16.8 %**	**15.5 %**	**16.8 %**	**15.4 %**
Depreciation of right-of-use assets	3.1 %	4.2 %	3.4 %	3.9 %
Depreciation of property and equipment	1.4 %	1.5 %	1.4 %	1.5 %
Amortization of intangible assets	2.2 %	1.5 %	1.8 %	1.6 %
Acquisition, integration and reorganization costs and ERP implementation costs	1.4 %	1.8 %	0.9 %	1.5 %
Share of depreciation and taxes of associates	0.1 %	0.2 %	0.1 %	0.1 %
Earnings before net financing expense and income taxes	**8.6 %**	**6.2 %**	**9.2 %**	**6.7 %**
Net financing expense	0.7 %	0.1 %	1.0 %	1.1 %
Income tax expense	2.0 %	2.0 %	2.2 %	1.6 %
Net earnings	**5.9 %**	**4.1 %**	**6.0 %**	**4.0 %**

In the fourth quarter of 2021, adjusted EBITDA margin increased to 16.8%, compared to 15.5% for the fourth quarter of 2020. For the year ended December 31, 2021, adjusted EBITDA margin increased to 16.8%, compared to 15.4% in 2020. The increases are largely due to lower personnel costs, as a result of the strong performance of the WSP platform and the strong contribution of recent acquisitions. In the year, realized gains on foreign exchange hedges in 2021 versus losses in 2020 also contributed to the increase in EBITDA.

In the fourth quarter and year ended December 31, 2021, earnings before net financing expense and income taxes increased as a percentage of net revenues, mainly due to higher adjusted EBITDA. As a percentage of net revenues, total amortization and depreciation was lower in both the quarter and the full year. In the year ended December 31, 2021, acquisition, integration and reorganization costs were lower mainly due to 2020 severance costs stemming from adjustments to cost structures and a gain on sale of an investment in an associate in 2021.

These variances are explained in further detail below.

Personnel costs

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

For the quarter and year ended December 31, 2021, despite inflation pressure, personnel costs decreased as a percentage of net revenues, as compared to the corresponding periods in 2020, mainly attributable to the strong performance of our existing businesses and the higher margin profile of recent acquisitions.

During the fourth quarter and year ended December 31, 2021, the Corporation recorded government subsidies of $0.9 million and $14.4 million, respectively ($28.2 million and $53.0 million, respectively, during the corresponding periods in 2020), mostly offset by additional discretionary employee compensation.

Other operational costs

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

Other operational costs for the quarter and year ended December 31, 2021, as a percentage of net revenues, were higher than the comparable periods in 2020, mainly due to the fact that prior to achieving full integration and synergies, corporate costs of recently acquired businesses are higher proportionate to net revenues.

Exchange gains and losses and interest income

In the quarter and year, operational foreign exchange gains of $3.8 million and $18.6 million, respectively, had a positive impact in 2021, as compared to losses of $0.1 million and $10.3 million, respectively, in the corresponding periods in 2020. This variance is mainly attributable to the US dollar.

Depreciation and amortization

Depreciation of right-of-use assets, as a percentage of net revenues, decreased in both the quarter and year ended December 31, 2021 when compared to the corresponding periods in 2020, 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. Amortization of intangible assets, as a percentage of net revenues, increased in both periods, when compared to the corresponding periods in 2020, mainly due to intangible assets recognized as part of the Golder Acquisition.

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 $23.6 million and $60.8 million, respectively, in the quarter and year ended December 31, 2021, compared to $30.3 million and $103.4 million, respectively, in the corresponding periods in 2020. The decrease for the year in 2021 is mainly due to 2020 severance costs stemming from adjustments to cost structures, as well as a gain in 2021 on sale of an associate. Acquisition, integration and reorganization costs for the year were in line with Management's outlook range of $55 million to $65 million.

8.5 FINANCING EXPENSES

Net financing expense for the fourth quarter ended December 31, 2021 was higher than the fourth quarter of 2020, mainly attributable to lower non-cash gains in value of investments related to a US-employees' deferred compensation plan, lower gains from derivative financial instruments, and higher interest on long-term debt.

