

Supplementary Financial Information

SNC-LAVALIN GROUP INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

(IN THOUSANDS OF CANADIAN DOLLARS)	DECEMBER 31 2021	DECEMBER 31 2020
ASSETS		
Current assets		
Cash and cash equivalents	\$ 608,446	\$ 932,902
Restricted cash	13,398	29,300
Trade receivables	1,145,932	1,199,166
Contract assets	1,119,045	1,090,149
Inventories	17,037	16,122
Other current financial assets	138,371	257,432
Other current non-financial assets	246,158	253,311
Assets of disposal groups classified as held for sale	343,913	273,174
Total current assets	3,632,300	4,051,556
Property and equipment	333,493	375,864
Right-of-use assets	355,637	346,824
Capital investments accounted for by the equity method	380,736	378,730
Capital investments at fair value through other comprehensive income	41,327	9,666
Goodwill	3,382,943	3,429,478
Intangible assets related to business combinations	445,716	544,059
Deferred income tax asset	658,061	655,838
Non-current portion of receivables under service concession arrangements	304,189	433,914
Other non-current financial assets	25,409	31,398
Other non-current non-financial assets	316,153	82,951
Total assets	\$ 9,875,964	\$ 10,340,278
LIABILITIES AND EQUITY		
Current liabilities		
Trade payables and accrued liabilities	\$ 1,652,514	\$ 1,730,398
Contract liabilities	838,209	836,991
Other current financial liabilities	205,770	187,754
Other current non-financial liabilities	328,119	473,780
Current portion of provisions	425,613	401,585
Current portion of lease liabilities	91,317	97,409
Short-term debt and current portion of long-term debt:		
Recourse	96,853	174,960
Non-recourse	14,021	31,262
Liabilities of disposal groups classified as held for sale	298,888	340,303
Total current liabilities	3,951,304	4,274,442
Long-term debt:		
Recourse	997,249	996,005
Limited recourse	400,000	400,000
Non-recourse	156,048	400,283
Other non-current financial liabilities	137,519	193,861
Non-current portion of provisions	470,410	753,226
Non-current portion of lease liabilities	405,741	399,201
Other non-current non-financial liabilities	37	219
Deferred income tax liability	364,197	354,348
Total liabilities	6,882,505	7,771,585
Equity		
Share capital	1,805,080	1,805,080
Retained earnings	1,501,556	478,351
Other components of equity	(333,269)	(320,067)
Other components of equity of disposal groups classified as held for sale	—	594,141
Equity attributable to SNC-Lavalin shareholders	2,973,367	2,557,505
Non-controlling interests	20,092	11,188
Total equity	2,993,459	2,568,693
Total liabilities and equity	\$ 9,875,964	\$ 10,340,278

Supplementary Financial Information (continued)

SNC-LAVALIN GROUP INC.

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

(UNAUDITED)

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT EARNINGS (LOSS) PER SHARE FROM CONTINUING OPERATIONS AND NUMBER OF SHARES)

	FOURTH QUARTERS		YEARS ENDED DECEMBER 31	
	2021	2020	2021	2020
Continuing operations				
Revenues from:				
PS&PM	\$ 1,879,729	\$ 1,675,294	\$ 7,237,134	\$ 6,878,142
Capital investments accounted for by the consolidation method or at fair value through other comprehensive income	12,182	11,029	49,116	42,010
Capital investments accounted for by the equity method	53,035	11,606	85,002	87,349
	1,944,946	1,697,929	7,371,252	7,007,501
Direct costs of activities	1,878,372	1,938,532	6,881,947	6,882,152
Corporate selling, general and administrative expenses	49,912	95,725	145,073	175,933
Impairment loss from expected credit losses	—	—	—	874
Loss (gain) arising on financial instruments at fair value through profit or loss	3,381	254	(3,725)	61,859
Restructuring and transformation costs	30,851	31,826	70,117	63,324
Amortization of intangible assets related to business combinations	23,375	23,198	89,477	126,770
Adjustments on gain on disposals of Capital investments	(5,000)	(25,000)	(5,000)	(25,000)
Loss on disposals of PS&PM businesses	—	—	613	7,467
Impairment loss (reversal of impairment loss) on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell	—	6,094	(1,348)	6,094
EBIT⁽¹⁾	(35,945)	(372,700)	194,098	(291,972)
Financial expenses	27,877	30,238	113,856	124,703
Financial income and net foreign exchange losses (gains)	(886)	(2,774)	(3,406)	(10,707)
Earnings (loss) before income taxes from continuing operations	(62,936)	(400,164)	83,648	(405,968)
Income tax recovery	(47,845)	(80,513)	(22,031)	(59,039)
Net income (loss) from continuing operations	(15,091)	(319,651)	105,679	(346,929)
Net income (loss) from discontinued operations	(37,559)	(379,805)	566,377	(609,344)
Net income (loss) for the period	\$ (52,650)	\$ (699,456)	\$ 672,056	\$ (956,273)
Net income (loss) from continuing operations attributable to:				
SNC-Lavalin shareholders	\$ (15,327)	\$ (322,906)	\$ 100,186	\$ (356,103)
Non-controlling interests	236	3,255	5,493	9,174
Net income (loss) from continuing operations	\$ (15,091)	\$ (319,651)	\$ 105,679	\$ (346,929)
Net income (loss) attributable to:				
SNC-Lavalin shareholders	\$ (52,886)	\$ (702,711)	\$ 666,563	\$ (965,447)
Non-controlling interests	236	3,255	5,493	9,174
Net income (loss) for the period	\$ (52,650)	\$ (699,456)	\$ 672,056	\$ (956,273)
Earnings (loss) per share from continuing operations (in \$)				
Basic	\$ (0.09)	\$ (1.84)	\$ 0.57	\$ (2.03)
Diluted	\$ (0.09)	\$ (1.84)	\$ 0.57	\$ (2.03)
Weighted average number of outstanding shares (in thousands)				
Basic	175,554	175,554	175,554	175,554
Diluted	175,554	175,554	175,554	175,554

