

AtkinsRéalis



2025 CONSOLIDATED FINANCIAL STATEMENTS

Management's Responsibility for Financial Reporting

The accompanying audited consolidated financial statements ("financial statements") of AtkinsRéalis Group Inc. (the "Company" or "AtkinsRéalis") are the responsibility of management and are approved by the Board of Directors.

The financial statements have been prepared by management in accordance with IFRS[®] Accounting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards"). When alternative accounting methods exist, management has chosen those it considers most appropriate in the circumstances.

The material accounting policies used are described in Note 2 to the financial statements. Certain amounts in the financial statements are based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the financial statements are presented fairly, in all material respects.

The Company's Chief Executive Officer (the "CEO") and Chief Financial Officer (the "CFO") are responsible for having established and maintaining disclosure controls and procedures and internal control over financial reporting. The CEO and the CFO have supervised an evaluation of the effectiveness of the Company's internal control over financial reporting, as at December 31, 2025, in accordance with the criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this evaluation, the CEO and the CFO have concluded that the Company's internal control over financial reporting, as at December 31, 2025, was effective to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of its financial statements for external purposes in accordance with IFRS Accounting Standards. Management excluded from its assessment the internal control over financial reporting at David Evans Enterprises, Inc., Capital Consultants, Inc. ("C2AE") and ADG Capital Pty Ltd, which were acquired in 2025, and whose aggregate revenues, net income and total assets constitute approximately 2.7%, 0.9% and 6.3%, respectively, of the consolidated financial statements as at and for the year ended December 31, 2025.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board of Directors carries out this responsibility principally through its Audit and Risk Committee (the "Audit Committee").

The Audit Committee is appointed by the Board of Directors, and all of its members are independent directors. The Audit Committee meets periodically with management, as well as with the internal and independent auditors, to discuss disclosure controls and procedures, internal control over financial reporting, management information systems, accounting policies, auditing and financial reporting issues, to satisfy itself that each party is properly discharging its responsibilities, and to review the financial statements, the Management's Discussion and Analysis and the independent auditor's report. The Audit Committee reports its findings to the Board of Directors for consideration when approving the financial statements for issuance to the shareholders. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or reappointment of the independent auditor, and reviews and approves the terms of its engagement as well as the fee, scope and timing of its services.

The financial statements have been audited, on behalf of the shareholders, by Deloitte LLP, the independent auditor, in accordance with Canadian generally accepted auditing standards. The independent auditor has full and free access to the Audit Committee and may meet with or without the presence of management.

IAN L. EDWARDS *(signed)*

PRESIDENT AND
CHIEF EXECUTIVE OFFICER

JEFF BELL *(signed)*

CHIEF FINANCIAL OFFICER

FEBRUARY 26, 2026
MONTREAL, CANADA

Independent Auditor's Report

To the Shareholders of
AtkinsRéalis Group Inc.

Opinion

We have audited the consolidated financial statements of AtkinsRéalis Group Inc. (the “Company” or “AtkinsRéalis”), which comprise the consolidated statements of financial position as at December 31, 2025 and 2024, and the consolidated income statements, consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the “financial statements”).

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2025 and 2024, and its financial performance and its cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (“IASB”).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards (“Canadian GAAS”). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the consolidated financial statements for the year ended December 31, 2025. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Revenue recognition from contracts with customers – Refer to Notes 2F, 3 and 9 to the financial statements

Key Audit Matter Description

A significant portion of the Company's revenues are recognized over time. In most cases, the Company recognizes revenue over time using an input method, based on costs incurred to date relative to total estimated costs at completion for a contract. The accounting for contracts that are not complete at the reporting date (“uncompleted contracts”) involves judgment, particularly as it relates to total estimated costs at completion. Total estimated costs at completion include both incurred costs to date as well as anticipated costs to complete. These estimated costs are impacted by a variety of factors such as potential variances in scheduling and cost of materials along with the availability and cost of qualified labour and subcontractors, productivity, and possible claims from subcontractors.

Given the judgment involved in accounting for the Company's uncompleted contracts, including the determination of the total costs at completion for each contract, auditing such estimates required a high degree of auditor judgment and an increased extent of audit effort when performing audit procedures and evaluating the results of those procedures.

How the Key Audit Matter Was Addressed in the Audit

Our audit procedures related to the total estimated costs at completion for uncompleted contracts included the following, among others:

- For a sample of uncompleted contracts we:
 - Obtained and inspected the executed contracts, amendments, pending change orders or claims confirming key terms with project management;
 - Conducted inquiries with management and project personnel to gain an understanding of the status of project activities;
 - Evaluated cost to complete by testing key components of the cost to complete estimates.
 - Performed certain retrospective review procedures to assess management's historical ability to accurately estimate the cost to complete as well as to identify any significant or unusual changes in project cost forecasts during the period.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis;
- The information, other than the financial statements and our auditor's report thereon, in the Annual Integrated Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained Management's Discussion and Analysis prior to the date of this auditor's report. If, based on the work we have performed on this other information we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

The Annual Integrated Report is expected to be made available to us after the date of the auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Company as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Pascal Lamoureux.

/s/ Deloitte LLP⁽¹⁾

February 26, 2026
MONTREAL, QUEBEC

(1) CPA auditor, public accountancy permit No. A124391

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(IN THOUSANDS OF CANADIAN DOLLARS)		Note	DECEMBER 31 2025	DECEMBER 31 2024
ASSETS				
Current assets				
Cash and cash equivalents	7	\$	1,156,538	\$ 666,603
Restricted cash	7		2,666	4,135
Trade receivables	8, 9B		1,656,711	1,478,085
Contract assets	9B		1,980,784	1,838,743
Other current financial assets	10		356,635	332,815
Other current non-financial assets	11		441,990	337,099
Total current assets			5,595,324	4,657,480
Property and equipment	12		353,262	325,225
Right-of-use assets	32		364,976	355,887
Capital investments accounted for by the equity method	5		375,427	388,601
Goodwill	13		3,934,533	3,561,527
Intangible assets related to business combinations	14		249,428	201,914
Deferred income tax asset	27A		906,144	1,185,346
Non-current portion of receivables under service concession arrangements			141,240	284,917
Other non-current financial assets	15		105,609	61,296
Other non-current non-financial assets	16		499,428	265,141
Total assets		\$	12,525,371	\$ 11,287,334
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables and accrued liabilities		\$	2,321,499	\$ 2,163,510
Deferred revenues	9B		1,476,625	1,402,722
Other current financial liabilities	17		231,539	251,111
Other current non-financial liabilities	18		532,638	466,331
Current portion of provisions	20		185,173	193,920
Current portion of lease liabilities	32		91,072	78,906
Short-term debt and current portion of long-term debt	19		343,893	23,466
Total current liabilities			5,182,439	4,579,966
Long-term debt	19		464,257	1,687,906
Other non-current financial liabilities			7,236	22,609
Non-current portion of provisions	20		422,045	331,523
Non-current portion of lease liabilities	32		408,856	410,094
Other non-current non-financial liabilities	21C		89,399	78,165
Deferred income tax liability	27A		382,117	387,982
Total liabilities			6,956,349	7,498,245
Equity				
Share capital	21A		1,695,114	1,798,195
Retained earnings			3,848,158	1,987,044
Other components of equity	22		(46,601)	(12,189)
Equity attributable to AtkinsRéalis shareholders			5,496,671	3,773,050
Non-controlling interests			72,351	16,039
Total equity			5,569,022	3,789,089
Total liabilities and equity		\$	12,525,371	\$ 11,287,334

See accompanying notes to consolidated financial statements

Approved, on behalf of the Board of Directors, by:

IAN L. EDWARDS (signed)
DIRECTORCHRISTIE J.B. CLARK (signed)
DIRECTOR

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

YEAR ENDED DECEMBER 31
(IN THOUSANDS OF CANADIAN DOLLARS)

2025

	EQUITY ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS				NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	RETAINED EARNINGS	OTHER COMPONENTS OF EQUITY (NOTE 22)	TOTAL		
Balance at beginning of year	\$ 1,798,195	\$ 1,987,044	\$ (12,189)	\$ 3,773,050	\$ 16,039	\$ 3,789,089
Net income	—	2,628,313	—	2,628,313	14,884	2,643,197
Other comprehensive income (loss)	—	79,191	(34,412)	44,779	(1,110)	43,669
Total comprehensive income (loss)	—	2,707,504	(34,412)	2,673,092	13,774	2,686,866
Dividends declared (Note 21E)	—	(13,586)	—	(13,586)	—	(13,586)
Dividends declared by subsidiaries to non-controlling interests	—	—	—	—	(1,787)	(1,787)
Stock option compensation (Note 21B)	—	8,138	—	8,138	—	8,138
Shares issued under stock option plan (Note 21B)	5,217	(1,274)	—	3,943	—	3,943
Deferred income taxes on share-based payment transactions	—	1,810	—	1,810	—	1,810
Shares repurchased and cancelled (Note 21F)	(107,982)	(816,954)	—	(924,936)	—	(924,936)
Non-controlling interests arising on acquisition of David Evans (Note 6A)	—	—	—	—	43,153	43,153
Additional non-controlling interests arising on acquisitions of other businesses	—	—	—	—	157	157
Non-cash contribution by a non-controlling interest	—	—	—	—	1,044	1,044
Acquisition of non-controlling interest	—	(3,908)	—	(3,908)	(2,044)	(5,952)
Shares issued by subsidiaries to non-controlling interests	—	—	—	—	2,015	2,015
Other (Note 21G)	(316)	(20,616)	—	(20,932)	—	(20,932)
Balance at end of year	\$ 1,695,114	\$ 3,848,158	\$ (46,601)	\$ 5,496,671	\$ 72,351	\$ 5,569,022

YEAR ENDED DECEMBER 31
(IN THOUSANDS OF CANADIAN DOLLARS)

2024

	EQUITY ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS				NON-CONTROLLING INTERESTS	TOTAL EQUITY
	SHARE CAPITAL	RETAINED EARNINGS	OTHER COMPONENTS OF EQUITY (NOTE 22)	TOTAL		
Balance at beginning of year	\$ 1,805,080	\$ 1,763,553	\$ (293,532)	\$ 3,275,101	\$ 11,629	\$ 3,286,730
Net income	—	283,870	—	283,870	2,835	286,705
Other comprehensive income (loss)	—	(23,620)	281,343	257,723	394	258,117
Total comprehensive income	—	260,250	281,343	541,593	3,229	544,822
Dividends declared (Note 21E)	—	(14,017)	—	(14,017)	—	(14,017)
Stock option compensation (Note 21B)	—	5,947	—	5,947	—	5,947
Shares issued under stock option plan (Note 21B)	679	(162)	—	517	—	517
Deferred income taxes on share-based payment transactions	—	3,633	—	3,633	—	3,633
Shares repurchased and cancelled (Note 21F)	(7,506)	(31,032)	—	(38,538)	—	(38,538)
Non-cash contribution by a non-controlling interest	—	—	—	—	1,181	1,181
Other (Note 21G)	(58)	(1,128)	—	(1,186)	—	(1,186)
Balance at end of year	\$ 1,798,195	\$ 1,987,044	\$ (12,189)	\$ 3,773,050	\$ 16,039	\$ 3,789,089

See accompanying notes to consolidated financial statements

CONSOLIDATED INCOME STATEMENTSYEARS ENDED DECEMBER 31
(IN THOUSANDS OF CANADIAN DOLLARS, EXCEPT EARNINGS PER SHARE AND NUMBER OF SHARES)

	Note	2025	2024
Revenues from:			
PS&PM		\$ 10,939,332	\$ 9,541,946
Capital investments accounted for by the consolidation method or at fair value through other comprehensive income		21,011	31,799
Capital investments accounted for by the equity method		42,254	94,264
	9	11,002,597	9,668,009
Direct costs of activities		10,030,000	8,823,168
Corporate selling, general and administrative expenses	23	144,658	183,213
Restructuring and transformation costs	24	111,639	52,343
Amortization of intangible assets related to business combinations	14	101,868	80,564
Acquisition-related costs and integration costs	6C	35,053	954
Gain on disposal of a Capital investment	5A	(2,569,949)	—
EBIT⁽¹⁾		3,149,328	527,767
Financial expenses	25	130,765	177,285
Financial income and net foreign exchange losses	25	(20,726)	(14,495)
Earnings before income taxes		3,039,289	364,977
Income tax expense	27B	396,092	78,272
Net income		\$ 2,643,197	\$ 286,705
Net income attributable to:			
AtkinsRéalis shareholders		\$ 2,628,313	\$ 283,870
Non-controlling interests		14,884	2,835
Net income		\$ 2,643,197	\$ 286,705
Earnings per share (in \$)			
Basic		\$ 15.48	\$ 1.62
Diluted		\$ 15.41	\$ 1.62
Weighted average number of outstanding shares (in thousands)			
	21D		
Basic		169,805	175,233
Diluted		170,512	175,586

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

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOMEYEAR ENDED DECEMBER 31
(IN THOUSANDS OF CANADIAN DOLLARS)**2025**

	ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income	\$ 2,628,313	\$ 14,884	\$ 2,643,197
Other comprehensive income (loss):			
Exchange differences on translating foreign operations (Note 22)	(37,159)	782	(36,377)
Cash flow hedges (Note 22)	2,913	(1,892)	1,021
Income taxes (Note 22)	(166)	—	(166)
Total of items that will be reclassified subsequently to net income	(34,412)	(1,110)	(35,522)
Equity instruments designated at fair value through other comprehensive income (Note 22)	(3,056)	—	(3,056)
Income taxes (Note 22)	(1,937)	—	(1,937)
Remeasurement of defined benefit plans (Note 22)	114,143	—	114,143
Income taxes (Note 22)	(29,959)	—	(29,959)
Total of items that will not be reclassified subsequently to net income	79,191	—	79,191
Total other comprehensive income (loss)	44,779	(1,110)	43,669
Total comprehensive income	\$ 2,673,092	\$ 13,774	\$ 2,686,866

YEAR ENDED DECEMBER 31
(IN THOUSANDS OF CANADIAN DOLLARS)**2024**

	ATTRIBUTABLE TO ATKINSRÉALIS SHAREHOLDERS	NON-CONTROLLING INTERESTS	TOTAL
Net income	\$ 283,870	\$ 2,835	\$ 286,705
Other comprehensive income (loss):			
Exchange differences on translating foreign operations (Note 22)	278,725	788	279,513
Cash flow hedges (Note 22)	(2,964)	(394)	(3,358)
Income taxes (Note 22)	5,582	—	5,582
Total of items that will be reclassified subsequently to net income	281,343	394	281,737
Equity instruments designated at fair value through other comprehensive income (Note 22)	58	—	58
Income taxes (Note 22)	7	—	7
Remeasurement of defined benefit plans (Note 22)	(31,092)	—	(31,092)
Income taxes (Note 22)	7,407	—	7,407
Total of items that will not be reclassified subsequently to net income	(23,620)	—	(23,620)
Total other comprehensive income	257,723	394	258,117
Total comprehensive income	\$ 541,593	\$ 3,229	\$ 544,822

See accompanying notes to consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWSYEARS ENDED DECEMBER 31
(IN THOUSANDS OF CANADIAN DOLLARS)

	Note	2025	2024
Operating activities			
Net income		\$ 2,643,197	\$ 286,705
Income taxes paid		(213,313)	(131,935)
Interest paid		(124,846)	(160,935)
Depreciation and amortization	26A	282,409	245,402
Other reconciling items	26B	(1,943,926)	345,694
		643,521	584,931
Net change in non-cash working capital items	26C	(182,243)	(59,147)
Net cash generated from operating activities		461,278	525,784
Investing activities			
Acquisition of property and equipment and additions to intangible assets		(176,579)	(159,929)
Payments for a Capital investment accounted for by the equity method	5C	(24,921)	—
Payments for PS&PM investments accounted for by the equity method ⁽¹⁾		(38,678)	(6,039)
Cash paid for acquisitions of businesses, net of cash acquired	6	(494,185)	35,593
Change in restricted cash position		1,482	(279)
Increase in receivables under service concession arrangements		(49,945)	(4,106)
Recovery of receivables under service concession arrangements		176,858	145,490
Proceeds from disposal of certain non-core assets	12	—	52,179
Acquisition of short-term investments at amortized cost	26E	—	(50,000)
Decrease in short-term investments at amortized cost	26E	—	50,000
Cash inflow on disposal of a Capital investment accounted for by the equity method	5A	2,588,777	—
Disposition costs on disposal of Capital investment	5A	(18,828)	—
Other ⁽¹⁾		1,477	7,365
Net cash generated from investing activities		1,965,458	70,274
Financing activities			
Increase in debt	26D	3,500	664,577
Repayment of debt and payment for debt issue costs	26D	(906,394)	(939,060)
Payment of lease liabilities	26D	(85,748)	(81,406)
Proceeds from exercise of stock options	21B	3,943	517
Repurchase of shares and payment for related transaction costs	21H	(928,354)	(38,964)
Dividends paid to AtkinsRéalis shareholders	21E	(13,586)	(14,017)
Dividends paid by subsidiaries to non-controlling interests		(1,787)	—
Amount paid for acquisition of non-controlling interest		(5,952)	—
Proceeds from issuance of shares by subsidiaries to non-controlling interests		2,015	—
Net cash used for financing activities		(1,932,363)	(408,353)
Increase (decrease) from exchange differences on translating cash and cash equivalents		(4,438)	5,335
Net increase in cash and cash equivalents		489,935	193,040
Cash and cash equivalents at beginning of year		666,603	473,563
Cash and cash equivalents at end of year		\$ 1,156,538	\$ 666,603

⁽¹⁾ Effective January 1, 2025, the Company modified the presentation of its payments for PS&PM investments accounted for by the equity method by presenting “Payments for PS&PM investments accounted for by the equity method” as a separate line item in investing activities in the consolidated statement of cash flows. The Company’s payments for PS&PM investments accounted for by the equity method were previously included in “Other” in investing activities in the consolidated statement of cash flows. The Company has restated the comparative figures accordingly to reflect the current year presentation.

See accompanying notes to consolidated financial statements

NOTES TO 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 (the “TSX”) 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.

The Company reports its revenues as follows:

- **Professional Services & Project Management (“PS&PM”)** includes contracts generating revenues related mainly to consulting, strategy and advisory, engineering and design, project and program management, project delivery, operations and maintenance, and decommissioning. It also includes revenues from lump-sum turnkey (“LSTK”) construction contracts, on which the Company ceased bidding in July 2019, except for certain repetitive engineering, procurement and construction (“EPC”) offerings that are lower-risk, standardized solutions.
- **Capital investments** include AtkinsRéalis’ 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).

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

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

A) BASIS OF PREPARATION

The Company’s financial statements have been prepared in accordance with **IFRS Accounting Standards** issued and effective for the year ended December 31, 2025, and 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.

The accounting policies set out below were consistently applied to all periods presented.

The preparation of financial statements in conformity with IFRS Accounting Standards 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.

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 pension plan assets, which are measured at fair value; iii) investments measured at fair value held by AtkinsRéalis 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 February 26, 2026.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

B) NEW AMENDMENTS ADOPTED IN THE YEAR ENDED DECEMBER 31, 2025

The following amendments to an existing standard were adopted by the Company on January 1, 2025:

- 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 adoption by the Company of the amendments listed above did not have a significant impact on the Company's financial statements.

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

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, *Financial Instruments: Disclosures* ("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, *Presentation of Financial Statements*, 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 taxes"; ii) disclosures about management-defined performance measures 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.

D) BASIS OF CONSOLIDATION

In accordance with IFRS Accounting Standards, AtkinsRéalis' interests in other entities subject to control, joint control or significant influence are accounted for as follows:

TYPE OF INTEREST	TYPE OF INFLUENCE	ACCOUNTING METHOD
Subsidiary	Control	Consolidation method
Joint venture	Joint control	Equity method
Joint operation	Joint control	AtkinsRéalis' share of assets, liabilities, revenues and expenses
Associate	Significant influence	Equity method
Investment	Non-significant influence	Measured at fair value; dividend income is recognized in the income statement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

A subsidiary that is not wholly-owned by AtkinsRéalis results in non-controlling interests that are presented separately on the consolidated statement of financial position, while the portions of net income and other comprehensive income attributable to such non-controlling interests are also shown separately on the consolidated income statement and on the consolidated statement of comprehensive income, respectively.

When necessary, adjustments are made to the financial statements of subsidiaries, joint arrangements and associates to bring their accounting policies in line with those used by the Company.

A change in the ownership interest of a subsidiary, without loss of control, is accounted for as an equity transaction.

If the Company loses control over a subsidiary, it derecognizes the related assets (including goodwill and intangible assets related to business combinations), liabilities, non-controlling interest and other components of equity and remeasures any investment retained at fair value, while any resulting gain or loss is recognized in the consolidated income statement.

Business acquisitions

Acquisitions of businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the fair values (at the date of acquisition) of assets given, liabilities incurred or assumed, and equity instruments issued by the Company, if any, in exchange for control of the acquiree. Provisional fair values allocated at a reporting date are finalized within twelve months of the acquisition date.

At the date of acquisition, the identifiable assets acquired and the liabilities assumed are measured, with limited exceptions, at fair value.

Acquisition-related costs are expensed in the periods in which these costs are incurred and the services are received.

The results of businesses acquired are included in the consolidated financial statements from the date on which control is obtained.

E) **FOREIGN CURRENCY TRANSLATION**

Functional and presentation currency

The individual financial statements of each entity within the Company are prepared in its functional currency, being the currency of the primary economic environment in which the entity operates. For the purpose of the consolidated financial statements, the results and financial position of each entity within the Company are expressed in Canadian dollars, which is the presentation currency of the Company for its consolidated financial statements.

Foreign currency transactions and balances

For the purpose of preparing financial statements, Canadian and foreign operations apply the following procedure on transactions and balances in currencies other than their functional currency: 1) monetary items are translated in their functional currency using the exchange rate in effect at the period end rate; 2) non-monetary items are translated in their functional currency using the historical exchange rate if they are measured at cost, or using the exchange rate at the measurement date if they are measured at fair value; and 3) revenues and expenses are translated in their functional currency using the appropriate average exchange rate of the period. Any resulting gains or losses are recognized in net income and, if hedge accounting is applied, offsetting losses or gains from the hedging items are also recognized in net income.

Translation of financial statements of foreign operations

For the purpose of presenting consolidated financial statements in Canadian dollars, the assets and liabilities of the Company's foreign operations that have a functional currency other than Canadian dollars are expressed in Canadian dollars using exchange rates prevailing at the end of the reporting period, while revenues and expenses are translated at the appropriate average exchange rate for the period. Exchange differences arising on consolidation, if any, are recognized initially in other comprehensive income and reclassified from equity to net income on disposal or partial disposal of foreign operations as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the period end rate.

F) **REVENUE RECOGNITION**

Revenue from contracts with customers is recognized, for each performance obligation, either over a period of time or at a point in time, depending on which method reflects the transfer of control of the goods or services underlying the particular performance obligation to the customer.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

In most cases, for performance obligations satisfied over time, the Company recognizes revenue over time using an input method, based on costs incurred to date relative to total estimated costs at completion, to measure progress toward satisfying such performance obligations. Under this method, costs that do not contribute to the performance of the Company in transferring control of goods or services to the customer are excluded from the measurement of progress toward satisfying the performance obligation. For certain contracts, notably certain cost-plus contracts or unit-rate contracts, the Company recognizes revenue based on its right to consideration when such amount corresponds directly with the value to the customer of the entity's performance completed to date. In certain other situations, the Company might recognize revenue at a point in time, when the criteria to recognize revenue over time are not met. In any event, when the total anticipated costs exceed the total anticipated revenues on a contract, such loss is recognized in its entirety in the period it becomes known and a provision for forecasted losses on contracts is recognized in the consolidated statement of financial position.

The amount of revenue recognized by the Company is based on the transaction price allocated to each performance obligation. Such transaction price corresponds to the amount of consideration which the Company expects to be entitled to receive in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties. The transaction price includes, among other things and when applicable, an estimate of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Variable consideration is usually derived from incentives, performance bonuses, and penalties, and could include claims and unpriced change orders. When a contract includes a significant financing component, the value of such component is excluded from the transaction price and is recognized separately as finance income or expense, as applicable.

AtkinsRéalis may enter into contractual arrangements with a client to deliver services on one project with respect to more than one performance obligation. When entering into such arrangements, the Company allocates the transaction price by reference to the stand-alone selling price of each performance obligation. Accordingly, when such arrangements exist on the same project, the value of each performance obligation is based on its stand-alone selling price and recognized according to the respective revenue recognition methods described above.

The Company accounts for a contract modification, which consists of a change in the scope or price (or both) of a contract, as a separate contract when the remaining goods or services to be delivered after the modification are distinct from those delivered prior to the modification and the price of the contract increases by an amount of consideration that reflects the stand-alone selling price of the additional promised goods or services. When the contract modification is not accounted for as a separate contract, the Company recognizes an adjustment to revenue on a cumulative catch-up basis at the date of contract modification.

The Company recognizes assurance-type warranty costs as a provision in accordance with IAS 37, *Provisions, Contingent Liabilities and Contingent Assets*, based on the advancement of the projects, and the provision recognized is then either used when costs are incurred or reversed if it is no longer needed.

In all cases, the value of construction activities, material and equipment purchased by AtkinsRéalis, when acting as a purchasing agent for a client, is not recorded as revenue.

The Company may apply its revenue recognition policy to a portfolio of contracts or performance obligations with similar characteristics if the effect on its financial statements of applying such policy to the portfolio is not reasonably expected to differ materially from applying its policy to the individual contracts or performance obligations within that portfolio.

