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Aecon Group Inc.

Management's Discussion and Analysis of Operating Results and Financial Condition

September 30, 2024

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Management's Discussion and Analysis of Operating Results and Financial Condition ("MD&A")

The following discussion and analysis of the consolidated results of operations and financial condition of Aecon Group Inc. ("Aecon" or the "Company") should be read in conjunction with the Company's September 30, 2024 interim condensed consolidated financial statements and accompanying notes, which have not been reviewed by the Company's external auditors, and in conjunction with the Company's annual MD&A for the year ended December 31, 2023 (the "2023 Annual MD&A"). This MD&A is dated as at October 31, 2024, when the Company's Board of Directors approved this document. Additional information on Aecon is available through the System for Electronic Data Analysis and Retrieval+ ("SEDAR+") at www.sedarplus.ca and includes the Company's Annual Information Form and other securities and continuous disclosure filings.

1. INTRODUCTION

Aecon currently operates in two principal segments within the infrastructure development industry: Construction and Concessions.

The Construction segment includes all aspects of the construction of both public and private infrastructure, primarily in Canada and, on a selected basis, internationally, and focuses primarily on the following market sectors:

- Civil Infrastructure;
- Urban Transportation Solutions;
- Nuclear Power Infrastructure;
- Utility Infrastructure; and
- Industrial Infrastructure.

Activities within the Concessions segment include the development, financing, build, and operation of construction projects, primarily by way of public-private partnership contract structures, as well as integrating the services of all project participants, and harnessing the strengths and capabilities of Aecon. The Concessions segment focuses primarily on providing the following services:

- Development of domestic and international Public-Private Partnership ("P3") projects;
- Private finance solutions;
- Developing strategic partnerships;
- Leading and/or actively participating in development teams; and
- Operations and maintenance of infrastructure assets.

The infrastructure development industry in Canada is seasonal in nature for companies like Aecon that perform a significant portion of their work outdoors, particularly road construction and utilities work. As a result, less work is performed in the winter and early spring months than in the summer and fall months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating results, with the first half of the year, and particularly the first quarter, typically generating lower revenue and profit than the second half of the year. Therefore, results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

2. FORWARD-LOOKING INFORMATION

The information in this Management's Discussion and Analysis 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 timing, methods, and quantity of any purchases under the NCIB (defined below), the availability of cash for repurchases of common shares under the NCIB, and compliance with applicable laws and regulations pertaining to the NCIB; expectations regarding the impact of the four fixed price legacy projects and expected timelines of such projects; backlog and estimated duration; the impact of certain contingencies on Aecon (see: Section 10.2 "Contingencies"); the uncertainties related to the unpredictability of global economic conditions; its belief regarding the sufficiency of its current liquidity position including sufficiency of its cash position, unused credit capacity, and cash generated from its operations; its strategy of seeking to differentiate its service offering and execution capability and the expected results therefrom; its efforts to maintain a conservative capital position; expectations regarding the pipeline of opportunities available to Aecon; statements regarding the various phases of projects for Aecon; its strategic focus on projects linked to decarbonization, energy transition and sustainability, and the opportunities arising therefrom; expectations regarding ongoing recovery in travel through Bermuda International Airport in 2024 and opportunities to add to the existing portfolio of Canadian and international concessions in the next 12 to 24 months; Oaktree Capital Management, L.P.'s ("Oaktree") investment in Aecon Utilities Group Inc. ("Aecon Utilities"), the expected benefits thereof and results therefrom, including the acceleration of growth of Aecon Utilities in Canada and the U.S.; the anticipated use of proceeds from the investment; the expansion of Aecon Utilities' geographic reach and range of services in the U.S; the potential for additional contingent proceeds payable under the Aecon Utilities acquisition of a majority interest in Xtreme Powerline Construction ("Xtreme"); the ability of Aecon Utilities and Xtreme to integrate successfully following the acquisition, the expansion in the U.S. utility services market and driving continued growth in priority markets; and the effective collaboration with Xtreme management. Forward-looking statements may in some cases be identified by words such as "will," "plans," "schedule," "forecast," "outlook," "potential," "seek," "strategy," "may," "could," "might," "can," "believes," "expects," "anticipates," "estimates," "projects," "intends," "prospects," "targets," "occur," "continue," "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 drive a higher margin mix of business by participating in more complex projects, achieving operational efficiencies and synergies, and improving margins; the risk of not being able to meet contractual schedules and other performance requirements on large, fixed priced contracts; the risk of not being able to meet its labour needs at reasonable costs; the risk of not being able to address any supply chain issues which may arise and pass on costs of supply increases to customers; the risk of not being able, through its joint ventures, to enter into implementation phases of certain projects following the successful completion of the relevant development phase; the risk of not being able to execute its strategy of building strong partnerships and alliances; the risk of not being able to execute its risk management strategy; the risk of not being able to grow backlog across the organization by winning major projects; the risk of not being able to maintain a number of open, recurring, and repeat contracts; the risk of not being able to accurately assess the risks and opportunities related to its industry's transition to a lower-carbon economy; the risk of not being able to oversee, and where appropriate, respond to known and unknown environmental and climate change-related risks, including the ability to recognize and adequately respond to

climate change concerns or public, governmental, and other stakeholders' expectations on climate matters; the risk of not being able to meet its commitment to meeting its greenhouse gas emissions reduction targets; the risks associated with the strategy of differentiating its service offerings in key end markets; the risks associated with undertaking initiatives to train employees; the risks associated with the seasonal nature of its business; the risks associated with being able to participate in large projects; the risks associated with legal proceedings to which it is a party; the ability to successfully respond to shareholder activism; the risk that Aecon will not realize the opportunities presented by a transition to a net-zero economy; risks associated with future pandemics and Aecon's ability to respond to and implement measures to mitigate the impact of such pandemics; the risk that the strategic partnership with Oaktree will not realize the expected results and may negatively impact the existing business of Aecon Utilities; the risk that Aecon Utilities will not realize the anticipated balance sheet flexibility with the completion of the investment; the risk that Aecon Utilities will not realize opportunities to expand its geographic reach and range of services in the U.S; the risk of costs or difficulties related to the integration of Aecon Utilities and Xtreme being greater than expected; the risk of the anticipated benefits and synergies from the acquisition not being fully realized or taking longer than expected to realize; the risk of being unable to retain key personnel, including Xtreme management; and the risk of being unable to maintain relationships with customers, suppliers or other business partners of Xtreme.

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 and no significant events occur outside the ordinary course of business. These assumptions are based on information currently available to Aecon, including information obtained from third-party sources. While the Company believes that such third-party sources are reliable sources of information, the Company has not independently verified the information. The Company 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 this MD&A and in the 2023 Annual MD&A which is available on SEDAR+ at 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.

3. FINANCIAL REPORTING STANDARDS

The Company prepares its interim condensed consolidated financial statements and the accompanying notes in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34 "Interim Financial Reporting".

All financial information in this MD&A is presented in Canadian dollars, unless otherwise indicated.

4. NON-GAAP AND SUPPLEMENTARY FINANCIAL MEASURES

The MD&A presents certain non-GAAP and supplementary financial measures, as well as non-GAAP ratios to assist readers in understanding the Company's performance ("GAAP" refers to Generally Accepted Accounting Principles under IFRS Accounting Standards). These measures do not have any standardized meaning and

therefore are unlikely to be comparable to similar measures presented by other issuers and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP.

Throughout this MD&A, the following terms are used, which do not have a standardized meaning under GAAP.

Non-GAAP Financial Measures

A non-GAAP financial measure: (a) depicts the historical or expected future financial performance, financial position or cash flow of the Company; (b) with respect to its composition, excludes an amount that is included in, or includes an amount that is excluded from, the composition of the most comparable financial measure presented in the primary consolidated financial statements; (c) is not presented in the financial statements of the Company; and (d) is not a ratio.

Non-GAAP financial measures presented and discussed in this MD&A are as follows:

- **"Adjusted EBITDA"** represents operating profit (loss) adjusted to exclude depreciation and amortization, the gain (loss) on sale of assets and investments, costs related to business acquisitions including: costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS; costs associated with the remediation of properties sold; and net income (loss) from projects accounted for using the equity method, but including "Equity Project EBITDA" from projects accounted for using the equity method (refer to Section 9 "Quarterly Financial Data" for a quantitative reconciliation to the most comparable financial measure). The most directly comparable measures calculated in accordance with IFRS are operating profit and profit (loss) attributable to shareholders.
- **"Equity Project EBITDA"** represents Aecon's proportionate share of the earnings or losses from projects accounted for using the equity method before depreciation and amortization, finance income, finance cost and income tax expense (recovery) (refer to Section 9 "Quarterly Financial Data" for a quantitative reconciliation to the most comparable financial measure).
- **"Adjusted Profit (Loss) Attributable To Shareholders"** represents profit (loss) attributable to shareholders adjusted where applicable to exclude unrealized gains or losses on derivative financial instruments, costs related to business acquisitions including: amortization of acquisition-related intangible assets; costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS; costs associated with the remediation of properties sold; and where applicable the income tax effect of these adjustments (refer to Section 9 "Quarterly Financial Data" for a quantitative reconciliation to the most comparable financial measure). The most comparable IFRS measure for Adjusted Profit (Loss) Attributable To Shareholders is net income.
- **"Adjusted Earnings Per Share – Basic" and "Adjusted Earnings Per Share – Diluted"** are calculated by dividing Adjusted Profit (Loss) Attributable To Shareholders (defined above) by the basic and diluted weighted average number of shares outstanding, respectively. The most comparable IFRS measure for Adjusted Earnings Per Share is earnings per share. (refer to Section 9 "Quarterly Financial Data" for a quantitative reconciliation to the most comparable financial measure).

