



Q3

**Interim Condensed Consolidated
Financial Statements** (unaudited)

For the three-month and nine-month periods ended
September 30, 2024 and 2023

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(UNAUDITED)

(IN THOUSANDS OF CANADIAN DOLLARS)	Note	SEPTEMBER 30 2024	DECEMBER 31 2023 ⁽¹⁾
ASSETS			
Current assets			
Cash and cash equivalents		\$ 544,840	\$ 473,563
Restricted cash		6,454	5,930
Trade receivables		1,378,338	1,488,772
Contract assets		1,741,336	1,569,401
Other current financial assets		276,775	261,472
Other current non-financial assets		319,583	267,219
Total current assets		4,267,326	4,066,357
Property and equipment		309,630	332,428
Right-of-use assets		384,596	254,751
Capital investments accounted for by the equity method	5	384,261	389,256
Goodwill		3,495,826	3,327,777
Intangible assets related to business combinations		223,943	270,058
Deferred income tax asset		1,024,111	886,203
Non-current portion of receivables under service concession arrangements		331,602	398,436
Other non-current financial assets		54,177	39,049
Other non-current non-financial assets		338,465	204,888
Total assets		\$ 10,813,937	\$ 10,169,203
LIABILITIES AND EQUITY			
Current liabilities			
Trade payables and accrued liabilities		\$ 1,936,940	\$ 1,825,916
Deferred revenues		1,249,732	1,260,588
Other current financial liabilities		261,060	279,817
Other current non-financial liabilities		454,305	386,917
Current portion of provisions		124,990	169,342
Current portion of lease liabilities		86,487	74,887
Short-term debt and current portion of long-term debt	14	164,068	463,289
Total current liabilities		4,277,582	4,460,756
Long-term debt	14	1,754,209	1,519,342
Other non-current financial liabilities		17,578	24,576
Non-current portion of provisions		321,226	304,042
Non-current portion of lease liabilities		427,957	316,414
Other non-current non-financial liabilities		51,312	37,991
Deferred income tax liability		369,710	330,827
Total liabilities		7,219,574	6,993,948
Equity			
Share capital		1,798,113	1,805,080
Retained earnings		1,892,927	1,652,078
Other components of equity	9	(113,633)	(293,532)
Equity attributable to AtkinsRéalis shareholders		3,577,407	3,163,626
Non-controlling interests		16,956	11,629
Total equity		3,594,363	3,175,255
Total liabilities and equity		\$ 10,813,937	\$ 10,169,203

⁽¹⁾ Comparative figures have been restated (See Note 2B).

See accompanying notes to interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (UNAUDITED)

NINE MONTHS ENDED SEPTEMBER 30
(IN THOUSANDS OF CANADIAN DOLLARS,
EXCEPT NUMBER OF COMMON SHARES)

2024

	EQUITY ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS					NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL		RETAINED EARNINGS	OTHER COMPONENTS OF EQUITY (NOTE 9)	TOTAL		
	COMMON SHARES (IN THOUSANDS)	AMOUNT					
Balance at beginning of period	175,554	\$ 1,805,080	\$ 1,652,078	\$ (293,532)	\$ 3,163,626	\$ 11,629	\$ 3,175,255
Net income for the period	—	—	231,423	—	231,423	4,143	235,566
Other comprehensive income for the period	—	—	45,078	179,899	224,977	3	224,980
Total comprehensive income for the period	—	—	276,501	179,899	456,400	4,146	460,546
Dividends declared (Note 7)	—	—	(10,520)	—	(10,520)	—	(10,520)
Stock option compensation	—	—	5,047	—	5,047	—	5,047
Shares issued under stock option plan	14	539	(128)	—	411	—	411
Shares repurchased and cancelled (Note 8)	(730)	(7,506)	(31,032)	—	(38,538)	—	(38,538)
Deferred income taxes on share-based payment transactions	—	—	981	—	981	—	981
Non-cash contribution by a non-controlling interest	—	—	—	—	—	1,181	1,181
Balance at end of period	174,838	\$ 1,798,113	\$ 1,892,927	\$ (113,633)	\$ 3,577,407	\$ 16,956	\$ 3,594,363

NINE MONTHS ENDED SEPTEMBER 30
(IN THOUSANDS OF CANADIAN DOLLARS,
EXCEPT NUMBER OF COMMON SHARES)

2023

	EQUITY ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS					NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL		RETAINED EARNINGS	OTHER COMPONENTS OF EQUITY (NOTE 9)	TOTAL		
	COMMON SHARES (IN THOUSANDS)	AMOUNT					
Balance at beginning of period	175,554	\$ 1,805,080	\$ 1,404,589	\$ (340,155)	\$ 2,869,514	\$ 9,571	\$ 2,879,085
Net income (loss) for the period	—	—	197,210	—	197,210	(373)	196,837
Other comprehensive income (loss) for the period	—	—	(40,134)	54,562	14,428	(280)	14,148
Total comprehensive income (loss) for the period	—	—	157,076	54,562	211,638	(653)	210,985
Dividends declared (Note 7)	—	—	(10,533)	—	(10,533)	—	(10,533)
Stock option compensation	—	—	3,525	—	3,525	—	3,525
Non-cash contribution by a non-controlling interest	—	—	—	—	—	1,188	1,188
Balance at end of period	175,554	\$ 1,805,080	\$ 1,554,657	\$ (285,593)	\$ 3,074,144	\$ 10,106	\$ 3,084,250

See accompanying notes to interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED INCOME STATEMENTS

(UNAUDITED)

(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT EARNINGS PER SHARE AND NUMBER OF SHARES)

	Note	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
		2024	2023	2024	2023
Revenues from:					
PS&PM		\$ 2,423,854	\$ 2,171,173	\$ 7,017,747	\$ 6,280,066
Capital investments accounted for by the consolidation method or at fair value through other comprehensive income		8,063	9,676	25,255	26,220
Capital investments accounted for by the equity method		20,136	19,268	37,316	48,432
	3	2,452,053	2,200,117	7,080,318	6,354,718
Direct costs of activities		2,206,151	2,003,393	6,451,988	5,820,920
Corporate selling, general and administrative expenses	4	34,427	54,289	127,258	126,600
Restructuring and transformation costs	15	9,159	6,634	13,277	27,876
Amortization of intangible assets related to business combinations		19,216	21,052	61,131	62,514
Acquisition-related costs and integration costs	17	—	—	892	—
Gain on disposal of a PS&PM business	19	—	(46,191)	—	(46,191)
EBIT⁽¹⁾		183,100	160,940	425,772	362,999
Financial expenses	6	45,226	52,054	133,545	149,751
Financial income and net foreign exchange losses	6	(4,441)	(1,884)	(11,448)	(9,195)
Earnings before income taxes		142,315	110,770	303,675	222,443
Income tax expense		36,435	6,063	68,109	25,606
Net income for the period		\$ 105,880	\$ 104,707	\$ 235,566	\$ 196,837
Net income (loss) attributable to:					
AtkinsRéalis shareholders		\$ 103,697	\$ 104,967	\$ 231,423	\$ 197,210
Non-controlling interests		2,183	(260)	4,143	(373)
Net income for the period		\$ 105,880	\$ 104,707	\$ 235,566	\$ 196,837
Earnings per share (in \$)					
Basic		\$ 0.59	\$ 0.60	\$ 1.32	\$ 1.12
Diluted		\$ 0.59	\$ 0.60	\$ 1.32	\$ 1.12
Weighted average number of outstanding shares (in thousands)					
Basic		175,166	175,554	175,366	175,554
Diluted		175,533	175,676	175,665	175,554

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

See accompanying notes to interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (UNAUDITED)

	THREE MONTHS ENDED SEPTEMBER 30 (IN THOUSANDS OF CANADIAN DOLLARS)					
	2024			2023		
	ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL	ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income (loss) for the period	\$ 103,697	\$ 2,183	\$ 105,880	\$ 104,967	\$ (260)	\$ 104,707
Other comprehensive income (loss):						
Exchange differences on translating foreign operations (Note 9)	78,138	88	78,226	7,454	117	7,571
Cash flow hedges (Note 9)	(8,496)	623	(7,873)	3,386	(961)	2,425
Income taxes (Note 9)	3,993	—	3,993	(1,700)	—	(1,700)
Total of items that will be reclassified subsequently to net income	73,635	711	74,346	9,140	(844)	8,296
Equity instruments designated at fair value through other comprehensive income (Note 9)	(29)	—	(29)	—	—	—
Income taxes (Note 9)	48	—	48	—	—	—
Remeasurement of defined benefit plans (Note 9)	42,516	—	42,516	19,878	—	19,878
Income taxes (Note 9)	(10,492)	—	(10,492)	(5,305)	—	(5,305)
Total of items that will not be reclassified subsequently to net income	32,043	—	32,043	14,573	—	14,573
Total other comprehensive income (loss) for the period	105,678	711	106,389	23,713	(844)	22,869
Total comprehensive income (loss) for the period	\$ 209,375	\$ 2,894	\$ 212,269	\$ 128,680	\$ (1,104)	\$ 127,576

	NINE MONTHS ENDED SEPTEMBER 30 (IN THOUSANDS OF CANADIAN DOLLARS)					
	2024			2023		
	ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL	ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income (loss) for the period	\$ 231,423	\$ 4,143	\$ 235,566	\$ 197,210	\$ (373)	\$ 196,837
Other comprehensive income (loss):						
Exchange differences on translating foreign operations (Note 9)	181,842	419	182,261	45,840	(58)	45,782
Cash flow hedges (Note 9)	(6,168)	(416)	(6,584)	12,411	(222)	12,189
Income taxes (Note 9)	4,225	—	4,225	(3,689)	—	(3,689)
Total of items that will be reclassified subsequently to net income	179,899	3	179,902	54,562	(280)	54,282
Equity instruments designated at fair value through other comprehensive income (Note 9)	(95)	—	(95)	—	—	—
Income taxes (Note 9)	48	—	48	—	—	—
Remeasurement of defined benefit plans (Note 9)	59,961	—	59,961	(52,913)	—	(52,913)
Income taxes (Note 9)	(14,836)	—	(14,836)	12,779	—	12,779
Total of items that will not be reclassified subsequently to net income	45,078	—	45,078	(40,134)	—	(40,134)
Total other comprehensive income (loss) for the period	224,977	3	224,980	14,428	(280)	14,148
Total comprehensive income (loss) for the period	\$ 456,400	\$ 4,146	\$ 460,546	\$ 211,638	\$ (653)	\$ 210,985

See accompanying notes to interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

(IN THOUSANDS OF CANADIAN DOLLARS)	THIRD QUARTERS	NINE MONTHS ENDED SEPTEMBER 30		
Note	2024	2023	2024	2023
Operating activities				
Net income for the period	\$ 105,880	\$ 104,707	\$ 235,566	\$ 196,837
Income taxes paid	(7,483)	(12,768)	(46,216)	(58,292)
Interest paid	(50,367)	(42,905)	(117,298)	(132,718)
Depreciation and amortization	10A 59,008	62,885	182,953	183,992
Other reconciling items	10B 94,041	(58,174)	194,542	(13,272)
	201,079	53,745	449,547	176,547
Net change in non-cash working capital items	10C 66,033	(47,321)	(234,487)	(383,357)
Net cash generated from (used for) operating activities	267,112	6,424	215,060	(206,810)
Investing activities				
Acquisition of property and equipment and additions to intangible assets ⁽¹⁾	(37,345)	(26,770)	(100,524)	(71,728)
Net cash inflow from acquisition of a business	17 —	—	35,593	—
Change in restricted cash position	13	1,179	38	13,062
Increase in receivables under service concession arrangements	(7,938)	(51,649)	(18,283)	(172,709)
Recovery of receivables under service concession arrangements	72,968	28,370	88,007	75,836
Proceeds from disposal of certain non-core assets	18 —	—	52,179	—
Acquisition of short-term investments at amortized cost	20 —	—	(50,000)	—
Decrease in short-term investments at amortized cost	20 12,500	—	25,000	—
Cash inflow on disposal of a Capital investment at fair value through other comprehensive income	5A —	34,325	—	34,325
Net cash inflow on disposal of a PS&PM business	19 —	147,075	—	147,075
Other ⁽¹⁾	(6,948)	2,580	(1,637)	8,799
Net cash generated from investing activities	33,250	135,110	30,373	34,660
Financing activities				
Increase in debt	10D 168,937	303	564,917	569,025
Repayment of debt and payment for debt issue costs	10D (300,175)	(105,759)	(631,239)	(331,099)
Payment of lease liabilities	10D (19,323)	(22,317)	(60,777)	(60,498)
Proceeds from exercise of stock options	35	—	411	—
Repurchase of shares for cancellation	8 (22,953)	—	(38,538)	—
Dividends paid to AtkinsRéalis shareholders	7 (3,504)	(3,511)	(10,520)	(10,533)
Net cash generated from (used for) financing activities	(176,983)	(131,284)	(175,746)	166,895
Increase (decrease) from exchange differences on translating cash and cash equivalents	1,102	733	1,590	(1,519)
Net increase (decrease) in cash and cash equivalents	124,481	10,983	71,277	(6,774)
Cash and cash equivalents at beginning of period	420,359	552,522	473,563	570,279
Cash and cash equivalents at end of period	\$ 544,840	\$ 563,505	\$ 544,840	\$ 563,505

⁽¹⁾ Effective April 1, 2024, the Company included additions to internally generated intangible assets, which were previously included in “Other”, in “Acquisition of property and equipment and additions to intangible assets”, both presented in investing activities in the consolidated statement of cash flows. The Company has restated the comparative figures accordingly. These internally generated intangible assets are included in “Other non-current non-financial assets” in the consolidated statement of financial position.