For the year ended December 31, 2021, net financing expense was higher than in 2020, mainly due to losses from derivative financial instruments in 2021 compared to gains in 2020, partially offset by lower interest on lease liabilities, long-term debt and other interest and bank charges.

8.6 INCOME TAXES

In the fourth quarter of 2021, an income tax expense of $44.1 million was recorded on earnings before income taxes of $170.9 million, representing an effective income tax rate of 25.8%.

For the year ended December 31, 2021, an income tax expense of $171.0 million was recorded on earnings before income taxes of $645.1 million representing an effective income tax rate of 26.5%, within Management's outlook range for 2021.

8.7 NET EARNINGS

In the fourth quarter of 2021, the Corporation’s net earnings attributable to shareholders increased to $126.7 million, or $1.07 per share on a diluted basis, compared to $68.9 million, or $0.61 per share on a diluted basis for the comparable period in 2020. The increase is mainly attributable to higher adjusted EBITDA, partially offset by higher amortization of intangible assets and net financing expense.

For the year ended December 31, 2021, the Corporation’s net earnings attributable to shareholders were $473.6 million, or $4.07 per share, compared to $276.0 million, or $2.51 per share in 2020. The increase is mainly due to higher adjusted EBITDA and lower acquisition, integration and reorganization costs, partially offset by higher amortization and depreciation expense.

8.8 ADJUSTED NET EARNINGS

Management has amended its definition of adjusted net earnings, effective January 1, 2021, to exclude amortization of intangible assets related to acquisitions. The amendment was made in the context of the Golder Acquisition completed in April 2021. The comparative period results have been restated to apply the current definition.

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). 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 $171.7 million, or $1.46 per share, in the fourth quarter of 2021, compared to $93.0 million, or $0.82 per share, in Q4 2020. In the year ended December 31, 2021, adjusted net earnings stood at $592.9 million, or $5.09 per share, compared to $394.6 million, or $3.59 per share, in 2020. 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, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Net earnings attributable to shareholders	**$126.7**	**$68.9**	**$473.6**	**$276.0**
Amortization of intangible assets related to acquisitions	$32.1	$17.8	$95.1	$77.5
Acquisition, integration and reorganization costs	$23.6	$30.3	$60.8	$103.4
ERP implementation costs	$6.8	$—	$6.8	$—
Gains on investments in securities related to deferred compensation obligations	$(4.0)	$(11.6)	$(14.0)	$(15.8)
Unrealized (gains) losses on derivative financial instruments	$(1.7)	$(7.5)	$7.7	$(11.5)
Income taxes related to above items	$(11.8)	$(4.9)	$(37.1)	$(35.0)
Adjusted net earnings*	**$171.7**	**$93.0**	**$592.9**	**$394.6**
Adjusted net earnings per share*	**$1.46**	**$0.82**	**$5.09**	**$3.59**

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

9 LIQUIDITY

	Fourth quarters ended		Years ended	
(in millions of dollars)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash inflows from operating activities	$513.2	$381.8	$1,060.1	$1,125.1
Cash inflows (outflows) from financing activities	$(138.3)	$(453.8)	$790.2	$(746.3)
Cash outflows from investing activities	$(76.1)	$(85.2)	$(1,344.9)	$(185.3)
Effect of exchange rate change on cash	$(4.6)	$(0.3)	$(13.8)	$3.9
Change in net cash and cash equivalents	**$294.2**	**$(157.5)**	**$491.6**	**$197.4**
Dividends paid to shareholders of WSP Global Inc.	$(20.1)	$(19.7)	$(80.6)	$(88.3)
Net capital expenditures*	$(60.6)	$(29.7)	$(110.8)	$(88.5)

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

9.1 OPERATING ACTIVITIES AND FREE CASH FLOW

Cash flows from operating activities

The decrease in cash inflows from operating activities in the year ended December 31, 2021 is mainly due to the fact that 2020 benefitted from a deferral of income tax and other remittances in some jurisdictions. In addition, organic growth in revenues in 2021 resulted in an increased investment in working capital.