The Company presents its contract balances, on a contract-by-contract basis, in a net contract asset or deferred revenues position, separately from its trade receivables. Contract assets and trade receivables are both rights to receive consideration in exchange for goods or services that the Company has transferred to a customer. However, the classification depends on whether such right is only conditional on the passage of time (trade receivables) or if it is also conditional on something else (contract assets), such as the satisfaction of further performance obligations under the contract. Deferred revenues represent the cumulative amount received and contractually receivable by the Company that exceeds the right to consideration resulting from the Company's performance under a given contract.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenues from **Capital investments** include the following:

ACCOUNTING METHODS FOR THE COMPANY'S CAPITAL INVESTMENTS	REVENUES INCLUDED IN THE COMPANY'S CONSOLIDATED INCOME STATEMENT
Consolidation	Revenues that are recognized and reported by the Capital investments
Equity method	AtkinsRéalis' share of net results of the Capital investments or dividends from its Capital investments for which the carrying amount is nil but would otherwise be negative based on historical financial results and dividends if AtkinsRéalis had an obligation to fund the investment. Dividends are recognized when the Company's right to receive payment has been established
At fair value through other comprehensive income	Dividends and distributions from the Capital investments

G) FINANCIAL INSTRUMENTS

FINANCIAL ASSETS AND LIABILITIES

Unless specifically covered by another accounting policy, the measurement of financial assets and financial liabilities is based on their classification, which is one of the following for AtkinsRéalis:

CATEGORY – SUBSEQUENTLY MEASURED AT	APPLICABLE TO	INITIAL MEASUREMENT	SUBSEQUENT MEASUREMENT	RECOGNITION OF INCOME/EXPENSE AND GAINS/LOSSES ON REMEASUREMENT, IF ANY
Fair value through profit or loss (“FVTPL”)	Financial assets and financial liabilities	Fair value	Fair value derived from published bid price quotations for listed securities. Where there is no active market, fair value is determined using valuation techniques.	All recognized in net income
Fair value through other comprehensive income (“FVTOCI”)	Financial assets	Fair value including transaction costs	Fair value derived from published bid price quotations for listed securities. Where there is no active market, fair value is determined using valuation techniques.	Investment income, which includes interest, dividends and distributions, is recognized in net income. For equity instruments, gains (losses) from revaluation are recognized in other comprehensive income with no reclassification to net income on disposal of such assets.
Amortized cost	Financial assets and financial liabilities	Fair value including transaction costs	Amortized cost using the effective interest method	All recognized in net income

Impairment of assets subsequently measured at amortized cost

For “Trade receivables” and “Contract assets”, the amount of the loss allowance recognized is the amount equal to lifetime expected credit losses that result from all possible events of default over the expected life of a financial instrument.

For “Non-current portion of receivables under service concession arrangements” and “Receivable under an unsecured, subordinated long-term loan to HMC L.P.” (see Notes 6E and 15), if the credit risk has not increased significantly since initial recognition, the amount of the loss allowance recognized is the amount equal to 12-month expected credit losses that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

Write-off

The gross carrying amount of a financial asset is reduced when there are no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

HEDGING (APPLYING IAS 39)

In the normal course of its business, AtkinsRéalis enters into derivative financial instruments, mainly: i) forward exchange contracts to hedge its exposure to fluctuations in foreign currency exchange rates on projects; and ii) interest rate swaps to hedge the variability of interest rates relating to financing arrangements. AtkinsRéalis may also enter into other derivative financial instruments to hedge its exposure to market risk. When applying hedge accounting, AtkinsRéalis formally documents its accounting choice, the relationship between hedging instruments and hedged items, as well as its risk management objective and strategy for undertaking these hedge transactions, and regularly assesses the effectiveness of these hedges.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

CASH FLOW HEDGES

Derivative financial instruments designated as cash flow hedges are measured at fair value established by using valuation techniques based on observable market data and taking into account the credit quality of the instruments. The effective portion of the change in fair value of the derivative financial instruments is recorded in other comprehensive income and is accumulated in “other components of equity”, while the ineffective portion, if any, of such change is recognized in net income. Gains or losses from cash flow hedges included in other components of equity are reclassified to net income as an offset to the losses or gains recognized on the underlying hedged items.

FAIR VALUE HEDGES

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in net income immediately, together with any changes in the fair value of the hedged item that are attributable to the hedged risk. The change in the fair value of the hedging instrument and the change in the fair value of the hedged item attributable to the hedged risk are recognized in net income in the same line item.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting.

HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS

Hedges of net investments in foreign operations are accounted for similarly to cash flow hedges. Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognized in other comprehensive income and accumulated under “Exchange differences on translating foreign operations” in “Other components of equity”. The gain or loss relating to the ineffective portion, if any, is recognized immediately in net income.

Gains and losses on the hedging instrument relating to the effective portion of the hedge accumulated in “Exchange differences on translating foreign operations” are reclassified to net income on the disposal of the foreign operation.

H) SERVICE CONCESSION ARRANGEMENTS UNDER IFRIC INTERPRETATION 12

IFRIC Interpretation 12, *Service Concession Arrangements* (“IFRIC 12”), provides guidance on the accounting for certain qualifying public-private partnership arrangements, whereby the grantor (i.e., usually a government):

- controls or regulates what services the operator (i.e. “the concessionaire”) must provide with the infrastructure, to whom it must provide them, and at what price; and
- controls any significant residual interest in the infrastructure at the end of the term of the arrangement.

Under such concession arrangements, the concessionaire accounts for the infrastructure asset by applying one of the following accounting models depending on the allocation of the demand risk through the usage of the infrastructure between the grantor and the concessionaire:

ACCOUNTING MODEL	DEMAND RISK
Financial asset model	The concessionaire does not bear demand risk through the usage of the infrastructure (i.e., it has an unconditional right to receive cash irrespective of the usage of the infrastructure, e.g. availability payments).
Intangible asset model	The concessionaire bears demand risk (i.e., it has a right to charge fees for usage of the infrastructure).
Bifurcated model	The concessionaire shares demand risk with the grantor (i.e., the grantor pays the concessionaire for its services partly by a financial asset and partly by granting a right to charge users of the infrastructure).

All service concession arrangements of the Company are accounted for by applying the financial asset model.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Revenues from service concession arrangements accounted for under IFRIC 12 are recognized as follows:

ACTIVITIES PROVIDED BY THE CONCESSIONAIRE	REVENUE RECOGNITION	CLASSIFICATION OF REVENUES IN THE COMPANY'S CONSOLIDATED INCOME STATEMENT
Construction or upgrade (when a service concession arrangement involves the construction or upgrade of the public service infrastructure)	Revenues relating to such activities under a service concession arrangement are recognized based on the Company's accounting policy on recognizing revenue (see Note 2F).	The Company classifies these revenues as "from PS&PM" when AtkinsRéalis acts as an EPC contractor. When AtkinsRéalis does not act as an EPC contractor, revenues are recognized by the concession as part of "Capital investments" activities.
Operations and maintenance ("O&M") (these activities may include maintenance of the infrastructure and other activities provided directly to the grantor or the users)		The Company classifies these revenues as "from PS&PM" when AtkinsRéalis acts as an O&M contractor. When AtkinsRéalis does not act as an O&M contractor, revenues are recognized by the concession as part of "Capital investments" activities.
Rehabilitation (when a service concession arrangement requires the concessionaire to rehabilitate the infrastructure such that the infrastructure can deliver a specified standard of service at all times)		The Company classifies these revenues as "from PS&PM" activities when AtkinsRéalis acts as a rehabilitation contractor. When AtkinsRéalis does not act as a rehabilitation contractor, revenues are recognized by the concession as part of "Capital investments" activities.
Financing (when financial asset model or bifurcated model is applied)	Finance income generated on financial assets is recognized using the effective interest method.	The Company classifies this finance income as "Capital investments" activities.

When the Company delivers more than one category of activity in a service concession arrangement, the consideration received or receivable is allocated by reference to the stand-alone selling price of the activity delivered.

Financial asset model

Revenues recognized by the Company under the financial asset model are accumulated in "Receivables under service concession arrangements", a financial asset that is recovered through payments received from the grantor.

I) CASH AND CASH EQUIVALENTS

Cash includes cash on hand and deposits held at call with financial institutions. Cash is designated as at FVTPL and accounted for at fair value.

Cash equivalents include interest-bearing short-term liquid investments and qualifying money market funds that are readily convertible into a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are designated as at FVTPL and accounted for at fair value.

J) PROPERTY AND EQUIPMENT

Property and equipment are recorded at cost. Depreciation is recorded at rates set to charge operations with the cost of depreciable assets less their residual values (if any) over their estimated useful lives.

Property and equipment are primarily:

CATEGORY	DEPRECIATION METHOD	DEPRECIATION PERIOD
Buildings	Straight-line, by component	10 to 50 years
Computer equipment and software	Straight-line	2 to 5 years
Office furniture	Diminishing balance or straight-line	20% or from 2 to 10 years
Leasehold improvements	Straight-line	Over the shorter of: i) the term of the lease; and ii) the useful life of the asset

K) INVESTMENTS IN JOINT VENTURES AND ASSOCIATES

The Company's investments in its joint ventures and associates are accounted for using the equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5, *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, the investment in a joint venture or an associate is initially recognized at cost, which includes transaction costs. The carrying amount of the investment is adjusted to recognize changes in the Company's share of net assets (liabilities) of the joint venture or associate since the acquisition date, until the date on which joint control or significant influence ceases. Where the Company's share of losses of a joint venture or an associate exceeds its equity accounted interest in that joint venture or associate, including any other unsecured long-term receivables that, in substance, form part of the Company's net investment in that joint venture or associate, the Company does not recognize further losses unless it has incurred obligations or made payments on behalf of the joint venture or associate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

Upon loss of joint control over the joint venture or significant influence over the associate, the Company measures and recognizes any retained investment at its fair value at that time. Any difference between the carrying amount of the joint venture or associate upon loss of joint control or significant influence, respectively, and the fair value of the retained investment and proceeds from disposal is recognized in the consolidated income statement.

The Company's Capital investments in joint ventures and associates are included in "Capital investments accounted for by the equity method" in the consolidated statement of financial position. The Company's PS&PM investments in joint ventures and associates are included in "Other non-current non-financial assets" in the consolidated statement of financial position.

L) INTANGIBLE ASSETS RELATED TO BUSINESS COMBINATIONS

Intangible assets acquired in a business combination and recognized separately from goodwill are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses.

Intangible assets with finite useful lives related to business combinations are primarily:

CATEGORY	AMORTIZATION METHOD	AMORTIZATION PERIOD
Backlog	Straight-line	0.5 to 3.5 years
Customer relationships	Straight-line	5 to 10 years
Trademarks	Straight-line	4 to 8 years

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in net income when the asset is derecognized.

M) IMPAIRMENT OF NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS OTHER THAN GOODWILL

At the end of each reporting period, the Company reviews the carrying amounts of its property and equipment, right-of-use assets, Capital and PS&PM investments accounted for by the equity method, and its intangible assets other than goodwill to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit ("CGU") to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to an individual CGU, or otherwise they are allocated to the smallest group of CGU for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of: i) fair value less costs to sell; and ii) value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and risks. If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized immediately in net income.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior periods. A reversal of an impairment loss is recognized immediately in net income.

N) GOODWILL

Goodwill represents the excess of the purchase price of an acquired business over the fair value assigned to assets acquired and liabilities assumed. Goodwill on acquisition of subsidiaries is separately disclosed and goodwill on acquisitions of associates and joint ventures is included within investments accounted for by the equity method. For the purpose of impairment testing, goodwill is allocated to each of the Company's CGU or group of CGU expected to benefit from the synergies of the combination. A CGU or group of CGU to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the CGU or group of CGU may be impaired. If the recoverable amount of the CGU or group of CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the CGU or group of CGU and then to the other assets of the CGU or group of CGU pro rata on the basis of the carrying amount of each asset in the CGU or group of CGU. An impairment loss recognized for goodwill is not reversed in a subsequent period.

The Company has designated October 31 as the date for its annual impairment test.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

O) DIRECT COSTS OF ACTIVITIES

Direct costs of activities include costs related to the provision of goods and services for which the Company recognizes revenue, as well as all costs incurred for activities that are part of a reportable segment or allocated to such segment, except for costs that are presented elsewhere in the income statement.

P) CORPORATE SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

Corporate selling, general and administrative expenses are recognized in net income upon utilization of the service or as incurred and include costs that are not related to a contract with a customer or incurred for activities that are part of a reportable segment, or allocated to such segment, and that are not presented elsewhere in the income statement. Corporate selling, general and administrative expenses also include changes in fair value of financial instruments at fair value through profit or loss.

Q) RESEARCH AND DEVELOPMENT COSTS

Research and development costs are expensed as incurred, except if the costs are related to the development and setup of new or improved products, processes and systems and satisfy generally accepted conditions for capitalization, including reasonable assurance that they will be recovered. All capitalized development costs are amortized when commercial production begins, using the straight-line method over a period not exceeding 10 years.

R) TAXES

Current income tax

Income taxes recognized in net income comprise the sum of deferred income tax and current income tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and/or liabilities comprise amounts receivable from or payable to tax authorities relating to the current or prior reporting periods, which are uncollected or unpaid at the reporting date. Current tax is payable on taxable income, which differs from net income in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax on temporary differences associated with shares in subsidiaries, joint arrangements and associates is not provided for if the reversal of these temporary differences can be controlled by the Company and it is probable that the reversal will not occur in the foreseeable future.

Deferred income tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. For management's assessment of the probability of future taxable income to utilize against deferred income tax assets, see Note 3.

Deferred income tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Sales tax

Revenues, expenses, and assets excluding trade receivables, are recognized net of the amount of sales tax receivable from or payable to a taxation authority, except for expenses and assets (i) when the sales tax incurred on a purchase of assets or services is not receivable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or as part of the expense item, respectively; and (ii) when receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax receivable from or payable to a taxation authority is included in "Other current non-financial assets" or "Other current non-financial liabilities", respectively, in the consolidated statement of financial position.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

S) DEFINED BENEFIT PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS

The liability (included in “Provisions”) or asset (included in “Other non-current non-financial assets”) recognized in the consolidated statement of financial position in respect of defined benefit pension plans results, on an individual plan basis, from the shortfall or excess of the fair value of plan assets over the net present value of the defined benefit obligation at the end of the reporting period. Defined benefit pension plans, other long-term benefits and other post-employment benefits obligations are determined using the projected unit credit method, which sees each period of service as giving rise to an additional unit of benefit entitlement to the eligible employees and measures each unit separately to build up the final obligation. In valuing the defined benefit cost, assumptions are based on management’s best estimates, except for the discount rate where the Company uses market yields at the measurement date based on high quality corporate bonds with cash flows that match the timing and amount of expected benefit payments.

Remeasurement, comprising: i) actuarial gains and losses; ii) the effect of the changes to the asset ceiling (if applicable); and iii) the return on plans’ assets (excluding interest income), is credited or charged to equity in other comprehensive income in the period in which it arises. Remeasurement recognized in other comprehensive income is not reclassified to net income in subsequent periods. The cumulative amount of remeasurement is included in retained earnings.

Defined benefit costs comprise: i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements); ii) net interest expense or income; and iii) remeasurement. Service cost and net interest income or expense are recognized in net income while the remeasurement is recognized in other comprehensive income in the period. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

T) EARNINGS PER SHARE

Basic and diluted earnings per share are determined by dividing consolidated net income attributable to AtkinsRéalis shareholders for the period by the basic and diluted weighted average number of shares outstanding, respectively.

The diluted weighted average number of shares outstanding is calculated as if all dilutive options had been exercised at the later of the beginning of the reporting period or date of grant with deemed proceeds from the exercise of such dilutive options used to repurchase common shares at the average market price for the period.

U) SHARE-BASED PAYMENTS

Stock options

Stock options granted to employees are measured at their fair value at the grant date. The estimated fair value of the stock options is determined using the Black-Scholes option pricing model.

The fair value determined at the grant date of the stock options is expensed on a straight-line basis over the shorter of the vesting period or the term over which an employee becomes eligible to retire, based on the Company’s estimate of stock options that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of stock options expected to vest and the impact of such revision, if any, is recognized in net income.

Share units

The Company’s 2019 Performance Share Unit plan (“2019 PSU plan”), 2019 Restricted Share Unit plan (“2019 RSU plan”), 2009 Deferred Share Unit plan (“2009 DSU plan”), and Deferred Share Unit plan (“DSU plan”) are collectively referred to as “share unit plans”. For share units granted to employees and members of the Company’s Board of Directors under the share unit plans, a liability is recognized and measured at the fair value of the liability, which is based on the Company’s share price. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognized in net income for the period. The fair value of the grants of share units is expensed in the income statement on a straight-line basis over the vesting period, based on the Company’s estimate of share units that will eventually vest. At the end of each reporting period, the Company revises its estimate of the number of share units expected to vest and the impact of such revision, if any, is recognized in net income.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

V) PROVISIONS

A provision is a liability of uncertain timing or amount that is recognized in the consolidated statement of financial position.

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Restructuring

A restructuring provision is recognized when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the Company.

Onerous contracts

Present obligations arising under onerous contracts are recognized and measured as provisions. An onerous contract is considered to exist when the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

W) SHARE CAPITAL

The Company's common shares are classified as equity instruments. Common shares issued by the Company are recognized at the proceeds received, net of direct issue costs and income taxes, if any.

Repurchases of the Company's own common shares are recognized and deducted directly in equity. No gain or loss is recognized in net income on the purchase, sale, issue or cancellation of the Company's own common shares.

X) LEASING

Accounting for leases as a lessee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term, and represents a period of up to 30 years for office real estate leases and a period ranging from 1 to 8 years for other leased assets. In addition, the right-of-use asset is adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the lessee's incremental borrowing rate. Lease payments used for the calculations comprise mainly fixed payments, including in-substance fixed payments, variable lease payments that depend on an index or a rate, the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently measured at amortized cost using the effective interest method and is remeasured to reflect changes in the lease payments, such as upon a lease modification that is not accounted for as a separate lease.

A lease modification is considered a separate lease if the modification increases the scope of the lease by adding the right to use one or more underlying assets and the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract. Any other modification is not accounted for as a separate lease.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

For a lease modification that is not accounted for as a separate lease, the Company accounts for the modification, at its effective date, as follows:

- a. for a lease modification resulting in a decrease in the scope of the lease, such as a reduction in the term of a lease or in the space being leased, the lease liability is remeasured to reflect the revised lease payments and the carrying amount of the right-of-use asset is reduced to reflect the partial or full termination of the lease. If the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, a lessee shall recognize any remaining amount of the remeasurement in profit or loss. Furthermore, the difference between the reduction in the lease liability and the reduction in the corresponding right-of-use asset's carrying value is recognized in profit or loss.
- b. for all other lease modifications, the lease liability is remeasured to reflect the revised lease payments, with a corresponding adjustment to the right-of-use asset.

The remeasurement of a lease liability upon a lease modification, or upon any change to the lease payments resulting from a change in the lease term or in the assessment of an option to purchase the underlying asset, is based on a revised discount rate reflecting the remainder of the lease term. The remeasurement of a lease liability to reflect revised lease payments due to a change in the amounts expected to be payable to the lessor under a residual value guarantee or to a change in an index or a rate used to determine those payments, other than a change in floating interest rates, is based on an unchanged discount rate.

Y) GOVERNMENT GRANTS

AtkinsRéalis recognizes grants from the government, including investment tax credits, where there is a reasonable assurance that the grant will be received and AtkinsRéalis will comply with all attached conditions.

Government grants are recognized in the income statement on a systematic basis over the periods in which AtkinsRéalis recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets (including property and equipment) are recognized by deducting the grants from the carrying amount of the related assets in the consolidated statement of financial position and transferred to the consolidated income statement on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognized in the income statement in the period in which they become receivable.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 2, management is required to make judgements, estimates, and assumptions about the carrying amounts of assets and liabilities recognized that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the critical accounting judgements and key estimates concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Revenue recognition

The identification of revenue-generating contracts with customers, the identification of performance obligations, the determination of the transaction price and its allocation between identified performance obligations, the use of the appropriate revenue recognition method (over time or at a point in time) for each performance obligation and the measure of progress for each performance obligation satisfied over time are the main aspects of the revenue recognition process, all of which require the exercise of judgement and the use of assumptions.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The transaction price corresponds to the amount of consideration which the Company expects to be entitled to receive in exchange for transferring promised goods or services to a customer. Such amount may require the Company to estimate an amount of variable consideration, notably from estimated volume of work, claims and unpriced change orders, incentives or penalties, among others. Furthermore, the Company needs to constrain the transaction price by including only the amount for which it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved. The amount of variable consideration to be included in the transaction price of a given contract is determined by using various estimates and assumptions, which could be based on historical experience with the same customer or other similar contracts, third-party assessments, legal interpretation of relevant contractual clauses, and probabilistic methodologies, among others. Due to the uncertain nature of the estimations, the amount of variable consideration may vary significantly over time. Such estimated amount of variable consideration then needs to be updated at the end of each reporting period.

The determination of anticipated costs for completing a contract is based on estimates that can be affected by a variety of factors such as potential variances in scheduling and cost of materials along with the availability and cost of qualified labour and subcontractors, productivity, and possible claims from subcontractors.

Basis of consolidation

Under certain circumstances, the determination of the Company's level of power over an investee requires the exercise of judgement. As such, the classification of the entity as a subsidiary, a joint arrangement, an associate or an investment might require the application of judgement through the analysis of various indicators, such as the percentage of ownership interest held in the entity, the representation on the entity's board of directors, and various other factors.

Values used in impairment tests

Determining whether goodwill is impaired requires an estimation of the recoverable amount of the CGU or group of CGU. Such recoverable amount corresponds, for the purpose of impairment assessment, to the higher of the value in use or the fair value less costs of disposal of the CGU or group of CGU to which goodwill has been allocated.

The value in use calculation requires management to estimate future cash flows expected to arise from the CGU or group of CGU and a suitable discount rate in order to calculate present value. The key assumptions required for the value in use estimation are the growth rate of future cash flows and the discount rate.

When using the value in use approach, cash flows for each CGU or group of CGU are derived from the budget for the upcoming year, which is approved on an annual basis by members of the Company's Board of Directors, and a long-term forecast prepared by management, which covers an additional period of up to 4 years. Cash flows beyond the long-term forecast are extrapolated using a growth rate estimated by management. The discount rate is derived from the Company's post-tax weighted average cost of capital and is adjusted, where applicable, to take into account any specific risks.

When the fair value less costs of disposal approach is used, the fair value is derived from a market multiple approach. Under this approach, transaction multiples are applied to such CGU's future results, mainly EBIT and earnings before interest, income taxes, depreciation and amortization. The key assumptions required for the fair value less costs of disposal are the future results of the CGU or group of CGU, the multiples being used and the costs of disposal.

Future results for each CGU or group of CGU are derived from the budget for the upcoming year. Transaction multiples are derived from observable market value of comparable publicly traded companies or fair value observed from recent acquisitions or disposals of businesses that are comparable to the CGU or group of CGU. Costs of disposal, which usually correspond to a percentage of the fair value of the CGU or group of CGU, are estimated based on historical transactions of the Company or on input from recent transactions.

For both the value in use and the fair value less costs of disposal approaches, the values assigned to key assumptions reflect past experience and external sources of information that are deemed accurate and reliable. The value in use and the fair value are categorized as Level 3 in the fair value hierarchy described under IFRS 13, *Fair Value Measurement*, as one or more key assumptions used are based on unobservable data requiring the use of judgement.

When there is any indication that any tangible and intangible assets other than goodwill have suffered an impairment loss, the determination of the recoverable amount of such tangible and intangible assets other than goodwill requires management to estimate cash flows expected to arise from these assets and a suitable discount rate in order to calculate the present value in a manner described above for goodwill.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

The identification of events that could have an impact on the estimated cash flows of the assets and the determination of these estimated cash flows require the exercise of judgement, which might result in significant variances in the carrying amount of these assets if found to be impaired.

The main assumptions used for the goodwill impairment testing are disclosed in Note 13.

Measurement of retirement benefit obligations, other long-term benefits and other post-employment benefit obligations

AtkinsRéalis' obligations and expenses relating to defined benefit pension plans, other long-term benefits and other post-employment benefits are determined using actuarial valuations and are dependent on assumptions such as the rate of compensation increase, as determined by management. While management believes these assumptions represent its best estimate, differences in actual results or changes in assumptions could have an impact on the obligations, expenses and amounts of actuarial gains (losses) recognized in the consolidated statement of comprehensive income.

Measurement of provisions shown in the consolidated statement of financial position

In measuring a provision, the Company takes risks and uncertainties into account. The uncertainties mainly relate to the timing and amount of a provision. Also, risks and uncertainties arise from discounting a provision, where the effect of the time value of money is significant, using a pre-tax discount rate that reflects current market assessments of the time value of money. Additionally, the Company takes into account future events, such as changes in the law, where there is sufficient objective evidence that they will occur when measuring a provision. The longer duration of the period covered by certain provisions can also increase the uncertainties of the estimates.

Contingent liabilities

As described in more detail in Note 31, the Company is subject to certain ongoing investigations, and various class actions and other lawsuits and proceedings have been filed against the Company. The outcome of these investigations, actions, lawsuits and proceedings, while not determinable, could have a material adverse impact on the Company's liquidity and financial results.