See accompanying notes to interim condensed consolidated financial statements

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1. DESCRIPTION OF BUSINESS

AtkinsRéalis Group Inc. is incorporated under the Canada Business Corporations Act and has its registered office at 455 René-Lévesque Boulevard West, Montreal, Québec, H2Z 1Z3, Canada. AtkinsRéalis Group Inc. is a public company whose common shares are listed on the Toronto Stock Exchange in Canada. Reference to the “Company” or “AtkinsRéalis” means, as the context may require, AtkinsRéalis Group Inc. and all or some of its subsidiaries or joint arrangements or associates, or AtkinsRéalis Group Inc. or one or more of its subsidiaries or joint arrangements or associates.

Created by the integration of long-standing organizations dating back to 1911, AtkinsRéalis is a world-class engineering services and nuclear company, which creates sustainable solutions that connect people, data and technology to transform the world’s infrastructure and energy systems.

In these unaudited interim condensed consolidated financial statements (“financial statements”), activities related to Professional Services & Project Management (“PS&PM”) are collectively referred to as “from PS&PM” to distinguish them from activities related to the Company’s Capital investments.

2. BASIS OF PREPARATION

A) BASIS OF PREPARATION

The Company’s financial statements are presented in **Canadian dollars**. All values in the tables included in these notes are rounded to the nearest thousand dollars, except where otherwise indicated.

These financial statements have been prepared in accordance with IAS 34, *Interim Financial Reporting*, (“IAS 34”).

The International Financial Reporting Standards (“IFRS”) accounting policies that are set out in Note 2 to the Company’s annual audited consolidated financial statements for the year ended December 31, 2023 were consistently applied to all periods presented.

The preparation of financial statements in conformity with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant, are disclosed in Note 3 to the Company’s annual audited consolidated financial statements for the year ended December 31, 2023 and are updated in these financial statements, as needed.

The Company’s financial statements have been prepared on the historical cost basis, with the exception, when applicable, of: i) certain financial instruments, derivative financial instruments and liabilities for share unit plans, which are measured at fair value; ii) defined benefit assets (liabilities), which are measured as the net total of the fair value of plan assets minus the present value of the defined benefit obligation; iii) investments measured at fair value held by SNC-Lavalin Infrastructure Partners LP, which is an investment entity accounted for by the equity method and for which the Company has elected to retain the fair value measurement applied by that investment entity; and iv) certain assets held for sale, which are measured at fair value less cost to sell. Historical cost generally represents the fair value of consideration given in exchange for assets upon initial recognition.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2, *Share-based Payment*, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IAS 2, *Inventories*, or value in use in IAS 36, *Impairment of Assets*.

The Company’s financial statements were authorized for issue by the Board of Directors of the Company on November 13, 2024.

2. BASIS OF PREPARATION (CONTINUED)

B) NEW AMENDMENTS ADOPTED IN THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

The following amendments to existing standards were adopted by the Company on January 1, 2024:

- Amendments to IFRS 16, *Leases*, require a seller-lessee to subsequently measure lease liabilities arising from a leaseback in a way that it does not recognize any amount of the gain or loss that relates to the right of use it retains. The new requirements do not prevent a seller-lessee from recognizing in profit or loss any gain or loss relating to the partial or full termination of a lease.
- Amendments to IAS 1, *Presentation of Financial Statements*, (“IAS 1”) clarify how to classify debt and other liabilities as current or non-current. The amendments help to determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also clarify the classification requirements for debt an entity might settle by converting it into equity.
- Amendments to IAS 1 specify that covenants to be complied with after the reporting date do not affect the classification of debt as current or non-current at the reporting date. Instead, the amendments require an entity to disclose information about these covenants in the notes to financial statements.
- Amendments to IAS 7, *Statement of Cash Flows*, and IFRS 7, *Financial Instruments: Disclosures*, (“IFRS 7”) introduce disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on an entity’s liabilities, cash flows and exposure to liquidity risk.

The adoption by the Company of the amendments listed above did not have a significant impact on the Company’s financial statements, except for the amendments to IAS 1 related to classification of liabilities as current or non-current as further discussed below.

ADOPTION OF AMENDMENTS TO IAS 1 – CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT

The impact from the adoption of amendments to IAS 1 relates to classification of liabilities with an uncertain settlement date as current (due or potentially due to be settled within one year) or non-current. The amendments to IAS 1 result in a classification which is based on an entity’s right, at the end of the reporting period, to roll over an obligation for at least twelve months after the reporting period under an existing loan facility, and not an entity’s expectation, when it has the discretion whether or not to defer settlement of the obligation.

As at January 1, 2024, the Company assessed classification of all its liabilities and reclassified the carrying amount of its unsecured revolving credit facility (the “Revolving Facility”), which is part of the Company’s 2022 Credit Agreement, of \$324.6 million out of “Short-term debt and current portion of long-term debt” to “Long-term debt” in its consolidated statement of financial position as at December 31, 2023.

This change was made in accordance with IAS 8, *Accounting Policies, Changes in Accounting Estimates and Errors*, (“IAS 8”) resulting in the restatement of comparative figures (See Note 14).

C) CHANGE IN PRESENTATION – SEGMENT DISCLOSURES

Effective January 1, 2024, AtkinsRéalis implemented a new operational structure to unify and simplify the Company in the regions where it operates. Under the new structure, the former Engineering Services and Operations & Maintenance (“O&M”) reportable segments were merged and are now managed by region. Engineering Services Regions now include the following reportable segments: i) Canada, including the existing O&M contracts in Algeria, which are managed by the Canadian leadership team (“Canada”); ii) United Kingdom and Ireland (“UKI”); iii) United States and Latin America, including the global activities of Minerals & Metals (“USLA”); and iv) Asia, Middle East and Australia (“AMEA”). The Nuclear, Linxon, LSTK Projects and Capital reportable segments are unchanged. See Note 3 for a description of each of the segments.

This change was made in accordance with IAS 8 resulting in the restatement of comparative figures (see Note 3).

D) TRANSITION TO ALTERNATIVE BENCHMARK INTEREST RATES

On May 16, 2022, Refinitiv Benchmark Services (UK) Limited, the administrator of the Canadian Dollar Offered Rate (“CDOR”), following the authorization granted by the Ontario Securities Commission and the *Autorité des marchés financiers* (Québec), announced that the calculation and publication of all tenors of CDOR would permanently cease immediately following the final publication on June 28, 2024. The Company was not significantly impacted by the change, as its current borrowing contracts that were referring to CDOR prior to June 28, 2024 were novated to a new interest benchmark rate prior to the final publication date of CDOR.

2. BASIS OF PREPARATION (CONTINUED)

E) STANDARD AND AMENDMENTS ISSUED TO BE ADOPTED AT A LATER DATE

The following amendments to an existing standard have been issued and are applicable to the Company for its annual periods beginning on January 1, 2025 and thereafter, with an earlier application permitted:

- Amendments to IAS 21, *The Effects of Changes in Foreign Exchange Rates*, require an entity to apply a consistent approach in assessing whether a currency can be exchanged into another currency and, when it cannot, in determining the exchange rate to use and the disclosures to provide.

The following amendments to existing standards have been issued and are applicable to the Company for its annual periods beginning on January 1, 2026 and thereafter, with an earlier application permitted:

- Amendments to IFRS 9, *Financial Instruments*, (“IFRS 9”) clarify and add further guidance notably for i) the assessment of whether a financial asset meets the solely payments of principal and interest (“SPPI”) criterion when the contractual terms can change cash flows based on contingent events (for example, interest rates linked to environmental, social and governance [“ESG”] and similar features); and ii) the date of recognition and derecognition of financial assets and liabilities, in situations such as transactions conducted through an electronic cash transfer system.
- Amendments to IFRS 7 introduce additional disclosure requirements regarding i) investments in equity instruments designated at fair value through other comprehensive income; and ii) financial instruments with contingent features, for example features tied to ESG-linked targets.
- Amendments to IFRS 7 clarify disclosure requirements related to: i) the gain or loss on derecognition of financial instruments; ii) the deferred difference between fair value and transaction price; and iii) credit risk.
- Amendments to IFRS 9 clarify: i) the requirements to account for an extinguishment of a lessee’s lease liability that results in a gain or loss recognized in net income; and ii) the definition of the term “transaction price”.
- Amendments to IFRS 10, *Consolidated Financial Statements*, clarify the assessment of a “de facto agent” related to an investor determining whether another party is acting on its behalf.

The following standard has been issued and is applicable to the Company for its annual periods beginning January 1, 2027 and thereafter, with an earlier application permitted:

- IFRS 18, *Presentation and Disclosure in Financial Statements*, replaces IAS 1 and requires: i) income and expenses in the income statement to be classified into three new defined categories – operating, investing and financing – and two new subtotals – “Operating profit or loss” and “Profit or loss before financing and income tax”; ii) disclosures about management-defined performance measures, which are non-IFRS measures related to the income statement, used in public communications to communicate management’s view of the entity’s financial performance; and iii) disclosure of information based on enhanced general requirements on aggregation and disaggregation, as well as specific requirements to disclose information by nature for specific expenses, for entities that present operating expenses by function in the income statement.

The Company is currently evaluating the impacts of adopting this standard and these amendments on its financial statements.

3. SEGMENT DISCLOSURES

The Company has eight reportable segments consisting of i) **Canada**; ii) **UKI**; iii) **USLA**; iv) **AMEA**; v) **Nuclear**; vi) **Linxon**; vii) **LSTK Projects**; and viii) **Capital**.

The description of each of the segments is as follows:

Canada, UKI, USLA and AMEA segments (collectively referred to as “**Engineering Services Regions**”) incorporate consultancy, engineering, design and project management services in their respective geographic regions primarily for the building & places, defence, industrial, power & renewables, transportation and water markets. They also include O&M activities comprised of providing operations, maintenance and asset management solutions for various assets. In addition to activities in their respective geographic regions, the Canada segment also includes the existing O&M contracts in Algeria managed by the Canadian leadership team, while the USLA segment includes the global activities of Minerals & Metals, and the UKI segment also included activities in Scandinavia until their disposal in 2023. A significant portion of Engineering Services Regions revenues are derived from the public sector, including national, provincial, state and local and municipal authorities.

Nuclear supports clients across the entire nuclear lifecycle with the full spectrum of services from consultancy, engineering, procurement and construction management (“EPCM”) services, field services, technology services, spare parts, reactor support and decommissioning and waste management. As stewards of the CANDU[®] technology, it also provides new-build and full refurbishment services of CANDU[®] reactors.

Linxon undertakes projects primarily related to the installation of alternative current power substations, including expansions and electrification, notably through repetitive engineering, procurement and construction (“EPC”) offerings in the following markets: Utilities, Renewable, Conventional Generation, Transportation and Data centers.

LSTK Projects is comprised of the remaining lump-sum turnkey (“LSTK”) construction contracts of the Company, notably mass transit projects in Canada. This segment also includes the financial results of legacy warranty costs and claims from completed LSTK projects. In July 2019, the Company decided to cease bidding on new LSTK construction contracts.