Free cash flow

The free cash inflow for the year ended December 31, 2021 was $646.1 million, compared to $735.3 million in 2020. Free cash inflows represent 1.4 times net earnings attributable to shareholders. Lower free cash flow in 2021 was mainly driven by the fact that 2020 benefitted from a deferral of income tax and other remittances in some jurisdictions. In addition, organic growth in revenues in 2021 resulted in an increased investment in working capital.

Reconciliation of free cash flow

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

	Fourth quarters ended		Years ended	
(in millions of dollars)	December 31, 2021	December 31, 2020	December 31, 2021	December 31, 2020
Cash inflows from operating activities	**$513.2**	**$381.8**	**$1,060.1**	**$1,125.1**
Lease payments in financing activities	$(82.7)	$(87.6)	$(303.2)	$(301.3)
Net capital expenditures*	$(60.6)	$(29.7)	$(110.8)	$(88.5)
Free cash flow**	**$369.9**	**$264.5**	**$646.1**	**$735.3**

* 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 of 2021, cash outflows from financing activities of $138.3 million were mainly due to lease payments, net repayments of borrowings under credit facilities, and dividends paid to shareholders of the Corporation.

In the year ended December 31, 2021, cash inflows from financing activities of $790.2 million were due to issuance of senior unsecured notes, net proceeds of borrowings under credit facilities and issuance of common shares, partially offset by lease payments.

9.3 INVESTING ACTIVITIES

In the fourth quarter of 2021, cash outflows used for investing activities relate mainly to net capital expenditures and business acquisitions.

In the year ended December 31, 2021, cash outflows used for investing activities relate mainly to business acquisitions. Cash outflows used for investing activities were higher due to more business acquisitions in 2021 compared to 2020. Net capital expenditures in 2021 came in below Management's outlook range of $150 million to $170 million.

9.4 NET DEBT TO ADJUSTED EBITDA RATIO

As at December 31, 2021, the Corporation's statement of financial position remained strong, with a net debt position of $849.3 million and a net debt to adjusted EBITDA ratio of 0.6x.

The net debt to adjusted EBITDA ratio increased following the closing of the Golder Acquisition. To finance a portion of the purchase price of the Golder Acquisition, which closed on April 7, 2021, the Corporation drew on its US$960 million committed bank financing facility in the form of term loans with various maturity dates up to April 2025.

Additionally, 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 beginning on October 19, 2021. In April 2021, the Corporation used the net proceeds of the offering to repay existing indebtedness.

9.5 CAPITAL RESOURCES

(in millions of dollars)	As at December 31, 2021	As at December 31, 2020
Cash and cash equivalents	$927.4	$437.1
Available syndicated credit facility	$1,442.9	$1,453.1
Other operating credit facilities	$182.4	$128.1
Available short-term capital resources	**$2,552.7**	**$2,018.3**

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, 2021, a credit facility with a syndicate of financial institutions providing for a maximum amount of US$1,400 million and a US$750 million fully committed bank financing with maturities up to December 2025. The US$1,400-million credit facility is available for general corporate purposes and for financing business acquisitions. The US$750-million credit facility was used to finance a portion of the purchase price of the Golder Acquisition.

Under these credit facilities, the Corporation is required, among other conditions, to respect certain covenants calculated on a consolidated basis. The main 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, 2021.

9.7 DIVIDENDS

On November 9, 2021, the Corporation declared a quarterly dividend of $0.375 per common share to holders of common shares on record as of December 31, 2021, which was paid on January 17, 2022. The total amount of the dividend for the fourth quarter of 2021 was $44.2 million, paid subsequent to the end of the year.

Following the payment of dividends declared on November 4, 2020, February 24, 2021, May 12, 2021 and August 10, 2021, $92.6 million was reinvested in 696,892 common shares under the DRIP during the year ended December 31, 2021.

Subsequent to the end of the year, holders of 60,695,657 common shares, representing 51.5% of all outstanding shares as at December 31, 2021, elected to participate in the DRIP. As a result, on January 17, 2022, $22.8 million of the fourth quarter dividend was reinvested in common shares of the Corporation. The net cash outflow on January 17, 2022 for the fourth quarter dividend payment was $21.4 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 8, 2022, 729,314 stock options were outstanding at exercise prices ranging from $41.69 to $180.65.

