



Aecon announces mutually agreeable global settlement agreement over Coastal GasLink Pipeline Project dispute and interim update on remaining legacy projects

TORONTO, June 28, 2024 -- Aecon Group Inc. (TSX: ARE) ("Aecon") announced today that SA Energy Group (a general partnership of Aecon Construction Group Inc. and Robert B. Somerville Co. Ltd.) and Coastal GasLink Pipeline Limited Partnership, by its general partner Coastal GasLink Pipeline Ltd., have reached an amicable and mutually agreeable global settlement to resolve their dispute fully and finally over the construction of Sections 3 and 4 of the Coastal GasLink Pipeline Project in British Columbia.

The settlement agreement is not an admission of liability by either party and the parties have mutually released their respective claims in the arbitration, thereby avoiding the expense, burden and uncertainty associated with arbitration.

The terms of the settlement agreement are expected to result in no cash impacts to Aecon. From an accounting perspective, Aecon expects an approximately \$127 million, non-recurring charge relating to the construction of Sections 3 and 4 of the Coastal GasLink Pipeline Project to be reflected in Aecon's financial results for the second quarter of 2024.

Further, as part of its ongoing review of critical accounting estimates in respect of the remaining three large fixed price legacy projects now nearing completion and being performed by joint ventures in which Aecon is a participant, Aecon currently anticipates additional charges of approximately \$110 million in aggregate to be reflected in its second quarter 2024 results. Additional information, including risks related to the four legacy projects is included in Sections 5 – Recent Developments and 10.2 – Contingencies and in Section 13 – Risk Factors in Aecon's Management's Discussion and Analysis for the quarter ended March 31, 2024 and for the year ended December 31, 2023, respectively.

"The Coastal GasLink settlement allows Aecon to close the chapter on one of the most technically and financially challenging projects in its history, and represents continued progress in reducing the uncertainty associated with Aecon's four legacy projects," said Jean-Louis Servranckx, President and Chief Executive Officer, Aecon Group Inc. "We are proud of our team and thank them for delivering this project safely and with incredible resiliency through to completion."

Mr. Servranckx further added, "The additional impacts from the remaining legacy projects anticipated in the second quarter reflect the ongoing progress towards driving these remaining legacy projects to completion."

Further details respecting the settlement and the review of the remaining three large fixed price legacy projects noted above will be provided as part of Aecon's second quarter 2024 financial results to be released on Wednesday, July 24, 2024 after market close, and live webcast and conference call scheduled for 9:00 a.m. (Eastern Time) on Thursday, July 25, 2024.

About Aecon

Aecon Group Inc. (TSX: ARE) is a North American construction and infrastructure development company with global experience. Aecon delivers integrated solutions to private and public-sector clients through its Construction segment in the Civil, Urban Transportation, Nuclear, Utility and Industrial sectors, and provides project development, financing, investment, management, and operations and maintenance services through its Concessions segment. Join our online community on X, LinkedIn, Facebook, and Instagram @AeconGroupInc.

Statement on Forward-Looking Information

The information in this press release includes certain forward-looking statements which may constitute forward-looking information under applicable securities laws. These forward-looking statements are based on currently available competitive, financial and economic data and operating plans but are subject to risks and uncertainties. Forward-looking statements may include, without limitation, statements regarding the operations, business, financial condition, expected financial results, performance, prospects, ongoing objectives, strategies and outlook for Aecon, including statements regarding: the settlement agreement described herein and its impact on Aecon's financial position, liquidity, capital resources and cash flows. Forward-looking statements may in some cases be identified by words such as "may," "will," "expects," "target," "future," "plans," "believes," "anticipates," "estimates," "projects," "intends," "should" or the negative of these terms, or similar expressions.

In addition to events beyond Aecon's control, there are factors which could cause actual or future results, performance or achievements to differ materially from those expressed or inferred herein including, but not limited to: the risk of not being able to meet contractual schedules and other performance requirements, the risk of not being able to meet its labour needs and the application of critical accounting estimates in respect of the remaining three large fixed price legacy projects being performed by joint ventures in which Aecon is a participant, and the information in respect of such joint ventures under review and assessment in respect of the application of such critical accounting estimates. These forward-looking statements are based on a variety of factors and assumptions including, but not limited to that: none of the risks identified above materialize, there are no unforeseen changes to economic and market conditions, no significant events occur outside the ordinary course of business, and assumptions regarding the outcome of the outstanding claims in respect of the remaining three large fixed price

legacy projects being performed by joint ventures in which Aecon is a participant. These assumptions are based on information currently available to Aecon, including information obtained from third-party sources. While Aecon believes that such third-party sources are reliable sources of information, Aecon has not independently verified the information. Aecon has not ascertained the validity or accuracy of the underlying economic assumptions contained in such information from third-party sources and hereby disclaims any responsibility or liability whatsoever in respect of any information obtained from third-party sources.

Risk factors are discussed in greater detail in Section 13 - "Risk Factors" in Aecon's 2023 Management's Discussion and Analysis for the fiscal year ended December 31, 2023 and Aecon's Management's Discussion and Analysis for the fiscal quarter ended March 31, 2024, each filed on SEDAR+ (www.sedarplus.ca). Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and Aecon undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise.

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