Capital is AtkinsRéalis’ investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modeling and managing its infrastructure investments for optimal returns. Its activities are principally concentrated in infrastructure such as bridges, highways, mass transit systems, power facilities, energy infrastructure, water treatment plants and social infrastructure (e.g. hospitals). The Capital segment includes AtkinsRéalis’ 20% ownership interest in and management of SNC-Lavalin Infrastructure Partners LP.

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3. SEGMENT DISCLOSURES (CONTINUED)

The following table presents revenues and Segment Adjusted EBIT for each of the Company's segments for the three-month periods ended September 30, 2024 and 2023:

THREE MONTHS ENDED SEPTEMBER 30	2024		2023 ⁽¹⁾	
	REVENUES	SEGMENT ADJUSTED EBIT	REVENUES	SEGMENT ADJUSTED EBIT
Canada	\$ 348,428	\$ 28,721	\$ 367,622	\$ 24,202
UKI	650,375	79,788	610,544	57,523
USLA	429,116	43,786	384,251	41,167
AMEA	363,984	33,978	270,520	25,188
Engineering Services Regions	1,791,903	186,273	1,632,937	148,080
Nuclear	368,932	45,747	270,520	38,652
Linxon	188,988	6,485	140,083	397
AtkinsRéalis Services	2,349,823	238,505	2,043,540	187,129
LSTK Projects	74,031	(17,721)	127,633	(13,185)
Capital	28,199	25,118	28,944	22,780
	<u>\$ 2,452,053</u>		<u>\$ 2,200,117</u>	
Segment Adjusted EBIT — Total		245,902		196,724
Corporate selling, general and administrative expenses not allocated to the segments — PS&PM (Note 4)		(27,378)		(47,240)
Corporate selling, general and administrative expenses not allocated to the segments — Capital (Note 4)		(7,049)		(7,049)
Restructuring and transformation costs (Note 15)		(9,159)		(6,634)
Amortization of intangible assets related to business combinations		(19,216)		(21,052)
Gain on disposal of a PS&PM business (Note 19)		—		46,191
EBIT		183,100		160,940
Net financial expenses (Note 6)		40,785		50,170
Earnings before income taxes		142,315		110,770
Income tax expense		36,435		6,063
Net income for the period		\$ 105,880		\$ 104,707

⁽¹⁾ Comparative figures have been restated (See Note 2C).

3. SEGMENT DISCLOSURES (CONTINUED)

The following table presents revenues and Segment Adjusted EBIT for each of the Company's segments for the nine-month periods ended September 30, 2024 and 2023:

NINE MONTHS ENDED SEPTEMBER 30	2024		2023 ⁽¹⁾	
	REVENUES	SEGMENT ADJUSTED EBIT	REVENUES	SEGMENT ADJUSTED EBIT
Canada	\$ 1,091,704	\$ 61,723	\$ 1,026,287	\$ 52,370
UKI	1,860,321	208,839	1,800,550	172,433
USLA	1,280,452	119,296	1,134,610	116,750
AMEA	1,025,107	99,826	706,600	61,754
Engineering Services Regions	5,257,584	489,684	4,668,047	403,307
Nuclear	1,025,130	128,155	766,026	104,289
Linxon	534,786	11,273	403,857	3,026
AtkinsRéalis Services	6,817,500	629,112	5,837,930	510,622
LSTK Projects	200,247	(49,208)	442,136	(34,953)
Capital	62,571	48,426	74,652	58,129
	<u>\$ 7,080,318</u>		<u>\$ 6,354,718</u>	
Segment Adjusted EBIT — Total		628,330		533,798
Corporate selling, general and administrative expenses not allocated to the segments — PS&PM (Note 4)		(106,112)		(105,454)
Corporate selling, general and administrative expenses not allocated to the segments — Capital (Note 4)		(21,146)		(21,146)
Restructuring and transformation costs (Note 15)		(13,277)		(27,876)
Amortization of intangible assets related to business combinations		(61,131)		(62,514)
Acquisition-related costs and integration costs (Note 17)		(892)		—
Gain on disposal of a PS&PM business (Note 19)		—		46,191
EBIT		425,772		362,999
Net financial expenses (Note 6)		122,097		140,556
Earnings before income taxes		303,675		222,443
Income tax expense		68,109		25,606
Net income for the period		\$ 235,566		\$ 196,837

⁽¹⁾ Comparative figures have been restated (See Note 2C).

3. SEGMENT DISCLOSURES (CONTINUED)

The following tables present revenues by geographic area according to project location for the three-month and nine-month periods ended September 30, 2024 and 2023:

THREE MONTHS ENDED SEPTEMBER 30	2024			2023 ⁽¹⁾		
	REVENUE FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUE	TOTAL	REVENUE FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUE	TOTAL
United Kingdom	\$ 752,938	\$ 4,536	\$ 757,474	\$ 635,464	\$ 5,409	\$ 640,873
Canada ⁽²⁾	544,016	22,638	566,654	579,502	18,460	597,962
United States	457,253	7,199	464,452	392,666	12,506	405,172
Saudi Arabia ⁽³⁾	308,317	71	308,388	218,632	(264)	218,368
Other countries ⁽³⁾	354,225	860	355,085	334,396	3,346	337,742
	\$ 2,416,749	\$ 35,304	\$ 2,452,053	\$ 2,160,660	\$ 39,457	\$ 2,200,117

NINE MONTHS ENDED SEPTEMBER 30	2024			2023 ⁽¹⁾		
	REVENUE FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUE	TOTAL	REVENUE FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUE	TOTAL
United Kingdom	\$ 2,156,235	\$ 11,065	\$ 2,167,300	\$ 1,937,709	\$ 10,101	\$ 1,947,810
Canada ⁽²⁾	1,652,804	50,850	1,703,654	1,730,257	45,020	1,775,277
United States	1,324,131	21,703	1,345,834	1,169,616	24,090	1,193,706
Saudi Arabia ⁽³⁾	867,164	198	867,362	527,621	(3)	527,618
Other countries ⁽³⁾	1,000,622	(4,454)	996,168	899,067	11,240	910,307
	\$ 7,000,956	\$ 79,362	\$ 7,080,318	\$ 6,264,270	\$ 90,448	\$ 6,354,718

⁽¹⁾ Effective October 1, 2023, the Company modified the presentation of its revenues by geographic area by combining the following geographic areas “Latin America”, “Europe – Other”, “Africa” and “Asia Pacific” into the geographic area “Other countries”. The Company has restated the comparative figures accordingly.

⁽²⁾ Revenues from Canada, as determined by geographic area, do not correspond to revenues from the Canada segment, part of Engineering Services Regions, as the latter excludes revenues generated in Canada by other segments and includes revenues generated from contracts in Algeria managed by the Canadian leadership team.

⁽³⁾ Effective January 1, 2024, the Company modified the presentation of its revenues by geographic area by presenting “Saudi Arabia” as a separate line item from the geographic area “Middle East”, which was combined into the geographic area “Other countries”. The Company has restated the comparative figures accordingly.

For the third quarter and nine-month period ended September 30, 2024, the United Kingdom, Canada, the United States and Saudi Arabia (third quarter and nine-month period ended September 30, 2023: the United Kingdom, Canada and the United States) were the only countries where the Company derived more than 10% of its revenues.

3. SEGMENT DISCLOSURES (CONTINUED)

The following table presents revenues by type of contract for the three-month periods ended September 30, 2024 and 2023:

THREE MONTHS ENDED SEPTEMBER 30	2024				2023 ⁽¹⁾			
	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS	STANDARDIZED EPC CONTRACTS	LSTK CONSTRUCTION CONTRACTS	TOTAL	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS	STANDARDIZED EPC CONTRACTS	LSTK CONSTRUCTION CONTRACTS	TOTAL
Canada	\$ 348,423	\$ —	\$ —	\$ 348,423	\$ 367,620	\$ —	\$ —	\$ 367,620
UKI	645,838	—	—	645,838	605,134	—	—	605,134
USLA	429,106	—	—	429,106	384,098	—	—	384,098
AMEA	352,462	11,373	—	363,835	259,843	10,508	—	270,351
Engineering Services Regions	1,775,829	11,373	—	1,787,202	1,616,695	10,508	—	1,627,203
Nuclear	361,347	—	—	361,347	259,013	—	(411)	258,602
Linxon	73	188,915	—	188,988	1,008	139,075	—	140,083
Revenue from contracts with customers – AtkinsRéalis Services	2,137,249	200,288	—	2,337,537	1,876,716	149,583	(411)	2,025,888
Revenue from contracts with customers – LSTK Projects	—	—	74,031	74,031	—	—	127,633	127,633
	\$ 2,137,249	\$ 200,288	\$ 74,031	\$ 2,411,568	\$ 1,876,716	\$ 149,583	\$ 127,222	\$ 2,153,521
Revenue from PS&PM investments accounted for by the equity method				12,286				17,652
Revenue from contracts with customers – Capital segment				5,181				7,139
Other revenue – Capital segment				23,018				21,805
				\$ 2,452,053				\$ 2,200,117

⁽¹⁾ Comparative figures have been restated (See Note 2C).

3. SEGMENT DISCLOSURES (CONTINUED)

The following table presents revenues by type of contract for the nine-month periods ended September 30, 2024 and 2023:

NINE MONTHS ENDED SEPTEMBER 30	2024				2023 ⁽¹⁾			
	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS	STANDARDIZED EPC CONTRACTS	LSTK CONSTRUCTION CONTRACTS	TOTAL	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS	STANDARDIZED EPC CONTRACTS	LSTK CONSTRUCTION CONTRACTS	TOTAL
Canada	\$ 1,091,685	\$ —	\$ —	\$ 1,091,685	\$ 1,026,299	\$ —	\$ —	\$ 1,026,299
UKI	1,849,256	—	—	1,849,256	1,790,448	—	—	1,790,448
USLA	1,280,432	—	—	1,280,432	1,134,610	—	—	1,134,610
AMEA	986,953	37,463	—	1,024,416	660,615	44,823	—	705,438
Engineering Services Regions	5,208,326	37,463	—	5,245,789	4,611,972	44,823	—	4,656,795
Nuclear	1,002,961	—	—	1,002,961	744,447	—	(2,294)	742,153
Linxon	638	534,148	—	534,786	2,126	401,731	—	403,857
Revenue from contracts with customers – AtkinsRéalis Services	6,211,925	571,611	—	6,783,536	5,358,545	446,554	(2,294)	5,802,805
Revenue from contracts with customers – LSTK Projects	—	—	200,247	200,247	—	—	442,136	442,136
	\$ 6,211,925	\$ 571,611	\$ 200,247	\$ 6,983,783	\$ 5,358,545	\$ 446,554	\$ 439,842	\$ 6,244,941
Revenue from PS&PM investments accounted for by the equity method				33,964				35,125
Revenue from contracts with customers – Capital segment				17,173				19,329
Other revenue – Capital segment				45,398				55,323
				\$ 7,080,318				\$ 6,354,718

⁽¹⁾ Comparative figures have been restated (See Note 2C).

4. CORPORATE SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Corporate selling, general and administrative expenses before loss (gain) arising on financial instruments at fair value through profit or loss	\$ 32,893	\$ 58,526	\$ 132,003	\$ 135,097
Loss (gain) arising on financial instruments at fair value through profit or loss	1,534	(4,237)	(4,745)	(8,497)
Corporate selling, general and administrative expenses	\$ 34,427	\$ 54,289	\$ 127,258	\$ 126,600

5. CAPITAL INVESTMENTS

The Company makes investments in infrastructure concessions for public services such as bridges, highways, mass transit systems, power facilities, energy infrastructure, water treatment plants and social infrastructure (e.g. hospitals).

The main concessions and public-private partnerships contracts reported under IFRIC Interpretation 12, *Service Concession Arrangements*, are all accounted for under the financial asset model.

In order to provide the reader of the financial statements with a better understanding of the financial position and results of operations of its Capital investments, the Company presents certain distinct financial information related specifically to its Capital investments throughout its financial statements, as well as additional information below.

A) VARIATIONS IN OWNERSHIP INTERESTS IN INVESTMENTS

I) IN THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2024

HEALTH MONTRÉAL COLLECTIVE LIMITED PARTNERSHIP (“HMC L.P.”)

In the first quarter of 2024, the Company acquired a 10% ownership interest in HMC L.P. through a business combination completed on March 4, 2024 (see Note 17).