10 EIGHT QUARTER SUMMARY

		2021				2020			
(in millions of dollars, except per share data)	Fiscal year 2021	Q4 Fourth quarter ended December 31	Q3 Third quarter ended September 25	Q2 Second quarter ended June 26	Q1 First quarter ended March 26	Q4 Fourth quarter ended December 31	Q3 Third quarter ended September 26	Q2 Second quarter ended June 27	Q1 First quarter ended March 28
Results of operations									
Revenues	$10,279.1	$2,891.0	$2,650.2	$2,633.1	$2,104.8	$2,248.3	$2,137.8	$2,207.8	$2,210.0
Net revenues	$7,869.6	$2,147.4	$2,026.6	$2,028.8	$1,666.8	$1,688.3	$1,687.6	$1,747.1	$1,736.1
Adjusted EBITDA*	$1,322.5	$361.2	$377.7	$342.6	$241.0	$262.1	$297.1	$276.1	$218.4
Net earnings attributable to shareholders	$473.6	$126.7	$139.0	$120.0	$87.9	$68.9	$104.3	$88.6	$14.2
Basic net earnings per share**		$1.08	$1.18	$1.03	$0.77	$0.61	$0.92	$0.83	$0.13
Diluted net earnings per share**		$1.07	$1.18	$1.02	$0.77	$0.61	$0.92	$0.83	$0.13
Backlog		$10,425.6	$10,032.4	$9,632.4	$8,430.9	$8,421.3	$8,505.8	$8,611.0	$8,481.0
Dividends									
Dividends declared	$175.0	$44.2	$44.1	$44.0	$42.7	$42.5	$42.5	$42.4	$39.8
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. It is currently not possible to reliably estimate the impact of the COVID-19 pandemic on the Corporation’s historical seasonality trends described above.

11 SELECTED ANNUAL INFORMATION

For the years ended December 31	2021	2020	2019
(in millions of dollars, except per share data)			
Revenues	$10,279.1	$8,803.9	$8,916.1
Net revenues	$7,869.6	$6,859.1	$6,886.3
Net earnings attributable to shareholders of WSP Global Inc.	$473.6	$276.0	$286.5
Net earnings per share attributable to shareholders of WSP Global Inc.			
Basic	$4.07	$2.51	$2.72
Diluted	$4.05	$2.50	$2.71

As at December 31	2021	2020	2019
Total assets	$11,250.4	$8,837.4	$8,676.1
Non-current financial liabilities (1)	$2,245.4	$1,062.6	$1,930.8
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.

Revenues and net revenues were stable from 2019 to 2020, as the impact of the COVID-19 pandemic were mostly offset by acquisition growth. In 2021, the Golder Acquisition was the main contributor to the acquisition growth of 15.3%, while organic growth of 3.3%, in line with Management's outlook, was mainly led by Canada and the UK.

Net earnings attributable to shareholders and net earnings per share attributable to shareholders decreased from 2019 to 2020 mainly due to higher acquisition, integration and reorganization costs, partially offset by lower net financing expense. 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.

From December 31, 2019 to December 31, 2020 total assets remained stable, while non-current financial liabilities decreased due mainly to the repayment of a portion of indebtedness under credit facilities following strong free cash flow in 2020 and the equity financing completed in the second quarter of 2020. From December 31, 2020 to December 31, 2021 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, 2021.

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, 2021.

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 Golder, which was acquired on April 7, 2021, 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, 2021 present summary financial information with respect to Golder.

There were no changes in the Corporation's ICFR that occurred during the period beginning on September 26, 2021 and ended on December 31, 2021 that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR. Nevertheless, the measures taken by the Corporation in response to the COVID-19 pandemic and in compliance with public authority recommendations, including the fact that many of its employees are working remotely, may have an impact on the performance of some internal controls. As such, the Corporation has been continually monitoring and assessing the effects of the COVID-19 pandemic on 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 and to make any appropriate adjustments.

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, 2021, 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, 2021.