Measurement of share-based payment expenses

The Company offers the 2019 PSU plan to selected individuals within the organization. Depending on the attainment of performance criteria and conditions, the number of units granted is adjusted depending on specific indicators to determine the number of units to which all participants receiving the award will be entitled at the end of the vesting period. At each measurement date, management is required to estimate the number of performance share units that will vest, which impacts the amount of associated liabilities and expenses.

Assessment of deferred income tax assets and liabilities

Deferred income tax assets and liabilities arise from temporary differences between the tax bases of assets and liabilities and their carrying amounts reported in the financial statements. Deferred income tax assets also reflect the benefit of unutilized tax losses that can be carried forward to reduce income taxes in future years. This method requires the exercise of significant judgement in determining whether or not it is probable that the Company's deferred income tax assets would be recovered from future taxable income and, therefore, can be recognized in the Company's consolidated financial statements. Also, estimates are required to determine the expected timing upon which tax assets will be realized and upon which tax liabilities will be settled, and the enacted or substantively enacted tax rates that will apply at such time.

Measurement of financial instruments at fair value

The Company measures some of its financial instruments at fair value. The determination of such fair value is based on the most readily available market data. When data is not readily available, management is required to estimate the fair value of the instrument using various inputs that are either directly or indirectly observable, or that are not based on observable market data.

Assets and liabilities acquired in a business combination

Intangible assets and goodwill arising out of business combinations are accounted for by applying the acquisition method of accounting to these transactions. In measuring the fair value of the assets acquired and the liabilities assumed and estimating their useful lives, the Company uses significant estimates and assumptions regarding cash flow projections, economic risk, and weighted average cost of capital.

These estimates and assumptions determine the amount allocated to intangible assets and goodwill, as well as the amortization period for intangible assets with finite lives. If results differ from estimates, the Company may increase amortization or recognize impairment charges.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

Identification of functional currency

The functional currency for each subsidiary, joint operation, joint venture and associate is the currency of the primary economic environment in which it operates. Determination of functional currency involves significant judgement and other entities may make different judgements based on similar facts. AtkinsRéalis reconsiders the functional currency of its businesses if there is a change in the underlying transactions, events or conditions which determine their primary economic environment.

The determination of functional currency affects the carrying value of non-current assets included in the statement of financial position and, as a consequence, the amortization of those assets included in the income statement. It also impacts exchange gains and losses included in the income statement and in equity.

Leases

Estimate of the lease term

When the Company recognizes a lease as a lessee, it assesses the lease term based on the conditions of the lease and determines whether it is reasonably certain that it will exercise its extension or termination option, if any. It then uses the expected modified term under such option if it is reasonably certain that it will be exercised. As such, a change in the assumption used could result in a significant impact on the amount recognized as a right-of-use asset and lease liability, as well as in the amount of depreciation of right-of-use asset and interest expense on lease liability.

Determining if a contract modification increasing the scope of a lease is a separate lease or not

When a lease modification increasing the scope of a lease occurs, the Company needs to determine whether or not such modification should be accounted for as a separate lease or not. Such determination requires the use of judgement on the stand-alone selling price and any appropriate adjustments to the stand-alone selling price reflecting the circumstances of the particular contract.

Development costs

Development costs are recognized as intangible assets when they meet the criteria for capitalization, which may be subject to significant judgment. Estimates are also required when determining projected revenue and profitability expected to result from such development activities in order to assess compliance with the capitalization criteria and to assess the recoverable amount of the underlying intangible assets, as well as when determining their useful lives.

4. 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, strategy, advisory, engineering, design, project & program management and project delivery services in their respective geographic regions, primarily for the buildings & 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. A significant portion of Engineering Services Regions revenues are derived from the public sector, including national, provincial, state and local and municipal authorities.

The **Nuclear** segment 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.

The **Linxon** segment undertakes projects primarily related to the installation of alternative current power substations, including expansions and electrification, notably through repetitive EPC offerings in the following markets: Utilities, Renewable and Conventional Generation, Transportation and Data centers.

The **LSTK Projects** segment is comprised of the remaining 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.

The **Capital** segment is AtkinsRéalis’ investment, financing and asset management arm, responsible for developing projects, arranging financing, investing equity, undertaking complex financial modelling 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 AtkinsRéalis Infrastructure Partners LP.

The accounting policies for the segments are the same as those described in the Summary of Material Accounting Policies (Note 2). The Company evaluates segment performance using **Segment Adjusted EBIT**, which consists of revenues less i) direct cost of activities; ii) directly related selling, general and administrative expenses; and iii) corporate selling, general and administrative expenses that are directly and indirectly related to projects or segments. Corporate selling, general and administrative expenses that are not directly or indirectly related to projects or segments, restructuring and transformation costs, amortization of intangible assets related to business combinations, acquisition-related costs and integration costs, gains (losses) on disposal(s) or adjustment on disposal(s) of PS&PM businesses and gains (losses) on disposal(s) or adjustment on disposal(s) of Capital investments are not allocated to the Company’s segments.

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4. SEGMENT DISCLOSURES (CONTINUED)

The following table presents revenues and Segment Adjusted EBIT for each of the Company's segments for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025		2024	
	REVENUES	SEGMENT ADJUSTED EBIT	REVENUES	SEGMENT ADJUSTED EBIT
Canada	\$ 1,464,368	\$ 108,056	\$ 1,461,221	\$ 86,109
UKI	2,760,149	329,957	2,480,817	290,383
USLA	2,008,941	180,018	1,707,717	152,471
AMEA	1,281,383	106,281	1,317,703	128,255
Engineering Services Regions	7,514,841	724,312	6,967,458	657,218
Nuclear	2,301,878	258,087	1,489,435	184,087
Linxon	970,153	55,571	835,683	30,575
AtkinsRéalis Services	10,786,872	1,037,970	9,292,576	871,880
LSTK Projects	152,460	(111,690)	249,370	(133,633)
Capital	63,265	46,317	126,063	106,594
	\$ 11,002,597		\$ 9,668,009	
Segment Adjusted EBIT — Total		972,597		844,841
Corporate selling, general and administrative expenses not allocated to the segments — PS&PM (Note 23)		127,561		155,019
Corporate selling, general and administrative expenses not allocated to the segments — Capital (Note 23)		17,097		28,194
Restructuring and transformation costs (Note 24)		111,639		52,343
Amortization of intangible assets related to business combinations (Note 14)		101,868		80,564
Acquisition-related costs and integration costs (Note 6C)		35,053		954
Gain on disposal of a Capital investment (Note 5A)		(2,569,949)		—
EBIT		3,149,328		527,767
Net financial expenses (Note 25)		110,039		162,790
Earnings before income taxes		3,039,289		364,977
Income tax expense (Note 27B)		396,092		78,272
Net income		\$ 2,643,197		\$ 286,705

GEOGRAPHIC INFORMATION

The following table presents property and equipment and right-of-use assets inside the United Kingdom, Canada, the United States and other countries reflected on the Company's consolidated statements of financial position:

	DECEMBER 31 2025	DECEMBER 31 2024
Property and equipment and right-of-use assets		
Canada	\$ 238,578	\$ 220,932
United Kingdom	215,370	232,618
United States	160,724	106,773
Other countries	103,566	120,789
	\$ 718,238	\$ 681,112

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 12 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 2025

DISPOSAL OF THE COMPANY'S 6.76% INTEREST IN 407 INTERNATIONAL INC. ("HIGHWAY 407 ETR")

On March 13, 2025, AtkinsRéalis announced that it had entered into agreements with a subsidiary of Ferrovial SE and with a subsidiary of Canada Pension Plan Investment Board to sell all of its remaining 6.76% interest in the shares of Highway 407 ETR.

In June 2025, AtkinsRéalis completed the sale of its remaining 6.76% interest in the shares of Highway 407 ETR for a total cash consideration of approximately \$2.6 billion. The sale resulted in a pre-tax gain of \$2,569.9 million, which is net of the disposition-related costs of \$18.8 million, included in "Gain on disposal of a Capital investment" in the consolidated income statement for the year ended December 31, 2025. The total income tax expense related to the transaction was \$333.1 million, resulting in a net gain of \$2,236.8 million.

II) IN 2024

HEALTH MONTRÉAL COLLECTIVE LIMITED PARTNERSHIP ("HMC L.P.")

In 2024, the Company acquired a 10% ownership interest in HMC L.P. through a business combination completed on March 4, 2024 (see Note 6E).

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.

	DECEMBER 31 2025	DECEMBER 31 2024
Net assets from Capital investments accounted for by the consolidation method	\$ 109,014	\$ 214,455
Net book value of Capital investments accounted for by the equity method ⁽¹⁾	375,427	388,601
Net book value of Capital investments at fair value through other comprehensive income ⁽²⁾	5,044	8,092
	\$ 489,485	\$ 611,148

⁽¹⁾ Included, until its disposal in June 2025, the Company's investment in Highway 407 ETR, for which the net book value was nil as at December 31, 2024.

⁽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 December 31, 2025 and 2024.

5. CAPITAL INVESTMENTS (CONTINUED)

Income statements

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

YEARS ENDED DECEMBER 31	2025	2024
Revenues from Capital	\$ 63,265	\$ 126,063
Direct cost of activities	16,948	19,469
	46,317	106,594
Corporate selling, general and administrative expenses not allocated to the segments — Capital	17,097	28,194
Gain on disposal of a Capital investment	(2,569,949)	—
EBIT	2,599,169	78,400
Net financial expenses	3,135	5,861
Earnings before income taxes	2,596,034	72,539
Income taxes	332,946	(2,204)
Net income	\$ 2,263,088	\$ 74,743

I) CAPITAL INVESTMENTS ACCOUNTED FOR BY THE CONSOLIDATION METHOD

AtkinsRéalis' main Capital investment accounted for by the consolidation method is detailed below:

NAME OF CAPITAL INVESTMENT	PRINCIPAL ACTIVITY	SUBJECT TO IFRIC 12	MATURITY OF CONCESSION AGREEMENT	LOCATION	OWNERSHIP INTEREST	
					DECEMBER 31 2025	DECEMBER 31 2024
TransitNEXT General Partnership	New Trillium Line extension	Yes	2051	Canada	100.0%	100.0%

II) CAPITAL INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD

AtkinsRéalis' main Capital investments accounted for by the equity method are detailed below:

					OWNERSHIP INTEREST	
NAME OF CAPITAL INVESTMENT	PRINCIPAL ACTIVITY	SUBJECT TO IFRIC 12	MATURITY OF CONCESSION AGREEMENT	LOCATION	DECEMBER 31 2025	DECEMBER 31 2024
Joint ventures:						
407 East Development Group General Partnership	32-km toll Highway 407 East	Yes	2045	Canada	50.0%	50.0%
407 International Inc. ⁽¹⁾ (“Highway 407 ETR”)	108-km toll highway under a 99-year concession agreement	No	2098	Canada	—%	6.76%
Crosslinx Transit Solutions General Partnership (“Eglinton Crosstown”)	Eglinton Crosstown Light Rail Transit project	Yes	2051	Canada	25.0%	25.0%
Rideau Transit Group General Partnership	The Confederation Line, City of Ottawa’s light rail transit system	Yes	2048	Canada	40.0%	40.0%
Groupe Signature sur le Saint-Laurent S.E.N.C.	New Champlain Bridge Corridor	Yes	2049	Canada	50.0%	50.0%
Associates:						
AtkinsRéalis Infrastructure Partners LP	Holding interests in mature Capital investments	No	N/A	Canada	20.0%	20.0%
Myah Tipaza S.p.A.	Seawater desalination plant to supply treated water under a 25-year take-or-pay agreement ending in 2036	No	N/A	Algeria	25.5%	25.5%
Shariket Kahraba Hadjret En Nouss S.p.A.	1,227 MW gas-fired thermal power plant supplying electricity under a 20-year take-or-pay agreement ending in 2029	No	N/A	Algeria	26.0%	26.0%

⁽¹⁾ Although the Company held less than 20% of the equity shares of Highway 407 ETR, the Company exercised joint control over this entity based on its contractual agreements until its disposal in June 2025.

N/A: not applicable

5. CAPITAL INVESTMENTS (CONTINUED)

Capital investments accounted for by the equity method – joint ventures

AtkinsRéalis carries out part of its Capital investment activity through joint ventures which are accounted for by the equity method. The aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities, revenues and expenses related to such joint ventures are summarized below:

YEAR ENDED DECEMBER 31	2025
Income statements	
Revenues (at 100%)	\$ 339,215
Interest income (at 100%)	\$ 6,416
Interest expense (at 100%)	\$ 90,732
Income tax expense (at 100%)	\$ 2

YEAR ENDED DECEMBER 31, 2024	HIGHWAY 407 ETR	OTHER CAPITAL INVESTMENTS	TOTAL
Income statements			
Revenues (at 100%)	\$ 1,705,235	\$ 333,828	\$ 2,039,063
Interest income (at 100%)	\$ 65,787	\$ 7,424	\$ 73,211
Interest expense (at 100%)	\$ 494,243	\$ 103,496	\$ 597,739
Depreciation and amortization (at 100%)	\$ 106,008	\$ —	\$ 106,008
Income tax expense (at 100%)	\$ 249,989	\$ 2	\$ 249,991

YEAR ENDED DECEMBER 31	2025
Statements of comprehensive income	
Net income (at 100%)	\$ 30,343
Total comprehensive income (at 100%)	\$ 30,343

YEAR ENDED DECEMBER 31, 2024	HIGHWAY 407 ETR	OTHER CAPITAL INVESTMENTS	TOTAL
Statements of comprehensive income			
Net income (at 100%)	\$ 692,262	\$ 36,770	\$ 729,032
Other comprehensive loss (at 100%)	(840)	—	(840)
Total comprehensive income (at 100%)	\$ 691,422	\$ 36,770	\$ 728,192

YEARS ENDED DECEMBER 31	2025	2024
Company's share of net income of Capital investments based on its ownership interest ⁽¹⁾⁽²⁾	\$ 12,670	\$ 61,440
Company's share of net income from Capital investments included in its income statement ⁽¹⁾	\$ 26,479	\$ 89,334

(1) See Note 1 on the following page

(2) Excludes the Company's share of net income of Highway 407 ETR for the year ended December 31, 2025 due to its disposal in 2025.

5. CAPITAL INVESTMENTS (CONTINUED)

	DECEMBER 31 2025
Statements of financial position	
Cash and cash equivalents (at 100%)	\$ 527,803
Other current assets (at 100%)	445,396
Non-current assets (at 100%)	2,042,749
Total assets (at 100%)	3,015,948
Trade and other payables (at 100%)	792,903
Other current financial liabilities (at 100%)	46,000
Non-current financial liabilities (at 100%)	1,492,056
Total liabilities (at 100%)	2,330,959
Net assets (at 100%)	\$ 684,989
Company's carrying value of Capital investments included in its statement of financial position	\$ 246,579

DECEMBER 31, 2024	HIGHWAY 407 ETR	OTHER CAPITAL INVESTMENTS	TOTAL
Statements of financial position			
Cash and cash equivalents (at 100%)	\$ 720,084	\$ 81,076	\$ 801,160
Other current assets (at 100%)	442,577	150,917	593,494
Non-current assets (at 100%)	4,593,915	2,885,330	7,479,245
Total assets (at 100%)	5,756,576	3,117,323	8,873,899
Trade and other payables (at 100%)	118,034	409,947	527,981
Other current financial liabilities (at 100%)	514,310	540,079	1,054,389
Current non-financial liabilities (at 100%)	14,969	3	14,972
Non-current financial liabilities (at 100%)	10,715,636	1,560,398	12,276,034
Non-current non-financial liabilities (at 100%)	592,818	—	592,818
Total liabilities (at 100%)	11,955,767	2,510,427	14,466,194
Net assets (liabilities) (at 100%)	\$ (6,199,191)	\$ 606,896	\$ (5,592,295)
Company's carrying value of Capital investments included in its statement of financial position ⁽¹⁾	\$ —	\$ 251,573	\$ 251,573

- ⁽¹⁾ Under the equity method of accounting, distributions from a joint venture reduce the carrying amount of the investment. The equity method of accounting requires the Company to stop recognizing its share of the losses of a joint venture when the recognition of such losses results in a negative balance for its investment, or where dividends declared by the joint venture are in excess of the carrying amount of the investment. In these events, the carrying value of the investment is reduced to nil, but does not become negative, unless the Company has incurred legal or constructive obligations or made payments on behalf of the joint venture. In these situations, the Company no longer recognizes its share of net income (loss) of a Capital investment based on its ownership, but rather recognizes in its net income the amount of dividends declared by a joint venture that would otherwise result in a negative carrying value of such investment.

As a result, the Company recognized in its income statement dividends from Highway 407 ETR of \$13.5 million in the period from January 1, 2025 to the date of the disposal of its investment in Highway 407 ETR in June 2025 (year ended December 31, 2024: \$74.4 million) and did not recognize its share of Highway 407 ETR's total comprehensive income of \$17.7 million in the same period (year ended December 31, 2024: \$46.8 million), as the carrying amount of its investment in Highway 407 ETR was nil. The negative carrying value of the Company's investment in Highway 407 ETR, which was not recognized on the Company's statement of financial position, amounted to \$420.2 million as at December 31, 2024.

5. CAPITAL INVESTMENTS (CONTINUED)

Capital investments accounted for by the equity method – associates

The summary tables below provide supplementary information in respect of Capital investments classified as associates:

YEARS ENDED DECEMBER 31	2025	2024
Statements of comprehensive income		
Revenues (at 100%)	\$ 312,923	\$ 249,672
Expenses (at 100%)	247,580	228,650
Net income (at 100%)	\$ 65,343	\$ 21,022
Total comprehensive income (at 100%)	\$ 65,343	\$ 21,022
Company's share of net income of Capital investments based on its ownership interest	\$ 15,775	\$ 4,930
Company's share of net income from Capital investments included in its income statement	\$ 15,775	\$ 4,930
	DECEMBER 31 2025	DECEMBER 31 2024
Statements of financial position		
Current assets (at 100%)	\$ 247,422	\$ 207,756
Non-current assets (at 100%)	505,529	557,891
Total assets (at 100%)	752,951	765,647
Current liabilities (at 100%)	92,429	87,802
Non-current liabilities (at 100%)	13,539	23,083
Total liabilities (at 100%)	105,968	110,885
Net assets (at 100%)	\$ 646,983	\$ 654,762
Company's carrying value of Capital investments included in its statement of financial position	\$ 128,848	\$ 137,028

III) CAPITAL INVESTMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

The main Capital investment at fair value through other comprehensive income is listed below:

NAME OF CAPITAL INVESTMENT	PRINCIPAL ACTIVITY	LOCATION	OWNERSHIP INTEREST	
			DECEMBER 31 2025	DECEMBER 31 2024
Health Montréal Collective Limited Partnership	Operations and maintenance work at the <i>Centre Hospitalier de l'Université de Montréal</i>	Canada	10.0%	10.0%

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

For the year ended December 31, 2025, the Company's consolidated income included dividends of \$0.9 million (2024: \$1.2 million) from investments at fair value through other comprehensive income.

C) REMAINING COMMITMENTS IN CAPITAL INVESTMENTS

When making investments in infrastructure concessions, AtkinsRéalis may not be required to make its contribution immediately but instead may commit to make its contribution over time.

AtkinsRéalis' outstanding commitments to invest in Capital investments accounted for by the equity method for the year ended December 31, 2024 were related to contributions for Eglinton Crosstown. At December 31, 2024, such commitments to invest amounted to \$24.9 million and were presented in "Other current financial liabilities" (see Note 17) since they were either expected to be paid in the following year or were callable on demand. Such commitments to invest resulted in a cash outflow of \$24.9 million for the year ended December 31, 2025.

6. BUSINESS COMBINATIONS

I) IN 2025

A) ACQUISITION OF DAVID EVANS ENTERPRISES, INC.

On April 11, 2025, AtkinsRéalis completed its acquisition of 70% of the voting shares of the employee-owned David Evans Enterprises, Inc., the parent company of David Evans and Associates, Inc. (collectively, “David Evans”), for \$406.4 million (US\$293 million) paid in cash at closing, subject to potential adjustments, with a clear path to acquire entire ownership within a defined agreed time period. Headquartered in the United States, with approximately 1,250 employees, David Evans is an engineering and staff augmentation services firm serving the transportation, power, water & environment, surveying & geomatics, and land development markets, as well as staffing services. This acquisition expands AtkinsRéalis’ reach in the Western United States transportation, water and power & renewable markets, while leveraging the combined strengths of both firms to deliver critical and complex projects for customers.

The acquisition of David Evans by AtkinsRéalis has been accounted for using the acquisition method under IFRS 3, *Business Combinations* (“IFRS 3”), and David Evans has been consolidated from the effective date of acquisition, which was April 11, 2025, with a non-controlling interest of 30%. The acquisition of the remaining 30% ownership interest in David Evans is subject to call options under which AtkinsRéalis has a right, upon the occurrence of certain events and not later than April 11, 2028, to acquire the shares held by non-controlling shareholders at a price deemed to approximate their fair value when the call is exercised. These call options are derivatives measured at its fair value, with any subsequent changes in fair value recognized in profit or loss. No material amounts were recognized by AtkinsRéalis in connection with these call options for the year ended December 31, 2025.

The financial results of David Evans are included in the USLA segment of the Company.

ACQUIRED NET IDENTIFIABLE ASSETS (LIABILITIES) OF DAVID EVANS

AT APRIL 11, 2025	PRELIMINARY AMOUNT	ADJUSTMENTS	REVISED AMOUNT
Cash	\$ 1,893	\$ 2,202	\$ 4,095
Trade receivables ⁽¹⁾	49,987	(746)	49,241
Other current assets	41,530	29,434	70,964
Intangible assets related to David Evans acquisition (Note 14)	129,463	—	129,463
Other non-current assets	123,915	(24,046)	99,869
Current liabilities	(67,527)	(49,191)	(116,718)
Non-current liabilities	(122,114)	29,044	(93,070)
Net identifiable assets (liabilities) of business acquired	\$ 157,147	\$ (13,303)	\$ 143,844

⁽¹⁾ The gross contractual amount receivable amounted to \$51.1 million of which \$1.9 million is the estimated amount at the acquisition date of the contractual cash flows not expected to be collected.

The above presents management’s preliminary assessment of the values of assets acquired and liabilities assumed in connection with the David Evans acquisition based on best estimates taking into account all relevant information available. The accounting for the business combination is expected to be completed as soon as management has gathered all of the significant information available and considered necessary in order to finalize this allocation. The effect may be to transfer an amount to or from the assets acquired, liabilities assumed and goodwill during such measurement period, which cannot exceed one year from the acquisition date. During that period, the Company will retrospectively adjust the provisional amounts recognized as at the acquisition date to reflect information obtained about facts and circumstances that existed and, if known, would have affected the measurement of the amounts recognized as at the acquisition date. In addition, since the Company is still finalizing the valuation of assets acquired and liabilities assumed at the date of acquisition, the final allocation of the purchase price may vary significantly from the amounts presented above.

6. BUSINESS COMBINATIONS (CONTINUED)

GOODWILL ARISING ON THE ACQUISITION OF DAVID EVANS

AT APRIL 11, 2025	PRELIMINARY AMOUNT	ADJUSTMENTS	REVISED AMOUNT
Cash consideration transferred	\$ 406,356	\$ 3,694	\$ 410,050
Plus: non-controlling interest of 30% ⁽¹⁾	47,144	(3,991)	43,153
Less: net identifiable assets of business acquired	157,147	(13,303)	143,844
Goodwill⁽²⁾ (Note 13)	\$ 296,353	\$ 13,006	\$ 309,359

⁽¹⁾ The non-controlling interest recognized at the acquisition date was measured at its proportionate share of the value of net identifiable assets acquired.

⁽²⁾ Goodwill represents the excess of the cost of acquisition and of non-controlling interest over the net identifiable tangible and intangible assets acquired and liabilities assumed at their acquisition-date values. The value allocated to tangible and intangible assets acquired and liabilities assumed are based on management's assumptions. The total amount of goodwill that is expected to be deductible for tax purposes is nil.

Goodwill arose in the business combination because the consideration paid for the combination effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the assembled workforce. These benefits are not recognized separately from goodwill as the future economic benefits arising from these items cannot be measured reliably.

NET CASH OUTFLOW ON ACQUISITION OF DAVID EVANS

YEAR ENDED DECEMBER 31, 2025	PRELIMINARY AMOUNT	ADJUSTMENTS	REVISED AMOUNT
Consideration paid in cash	\$ 406,356	\$ 3,694	\$ 410,050
Cash at acquisition as per above	(1,893)	(2,202)	(4,095)
Net cash outflow on acquisition of David Evans	\$ 404,463	\$ 1,492	\$ 405,955

IMPACT OF THE ACQUISITION OF DAVID EVANS ON THE RESULTS OF ATKINSRÉALIS

AtkinsRéalis' consolidated revenues included \$287.2 million and AtkinsRéalis' consolidated net income included \$22.9 million for the year ended December 31, 2025 from David Evans since its acquisition completed by AtkinsRéalis on April 11, 2025.

B) OTHER ACQUISITIONS

On November 10, 2025, AtkinsRéalis announced that it had acquired Capital Consultants, Inc., doing business under the name "C2AE", a Michigan-based architecture and engineering firm with eight locations and approximately 120 professionals across Michigan and upstate New York in the United States. C2AE provides architecture, civil, structural, mechanical, and electrical engineering services primarily for the water, transportation and buildings & places markets.