Management uses the above non-GAAP financial measures to analyze and evaluate operating performance. Aecon also believes the above financial measures are commonly used by the investment community for valuation purposes, and are useful complementary measures of profitability, and provide metrics useful in the

construction industry. These non-GAAP financial measures exclude items which management believes will allow investors a consistent way to analyze Aecon's financial performance, allow for better analysis of core operating income and business trends, and improve comparability of companies within the industry.

Primary Financial Statements

Primary financial statement means any of the following: the consolidated balance sheets, the consolidated statements of income, the consolidated statements of comprehensive income, the consolidated statements of changes in equity, and the consolidated statements of cash flows.

Key financial measures presented in the primary financial statements of the Company and discussed in this MD&A are as follows:

- **"Gross profit"** represents revenue less direct costs and expenses. Not included in the calculation of gross profit are marketing, general and administrative expense ("MG&A"), depreciation and amortization, income (loss) from projects accounted for using the equity method, other income (loss), finance income, finance cost, income tax expense (recovery), and non-controlling interests.
- **"Operating profit (loss)"** represents the profit (loss) from operations, before finance income, finance cost, income tax expense (recovery), and non-controlling interests.

The above measures are presented in the Company's consolidated statements of income and are not meant to be a substitute for other subtotals or totals presented in accordance with GAAP, but rather should be evaluated in conjunction with such GAAP measures.

- **"Backlog" (Remaining Performance Obligations)** means the total value of work that has not yet been completed that: (a) has a high certainty of being performed as a result of the existence of an executed contract or work order specifying job scope, value and timing; or (b) has been awarded to Aecon, as evidenced by an executed binding letter of intent or agreement, describing the general job scope, value and timing of such work, and where the finalization of a formal contract in respect of such work is reasonably assured. Operations and maintenance ("O&M") activities are provided under contracts that can cover a period of up to 30 years. In order to provide information that is comparable to the backlog of other categories of activity, Aecon limits backlog for O&M activities to the earlier of the contract term and the next five years.

Remaining Performance Obligations, i.e. Backlog, is presented in the notes to the Company's annual consolidated financial statements and is not meant to be a substitute for other amounts presented in accordance with GAAP, but rather should be evaluated in conjunction with such GAAP measures.

Non-GAAP Ratios

A non-GAAP ratio is a financial measure presented in the form of a ratio, fraction, percentage or similar representation, and that has a non-GAAP financial measure as one of its components and is not disclosed in the financial statements of the Company.

A non-GAAP ratio presented and discussed in this MD&A is as follows:

- **“Adjusted EBITDA margin”** represents Adjusted EBITDA as a percentage of revenue.

Management uses the above non-GAAP ratio to analyze and evaluate operating performance. The most directly comparable measures calculated in accordance with GAAP are gross profit margin and operating margin.

Supplementary Financial Measures

A supplementary financial measure: (a) is, or is intended to be, disclosed on a periodic basis to depict the historical or expected future financial performance, financial position or cash flow of the Company; (b) is not presented in the financial statements of the Company; (c) is not a non-GAAP financial measure; and (d) is not a non-GAAP ratio.

Key supplementary financial measures presented in this MD&A are as follows:

- **“Gross profit margin”** represents gross profit as a percentage of revenue.
- **“Operating margin”** represents operating profit (loss) as a percentage of revenue.
- **“MG&A as a percent of revenue”** represents marketing, general and administrative expense as a percentage of revenue.
- **“Debt to capitalization percentage”** represents total debt (excluding non-recourse debt and drawings on the Company’s credit facilities presented as bank indebtedness) as a percentage of total capitalization. The calculation of debt to capitalization percentage and management’s use of this ratio is described in Section 10.5 “Capital Management” of this MD&A.

5. RECENT DEVELOPMENTS

Aecon Utilities Acquires Electrical Distribution Utility Contractor Xtreme Powerline

On July 2, 2024, Aecon Utilities Group Inc. (“Aecon Utilities”) acquired a majority interest in Xtreme Powerline Construction (“Xtreme”), an electrical distribution utility contractor headquartered in Port Huron, Michigan for a base purchase price of approximately $104.0 million with the potential for additional contingent proceeds (the “Transaction”). The Transaction was financed through Aecon Utilities’ standalone committed revolving credit facility. Xtreme management are committed to supporting Aecon Utilities’ expansion in the U.S. and retained a minority ownership in Xtreme as well as leadership responsibilities in the Xtreme business in partnership with Aecon Utilities’ management team.

A privately-owned company founded in 2007, Xtreme is a full-service powerline constructor with approximately 300 employees. Xtreme specializes in overhead distribution line repair, maintenance, and expansion services throughout the Eastern United States, and provides emergency restoration services for over 20 utility clients across the U.S. Xtreme has held a long-time overhead distribution master service agreement with DTE Energy.

Normal Course Issuer Bid

On August 15, 2024, the Toronto Stock Exchange (“TSX”) approved the Company’s normal course issuer bid

(the “NCIB”) pursuant to which the Company may purchase for cancellation up to 3,126,306 common shares of Aecon, representing 5% of the issued and outstanding common shares as of August 7, 2024. The NCIB commenced on August 18, 2024 and will end no later than August 18, 2025. See also Section 10.7 “Normal Course Issuer Bid” of this MD&A.

Update on Certain Fixed Price Legacy Projects

Within the Construction segment, 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 (see Section 10.2 “Contingencies” of this MD&A and Section 13 “Risk Factors” of the 2023 Annual MD&A), Aecon recognized an operating profit of $nil in the third quarter of 2024 and an operating loss of $110.0 million in the first nine months of 2024 (compared to an operating loss of $91.1 million in the third quarter of 2023 and an operating loss of $175.2 million in the first nine months of 2023). During the full year of 2023, an operating loss of $215.2 million was recognized from the three remaining legacy projects.

Aecon and its joint venture partners remain focused on dedicating all necessary resources to drive the remaining legacy projects to completion and in the meantime continue to pursue fair and reasonable settlement agreements with the respective clients in each case. Of the remaining three projects, two are currently expected to be substantially complete in early 2025, and the final project by the end of the third quarter of 2025. Future downside risk remains in the event that assumptions, estimates, and/or circumstances change. Such downside risks include, among others, the level of compensation for past and future impacts, including through the dispute resolution process where appropriate, productivity not meeting expectations, potential for unforeseen supply chain delays and disruptions, unknown commissioning risks, inflation related risk, and further client changes.

At September 30, 2024, the remaining backlog to be worked off on the four projects was $182 million compared to backlog of $420 million at December 31, 2023 and $528 million at September 30, 2023. The fixed price legacy projects comprised 3% of backlog at September 30, 2024 compared to 7% at December 31, 2023 and 9% at September 30, 2023.

Coastal Gaslink Pipeline Project Global Settlement Agreement

On June 28, 2024, Aecon announced 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., 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 did not result in any further cash impacts to Aecon. From an accounting perspective, Aecon recognized in its consolidated financial results a non-recurring charge of $nil in the third quarter and $127 million in first nine months of 2024 ($nil in both the third quarter and first nine months of 2023) related to the construction of Sections 3 and 4 of the Coastal GasLink Pipeline Project.

6. BUSINESS STRATEGY

Refer to the discussion on Business Strategy as outlined in the 2023 Annual MD&A available on the Company's website at www.aecon.com or through SEDAR+ at www.sedarplus.ca.

7. CONSOLIDATED FINANCIAL HIGHLIGHTS

$ millions (except per share amounts)	Three months ended September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
Revenue	$ **1,275.3**	$ **1,239.6**	$ **2,975.7**	$ **3,513.7**
Gross profit	150.4	45.7	75.3	157.7
Marketing, general and administrative expense	(55.8)	(28.7)	(156.1)	(126.0)
Income from projects accounted for using the equity method	5.8	5.2	19.6	13.3
Other income	3.5	138.2	33.2	220.9
Depreciation and amortization	(23.0)	(20.3)	(61.6)	(64.4)
Operating profit (loss)	**80.9**	**140.1**	**(89.6)**	**201.3**
Finance income	1.4	2.3	6.7	5.5
Finance cost	(4.5)	(16.6)	(16.8)	(49.6)
Profit (loss) before income taxes	**77.8**	**125.8**	**(99.7)**	**157.2**
Income tax (expense) recovery	(21.3)	7.6	26.1	(5.0)
Profit (loss)	56.5	133.4	(73.6)	152.2
Non-controlling interests	-	-	-	-
Profit (loss) attributable to shareholders	$ **56.5**	$ **133.4**	$ **(73.6)**	$ **152.2**
Gross profit margin[3]	**11.8%**	**3.7%**	**2.5%**	**4.5%**
MG&A as a percent of revenue[3]	**4.4%**	**2.3%**	**5.2%**	**3.6%**
Adjusted EBITDA[1]	$ **126.9**	$ **32.0**	$ **6.3**	$ **73.2**
Adjusted EBITDA margin[2]	**10.0%**	**2.6%**	**0.2%**	**2.1%**
Operating margin[3]	**6.3%**	**11.3%**	**(3.0)%**	**5.7%**
Adjusted profit (loss) attributable to shareholders[1]	$ **57.5**	$ **133.7**	$ **(78.0)**	$ **153.0**
Earnings (loss) per share – basic	$ **0.90**	$ **2.16**	$ **(1.18)**	$ **2.47**
Earnings (loss) per share – diluted	$ **0.85**	$ **1.63**	$ **(1.18)**	$ **1.94**
Adjusted earnings (loss) per share – basic[1]	$ **0.92**	$ **2.17**	$ **(1.25)**	$ **2.48**
Adjusted earnings (loss) per share – diluted[1]	$ **0.86**	$ **1.63**	$ **(1.25)**	$ **1.95**
Backlog (at end of period)			$ **5,980**	$ **6,202**

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.
(2) This is a non-GAAP ratio. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP ratio.
(3) This is a supplementary financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each supplementary financial measure.