14 SIGNIFICANT ACCOUNTING POLICIES

NEW ACCOUNTING POLICIES AND CHANGES IN ACCOUNTING POLICY EFFECTIVE IN 2021

The following amendments to existing standards have been adopted by the Corporation on January 1, 2021 and had no material impacts on the Corporation's consolidated financial statements.

Configuration or customization costs in a cloud computing arrangement (IAS 38 Intangible assets)

In April 2021, the IFRS Interpretations Committee ("IFRIC") finalized its agenda decision *Configuration or Customization Costs in a Cloud Computing Arrangement (IAS 38 Intangible Assets)*, which clarified customers' accounting for configuration or customization costs related to cloud computing arrangements. As set out in the IFRIC agenda decision, costs incurred in configuring or customizing software in a cloud computing arrangement can only be recognized as intangible assets if the activities create an intangible asset that the entity controls and the intangible asset meets the recognition criteria. Management finalized its assessment of the impact of this agenda decision and concluded that costs related to the cloud-based ERP system recently initiated by the Corporation does not meet the criteria for capitalization and accordingly, these costs, along with other implementation costs, are expensed as incurred.

Interest rate benchmark reform - Phase 2

In August 2020, the IASB issued Phase 2 amendments to *IFRS 9*, *IAS 39*, *IFRS 7*, *IFRS 4* and *IFRS 16* to address issues that arise from the implementation of the interest rate benchmark reforms, including the replacement of one benchmark with an alternative one. The Phase 2 amendments require an entity to prospectively cease to apply the Phase 1 reliefs to a non contractually specified risk component at the earlier of when changes are made to the non contractually specified risk component, or when the hedging relationship is discontinued. No end date was provided in the Phase 1 amendments for risk components. The Phase 2 amendments provide additional temporary reliefs from applying specific *IAS 39* and *IFRS 9* hedge accounting requirements to hedging relationships directly affected by IBOR reform.

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, 2021, 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, 2021 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, 2021, 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, 2021.

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, 2021:

(in millions of dollars)	2022	2023	2024 and thereafter	Total
Long-term debt	$326.2	$180.1	$1,347.0	$1,853.3
Lease liabilities	$294.1	$237.5	$718.3	$1,249.9

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. Such statements relate to future events or future performance and reflect the expectations of Management regarding the growth, results of operations, performance and business prospects and opportunities of the Corporation or 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. 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; the anticipated impacts of the COVID-19 pandemic on the Corporation's businesses, operating results, cash flows and/or financial condition, including the effect of measures implemented as a result of the COVID-19 pandemic; the expected benefits of the Golder Acquisition and other acquisitions, and the expected synergies to be realized as a result thereof; 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 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 and health and safety risk; 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" : "Impact of the COVID-19 Pandemic"; "Health and Safety Risks and Hazards"; "Non-Compliance with Laws or Regulations"; "Systems, Network Infrastructure and Data Failure, Interruption and Breach"; "Availability and Retention of Qualified Professional Staff"; "Adequate Utilization of Workforce"; "Global Operations"; "Competition in the Industry"; "Professional Services Contracts"; "Revenues from Contracts with Government Agencies"; "Challenges Associated with Size"; "Growth by Acquisitions"; "Acquisition Integration and Management"; "Controls and Disclosure"; "Current or Future Legal Proceedings"; "Reputation"; "Extreme Weather Conditions and the Impact of Natural or Other Disasters"; "Ecological and Social Impacts of Projects"; "Implications of Setting and Announcing ESG Targets"; "Work Stoppage and Labour Disputes"; "Joint Arrangements"; "Reliance on Suppliers and Subconsultants"; "Economic Environment"; "Changes to Regulations"; "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"; "Potential Dilution and Share Price Volatility"; "Risks Related to Forward-Looking Statements"; 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. There can be no assurance that actual results will be consistent with forward-looking statements. The Corporation does not take any responsibility to update or revise forward-looking information even if new information becomes available, unless legislation requires us to do so. Readers should not place undue reliance on forward-looking statements. 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.