The Company’s investment in HMC L.P. is designated to be measured at fair value through other comprehensive income to avoid variability of the Company’s net income in future periods.

For the third quarter and nine-month period ended September 30, 2024, the Company’s consolidated income statement included distributions of \$0.6 million and \$1.2 million, respectively, from HMC L.P.

II) IN THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2023

CARLYLE GLOBAL INFRASTRUCTURE OPPORTUNITY FUND, L.P. (“CARLYLE”)

In the third quarter of 2023, the Company collected the remaining balance of the consideration receivable, which was previously included in “Other current financial assets” in the Company’s consolidated statement of financial position, for the disposal of its ownership interest in Carlyle in 2022. This consideration received of approximately \$34.3 million (US\$25.5 million) was included in “Cash inflow on disposal of a Capital investment at fair value through other comprehensive income” in the Company’s consolidated statement of cash flows for the three-month and nine-month periods ended September 30, 2023.

B) FINANCIAL INFORMATION

Statements of financial position

The Company’s consolidated statements of financial position include the following net assets from its consolidated Capital investments and net book value from its Capital investments accounted for by the equity method and at fair value through other comprehensive income.

	SEPTEMBER 30 2024	DECEMBER 31 2023
Net assets from Capital investments accounted for by the consolidation method	\$ 210,803	\$ 268,722
Net book value of Capital investments accounted for by the equity method ⁽¹⁾	384,261	389,256
Net book value of Capital investments at fair value through other comprehensive income ⁽²⁾	8,475	—
	\$ 603,539	\$ 657,978

⁽¹⁾ Includes the Company’s investment in 407 International Inc., for which the net book value was nil as at September 30, 2024 and December 31, 2023.

⁽²⁾ Includes mainly the Company’s investment in HMC L.P., for which the net book value was included in “Other non-current financial assets” as at September 30, 2024.

5. CAPITAL INVESTMENTS (CONTINUED)

Income statements

The Company's consolidated income statements include the following revenues and expenses from its Capital investments.

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Revenues from Capital	\$ 28,199	\$ 28,944	\$ 62,571	\$ 74,652
Direct cost of activities	3,081	6,164	14,145	16,523
	25,118	22,780	48,426	58,129
Corporate selling, general and administrative expenses not allocated to the segments — Capital	7,049	7,049	21,146	21,146
EBIT	18,069	15,731	27,280	36,983
Net financial expenses	1,702	1,596	4,646	5,929
Earnings before income taxes	16,367	14,135	22,634	31,054
Income taxes	559	131	596	616
Net income for the period	\$ 15,808	\$ 14,004	\$ 22,038	\$ 30,438

6. NET FINANCIAL EXPENSES

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Interest on debt:				
Recourse	\$ 23,601	\$ 31,752	\$ 68,314	\$ 83,769
Limited recourse	8,447	8,799	26,288	24,572
Non-recourse	2,603	3,344	7,807	9,665
Interest on lease liabilities	6,208	4,671	17,272	15,976
Other	4,367	3,488	13,864	15,769
Financial expenses	45,226	52,054	133,545	149,751
Financial income	(5,288)	(4,065)	(14,275)	(11,506)
Net foreign exchange losses	847	2,181	2,827	2,311
Financial income and net foreign exchange losses	(4,441)	(1,884)	(11,448)	(9,195)
Net financial expenses	\$ 40,785	\$ 50,170	\$ 122,097	\$ 140,556

7. DIVIDENDS

During the nine-month period ended September 30, 2024, the Company recognized as distributions to its equity shareholders dividends of \$10.5 million, or \$0.06 per share (nine-month period ended September 30, 2023: \$10.5 million, or \$0.06 per share).

NINE MONTHS ENDED SEPTEMBER 30	2024	2023
Dividends payable at January 1	\$ —	\$ —
Dividends declared during the period	10,520	10,533
Dividends paid during the period	(10,520)	(10,533)
Dividends payable at September 30	\$ —	\$ —

8. REPURCHASE OF SHARES FOR CANCELLATION

In the first quarter of 2024, the Company announced that it had received the required approval of the Toronto Stock Exchange to proceed with its normal course issuer bid renewal to purchase, for cancellation, up to 1,500,000 of its common shares commencing March 8, 2024 and ending March 7, 2025. In 2023, the number of common shares subject to the issuer bid was also 1,500,000 common shares.

For the nine-month period ended September 30, 2024, the Company repurchased and cancelled 729,828 common shares under its current authorized normal course issuer bid resulting in cash outflows of \$38.5 million.

9. COMPONENTS OF OTHER COMPREHENSIVE INCOME

The Company has the following elements, net of income taxes, within its other components of equity at September 30, 2024 and December 31, 2023:

	SEPTEMBER 30 2024	DECEMBER 31 2023
Exchange differences on translating foreign operations	\$ (113,015)	\$ (297,460)
Cash flow hedges	(618)	3,928
Other components of equity	\$ (113,633)	\$ (293,532)

- The exchange differences on translating foreign operations component represents exchange differences relating to the translation from the functional currencies of the Company's foreign operations into Canadian dollars. On disposal of a foreign operation, the cumulative translation differences are reclassified to net income as part of the gain or loss on disposal. Exchange differences also include gains and losses on hedging instruments, if any, relating to the effective portion of hedges of net investments of foreign operations, which are reclassified to net income on the disposal of the foreign operation.
- The cash flow hedges component represents hedging gains and losses recognized on the effective portion of cash flow hedges. The cumulative deferred gain or loss on the hedge is recognized in net income when the hedged transaction impacts net income, or is included as a basis adjustment to the non-financial hedged item, consistent with the applicable accounting policy.

A) ITEMS THAT WILL BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME

The following table provides a reconciliation of each element of other components of equity for the third quarters and nine-month periods ended September 30, 2024 and 2023:

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Exchange differences on translating foreign operations:				
Balance at beginning of the period	\$ (192,947)	\$ (296,185)	\$ (297,460)	\$ (335,279)
Current period gains	84,019	2,492	194,795	46,219
Reclassification to net income	594	2,813	(376)	2,813
Net investment hedge – current period gains (losses)	(6,475)	2,149	(12,577)	(3,192)
Income taxes relating to current period gains (losses)	1,794	(285)	2,603	423
Balance at end of the period	(113,015)	(289,016)	(113,015)	(289,016)
Cash flow hedges:				
Balance at beginning of the period	5,679	1,452	3,928	(4,876)
Current period gains (losses)	(10,411)	12,165	12,502	35,881
Income taxes relating to current period gains (losses)	2,585	(3,523)	(3,512)	(10,030)
Reclassification to net income	1,915	(8,779)	(18,670)	(23,470)
Income taxes relating to amounts reclassified to net income	(386)	2,108	5,134	5,918
Balance at end of the period	(618)	3,423	(618)	3,423
Other components of equity	\$ (113,633)	\$ (285,593)	\$ (113,633)	\$ (285,593)

9. COMPONENTS OF OTHER COMPREHENSIVE INCOME (CONTINUED)

B) ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO NET INCOME

Remeasurement recognized in other comprehensive income

The following tables present changes in the cumulative amount of remeasurement gains (losses) recognized in other comprehensive income relating to defined benefit pension plans and other post-employment benefits for the third quarters and nine-month periods ended September 30, 2024 and 2023:

THREE MONTHS ENDED SEPTEMBER 30	2024			2023		
	BEFORE TAX	INCOME TAX	NET OF TAX	BEFORE TAX	INCOME TAX	NET OF TAX
Cumulative amount at beginning of the period	\$ 154,365	\$ (28,349)	\$ 126,016	\$ 101,744	\$ (13,064)	\$ 88,680
Gains recognized during the period	42,516	(10,492)	32,024	19,878	(5,305)	14,573
Cumulative amount at end of the period	\$ 196,881	\$ (38,841)	\$ 158,040	\$ 121,622	\$ (18,369)	\$ 103,253

NINE MONTHS ENDED SEPTEMBER 30	2024			2023		
	BEFORE TAX	INCOME TAX	NET OF TAX	BEFORE TAX	INCOME TAX	NET OF TAX
Cumulative amount at beginning of the period	\$ 136,920	\$ (24,005)	\$ 112,915	\$ 174,535	\$ (31,148)	\$ 143,387
Gains (losses) recognized during the period	59,961	(14,836)	45,125	(52,913)	12,779	(40,134)
Cumulative amount at end of the period	\$ 196,881	\$ (38,841)	\$ 158,040	\$ 121,622	\$ (18,369)	\$ 103,253

Equity instruments designated at fair value through other comprehensive income

The following tables present changes in fair value of the equity instruments designated at fair value through other comprehensive income for the third quarters and nine-month periods ended September 30, 2024 and 2023:

THREE MONTHS ENDED SEPTEMBER 30	2024			2023		
	BEFORE TAX	INCOME TAX	NET OF TAX	BEFORE TAX	INCOME TAX	NET OF TAX
Cumulative amount at beginning of the period	\$ (2,039)	\$ (150)	\$ (2,189)	\$ (1,973)	\$ (150)	\$ (2,123)
Losses (gains) recognized during the period	(29)	48	19	—	—	—
Cumulative amount at end of the period	\$ (2,068)	\$ (102)	\$ (2,170)	\$ (1,973)	\$ (150)	\$ (2,123)

NINE MONTHS ENDED SEPTEMBER 30	2024			2023		
	BEFORE TAX	INCOME TAX	NET OF TAX	BEFORE TAX	INCOME TAX	NET OF TAX
Cumulative amount at beginning of the period	\$ (1,973)	\$ (150)	\$ (2,123)	\$ (1,973)	\$ (150)	\$ (2,123)
Losses recognized during the period	(95)	48	(47)	—	—	—
Cumulative amount at end of the period	\$ (2,068)	\$ (102)	\$ (2,170)	\$ (1,973)	\$ (150)	\$ (2,123)

10. STATEMENTS OF CASH FLOWS

A) DEPRECIATION AND AMORTIZATION

The following table presents the items composing “Depreciation and amortization” for the third quarters and nine-month periods ended September 30, 2024 and 2023:

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Property and equipment	\$ 21,474	\$ 23,542	\$ 67,082	\$ 67,964
Intangible assets related to business combinations	19,216	21,052	61,131	62,514
Right-of-use assets	18,154	18,291	54,249	53,514
Other	164	—	491	—
Total	\$ 59,008	\$ 62,885	\$ 182,953	\$ 183,992

The depreciation and amortization charge was presented in the Company’s income statements in the following lines for the third quarters and nine-month periods ended September 30, 2024 and 2023:

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Direct costs of activities	\$ 38,370	\$ 39,595	\$ 118,283	\$ 117,122
Corporate selling, general and administrative expenses	1,422	2,238	3,539	4,356
Amortization of intangible assets related to business combinations	19,216	21,052	61,131	62,514
Total	\$ 59,008	\$ 62,885	\$ 182,953	\$ 183,992

10. STATEMENTS OF CASH FLOWS (CONTINUED)

B) OTHER RECONCILING ITEMS

The following table presents the other reconciling items related to operating activities presented in the statements of cash flows for the third quarters and nine-month periods ended September 30, 2024 and 2023:

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Income taxes recognized in net income	\$ 36,435	\$ 6,063	\$ 68,109	\$ 25,606
Net financial expenses recognized in net income (Note 6)	40,785	50,170	122,097	140,556
Expense recognized in respect of cash-settled share-based payment arrangements	12,586	26,543	100,439	61,379
Expense recognized in respect of stock options	997	514	5,047	3,525
Income from Capital investments accounted for by the equity method	(20,136)	(19,268)	(37,316)	(48,432)
Dividends and distributions received from Capital investments accounted for by the equity method	26,668	14,570	45,994	35,066
Income from PS&PM investments accounted for by the equity method	(12,286)	(17,652)	(33,964)	(35,125)
Dividends and distributions received from PS&PM investments accounted for by the equity method	7,187	6,189	17,084	27,920
Net change in provisions related to forecasted losses on certain contracts	(2,525)	(26,452)	(8,380)	(45,283)
Restructuring and transformation costs recognized in net income (Note 15)	9,159	6,634	13,277	27,876
Restructuring and transformation costs paid	(15,062)	(15,783)	(43,035)	(43,386)
Gain on disposal of a PS&PM business (Note 19)	—	(46,191)	—	(46,191)
Payments related to federal charges settlement (PPSC) and DPCP Remediation Agreement	(15,555)	(15,111)	(27,234)	(26,495)
Loss (gain) arising on financial instruments at fair value through profit or loss (Note 4)	1,534	(4,237)	(4,745)	(8,497)
Net change in other provisions ⁽¹⁾	11,693	(14,594)	(26,336)	(50,611)
Other	12,561	(9,569)	3,505	(31,180)
Other reconciling items	\$ 94,041	\$ (58,174)	\$ 194,542	\$ (13,272)

⁽¹⁾ Net change in other provisions includes changes in all provisions, except for: i) pension, other long-term benefits and other post-employment benefits, which change is included in "Other"; ii) forecasted losses on certain contracts, which change is separately presented in the table above; and iii) restructuring, which change is separately presented in the table above.