Revenue for the three months ended September 30, 2024 of $1,275 million was $36 million, or 3%, higher compared to the third quarter of 2023. In the Construction segment, revenue was higher by $57 million driven by increases in nuclear ($99 million), civil ($51 million), and utilities operations ($24 million), partially offset

by lower revenue in industrial ($108 million) and urban transportation solutions ($9 million). In the Concessions segment, lower revenue of $23 million for the three months ended September 30, 2024 was primarily due to the use of the equity method of accounting in 2024 for Aecon's 50.1% retained interest in the Bermuda International Airport concessionaire ("Skyport") following the sale of a 49.9% interest in Skyport in the third quarter of 2023. Intersegment revenue eliminations decreased by $2 million due to lower revenue between the Construction and Concessions segments.

Revenue for the nine months ended September 30, 2024 of $2,976 million was $538 million, or 15%, lower compared to the same period in 2023. Lower revenue in the Construction segment of $477 million was driven by decreases in industrial ($494 million), urban transportation solutions ($137 million), and civil operations ($48 million), partially offset by higher revenue in nuclear ($187 million) and utilities operations ($15 million). Concessions segment and intersegment revenue eliminations were both lower by $63 million and $2 million, respectively, for the same reasons noted in the third quarter commentary.

Operating profit of $80.9 million for the three months ended September 30, 2024 decreased by $59.2 million compared to an operating profit of $140.1 million in the same period of 2023.

Lower period-over-period operating profit was largely driven by a decrease in other income of $134.7 million compared to the same period in 2023. This decrease was primarily due to the period-over-period impact of a gain from the sale of a 49.9% interest in Skyport of $139.0 million recognized in the third quarter of 2023. This decrease was partially offset in 2024 by higher period-over-period gains on the sale of property, equipment, and investments of $3.2 million.

Favourably impacting operating profit in the third quarter of 2024 was higher gross profit of $104.7 million. In the Construction segment, gross profit increased period-over-period by $118.2 million. This increase was largely due to an improvement from the four fixed priced legacy projects which recognized negative gross profit related to two of the four fixed priced legacy projects in the third quarter of 2023 of $91.1 million compared to $nil in the third quarter of 2024. These four fixed price legacy projects are discussed in Section 5 "Recent Developments" and Section 10.2 "Contingencies" in this MD&A, and Section 13 "Risk Factors" in the 2023 Annual MD&A. Other than the impact of these fixed price legacy projects, higher gross profit in the balance of the Construction segment in the third quarter of 2024 was primarily due to higher volume and increased gross profit margin in nuclear and utilities operations, and higher gross profit margin in urban transportation solutions and industrial, partially offset by lower gross profit margin in civil operations. In the Concessions segment, gross profit decreased by $13.3 million, primarily from the use of the equity method of accounting in 2024 for Aecon's 50.1% retained interest in Skyport following the sale of a 49.9% interest in this project in the third quarter of 2023.

Operating loss of $89.6 million for the nine months ended September 30, 2024 compares to an operating profit of $201.3 million in the same period in 2023 for a decrease in operating profit of $290.9 million.

Similar to the third quarter commentary, the largest driver of the period-over-period change in operating profit was a decrease in other income of $187.7 million. This decrease was primarily the result of a lower period-over-period gain of $133.1 million related to the sale of a 49.9% interest in Skyport (a gain of $5.9 million from incremental proceeds in the first nine months of 2024 compared to a gain on sale of $139.0 million in the first nine months of 2023), and a lower gain on the sale of Aecon Transportation East ("ATE") of $27.5 million (a gain of $9.0 million from incremental proceeds in the first nine months of 2024 compared to a gain on sale of

$36.5 million in the first nine months of 2023). In addition, other income was impacted by lower gains on the sale of property, buildings, and equipment of $27.7 million, partially offset by a fair value remeasurement gain of $0.5 million and higher foreign exchange gains of $0.1 million.

Operating profit in the first nine months of 2024 was also negatively impacted by lower gross profit of $82.4 million. In the Construction segment, gross profit decreased by $48.3 million in the period. Similar to the third quarter commentary, gross profit related to the four fixed price legacy projects decreased by $61.8 million from negative gross profit on these projects in the first nine months of 2024 of $237.0 million compared to negative gross profit on the four fixed price legacy projects of $175.2 million in the first nine months of 2023. In addition to the impact of these fixed price legacy projects in the first nine months of 2024, gross profit in the balance of the Construction segment was higher by $13.5 million driven by higher volume and gross profit margin in nuclear and utilities, partially offset by lower volume and gross profit in civil, industrial, and urban transportation solutions. In the Concessions segment, gross profit decreased by $33.5 million, primarily in Skyport for reasons consistent with the third quarter commentary.

MG&A for the three and nine months ended September 30, 2024 increased by $27.1 million and $30.1 million, respectively, compared to the same periods in 2023. Higher MG&A in both the third quarter and first nine months of 2024 was primarily due to higher personnel costs reflecting more typical levels in MG&A, ongoing investments to support growth, particularly in utilities operations with the expansion of its U.S. operations including from the Xtreme acquisition in 2024, as well as from higher acquisition related transaction costs ($5.6 million in both the three and nine periods of 2024). This higher MG&A in the first nine months of 2024 was partially offset by lower MG&A related to the ATE operations sold in the second quarter of 2023. MG&A as a percentage of revenue for the third quarter increased to 4.4% in 2024 from 2.3% in 2023, and for the first nine months increased to 5.2% in 2024 from 3.6% in 2023.

Aecon's participation in projects that are classified for accounting purposes as a joint venture or an associate, as opposed to a joint operation, are accounted for using the equity method of accounting. Aecon reported income of $5.8 million in the third quarter of 2024 from projects accounted for using this method of accounting, compared to $5.2 million in the third quarter of 2023, and income of $19.6 million in the first nine months of 2024 compared to $13.3 million in the same period in 2023. In the Concessions segment, income was higher in the third quarter and first nine months of 2024 ($1.1 million and $6.8 million, respectively) primarily due to higher operating results (after interest and income taxes) from Aecon's 50.1% retained interest in Skyport which is reported using the equity method of accounting in 2024 with the year-to-date increase driven by one-time recoveries of $5.9 million. In the Construction segment, income was lower in the third quarter and first nine months of 2024 by $0.5 million and $0.4 million, respectively.

Depreciation and amortization expense of $23.0 million and $61.6 million for the third quarter and nine months ended September 30, 2024, respectively, compares with depreciation and amortization expense of $20.3 million and $64.4 million for third quarter and nine months ended September 30, 2023, respectively. In the Concessions segment, depreciation and amortization expense was lower in both periods ($5.5 million and $16.7 million, respectively) due to the use of the equity method of accounting in 2024 for Aecon's 50.1% retained interest in Skyport. These amounts were partially offset by higher depreciation and amortization expense in the Construction segment in both periods ($8.6 million and $14.6 million, respectively) primarily related to an increase in equipment deployed with a portion of this increase resulting from equipment and intangible assets related to the acquisition of Xtreme in the third quarter of 2024.

Net financing expense of $3.1 million in the third quarter of 2024 consisting of finance cost of $4.5 million less finance income of $1.4 million, was $11.2 million lower than the same period in 2023, and net financing expense of $10.1 million in the first nine months of 2024, consisting of finance cost of $16.8 million less finance income of $6.7 million, was $34.0 million lower than the same period in 2023. The decrease in both periods is primarily related to lower borrowings on Aecon's revolving credit facilities, the repayment of all convertible debentures on December 29, 2023, a reduction in reported interest from Skyport with the commencement of equity accounting for Aecon's retained 50.1% interest in the project, and lower net financing costs related to the Preferred Shares of Aecon Utilities driven by fair value gains of $7.3 million and $15.3 million, respectively, related to this derivative financial instrument.

Set out in Note 19 of the September 30, 2024 interim condensed consolidated financial statements is a reconciliation between the expected income tax expense (recovery) for the first nine months of 2024 and 2023 based on statutory income tax rates and the actual income tax expense (recovery) reported for both these periods. In both the first nine months of 2024 and 2023, the effective income tax rate differed from the Canadian statutory income tax rate of 26.4% mainly due to the geographic mix of earnings, largely related to international projects and in particular the Skyport project, and in the first nine months of 2023, the lower effective income tax rate was also impacted by the income tax treatment of transactions related to the disposal of subsidiaries.