On December 1, 2025, AtkinsRéalis announced that it had acquired ADG Capital Pty Ltd ("ADG"), an Australian engineering consultancy specializing in structural and civil engineering, construction services, and digital advisory. This acquisition is a step to build a larger scale presence in the Australian market. The addition of ADG's approximately 250 professionals to AtkinsRéalis' existing team creates an enhanced resource pool to capitalize on Australia's significant investment programs in infrastructure and other high growth customer end-markets, such as defence and power & renewables.

These acquisitions were not individually material; therefore, the Company has chosen to disclose the required information in aggregate. The table below presents management's preliminary assessment of the values of assets acquired and liabilities assumed in connection with these acquisitions completed in 2025.

6. BUSINESS COMBINATIONS (CONTINUED)

Cash	\$	10,253
Trade receivables ⁽¹⁾		18,310
Other current assets		6,081
Intangible assets related to business combinations (Note 14)		19,005
Other non-current assets		9,010
Current liabilities		(9,479)
Non-current liabilities and non-controlling interests		(20,129)
Net identifiable assets (liabilities) of businesses acquired		33,051
Goodwill ⁽²⁾ (Note 13)		67,892
Total purchase consideration		100,943
Cash at acquisition as per above		10,253
Deferred consideration payable		2,460
Net cash outflow on other acquisitions	\$	88,230

(1) The gross contractual amount receivable amounted to \$18.6 million of which \$0.3 million is the estimated amount at the acquisition date of the contractual cash flows not expected to be collected.

(2) Goodwill represents the excess of the cost of acquisition over the net identifiable tangible and intangible assets acquired and liabilities assumed at their acquisition-date values. The value allocated to tangible and intangible assets acquired and liabilities assumed are based on management's assumptions. The total amount of goodwill that is expected to be deductible for tax purposes is nil.

AtkinsRéalis' consolidated revenues included \$8.7 million and AtkinsRéalis' consolidated net income included a net loss of \$0.4 million for the year ended December 31, 2025 from C2AE and ADG since their acquisition completed by AtkinsRéalis in 2025.

The financial results of C2AE and ADG are included in the USLA segment and the AMEA segment, respectively, of the Company.

C) ACQUISITION-RELATED COSTS AND INTEGRATION COSTS

For the year ended December 31, 2025, acquisition-related costs and integration costs amounted to \$35.1 million, of which (i) \$10.3 million and \$4.0 million related to the acquisition-related costs of David Evans and other acquisitions completed in 2025, respectively; and (ii) \$15.8 million related to a change in fair value of the contingent consideration payable to the seller related to the Linxon acquisition completed in 2018.

D) PRESENTATION OF BUSINESS COMBINATIONS IN THE STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31	2025
Net cash outflow on acquisition of David Evans	\$ 405,955
Net cash outflow on other acquisitions	88,230
Cash paid for acquisitions of businesses, net of cash acquired	\$ 494,185

II) IN 2024

E) 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 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; 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, and this business has been consolidated from the effective date of acquisition, which was March 4, 2024.

6. BUSINESS COMBINATIONS (CONTINUED)

NET IDENTIFIABLE ASSETS (LIABILITIES) OF BUSINESS ACQUIRED

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

NET CASH INFLOW FROM ACQUISITION OF A BUSINESS

YEAR ENDED DECEMBER 31		2024
Total purchase price paid in cash	\$	20,050
Cash at acquisition as per above		(55,643)
Cash paid for acquisitions of businesses, net of cash acquired	\$	(35,593)

7. CASH AND CASH EQUIVALENTS AND RESTRICTED CASH

A) CASH AND CASH EQUIVALENTS

	DECEMBER 31 2025	DECEMBER 31 2024
Bank balances, bank term deposits and bankers' acceptances	\$ 1,131,928	\$ 666,603
Money market funds	24,610	—
Cash and cash equivalents	\$ 1,156,538	\$ 666,603

B) RESTRICTED CASH

	DECEMBER 31 2025	DECEMBER 31 2024
Bank balances, bank term deposits and bankers' acceptances	\$ 2,666	\$ 4,135
Restricted cash	\$ 2,666	\$ 4,135

Restricted cash includes cash and cash equivalents for which the use is restricted for specific purposes under certain arrangements. Restricted cash that is not expected to become unrestricted within the next twelve months, if any, is included in "Other non-current financial assets" (see Note 15).

8. TRADE RECEIVABLES

The following table presents the Company's trade receivables that are within normal terms of payment separately from those that are past due, with a reconciliation to the net carrying amount:

	DECEMBER 31 2025	DECEMBER 31 2024
Trade receivables:		
Within normal terms of payment	\$ 1,425,934	\$ 1,193,749
Past due	387,883	432,626
Total trade receivables	1,813,817	1,626,375
Allowance for expected credit losses	(157,106)	(148,290)
Trade receivables, net of allowance for expected credit losses	\$ 1,656,711	\$ 1,478,085

The change in the allowance for expected credit losses is detailed below:

YEARS ENDED DECEMBER 31	2025	2024
Balance at beginning of year	\$ 148,290	\$ 129,932
Change in allowance, other than write-offs and recoveries	38,142	42,286
Write-offs of trade receivables	(7,063)	(19,341)
Recoveries	(22,263)	(4,587)
Balance at end of year	\$ 157,106	\$ 148,290

9. REVENUE

A) DISAGGREGATION OF REVENUE

Revenues by geographic area

The following table presents revenues by geographic area according to project location for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025			2024		
	REVENUE FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUE	TOTAL	REVENUE FROM CONTRACTS WITH CUSTOMERS	OTHER REVENUE	TOTAL
United Kingdom	\$ 3,227,123	\$ 13,762	\$ 3,240,885	\$ 2,922,275	\$ 14,207	\$ 2,936,482
Canada ⁽¹⁾	2,646,764	38,482	2,685,246	2,273,677	104,694	2,378,371
United States	2,247,981	12,984	2,260,965	1,797,222	27,516	1,824,738
Saudi Arabia	978,890	3,348	982,238	1,147,148	583	1,147,731
Other countries	1,818,745	14,518	1,833,263	1,379,493	1,194	1,380,687
	\$ 10,919,503	\$ 83,094	\$ 11,002,597	\$ 9,519,815	\$ 148,194	\$ 9,668,009

⁽¹⁾ 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.

For the year ended December 31, 2025, the United Kingdom, Canada and the United States (2024: the United Kingdom, Canada, the United States and Saudi Arabia) were the only countries where the Company derived more than 10% of its revenues.

Revenues by type of contract

The types of contracts presented are defined as follows:

Reimbursable and engineering services contracts: Reimbursable and engineering services contracts include all revenue-generating contracts of the Company, except standardized EPC contracts and LSTK construction contracts described below. Under reimbursable contracts, the Company charges the customer for the actual cost incurred plus a mark-up that could take various forms, such as a fixed-fee per unit, a percentage of costs incurred or an incentive fee based on achieving certain targets, performance factors or contractual milestones. Reimbursable contracts also include unit-rate contracts for which a fixed amount per quantity is charged to the customer, and reimbursable contracts with a cap or a target price accompanied by incentives and/or disincentives. Engineering services contracts include time and material agreements based on hourly rates and fixed-price lump-sum contracts with limited procurement or construction risks. Reimbursable and engineering services contracts also include all O&M contracts, most of which are fixed-price agreements subject to price-adjustment clauses such as inflation-driven indexation.

Standardized EPC contracts: Under standardized EPC contracts, the Company provides repetitive EPC offerings that are lower-risk, standardized solutions for: i) district cooling plants; and ii) power substations executed through its Linxon subsidiary.

LSTK construction contracts: Under LSTK construction contracts, the Company completes the work required for the project at a lump-sum price. Before entering into such contracts, the Company estimates the total cost of the project, plus a profit margin. The Company's actual profit margin may vary based on its ability to achieve the project requirements at, above or below the initial estimated costs. Although these projects are at a lump-sum price, the amount of associated revenue could nevertheless vary based on change orders, claims or other contract modifications, negotiated or otherwise awarded, which might take various forms. Projects in this category were all initiated as lump-sum contracts, and while in some cases have been modified to change their lump-sum risk exposure, continue to be presented in this category.

9. REVENUE (CONTINUED)

The following tables present revenues by type of contract for the years ended December 31, 2025 and 2024:

YEAR ENDED DECEMBER 31					2025
	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS	STANDARDIZED EPC CONTRACTS	LSTK CONSTRUCTION CONTRACTS		TOTAL
Canada	\$ 1,464,353	\$ —	\$ —	\$	1,464,353
UKI	2,746,388	—	—		2,746,388
USLA	2,008,955	—	—		2,008,955
AMEA	1,197,836	79,667	—		1,277,503
Engineering Services Regions	7,417,532	79,667	—		7,497,199
Nuclear	2,288,602	—	—		2,288,602
Linxon	88	970,065	—		970,153
Revenue from contracts with customers – AtkinsRéalis Services	9,706,222	1,049,732	—		10,755,954
Revenue from contracts with customers – LSTK Projects	—	—	152,460		152,460
	\$ 9,706,222	\$ 1,049,732	\$ 152,460	\$	10,908,414
Revenue from PS&PM investments accounted for by the equity method (Note 16A)					30,918
Revenue from contracts with customers – Capital segment					11,089
Other revenue – Capital segment					52,176
				\$	11,002,597

YEAR ENDED DECEMBER 31					2024
	REIMBURSABLE AND ENGINEERING SERVICES CONTRACTS	STANDARDIZED EPC CONTRACTS	LSTK CONSTRUCTION CONTRACTS		TOTAL
Canada	\$ 1,461,188	\$ —	\$ —	\$	1,461,188
UKI	2,466,610	—	—		2,466,610
USLA	1,707,713	—	—		1,707,713
AMEA	1,269,793	46,650	—		1,316,443
Engineering Services Regions	6,905,304	46,650	—		6,951,954
Nuclear	1,461,436	—	—		1,461,436
Linxon	775	834,908	—		835,683
Revenue from contracts with customers – AtkinsRéalis Services	8,367,515	881,558	—		9,249,073
Revenue from contracts with customers – LSTK Projects	—	—	249,370		249,370
	\$ 8,367,515	\$ 881,558	\$ 249,370	\$	9,498,443
Revenue from PS&PM investments accounted for by the equity method (Note 16A)					43,503
Revenue from contracts with customers – Capital segment					21,372
Other revenue – Capital segment					104,691
				\$	9,668,009

B) CONTRACT BALANCES

	DECEMBER 31 2025	DECEMBER 31 2024
Trade receivables (Note 8)	\$ 1,656,711	\$ 1,478,085
Contract assets	1,980,784	1,838,743
Deferred revenues	\$ 1,476,625	\$ 1,402,722

Trade receivables are rights to consideration in exchange for goods or services that the Company has transferred to a customer when such rights are only conditional on the passage of time. Trade receivables are non-interest bearing and are generally on terms of 30 to 90 days.

9. REVENUE (CONTINUED)

Contract assets are rights to consideration in exchange for goods or services that the Company has transferred to a customer when such rights are not only conditional on the passage of time, but also on some other factor, such as the satisfaction of further performance obligations under the contract. Contract assets are initially recognized for revenue earned and are usually derecognized when they become trade receivables.

Deferred revenues represent the cumulative amounts received and contractually receivable from customers by the Company that exceed the right to consideration resulting from the Company's performance under a given contract.

The following table presents the amount of revenue recognized from:

YEARS ENDED DECEMBER 31	2025	2024
Amounts included in deferred revenues at the beginning of the year	\$ 1,182,738	\$ 833,101
Performance obligations satisfied or partially satisfied in previous years (reversal)	\$ (36,210)	\$ (78,057)

As a significant portion of the Company's revenues are recognized over time, the contractual terms which determine when consideration becomes receivable from the customer, such as upon the achievement of certain milestones, the attainment by the Company of such milestones earlier or later than anticipated and the ability to obtain deposits on contracts, will influence, among other factors, the balance of trade receivables, contract assets and deferred revenues on a given contract. Due to i) the large number of contracts entered into by the Company; ii) the variety of contractual terms of such contracts; and iii) the different level of progress of the underlying projects, the variance of the contract assets and deferred revenues balances is not usually attributable to a single factor, except for significant business combinations or divestitures. In 2025, the increase in the balance of contract assets exceeded the increase in deferred revenues compared to 2024, reflecting in part the overall growth in activities.

C) REMAINING PERFORMANCE OBLIGATIONS

The aggregate amount of transaction price allocated to performance obligations that are unsatisfied (or partially satisfied) at December 31, 2025, on all contracts with customers, is expected to be recognized in revenues as follows: 2026 – \$7.4 billion, 2027 – \$4.3 billion, 2028 – \$2.6 billion, and thereafter – \$6.9 billion (2024: 2025 – \$6.1 billion, 2026 – \$3.2 billion, 2027 – \$1.7 billion, and thereafter – \$6.5 billion). It should be noted that these amounts exclude any estimated amounts of variable consideration that are excluded from the transaction price.

The following table provides an allocation of the remaining performance obligations for each of the Company's segments as at December 31, 2025 and 2024.

	DECEMBER 31 2025	DECEMBER 31 2024
Canada	\$ 7,922,419	\$ 7,271,480
UKI	2,018,963	1,747,961
USLA	1,816,724	1,576,280
AMEA	1,492,234	1,268,755
Engineering Services Regions	13,250,340	11,864,476
Nuclear	5,009,953	3,202,746
Linxon	2,830,165	2,130,612
AtkinsRéalis Services	21,090,458	17,197,834
LSTK Projects	94,227	234,334
PS&PM	21,184,685	17,432,168
Capital	22,064	22,558
	\$ 21,206,749	\$ 17,454,726

10. OTHER CURRENT FINANCIAL ASSETS

	DECEMBER 31 2025	DECEMBER 31 2024
Advances to suppliers, subcontractors and employees and deposits on contracts	\$ 106,928	\$ 66,655
Amount receivable related to indemnity agreement	59,253	62,465
Current portion of receivables under service concession arrangements	38,869	12,873
Equity investments at FVTPL ⁽¹⁾⁽²⁾	36,951	—
Derivative financial instruments related to share unit plans (Note 21C)	34,274	39,559
Life insurance policies measured at FVTPL ⁽¹⁾	8,015	8,275
Derivative financial instruments used for hedges	5,620	9,042
Recovery of costs expected from suppliers and subcontractors	3,044	62,225
Other ⁽³⁾	63,681	71,721
Other current financial assets	\$ 356,635	\$ 332,815

⁽¹⁾ Fair value through profit or loss (“FVTPL”)

⁽²⁾ Equity investments at FVTPL mainly include equity investments related to a non-qualified deferred compensation plan in the United States (Rabbi Trust) (see Note 30B).

⁽³⁾ Effective January 1, 2025, the Company modified the presentation of its other current financial assets by combining the line items “Current portion of finance lease receivables” and “Other” into the line item “Other”. The Company has restated the comparative figures accordingly to reflect the current year presentation.

11. OTHER CURRENT NON-FINANCIAL ASSETS

	DECEMBER 31 2025	DECEMBER 31 2024
Prepaid expenses	\$ 173,090	\$ 155,453
Income taxes receivable	113,336	72,498
Sales taxes and other taxes receivable	90,301	79,721
Inventories	46,081	29,427
Current portion of investment tax credits receivable (Note 16B)	19,182	—
Other current non-financial assets	\$ 441,990	\$ 337,099

12. PROPERTY AND EQUIPMENT

	BUILDINGS	COMPUTER EQUIPMENT AND SOFTWARE	OFFICE FURNITURE	LEASEHOLD IMPROVEMENTS	OTHER ⁽⁴⁾	TOTAL
Gross carrying amount						
Balance as at January 1, 2025	\$ 28,613	\$ 480,888	\$ 92,682	\$ 207,472	\$ 24,266	\$ 833,921
Additions	68	59,873	6,497	21,432	24,401	112,271
Acquisitions through business combinations	—	5,188	2,402	1,159	8,587	17,336
Effect of foreign currency exchange differences	—	(3,558)	(1,019)	(1,273)	(2,022)	(7,872)
Disposals / retirements / salvage / transfers	1,670	(104,418)	(31,510)	(21,175)	(26,014)	(181,447)
Balance as at December 31, 2025	\$ 30,351	\$ 437,973	\$ 69,052	\$ 207,615	\$ 29,218	\$ 774,209
Accumulated depreciation and impairment losses						
Balance as at January 1, 2025	\$ 7,529	\$ 322,276	\$ 78,001	\$ 83,169	\$ 17,721	\$ 508,696
Depreciation expense	1,284	61,040	5,020	18,932	8,690	94,966
Effect of foreign currency exchange differences	—	(3,765)	(710)	(1,010)	(1,541)	(7,026)
Impairment loss ⁽⁵⁾	—	—	—	—	5,266	5,266
Disposals / retirements / salvage	206	(108,292)	(32,635)	(25,161)	(15,073)	(180,955)
Balance as at December 31, 2025	\$ 9,019	\$ 271,259	\$ 49,676	\$ 75,930	\$ 15,063	\$ 420,947

⁽⁴⁾ “Other” includes assets in the course of their construction, land and machinery.

⁽⁵⁾ In the year ended December 31, 2025, AtkinsRéalis recognized impairment losses of \$5.3 million (2024: nil) in “Restructuring and transformation costs” in the consolidated income statement.

12. PROPERTY AND EQUIPMENT (CONTINUED)

	BUILDINGS	COMPUTER EQUIPMENT AND SOFTWARE	OFFICE FURNITURE	LEASEHOLD IMPROVEMENTS	OTHER ⁽¹⁾	TOTAL
Gross carrying amount						
Balance as at January 1, 2024	\$ 28,080	\$ 551,180	\$ 99,777	\$ 185,244	\$ 117,960	\$ 982,241
Additions	377	58,678	2,877	16,459	29,917	108,308
Acquisitions through a business combination	—	—	138	—	752	890
Effect of foreign currency exchange differences	—	15,152	2,878	6,944	6,362	31,336
Disposals / retirements / salvage / transfers	156	(144,122)	(12,988)	(1,175)	(130,725)	(288,854)
Balance as at December 31, 2024	\$ 28,613	\$ 480,888	\$ 92,682	\$ 207,472	\$ 24,266	\$ 833,921
Accumulated depreciation and impairment losses						
Balance as at January 1, 2024	\$ 6,600	\$ 404,400	\$ 87,194	\$ 80,661	\$ 70,958	\$ 649,813
Depreciation expense	1,320	55,142	4,784	17,109	11,978	90,333
Effect of foreign currency exchange differences	—	9,041	2,330	4,729	4,185	20,285
Reversal of impairment loss	—	—	—	—	(9,817)	(9,817)
Disposals / retirements / salvage	(391)	(146,307)	(16,307)	(19,330)	(59,583)	(241,918)
Balance as at December 31, 2024	\$ 7,529	\$ 322,276	\$ 78,001	\$ 83,169	\$ 17,721	\$ 508,696
Net book value:						
As at December 31, 2025	\$ 21,332	\$ 166,714	\$ 19,376	\$ 131,685	\$ 14,155	\$ 353,262
As at December 31, 2024	\$ 21,084	\$ 158,612	\$ 14,681	\$ 124,303	\$ 6,545	\$ 325,225

⁽¹⁾ “Other” includes assets in the course of their construction, land and machinery.

An amount of \$3.6 million as at December 31, 2025 (2024: \$4.8 million) of property and equipment was not being depreciated as the assets were in the course of their construction. The non-cash additions of property and equipment amounted to \$3.6 million in the year ended December 31, 2025 (2024: \$4.0 million).

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 was included in “Restructuring and transformation costs” in the consolidated income statement for the year ended December 31, 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.

13. GOODWILL

The following table details a reconciliation of the carrying amount of the Company’s goodwill:

Balance at January 1, 2024	\$ 3,327,777
Net foreign currency exchange differences	234,855
Disposal of a PS&PM business	(1,105)
Balance at December 31, 2024	3,561,527
Net foreign currency exchange differences	(4,245)
Goodwill arising from the acquisition of David Evans completed during the year (Note 6A)	309,359
Goodwill arising from the acquisitions of other businesses completed during the year (Note 6B)	67,892
Balance at December 31, 2025	\$ 3,934,533

For the purpose of annual impairment testing, goodwill is allocated to a CGU or groups of CGU, which are the units expected to benefit from the synergies of the business combinations in which the goodwill arises.

13. GOODWILL (CONTINUED)

As at December 31, 2025 and 2024, the Company's goodwill was allocated to the following CGU and groups of CGU:

CGU OR GROUP OF CGU	DECEMBER 31 2025	DECEMBER 31 2024
Canada	\$ 443,190	\$ 433,187
UKI	1,068,257	1,039,884
USLA	1,133,414	855,987
AMEA	585,854	527,684
Nuclear	682,895	682,856
Linxon	20,923	21,929
	\$ 3,934,533	\$ 3,561,527

As at October 31, 2025, which is the date of the Company's annual impairment testing, discount rates ranging from 11.6% to 13.2% (2024: from 10.9% to 12.3%) and the terminal growth rate of 2.5% (2024: 2.5%) were used in annual impairment testing for all CGU and groups of CGU. The recoverable amount of the CGU and groups of CGU was determined in accordance with the value in use approach.

In 2025, some of the goodwill allocated to the USLA CGU and to the AMEA CGU was acquired in business combinations completed after October 31, 2025. Therefore, the goodwill allocated to these CGU was tested for impairment as at December 31, 2025 using assumptions within the range of values used as at October 31, 2025 and disclosed above.

No reasonable change in the key assumptions used for these CGU and groups of CGU would have resulted in an impairment loss as at October 31, 2025 and 2024.

14. INTANGIBLE ASSETS RELATED TO BUSINESS COMBINATIONS

The following tables reconcile the carrying amount of intangible assets related to business combinations:

	BACKLOG	CUSTOMER RELATIONSHIPS	TRADEMARKS	TOTAL
Gross carrying amount				
Balance as at January 1, 2025	\$ —	\$ 779,268	\$ 115,306	\$ 894,574
Intangible assets arising from the acquisition of David Evans completed during the year (Note 6A)	29,972	80,897	18,594	129,463
Intangible assets arising from the acquisitions of other businesses completed during the year (Note 6B)	3,863	14,030	1,112	19,005
Effect of foreign currency exchange differences	(309)	19,182	(828)	18,045
Balance as at December 31, 2025	\$ 33,526	\$ 893,377	\$ 134,184	\$ 1,061,087
Accumulated depreciation and impairment losses				
Balance as at January 1, 2025	\$ —	\$ 578,757	\$ 113,903	\$ 692,660
Amortization expense	7,900	90,795	3,173	101,868
Effect of foreign currency exchange differences	(36)	17,729	(562)	17,131
Balance as at December 31, 2025	\$ 7,864	\$ 687,281	\$ 116,514	\$ 811,659

14. INTANGIBLE ASSETS RELATED TO BUSINESS COMBINATIONS (CONTINUED)

			CUSTOMER RELATIONSHIPS	TRADEMARKS	TOTAL
Gross carrying amount					
Balance as at January 1, 2024	\$		732,742	\$ 107,231	\$ 839,973
Effect of foreign currency exchange differences			46,526	8,075	54,601
Balance as at December 31, 2024	\$		779,268	\$ 115,306	\$ 894,574
Accumulated depreciation and impairment losses					
Balance as at January 1, 2024	\$		469,711	\$ 100,204	\$ 569,915
Amortization expense			75,310	5,254	80,564
Effect of foreign currency exchange differences			33,736	8,445	42,181
Balance as at December 31, 2024	\$		578,757	\$ 113,903	\$ 692,660
		BACKLOG	CUSTOMER RELATIONSHIPS	TRADEMARKS	TOTAL
Net book value:					
As at December 31, 2025	\$	25,662	\$ 206,096	\$ 17,670	\$ 249,428
As at December 31, 2024	\$	—	\$ 200,511	\$ 1,403	\$ 201,914

15. OTHER NON-CURRENT FINANCIAL ASSETS

	DECEMBER 31 2025	DECEMBER 31 2024
Equity investments at FVTPL ⁽¹⁾	\$ 22,783	\$ —
Derivative financial instruments related to share unit plans (Note 21C)	17,359	19,699
Receivable under an unsecured, subordinated long-term loan to HMC L.P. (Note 6E)	16,596	16,736
Capital investments at fair value through other comprehensive income (Note 5B)	5,044	8,092
Derivative financial instruments used for hedges	290	84
Other ⁽²⁾	43,537	16,685
Other non-current financial assets	\$ 105,609	\$ 61,296

⁽¹⁾ Equity investments at FVTPL mainly include equity investments related to a non-qualified deferred compensation plan in the United States (Rabbi Trust) (see Note 30B).

⁽²⁾ Effective January 1, 2025, the Company modified the presentation of its other non-current financial assets by combining the line items “Non-current portion of finance lease receivables” and “Other” into the line item “Other”. The Company has restated the comparative figures accordingly to reflect the current year presentation.

16. OTHER NON-CURRENT NON-FINANCIAL ASSETS

	DECEMBER 31 2025	DECEMBER 31 2024
Post-employment benefit assets (Note 30A)	\$ 169,321	\$ 29,112
PS&PM investments accounted for by the equity method (Note 16A)	103,016	71,994
Non-current portion of investment tax credits receivable (Note 16B)	98,467	93,385
Development costs (Note 16C)	112,772	60,165
Other	15,852	10,485
Other non-current non-financial assets	\$ 499,428	\$ 265,141

A) PS&PM INVESTMENTS ACCOUNTED FOR BY THE EQUITY METHOD – JOINT VENTURES

AtkinsRéalis carries out part of its PS&PM investment activity through joint ventures which are accounted for by the equity method. The aggregate amounts of current assets, non-current assets, current liabilities, non-current liabilities, revenues and expenses related to such joint ventures are summarized below.