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

Impact of the COVID-19 Pandemic

Global economic recovery from the effects of the COVID-19 pandemic is progressing; however, given the possibility of new variants and global imbalances with respect to immunization, COVID-19 could still impact the Corporation’s capital resources and liquidity in the future, including the availability of financing on attractive terms, if at all. Any business deterioration, contract cancellations or terminations, or market pressures could cause the Corporation’s sales, earnings and cash flows to decline below its current projections and may lead to impairment of goodwill and intangibles. The likelihood and magnitude of such impacts are inherently difficult to predict, though economic stimulus in many of our geographies should mitigate such impacts.

The containment efforts taken by authorities worldwide to fight this health crisis, including implementation of travel bans, border closings, quarantine periods, capacity limits and social distancing, as well as considerable general concern and uncertainty, have diminished somewhat, but could lead to disruption in the future if new measures are put in place or if planned reopenings slow down.

The long-term effects of the mitigation measures implemented in light of the COVID-19 pandemic, including flexible working arrangements, may impact not only the Corporation’s business and operations but also its workforce’s overall engagement, outlook and productivity. Additional long-terms effects of the COVID-19 pandemic may also increase the level of other risks the Corporation is already subject to, and which are described below, all of which may negatively impact the Corporation's business, financial performance and financial position.

Furthermore, the global supply chain disruption has caused worldwide shortages and price increases of certain goods and services. Although the global supply chain is beginning to show signs of recovery, the effects and severity of this supply chain disruption on the global economy could impact the Corporation’s ability to procure certain goods and services necessary to adequately render its services.

As the Corporation continues to monitor the issues raised by the COVID-19 pandemic, it may take further actions that alter its business operations as may be required by governmental authorities, or that it determines are in the best interests of its employees, clients, partners and shareholders, and the Corporation cannot accurately predict the potential effects any such alterations or modifications may have on its business, including the impact on its financial results. The imposition of further restrictive measures by governmental authorities to contain the COVID-19 virus and its variants, a prolonged period during which any current or future measures are kept in place or the imposition of further restrictions or conditions on the Corporation's ability to fully reopen its offices or access to project sites could have an adverse impact on its business, financial position, results of operations and cash flows, the extent and duration of which is highly uncertain, cannot be predicted and will depend on many factors beyond the Corporation’s control and knowledge.

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, work sites can put employees and others in proximity with large equipment, moving vehicles, dangerous processes or highly regulated materials in challenging or remote locations which may increase the risk to health and safety. 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.

On some project sites, the Corporation may be responsible for safety and, accordingly, it has an obligation to implement effective safety procedures. Project sites can present significant health and safety risks to our employees.

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 inaccurate 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 these events against which it cannot insure or against which it may elect not to insure for various reasons.

The Corporation operates in all 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’s employees have been increasingly exposed to wellbeing risks as a result of COVID-19 and others contributing factors, which may lead to deteriorating work-life balance, reduction in productivity, decline in workforce mental and physical health, increase in absenteeism, 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 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. 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. 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.

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.

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 personal information. As the global data protection landscape continues to evolve, and new laws emerge and increasingly conflict among the various countries in which the Corporation operates, the Corporation is impacted by greater compliance risk and cost. Failing to protect privacy 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) and the California Consumer Privacy Act (CCPA), could result in the Corporation being subject to significant regulatory penalties, legal liability and remediation costs.

Systems, Network Infrastructure and Data Failure, Interruption and Breach

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 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 increasingly 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. The Corporation may be required to allocate increasingly and significant resources, and additional security measures, to protect against the cyber threats referenced above.

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 of and protect 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 number of employees working remotely and using online collaboration systems has significantly increased as a result of the global pandemic. Investment in systems and infrastructure has facilitated this transition and has minimized the impact to productivity, however remote working increases the Corporation's exposure to cybersecurity threats such as physical device loss, data leakage and account compromise through phishing.

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 competes. The Corporation’s success depends in part on its continued ability to attract and retain qualified and skilled engineers and other professional staff and to establish and execute an effective succession plan. Over the years, a significant shortage of engineers has developed in some markets which resulted in continued upward pressure on professional compensation packages. 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 would 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’s key personnel retire or otherwise depart the Corporation, the roles and responsibilities of such employees need to be filled, which require 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 sufficient numbers of 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. 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 new employees;
- its ability to forecast demand for its services and thereby maintain an appropriate headcount in each of its geographies;
- its ability to manage attrition;
- its need to devote time and resources to training, business development, professional development, and other non-chargeable activities; and
- its ability to match the skill sets of its employees to the needs of the marketplace.