Reported backlog at September 30, 2024 of $5,980 million compares to backlog of $6,157 million at December 31, 2023 and $6,202 million at September 30, 2023. New contract awards of $1,069 million and $2,798 million were booked in the third quarter and year-to-date, respectively, in 2024 compared to $591 million and $3,420 million in the same periods in 2023.

Backlog $ millions	**At September 30**	
	2024	2023
Construction	**$ 5,872**	$ 6,100
Concessions	**108**	102
Consolidated	**$ 5,980**	$ 6,202

Estimated backlog duration $ millions	**At September 30**			
	2024		2023	
Next 12 months	**$ 2,698**	**45%**	$ 2,857	46%
Next 13-24 months	**1,473**	**25%**	1,479	24%
Beyond	**1,809**	**30%**	1,866	30%
	$ 5,980	**100%**	$ 6,202	100%

The timing of work to be performed for projects in backlog at September 30, 2024 is based on current project schedules, taking into account the current estimated impacts from the supply chain and the availability of labour. It is possible that these estimates could change in the future based on changes in these or other factors impacting the schedule of these projects.

Aecon does not report as backlog contracts and arrangements in hand where the exact amount of work to be performed cannot be reliably quantified or where a minimum number of units at the contract specified price per unit is not guaranteed. Examples include time and material and some cost-plus and unit priced contracts where the extent of services to be provided is undefined or where the number of units cannot be estimated with reasonable certainty. Other examples include the value of construction work managed under construction management advisory contracts, concession agreements, multi-year operating and maintenance service contracts where the value of the work is not specified, supplier of choice arrangements and alliance agreements where the client requests services on an as-needed basis. None of the expected revenue from these types of contracts and arrangements is included in backlog. Therefore, Aecon's anticipated future work to be performed at any given time is greater than what is reported as backlog.

Further detail for each segment is included in the discussion below under Section 8 "Reportable Segments Financial Highlights".

8. REPORTABLE SEGMENTS FINANCIAL HIGHLIGHTS

8.1. CONSTRUCTION

Financial Highlights

$ millions	Three months ended September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
Revenue	**$ 1,272.7**	$ 1,215.4	**$ 2,968.0**	$ 3,445.3
Gross profit	**$ 150.8**	$ 32.5	**$ 77.5**	$ 125.8
Adjusted EBITDA[(1)]	**$ 114.1**	$ 16.5	**$ (30.8)**	$ 34.4
Operating profit (loss)	**$ 89.5**	$ 1.3	**$ (88.0)**	$ 10.0
Gross profit margin[(3)]	**11.8%**	2.7%	**2.6%**	3.7%
Adjusted EBITDA margin[(2)]	**9.0%**	1.4%	**(1.0)%**	1.0%
Operating margin[(3)]	**7.0%**	0.1%	**(3.0)%**	0.3%
Backlog (at end of period)			**$ 5,872**	$ 6,100

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.
(2) This is a non-GAAP ratio. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP ratio.
(3) This is a supplementary financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each supplementary financial measure.

Revenue in the Construction segment for the three months ended September 30, 2024 of $1,273 million was $57 million, or 5%, higher compared to the same period in 2023. Revenue was higher in nuclear operations ($99 million) from an increased volume of refurbishment work at nuclear generating stations located in Ontario and the U.S., in civil operations ($51 million) from a higher volume of major projects and roadbuilding construction work in western Canada, and in utilities operations ($24 million) from a higher volume of electrical transmission work driven by the U.S. operations following the acquisition of Xtreme in the third quarter of 2024 and from an increase in battery energy storage system work. These increases were partially

offset by lower revenue in industrial operations ($108 million) driven primarily by decreased activity on mainline pipeline work following the achievement of substantial completion on a large project in the third quarter of 2023, which offset a higher volume of field construction work primarily at wastewater treatment and industrial facilities in western Canada, and in urban transportation solutions ($9 million) primarily from a decrease in light rail transit ("LRT") work in Ontario and Québec as three LRT projects near completion.

Revenue in the Construction segment for the nine months ended September 30, 2024 of $2,968 million was $477 million, or 14%, lower compared to the same period in 2023. Construction segment revenue was lower in industrial ($494 million) and urban transportation solutions ($137 million), and higher in nuclear ($187 million) and utilities operations ($15 million), all for reasons consistent with the third quarter commentary. Revenue was lower in civil operations ($48 million) primarily from a decrease in roadbuilding construction work related to the sale of ATE in the second quarter of 2023 of $51 million.

Operating profit in the Construction segment of $89.5 million in the three months ended September 30, 2024 compares to an operating profit of $1.3 million in the same period in 2023, for a increase in operating profit of $88.2 million. The largest driver of the increase in operating profit was lower negative gross profit from the four fixed price legacy projects of $91.1 million (gross profit of $nil in the third quarter of 2024 compared to negative gross profit of $91.1 million in the third quarter of 2023). These four fixed price legacy projects are discussed in Section 5 "Recent Developments" and Section 10.2 "Contingencies" in this MD&A, and Section 13 "Risk Factors" in the 2023 Annual MD&A. In addition to the impact of these fixed price legacy projects in the third quarter of 2023, operating profit was lower in the balance of the Construction segment by $2.9 million. This decrease occurred largely in civil operations from lower gross profit margin, as well as from an increase in acquisition related transaction costs that were expensed in the period ($5.6 million mostly in utilities) and from an increase in amortization expense of $2.9 million in utilities related to acquisition-related intangible assets from the Xtreme transaction in the third quarter of 2024. These decreases offset higher operating profit in nuclear operations from higher volume and gross profit margin, in urban transportation solutions due to higher gross profit margin, and in industrial from higher gains on the sale of equipment ($5.2 million).

Operating loss in the Construction segment of $88.0 million in the nine months ended September 30, 2024 compares to an operating profit of $10.0 million in the same period in 2023, a decrease in operating profit of $98.0 million. The decrease in operating profit largely resulted from negative gross profit from the four fixed price legacy projects of $237.0 million in the first nine months of 2024 compared to negative gross profit on the four fixed price legacy projects of $175.2 million in the same period in 2023, for a net negative period-over-period impact on operating profit of $61.8 million. In addition, operating profit in the period was negatively impacted by a decrease in other income of $9.6 million, driven by lower gains on the sale of property, buildings, and equipment of $9.7 million primarily in utilities operations. In the balance of the Construction segment, operating profit was lower by $26.5 million. Operating profit in the period was impacted by lower gross profit in civil and utilities for reasons similar to the third quarter commentary, as well as from lower gross profit in industrial and urban transportation solutions, partially offset by higher volume and an increase gross profit margin in nuclear operations.

Construction segment backlog at September 30, 2024 was $5,872 million, which was $228 million lower than the same time last year. Backlog decreased period-over-period in urban transportation solutions ($122 million), utilities ($89 million), nuclear ($23 million), and civil operations ($15 million), and increased in industrial operations ($21 million). New contract awards totaled $1,063 million in the third quarter of 2024 and $2,787 million year-to-date, compared to $563 million and $3,348 million, respectively, in the same periods last

year. During the first nine months of 2024, Aecon was awarded a number of projects including an Aecon joint venture was awarded a contract to replace steam generators at three units at Bruce Nuclear Generating Station in Ontario; and a consortium, of which Aecon is a participant, was awarded a contract to design and build the Surrey Langley SkyTrain Stations project in British Columbia.

As discussed in Section 7 "Consolidated Financial Highlights", the Construction segment's anticipated future work to be performed at any given time is greater than what is reported as backlog.

8.2. CONCESSIONS

Financial Highlights

$ millions		Three months ended September 30				Nine months ended September 30		
		2024		2023		**2024**		2023
Revenue	**$**	**2.6**	$	26.3	**$**	**7.8**	$	70.6
Gross profit	**$**	**(0.3)**	$	13.1	**$**	**(2.0)**	$	31.5
Income from projects accounted for using the equity method	**$**	**5.9**	$	4.8	**$**	**20.0**	$	13.2
Adjusted EBITDA[(1)]	**$**	**22.3**	$	27.4	**$**	**69.5**	$	70.1
Operating profit	**$**	**4.7**	$	152.7	**$**	**22.6**	$	169.5
Backlog (at end of period)					**$**	**108**	$	102

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

Aecon currently holds a 50.1% interest in Skyport, the concessionaire responsible for the Bermuda airport's operations, maintenance, and commercial functions, and the entity that will manage and coordinate the overall delivery of the Bermuda International Airport Redevelopment Project over a 30-year concession term that commenced in 2017. Aecon's participation in Skyport is accounted for using the equity method. On September 20, 2023, Aecon sold a 49.9% interest in Skyport to Connor, Clark & Lunn Infrastructure with Aecon retaining the management contract for the airport. Prior to this transaction, Aecon's participation in Skyport was 100% consolidated and, as such, was accounted for in the consolidated financial statements by reflecting, line by line, the assets, liabilities, revenue and expenses of Skyport. Aecon's concession participation in the Eglinton Crosstown LRT, Finch West LRT, Gordie Howe International Bridge, Waterloo LRT, and the GO Expansion On-Corridor Works projects are joint ventures that are also accounted for using the equity method.