YEARS ENDED DECEMBER 31	2025	2024
Income statements		
Revenues (at 100%)	\$ 2,910,324	\$ 2,928,360
Interest income (at 100%)	\$ 5,003	\$ 3,963
Interest expense (at 100%)	\$ 14,714	\$ 14,571
Depreciation and amortization (at 100%)	\$ 1,662	\$ 2,248
Income tax expense (at 100%)	\$ 5,109	\$ 699

YEARS ENDED DECEMBER 31	2025	2024
Statements of comprehensive income		
Net income (at 100%)	\$ 95,472	\$ 135,254
Total comprehensive income (at 100%)	\$ 95,472	\$ 135,254

YEARS ENDED DECEMBER 31	2025	2024
Company's share of net income of PS&PM investments based on its ownership interest	\$ 30,918	\$ 43,503
Company's net income from PS&PM investments included in its income statement	\$ 30,918	\$ 43,503

	DECEMBER 31 2025	DECEMBER 31 2024
Statements of financial position		
Cash and cash equivalents (at 100%)	\$ 249,943	\$ 199,518
Other current assets (at 100%)	494,836	755,154
Non-current assets (at 100%)	1,746	30,901
Total assets (at 100%)	746,525	985,573
Trade payables (at 100%)	245,910	479,463
Other current financial liabilities (at 100%)	64,232	57,379
Current non-financial liabilities (at 100%)	118,294	136,257
Non-current financial liabilities (at 100%)	1,126	23,944
Total liabilities (at 100%)	429,562	697,043
Net assets (at 100%)	\$ 316,963	\$ 288,530
Company's carrying value of PS&PM investments included in its statement of financial position	\$ 103,016	\$ 71,994

16. OTHER NON-CURRENT NON-FINANCIAL ASSETS (CONTINUED)

B) INVESTMENT TAX CREDITS

Investment tax credits, arising from qualifying scientific research and experimental development efforts pursuant to existing tax legislation, are recognized as a reduction of expenses for which these investment tax credits are intended to compensate, except for the investment tax credits that are recognized by deducting these investment tax credits from the carrying amount of the related capitalized development costs.

YEARS ENDED DECEMBER 31	2025	2024
Investment tax credits	\$ 46,509	\$ 45,251
Investment tax credits deducted from the carrying amount of capitalized development costs	(8,524)	(6,849)
Investment tax credits recognized in the consolidated income statements	\$ 37,985	\$ 38,402

C) DEVELOPMENT COSTS

For the years ended December 31, 2025 and 2024, additions from internal development, which are accounted for under IAS 38, *Intangible Assets*, amounted to \$63.9 million (2024: \$50.8 million) before investment tax credits and related mainly to the CANDU® MONARK™ nuclear reactor development.

MONARK™ is a trademark of Candu Energy Inc., a subsidiary of the Company.

17. OTHER CURRENT FINANCIAL LIABILITIES

	DECEMBER 31 2025	DECEMBER 31 2024
Retentions on supplier contracts	\$ 128,433	\$ 133,232
Amount payable related to indemnity agreement	59,253	62,465
Contingent consideration payable to seller related to Linxon acquisition ⁽¹⁾	32,568	—
Derivative financial instruments used for hedges	3,738	20,812
Derivative financial instruments related to share unit plans (Note 21C)	319	—
Commitments to invest in Capital investments accounted for by the equity method (Note 5C)	—	24,921
Other	7,228	9,681
Other current financial liabilities	\$ 231,539	\$ 251,111

⁽¹⁾ Under the business combination agreement entered into in 2018, AtkinsRéalis is required to remit a portion of its future dividends distributed in cash by Linxon to the seller for a total aggregate amount of \$34.2 million (US\$25.0 million). The contingent consideration payable to the seller related to the Linxon acquisition measured at FVTPL amounted to \$17.6 million as at December 31, 2024 and was included in "Other non-current financial liabilities" in the consolidated statement of financial position as at December 31, 2024. As at December 31, 2025, due to the expected repayment in full, in 2026, of the contingent consideration payable to the seller related to the Linxon acquisition measured at FVTPL, the remaining balance payable of \$32.6 million (US\$23.8 million) was presented as a current financial liability.

18. OTHER CURRENT NON-FINANCIAL LIABILITIES

	DECEMBER 31 2025	DECEMBER 31 2024
Sales taxes and other taxes payable	\$ 301,997	\$ 255,707
Share unit plans' liabilities (Note 21C)	150,803	135,487
Income taxes payable	79,838	75,137
Other current non-financial liabilities	\$ 532,638	\$ 466,331

19. SHORT-TERM DEBT AND LONG-TERM DEBT

As at December 31, 2025 and 2024, the Company's short-term debt and long-term debt included in its consolidated statements of financial position were as follows:

	INTEREST RATE	MATURITY	DECEMBER 31 2025	DECEMBER 31 2024
Recourse debt:				
Revolving Facility (i)	Borrowings based on: (i) Prime rate; (ii) CORRA; (iii) US base rate; (iv) SOFR; SONIA; and EURIBOR; plus an applicable margin	September 2030 (2024: May 2027)	\$ —	\$ —
\$500 million Non-revolving Term Loan	Borrowings based on: (i) Prime rate; (ii) CORRA; plus an applicable margin	2024: May 2027	—	499,106
\$300 million Series 7 Debentures (ii)	7.00% per annum	June 2026	299,488	298,402
\$400 million Series 8 Debentures (ii)	5.70% per annum	March 2029	396,781	395,903
Limited recourse debt:				
\$400 million Non-revolving La Caisse Loan (previously, "CDPQ Loan") ⁽¹⁾	The greater of: (i) CORRA plus an applicable margin; and (ii) 0.9% plus an applicable margin	2024: July 2026	—	398,960
Non-recourse debt: ⁽²⁾				
\$99.7 million Non-revolving term loan facility – AtkinsRéalis Trillium Holdings Inc.	4.82% per annum prior to August 10, 2026; 4.89% per annum from August 10, 2026 to August 9, 2028 and CORRA plus an applicable margin from and after August 10, 2028	October 2028	95,535	99,172
\$12.7 million (US\$9.3 million) unsecured loan – Linxon Pvt Ltd	Interest-free loan	June 2026 (2024: August 2025)	12,110	12,552
Other	Various	Various	4,236	7,277
Total short-term debt and long-term debt			808,150	1,711,372
Less: short-term debt and current portion of long-term debt			343,893	23,466
Long-term debt			\$ 464,257	\$ 1,687,906

⁽¹⁾ Recourse was limited to specific circumstances of enforcement on or against the shares of AtkinsRéalis Highway Holding Inc.

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

- i. As at December 31, 2025, the Company's unsecured revolving credit facility (the "Revolving Facility"), which is part of the Company's credit agreement, dated September 26, 2025, between, among others, the Company, as borrower, and the syndicate of lenders party thereto (as amended, from time to time, the "2025 Credit Agreement"), is for an amount of \$1,250.0 million. Borrowings under the Revolving Facility may be obtained in the form of cash draws and financial, non-financial and documentary letters of credit. The 2025 Credit Agreement also allows the issuance of up to a maximum aggregate of \$2,500.0 million of financial, non-financial and documentary letters of credit by way of uncommitted bilateral facilities. The 2025 Credit Agreement replaced the 2022 Credit Agreement (defined below) on September 26, 2025 and the term "Revolving Facility" is used to refer to both the revolving credit facility under the 2022 Credit Agreement and under the 2025 Credit Agreement as applicable.

As at December 31, 2024, the Company's unsecured revolving credit facility (the "Revolving Facility"), which was part of the Company's credit agreement, dated May 13, 2022, between, among others, the Company, as borrower, and the syndicate of lenders party thereto (as amended, from time to time, the "2022 Credit Agreement"), was comprised of two tranches: (i) tranche A was for an amount of \$1,350.0 million until May 13, 2025 and \$1,315.1 million thereafter and until May 31, 2027; and (ii) tranche B was for an amount of \$450.0 million until May 13, 2025 and \$438.4 million thereafter and until May 31, 2027. Borrowings under tranche A were to be obtained in the form of cash draws and financial, non-financial and documentary letters of credit. Borrowings under tranche B were to be obtained only in the form of non-financial and documentary letters of credit. The 2022 Credit Agreement also allowed the issuance of up to a maximum aggregate of \$2,000.0 million of financial, non-financial and documentary letters of credit by way of uncommitted bilateral facilities.

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

As at December 31, 2025 and 2024, the cash draws and letters of credit outstanding under the Company's Revolving Facility were as follows:

AT DECEMBER 31, 2025	COMMITTED	CASH DRAWS	LETTERS OF CREDIT OUTSTANDING	UNUSED
Revolving Facility	\$ 1,250,000	\$ —	\$ 90,758 ⁽¹⁾	\$ 1,159,242

⁽¹⁾ Includes \$2.0 million of financial letters of credit

AT DECEMBER 31, 2024	COMMITTED	CASH DRAWS	LETTERS OF CREDIT OUTSTANDING	UNUSED
Revolving Facility	\$ 1,800,000	\$ —	\$ 90,963 ⁽²⁾	\$ 1,709,037

⁽²⁾ Includes \$2.3 million of financial letters of credit

In addition, as at December 31, 2025, \$1,509.0 million (2024: \$1,687.9 million⁽³⁾) of uncommitted bilateral letters of credit were outstanding, of which \$81.9 million (2024: \$74.5 million) related to financial letters of credit, under the Company's applicable Credit Agreement.

Furthermore, as at December 31, 2025, \$238.7 million (2024: \$119.6 million⁽³⁾) of letters of credit were outstanding, of which \$0.9 million (2024: nil) related to financial letters of credit, under the Company's agreements other than the Company's applicable Credit Agreement.

⁽³⁾ The Company has revised the comparative figures to reflect the current year presentation.

- ii. The Series 7 Debentures are redeemable at the option of the issuer, in whole or in part, at a price based on a make-whole formula at any time. 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.

PRESENTATION OF SHORT-TERM DEBT AND LONG-TERM DEBT IN THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at December 31, 2025 and 2024, the Company's short-term debt and long-term debt were presented in the consolidated statements of financial position as follows:

AT DECEMBER 31	2025			2024		
	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	\$ 299,488	\$ 396,781	\$ 696,269	\$ —	\$ 1,193,411	\$ 1,193,411
Limited recourse debt	—	—	—	—	398,960	398,960
Non-recourse debt	44,405	67,476	111,881	23,466	95,535	119,001
	\$ 343,893	\$ 464,257	\$ 808,150	\$ 23,466	\$ 1,687,906	\$ 1,711,372

REPAYMENT OF PRINCIPAL OF SHORT-TERM DEBT AND LONG-TERM DEBT

The future principal payments of AtkinsRéalis' recourse and non-recourse short-term and long-term debt are summarized below and reconciled to their net carrying amount:

AT DECEMBER 31, 2025	RECOURSE	NON-RECOURSE	TOTAL
2026	\$ 300,000	\$ 45,147	\$ 345,147
2027	—	36,596	36,596
2028	—	31,120	31,120
2029	400,000	—	400,000
Total	700,000	112,863	812,863
Net unamortized deferred financing costs and unamortized discounts	(3,731)	(982)	(4,713)
Net carrying amount of short-term debt and long-term debt	\$ 696,269	\$ 111,881	\$ 808,150

20. PROVISIONS

	Pension, other long-term benefits and other post-employment benefits	Forecasted losses on certain contracts	Restructuring	Other ⁽¹⁾	Total
Balance at January 1, 2025	\$ 111,038	\$ 22,942	\$ 24,557	\$ 366,906	\$ 525,443
Additional provisions recognized in the year	32,381	37,694	64,987	63,700	198,762
Amounts used during the year	(28,147)	(42,026)	(70,380)	(60,710)	(201,263)
Unused amounts reversed during the year	—	(565)	—	(10,506)	(11,071)
Remeasurement recognized in equity	(114,143)	—	—	—	(114,143)
Increase (decrease) from the passage of time, effect of changes in discount rates and effect of foreign currency exchange differences	(3,769)	121	(227)	(80)	(3,955)
Acquisitions through business combinations	61,310	1,439	—	10,487	73,236
Increase in post-employment benefit assets	140,209	—	—	—	140,209
Balance at December 31, 2025	\$ 198,879	\$ 19,605	\$ 18,937	\$ 369,797	\$ 607,218
Presented on the statement of financial position as follows:					
Current portion of provisions					\$ 185,173
Non-current portion of provisions					\$ 422,045

⁽¹⁾ Other provisions include mainly provisions recognized for legal proceedings and claims, indemnification from past disposals of PS&PM businesses, warranty and other project provisions, environmental liabilities and other asset retirement obligations. Due to the nature of these provisions, the Company does not provide information on each individual component separately.

The expected timing of outflows of economic benefits relating to the Company's provisions are as follows: i) most of the provisions for legal proceedings and claims relate to matters that are subject to significant uncertainties, including uncertainties over the timing of resolution, which could extend to several years; ii) forecasted losses on certain contracts are expected to be incurred over the period of a contract duration, usually up to 3 years; iii) most of the accrued restructuring costs are expected to be disbursed within the next 12 months for severance and up to 12 years for onerous contracts under lease arrangements; iv) warranty expenditures are expected to take place within the next 5 years; and v) most of the other provisions are expected to be resolved over the next 10 years. The main assumptions used to determine the provision for pension, other long-term benefits and other post-employment benefits and other information, including the expected level of future funding payments in respect of those arrangements, are provided in Note 30.

21. SHARE CAPITAL

A) AUTHORIZED AND ISSUED

The Company is authorized to issue an unlimited number of common shares, an unlimited number of first preferred shares and an unlimited number of second preferred shares.

The Board of Directors is authorized to issue such preferred shares in one or more series and to establish the number of shares in each series and the rights, privileges, restrictions and conditions attaching thereto, prior to their issue.

The issued and outstanding share capital of the Company consists only of fully paid common shares without nominal value. All common shares are equally eligible to receive dividends, subject to the prior rights of the holders of preferred shares. Each common share carries one vote at the shareholders' meeting of the Company.

Subject to the prior rights of the holders of preferred shares, upon the liquidation or dissolution of the Company or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, all the Company's assets available for payment or distribution to the holders of the common shares shall be paid or distributed equally, share for share, to the holders of such common shares.

21. SHARE CAPITAL (CONTINUED)

The table below presents the changes in the number of common shares issued and fully paid in 2025 and 2024.

YEARS ENDED DECEMBER 31	2025	2024
NUMBER OF COMMON SHARES		
Issued and fully paid		
Balance at January 1	174,841,024	175,554,252
Issuance (Note 21B)	126,919	16,600
Repurchase and cancellation (Note 21F)	(10,476,178)	(729,828)
	164,491,765	174,841,024
Held in trust under the Company's U.K. Share Incentive Plan		
Balance at January 1	(5,606)	—
Repurchase (Note 21G)	(30,718)	(5,606)
	(36,324)	(5,606)
Balance at December 31	164,455,441	174,835,418

B) STOCK OPTION PLAN

The main features of the stock option plan are summarized below:

	2013 STOCK OPTION PLAN
Grant date	Date of approval by the Company's Board of Directors
Exercise price of stock options	The greater of: i) the average closing price for the five trading days preceding the grant date; and ii) the closing price on the first trading day immediately preceding the grant date
Vesting of stock options	Graded vesting in three equal tranches: two years, three years and four years, respectively, after the grant date
Expiry of stock options	Six years after the grant date
Other provisions	In the event of cessation of employment, except in the event of death or if the optionee is eligible to retire, unvested options are cancelled immediately and vested options remain exercisable for a specified period not exceeding 30 days. In the event the qualifying optionee is eligible to retire, both vested and unvested options continue to run their normal course. In the event of death, vested options of the optionee remain exercisable by his/her legal representatives within a period of one year following such death, and unvested options of the optionee are cancelled as of the date of death. In the event of change of control of the Company, if the options are not honoured, assumed or converted to an alternative award of a successor entity, each unvested option becomes exercisable immediately prior to the change of control, allowing the optionee to exercise such option, and any unexercised option expires upon the change of control.

21. SHARE CAPITAL (CONTINUED)

The table below presents the changes in the number of stock options outstanding in 2025 and 2024.

YEARS ENDED DECEMBER 31	2025		2024	
	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (IN DOLLARS)	NUMBER OF OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE (IN DOLLARS)
Options outstanding at beginning of year	1,411,904	\$ 38.09	1,062,256	\$ 31.09
Granted ⁽¹⁾	451,931	\$ 69.07	433,029	\$ 55.58
Exercised ⁽²⁾	(126,919)	\$ 31.07	(16,600)	\$ 31.15
Forfeited	(129,180)	\$ 47.85	(66,781)	\$ 41.80
Options outstanding at end of year	1,607,736	\$ 46.57	1,411,904	\$ 38.09

⁽¹⁾ The weighted average fair value of stock options granted was \$22.66 in 2025 (2024: \$17.68).

⁽²⁾ The weighted average market price of the Company's common shares upon the exercise of stock options was \$82.37 in 2025 (2024: \$58.30).

The table below summarizes information regarding the stock options outstanding and exercisable as at December 31, 2025.

OPTIONS OUTSTANDING						OPTIONS EXERCISABLE		
EXERCISE PRICE (IN DOLLARS)	YEAR OF GRANT	NUMBER OUTSTANDING	WEIGHTED AVERAGE REMAINING OPTIONS' TERM (MONTHS)	WEIGHTED AVERAGE EXERCISE PRICE (IN DOLLARS)		NUMBER EXERCISABLE	WEIGHTED AVERAGE EXERCISE PRICE (IN DOLLARS)	
\$ 31.15	2022	232,752	26	\$ 31.15		155,168	\$ 31.15	
\$ 30.25	2022	9,127	27	\$ 30.25		6,084	\$ 30.25	
\$ 31.07	2023	581,525	38	\$ 31.07		193,842	\$ 31.07	
\$ 55.58	2024	362,639	50	\$ 55.58		—	\$ —	
\$ 69.07	2025	421,693	63	\$ 69.07		—	\$ —	
		1,607,736	46	\$ 46.57		355,094	\$ 31.09	

As at December 31, 2025, 1,036,608 stock options remained available for future grants under the 2013 stock option plan (2024: 1,359,359 stock options).

The stock option compensation cost recorded in the year ended December 31, 2025 was \$8.1 million (2024: \$5.9 million).

The following table presents the weighted average assumptions used to determine the stock option compensation cost, using the Black-Scholes option pricing model, for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025	2024
Risk-free interest rate	2.47%	3.82%
Expected stock price volatility	32.87%	31.82%
Expected option life	4.5 years	4.5 years
Expected dividend yield	0.11%	0.14%

The underlying expected volatility was determined by reference to historical data.

21. SHARE CAPITAL (CONTINUED)

C) SHARE UNIT PLANS

As at December 31, 2025 and 2024, the Company had three share unit compensation plans for executives, namely the 2009 DSU plan, the 2019 RSU plan, and the 2019 PSU plan, and a share unit compensation plan, the DSU plan, for members of the Board of Directors of AtkinsRéalis Group Inc.

The terms and conditions of the executive plans are summarized below:

	2009 DSU PLAN	2019 RSU PLAN	2019 PSU PLAN
Grant date	Date of approval by the Company's Board of Directors	Date of approval by the Company's Board of Directors	Date of approval by the Company's Board of Directors
Number of units	Determined at grant date, without any further changes	Determined at grant date, without any further changes	Determined at grant date, without any further changes
Vesting of units	Units typically vest at a rate of 20% per year at the end of each calendar year following the grant date. At the discretion of the Company's Board of Directors, alternative vesting schedules could be used for grants made on an ad hoc basis ⁽¹⁾	Units vest in full three years following their grant date	Units vest in full at the end of the second calendar year following the calendar year during which the grant was made
Payment	Units are redeemable for cash by the Company within thirty days following the first anniversary of a participant's cessation of employment	Units are redeemable for cash by the Company not later than March 15 th of the year following the end of the vesting period	Units are redeemable for cash by the Company not later than two and a half months after the end of the performance period of such award. Performance period means the period starting on January 1 st of the calendar year during which the grant of such award was made and ending on the vesting date. Subject to performance conditions, the number of units to be paid shall be adjusted depending on the total shareholders return and the adjusted EBITDA growth
Redemption price	Average closing price per share on the TSX on the first anniversary of cessation of employment and the last trading day on the TSX of each of the 12 weeks preceding that date	Average closing price per share on the TSX on the five trading days preceding the vesting date	Average closing price per share on the TSX on the five trading days preceding the vesting date
Forfeiture	If a participant terminates his employment voluntarily for reasons other than death, termination without cause or retirement, unvested units expire immediately with no payment being made. If a participant is terminated for cause before the end of the vesting period, all units expire immediately on the date of termination with no payment being made	If a participant terminates his employment voluntarily for reasons other than death, termination without cause or retirement or if a participant is terminated for cause before the end of the vesting period, the units expire immediately on the date of termination with no payment being made	If a participant terminates his employment voluntarily for reasons other than death, termination without cause or retirement or if a participant is terminated for cause before the end of the vesting period, the units expire immediately on the date of termination with no payment being made
Other provisions	The units vest immediately in the event of death, termination without cause or if a participant is retiring, with payment being made on the date of the first anniversary following the participant's last day of employment. If a participant terminates his employment voluntarily for reasons other than death, termination without cause or retirement, vested units will become payable on the date of the first anniversary following the participant's last day of employment. In the event of change of control of the Company, if the units are not assumed or converted into or substituted by an alternative award of a successor entity, the units fully vest immediately prior to the change of control and become payable within thirty days following the first anniversary of such change of control	In the event of death or termination without cause of a participant before the end of the vesting period, the units vest on a pro rata basis, with payment being made not later than March 15 th of the year following the event. In the event of a qualifying retirement of a participant, for grants effective January 1, 2024 and thereafter, both vested and unvested units continue to run their normal course. In the event of change of control of the Company, if the units are not assumed or converted into or substituted by an alternative award of a successor entity, the units fully vest immediately prior to the change of control and become payable not later than March 15 th of the year following the event	In the event of death or termination without cause of a participant before the end of the vesting period, the units vest on a pro rata basis, with payment being made not later than two and a half months following the event. In the event of a qualifying retirement of a participant, for grants effective January 1, 2024 and thereafter, both vested and unvested units continue to run their normal course. In the event of change of control of the Company, if the units are not assumed or converted into or substituted by an alternative award of a successor entity, the units fully vest immediately prior to the change of control and become payable not later than two and a half months following the event

⁽¹⁾ Executives subject to share ownership requirements have the option to elect to convert all or part of their annual bonus into deferred share units under the 2009 DSU plan to assist them in meeting their requirements. Deferred share units received pursuant to such election are immediately vested.

21. SHARE CAPITAL (CONTINUED)

The terms and conditions of the DSU plan are as follows: each member of the Board of Directors of AtkinsRéalis Group Inc. (the “member”) receives an annual retainer consisting of: (a) a lump sum credited in DSU plan units, and (b) a cash award payment. Each member may elect to receive 100% of the cash award payment, as well as 100% of their committee chair retainer, meeting fees and travel fees, if applicable, in either cash or DSU plan units. DSU plan units track the price of common shares of AtkinsRéalis Group Inc. on the TSX. They accumulate during a member’s term in office and are redeemed in cash when the member leaves the Board of Directors. For the purposes of redeeming DSU plan units, the value of a unit on any given date is equivalent to the average of the closing price for a common share on the TSX for the five trading days immediately prior to such date. Furthermore, additional DSU plan units accumulate as dividend equivalents whenever cash dividends are paid on common shares.

The table below presents the number of granted share units and the weighted average fair value per granted share unit for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025		2024	
	NUMBER OF GRANTED SHARE UNITS	WEIGHTED AVERAGE FAIR VALUE PER SHARE UNIT (IN DOLLARS)	NUMBER OF GRANTED SHARE UNITS	WEIGHTED AVERAGE FAIR VALUE PER SHARE UNIT (IN DOLLARS)
2019 PSU plan	406,725	\$ 70.90	347,976	\$ 55.12
2019 RSU plan	360,094	\$ 74.65	449,733	\$ 55.67
DSU plan	27,084	\$ 86.69	33,832	\$ 60.18
2009 DSU plan	1,384	\$ 70.90	—	\$ —

The Company has entered into derivative financial instruments with investment grade financial institutions to limit the Company’s exposure to the variability of the units caused by fluctuations in its share price. The derivative financial instruments, the fair value of which fluctuates in accordance with the movement in the Company’s share price, are required to be classified as at FVTPL. As such, they are measured at fair value on the consolidated statement of financial position under “Other current financial assets” (see Note 10) and “Other non-current financial assets” (see Note 15) if the fair value of a derivative financial instrument is favourable or under “Other current financial liabilities” (see Note 17) and “Other non-current financial liabilities” if the fair value of a derivative financial instrument is unfavourable.

The compensation expense related to the share unit plans was \$121.5 million for the year ended December 31, 2025 (2024: \$163.5 million).

The total intrinsic value of the share unit plans’ liabilities for which the participants’ right to cash vested was \$118.5 million as at December 31, 2025 (2024: \$118.3 million), while the share unit plans’ liabilities amounted to \$240.2 million as at December 31, 2025 (2024: \$213.7 million), of which \$150.8 million was included in “Other current non-financial liabilities” (see Note 18) as at December 31, 2025 (2024: \$135.5 million) and the remaining balance of \$89.4 million was included in “Other non-current non-financial liabilities” as at December 31, 2025 (2024: \$78.2 million).