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 business is dependent on the continued success and growth of its global operations, 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 policies affecting the markets for the Corporation's services;
- 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 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 have substantially more financial resources and/or financial flexibility and marketing resources than the Corporation in certain markets. Other competitors are smaller and 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. 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 and cost-plus contracts with ceilings. 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 and cost-plus contracts with ceilings 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, commodity and other materials pricing 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 and cost-plus contracts with ceilings and/or increasing 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 partners with construction delivery partners on engineering, procurement and construction ("EPC") projects. In such cases, the Corporation assumes design, 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 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 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 that could adversely affect the profitability of the Corporation's projects.

Revenues from Contracts 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 and concerns regarding deficits), 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 annually, 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.

Challenges Associated with Size

In recent years, the Corporation has significantly increased in size and, as at December 31, 2021, had approximately 55,300 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 objectives. 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 from occurring within the time periods forecasted by the Corporation. Cultural differences, including but not limited to differences in corporate cultures, may also present barriers to the success of the integration plans of the acquisitions completed 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.

In addition, it may prove increasingly challenging to identify attractive targets for acquisitions, and such firms may only be available with pricing and/or other terms and conditions that are unfavourable, which may negatively impact our ability to successfully pursue our growth strategy.

Further, the Corporation may enter into new markets or make available new service offerings, including as a result of its M&A activities. This carries risks 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 market readiness for such new offerings.

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. 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. In particular, 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.

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.

There is no assurance that the Corporation will be able to successfully integrate its acquisitions. Each year, the Corporation incurs acquisition-related integration costs which may be material.

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.

Controls and Disclosure

Inherent limitations to the Corporation's internal or disclosure controls could result in a material misstatement of financial information, 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 can and will be 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 financial 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 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 affects 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.

Extreme Weather Conditions and the Impact of Natural or Other Disasters

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 extreme weather events, storm-related flooding or extended drought could disrupt its clients’ projects and its work, namely its IT systems and the ability of its employees to travel, particularly in locations near or at sea level.

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. Business continuity procedures, as well as the diverse geography of the Corporation’s locations, enable employees to work from other offices, which minimizes operational disruptions and keeps productivity losses to a minimum. In addition, the Corporation’s revenues are not concentrated in one specific region, which prevents regional disruptions from unduly influencing its global operations.

However, the Corporation does conduct 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. Extreme weather events may 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.

Ecological and Social Impacts of Projects

WSP works in industries including Transportation & Infrastructure, Property & Buildings and Power & Energy, where related projects may impact the environment or local communities. Such impacts may include a reduction in biodiversity, deforestation, water pollution and loss of territories claimed by certain groups. Beyond abiding by all applicable laws and regulations, the Corporation’s clients must gain social acceptance for its 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.

Implications of Setting and Announcing ESG Targets

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 and protect the health, safety and wellbeing of our workforce, among other Environmental, Social and Governance (“ESG”) commitments.

The achievement of these goals is subject to some 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, this could have financial and reputational repercussions. For example, the Corporation’s activities are rated by ESG rating agencies, and the resulting scores and rankings are used as an investment tool, notably among institutional investors. Failure by WSP to reach its ESG targets could potentially lead to downgrades in its ratings, which could influence investor behaviour.

Work Stoppage and Labour Disputes

As at December 31, 2021, employees predominantly in the Nordics, Brazil and Continental Europe, representing less than 13% 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.

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 with our contract partners, the Corporation could be liable for both its own obligations and those of its partners. 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 be required to hire other subconsultants in order to complete the subcontracted deliverables and the Corporation's ability to fulfill its obligations may be jeopardized, which may add additional costs to a contract, may 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 could have an adverse effect on the Corporation's business, reputation, prospects, financial condition and results of operations.

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. Although economic growth may be rebounding in some regions of the world, many markets remain fragile and could again enter periods of negative economic growth, including as a result of the COVID-19 pandemic. 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. These conditions may impact demand for the Corporation's services by public and private entities. 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. 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.