For the three and nine months ended September 30, 2024, revenue in the Concessions segment of $3 million and $8 million, respectively, was $23 million and $63 million lower compared to the same period in 2023. Lower revenue for both periods was primarily due to lower reported revenue from Skyport due to the commencement of the equity method of accounting for the project following the above noted sale of a 49.9% interest in Skyport in the third quarter of 2023.

Operating profit in the Concessions segment of $4.7 million and $22.6 million, respectively, for the three months and nine months ended September 30, 2024 was lower by $148.0 million and $146.9 million, respectively, compared to the same periods in 2023. The lower operating profit was primarily due to gains related to the sale in the third quarter of 2023 of a 49.9% interest in the Bermuda International Airport

concessionaire which resulted in a period-over-period decrease in gains on sale of $139.0 million and a decrease in the nine-month period comparison of $133.1 million. In the balance of the Concessions segment, operating profit for the three and nine-month periods ended September 30, 2024 decreased by $8.9 million and $13.7 million, respectively. Reported operating results from the Skyport operations in 2024 were also negatively impacted by the 49.9% reduction in Aecon's ownership interest in Skyport and from the use of the equity method of accounting in 2024 where operating results for Aecon's interest in Skyport were also reported net of financing costs and income taxes, which contributed to lower period-over-period operating profit results from the ongoing operations at Skyport. These negative impacts were partially offset by one-time recoveries in Skyport in the three and nine-month periods in 2024 of $nil and $5.9 million, respectively. Operating profit in the segment was also impacted in both periods by a decrease in management and development fees from the balance of the concessions operations.

Except for O&M activities under contract for the next five years and that can be readily quantified, Aecon does not include in its reported backlog expected revenue from concession agreements. As such, while Aecon expects future revenue from its concession assets, no concession backlog, other than from such O&M activities for the next five years, is reported.

9. QUARTERLY FINANCIAL DATA

Set out below is quarterly financial data for the most recent eight quarters:

$ millions (except per share amounts)

	2024			2023				2022
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Revenue	$ 1,275.3	$ 853.8	$ 846.6	$ 1,130.2	$ 1,239.6	$ 1,166.9	$ 1,107.2	$ 1,266.8
Adjusted EBITDA[(1)]	126.9	(153.5)	32.9	70.2	32.0	16.7	24.6	67.5
Earnings (loss) before income taxes	77.8	(170.8)	(6.7)	20.3	125.8	41.3	(9.9)	25.8
Profit (loss) attributable to shareholders	56.5	(123.9)	(6.1)	9.7	133.4	28.2	(9.4)	19.7
Adjusted profit (loss) attributable to shareholders[(1)]	57.5	(126.4)	(9.0)	7.8	133.7	28.5	(9.2)	20.3
Earnings (loss) per share:								
Basic	$ 0.90	$ (1.99)	$ (0.10)	$ 0.16	$ 2.16	$ 0.46	$ (0.15)	$ 0.32
Diluted	0.85	(1.99)	(0.10)	0.15	1.63	0.38	(0.15)	0.26
Adjusted earnings (loss) per share:								
Basic[(1)]	$ 0.92	$ (2.03)	$ (0.14)	$ 0.13	$ 2.17	$ 0.46	$ (0.15)	$ 0.33
Diluted[(1)]	0.86	(2.03)	(0.14)	0.12	1.63	0.38	(0.15)	0.27

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

Earnings (loss) per share and adjusted earnings (loss) per share for each quarter were computed using the weighted average number of shares issued and outstanding during the respective quarter. Any dilutive securities, which increase the earnings per share or decrease the loss per share, are excluded for purposes of calculating diluted earnings per share. Due to the impacts of dilutive securities, such as convertible debentures, and share issuances and repurchases throughout the periods, the sum of the quarterly earnings (losses) per share will not necessarily equal the total for the year.

Set out below is the calculation of Adjusted EBITDA for the most recent eight quarters:

$ millions

	2024			2023				2022
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Operating profit (loss)	**$ 80.9**	**$ (166.3)**	**$ (4.2)**	**$ 39.6**	**$ 140.1**	**$ 55.6**	**$ 5.6**	**$ 40.7**
Depreciation and amortization	23.0	19.8	18.8	14.6	20.3	21.2	22.9	23.9
(Gain) loss on sale of assets	(2.8)	(28.4)	(1.1)	(1.9)	(138.6)	(69.6)	(12.2)	(7.6)
Costs related to business acquisitions(2)	5.6	-	-	-	-	-	-	-
(Income) from projects accounted for using the equity method	(5.8)	(11.6)	(2.3)	(5.5)	(5.2)	(4.8)	(3.3)	(5.9)
Equity Project EBITDA(1)	25.9	32.9	21.6	23.4	15.4	14.2	11.6	16.4
Adjusted EBITDA(1)	**$ 126.9**	**$ (153.5)**	**$ 32.9**	**70.2**	**32.0**	**16.7**	**24.6**	**67.5**

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.
(2) Costs related to business acquisitions includes costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS.

Set out below is the calculation of Equity Project EBITDA for the most recent eight quarters:

$ millions

	2024			2023				2022
Aecon's proportionate share of projects accounted for using the equity method(1)	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Operating profit	**$ 22.1**	**$ 29.0**	**$ 17.8**	**$ 19.6**	**$ 15.4**	**$ 14.1**	**$ 11.4**	**$ 16.2**
Depreciation and amortization	3.8	3.9	3.8	3.8	-	0.1	0.2	0.2
Equity Project EBITDA(2)	**$ 25.9**	**$ 32.9**	**$ 21.6**	**$ 23.4**	**$ 15.4**	**$ 14.2**	**$ 11.6**	**$ 16.4**

(1) Refer to Note 10 "Projects Accounted for Using the Equity Method" in the September 30, 2024 interim condensed consolidated financial statements.
(2) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

Set out below is the calculation of Adjusted EBITDA by segment for the three months and nine months ended September 30, 2024 and 2023:

$ millions

	Three months ended September 30, 2024				Nine months ended September 30, 2024			
	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit (loss)	**$ 89.5**	**$ 4.7**	**$ (13.3)**	**$ 80.9**	**$ (88.0)**	**$ 22.6**	**$ (24.2)**	**$ (89.6)**
Depreciation and amortization	22.7	0.1	0.2	23.0	60.8	0.2	0.6	61.6
(Gain) loss on sale of assets	(6.3)	-	3.5	(2.8)	(17.3)	(5.9)	(9.0)	(32.2)
Costs related to business acquisitions[2]	5.4	0.1	0.1	5.6	5.4	0.1	0.1	5.6
(Income) loss from projects accounted for using the equity method	0.1	(5.9)	-	(5.8)	0.3	(20.0)	-	(19.6)
Equity Project EBITDA[1]	2.6	23.3	-	25.9	8.0	72.5	-	80.5
Adjusted EBITDA[1]	**$ 114.0**	**$ 22.3**	**$ (9.5)**	**$ 126.9**	**$ (30.8)**	**$ 69.5**	**$ (32.4)**	**$ 6.3**

$ millions

	Three months ended September 30, 2023				Nine months ended September 30, 2023			
	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit (loss)	**$ 1.3**	**$ 152.7**	**$ (13.9)**	**$ 140.1**	**$ 10.0**	**$ 169.5**	**$ 21.9**	**$ 201.3**
Depreciation and amortization	14.1	5.6	0.6	20.3	46.2	16.9	1.4	64.4
(Gain) on sale of assets	(0.9)	(139.0)	1.3	(138.6)	(26.9)	(139.0)	(54.5)	(220.4)
Costs related to business acquisitions[2]	-	-	-	-	-	-	-	-
(Income) from projects accounted for using the equity method	(0.4)	(4.8)	-	(5.2)	(0.1)	(13.2)	-	(13.3)
Equity Project EBITDA[1]	2.4	13.0	-	15.4	5.3	35.9	-	41.2
Adjusted EBITDA[1]	**$ 16.5**	**$ 27.5**	**$ (12.0)**	**$ 32.0**	**$ 34.5**	**$ 70.1**	**$ (31.2)**	**$ 73.2**

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

(2) Costs related to business acquisitions includes costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS.

Set out below is the calculation of Equity Project EBITDA by segment for the three months and nine months ended September 30, 2024 and 2023:

$ millions

Aecon's proportionate share of projects accounted for using the equity method [(1)]	Three months ended September 30, 2024				Nine months ended September 30, 2024			
	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit	**$ 2.6**	**$ 19.5**	**$ -**	**$ 22.1**	**$ 8.0**	**$ 61.0**	**$ -**	**$ 69.0**
Depreciation and amortization	-	3.8	-	3.8	-	11.5	-	11.5
Equity Project EBITDA[(2)]	**$ 2.6**	**$ 23.3**	**$ -**	**$ 25.9**	**$ 8.0**	**$ 72.5**	**$ -**	**$ 80.5**

$ millions

Aecon's proportionate share of projects accounted for using the equity method [(1)]	Three months ended September 30, 2023				Nine months ended September 30, 2023			
	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit	**$ 2.4**	**$ 13.0**	**$ -**	**$ 15.4**	**$ 5.1**	**$ 35.9**	**$ -**	**$ 41.0**
Depreciation and amortization	-	-	-	-	0.2	-	-	0.2
Equity Project EBITDA[(2)]	**$ 2.4**	**$ 13.0**	**$ -**	**$ 15.4**	**$ 5.3**	**$ 35.9**	**$ -**	**$ 41.2**

(1) Refer to Note 10 "Projects Accounted for Using the Equity Method" in the September 30, 2024 interim condensed consolidated financial statements.
(2) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.