D) WEIGHTED AVERAGE NUMBER OF OUTSTANDING SHARES – BASIC AND DILUTED

The weighted average number of outstanding shares in 2025 and 2024 used to calculate the basic and diluted earnings per share were as follows:

YEARS ENDED DECEMBER 31 (IN THOUSANDS)	2025	2024
Weighted average number of outstanding shares – basic	169,805	175,233
Dilutive effect of stock options	707	353
Weighted average number of outstanding shares – diluted	170,512	175,586

In 2025, all outstanding stock options were included in the computation of diluted earnings per shares. In 2024, 403,832 outstanding stock options were not included in the computation of diluted earnings per share because they were anti-dilutive.

E) DIVIDENDS

During the year ended December 31, 2025, the Company recognized as distributions to its equity shareholders dividends of \$13.6 million or \$0.08 per share (2024: \$14.0 million or \$0.08 per share).

21. SHARE CAPITAL (CONTINUED)

F) REPURCHASE OF SHARES FOR CANCELLATION

I) NORMAL COURSE ISSUER BID ("NCIB")

In 2025 and 2024, the Company received the required approval of the TSX to proceed with its NCIB renewal to purchase, for cancellation, up to 13,945,331 of its common shares (2024: up to 1,500,000 of its common shares) commencing March 17, 2025 (2024: March 8, 2024) and ending March 16, 2026 (2024: March 7, 2025).

For the year ended December 31, 2025, the Company repurchased and cancelled 3,476,178 common shares (2024: 729,828 common shares) under its NCIB resulting in cash outflows of \$288.8 million (2024: \$38.5 million).

II) REPURCHASE OF SHARES FROM LA CAISSE

In 2025, the Company entered into a private agreement with *Caisse de dépôt et placement du Québec* ("La Caisse") providing for the repurchase for cancellation of 7,000,000 common shares held by La Caisse at a price of \$90.87 per common share, for a total cash consideration of \$636.1 million. A decision was obtained from the *Autorité des marchés financiers* exempting the Company from issuer bid requirements under securities legislation applicable to the transaction.

III) AUTOMATIC SHARE PURCHASE PLAN

From time to time, the Company may give instructions to a designated broker under its automatic share purchase plan ("ASPP") to facilitate the repurchase of the Company's common shares under its NCIB. During the effective period of the ASPP, the Company's broker may purchase common shares at times when the Company would ordinarily not be active in the market under instructions which are then irrevocable, but subject to meeting certain terms and conditions. As at December 31, 2025, no repurchase commitments were outstanding, resulting in a nil liability.

G) OTHER

During the year ended December 31, 2025, the Company recognized \$18.3 million (2024: \$0.8 million) related to a tax expense on net repurchases of its common shares included in "Retained earnings" in the consolidated statement of changes in equity. Furthermore, during the year ended December 31, 2025, the Company repurchased and did not cancel 30,718 common shares (2024: 5,606 common shares), which resulted in cash outflows of \$2.7 million (2024: \$0.4 million), in order to satisfy future obligations under the Company's U.K. Share Incentive Plan. The repurchased common shares that were not cancelled are held by a third party.

H) PRESENTATION OF REPURCHASE OF SHARES AND PAYMENT FOR RELATED TRANSACTION COSTS IN THE STATEMENTS OF CASH FLOWS

The table below presents the cash outflows related to repurchase of shares and payment for related transaction costs in 2025 and 2024.

YEARS ENDED DECEMBER 31	2025	2024
Repurchase of shares under NCIB	\$ 288,846	\$ 38,538
Repurchase of shares from La Caisse under 2025 private agreement	636,090	—
Tax paid on net repurchases of shares	751	—
Repurchase of shares under the U.K. Share Incentive Plan	2,667	426
Repurchase of shares and payment for related transaction costs	\$ 928,354	\$ 38,964

22. COMPONENTS OF OTHER COMPREHENSIVE INCOME

The Company has the following elements, net of income taxes, within its other components of equity at December 31, 2025 and 2024:

	DECEMBER 31 2025	DECEMBER 31 2024
Exchange differences on translating foreign operations	\$ (50,510)	\$ (13,674)
Cash flow hedges	3,909	1,485
Other components of equity	\$ (46,601)	\$ (12,189)

22. COMPONENTS OF OTHER COMPREHENSIVE INCOME (CONTINUED)

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 years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025	2024
Exchange differences on translating foreign operations:		
Balance at beginning of the year	\$ (13,674)	\$ (297,460)
Current year gains (losses)	(35,941)	300,953
Reclassification to net income	—	(376)
Net investment hedge – current year losses	(1,218)	(21,852)
Income taxes relating to current year losses	323	5,061
Balance at end of the year	(50,510)	(13,674)
Cash flow hedges:		
Balance at beginning of the year	1,485	3,928
Current year gains	30,679	34,112
Income taxes relating to current year gains	(7,978)	(9,481)
Reclassification to net income	(27,766)	(37,076)
Income taxes relating to amounts reclassified to net income	7,489	10,002
Balance at end of the year	3,909	1,485
Other components of equity	\$ (46,601)	\$ (12,189)

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

Remeasurement recognized in other comprehensive income

The following table presents 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 years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025			2024		
	BEFORE TAX	INCOME TAX ⁽¹⁾	NET OF TAX	BEFORE TAX	INCOME TAX ⁽¹⁾	NET OF TAX
Cumulative amount at January 1	\$ 105,828	\$ (16,598)	\$ 89,230	\$ 136,920	\$ (24,005)	\$ 112,915
Remeasurement recognized during the year:						
Defined benefit pension plans	132,273	(33,142)	99,131	(30,017)	7,131	(22,886)
Other post-employment benefits	(18,130)	3,183	(14,947)	(1,075)	276	(799)
	114,143	(29,959)	84,184	(31,092)	7,407	(23,685)
Cumulative amount at December 31	\$ 219,971	\$ (46,557)	\$ 173,414	\$ 105,828	\$ (16,598)	\$ 89,230

⁽¹⁾ For the year ended December 31, 2025, a deferred income tax liability in an amount of \$31.3 million (2024: deferred income tax asset of \$4.0 million) is included in deferred income taxes while the remaining balance of income tax recovery of \$1.3 million (2024: \$3.4 million) is included in current income taxes.

Equity instruments designated at fair value through other comprehensive income

The following table presents changes in fair value of the equity instruments designated at fair value through other comprehensive income for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025			2024		
	BEFORE TAX	INCOME TAX	NET OF TAX	BEFORE TAX	INCOME TAX	NET OF TAX
Cumulative amount at January 1	\$ (1,915)	\$ (143)	\$ (2,058)	\$ (1,973)	\$ (150)	\$ (2,123)
Gain (loss) recognized during the year	(3,056)	(1,937)	(4,993)	58	7	65
Cumulative amount at December 31	\$ (4,971)	\$ (2,080)	\$ (7,051)	\$ (1,915)	\$ (143)	\$ (2,058)

23. CORPORATE SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

YEARS ENDED DECEMBER 31	2025	2024
Corporate selling, general and administrative expenses before gain arising on financial instruments at fair value through profit or loss	\$ 161,912	\$ 194,491
Gain arising on financial instruments at fair value through profit or loss	(17,254)	(11,278)
Corporate selling, general and administrative expenses	\$ 144,658	\$ 183,213

24. RESTRUCTURING AND TRANSFORMATION COSTS

YEARS ENDED DECEMBER 31	2025	2024
Restructuring costs	\$ 67,183	\$ 36,178
Transformation costs	44,456	16,165
Restructuring and transformation costs	\$ 111,639	\$ 52,343

The restructuring costs of \$67.2 million recognized in 2025 were mainly for employee severances, combined with an unfavourable adjustment related to the disposal of a business in a prior year, and included non-cash charges related to impairment losses of \$2.2 million.

The restructuring costs of \$36.2 million recognized in 2024 were mainly for employee severances and included a net non-cash reversal of charges related to impairment losses of \$1.9 million.

25. NET FINANCIAL EXPENSES

YEARS ENDED DECEMBER 31	2025	2024
Interest on debt:		
Recourse	\$ 66,634	\$ 89,012
Limited recourse	11,825	34,008
Non-recourse	7,066	9,907
Interest on lease liabilities	27,842	25,662
Other	17,398	18,696
Financial expenses	130,765	177,285
Financial income	(27,431)	(19,288)
Net foreign exchange losses	6,705	4,793
Financial income and net foreign exchange losses	(20,726)	(14,495)
Net financial expenses	\$ 110,039	\$ 162,790

26. STATEMENTS OF CASH FLOWS

A) DEPRECIATION AND AMORTIZATION

The following table presents the items composing “Depreciation and amortization” for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025	2024
Property and equipment	\$ 94,966	\$ 90,333
Intangible assets related to business combinations	101,868	80,564
Right-of-use assets	84,804	73,850
Other	771	655
Total	\$ 282,409	\$ 245,402

26. STATEMENTS OF CASH FLOWS (CONTINUED)

The depreciation and amortization charge was presented in the Company's income statements in the following lines for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025	2024
Direct costs of activities	\$ 174,353	\$ 160,097
Corporate selling, general and administrative expenses	6,188	4,741
Amortization of intangible assets related to business combinations	101,868	80,564
Total	\$ 282,409	\$ 245,402

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 years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025	2024
Income taxes recognized in net income (Note 27B)	\$ 396,092	\$ 78,272
Net financial expenses recognized in net income (Note 25)	110,039	162,790
Expense recognized in respect of share-based payment arrangements ⁽¹⁾ (Notes 21B and 21C)	129,620	169,432
Income from Capital investments accounted for by the equity method	(42,254)	(94,264)
Dividends and distributions received from Capital investments accounted for by the equity method	54,688	100,946
Income from PS&PM investments accounted for by the equity method	(30,918)	(43,503)
Dividends and distributions received from PS&PM investments accounted for by the equity method	36,046	52,830
Net change in provisions related to forecasted losses on certain contracts	(4,897)	(3,383)
Gain on disposal of a Capital investment (Note 5A)	(2,569,949)	—
Restructuring and transformation costs recognized in net income (Note 24)	111,639	52,343
Restructuring and transformation costs paid	(113,351)	(61,538)
Payments related to federal charges settlement (PPSC) and DPCP Remediation Agreement	—	(42,788)
Gain arising on financial instruments at fair value through profit or loss (Note 23)	(17,254)	(11,278)
Net change in other provisions ⁽²⁾	(2,430)	10,683
Other	(997)	(24,848)
Other reconciling items	\$ (1,943,926)	\$ 345,694

(1) Effective January 1, 2025, the Company modified the presentation of its share-based payment arrangements by combining the line items "Expense recognized in respect of cash-settled share-based payment arrangements" and "Expense recognized in respect of stock options" into the line item "Expense recognized in respect of share-based payment arrangements". The Company has restated the comparative figures accordingly to reflect the current period presentation.

(2) 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 years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025	2024
Decrease (increase) in trade receivables	\$ (140,405)	\$ 77,290
Increase in contract assets	(129,410)	(210,056)
Decrease (increase) in other current financial assets	36,959	(5,301)
Increase in other current non-financial assets	(37,930)	(58,367)
Increase in trade payables and accrued liabilities	117,240	205,711
Increase (decrease) in deferred revenues	78,349	(29,614)
Decrease in other current financial liabilities	(4,302)	(1,491)
Decrease in other current non-financial liabilities	(102,744)	(37,319)
Net change in non-cash working capital items	\$ (182,243)	\$ (59,147)

26. 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 consolidated statement of financial position for liabilities arising from financing activities for the year ended December 31, 2025:

	DEBT ⁽¹⁾	LEASE LIABILITIES ⁽²⁾
Balance at January 1, 2025	\$ 1,711,372	\$ 489,000
Changes arising from cash flows:		
Increase	3,500	—
Repayment	(904,454)	(85,748)
Total – changes arising from cash flows	(900,954)	(85,748)
Non-cash changes:		
Effect of foreign currency exchange differences	(412)	(7,041)
Amortization of deferred financing costs and discounts and increase from the passage of time	5,284	—
Net increase of lease liabilities	—	56,382
Non-cash contribution by a non-controlling interest	(1,044)	—
Acquisitions through business combinations	974	47,335
Other	(7,070)	—
Balance at December 31, 2025	\$ 808,150	\$ 499,928

(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:

	DECEMBER 31 2025	JANUARY 1 2025
Short-term debt and current portion of long-term debt	\$ 343,893	\$ 23,466
Long-term debt	464,257	1,687,906
Total	\$ 808,150	\$ 1,711,372

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

	DECEMBER 31 2025	JANUARY 1 2025
Current portion of lease liabilities	\$ 91,072	\$ 78,906
Non-current portion of lease liabilities	408,856	410,094
Total	\$ 499,928	\$ 489,000

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

YEAR ENDED DECEMBER 31	2025		
	INCREASE OF DEBT	REPAYMENT OF DEBT	PAYMENT FOR DEBT ISSUE COSTS
Recourse debt:			
Revolving Facility ⁽³⁾	\$ —	\$ —	\$ (1,940)
Term Loan	—	(500,000)	—
Total – Recourse debt	—	(500,000)	(1,940)
Limited recourse debt:			
La Caisse Loan	—	(400,000)	—
Total – Limited recourse debt	—	(400,000)	—
Non-recourse debt:			
Other	3,500	(4,454)	—
Total – Non-recourse debt	3,500	(4,454)	—
Total	\$ 3,500	\$ (904,454)	\$ (1,940)

(3) Debt issue costs related to the Company's Revolving Facility, which represent deferred financing costs, are included in "Other non-current non-financial assets" in the consolidated statement of financial position as at December 31, 2025.

26. STATEMENTS OF CASH FLOWS (CONTINUED)

The following table provides a reconciliation between the opening and closing balances in the consolidated statement of financial position for liabilities arising from financing activities for the year ended December 31, 2024:

		DEBT ⁽¹⁾	LEASE LIABILITIES ⁽²⁾
Balance at January 1, 2024	\$	1,982,631	\$ 391,301
Changes arising from cash flows:			
Increase		664,577	—
Repayment		(939,060)	(81,406)
Total – changes arising from cash flows		(274,483)	(81,406)
Non-cash changes:			
Effect of foreign currency exchange differences		1,637	20,792
Amortization of deferred financing costs and discounts and increase from the passage of time		5,143	—
Net reclassification of deferred financing costs to non-financial assets		4,149	—
Net increase of lease liabilities		—	158,313
Non-cash contribution by a non-controlling interest		(1,181)	—
Other		(6,524)	—
Balance at December 31, 2024	\$	1,711,372	\$ 489,000

(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:

	DECEMBER 31 2024	JANUARY 1 2024
Short-term debt and current portion of long-term debt	\$ 23,466	\$ 463,289
Long-term debt	1,687,906	1,519,342
Total	\$ 1,711,372	\$ 1,982,631

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

	DECEMBER 31 2024	JANUARY 1 2024
Current portion of lease liabilities	\$ 78,906	\$ 74,887
Non-current portion of lease liabilities	410,094	316,414
Total	\$ 489,000	\$ 391,301

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

YEAR ENDED DECEMBER 31	2024		
	INCREASE OF DEBT	REPAYMENT OF DEBT	PAYMENT FOR DEBT ISSUE COSTS
Recourse debt:			
Revolving Facility	\$ 162,413	\$ (491,145)	\$ (1,315)
Term Loan	—	—	(375)
Series 6 Debentures	—	(300,000)	—
Series 8 Debentures	395,980	—	(716)
Other	6,524	—	—
Total – Recourse debt	564,917	(791,145)	(2,406)
Limited recourse debt:			
La Caisse Loan	—	—	(11)
Total – Limited recourse debt	—	—	(11)
Non-recourse debt:			
Credit facility – TransitNEXT General Partnership	—	(145,211)	(157)
Term loan facility – AtkinsRéalis Trillium Holdings Inc.	99,660	—	(130)
Total – Non-recourse debt	99,660	(145,211)	(287)
Total	\$ 664,577	\$ (936,356)	\$ (2,704)

26. STATEMENTS OF CASH FLOWS (CONTINUED)

E) SHORT-TERM INVESTMENTS AT AMORTIZED COST

In 2024, AtkinsRéalis acquired short-term investments measured at amortized cost, which were included in “Other current financial assets” in the consolidated statement of financial position, for a cash outflow of \$50 million, all of which matured prior to December 31, 2024.

27. INCOME TAXES

A) DEFERRED INCOME TAX ASSET AND DEFERRED INCOME TAX LIABILITY

Deferred income tax asset (liability) arising from temporary differences and unused tax losses can be summarized as follows:

	JANUARY 1 2025	Recognized on business combinations	Recognized in other comprehensive income	Recognized in equity	Recognized in net income	Exchange differences and other charges	DECEMBER 31 2025
Contract assets	\$ 2,592	\$ —	\$ —	\$ —	\$ (343)	\$ —	\$ 2,249
Retentions on supplier contracts	15,251	—	—	—	1,013	—	16,264
Accrued employee compensation	66,279	18,371	—	—	5,226	(2,727)	87,149
Current liabilities	90,042	341	—	—	(3,859)	—	86,524
Property and equipment, goodwill and intangible assets related to business combinations	(108,397)	(38,744)	—	—	12,737	(7,500)	(141,904)
Right-of-use assets	(35,568)	(9,806)	—	—	(1,220)	1,246	(45,348)
Capital investments accounted for by the equity method	(203,341)	—	—	—	672	—	(202,669)
Other non-current financial assets	2,457	—	(1,937)	—	(971)	31	(420)
Provisions	(58,681)	1,235	—	—	47,981	(760)	(10,225)
Deferred revenues	26,355	(1,451)	—	—	385	(434)	24,855
Lease liabilities	57,826	10,787	—	—	656	(1,397)	67,872
Pension plans and other post- employment benefits	6,362	—	(31,301)	—	(1,767)	130	(26,576)
Share-based payments	5,570	—	—	1,810	1,137	—	8,517
Research and development expenses	53,681	10,692	—	—	(4,902)	3,058	62,529
Other	(41,804)	(2,409)	(166)	—	(6,506)	(394)	(51,279)
Unused tax losses	918,740	1,008	—	—	(266,672)	(6,587)	646,489
Deferred income tax asset, net	\$ 797,364	\$ (9,976)	\$ (33,404)	\$ 1,810	\$ (216,433)	\$ (15,334)	\$ 524,027

Presented on the statement of financial position as follows:

Deferred income tax asset	\$ 1,185,346	\$ 906,144
Deferred income tax liability	\$ 387,982	\$ 382,117

27. INCOME TAXES (CONTINUED)

Deferred income tax asset (liability) for the comparative period of 2024 can be summarized as follows:

	JANUARY 1 2024	Recognized on business combinations	Recognized in other comprehensive income	Recognized in equity	Recognized in net income	Exchange differences and other charges	DECEMBER 31 2024
Contract assets	\$ 8,139	\$ —	\$ —	\$ —	\$ (5,598)	\$ 51	\$ 2,592
Retentions on supplier contracts	15,871	—	—	—	(620)	—	15,251
Accrued employee compensation	43,038	—	—	—	20,407	2,834	66,279
Current liabilities	99,583	—	—	—	(9,526)	(15)	90,042
Property and equipment, goodwill and intangible assets related to business combinations	(77,361)	—	—	—	(27,284)	(3,752)	(108,397)
Right-of-use assets	(25,319)	—	—	—	(8,960)	(1,289)	(35,568)
Capital investments accounted for by the equity method	(201,634)	—	—	—	(1,707)	—	(203,341)
Other non-current financial assets	11,405	—	7	—	(8,882)	(73)	2,457
Provisions	(74,694)	—	—	—	19,209	(3,196)	(58,681)
Deferred revenues	4,669	19,908	—	—	1,315	463	26,355
Lease liabilities	51,037	—	—	—	5,346	1,443	57,826
Pension plans and other post- employment benefits	3,957	—	3,998	—	(1,823)	230	6,362
Share-based payments	607	—	—	3,633	1,330	—	5,570
Research and development expenses	3,823	—	—	—	45,764	4,094	53,681
Other	(39,126)	—	5,582	—	(9,391)	1,131	(41,804)
Unused tax losses	842,856	—	—	—	66,338	9,546	918,740
Deferred income tax asset, net	\$ 666,851	\$ 19,908	\$ 9,587	\$ 3,633	\$ 85,918	\$ 11,467	\$ 797,364

Presented on the statement of financial position as follows:

Deferred income tax asset	\$ 997,678	\$ 1,185,346
Deferred income tax liability	\$ 330,827	\$ 387,982

As at December 31, 2025, the Company had \$3,213.9 million (2024: \$4,283.4 million) of non-capital tax loss carryforwards, of which \$2,405.5 million will expire in varying amounts from 2026 to 2046 (2024: \$3,449.2 million expiring from 2025 to 2045). As at December 31, 2025, a deferred income tax asset of \$646.5 million (2024: \$918.7 million) has been recognized on \$2,761.7 million (2024: \$3,707.2 million) of these losses. The deferred income tax assets are recognized only to the extent that it is probable that taxable income will be available against which the unused tax losses can be utilized. As at December 31, 2025, the Company had \$163.7 million of unrecognized non-capital tax loss carryforwards that will expire in varying amounts from 2026 to 2046 (2024: \$276.6 million expiring in varying amounts from 2025 to 2045).

As at December 31, 2025, the Company had \$310.0 million (2024: \$517.5 million) of capital tax loss carryforwards on which no deferred income tax asset has been recognized, of which \$163.4 million will expire from 2027 to 2028 (2024: \$172.2 million expiring from 2027 to 2028), while the remaining capital tax loss carryforwards have no expiry date.

As at December 31, 2025, a deferred income tax liability has not been recognized on taxable temporary differences of \$748.2 million (2024: \$604.7 million) associated with investments in subsidiaries, associates and interests in joint arrangements, as the Company controls the timing of the reversal and it is probable that the temporary differences will not reverse in the foreseeable future.

27. INCOME TAXES (CONTINUED)

B) INCOME TAXES

The relationship between expected income taxes based on the Canadian effective tax rate of AtkinsRéalis at 26.4% (2024: 26.4%) and reported income taxes in net income can be reconciled as follows:

YEARS ENDED DECEMBER 31	2025		2024	
	AMOUNT	%	AMOUNT	%
Earnings before income taxes	\$ 3,039,289		\$ 364,977	
Canadian tax rate for AtkinsRéalis		26.4		26.4
Expected income taxes	802,372		96,354	
Increase (decrease) resulting from:				
Effect of differences of foreign tax rates compared to Canadian rates	(7,022)	(0.2)	(23,695)	(6.5)
Global Minimum Tax (Pillar Two)	(57)	—	16,607	4.6
Net income and losses not affected by tax	18,834	0.6	5,654	1.5
Effect of benefit from the recognition of a previously unrecognized deferred income tax asset	(16,222)	(0.5)	(2,532)	(0.7)
Non-taxable portion of gain on disposal of 6.76% interest in Highway 407 ETR	(346,022)	(11.4)	—	—
Effect of reversal of a previous write-down of deferred income tax asset	(30,220)	(1.0)	—	—
Effect of write-down of previously recognized deferred income tax asset (liability)	962	—	3,022	0.8
Non-taxable income from certain Capital investments accounted for by the equity method	(7,208)	(0.2)	(20,032)	(5.5)
Other permanent differences for tax purposes	22,241	0.7	10,689	2.9
Other	(41,566)	(1.4)	(7,795)	(2.1)
Income tax expense at effective income tax rate	\$ 396,092	13.0	\$ 78,272	21.4

AtkinsRéalis' income taxes were comprised of the following:

YEARS ENDED DECEMBER 31	2025		2024	
Current income taxes	\$	179,659	\$	164,190
Deferred income taxes		216,433		(85,918)
Income tax expense	\$	396,092	\$	78,272

C) GLOBAL MINIMUM TAX (PILLAR TWO)

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") released a draft legislative framework, followed by detailed guidance issued in March 2022, to assist in the implementation by participating jurisdictions of a reform to the international tax system resulting in multinational enterprises with annual consolidated revenues exceeding a certain threshold being subject to a minimum 15% effective tax rate collected via a "top-up tax" (the "Global Minimum Tax"). Once changes to the tax laws in any jurisdiction in which AtkinsRéalis operates are enacted and in effect, AtkinsRéalis might be subject to a top-up tax, collected in such jurisdiction(s). The Company is closely monitoring the progress of the legislative process in each jurisdiction in which it operates.

The Company derives most of its consolidated revenues from the following three jurisdictions: the United Kingdom, Canada and the United States. The progress of legislative process in each of these jurisdictions is as follows: (i) in July 2023 and June 2024, the United Kingdom and Canada, respectively, enacted new legislation to implement the Global Minimum Tax effective for the years beginning January 1, 2024 and thereafter; and (ii) regarding the United States, effective January 5, 2026, the OECD implemented a "Side-by-Side" Package, which effectively exempts U.S.-parented multinational enterprises from key provisions of the Global Minimum Tax; however, the Company's operations in this jurisdiction are in the scope of these rules for entities located in the United States, which are held directly or indirectly by the Company's holding entities in the United Kingdom and Canada.

The Company is also subject to the top-up tax for the years beginning January 1, 2024 and thereafter in countries where the statutory tax rate is below 15%. For the year ended December 31, 2025, the current income tax recovery related to Pillar Two income taxes amounted to \$0.1 million (2024: current income tax expense of \$16.6 million) and is in connection with the Company's operations in the jurisdictions where the statutory tax rate is below 15% (most notably, Guernsey in 2024).