⁽¹⁾ Earnings before interest and taxes ("EBIT")

Supplementary Financial Information (continued)

SNC-LAVALIN GROUP INC.

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(UNAUDITED)

(IN THOUSANDS OF CANADIAN DOLLARS)	FOURTH QUARTERS		YEARS ENDED DECEMBER 31	
	2021	2020	2021	2020
Operating activities				
Net income (loss) for the period	\$ (52,650)	\$ (699,456)	\$ 672,056	\$ (956,273)
Income taxes paid	(10,808)	(12,391)	(71,390)	(22,536)
Interest paid	(35,158)	(27,700)	(97,011)	(105,005)
Other reconciling items	175,889	626,509	(272,238)	976,051
	77,273	(113,038)	231,417	(107,763)
Net change in non-cash working capital items	38,151	217,644	(97,219)	229,248
Net cash generated from operating activities	115,424	104,606	134,198	121,485
Investing activities				
Acquisition of property and equipment	(47,286)	(14,800)	(106,291)	(75,821)
Payments for Capital investments	—	—	(29,731)	(55,834)
Refunds for Capital investments	—	—	2,529	—
Change in restricted cash position	(6,551)	(8,474)	(6,551)	4,818
Increase in receivables under service concession arrangements	(86,993)	(77,076)	(386,157)	(239,584)
Recovery of receivables under service concession arrangements	70,956	55,668	255,622	173,934
Cash outflow on disposals of PS&PM businesses	—	(7,565)	(21,076)	(15,043)
Cash inflow on disposal of a Capital investment accounted for by the equity method	5,000	—	5,000	—
Other	13,266	10,761	22,948	22,407
Net cash used for investing activities	(51,608)	(41,486)	(263,707)	(185,123)
Financing activities				
Increase in debt	50,991	14,816	121,039	1,329,225
Repayment of debt and payment for debt issue costs	(1,730)	(262,363)	(201,466)	(1,387,901)
Payment of lease liabilities	(23,215)	(33,111)	(99,775)	(118,651)
Dividends paid to SNC-Lavalin shareholders	(3,511)	(3,511)	(14,044)	(14,044)
Other	3,386	3,264	1,711	941
Net cash generated from (used for) financing activities	25,921	(280,905)	(192,535)	(190,430)
Increase (decrease) from exchange differences on translating cash and cash equivalents	1,107	148	(248)	(1,666)
Net increase (decrease) in cash and cash equivalents	90,844	(217,637)	(322,292)	(255,734)
Cash and cash equivalents at beginning of period	519,766	1,150,539	932,902	1,188,636
Cash and cash equivalents at end of period	\$ 610,610	\$ 932,902	\$ 610,610	\$ 932,902
Presented on the statement of financial position as follows:				
Cash and cash equivalents	\$ 608,446	\$ 932,902	\$ 608,446	\$ 932,902
Assets of disposals groups classified as held for sale	2,164	—	2,164	—
	\$ 610,610	\$ 932,902	\$ 610,610	\$ 932,902

Supplementary Financial Information (continued)

SEGMENT DISCLOSURES (UNAUDITED)

SNC-Lavalin Group Inc. (the “Company” or “SNC-Lavalin”) has six reportable segments consisting of EDPM, Nuclear, Infrastructure Services, Resources and Infrastructure EPC Projects (which together regroup PS&PM activities), and Capital, the latter being its own reportable segment and separate from PS&PM.