Set out below is the calculation of Adjusted Profit (Loss) Attributable to Shareholders and Adjusted Earnings (Loss) per Share for the most recent eight quarters:

$ millions

	2024			2023				2022
	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4
Profit (loss) attributable to shareholders	**$ 56.5**	**$ (123.9)**	**$ (6.1)**	**$ 9.7**	**$ 133.4**	**$ 28.2**	**$ (9.4)**	**$ 19.7**
Unrealized (gain) on derivative financial instruments	(7.3)	(3.7)	(4.3)	(2.9)	-	-	-	-
Amortization of acquisition related intangible assets	3.0	0.3	0.3	0.4	0.4	0.4	0.3	0.7
Costs related to business acquisitions[(2)]	5.6	-	-	-	-	-	-	-
Income tax effect of the above items	(0.4)	0.9	1.0	0.7	(0.1)	(0.1)	(0.1)	(0.2)
Adjusted profit (loss) attributable to shareholders [(1)]	**$ 57.5**	**$ (126.4)**	**$ (9.0)**	**$ 7.8**	**$ 133.7**	**$ 28.5**	**$ (9.2)**	**$ 20.3**
Adjusted earnings (loss) per share - basic[(1)]	**$ 0.92**	**$ (2.03)**	**$ (0.14)**	**$ 0.13**	**$ 2.17**	**$ 0.46**	**$ (0.15)**	**$ 0.33**
Adjusted earnings (loss) per share - diluted[(1)]	**0.86**	**(2.03)**	**(0.14)**	**0.12**	**1.63**	**0.38**	**(0.15)**	**0.27**

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.
(2) Costs related to business acquisitions includes costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS.

Set out below is the calculation of Adjusted Profit (Loss) Attributable to Shareholders and Adjusted Earnings (Loss) per Share for the three months and nine months ended September 30, 2024 and 2023:

$ millions

	Three months ended September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
Profit (loss) attributable to shareholders	**$ 56.5**	$ 133.4	**$ (73.5)**	$ 152.2
Unrealized (gain) on derivative financial instruments	**(7.3)**	-	**(15.3)**	-
Amortization of acquisition related intangible assets	**3.0**	0.4	**3.7**	1.1
Costs related to business acquisitions[(2)]	**5.6**	-	**5.6**	-
Income tax effect of the above items	**(0.4)**	(0.1)	**1.6**	(0.3)
Adjusted profit (loss) attributable to shareholders [(1)]	**$ 57.5**	$ 133.7	**$ (78.0)**	$ 153.0
Adjusted earnings (loss) per share - basic[(1)]	**$ 0.92**	$ 2.17	**$ (1.25)**	$ 2.48
Adjusted earnings (loss) per share - diluted[(1)]	**0.86**	1.63	**(1.25)**	1.95

(1) This is a non-GAAP financial measure. Refer to Section 4 "Non-GAAP and Supplementary Financial Measures" in this MD&A for more information on each non-GAAP financial measure.
(2) Costs related to business acquisitions includes costs related to advisory, legal and other transaction fees; changes in the fair value of contingent consideration; and contingent consideration classified as compensation per IFRS.

10. FINANCIAL CONDITION, LIQUIDITY AND CAPITAL RESOURCES

10.1. INTRODUCTION

Aecon's participation in joint arrangements classified as joint operations is accounted for in the Company's consolidated financial statements by reflecting, line by line, Aecon's share of the assets held jointly, liabilities incurred jointly, and revenue and expenses arising from the joint operations.

Aecon's participation in joint arrangements classified as joint ventures, as well as Aecon's participation in project entities where Aecon exercises significant influence over the entity but does not control or jointly control the entity (i.e. associates), is accounted for using the equity method.

For further information, see Note 10 "Projects Accounted for Using the Equity Method" to the September 30, 2024 interim condensed consolidated financial statements.

10.2. CONTINGENCIES

Kemano Generating Station Second Tunnel Project

During the second quarter of 2020, Rio Tinto issued a notice of termination of contract to the joint venture in which Aecon holds a 40% interest with respect to the Kemano Generating Station Second Tunnel Project. Rio Tinto also issued notice to the joint ventures' sureties asserting a claim on the 50% performance bonds; the sureties entered into a cooperation agreement with Rio Tinto but have not taken a position on the validity of this claim on the bonds. In the third quarter of 2020, the joint venture issued a notice of civil claim seeking approximately $105 million in damages from Rio Tinto. The joint venture also registered and perfected a builders' lien against project lands, providing security over approximately $97 million of the claimed damages.

In the first quarter of 2021, Rio Tinto issued a counterclaim against the joint venture and subsequently amended its pleadings to add the joint venture's parent companies to the action pursuant to parent company guarantees issued by said companies, and also to articulate counterclaim damages of approximately $428 million. While it is possible that this commercial dispute could result in a material impact to Aecon's earnings and cash flow if not resolved, the ultimate results cannot be predicted at this time. The aforementioned notice of civil claim was commenced in the Supreme Court of British Columbia between Frontier Kemper Constructors and Frontier Kemper – Aecon Joint Venture as plaintiffs/defendants by counterclaim and Rio Tinto Alcan Inc. and Aluminum Company of Canada Limited/Aluminum Du Canada Limitée as the defendants/plaintiffs by counterclaim.

K+S Potash Canada

During the second quarter of 2018, the Company filed a statement of claim in the Court of King's Bench for Saskatchewan (the "Court") against K+S Potash Canada ("KSPC") and KSPC filed a statement of claim in the Court against the Company. Both actions relate to the Legacy mine project in Bethune, Saskatchewan. The Company is seeking $180 million in payments due to it pursuant to agreements entered into between the Company and KSPC with respect to the project plus approximately $14 million in damages. The Company has recorded $141 million of unbilled revenue and accounts receivable at September 30, 2024. Offsetting this amount to some extent, the Company has accrued $45 million in trade and other payables for potential payments to third parties pending the outcome of the claim against KSPC. KSPC is seeking an order that the Company repay to KSPC approximately $195 million already paid to the Company pursuant to such agreements. The Company has also been brought into two other lawsuits in the same Court between KSPC and various other contractors involved with the Legacy mine project, both relating to matters which the Company believes are materially covered by insurance coverage, to the extent of any liability. In the fourth quarter of 2022, the Court issued a decision allowing an application by Aecon to add KSPC's parent company K+S Aktiengesellschaft ("KSAG") as a defendant to the lawsuit arising from KSAG's conduct in inducing KSPC to breach its contract with Aecon. These claims may not be resolved for several years. While the Company considers KSPC's claim to be without merit and does not expect that the resolution of these claims will cause a material impact to its financial position, the ultimate results cannot be predicted at this time.

Critical Accounting Estimates – Certain Fixed Price Legacy Projects

Certain large fixed price legacy projects being performed by joint ventures in which Aecon is a participant (see Section 13 "Risk Factors" in this MD&A), are being negatively impacted due to additional costs for which the joint ventures assert that the owners are contractually responsible, including for, among other things, unforeseeable site conditions, third party delays, impacts of COVID-19, supply chain disruptions, and inflation related to labour and materials. Revenue and income from these contracts are determined by the percentage of completion method, based on the ratio of costs incurred to date over estimated total costs at completion of the project. The Company has a process whereby progress to completion is reviewed by management on a regular basis and estimated costs to complete are updated as necessary. Claims are amounts in excess of the agreed contract price, or amounts not included in the original contract price, that the relevant joint venture seeks to collect from clients for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved as to both scope and price, or other causes of unanticipated additional costs that the Company and the relevant joint venture believes the owner is contractually responsible. Due to unforeseen changes in estimates of the nature or cost of the work to be completed and / or changes in estimates of related revenue, contract profit can differ significantly from earlier estimates (See Section 13 "Risk Factors": "Large

Projects", "Certain Fixed Price Legacy Projects", "Contractual Factors", "Litigation and Claims", "Increases in the Cost of Raw Materials", and "Force Majeure Events" in the 2023 Annual MD&A). In the full year of 2022 and 2023, due to the factors discussed above that impacted these fixed price legacy projects during the year, Aecon recognized an operating loss of $120.0 million and $215.2 million, respectively, related to these four projects. In the first nine months of 2024, Aecon recognized an operating loss of $237.0 million from these four legacy projects. See also Section 5 "Recent Developments" in this MD&A.

10.3. CASH AND DEBT BALANCES

Cash balances at September 30, 2024 and December 31, 2023 are as follows:

$ millions		September 30, 2024		
		Balances excluding Joint Operations	Joint Operations	Consolidated Total
Cash and cash equivalents	(1)	$ 197	$ 309	$ 506
Bank indebtedness	(2)	(166)	-	(166)
		December 31, 2023		
		Balances excluding Joint Operations	Joint Operations	Consolidated Total
Cash and cash equivalents	(1)	$ 259	$ 387	$ 646
Bank indebtedness	(2)	(112)	-	(112)

(1) Cash and cash equivalents include cash on deposit in bank accounts of joint operations which Aecon cannot access directly.
(2) Bank indebtedness represents borrowings on Aecon's revolving credit facilities.