C) NET CHANGE IN NON-CASH WORKING CAPITAL ITEMS

The following table presents the net change in non-cash working capital items related to operating activities presented in the statements of cash flows for the third quarters and nine-month periods ended September 30, 2024 and 2023:

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023 ⁽²⁾	2024	2023 ⁽²⁾
Decrease (increase) in trade receivables	\$ 11,434	\$ (88,377)	\$ 141,470	\$ (108,380)
Increase in contract assets	(121,826)	(26,189)	(167,925)	(452,221)
Decrease (increase) in other current financial assets	(3,524)	(12,688)	5,607	(25,928)
Increase in other current non-financial assets	(47,541)	(37,453)	(54,430)	(63,731)
Increase in trade payables and accrued liabilities	68,637	88,951	56,003	152,341
Increase (decrease) in deferred revenues	37,088	4,302	(159,158)	132,410
Increase (decrease) in other current financial liabilities	(9,297)	4,872	1,296	14,331
Increase (decrease) in other current non-financial liabilities	131,062	19,261	(57,350)	(32,179)
Net change in non-cash working capital items	\$ 66,033	\$ (47,321)	\$ (234,487)	\$ (383,357)

⁽²⁾ Effective October 1, 2023, the Company modified the presentation of its statement of financial position by combining the line items "Inventories" and "Other current non-financial assets" into the line item "Other current non-financial assets". The Company has restated the comparative figures accordingly.

10. STATEMENTS OF CASH FLOWS (CONTINUED)

D) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

The following table provides a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities for the nine-month period ended September 30, 2024:

	DEBT ⁽¹⁾	LEASE LIABILITIES ⁽²⁾
Balance at January 1, 2024	\$ 1,982,631	\$ 391,301
Changes arising from cash flows:		
Increase	564,917	—
Repayment	(631,239)	(60,777)
Total – changes arising from cash flows	(66,322)	(60,777)
Non-cash changes:		
Effect of foreign currency exchange differences	1,034	11,576
Amortization of deferred financing costs and discounts and increase from the passage of time	4,022	—
Payable related to deferred financing costs	(30)	—
Reclassification of deferred financing costs to non-financial assets	4,647	—
Net increase of lease liabilities	—	172,344
Non-cash contribution by a non-controlling interest	(1,181)	—
Other	(6,524)	—
Balance at September 30, 2024	\$ 1,918,277	\$ 514,444

CHANGES ARISING FROM CASH FLOWS – RECOURSE DEBT, LIMITED RECOURSE DEBT AND NON-RECOURSE DEBT

NINE MONTHS ENDED SEPTEMBER 30	2024		
	INCREASE OF DEBT	REPAYMENT OF DEBT	PAYMENT FOR DEBT ISSUE COSTS
Recourse debt:			
Revolving Facility	\$ 162,413	\$ (328,565)	\$ (1,315)
Term Loan	—	—	(375)
Series 6 Debentures (Note 14)	—	(300,000)	—
Series 8 Debentures (Note 14)	395,980	—	(716)
Other	6,524	—	—
Total – Recourse debt	564,917	(628,565)	(2,406)
Limited recourse debt:			
CDPQ Loan	—	—	(11)
Total – Limited recourse debt	—	—	(11)
Non-recourse debt:			
Credit facility – TransitNEXT General Partnership	—	—	(157)
Term loan facility – AtkinsRéalis Trillium Holdings Inc.	—	—	(100)
Total – Non-recourse debt	—	—	(257)
Total	\$ 564,917	\$ (628,565)	\$ (2,674)

⁽¹⁾ Short-term debt and current portion of long-term debt and long-term debt were presented in the Company's consolidated statements of financial position as follows:

	SEPTEMBER 30 2024	JANUARY 1 2024
Short-term debt and current portion of long-term debt	\$ 164,068	\$ 463,289
Long-term debt	1,754,209	1,519,342
Total	\$ 1,918,277	\$ 1,982,631

⁽²⁾ Lease liabilities were presented in the Company's consolidated statements of financial position as follows:

	SEPTEMBER 30 2024	JANUARY 1 2024
Current portion of lease liabilities	\$ 86,487	\$ 74,887
Non-current portion of lease liabilities	427,957	316,414
Total	\$ 514,444	\$ 391,301

10. STATEMENTS OF CASH FLOWS (CONTINUED)

The following table provides a reconciliation between the opening and closing balances in the statement of financial position for liabilities arising from financing activities for the nine-month period ended September 30, 2023:

	DEBT ⁽¹⁾	LEASE LIABILITIES ⁽³⁾
Balance at January 1, 2023	\$ 2,056,397	\$ 436,285
Changes arising from cash flows:		
Increase	569,025	—
Repayment	(330,519)	(60,498)
Total – changes arising from cash flows	238,506	(60,498)
Non-cash changes:		
Effect of foreign currency exchange differences	(6,673)	1,074
Amortization of deferred financing costs and discounts and increase from the passage of time	5,079	—
Net increase of lease liabilities	—	22,159
Non-cash contribution by a non-controlling interest	(1,188)	—
Balance at September 30, 2023	\$ 2,292,121	\$ 399,020

CHANGES ARISING FROM CASH FLOWS – RECOURSE DEBT, LIMITED RECOURSE DEBT AND NON-RECOURSE DEBT

	2023		
	INCREASE OF DEBT	REPAYMENT OF DEBT	PAYMENT FOR DEBT ISSUE COSTS
NINE MONTHS ENDED SEPTEMBER 30			
Recourse debt:			
Revolving Facility	\$ 568,722	\$ (102,559)	\$ (1,397)
Term Loan	—	—	(410)
Series 7 Debentures	—	—	(580)
Series 4 Debentures	—	(200,000)	—
Total – Recourse debt	568,722	(302,559)	(2,387)
Limited recourse debt:			
CDPQ Loan	—	—	(2,011)
Total – Limited recourse debt	—	—	(2,011)
Non-recourse debt:			
Credit facility – TransitNEXT General Partnership	303	—	—
Senior Secured Notes of a PS&PM investment	—	(22,970)	—
Other	—	(1,172)	—
Total – Non-recourse debt	303	(24,142)	—
Total	\$ 569,025	\$ (326,701)	\$ (4,398)

⁽¹⁾ Short-term debt and current portion of long-term debt and long-term debt were presented in the Company's consolidated statements of financial position as follows:

	SEPTEMBER 30 2023 ⁽²⁾	JANUARY 1 2023 ⁽²⁾
Short-term debt and current portion of long-term debt	\$ 461,846	\$ 370,947
Long-term debt	1,830,275	1,685,450
Total	\$ 2,292,121	\$ 2,056,397

⁽²⁾ Effective October 1, 2023, the Company modified the presentation of its statement of financial position, which resulted in combining the line items "Recourse short-term debt and current portion of long-term debt" and "Non-recourse short-term debt and current portion of long-term debt" into the line item "Short-term debt and current portion of long-term debt", and "Recourse long-term debt", "Limited recourse long-term debt" and "Non-recourse long-term debt" into the line item "Long-term debt". Also, effective January 1, 2024, the Company reclassified the carrying amount of its Revolving Facility out of "Short-term debt" to "Long-term debt" (see Note 2B). The Company has restated the comparative figures accordingly.

⁽³⁾ Lease liabilities were presented in the Company's consolidated statements of financial position as follows:

	SEPTEMBER 30 2023	JANUARY 1 2023
Current portion of lease liabilities	\$ 77,109	\$ 87,625
Non-current portion of lease liabilities	321,911	348,660
Total	\$ 399,020	\$ 436,285

11. RELATED PARTY TRANSACTIONS

In the normal course of its operations, AtkinsRéalis enters into transactions with certain of its associates and joint ventures, mainly its Capital investments. Investments in which AtkinsRéalis has significant influence or joint control, which are accounted for by the equity method, are considered related parties.

For the third quarters and nine-month periods ended September 30, 2024 and 2023, the Company recognized the following transactions with its related parties:

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
PS&PM revenue from contracts with investments accounted for by the equity method	\$ 81,710	\$ 72,449	\$ 202,540	\$ 292,385
Income from Capital investments accounted for by the equity method	20,136	19,268	37,316	48,432
Dividends and distributions received from Capital investments accounted for by the equity method	26,668	14,570	45,994	35,066
Income from PS&PM investments accounted for by the equity method	12,286	17,652	33,964	35,125
Dividends and distributions received from PS&PM investments accounted for by the equity method	\$ 7,187	\$ 6,189	\$ 17,084	\$ 27,920

As at September 30, 2024 and December 31, 2023, the Company had the following balances with its related parties:

	SEPTEMBER 30 2024	DECEMBER 31 2023
Trade receivables from investments accounted for by the equity method	\$ 190,769	\$ 161,001
Retentions on client contracts from investments accounted for by the equity method ⁽¹⁾	117,181	115,646
Remaining commitment to invest in Capital investments accounted for by the equity method ⁽²⁾	24,921	24,921
Dividends and distributions receivable from Capital investments accounted for by the equity method ⁽³⁾	\$ 676	\$ 1,781

⁽¹⁾ Included in "Contract assets" or "Deferred revenues" in the statements of financial position

⁽²⁾ Included in "Other current financial liabilities" in the statements of financial position

⁽³⁾ Included in "Other current financial assets" in the statements of financial position

All of these related party transactions are measured at fair value.

12. FINANCIAL INSTRUMENTS

A) CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the carrying value of AtkinsRéalis' financial assets as at September 30, 2024 and December 31, 2023 by category and classification, with the corresponding fair value, when available.

	2024					
	CARRYING VALUE OF FINANCIAL ASSETS BY CATEGORY					
	FVTPL ⁽¹⁾	FVTOCI ⁽²⁾	AMORTIZED COST	DERIVATIVES USED FOR HEDGES	TOTAL	FAIR VALUE
Cash and cash equivalents	\$ 544,840	\$ —	\$ —	\$ —	\$ 544,840	\$ 544,840
Restricted cash	6,454	—	—	—	6,454	6,454
Trade receivables ⁽³⁾	—	—	1,378,338	—	1,378,338	1,378,338
Other current financial assets	7,440	—	245,403	23,932	276,775	269,992
Non-current portion of receivables under service concession arrangements ⁽⁴⁾	—	—	331,602	—	331,602	296,631
Other non-current financial assets ⁽⁴⁾	—	8,475	34,947	10,755	54,177	55,474
Total	\$ 558,734	\$ 8,475	\$ 1,990,290	\$ 34,687	\$ 2,592,186	

	2023					
	CARRYING VALUE OF FINANCIAL ASSETS BY CATEGORY					
	FVTPL ⁽¹⁾	AMORTIZED COST	DERIVATIVES USED FOR HEDGES	TOTAL	FAIR VALUE	
Cash and cash equivalents	\$ 473,563	\$ —	\$ —	\$ 473,563	\$ 473,563	
Restricted cash	5,930	—	—	5,930	5,930	
Trade receivables ⁽³⁾	—	1,488,772	—	1,488,772	1,488,772	
Other current financial assets	7,136	221,123	33,213	261,472	255,687	
Non-current portion of receivables under service concession arrangements ⁽⁴⁾	—	398,436	—	398,436	364,071	
Other non-current financial assets ⁽⁴⁾	—	21,014	18,035	39,049	39,049	
Total	\$ 486,629	\$ 2,129,345	\$ 51,248	\$ 2,667,222		

⁽¹⁾ Fair value through profit or loss ("FVTPL")

⁽²⁾ Fair value through other comprehensive income ("FVTOCI")

⁽³⁾ Due to the short-term nature of trade receivables, their carrying amount is considered to be a reasonable approximation of their fair value.