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.

28. FINANCIAL INSTRUMENTS

A) CLASSIFICATION AND FAIR VALUE OF FINANCIAL INSTRUMENTS

The following tables present the carrying value of AtkinsRéalis' financial assets as at December 31, 2025 and 2024 by category and classification, with the corresponding fair value, when available.

AT DECEMBER 31		2025				
		CARRYING VALUE OF FINANCIAL ASSETS BY CATEGORY				
	FVTPL ⁽¹⁾	FVTOCI ⁽²⁾	AMORTIZED COST	DERIVATIVES USED FOR HEDGES	TOTAL	FAIR VALUE
Cash and cash equivalents	\$ 1,156,538	\$ —	\$ —	\$ —	\$ 1,156,538	\$ 1,156,538
Restricted cash	2,666	—	—	—	2,666	2,666
Trade receivables ⁽³⁾	—	—	1,656,711	—	1,656,711	1,656,711
Other current financial assets	44,966	—	271,775	39,894	356,635	346,912
Non-current portion of receivables under service concession arrangements ⁽⁴⁾	—	—	141,240	—	141,240	110,771
Other non-current financial assets ⁽⁴⁾	22,783	5,044	60,133	17,649	105,609	107,376
Total	\$ 1,226,953	\$ 5,044	\$ 2,129,859	\$ 57,543	\$ 3,419,399	

AT DECEMBER 31		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	\$ 666,603	\$ —	\$ —	\$ —	\$ 666,603	\$ 666,603
Restricted cash	4,135	—	—	—	4,135	4,135
Trade receivables ⁽³⁾	—	—	1,478,085	—	1,478,085	1,478,085
Other current financial assets	8,275	—	275,939	48,601	332,815	330,036
Non-current portion of receivables under service concession arrangements ⁽⁴⁾	—	—	284,917	—	284,917	250,057
Other non-current financial assets ⁽⁴⁾	—	8,092	33,421	19,783	61,296	63,106
Total	\$ 679,013	\$ 8,092	\$ 2,072,362	\$ 68,384	\$ 2,827,851	

(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.

28. FINANCIAL INSTRUMENTS (CONTINUED)

The following tables present the carrying value of AtkinsRéalis' financial liabilities as at December 31, 2025 and 2024 by category and classification, with the corresponding fair value, when available.

AT DECEMBER 31	2025				
	CARRYING VALUE OF FINANCIAL LIABILITIES BY CATEGORY				
	DERIVATIVES USED FOR HEDGES	FVTPL ⁽¹⁾	AMORTIZED COST	TOTAL	FAIR VALUE
Trade payables and accrued liabilities ⁽²⁾	\$ —	\$ —	\$ 2,321,499	\$ 2,321,499	\$ 2,321,499
Other current financial liabilities ⁽²⁾	4,057	32,568	194,914	231,539	231,539
Provisions ⁽²⁾	—	—	18,937	18,937	18,937
Lease liabilities	—	—	499,928	499,928	N/A ⁽³⁾
Short-term debt and long-term debt ⁽⁴⁾	—	—	808,150	808,150	829,740
Other non-current financial liabilities ⁽⁵⁾	3,575	—	3,661	7,236	7,236
Total	\$ 7,632	\$ 32,568	\$ 3,847,089	\$ 3,887,289	

AT DECEMBER 31	2024					
	CARRYING VALUE OF FINANCIAL LIABILITIES BY CATEGORY					
	DERIVATIVES USED FOR HEDGES		FVTPL ⁽¹⁾	AMORTIZED COST	TOTAL	FAIR VALUE
Trade payables and accrued liabilities ⁽²⁾	\$	—	\$	—	\$ 2,163,510	\$ 2,163,510
Other current financial liabilities ⁽²⁾		20,812		—	230,299	251,111
Provisions ⁽²⁾		—		—	24,557	24,557
Lease liabilities		—		—	489,000	489,000
Short-term debt and long-term debt ⁽⁴⁾		—		—	1,711,372	1,711,372
Other non-current financial liabilities ⁽⁵⁾		1,740		17,553	3,316	22,609
Total	\$	22,552	\$	17,553	\$ 4,622,054	\$ 4,662,159

(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.

(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.

(5) For most of the other non-current financial liabilities other than at fair value, the Company uses the present value technique to determine the fair value.

FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

The methodology used to measure the Company's financial instruments accounted for at fair value is determined based on the following hierarchy:

LEVEL	BASIS FOR DETERMINATION OF FAIR VALUE	FINANCIAL INSTRUMENTS
Level 1	Quoted prices in active markets for identical assets or liabilities	Money market funds and equity investments at FVTPL (2024: none)
Level 2	Inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability	Cash and cash equivalents (excluding cash equivalents invested in money market funds), restricted cash, derivatives, life insurance policies measured at FVTPL and equity investments at FVTOCI
Level 3	Inputs for the asset or liability that are not based on observable market data	Contingent consideration payable to seller related to Linxon acquisition and non-controlling interest call options related to David Evans acquisition (2024: contingent consideration receivable from the acquirer of the 10.01% interest in Highway 407 ETR and contingent consideration payable to seller related to Linxon acquisition)

28. FINANCIAL INSTRUMENTS (CONTINUED)

ASSETS AND LIABILITIES NOT MEASURED AT FAIR VALUE AND FOR WHICH THE FAIR VALUE IS DISCLOSED

The methodology used to determine the fair value of the following Company's assets and liabilities not measured at fair value is based on the following hierarchy:

LEVEL	BASIS FOR DETERMINATION OF FAIR VALUE	ASSETS AND LIABILITIES
Level 1	Quoted prices in active markets for identical assets or liabilities	None
Level 2	Inputs other than quoted prices included in Level 1 that are directly or indirectly observable for the asset or liability	Trade receivables, receivables under service concession arrangements, trade payables and accrued liabilities, short-term debt and long-term debt, as well as the following assets and liabilities not measured at fair value: other current financial assets, other non-current financial assets, other current financial liabilities, provisions and other non-current financial liabilities
Level 3	Inputs for the asset or liability that are not based on observable market data	None

For the years ended December 31, 2025 and 2024, there were no changes in either the valuation techniques nor in the inputs used in the fair value measurements and there were no transfers between the levels of the fair value hierarchy.

LEVEL 3 FINANCIAL INSTRUMENT

The following table presents changes in fair value of the Level 3 financial instrument associated with the contingent consideration payable to the seller related to the Linxon acquisition for the years ended December 31, 2025 and 2024:

YEARS ENDED DECEMBER 31	2025	2024
Balance at January 1	\$ 17,553	\$ 14,326
Unrealized net loss ⁽¹⁾	15,916	1,621
Effect of foreign currency exchange differences	(901)	1,606
Balance at December 31	\$ 32,568	\$ 17,553

⁽¹⁾ Of which an amount of \$0.1 million (2024: \$1.6 million) was included in "Corporate selling, general and administrative expenses" and an amount of \$15.8 million (2024: nil) was included in "Acquisition-related costs and integration costs" (see Note 6C) in the consolidated income statement

B) NATURE AND EXTENT OF RISKS ARISING FROM FINANCIAL INSTRUMENTS AND RELATED RISK MANAGEMENT

NATURE OF RISK	DESCRIPTION
Credit risk	Risk that AtkinsRéalis will incur a financial loss if the other party to a financial instrument fails to discharge an obligation. The maximum exposure to credit risk for AtkinsRéalis at the end of a given period usually corresponds to the carrying amount of its financial assets exposed to such risk, as presented in Note 28A.
Liquidity risk	Possibility that AtkinsRéalis will encounter difficulties in meeting the obligations associated with its financial liabilities.
Market risk	Variability in the fair value or future cash flows of a financial instrument caused by a change in market prices in items such as currency rates, interest rates and equity prices.

CREDIT RISK

For AtkinsRéalis, credit risk arises from:

- Cash and cash equivalents, and restricted cash, which are invested in liquid and high-grade financial instruments, based on AtkinsRéalis' investment policy.
- Derivative financial instruments with a favourable fair value, which contain an inherent credit risk relating to default on obligations by the counterparty. This credit risk is reduced by entering into such contracts with high-grade financial institutions, which are expected to satisfy their obligations under the contracts.
- Trade receivables, as detailed in Note 8, and contract assets. A given client may represent a material portion of AtkinsRéalis' consolidated revenues in any given year due to the size of a particular project and the progress accomplished on such project.

The Company's objective is to reduce its exposure to credit risk by converting its contract assets into trade receivables on a timely basis and then ensuring collection of its trade receivables within satisfactory payment terms. The amounts of trade receivables and contract assets presented in the consolidated statements of financial position are net of an allowance for expected credit losses, estimated by the Company and based, in part, on the age of individual and aggregated receivable balances, on the financial situation of specific customers and the current and expected collection trends, based on the Company's past experience, adjusted as needed to better reflect anticipated conditions.

28. FINANCIAL INSTRUMENTS (CONTINUED)

Generally, trade receivables and contract assets are written off if they are no longer subject to enforcement activity. As such, the amount of trade receivables and contract assets that have been written off but are still being pursued is minimal.

The Company does not generally hold collateral as security.

- iv) Other current financial assets, as detailed in Note 10, and other non-current financial assets, as detailed in Note 15. The current portion of receivables under service concession arrangements is within normal terms of payment and there were no significant amounts that were past due as at December 31, 2025 and 2024.

LIQUIDITY RISK

AtkinsRéalis monitors its liquidity risk arising from financial instruments on an ongoing basis by ensuring that it has access to sufficient resources to meet its obligations.

The Company's liquidity is generally provided by available cash and cash equivalents, cash generated from operations, credit facilities and access to capital markets, as needed. Due to the nature of the Company's activities, the fact that its operations are conducted through multiple entities and joint operations and that it operates in many countries, the Company's cash and cash equivalents are distributed across numerous locations. In order to manage its cash needs and reserves, the Company is part of various cash pooling agreements with financial institutions, may transfer cash balances between subsidiaries and joint arrangements and use credit facilities to meet the capital requirements of certain projects or other cash disbursements.

AtkinsRéalis' consolidated statement of financial position as at December 31, 2025 included \$100.7 million (2024: \$121.3 million) of liabilities from Capital investments that are accounted for by the consolidation method. These liabilities, which are non-recourse to the Company, are to be repaid by the Capital investments and are secured by the respective concession's assets, including \$207.1 million of financial assets as at December 31, 2025 (2024: \$334.5 million), and by AtkinsRéalis' shares or units in such concession investments. As such, the actual book value at risk for AtkinsRéalis, assuming its Capital investments accounted for by the consolidation method were to be unable to meet their obligations, corresponds to the carrying amount invested in these entities.

AtkinsRéalis' future principal payments on its short-term debt and long-term debt are presented in Note 19.

I) MATURITY ANALYSIS OF FINANCIAL LETTERS OF CREDIT

A draw on letters of credit or bank guarantees (Note 28C) by one or more third parties could, among other things, significantly reduce the Company's cash position and have a material adverse effect on its business and results of operations. The following table presents a maturity analysis for the financial letters of credit outstanding as at December 31, 2025 and 2024:

MATURITY	DECEMBER 31 2025	DECEMBER 31 2024
Not later than 1 year	\$ 80,856	\$ 75,086
Later than 1 year and not later than 5 years	2,982	1,082
Later than 5 years	931	586
	\$ 84,769	\$ 76,754

II) MATURITY ANALYSIS OF TRADE PAYABLES AND ACCRUED LIABILITIES

As at December 31, 2025, 99% (2024: 98%) of the outstanding balance of "Trade payables and accrued liabilities" of \$2,321.5 million (2024: \$2,163.5 million) had a maturity of not later than 1 year.

MARKET RISK

I) CURRENCY RISK

AtkinsRéalis' foreign currency risk arises from arrangements in currencies other than its reporting currency and from the net assets (liabilities) of its foreign operations.

The Company manages foreign currency risk by matching, when possible, the cash receipts in a foreign currency and the cash disbursements in the same foreign currency, for revenue-generating projects in which foreign currencies are involved. Derivative financial instruments with financial institutions, usually forward foreign exchange contracts, are also used to hedge the cash flows in foreign currencies.

28. FINANCIAL INSTRUMENTS (CONTINUED)

The following table summarizes the major forward foreign exchange contracts that were outstanding for which AtkinsRéalis has committed to buy or sell foreign currencies:

AT DECEMBER 31, 2025					AT DECEMBER 31, 2024				
BUY		SELL		MATURITY	BUY		SELL		MATURITY
CA\$	456,016	US\$	333,004	2026-2028	CA\$	273,951	US\$	199,024	2025-2027
US\$	266,825	CA\$	366,124	2026	US\$	301,541	CA\$	431,654	2025
CA\$	212,401	£	115,100	2026	CA\$	163,173	£	92,300	2025
£	198,257	CA\$	364,972	2026	£	167,678	CA\$	304,023	2025
£	42,404	US\$	56,871	2026	£	45,182	US\$	56,832	2025
US\$	87,846	£	65,234	2026	US\$	226,389	£	179,508	2025
€	36,063	£	31,760	2026	CHF	30,462	US\$	34,341	2025
€	32,447	CA\$	50,886	2026-2027	US\$	25,140	CHF	22,166	2025
SEK	278,109	US\$	29,849	2026	€	32,959	CA\$	49,316	2025

As at December 31, 2025, the forward foreign exchange contracts used for hedging purposes by the Company had a net favourable fair value of \$1.4 million (2024: net unfavourable fair value of \$13.2 million). The majority of the forward foreign exchange contracts that were outstanding at that date were to either buy or sell foreign currencies against the Canadian dollar.

CURRENCY SENSITIVITY ANALYSIS

The following impact on equity for the year ended December 31, 2025 has been calculated from the Company's net financial assets (liabilities) denominated in US dollars and British pounds.

		IMPACT ON EQUITY	
		CA\$/US\$(2)(3)	CA\$/£(2)(4)
Increase (decrease)	10% appreciation in the Canadian dollar ⁽¹⁾	\$ (161,574)	\$ (245,593)
Increase (decrease)	10% depreciation in the Canadian dollar ⁽¹⁾	\$ 161,574	\$ 245,593

⁽¹⁾ Assuming all other variables remain the same

⁽²⁾ The Company's exposure to other currencies is not significant.

⁽³⁾ Includes mainly \$173.1 million of change in exchange differences on translating foreign operations

⁽⁴⁾ Includes mainly \$244.5 million of change in exchange differences on translating foreign operations

As at December 31, 2025, a 10% appreciation in the Canadian dollar relative to: i) the US dollar would increase the Company's net income by \$4.3 million (10% depreciation in the Canadian dollar relative to the US dollar would decrease the Company's net income by \$4.3 million); and ii) the British pound would decrease the Company's net income by \$1.1 million (10% depreciation in the Canadian dollar relative to the British pound would increase the Company's net income by \$1.1 million).

II) INTEREST RATE RISK

Cash and cash equivalents, and restricted cash, usually involve limited interest rate risk due to their short-term nature.

NON-RECOURSE DEBT

The credit facility of TransitNEXT General Partnership bore interest at a variable rate, which exposed the Company to interest rate risk until the repayment in full of this credit facility in 2024.

LIMITED RECOURSE DEBT

AtkinsRéalis' limited recourse debt, being the La Caisse Loan, bore interest at a variable rate, which exposed the Company to interest rate risk until the repayment in full of this loan in 2025.

RECOURSE DEBT

AtkinsRéalis' Revolving Facility bears interest at a variable rate, which exposes the Company to interest rate risk.

AtkinsRéalis' Term Loan bore interest at a variable rate, which exposed the Company to interest rate risk until the repayment in full of this loan in 2025. Such exposure to interest rate risk was reduced in 2025 and 2024 due to the hedging by the Company of a portion of its Term Loan (see below).

28. FINANCIAL INSTRUMENTS (CONTINUED)

INTEREST RATE SWAPS

The Company entered into interest rate swap agreements with financial institutions related to its variable interest bearing Term Loan in the aggregate principal amount of \$500 million. Under the interest rate swap agreements, the Company paid interest at a fixed rate and received interest at a variable rate on a total nominal amount of \$375 million. The interest rate swap agreements expired in April 2025. This hedge was classified as a cash flow hedge.

INTEREST RATE SENSITIVITY ANALYSIS

For floating rate debt, interest rate swaps and cash held at variable rates, the analysis is prepared assuming the amount of the instrument outstanding at the end of the reporting period was outstanding for the whole year. A 1% (100 basis points) increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If, as at December 31, 2025, interest rates had been 100 basis points higher/lower than the base rate and all other variables were held constant, the Company's net income would increase/decrease by \$3.4 million and the Company's other components of equity would increase/decrease by \$0.2 million for the year ended December 31, 2025. This is attributable to the Company's exposure to interest rates on its variable rate borrowings and its interest rate swaps.

III) EQUITY PRICE RISK

The Company limits its exposure arising from its share unit plans caused by fluctuations in its share price, through financial arrangements with high investment grade financial institutions described in Note 21C.

C) LETTERS OF CREDIT

Under certain circumstances, AtkinsRéalis provides bank letters of credit as collateral for the fulfillment of contractual obligations, including guarantees for performance, advance payments, contractual retentions and bid bonds. The amount outstanding under certain letters of credit decreases in relation to the percentage of completion of projects. As at December 31, 2025, AtkinsRéalis had outstanding letters of credit of \$1,838.5 million (2024: \$1,898.5 million).

29. CAPITAL MANAGEMENT

AtkinsRéalis' main objective when managing its capital is to maintain an adequate balance between: i) having sufficient capital for financing net asset positions, maintaining satisfactory bank lines of credit and capacity to absorb project net retained risks, while at the same time, ii) maximizing return on equity.

The Company defines its capital as its equity attributable to AtkinsRéalis shareholders excluding other components of equity plus its recourse debt. The Company excludes other components of equity from its definition of capital because this element of equity results in part from the translation into Canadian dollars of its foreign operations having a different functional currency, and from the accounting treatment of cash flow hedges, including its accumulated share of other comprehensive income of investments accounted for by the equity method, if any. These amounts are not representative of the way the Company evaluates the management of its foreign currency risk and interest rate risk. Accordingly, the other components of equity are not representative of the Company's financial position.

The Company does not consider non-recourse and limited recourse debt when monitoring its capital because such debt results from the consolidation of certain PS&PM investments and Capital investments or holding entities held by the Company. As such, the lenders of such debt do not have recourse to the general credit of the Company, but rather to the specific assets of the PS&PM investments and Capital investments, or investment in Capital investments they finance. The Company's investments and underlying assets in its PS&PM investments and Capital investments accounted for by the consolidation or equity methods may be at risk, if such investments or holding entities were to be unable to repay their long-term debt.

The Company's capital for the years ended December 31, 2025 and 2024 was as follows:

	DECEMBER 31 2025	DECEMBER 31 2024
Equity attributable to AtkinsRéalis shareholders	\$ 5,496,671	\$ 3,773,050
Less: Other components of equity	(46,601)	(12,189)
Plus: Recourse debt	696,269	1,193,411
Total amount of capital	\$ 6,239,541	\$ 4,978,650

The Company has paid quarterly dividends for 36 consecutive years. Dividend policy is determined by the Board of Directors of the Company.

29. CAPITAL MANAGEMENT (CONTINUED)

COVENANTS ON RECOURSE AND LIMITED RECOURSE DEBT

The Company's unsecured recourse debentures are subject to affirmative and negative covenants, as defined in the underlying indentures related thereto.

The Company's Revolving Facility is committed and subject to various covenants, including financial covenants, which comprise a requirement to maintain at all times, on a rolling 12-month basis, a net recourse debt to earnings before interest, taxes, depreciation and amortization ("EBITDA") ratio, as defined in the applicable Credit Agreement, not exceeding a certain limit.

Until their repayment in full in 2025, the Company's La Caisse Loan and Term Loan were subject to various covenants, as well as financial covenants, notably not to exceed, on a rolling 12-month and consolidated basis, a maximum net recourse debt to EBITDA ratio, as defined under the La Caisse Loan Agreement and under the applicable Credit Agreement.

The terms "net recourse debt" and "EBITDA" are defined in each of the applicable Credit Agreement and were defined in the La Caisse Loan Agreement.

In case of an event of default, the debentures and the Revolving Facility are subject to customary accelerated repayment terms.

In 2025, the Company complied with all of the covenants, as amended from time to time, related to its debentures and the Revolving Facility. In addition, until their repayment in full in 2025, the Company complied with all of the covenants, as amended from time to time, related to its La Caisse Loan and Term Loan.

30. PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS

A) PENSION PLANS

AtkinsRéalis has defined contribution and defined benefit pension plans. The total cash amount paid by AtkinsRéalis for its pension plans, consisting of contributions to its defined contribution and defined benefit pension plans, was \$237.3 million in 2025 (2024: \$214.7 million).

DEFINED CONTRIBUTION PENSION PLANS

AtkinsRéalis' contributions to its defined contribution plans are recorded as expenses in the year in which they are incurred and totaled \$223.1 million in 2025 (2024: \$196.9 million).

DEFINED BENEFIT PENSION PLANS

AtkinsRéalis has a number of defined benefit pension plans, which are mostly closed to new entrants, and that provide pension benefits based on length of service and final pensionable earnings. An individual actuarial valuation is performed at least every three years for all the plans. The measurement date used for the benefit obligation and plan assets is December 31 of each year. All of AtkinsRéalis' defined benefit pension plans are partly funded, except for two plans, of which one plan is unfunded and one plan is secured by a letter of credit.

The defined benefit plans are administered by committees composed of a number of representatives from employer's representatives, active employees, inactive employees and independent members. Members of the committees are required by law and by their articles of association to act in the best interest of the pension plans and all their relevant stakeholders, i.e. active employees, inactive employees, retirees and employers. The pension plan committees are responsible for the investment policy with regard to the assets of the pension plans, which are held by a trustee legally separated from AtkinsRéalis.

AtkinsRéalis' defined benefit pension plans typically expose the Company to actuarial risks such as: investment risk, interest rate risk, compensation risk and longevity risk.

NATURE OF RISK	DESCRIPTION
Investment risk	The present value of the defined benefit pension plan obligation is calculated using a discount rate determined by reference to high quality corporate bond yields; if the return on the plans' assets is below this rate, it will create an actuarial loss.
Interest rate risk	A decrease in the bond interest rate will increase the plans' liabilities and the return on the plans' debt securities.
Compensation risk	The present value of the defined benefit pension plan obligation is calculated by reference to the final pensionable earnings of the plans' participants.
Longevity risk	The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of the plans' participants both during and after their employment. An increase in the life expectancy of the plans' participants will increase the plans' liability.

30. PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The two main defined benefit pension plans of the Company are the Atkins Pension Plan and the U.K. Railways Pension Scheme (the “Railways Pension Scheme”), both of which are funded final salary schemes in the United Kingdom.