Cash balances at September 30, 2024 were atypically strong due to timing related project payments and receipts as well as the continuation of strong cash balances from the start of the year.

Long-term debt balances at September 30, 2024 and December 31, 2023 are as follows:

$ millions	September 30, 2024	December 31, 2023
Current portion of long-term debt – recourse	**$ 43.9**	$ 42.6
Long-term debt – recourse	**104.3**	106.8
Total long-term recourse debt	**$ 148.2**	$ 149.4
Preferred Shares of Aecon Utilities - current	**$ 154.9**	$ 157.1

Total long-term recourse debt of $148.2 million at September 30, 2024 compares to $149.4 million at December 31, 2023. The $1.2 million net decrease in total long-term recourse debt resulted primarily from a decrease in equipment leases of $2.5 million, partially offset by an increase in equipment financing of $1.3 million.

The $2.2 million decrease in the Preferred Shares of Aecon Utilities resulted from net fair value gains totalling $16.9 million less accrued dividends of $14.7 million in the first nine months of 2024.

At September 30, 2024, Aecon had a committed revolving credit facility of $450 million and a separate committed credit facility for Aecon Utilities of $400 million. At September 30, 2024, $166 million was drawn on the facilities and $4 million was utilized for letters of credit. Cash drawings under the revolving credit

facilities bear interest at rates between prime and prime plus 1.85% per annum. The revolving credit facilities, when combined with an additional $900 million performance security guarantee facility to support letters of credit provided by Export Development Canada ("EDC"), brings Aecon's committed credit facilities for working capital and letter of credit requirements to a total of $1,750 million. The Company has no other debt or working capital credit facility maturities until 2027, except equipment and property loans and leases in the normal course. At September 30, 2024, Aecon was in compliance with all debt covenants related to its credit facilities.

Aecon's financial position, liquidity, and capital resources are subject to the risks and uncertainties described in Section 10.2 "Contingencies" of this MD&A regarding certain pending legal proceedings to which Aecon is a party. Aecon and its joint venture partners also continue to advance negotiations and work towards resolution of claims for additional costs related to certain fixed price legacy projects, and in conjunction strengthen the Company's balance sheet through reducing working capital related to these projects. While the Company believes each relevant joint venture has a strong claim to recover at least a substantial portion of these costs, the ultimate outcome of these matters cannot be predicted at this time (see Section 13 "Risk Factors": "Certain Fixed Price Legacy Projects" in the 2023 Annual MD&A). Aecon's operations also remain subject to uncertainties related to the unpredictability of future potential impacts related to global economic conditions, notably from supply chain disruptions, inflation related to labour and materials, and availability of labour (see Section 5 "Recent Developments" of this MD&A). As such, while the Company remains subject to risks which individually or in the aggregate, could result in material impacts to Aecon's earnings, cash flow, liquidity and financial position, the Company believes that its current liquidity position, including its cash position, unused credit capacity, and cash generated from its operations, is sufficient to fund its operations.

In the third quarter of 2024, Aecon's Board of Directors approved a quarterly dividend of $0.19 per share (annual dividend of $0.76 per share) to be paid to all holders of Aecon common shares. Prior to this increase, Aecon paid a quarterly dividend of $0.185 per share (annual dividend of $0.74 per share). The third quarterly dividend payment of $0.19 per share was paid on October 2, 2024.

10.4. SUMMARY OF CASH FLOWS

The construction industry in Canada is seasonal in nature for companies like Aecon that perform a significant portion of their work outdoors, particularly road construction and utilities work. As a result, a larger portion of this work is performed in the summer and fall months than in the winter and early spring months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating cash flow, with cash balances typically being at their lowest levels in the middle of the year as investments in working capital increase. These seasonal impacts typically result in cash balances peaking near year-end or during the first quarter of the year.

A summary of sources and uses of cash during the three and nine months ended September 30, 2024 and 2023 is as follows:

$ millions	Three months ended September 30		Nine months ended September 30	
	2024	2023	**2024**	2023
Operating Activities				
Cash provided by (used in):				
Cash flows from (used by) operations before changes in working capital	**$ 86.9**	$ 11.5	**$ (98.2)**	$ (17.4)
Lower (higher) investments in working capital	**(28.2)**	99.1	**68.7**	(108.1)
Cash provided by (used in) operating activities	**$ 58.7**	$ 110.6	**$ (29.5)**	$ (125.5)
Investing Activities				
Cash provided by (used in):				
Decrease (increase) in restricted cash balances held by Skyport to finance the Bermuda International Airport project	**$ -**	$ (6.1)	**$ -**	$ 2.0
(Expenditures) net of proceeds on property, plant, and equipment and intangible assets	**(3.0)**	(2.7)	**(20.3)**	51.6
Cash outflow related to acquisitions	**(113.5)**	-	**(113.5)**	-
Proceeds on the sale of subsidiaries (net of cash in subsidiaries disposed)	**-**	162.3	**11.5**	317.6
Cash distributions received from projects accounted for using the equity method	**14.5**	0.1	**18.1**	0.5
Cash provided by (used for) investments in long-term financial assets	**0.1**	(7.7)	**(0.1)**	(14.2)
Cash provided by (used in) investing activities	**$ (101.9)**	$ 145.9	**$ (104.3)**	$ 357.5
Financing Activities				
Cash provided by (used in):				
Increase (decrease) in bank indebtedness associated with borrowings under the Company's revolving credit facilities	**$ 68.9**	$ (158.0)	**$ 55.6**	$ (91.0)
Increase in long-term recourse debt borrowings	**6.9**	0.3	**9.9**	6.7
Repayments of long-term recourse debt relating primarily to property and equipment financing arrangements	**(10.5)**	(14.2)	**(35.0)**	(55.1)
Repayment of non-recourse project debt of the Bermuda International Airport project	**-**	(1.4)	**-**	(3.4)
Cash used for dividends paid	**(11.9)**	(11.4)	**(35.2)**	(34.2)
Common shares purchased under NCIB	**(2.9)**	-	**(2.9)**	-
Cash provided by (used in) financing activities	**$ 50.5**	$ (184.7)	**$ (7.6)**	$ (177.0)
Increase (decrease) in cash and cash equivalents	**$ 7.4**	$ 71.8	**$ (141.4)**	$ 55.0
Effects of foreign exchange on cash balances	**(0.7)**	2.0	**1.7**	0.2
Cash and cash equivalents – beginning of period	**499.4**	358.6	**645.8**	377.2
Cash and cash equivalents – end of period	**$ 506.1**	$ 432.4	**$ 506.1**	$ 432.4

In the first nine months of 2024, Aecon acquired, either through purchase or lease, property, plant, and equipment totaling $73.1 million (excluding property, plant, and equipment acquired at the time of the Xtreme acquisition). Of this amount, $12.3 million was largely related to office and warehouse leases with the balance of the investment in property, plant, and equipment primarily related to the purchase or lease of new machinery and construction equipment as part of normal ongoing business operations in the Construction segment. In the first nine months of 2023, Aecon acquired, either through purchase or lease, property, plant, and equipment

totaling $28.6 million. Of this amount, $7.0 million was largely related to office and warehouse leases in Ontario, with the balance of the investment in property, plant, and equipment primarily related to the purchase or lease of new machinery and construction equipment as part of normal ongoing business operations in the Construction segment.

10.5. CAPITAL MANAGEMENT

For capital management purposes, the Company defines capital as the aggregate of its shareholders' equity and debt. Debt includes the current and non-current portions of long-term debt (excluding non-recourse debt and drawings on the Company's credit facilities presented as bank indebtedness), convertible debentures, and Preferred Shares of Aecon Utilities.

The Company's principal objectives in managing capital are:

- to ensure sufficient liquidity to adequately fund the ongoing operations of the business;
- to provide flexibility to take advantage of contract and growth opportunities that are expected to provide returns to shareholders;
- to maintain a strong capital base;
- to provide a rate of return in excess of its cost of capital to its shareholders; and
- to comply with financial covenants required under its various borrowing facilities.

The Company manages its capital structure and adjusts it in light of changes in economic conditions. In order to maintain or adjust its capital structure, the Company may issue new debt or repay existing debt, issue new shares, issue convertible debt, or adjust the quantum of dividends paid to shareholders. Financing decisions are generally made on a specific transaction basis and depend on such things as the Company's needs, capital markets, and economic conditions at the time of the transaction.

Although the Company monitors capital on a number of bases, including liquidity and working capital, total debt (excluding non-recourse debt and drawings on the Company's credit facilities presented as bank indebtedness) as a percentage of total capitalization (debt to capitalization percentage) is considered by the Company to be the most important metric in measuring the strength and flexibility of its consolidated balance sheets. At September 30, 2024, the debt to capitalization percentage was 24% (December 31, 2023 - 22%). If the Preferred Shares of Aecon Utilities were to be excluded from debt and added to equity on the basis that they could be converted or redeemed for equity of Aecon Utilities, either at the Company's option or at the holder's option, then the adjusted debt to capitalization percentage would be 12% at September 30, 2024 (December 31, 2023 - 11%). While the Company believes these debt to capitalization percentages are acceptable, because of the cyclical nature of its business and the uncertainties described in Section 10.2 "Contingencies", Section 5 "Recent Developments" in this MD&A, and Section 13 "Risk Factors" in the 2023 Annual MD&A, the Company will continue its efforts to maintain a conservative capital position.