The following table presents revenues and Segment Adjusted EBIT for each of the Company’s segments for the three-month periods ended December 31, 2021 and 2020:

THREE MONTHS ENDED DECEMBER 31	2021		2020	
	REVENUES	SEGMENT ADJUSTED EBIT	REVENUES	SEGMENT ADJUSTED EBIT
EDPM	\$ 1,063,527	\$ 179,323	\$ 943,337	\$ 84,908
Nuclear	220,436	34,772	245,329	36,221
Infrastructure Services	386,839	23,335	334,371	31,989
SNCL Engineering Services	1,670,802	237,430	1,523,037	153,118
Resources	29,419	(39,622)	53,691	(93,448)
Infrastructure EPC Projects	179,508	(191,799)	98,566	(319,391)
SNCL Projects	208,927	(231,421)	152,257	(412,839)
Capital	65,217	60,565	22,635	19,118
	<u>\$ 1,944,946</u>		<u>\$ 1,697,929</u>	
Segment Adjusted EBIT — Total		66,574		(240,603)
Corporate selling, general and administrative expenses not allocated to the segments — PS&PM		(42,864)		(88,654)
Corporate selling, general and administrative expenses not allocated to the segments — Capital		(7,048)		(7,071)
Loss arising on financial instruments at fair value through profit or loss		(3,381)		(254)
Restructuring and transformation costs		(30,851)		(31,826)
Amortization of intangible assets related to business combinations		(23,375)		(23,198)
Adjustments on gain on disposals of Capital investments		5,000		25,000
Impairment loss on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell		—		(6,094)
EBIT		(35,945)		(372,700)
Net financial expenses		26,991		27,464
Loss before income taxes from continuing operations		(62,936)		(400,164)
Income tax recovery		(47,845)		(80,513)
Net loss from continuing operations		(15,091)		(319,651)
Net loss from discontinued operations		(37,559)		(379,805)
Net loss for the period		\$ (52,650)		\$ (699,456)

Supplementary Financial Information (continued)

SEGMENT DISCLOSURES (CONTINUED) (UNAUDITED)

The following table presents revenues and Segment Adjusted EBIT for each of the Company's segments for the years ended December 31, 2021 and 2020:

YEARS ENDED DECEMBER 31	2021		2020	
	REVENUES	SEGMENT ADJUSTED EBIT	REVENUES	SEGMENT ADJUSTED EBIT
EDPM	\$ 3,848,788	\$ 431,796	\$ 3,721,119	\$ 302,269
Nuclear	904,678	135,854	928,606	140,051
Infrastructure Services	1,416,579	92,705	1,325,313	97,212
SNCL Engineering Services	6,170,045	660,355	5,975,038	539,532
Resources	171,757	(39,426)	162,916	(171,118)
Infrastructure EPC Projects	895,332	(250,925)	740,188	(359,680)
SNCL Projects	1,067,089	(290,351)	903,104	(530,798)
Capital	134,118	119,301	129,359	116,615
	\$ 7,371,252		\$ 7,007,501	
Segment Adjusted EBIT — Total		489,305		125,349
Corporate selling, general and administrative expenses not allocated to the segments — PS&PM		(116,879)		(147,739)
Corporate selling, general and administrative expenses not allocated to the segments — Capital		(28,194)		(28,194)
Impairment loss arising from expected credit losses		—		(874)
Gain (loss) arising on financial instruments at fair value through profit or loss		3,725		(61,859)
Restructuring and transformation costs		(70,117)		(63,324)
Amortization of intangible assets related to business combinations		(89,477)		(126,770)
Adjustments on gain on disposals of Capital investments		5,000		25,000
Loss on disposals of PS&PM businesses		(613)		(7,467)
Reversal of impairment loss (impairment loss) on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell		1,348		(6,094)
EBIT		194,098		(291,972)
Net financial expenses		110,450		113,996
Earnings (loss) before income taxes from continuing operations		83,648		(405,968)
Income tax recovery		(22,031)		(59,039)
Net income (loss) from continuing operations		105,679		(346,929)
Net income (loss) from discontinued operations		566,377		(609,344)
Net income (loss) for the year		\$ 672,056		\$ (956,273)

Supplementary Financial Information (continued)

SEGMENT DISCLOSURES (CONTINUED) (UNAUDITED)

The Company also discloses in the table below supplementary information such as its net income (loss) from PS&PM, its dividends from 407 International Inc. ("Highway 407 ETR"), and its net income (loss) from other Capital investments.

It should be noted that the supplementary information provided in the following table does not reflect information related to the Company's segments, but is rather an allocation of net income (loss) attributable to SNC-Lavalin shareholders between various components.