Changes to Regulations

A portion of the Corporation's professional services business is generated directly or indirectly as a result of laws and regulations. Changes in such 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.

Compliance with information security standards such as NIST, DFAR and ISO27001, etc. 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 risks or losses.

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

Where appropriate, the Corporation seeks to protect its technology, including trademarks, patents, and industrial designs, by relying on licensing and other mechanisms available under applicable law as well as by implementing the proper legal contractual arrangement and non-disclosure agreements. However, the Corporation may not be able to fully protect its intellectual property rights or detect unauthorized use of same, which can disturb operations and adversely impact the Corporation's capacity to differentiate itself from its competitors.

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. 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; 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.

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, 2021, the Corporation had $4.8 billion of goodwill, representing 42% of its total assets of $11.3 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.

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. 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.

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.

RISKS RELATED TO THE SHARES OF THE CORPORATION

Potential Dilution and Share Price Volatility

The Corporation's articles permit the issuance of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. In order to successfully finance and complete targeted acquisitions or to fund its operations, capex, or other activities, the Corporation may issue additional equity securities or securities convertible into common shares that could dilute share ownership. The dilutive effect of these issuances may adversely affect the Corporation's ability to obtain additional capital or impair the Corporation's share price. WSP cannot predict the likelihood or size of future equity issuances or the effect that such future issuances may have on the market price of the Corporation's securities. Issuances of a substantial number of additional common shares (or securities convertible into common shares), or the perception that such issuances could occur, may adversely affect the prevailing market price for the common shares.

Share prices are inherently volatile, and the market price of our common shares is accordingly subject to wide fluctuations in response to numerous factors, many of which are beyond our control, and in some cases heightened in the context of the COVID-19 pandemic and related uncertainty. Such factors include, but are not limited to, announcements or rumors surrounding new strategic initiatives or other material information, actual or anticipated fluctuations in our operating results, sales of common shares in the marketplace, changes in forecasts, estimates or recommendations of securities research analysts regarding our future operating results or financial performance, changes in the economic performance or market valuations of other issuers that investors deem comparable to WSP, arrivals or departures of our executive officers and other key personnel, the declaration and payment of dividends, news reports relating to trends, concerns, technological or competitive developments, the impact of various tax laws or rates and general market conditions or the worldwide economy. In certain circumstances, stock markets experience significant price and volume fluctuations which are entirely unrelated to the operating performance of the affected companies. There can be no assurance that the market price of the common shares will not experience significant fluctuations in the future, including fluctuations that are unrelated to our performance.

In addition, the Corporation is subject to a number of risks and uncertainties, including those described in this section 20, "Risk Factors", which if they were to materialize, could cause a decline in the price of the Corporation's publicly traded shares.

RISKS RELATED TO FORWARD-LOOKING STATEMENTS

The forward-looking statements included in this MD&A relating to, among other things, the Corporation's future results, performance, achievements, prospects, targets, intentions or opportunities or the markets in which the Corporation operates and the other statements listed in "Forward-Looking Statements", are based on opinions, assumptions and estimates made by Management in light of its experience and perception of historical trends, current conditions and expected future developments, as well as other factors that the Corporation believes are appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. The Corporation's actual results in the future may vary significantly from the historical and estimated results and those variations may be material. The Corporation makes no representation that its actual results in the future will be the same, in whole or in part, as those included in this MD&A. See section 19, "Forward-Looking Statements".

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, 2021 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, 2021, the Corporation had 117,783,015 common shares outstanding. As at March 8, 2022, the Corporation had 117,916,486 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 and reversals thereof, share of income tax expense and depreciation of associates, 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, 2021, to exclude amortization of intangible assets related to acquisitions. The amendment was made in the context of the Golder Acquisition completed on April 7, 2021. The comparative period results have been restated to apply the current definition.

Adjusted net earnings is defined as net earnings attributable to shareholders excluding:
- amortization of intangible assets related to acquisitions;
- 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 and amortization of intangible assets related to acquisitions 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. 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 into cash, net of billings in excess of costs and anticipated profits. 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.