⁽⁴⁾ For receivables under service concession arrangements and most of the other non-current financial assets other than at fair value, the Company uses the present value technique to determine the fair value.

12. FINANCIAL INSTRUMENTS (CONTINUED)

The following tables present the carrying value of AtkinsRéalis' financial liabilities as at September 30, 2024 and December 31, 2023 by category and classification, with the corresponding fair value, when available.

AT SEPTEMBER 30	2024					FAIR VALUE
	CARRYING VALUE OF FINANCIAL LIABILITIES BY CATEGORY					
	DERIVATIVES USED FOR HEDGES	FVTPL ⁽¹⁾	AMORTIZED COST	TOTAL		
Trade payables and accrued liabilities ⁽²⁾	\$ —	\$ —	\$ 1,936,940	\$ 1,936,940	\$ 1,936,940	
Other current financial liabilities ⁽²⁾	19,162	—	241,898	261,060	260,870	
Provisions ⁽²⁾	—	—	7,225	7,225	7,225	
Lease liabilities	—	—	514,444	514,444	N/A ⁽³⁾	
Short-term debt and long-term debt ⁽⁴⁾	—	—	1,918,277	1,918,277	1,952,522	
Other non-current financial liabilities	152	14,874	2,552	17,578	17,578	
Total	\$ 19,314	\$ 14,874	\$ 4,621,336	\$ 4,655,524		

AT DECEMBER 31	2023					FAIR VALUE
	CARRYING VALUE OF FINANCIAL LIABILITIES BY CATEGORY					
	DERIVATIVES USED FOR HEDGES	FVTPL ⁽¹⁾	AMORTIZED COST	TOTAL		
Trade payables and accrued liabilities ⁽²⁾	\$ —	\$ —	\$ 1,825,916	\$ 1,825,916	\$ 1,825,916	
Other current financial liabilities ⁽²⁾	20,546	—	259,271	279,817	279,493	
Provisions ⁽²⁾	—	—	24,354	24,354	24,354	
Lease liabilities	—	—	391,301	391,301	N/A ⁽³⁾	
Short-term debt and long-term debt ⁽⁴⁾	—	—	1,982,631	1,982,631	1,991,051	
Other non-current financial liabilities	2,724	14,326	7,526	24,576	24,576	
Total	\$ 23,270	\$ 14,326	\$ 4,490,999	\$ 4,528,595		

⁽¹⁾ Fair value through profit or loss ("FVTPL")

⁽²⁾ Due to the short-term nature of trade payables and accrued liabilities, other current financial liabilities (other than those already at fair value) and provisions, their carrying amount is considered to be a reasonable approximation of their fair value, except for the current portion of the interest-free payable related to the federal charges settlement (PPSC) and DPCP Remediation Agreement included in "Other current financial liabilities".

⁽³⁾ N/A: not applicable

⁽⁴⁾ The fair value of short-term debt and long-term debt was determined using public quotations or the discounted cash flows method in accordance with current financing arrangements. The discount rates used correspond to prevailing market rates offered to AtkinsRéalis or to the Capital investments, depending on which entity has issued the debt instrument, for debt with similar terms and conditions.

For the nine-month periods ended September 30, 2024 and 2023, there were no changes in valuation techniques and in inputs used in the fair value measurements and there were no transfers between the levels of the fair value hierarchy.

B) LEVEL 3 FINANCIAL INSTRUMENTS

The following table presents changes in fair value of Level 3 financial instruments for the nine-month period ended September 30, 2024:

	CONTINGENT CONSIDERATION RECEIVABLE FROM THE ACQUIRER OF THE 10.01% INTEREST IN HIGHWAY 407 ETR	CONTINGENT CONSIDERATION PAYABLE TO SELLER RELATED TO LINXON ACQUISITION
Balance as at January 1, 2024	\$ —	\$ 14,326
Unrealized net loss ⁽⁵⁾	—	111
Effect of foreign currency exchange differences	—	437
Balance as at September 30, 2024	\$ —	\$ 14,874

⁽⁵⁾ Included in "Corporate selling, general and administrative expenses" in the consolidated income statement

No reasonable change in the principal assumptions used in the valuation would result in a significant change in the estimated fair value of Level 3 financial instruments.

12. FINANCIAL INSTRUMENTS (CONTINUED)

C) INTEREST RATE SWAPS

In the first quarter of 2023, the Company entered into an interest rate swap agreement with a financial institution related to its unsecured non-revolving variable interest bearing term loan in the aggregate principal amount of \$500 million (the “Term Loan”). Under this interest rate swap agreement, the Company pays interest at a fixed rate and receives interest at a variable rate on a total notional amount of \$125 million. This interest rate swap agreement is similar to agreements related to the Term Loan entered into in the third quarter of 2022 for a notional amount of \$250 million. All these interest rate swap agreements will expire in April 2025 and are subject to hedge accounting as being part of cash flow hedges.

13. CONTINGENT LIABILITIES

Class actions

Ruediger Class Action

On February 6, 2019, a Motion for authorization of a class action and for authorization to bring an action against the Company and certain of its directors and officers (collectively, the “Ruediger Defendants”) pursuant to section 225.4 of the *Securities Act* (Québec) (the “Ruediger Class Action”) was filed with the Superior Court of Québec on behalf of persons who acquired the Company’s securities from February 22, 2018 through January 27, 2019 (the “Ruediger Class Period”) and held some or all of such securities as of the commencement of trading on January 28, 2019.

The Ruediger Class Action alleged that certain documents filed by the Company and oral statements made by its then Chief Executive Officer during the Ruediger Class Period contained misrepresentations related to the Company’s revenue forecasts and to the financial performance of the former Mining & Metallurgy segment and the former Oil & Gas segment, which misrepresentations would have been corrected by way of the Company’s January 28, 2019 press release.

The Ruediger Class Action sought leave from the Québec Superior Court to bring a statutory misrepresentation claim under the *Securities Act* (Québec). The plaintiffs in the proposed action claimed damages and sought the condemnation of the Ruediger Defendants to pay the class members an unspecified amount for compensatory damages with interest and additional indemnity as well as full costs and expenses, including expert fees, notice fees and fees relating to administering the plan of distribution.

On October 15, 2019, the plaintiffs in the Ruediger Class Action delivered an amended “Motion for authorization of a class action and for authorization to bring an action pursuant to section 225.4 of Québec’s Securities Act”. The amendments extended the Ruediger Class Period to July 22, 2019 and broadened the scope of the claim to include, among other things, disclosure alleged to have been made regarding the Company’s ability to execute certain fixed price contracts.

On October 20, 2021, a class action in the Ontario Superior Court of Justice pertaining to facts similar to those in the Ruediger Class Action (the “Drywall Class Action”) was dismissed and the claimants in the Drywall Class Action were consequently entitled to have their claims included in the Ruediger Class Action.

The authorization hearing on the amended Ruediger Class Action occurred in April 2022 and, on October 11, 2022, the Québec Superior Court ruled dismissing the Ruediger Class Action, as amended, on all grounds. On November 18, 2022, the plaintiffs appealed the ruling to the Québec Court of Appeal. The appeal was heard on January 17, 2024 and the Québec Court of Appeal rendered its judgment on March 8, 2024 dismissing the appeal. On May 6, 2024, the plaintiffs filed their application for leave to appeal to the Supreme Court of Canada. The Supreme Court of Canada’s decision was delivered on September 26, 2024, and the court rejected the plaintiffs’ request for leave to appeal. This case is now completed with no material adverse effect on the Company’s financial results.

Peters Class Action

On February 25, 2019, a Notice of Action was issued with the Ontario Superior Court of Justice by a proposed representative plaintiff, Mr. John Peters, on behalf of persons who acquired the Company’s securities from September 4, 2018 through October 10, 2018. On March 25, 2019, a Statement of Claim was filed with the Ontario Superior Court of Justice with respect to the claims set out in the Notice of Action (together, the Notice of Action and the Statement of Claim are referred to as the “Peters Class Action”).

The Peters Class Action alleged that the defendants, including the Company, the then chair of its Board of Directors and certain of its then officers, failed to make timely disclosure of a material change in the business, operations or capital of the Company, by failing to disclose that on September 4, 2018, the Director of the Public Prosecution Service of Canada communicated her decision to the Company not to award an opportunity to negotiate a remediation agreement.

13. CONTINGENT LIABILITIES (CONTINUED)

The Peters Class Action sought leave from the Ontario Superior Court of Justice to bring a statutory misrepresentation claim under the *Securities Act* (Ontario) and the comparable securities legislation in other provinces and asserted a claim for common law negligent misrepresentation. The Peters Class Action claimed damages in the sum of \$75 million or such other amount as the Ontario Superior Court of Justice may determine plus interest and costs.

On March 5, 2020, the plaintiffs in the Peters Class Action brought a motion for leave and certification of the Peters Class Action. The leave and certification hearing was held between June 1 and June 3, 2021 and, on July 16, 2021, the Ontario Superior Court of Justice dismissed the Peters Class Action. The plaintiffs appealed the ruling and the appeal hearing was held on November 8, 2022. The Ontario Court of Appeal rendered its judgment on May 24, 2023, dismissing the appeal. The plaintiffs did not seek leave to appeal to the Supreme Court of Canada within the prescribed deadline of August 2023. Nonetheless, on April 12, 2024, the plaintiffs filed a motion with the Supreme Court of Canada seeking an extension of time to apply for leave to appeal. The Supreme Court of Canada's decision was delivered on September 26, 2024, and the court rejected the plaintiffs' request for an extension of time and therefore did not have to rule on the leave to appeal. This case is now completed with no material adverse effect on the Company's financial results.

Pyrrhotite case

On June 12, 2014, the Québec Superior Court rendered a decision in "Wave 1" of the matter commonly referred to as the "Pyrrhotite Case" in Trois-Rivières, Québec and in which the Company was one of numerous defendants. The Québec Superior Court ruled in favour of the plaintiffs, awarding an aggregate amount of approximately \$168 million in damages apportioned amongst the then-known defendants, on a solidary (in solidum) basis (the "Wave 1 claims"). The Québec Superior Court ruled that the Company's share of the damages award was approximately 70%. The Company's external insurers disputed the extent of the insurance coverage available to the Company and this dispute was included in the Pyrrhotite Case. The Company, among other parties, appealed the Québec Superior Court's ruling and, on April 6, 2020, the Québec Court of Appeal rendered its decision dismissing most of the appeals filed by all parties and upheld: (i) the Québec Superior Court's ruling regarding the Company's approximate 70% share of liability; and (ii) the solidary nature of the defendants' liability. In a further ruling, on June 12, 2020, the Québec Court of Appeal confirmed the Company's allocated share of the damages, inclusive of interest and costs at approximately \$200 million, and the Company paid this amount of damages awarded to the plaintiffs on August 3, 2020. The Company filed a notice seeking leave to appeal to the Supreme Court of Canada.

The Québec Court of Appeal also dismissed an appeal from the Company's external insurers and confirmed that multiple insurance policy towers were triggered by the Wave 1 claims, resulting in multiple years of coverage. The Company's external insurers filed notices seeking leave to appeal to the Supreme Court of Canada.

On May 6, 2021, the Supreme Court of Canada dismissed both the Company's and its external insurers' applications seeking leave to appeal.

Given that the Company's external insurers initially refused to comply with terms contained in the relevant policies of insurance and the orders of the Québec Superior Court and the Québec Court of Appeal requiring them to pay a substantial portion of the \$200 million damages award, the Company filed an application with the Québec Superior Court seeking an order requiring the Company's external insurers to comply with the Québec Court of Appeal's order and facilitate execution of the \$200 million damages award by way of the multiple towers of insurance. On October 16, 2020, the Québec Superior Court ruled in favour of the Company ordering the Company's external insurers to pay the Company approximately \$141 million, which was fully collected. An additional \$33 million in insurance proceeds was also collected by the Company through a reinsurance policy which was not subject to this court ruling.

The Company filed a recourse in warranty claim against Lafarge Canada Inc. ("Lafarge") seeking its contribution to the damages awarded against the Company in the Wave 1 judgment. On February 4, 2021, the Québec Superior Court dismissed the Company's claim and the Company appealed to the Québec Court of Appeal. The appeal was heard between November 8 and 10, 2022 and, on July 14, 2023, the Québec Court of Appeal upheld the first instance decision. The Company filed its application for leave to appeal this decision to the Supreme Court of Canada on September 29, 2023, which was dismissed on June 6, 2024, with costs.