The following tables set forth the change in pension benefit obligation and pension plan assets, as well as the funded status of AtkinsRéalisis’ defined benefit pension plans:

YEAR ENDED DECEMBER 31, 2025	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Change in pension benefit obligation:				
Pension benefit obligation at beginning of year	\$ 1,968,043	\$ 512,166	\$ 156,654	\$ 2,636,863
Current service cost	—	1,759	1,260	3,019
Interest cost	108,868	28,750	6,277	143,895
Benefits paid	(106,289)	(30,376)	(8,674)	(145,339)
Contributions by plan participants	—	250	678	928
Remeasurement:				
Actuarial losses (gains) arising from changes in demographic assumptions	(31,132)	3,412	(52)	(27,772)
Actuarial gains arising from changes in financial assumptions	(36,105)	(17,876)	(8,901)	(62,882)
Actuarial losses (gains) arising from experience adjustments	(61,710)	87	5,356	(56,267)
Effect of foreign currency exchange differences	53,243	13,924	8,576	75,743
Pension benefit obligation at end of year	\$ 1,894,918	\$ 512,096	\$ 161,174	\$ 2,568,188
Change in pension plan assets:				
Fair value of pension plan assets at beginning of year	\$ 1,965,883	\$ 515,405	\$ 167,080	\$ 2,648,368
Interest income	109,605	28,954	6,981	145,540
Remeasurement:				
Return on plan assets (excluding interest income)	(5,342)	(3,091)	(6,215)	(14,648)
Administration costs	(2,947)	(882)	(83)	(3,912)
Benefits paid	(106,289)	(30,376)	(8,674)	(145,339)
Contributions by the employer	9,211	1,575	3,377	14,163
Contributions by plan participants	—	250	678	928
Effect of foreign currency exchange differences	53,651	14,050	9,595	77,296
Fair value of pension plan assets at end of year	\$ 2,023,772	\$ 525,885	\$ 172,739	\$ 2,722,396
Funded status reflected in the statement of financial position:				
Present value of pension benefit obligation	\$ 1,894,918	\$ 512,096	\$ 161,174	\$ 2,568,188
Fair value of pension plan assets	2,023,772	525,885	172,739	2,722,396
Net pension benefit asset	\$ (128,854)	\$ (13,789)	\$ (11,565)	\$ (154,208)
Presented on the statement of financial position as follows:				
Other non-current non-financial assets (Note 16)				\$ 169,321
Non-current portion of provisions				\$ 15,113

30. PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following tables set forth the change in pension benefit obligation and pension plan assets, as well as the funded status of AtkinsRéalis' defined benefit pension plans:

YEAR ENDED DECEMBER 31, 2024	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Change in pension benefit obligation:				
Pension benefit obligation at beginning of year	\$ 2,050,164	\$ 528,569	\$ 162,313	\$ 2,741,046
Current service cost	—	1,401	949	2,350
Interest cost	95,774	25,038	6,132	126,944
Benefits paid	(109,431)	(30,466)	(10,396)	(150,293)
Contributions by plan participants	—	525	534	1,059
Remeasurement:				
Actuarial gains arising from changes in demographic assumptions	(3,327)	(700)	(5)	(4,032)
Actuarial gains arising from changes in financial assumptions	(219,388)	(44,298)	(7,910)	(271,596)
Actuarial losses (gains) arising from experience adjustments	23,462	(1,751)	(469)	21,242
Effect of foreign currency exchange differences	130,789	33,848	5,506	170,143
Pension benefit obligation at end of year	\$ 1,968,043	\$ 512,166	\$ 156,654	\$ 2,636,863
Change in pension plan assets:				
Fair value of pension plan assets at beginning of year	\$ 2,062,649	\$ 530,087	\$ 171,240	\$ 2,763,976
Interest income	97,875	25,213	6,683	129,771
Remeasurement:				
Return on plan assets (excluding interest income)	(225,341)	(48,675)	(10,387)	(284,403)
Administration costs	—	(1,051)	(34)	(1,085)
Benefits paid	(109,431)	(30,466)	(10,396)	(150,293)
Contributions by the employer	8,930	5,778	3,136	17,844
Contributions by plan participants	—	525	534	1,059
Effect of foreign currency exchange differences	131,201	33,994	6,304	171,499
Fair value of pension plan assets at end of year	\$ 1,965,883	\$ 515,405	\$ 167,080	\$ 2,648,368
Funded status reflected in the statement of financial position:				
Present value of pension benefit obligation	\$ 1,968,043	\$ 512,166	\$ 156,654	\$ 2,636,863
Fair value of pension plan assets	1,965,883	515,405	167,080	2,648,368
Net pension benefit liability (asset)	\$ 2,160	\$ (3,239)	\$ (10,426)	\$ (11,505)
Presented on the statement of financial position as follows:				
Other non-current non-financial assets (Note 16)				\$ 29,112
Non-current portion of provisions				\$ 17,607

30. PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

AtkinsRéalis' net defined benefit pension costs recognized in net income were comprised of:

YEAR ENDED DECEMBER 31, 2025	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Current service cost	\$ —	\$ 1,759	\$ 1,260	\$ 3,019
Net interest income	(737)	(204)	(704)	(1,645)
Administration costs	2,947	882	83	3,912
Components of benefit pension costs recognized in net income	\$ 2,210	\$ 2,437	\$ 639	\$ 5,286

YEAR ENDED DECEMBER 31, 2024	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Current service cost	\$ —	\$ 1,401	\$ 949	\$ 2,350
Net interest income	(2,101)	(175)	(551)	(2,827)
Administration costs	—	1,051	34	1,085
Components of (reversal of) benefit pension costs recognized in net income	\$ (2,101)	\$ 2,277	\$ 432	\$ 608

AtkinsRéalis' net defined benefit pension costs recognized in other comprehensive income was comprised of:

YEAR ENDED DECEMBER 31, 2025	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Remeasurement on the net defined benefit liability (asset):				
Return on plan assets (excluding interest income)	\$ 5,342	\$ 3,091	\$ 6,215	\$ 14,648
Actuarial losses (gains) arising from changes in demographic assumptions	(31,132)	3,412	(52)	(27,772)
Actuarial gains arising from changes in financial assumptions	(36,105)	(17,876)	(8,901)	(62,882)
Actuarial losses (gains) arising from experience adjustments	(61,710)	87	5,356	(56,267)
Components of (reversal of) benefit pension costs recognized in other comprehensive income	\$ (123,605)	\$ (11,286)	\$ 2,618	\$ (132,273)

YEAR ENDED DECEMBER 31, 2024	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Remeasurement on the net defined benefit liability (asset):				
Return on plan assets (excluding interest income)	\$ 225,341	\$ 48,675	\$ 10,387	\$ 284,403
Actuarial gains arising from changes in demographic assumptions	(3,327)	(700)	(5)	(4,032)
Actuarial gains arising from changes in financial assumptions	(219,388)	(44,298)	(7,910)	(271,596)
Actuarial losses (gains) arising from experience adjustments	23,462	(1,751)	(469)	21,242
Components of benefit pension costs recognized in other comprehensive income	\$ 26,088	\$ 1,926	\$ 2,003	\$ 30,017

AtkinsRéalis expects to make contributions of \$9.9 million in 2026 to its defined benefit pension plans.

30. PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following tables present the fair value of the major categories of assets of AtkinsRéalis' defined benefit pension plans:

AT DECEMBER 31, 2025	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Asset category				
Equity securities	\$ 390,520	\$ 293,134	\$ 11,724	\$ 695,378
Debt securities	1,411,961	84,634	83,348	1,579,943
Other ⁽¹⁾	221,291	148,117	77,667	447,075
Total	\$ 2,023,772	\$ 525,885	\$ 172,739	\$ 2,722,396

AT DECEMBER 31, 2024	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS	TOTAL
Asset category				
Equity securities	\$ 319,789	\$ 287,036	\$ 23,122	\$ 629,947
Debt securities	1,285,454	80,262	67,523	1,433,239
Other ⁽¹⁾	360,640	148,107	76,435	585,182
Total	\$ 1,965,883	\$ 515,405	\$ 167,080	\$ 2,648,368

⁽¹⁾ As at December 31, 2025 and 2024, the asset category "Other" includes mainly property and cash.

The fair values of the above equity and debt instruments are mainly determined based on quoted prices in active markets.

The following is a summary of significant weighted average assumptions used in measuring AtkinsRéalis' pension benefit obligation as at December 31, 2025:

AT DECEMBER 31, 2025	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS
Accrued pension benefit obligation			
Discount rate	5.61%	5.61%	4.23%
Rate of compensation increase ⁽²⁾	2.75%	2.75%	1.76%
Inflation ⁽³⁾	2.75%	2.75%	2.10%
Longevity at age 65 for current pensioners			
Men	21.8 years	21.9 years	22.8 years
Women	24.0 years	22.9 years	24.7 years
Longevity at age 65 for future pensioners (current age 45)			
Men	23.5 years	22.9 years	24.2 years
Women	25.3 years	24.0 years	26.1 years

⁽²⁾ The weighted average rate of compensation increase for other plans, excluding pension plans for which benefits are not linked to future salary levels, represented 2.61% as at December 31, 2025.

⁽³⁾ The inflation assumption shown for the Atkins Pension Plan and the Railways Pension Scheme is for the Retail Price Index. The assumption for the Consumer Price Index was 2.50% as at December 31, 2025.

30. PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

The following is a summary of significant weighted average assumptions used in measuring AtkinsRéalis' pension benefit obligation as at December 31, 2024:

AT DECEMBER 31, 2024	ATKINS PENSION PLAN	RAILWAYS PENSION SCHEME	OTHER PLANS
Accrued pension benefit obligation			
Discount rate	5.56%	5.56%	4.02%
Rate of compensation increase ⁽¹⁾	2.99%	2.99%	1.80%
Inflation ⁽²⁾	2.99%	2.99%	2.25%
Longevity at age 65 for current pensioners			
Men	22.3 years	21.5 years	22.8 years
Women	24.4 years	22.8 years	24.8 years
Longevity at age 65 for future pensioners (current age 45)			
Men	23.2 years	22.5 years	24.2 years
Women	25.5 years	23.9 years	26.2 years

⁽¹⁾ The weighted average rate of compensation increase for other plans, excluding pension plans for which benefits are not linked to future salary levels, represented 2.80% as at December 31, 2024.

⁽²⁾ The inflation assumption shown for Atkins Pension Plan and the Railways Pension Scheme is for the Retail Price Index. The assumption for the Consumer Price Index was 2.67% as at December 31, 2024.

The sensitivity analysis below was determined based on reasonable possible changes of the respective assumptions occurring at December 31, 2025, while holding all other assumptions constant.

If the discount rate is 100 basis points higher (lower), the defined benefit pension obligation would decrease by an estimated amount of \$258.0 million (increase by an estimated amount of \$260.6 million).

If the rate of compensation increase is 100 basis points higher (lower), the defined benefit pension obligation would increase by an estimated amount of \$3.3 million (decrease by an estimated amount of \$3.3 million).

If the rate of inflation is 100 basis points higher (lower), the defined benefit pension obligation would increase by an estimated amount of \$172.4 million (decrease by an estimated amount of \$172.4 million).

If longevity increases by 1 year, the defined benefit pension obligation would increase by an estimated amount of \$99.8 million.

The sensitivity analyses presented above may not be representative of the actual change in the defined benefit pension obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. Furthermore, in presenting the above sensitivity analyses, the present value of the defined benefit pension obligation was calculated using the projected unit credit method at the end of the reporting period, which is the same method applied in calculating the liability arising from the defined benefit pension obligation recognized in the consolidated statement of financial position.

The weighted average duration of the pension benefit obligation as at December 31, 2025 was 12.0 years (2024: 12.0 years) for the Atkins Pension Plan, 11.2 years (2024: 11.4 years) for Railways Pension Scheme and 12.6 years (2024: 13.6 years) for the other plans.

B) OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS

AtkinsRéalis has a number of other long-term benefit and other post-employment benefit plans, which are all defined benefit plans and include mainly termination indemnities, medical and dental care benefits, and life insurance benefits. AtkinsRéalis' other long-term benefit and other post-employment benefit plans are unfunded plans.

Following the acquisition of David Evans in 2025 (see Note 6A), the Company also has a non-qualified deferred compensation plan in the United States (Rabbi Trust), which is a salary and bonus sacrifice scheme providing a tax-efficient savings plan for the senior management of David Evans. Employee contributions to the plan are invested on behalf of the employees in investment funds and they are usually entitled to the assets and their returns on or after leaving the Company. Plan benefits are paid in cash. Participants can elect to receive payment either as a lump sum or in annual installments over 3 to 10 years.

30. PENSION PLANS, OTHER LONG-TERM BENEFITS AND OTHER POST-EMPLOYMENT BENEFITS (CONTINUED)

AtkinsRéalis' net defined other long-term benefit and other post-employment benefit costs recognized in net income amounted to \$26.2 million for the year ended December 31, 2025 (2024: \$19.6 million) and benefit costs recognized in other comprehensive income amounted to \$18.1 million for the year ended December 31, 2025 (2024: \$1.1 million). As at December 31, 2025, the obligation for other long-term benefits and other post-employment benefits, which is included in "Provisions" in the consolidated statement of financial position, amounted to \$183.8 million (2024: \$93.4 million), of which \$60.1 million (2024: nil) related to the non-qualified deferred compensation plan in the United States (Rabbi Trust).

31. CONTINGENT LIABILITIES

Class actions

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 certain 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.

31. 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. On July 10, 2025, the Québec Superior Court approved a further settlement concerning other commercial claims, and the Company’s and its insurers’ portion of the settlement in capital and interest totaled \$2.8 million. Also on July 10, 2025, the Québec Superior Court approved a further settlement concerning other residential claims, and the Company’s and its insurers’ portion of the settlement in capital and interest totaled \$4.1 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 \$0.4 million. The actual number of members remains to be determined.

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. On April 24 and 25, 2025, the joint operation and the project owner participated in a mediation and the parties successfully negotiated a settlement for a confidential amount. A settlement agreement was executed on May 22, 2025 and the arbitral tribunal issued a final consent award confirming the terms of the settlement agreement on June 19, 2025. The joint operation, including the Company, contributed to this settlement and the respective share of each is confidential. This settlement did not have any significant impact on the Company’s financial results.

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.

31. 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 an 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 had a three-year term and required 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 were suspended during the term of the Remediation Agreement, and, upon its expiry, provided the terms were complied with and subject to Québec Superior Court approval, the Criminal Charges were to 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 that were suspended pursuant to the Remediation Agreement. The Remediation Agreement expired on May 15, 2025. On June 19, 2025, the Québec Superior Court declared that the Company had complied with its obligations under the Remediation Agreement, resulting in the Criminal Charges being deemed to never have been commenced, and the expiry of the administrative 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.

31. CONTINGENT LIABILITIES (CONTINUED)

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.

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 certain amounts from the client due under the project contract. The client has counter-claimed alleging that the Company defaulted under the project contracts and is seeking damages.

31. CONTINGENT LIABILITIES (CONTINUED)

The Company has initiated court proceedings in the Qatar Trade and Investment Court (the “QTIC”) 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 certain amounts from the main contractor due under the sub-contract. The Company’s consortium partner has also initiated court proceedings against the main contractor in the QTIC 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 QTIC dismissed all the claims and counterclaims on September 29, 2024. The main contractor, the Company and its consortium partner all appealed this decision to the Qatar Court of Appeal. On December 23, 2024, the Qatar Court of Appeal overturned the QTIC’s decision and returned the case to the QTIC for reconsideration. The QTIC delivered its judgment on February 3, 2025 once again dismissing all the claims and counterclaims of the Company and its consortium partner, and all claims and counterclaims of the main contractor (save for one claim by the main contractor against a third party). Consequently, on February 18, 2025 all parties again appealed this decision to the Qatar Court of Appeal, and on April 28, 2025, the Qatar Court of Appeal again overturned the QTIC decision. The Qatar Court of Appeal did not return the case to the QTIC for reconsideration and instead issued a preliminary judgment on November 30, 2025 appointing an expert panel to review the claims and counterclaims and instructing the panel to issue a report for the Qatar Court of Appeal’s consideration.

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.

32. LEASES

Right-of-use assets

YEAR ENDED DECEMBER 31, 2025	OFFICE REAL ESTATE	EQUIPMENT	TOTAL
Depreciation expense on right-of-use assets	\$ 74,985	\$ 9,819	\$ 84,804
Additions	\$ 46,484	\$ 14,430	\$ 60,914
Acquisitions through business combinations	\$ 40,662	\$ 2,648	\$ 43,310

YEAR ENDED DECEMBER 31, 2024	OFFICE REAL ESTATE	EQUIPMENT	TOTAL
Depreciation expense on right-of-use assets	\$ 65,087	\$ 8,763	\$ 73,850
Additions	\$ 150,186	\$ 16,835	\$ 167,021

Net book value:			
As at December 31, 2025	\$ 336,367	\$ 28,609	\$ 364,976
As at December 31, 2024	\$ 331,906	\$ 23,981	\$ 355,887

32. LEASES (CONTINUED)

Lease liabilities

As at December 31, 2025 and 2024, the Company's lease liabilities included in the consolidated statements of financial position were as follows:

	DECEMBER 31 2025	DECEMBER 31 2024
Current portion of lease liabilities	\$ 91,072	\$ 78,906
Non-current portion of lease liabilities	408,856	410,094
	\$ 499,928	\$ 489,000

The table below presents the future gross lease liabilities payments as at December 31, 2025 and 2024:

MATURITY	DECEMBER 31 2025	DECEMBER 31 2024
Not later than 1 year	\$ 117,627	\$ 109,097
Later than 1 year and not later than 5 years	320,618	295,524
Later than 5 years	192,271	228,358
	\$ 630,516	\$ 632,979

Amounts recognized in the income statement

YEARS ENDED DECEMBER 31	2025	2024
Depreciation expense on right-of-use assets (Note 26A)	\$ 84,804	\$ 73,850
Interest expense on lease liabilities (Note 25)	\$ 27,842	\$ 25,662
Expense relating to short-term leases	\$ 1,262	\$ 380
Gain arising from sale and leaseback transactions	\$ —	\$ 9
Expense relating to variable lease payments not included in the measurement of the lease liabilities	\$ 17,917	\$ 26,588
Income from subleasing right-of-use assets	\$ 5,447	\$ 5,932
Impairment losses on right-of-use assets ⁽¹⁾	\$ 425	\$ 3,687

⁽¹⁾ Included in "Restructuring and transformation costs" in the consolidated income statements

Amounts recognized in the statement of cash flows

Total cash outflows for leases amounted to \$132.8 million for the year ended December 31, 2025 (2024: \$134.5 million).

Operating leases

Operating leases, in which the Company was the lessor, related mainly to equipment owned by the Company. For the year ended December 31, 2025, the lease income on operating leases amounted to nil (2024: \$5.2 million).

33. REMUNERATION

A) EMPLOYEE REMUNERATION

Expenses recognized for employee benefits, including expenses recognized for key management remuneration and directors' fees, are analyzed as follows:

YEARS ENDED DECEMBER 31	2025	2024
Short-term benefits ⁽²⁾	\$ 5,167,127	\$ 4,487,241
Share-based payments	129,620	169,432
Defined contribution pension plans	223,061	196,851
Defined benefit pension plans, other long-term benefits and other post-employment benefits	31,484	20,187
	\$ 5,551,292	\$ 4,873,711

⁽²⁾ Short-term benefits include mainly wages, salaries, social security contributions, sick leaves, profit-sharing and bonuses, non-monetary benefits and termination benefits that are expected to be settled within twelve months after the end of the annual reporting period.

33. REMUNERATION (CONTINUED)

B) KEY MANAGEMENT REMUNERATION AND DIRECTORS' FEES

The Company's key management includes all employees who are members of the Executive Committee of AtkinsRéalis Group Inc. and all members of its Board of Directors.

In 2025, the number of individuals included as key management was 22 people (2024: 22 people).

Expenses recognized for key management remuneration and directors' fees, even if the services were provided only for a portion of the year, are detailed as follows:

YEARS ENDED DECEMBER 31	2025	2024
Short-term benefits ⁽¹⁾	\$ 29,750	\$ 24,827
Share-based payments	50,998	58,029
Defined contribution pension plans and other long-term benefits	1,338	1,269
	\$ 82,086	\$ 84,125

⁽¹⁾ Short-term benefits include mainly wages, salaries, social security contributions, sick leaves, profit-sharing and bonuses and non-monetary benefits that are expected to be settled within twelve months after the end of the annual reporting period.

34. 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 years ended December 31, 2025 and 2024, the Company recognized the following transactions with its related parties:

YEARS ENDED DECEMBER 31	2025	2024
PS&PM revenue from contracts with investments accounted for by the equity method	\$ 346,345	\$ 270,116
Income from Capital investments accounted for by the equity method	42,254	94,264
Dividends and distributions received from Capital investments accounted for by the equity method	54,688	100,946
Income from PS&PM investments accounted for by the equity method	30,918	43,503
Dividends and distributions received from PS&PM investments accounted for by the equity method	\$ 36,046	\$ 52,830

As at December 31, 2025 and 2024, the Company had the following balances with its related parties:

	DECEMBER 31 2025	DECEMBER 31 2024
Trade receivables from investments accounted for by the equity method	\$ 201,818	\$ 115,580
Retentions on client contracts from investments accounted for by the equity method ⁽²⁾	36,412	117,645
Remaining commitment to invest in Capital investments accounted for by the equity method ⁽³⁾ (Note 5C)	—	24,921
Dividends and distributions receivable from Capital investments accounted for by the equity method ⁽⁴⁾	\$ 1,393	\$ 1,583

⁽²⁾ Included in "Contract assets" or "Deferred revenues" in the statements of financial position

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

⁽⁴⁾ Included in "Other current financial assets" in the statements of financial position

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

35. SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES

The main subsidiaries, joint ventures, joint operations and associates of the Company at December 31, 2025 and 2024, except where otherwise indicated, in addition to their jurisdiction of incorporation and the percentage of voting shares beneficially owned, or controlled, or directed, directly or indirectly by the Company or the percentage of joint arrangement interest are set out below:

	DECEMBER 31 2025	DECEMBER 31 2024	
SUBSIDIARIES	%	%	COUNTRY
Atkins US Holdings Inc.	100.0	100.0	United States
AtkinsRealis Asia Limited	100.0	100.0	China
AtkinsRealis Brasil Ltda.	100.0	100.0	Brazil
AtkinsRéalis Canada Inc.	100.0	100.0	Canada
AtkinsRéalis Capital Inc.	100.0	100.0	Canada
AtkinsRéalis Construction (Pacific) Inc.	100.0	100.0	Canada
AtkinsRealis Energy Federal EPC Inc. (previously, Atkins Energy Federal EPC, Inc.)	100.0	100.0	United States
AtkinsRéalis (GB) Holdings Limited	100.0	100.0	United Kingdom
AtkinsRéalis (GBL) Limited	100.0	100.0	United Kingdom
AtkinsRéalis Highway Holding Inc.	100.0	100.0	Canada
AtkinsRéalis International Holdings Limited	100.0	100.0	United Kingdom
AtkinsRéalis Investments Inc.	100.0	100.0	Canada
AtkinsRéalis Ireland Limited	100.0	100.0	Ireland
AtkinsRéalis Major Projects Inc.	100.0	100.0	Canada
AtkinsRealis Nuclear Secured LLC	100.0	100.0	United States
AtkinsRéalis Operations & Maintenance Inc.	100.0	100.0	Canada
AtkinsRéalis PPS Limited	100.0	100.0	United Kingdom
AtkinsRéalis Rail & Transit Limited	100.0	100.0	United Kingdom
AtkinsRéalis UK International Limited	100.0	100.0	United Kingdom
AtkinsRéalis UK Limited	100.0	100.0	United Kingdom
AtkinsRealis USA Holdings LLC	100.0	100.0	United States
AtkinsRealis USA Inc.	100.0	100.0	United States
AtkinsRéalis (WS) Limited	100.0	100.0	United Kingdom
Candu Energy Inc.	100.0	100.0	Canada
David Evans and Associates, Inc.	70.0	—	United States
Faithful+Gould Saudi Arabia Limited ⁽¹⁾	51.0	51.0	Saudi Arabia
Isotek Systems, LLC	100.0	100.0	United States
Linxon India Private Limited	51.0	51.0	India
Linxon Pvt Ltd	51.0	51.0	United Kingdom
Linxon Saudi Arabia Co. Ltd	51.0	51.0	Saudi Arabia
Linxon Sweden AB	51.0	51.0	Sweden
Linxon Switzerland Ltd	51.0	51.0	Switzerland
Linxon UK Ltd	51.0	51.0	United Kingdom
Linxon US LLC	51.0	51.0	United States
Protrans BC Operations Ltd.	100.0	100.0	Canada
SNC Lavalin Algeria EURL	100.0	100.0	Algeria
SNC Lavalin Arabia Co. Ltd. (L.L.C.)	100.0	100.0	Saudi Arabia
SNC-Lavalin ATP Inc.	100.0	100.0	Canada

⁽¹⁾ Although the Company's legal ownership in this entity is 51%, the allocation of profit or loss between the two shareholders has been determined based on certain contractual agreements.

35. SUBSIDIARIES, JOINT ARRANGEMENTS AND ASSOCIATES (CONTINUED)

	DECEMBER 31 2025	DECEMBER 31 2024	
SUBSIDIARIES	%	%	COUNTRY
SNC-Lavalin Europe B.V.	100.0	100.0	Netherlands
SNC-Lavalin International Inc.	100.0	100.0	Canada
SNC-Lavalin International S.A.S.	100.0	100.0	France
SNC-Lavalin Nuclear Inc.	100.0	100.0	Canada
SNC-Lavalin Romania S.A.	100.0	100.0	Romania
The SNC-Lavalin Corporation	100.0	100.0	United States
TransitNEXT General Partnership	100.0	100.0	Canada
WS Atkins & Partners Overseas	100.0	100.0	United Kingdom
WS Atkins & Partners Overseas Engineering Consultants ⁽¹⁾	75.0	75.0	Saudi Arabia
	DECEMBER 31 2025	DECEMBER 31 2024	
JOINT VENTURES	%	%	COUNTRY
Capital investments			
407 East Development Group General Partnership	50.0	50.0	Canada
407 International Inc. ⁽²⁾	—	6.76	Canada
Crosslinx Transit Solutions General Partnership	25.0	25.0	Canada
Groupe Signature sur le Saint-Laurent S.E.N.C.	50.0	50.0	Canada
Rideau Transit Group General Partnership	40.0	40.0	Canada
PS&PM investments			
Canadian National Energy Alliance Ltd.	50.0	50.0	Canada
Central Plateau Cleanup Company LLC	22.0	22.0	United States
Mid-America Conversion Services, LLC	42.0	42.0	United States
Mission Conversion Services Alliance, LLC	50.0	50.0	United States
Washington River Protection Solutions LLC	40.0	40.0	United States
	DECEMBER 31 2025	DECEMBER 31 2024	
JOINT OPERATIONS	%	%	COUNTRY
AtkinsRéalis / AECOM	60.0	60.0	Canada
Crosslinx Transit Solutions Constructors G.P.	25.0	25.0	Canada
NouvLR General Partnership	24.0	24.0	Canada
Rail Connect Partners	50.0	50.0	Canada
SLN-Aecon JV	40.0	40.0	Canada
SNC-Dragados-Pennecon G.P.	40.0	40.0	Canada
Transit Integrators BC Joint Venture	65.0	65.0	Canada
	DECEMBER 31 2025	DECEMBER 31 2024	
ASSOCIATES	%	%	COUNTRY
Capital investments			
AtkinsRéalis Infrastructure Partners LP	20.0	20.0	Canada
Myah Tipaza S.p.A.	25.5	25.5	Algeria
Shariket Kahraba Hadjret En Nouss S.p.A.	26.0	26.0	Algeria

⁽¹⁾ Although the Company's legal ownership in this entity is 75%, the allocation of profit or loss between the two shareholders has been determined based on certain contractual agreements.

⁽²⁾ Although the Company held less than 20% of the equity shares of 407 International Inc., the Company exercised joint control over this entity based on its contractual agreements.