	FOURTH QUARTERS		YEARS ENDED DECEMBER 31	
	2021	2020	2021	2020
Supplementary information:				
Net loss on disposals of PS&PM businesses	\$ —	\$ —	\$ (613)	\$ (7,467)
Net income (loss) from discontinued operations	(37,559)	(379,805)	566,377	(609,344)
Reversal of impairment loss (impairment loss) on remeasurement of assets of disposal group classified as held for sale to fair value less cost to sell	—	(6,094)	1,348	(6,094)
Excluding the items listed above	(67,899)	(350,301)	26,284	(388,093)
Net income (loss) attributable to SNC-Lavalin shareholders from PS&PM	(105,458)	(736,200)	593,396	(1,010,998)
Adjustments on net gain on disposals of Capital investments	3,650	25,000	3,650	25,000
Net loss arising on contingent consideration receivable from the acquirer of the 10.01% interest in Highway 407 ETR	—	—	—	(49,627)
Highway 407 ETR dividends	40,585	—	40,585	38,048
Excluding the items listed above	8,337	8,489	28,932	32,130
Net income attributable to SNC-Lavalin shareholders from Capital	52,572	33,489	73,167	45,551
Net income (loss) attributable to SNC-Lavalin shareholders for the period	\$ (52,886)	\$ (702,711)	\$ 666,563	\$ (965,447)

Supplementary Financial Information (continued)

ADDITIONAL INFORMATION - STATEMENTS OF CASH FLOWS (UNAUDITED)

A) OTHER RECONCILING ITEMS

The following table presents the items to reconcile net income (loss) to cash flows from operating activities presented in the statements of cash flows:

	FOURTH QUARTERS		YEARS ENDED DECEMBER 31	
	2021	2020	2021	2020
Depreciation of property and equipment and amortization of other non-current non-financial assets	\$ 42,542	\$ 60,871	\$ 183,148	\$ 246,975
Depreciation of right-of-use assets	23,994	28,566	88,166	107,318
Income taxes recognized in net income	(38,054)	(10,688)	(69,190)	3,980
Net financial expenses recognized in net income	29,215	27,065	110,614	114,257
Share-based expense (recovery)	(2,115)	6,779	36,801	10,079
Income from Capital investments accounted for by the equity method	(53,035)	(11,606)	(85,002)	(87,349)
Dividends and distributions received from Capital investments accounted for by the equity method	48,358	11,587	76,584	93,176
Income from PS&PM investments accounted for by the equity method	(9,477)	(28,554)	(56,329)	(47,186)
Dividends and distributions received from PS&PM investments accounted for by the equity method	29,377	30,745	55,965	38,262
Net change in provisions related to forecasted losses on certain contracts	24,117	46,130	(42,119)	20,653
Adjustments on gain on disposals of Capital investments	(5,000)	(25,000)	(5,000)	(25,000)
Restructuring and transformation costs recognized in net income	44,865	31,787	87,613	121,128
Restructuring and transformation costs paid	(28,321)	(38,164)	(59,133)	(124,450)
Loss (gain) on disposals of PS&PM businesses	—	(6,205)	(572,429)	1,262
Loss (gain) arising on financial instruments at fair value through profit or loss	3,381	254	(3,725)	61,859
Impairment loss (reversal of impairment loss) on remeasurement of assets of disposal groups classified as held for sale to fair value less cost to sell	—	277,660	(6,232)	277,660
Net change in other provisions	112,600	209,489	68,725	231,355
Other	(46,558)	15,793	(80,695)	(67,928)
Other reconciling items	\$ 175,889	\$ 626,509	\$ (272,238)	\$ 976,051

Supplementary Financial Information (continued)

ADDITIONAL INFORMATION - STATEMENTS OF CASH FLOWS (CONTINUED) (UNAUDITED)

B) NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The following table presents the items included in the net change in non-cash working capital related to operating activities presented in the statements of cash flows:

	FOURTH QUARTERS		YEARS ENDED DECEMBER 31	
	2021	2020	2021	2020
Decrease (increase) in trade receivables	\$ 28,680	\$ (45,002)	\$ 42,036	\$ 196,175
Decrease (increase) in contract assets	56,800	279,523	(163,760)	361,597
Decrease (increase) in inventories	(2,509)	(3,287)	(941)	69,500
Decrease (increase) in other current financial assets	23,751	179,294	150,207	(29,454)
Increase in other current non-financial assets	(30,495)	(31,163)	(41,466)	(32,968)
Decrease in trade payables and accrued liabilities	(146,759)	(137,621)	(63,528)	(330,717)
Increase (decrease) in contract liabilities	63,567	46,268	(14,186)	6,803
Increase (decrease) in other current financial liabilities	58,065	(89,268)	75,082	(64,893)
Increase (decrease) in other current non-financial liabilities	(12,949)	18,900	(80,663)	53,205
Net change in non-cash working capital items	\$ 38,151	\$ 217,644	\$ (97,219)	\$ 229,248