13. CONTINGENT LIABILITIES (CONTINUED)

In parallel to the Wave 1 claims, notices of additional potential claims have been made and continue to be made against certain defendants, including the Company, in “Wave 2” of the Pyrrhotite Case. In April 2022, the parties, including most of the Company’s external insurers, reached a settlement concerning Wave 2 claims that relate to certain residential buildings. The Company’s portion of the settlement in capital and interest totaled \$60.9 million, of which the uninsured portion was \$25.7 million. On June 27, 2023, the Québec Superior Court approved a settlement between the parties, including most of the Company’s external insurers, concerning various multi-apartment claims and certain commercial claims. The Company’s and its insurers’ portion of the settlement in capital, interest and fees totaled \$17.6 million, of which the uninsured portion was \$7.1 million. On July 2, 2024, the Québec Superior Court approved a further settlement concerning other commercial claims. The Company’s portion of the settlement in capital and interest totaled \$6.2 million, of which the uninsured portion was \$2.3 million. These settlements did not have an impact on the Company’s financial results as their outcomes were covered by the amounts previously provisioned for by the Company. The Company’s liability exposure for the remaining Wave 2 claims remains subject to several uncertainties.

Sainte-Marthe-sur-le-Lac Case

This case pertains to a class action authorized on April 18, 2023, brought against the City of Sainte-Marthe-sur-le-Lac (the “City”) and the Attorney General of Québec seeking reparation for all the citizens of the City who were affected by floodings due to the breach of a surrounding dike. AECOM, the successor of the engineering firm Gendron, Lefebvre et Associés (“GLA”), is a defendant in warranty and has called AtkinsRéalis Canada Inc. in rear warranty. The Company’s involvement stems from the acquisition of Laboratoire de Béton Ltée (“LDB”), a subcontractor to GLA between 1979 and 1982. Although LDB’s exact role remains to be defined, it is alleged that it was responsible for the quality control of the materials and of the borrow pits from which the clay required in the construction process was extracted. Each member of the class action claims up to \$0.35 million. The actual number of members remains to be determined but is currently estimated at 1,000. There are also separate actions in respect of 16 individual files where the same defendants are named and where a total amount of \$31.5 million is being claimed. These cases are under a special case management of one judge and are separate from the class action since under Québec law, plaintiffs have the option to join a class action or to opt out and file a separate action.

Australian Arbitration

One of the Company’s former subsidiaries, divested as part of the sale of the Company’s Oil & Gas business, had a 35% interest in a joint operation for a project that has been completed. The construction joint operation is in a dispute with the project owner over labour rates. Pursuant to the agreement to sell the Oil & Gas business, the Company has retained the divested subsidiary’s risk associated with, and conduct of, this dispute. Under the relevant project contract, the subsidiary is jointly and severally liable with the other joint operator vis-à-vis the project owner for performance and other liabilities. In December 2018, the joint operation received a split award of liability from an arbitration tribunal resulting in an adverse decision on certain aspects of the dispute. In August 2020, a hearing on residual legal issues occurred and, in September 2020, the tribunal ruled in favour of the joint operation. The ruling was challenged by the project owner and a court hearing occurred in June 2021 and, on September 28, 2021, the Supreme Court of Western Australia found in favor of the project owner effectively reversing the September 2020 tribunal ruling. The joint operation appealed the September 2021 court ruling and the appeal hearing occurred in September 2022. On January 17, 2023, the Court of Appeal of Western Australia dismissed the joint operation’s appeal, and the joint operation then filed an application to the Australian High Court seeking leave to appeal the ruling. The High Court of Australia granted Special Leave to Appeal on November 17, 2023 and the appeal hearing took place on April 16, 2024. On August 13, 2024, the High Court of Australia dismissed the joint operation’s appeal, with costs. The arbitration on quantum has resumed with a hearing scheduled in the first half of 2025.

General litigation risk

Due to the inherent uncertainties of litigation, it is not possible to (a) predict the final outcome of these and other related proceedings generally, (b) determine if the amount included in the Company’s provisions is sufficient, or (c) determine the amount of potential losses, if any, that may be incurred in connection with any final judgment on these matters.

The Company maintains insurance coverage for various aspects of its business and operations. The Company’s insurance programs have varying coverage limits and maximums, and insurance companies may deny claims the Company might make. In addition, the Company has elected to retain a portion of losses that may occur through the use of various deductibles, limits and retentions under these programs. As a result, the Company may be subject to future liability in respect of lawsuits or investigations for which it is only partially insured, or completely uninsured.

13. CONTINGENT LIABILITIES (CONTINUED)

In addition, the nature of the Company's business sometimes results in clients, subcontractors and suppliers presenting claims for, among other things, recovery of costs related to certain projects. Similarly, the Company occasionally presents change orders and other claims to clients, subcontractors, and suppliers. If the Company fails to properly issue the change orders or other claims, or fails to document the nature of claims and change orders or is otherwise unsuccessful in negotiating reasonable settlements with clients, subcontractors and suppliers, the Company could incur cost overruns, reduced profits or, in some cases, a loss for a project. A failure to recover promptly on these types of claims could have a material adverse impact on the Company's liquidity and financial results. Additionally, irrespective of how well the Company documents the nature of its claims and change orders, the cost to prosecute and defend claims and change orders can be significant.

In addition, a number of project contracts have warranty periods and/or outstanding claims that may result in legal proceedings that extend beyond the actual performance and completion of the projects.

Litigation and regulatory proceedings are subject to inherent uncertainties and unfavourable rulings can and do occur. Pending or future claims against the Company could result in professional liability, product liability, criminal liability, warranty obligations, and other liabilities which, to the extent the Company is not insured against a loss or its insurer fails to provide coverage, could have a material adverse impact on the Company's business, financial condition and results of operations.

Jacques Cartier Bridge Criminal Charges (Canada)

On September 23, 2021, the Royal Canadian Mounted Police (the "RCMP"), represented by the Province of Québec's Directeur des Poursuites Criminelles et Pénales ("DPCP"), laid charges against the Company's subsidiary, SNC-Lavalin Inc. and its indirect subsidiary, SNC-Lavalin International Inc. Each entity was jointly charged (along with a former employee of the Company, Normand Morin) with the following counts: 1) forgery under Section 366 of the *Criminal Code* (Canada) (the "Criminal Code"), 2) fraud under Section 380 of the Criminal Code, and 3) fraud against the government under Section 121 of the Criminal Code. Each entity was charged with one count of conspiracy to commit the aforementioned crimes (the "Criminal Charges"). On the same date, the DPCP gave notice to SNC-Lavalin Inc. and SNC-Lavalin International Inc. of an invitation to negotiate a remediation agreement in accordance with Part XXII.1. of the Criminal Code with respect to the Criminal Charges, and on October 1, 2021, both entities formally accepted the invitation. These Criminal Charges follow the RCMP's formal investigation relating to alleged payments in connection with a 2002 contract for the refurbishment of the Jacques Cartier Bridge by a consortium which included SNC-Lavalin Inc. and which previously led to a guilty plea on certain criminal charges in 2017 by the former head of the Canada Federal Bridges Corporation. Another former employee of the Company, Kamal Francis, was also charged separately with similar offenses.

SNC-Lavalin Inc. and SNC-Lavalin International Inc. reached agreement with the DPCP on the terms of the remediation agreement and, on May 11, 2022, the Québec Superior Court issued an order approving the remediation agreement (the "Remediation Agreement"). The Remediation Agreement has a three-year term, and requires a total payment of \$29.6 million payable over three years as well as the appointment of a monitor for a three-year period, amongst other obligations. The Criminal Charges are suspended during the term of the Remediation Agreement, and, upon its expiry, provided the terms will have been complied with and subject to Québec Superior Court approval, the Criminal Charges will be dismissed. Also, on May 11, 2022, the Company entered into an administrative agreement with Public Services and Procurement Canada allowing the Company to continue to do business with the Canadian federal government and federal departments and agencies under the auspices of the federal Integrity Regime despite the Criminal Charges being suspended pursuant to the Remediation Agreement.

The Company cannot predict what, if any, other actions may be taken by any other applicable government or authority or the Company's customers or other third parties as a result of the Criminal Charges.

Ongoing and potential investigations

The Company is subject to ongoing investigations that could subject the Company to criminal and administrative enforcement actions, civil actions and sanctions, fines and other penalties, some of which may be significant. These investigations, and potential results thereof, could harm the Company's reputation, result in suspension, prohibition or debarment of the Company from participating in certain projects, reduce its revenues and net income and adversely affect its business.

The Company understands that there are investigations by various authorities which may remain ongoing in connection with certain legacy matters in various jurisdictions, including, without limitation, Algeria, Brazil and Angola.

The Company is currently unable to determine when any of these investigations will be completed or whether other investigations of the Company by these or other authorities will be initiated or the scope of current investigations broadened or result in legal proceedings against the Company. The Company continues to cooperate and communicate with authorities in connection with all ongoing investigations.

13. CONTINGENT LIABILITIES (CONTINUED)

If regulatory, enforcement or administrative authorities or third parties determine to take action against the Company or to sanction the Company in connection with possible violations of law, contracts or otherwise as a result of ongoing or future investigations, the consequences of any such sanctions or other actions, whether actual or alleged, could require the Company to pay material fines or damages, consent to restrictions on future conduct or lead to other penalties, including temporary or permanent, mandatory or discretionary suspension, prohibition or debarment from participating in projects, or the revocation of authorizations or certifications, by certain administrative organizations or by governments (such as the Government of Canada and/or the Government of Québec) under applicable procurement laws, regulations, policies or practices. The Company derives a significant percentage of its annual consolidated revenue from government and government-related contracts. Further, public and private sector bid processes in some instances assess whether the bidder, or an affiliate thereof, has ever been the object of any investigations, or sanctions or other actions resulting therefrom. In such instances, if the Company or one of its subsidiaries or investee entities must answer affirmatively to a query as to past or current investigations, or sanctions or other actions resulting therefrom, such answer may affect that entity's ability to be considered for the applicable project. In addition, the Company may not win contracts that it has bid upon due to a client's perception of the Company's reputation and/or perceived reputational advantages held by competitors as a result of such investigations, sanctions or other actions. Loss of bidding opportunities resulting from such investigations, sanctions or other actions, whether discretionary (including as a result of reputational factors) or mandatory, from participating in certain government, government-related and private contracts (in Canada, Canadian provinces or elsewhere) could materially adversely affect the Company's business, financial condition and liquidity and the market price of the Company's issued and traded securities.

The outcomes of ongoing or future investigations could also result in, among other things, (i) covenant defaults under various project contracts, (ii) third party claims, which may include claims for special, indirect, derivative or consequential damages, or (iii) adverse consequences on the Company's ability to secure or continue its own financing, or to continue or secure financing for current or future projects, any of which could materially adversely affect the Company's business, financial condition and liquidity and the market price of the Company's issued and traded securities. In addition, these investigations and outcomes of these investigations and any negative publicity associated therewith could damage the Company's reputation and ability to do business.

Due to the uncertainties related to the outcome of ongoing or future investigations, the Company is currently unable to reliably estimate an amount of potential liabilities or a range of potential liabilities, if any, in connection with any of these investigations.

The Company's senior management and Board of Directors have been required to devote significant time and resources to the investigations described above and ongoing related matters, as well as the investigations leading to the settlements described above, which have distracted and may continue to distract senior management and the Board of Directors from the conduct of the Company's daily business, and significant expenses have been and may continue to be incurred in connection with such investigations including substantial fees of lawyers and other advisors. In addition, the Company and/or its employees or former employees could become the subject of these or other investigations by law enforcement and/or regulatory authorities in respect of the matters described above or below, or other matters, which, in turn, could require the devotion of additional time of senior management and the diversion or utilization of other resources.

Other legal proceedings

The Company becomes involved in various legal proceedings in the ordinary course of its business and this section describes important ordinary course of business legal proceedings, including the general cautionary language relating to the risks inherent to all litigation and proceedings against the Company, which is equally applicable to the legal proceedings described below.

The Company has initiated court proceedings against a Canadian client stemming from engineering, procurement and construction management services that the Company provided in relation to the client's expansion of an ore-processing facility. The Company claimed from the client certain amounts due under the project contract. The client has counter-claimed alleging that the Company defaulted under the project contracts and is seeking damages.

The Company has initiated court proceedings in Qatar against a main contractor stemming from its involvement in a consortium that was a sub-contractor for mechanical, electrical and plumbing services in relation to the construction of a hospital. The Company claimed from the main contractor certain amounts due under the sub-contract. The Company's consortium partner has also initiated court proceedings against the main contractor claiming certain amounts due to it under the sub-contract. The main contractor has counter-claimed alleging that the Company and its consortium partner defaulted under the sub-contract and is seeking damages. The court dismissed all the claims and counterclaims on September 29, 2024. The main contractor, the Company and its consortium partner have all appealed this decision to the Qatar Court of Appeal.

13. CONTINGENT LIABILITIES (CONTINUED)

Due to the inherent uncertainties of litigation, it is not possible to (a) predict the final outcome of this and other legal proceedings generally, (b) determine if the amount included in the Company's provisions is sufficient, or (c) determine the amount of potential losses, if any, that may be incurred in connection with any final judgment on these matters.

The Company is a party to other claims and litigation arising in the normal course of operations, including by clients, subcontractors, and suppliers presenting claims for, amongst other things, recovery of costs related to certain projects. Due to the inherent uncertainties of litigation and/or the early stage of certain proceedings, it is not possible to predict the final outcome of all ongoing claims and litigation at any given time or to determine the amount of any potential losses, if any. With respect to claims or litigation arising in the normal course of operations which are at a more advanced stage and which permit a better assessment of potential outcome, the Company does not expect the resolution of these matters to have a material adverse effect on its financial position or results of operations.

14. SHORT-TERM DEBT AND LONG-TERM DEBT

As at September 30, 2024 and December 31, 2023, the Company's short-term debt and long-term debt included in its consolidated statements of financial position were as follows:

	SEPTEMBER 30, 2024			DECEMBER 31, 2023 ⁽¹⁾		
	SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT	TOTAL	SHORT-TERM DEBT AND CURRENT PORTION OF LONG-TERM DEBT	LONG-TERM DEBT	TOTAL
Recourse debt	\$ —	\$ 1,355,421	\$ 1,355,421	\$ 299,465	\$ 1,121,054	\$ 1,420,519
Limited recourse debt	—	398,788	398,788	—	398,288	398,288
Non-recourse debt ⁽²⁾	164,068	—	164,068	163,824	—	163,824
	\$ 164,068	\$ 1,754,209	\$ 1,918,277	\$ 463,289	\$ 1,519,342	\$ 1,982,631

⁽¹⁾ Comparative figures have been restated (See Note 2B).

⁽²⁾ Non-recourse debt is unsecured or secured only by Capital or PS&PM investment's specific assets.

AMENDMENTS TO THE 2022 CREDIT AGREEMENT

In the first quarter of 2024, the Company entered into an agreement with its lenders to: i) extend the maturity of its 2022 Credit Agreement, which includes the Company's Revolving Facility and Term Loan, from May 31, 2026 to May 31, 2027; and ii) provide for the transition from CDOR to a new interest benchmark rate for Canadian dollar denominated draws (see Note 2D).

AMENDMENTS TO THE CREDIT FACILITY OF TRANSITNEXT GENERAL PARTNERSHIP

In the first quarter of 2024, TransitNEXT General Partnership entered into an agreement with its lenders mainly to: i) extend the maturity of its credit facility in the aggregate maximum principal amount of \$149.0 million from February 2024 to no later than July 2024; and ii) provide for the transition from CDOR to a new interest benchmark rate (see Note 2D). Furthermore, in the third quarter of 2024, TransitNEXT General Partnership entered into other agreements with its lenders mainly to extend the maturity of its credit facility from July 2024 to no later than October 31, 2024.

ISSUANCE OF SERIES 8 DEBENTURES

In the first quarter of 2024, AtkinsRéalis issued, on a private placement basis, new unsecured Series 8 Debentures in the principal amount of \$400 million, which bear interest at the rate of 5.70% *per annum* and mature on March 26, 2029 (the "Series 8 Debentures"). The Series 8 Debentures are redeemable at the option of the issuer, in whole or in part, at a price based on a make-whole formula during the first two years of the term of the Series 8 Debentures and at a decreasing premium thereafter. The net proceeds from this issuance amounted to \$396.0 million and were used as follows: (i) to repay in full the outstanding indebtedness under the Company's Revolving Facility (see Note 10D); and (ii) for general corporate purposes.

AMENDMENT TO THE CDPQ LOAN

In the second quarter of 2024, the Company entered into an agreement with the lender of its CDPQ Loan in an aggregate amount of \$400 million to provide for the transition from CDOR to a new interest benchmark rate (see Note 2D).

AMENDMENT TO THE UNSECURED LOAN OF LINXON

In the second quarter of 2024, the Company entered into an agreement with the lender of its unsecured loan of Linxon in the principal amount of \$12.8 million (US\$9.3 million) to extend its maturity from September 2024 to August 2025.

14. SHORT-TERM DEBT AND LONG-TERM DEBT (CONTINUED)

REPAYMENT OF SERIES 6 DEBENTURES

In the third quarter of 2024, the Company repaid in full the Series 6 Debentures in the principal amount of \$300 million at their maturity.

15. RESTRUCTURING AND TRANSFORMATION COSTS

	THIRD QUARTERS		NINE MONTHS ENDED SEPTEMBER 30	
	2024	2023	2024	2023
Restructuring costs	\$ 6,644	\$ 1,570	\$ 2,169	\$ 12,064
Transformation costs	2,515	5,064	11,108	15,812
Restructuring and transformation costs	\$ 9,159	\$ 6,634	\$ 13,277	\$ 27,876

The restructuring costs recognized for the third quarter ended September 30, 2024 were mainly for severances. The restructuring costs recognized for the nine-month period ended September 30, 2024 included a non-cash reversal of an impairment loss on property and equipment of \$9.8 million (see Note 18).

The restructuring costs recognized for the third quarter and nine-month period ended September 30, 2023 were mainly for severances and occupancy obligations.

16. GLOBAL MINIMUM TAX (PILLAR TWO)

The Company derives most of its consolidated revenues from the following three jurisdictions: the United Kingdom, Canada and the United States. As at September 30, 2024, out of these three jurisdictions, the United Kingdom and Canada enacted legislation in July 2023 and June 2024, respectively, to implement the global minimum tax effective for the years beginning January 1, 2024 and thereafter.

For the third quarter and nine-month period ended September 30, 2024, the current income tax expense related to Pillar Two income taxes amounted to \$2.3 million and \$13.6 million, respectively, and is in connection with the Company's operations in the jurisdictions where the statutory tax rate is below 15% (nine-month period ended September 30, 2024: mainly Guernsey).

The Company has applied a temporary mandatory exception to recognizing and disclosing information about deferred income tax assets and liabilities arising from jurisdictions implementing the global minimum tax rules.

17. TRANSACTION RELATED TO AN O&M CONTRACT AND RELATED INVESTMENTS

On March 5, 2024, AtkinsRéalis announced that it was undertaking the O&M work at the *Centre Hospitalier de l'Université de Montréal* ("CHUM"), a hospital complex in Canada, through a contract that will span a 26-year period. This contract with Health Montréal Collective Limited Partnership ("HMC L.P."), party to a public-private partnership with CHUM, resulted from a transaction whereby AtkinsRéalis acquired (i) 100% of the ownership interests in the entities performing the O&M contract with HMC L.P.; (ii) a 10% ownership interest in HMC L.P. valued at \$4.9 million (see Note 5A); and (iii) the receivable under an unsecured, subordinated long-term loan to HMC L.P. valued at \$16.9 million. This transaction, which was undertaken to expand AtkinsRéalis' business in Canada while leveraging its existing expertise in engineering and project management, was accounted for in accordance with IFRS 3, *Business combinations*, and this business has been consolidated from the effective date of acquisition, which was March 4, 2024.

FAIR VALUE OF NET IDENTIFIABLE ASSETS (LIABILITIES) OF BUSINESS ACQUIRED

	MARCH 4 2024
Cash	\$ 55,643
Other assets	54,334
Deferred revenues and other liabilities	(89,927)
Fair value of net identifiable assets (liabilities) of business acquired	\$ 20,050

17. TRANSACTION RELATED TO AN O&M CONTRACT AND RELATED INVESTMENTS (CONTINUED)

The above presents management's preliminary assessment of the fair values of assets acquired and liabilities assumed based on best estimates taking into account all relevant information available; the final allocation of the purchase price may therefore vary from the amounts presented above.

NET CASH INFLOW FROM ACQUISITION OF A BUSINESS

NINE MONTHS ENDED SEPTEMBER 30	2024
Total purchase price paid in cash ⁽¹⁾	\$ (20,050)
Cash at acquisition as per above	55,643
Net cash inflow from acquisition of a business	\$ 35,593

⁽¹⁾ The amount of the purchase price paid in cash is subject to potential net working capital and net indebtedness adjustments with the seller.

18. DISPOSAL OF CERTAIN NON-CORE ASSETS

In May 2024, AtkinsRéalis sold certain non-core gas-processing assets held by Valerus Compression Services LLC, a wholly-owned subsidiary in the United States. This disposal resulted in a cash inflow of approximately \$52.2 million (US\$38.2 million). These non-core assets were included in "Property and equipment" in the consolidated statement of financial position and have been impaired in the past. As such, the disposal resulted in a reversal of impairment loss of \$9.8 million, which is included in "Restructuring and transformation costs" in the consolidated income statement for the nine-month period ended September 30, 2024. The remaining excess of net proceeds over the carrying amount of these assets, representing \$11.6 million, was included in the Segmented Adjusted EBIT of LSTK Projects, the segment in which these non-core assets were previously included. The total income tax expense related to the transaction was \$7.4 million.

19. DISPOSAL OF A PS&PM BUSINESS

DISPOSAL OF THE COMPANY'S SCANDINAVIAN UKI BUSINESS

On August 31, 2023, the Company announced that it had completed the sale of its Scandinavian UKI business (comprising Denmark, Sweden and Norway) to SYSTRA Group, a France-based engineering and consulting group specialized in public transport and mobility solutions.

Net gain on disposal of Scandinavian UKI business

NINE MONTHS ENDED SEPTEMBER 30	2023
Consideration received in cash	\$ 153,949
Consideration payable in cash to the purchaser for purchase price adjustments	(621)
Deferred settlement of forward foreign exchange contracts used to hedge the consideration received in cash	(2,258)
Total consideration	151,070
Net assets disposed of	(94,669)
Cumulative exchange loss on translating foreign operations reclassified from equity on disposal	(2,813)
Disposition-related costs and other	(7,397)
Gain on disposal of Scandinavian UKI business	46,191
Income taxes	—
Net gain on disposal of Scandinavian UKI business	\$ 46,191

19. DISPOSAL OF A PS&PM BUSINESS (CONTINUED)

Net assets disposed of

As part of the transaction, the major classes of assets and liabilities of the Scandinavian UKI business disposed of were as follows:

Cash and cash equivalents	\$	6,874
Other current financial assets		10,826
Current non-financial assets		16,611
Goodwill		74,480
Intangible assets related to business combinations		5,032
Other non-current non-financial assets		12,790
Assets disposed of		126,613
Current financial liabilities		11,287
Current non-financial liabilities		4,089
Non-current financial liabilities		6,846
Non-current non-financial liabilities		9,722
Liabilities disposed of		31,944
Net assets disposed of	\$	94,669

Net cash inflow on disposal of Scandinavian UKI business

NINE MONTHS ENDED SEPTEMBER 30		2023
Consideration received in cash	\$	153,949
Less: cash and cash equivalents balances disposed of		6,874
Net cash inflow on disposal of Scandinavian UKI business	\$	147,075

20. SHORT-TERM INVESTMENTS AT AMORTIZED COST

In the second quarter of 2024, AtkinsRéalis acquired short-term investments measured at amortized cost, which are included in “Other current financial assets” in the consolidated statement of financial position as at September 30, 2024, for a cash outflow of \$50 million, of which \$25 million matured since their acquisition.

21. EVENT AFTER THE REPORTING PERIOD

In October 2024, TransitNEXT General Partnership entered into an agreement with its lenders mainly to extend the maturity of its credit facility in the aggregate maximum principal amount of \$149.0 million from October 31, 2024 to no later than November 30, 2024.



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