Debt to capitalization percentage is presented in Note 29 "Capital Disclosures" of the Company's September 30, 2024 interim condensed consolidated financial statements and accompanying notes.

Set out below is the calculation of the Company's debt to capitalization percentage at September 30, 2024 and December 31, 2023 using the definitions provided in the preceding paragraphs:

$ millions				
		September 30, 2024		**December 31, 2023**
Current portion of long-term debt	**$**	**43.9**	$	42.6
Long-term debt		**104.3**		106.8
Preferred shares of Aecon Utilities		**154.9**		157.1
Debt	**$**	**303.1**	$	306.5
Shareholders' equity	**$**	**956.0**	$	1,064.3
Capitalization	**$**	**1,259.1**	$	1,370.8
Debt to capitalization percentage		**24%**		22%

		September 30, 2024		**December 31, 2023**
Current portion of long-term debt	**$**	**43.9**	$	42.6
Long-term debt		**104.3**		106.8
Debt	**$**	**148.2**	$	**149.4**
Shareholders' equity	**$**	**956.0**	$	1,064.3
Preferred shares of Aecon Utilities		**154.9**		157.1
Shareholders' equity and Preferred Shares of Aecon Utilities	**$**	**1,110.9**	$	**1,221.4**
Capitalization	**$**	**1,259.1**	$	1,370.8
Debt (excluding Preferred Shares) to capitalization percentage		**12%**		11%

10.6. FINANCIAL INSTRUMENTS

From time to time, the Company enters into forward contracts and other foreign exchange hedging products to manage its exposure to changes in exchange rates related to transactions denominated in currencies other than the Canadian dollar but does not hold or issue such financial instruments for speculative trading purposes. In addition, some of the Company’s investments in projects accounted for using the equity method enter into derivative financial instruments, namely interest rate swaps, to hedge the variability of interest rates related to non-recourse project debt.

The Company discloses information on the classification and fair value of its financial instruments, as well as on the nature and extent of risks arising from financial instruments, and related risk management in Note 28 “Financial Instruments” to the Company’s September 30, 2024 interim condensed consolidated financial statements and the notes thereto.

10.7. NORMAL COURSE ISSUER BID

On August 15, 2024, the Toronto Stock Exchange ("TSX") approved the Company's normal course issuer bid (the "NCIB") pursuant to which the Company may purchase for cancellation up to 3,126,306 common shares of Aecon, representing 5% of the issued and outstanding common shares as of August 7, 2024. The NCIB commenced on August 18, 2024 and will end no later than August 18, 2025. During both the three and nine-month periods ended September 30, 2024, 150,600 common shares were repurchased for cancellation pursuant to the NCIB at a cost of $2.9 million.

Aecon believes that the repurchase of common shares at certain market prices is an appropriate and desirable use of Aecon's funds that is in the best interests of Aecon and beneficial to its shareholders. Aecon intends to make purchases on an opportunistic basis, taking share price and other considerations into account. Purchases under the NCIB will be funded using Aecon's existing cash resources or its senior credit facility. The actual number of common shares which may be purchased under the NCIB and the timing of any such purchases will be determined by the management of Aecon, subject to applicable securities laws and TSX rules. Aecon may elect to suspend or discontinue repurchases of common shares at any time, in accordance with applicable laws. There can be no assurances that any such purchases of common shares under the NCIB will be completed.

11. NEW ACCOUNTING STANDARDS

Note 5 "New Accounting Standards" to Aecon's September 30, 2024 interim condensed consolidated financial statements includes new IFRS standards and amendments that became effective for the Company on January 1, 2024, and Note 6 "Future Accounting Changes" discusses IFRS standards and amendments that are issued, but not yet effective. Upon the adoption of the amendments to IAS 1, the Preferred Shares of Aecon Utilities at December 31, 2023 and 2022 were reclassified from non-current liabilities to current liabilities and bank indebtedness at December 31, 2023 and 2022 was reclassified from current liabilities to non-current liabilities in the consolidated balance sheets.

Other than as noted above, the new accounting standards had no significant impact on profit (loss), comprehensive income (loss), or earnings (loss) per share in the first nine months of 2024.

12. SUPPLEMENTAL DISCLOSURES

Disclosure Controls and Procedures

The Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO"), together with management, have designed disclosure controls and procedures to provide reasonable assurance that material information with respect to the Company, including its consolidated subsidiaries, is made known to them by others and is recorded, processed, summarized and reported within the time periods specified in securities legislation. The CEO and CFO, together with management, have also designed internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. In designing such controls, it should be recognized that any system of internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation and may not prevent or detect misstatements due to error or fraud.

Changes in Internal Controls over Financial Reporting

There have been no changes in the Company's internal controls over financial reporting during the period beginning on July 1, 2024 and ended on September 30, 2024 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

Contractual Obligations

Aecon has obligations for equipment and premises as follows:

$ millions	Finance lease payments	Equipment and other loans
Due within one year	$ 38.8	$ 11.3
Due between one and five years	82.7	16.4
Due after five years	11.0	5.8
	$ 132.5	**$ 33.5**

Contractual obligations related to the Preferred Shares of Aecon Utilities are as follows:

$ millions	Preferred Shares (1)
2025	$ -
2026 - 2029	-
Beyond	381.3
	$ 381.3

(1) The Preferred Shares have no fixed repayment terms (see Note 16 "Preferred Shares of Aecon Utilities" to the Company's September 30, 2024) interim condensed consolidated financial statements and the accompanying notes. The Preferred Shares are assumed to have a contractual maturity of 7 years from issuance in this summary.

At September 30, 2024, Aecon had contractual obligations to complete construction contracts that were in progress. The revenue value of these contracts was $5,980 million.

Further details on Contractual Obligations are included in the Company's 2023 Annual MD&A.

Defined Benefit Pension Plans

Aecon's defined benefit pension plans (the "Pension Plans") had a combined surplus of $0.5 million at September 30, 2024 (December 31, 2023 a combined deficit of $0.3 million). The defined benefit obligations and benefit cost levels will change as a result of future changes in the actuarial methods and assumptions, the membership data, the plan provisions and the legislative rules, or as a result of future experience gains or losses, none of which have been anticipated at this time. Emerging experience, differing from assumptions, will result in gains or losses that will be disclosed in future accounting valuations. Refer to the Company's 2023 Annual MD&A for further details regarding Aecon's Pension Plans.

Further details of contingencies and guarantees are included in the September 30, 2024 interim condensed consolidated financial statements and in the 2023 Annual MD&A.

Related Party Transactions

Other than transactions with certain equity accounted investees as part of the normal course of operations, there were no significant related party transactions in the first nine months of 2024.

Critical Accounting Estimates and Judgments

Refer to the detailed discussion outlined in Note 4 "Critical Accounting Estimates" of the September 30, 2024 interim condensed consolidated financial statements.

13. RISK FACTORS

Refer to the detailed discussion on Risk Factors as outlined in the Company's 2023 Annual MD&A dated March 5, 2024. These risk factors could materially and adversely affect the Company's future operating results and could cause actual events to differ materially from those described in forward-looking statements relating to the Company. These risks and uncertainties, which management reviews on a quarterly basis, have not materially changed in the period since March 5, 2024 except as described in Section 10.2 "Contingencies" and Section 10.3 "Cash And Debt Balances" in this MD&A.

14. OUTSTANDING SHARE DATA

Aecon is authorized to issue an unlimited number of common shares. The following are details of common shares outstanding and securities that are convertible into common shares of Aecon Group Inc.

In thousands of dollars (except share amounts)	October 31, 2024
Number of common shares outstanding	62,375,531
Outstanding securities exchangeable or convertible into common shares:	
DSUs and RSUs outstanding under the Long-Term Incentive Plan and the 2014 Director DSU Plan	4,254,914

15. OUTLOOK

Aecon's goal is to build a resilient company through a balanced and diversified work portfolio across sectors, markets, geographies, project types, sizes, and delivery models while enhancing critical execution capabilities and project selection to play to its strengths. With backlog of $6.0 billion at the end of the third quarter of 2024, recurring revenue programs continuing to see solid demand, and a strong bid pipeline, Aecon believes it is positioned to achieve further revenue growth commencing in 2025 and over the next few years and is focused on achieving improved profitability and margin predictability.

In the Construction segment, demand for Aecon's services across Canada, as well as increasingly in select U.S. and international markets, continues to be strong. Development phase work is ongoing in consortiums in which Aecon is a participant to deliver several significant long-term progressive design-build projects of various sizes. These projects are being delivered using progressive design-build or alliance models and are expected to move into the construction phase in 2025 and 2026. None of the anticipated work from these projects is yet reflected in backlog.

In the Concessions segment, there are a number of opportunities to add to the existing portfolio of Canadian and international concessions in the next 12 to 24 months. These include projects that support a collective focus on sustainability and the transition to a net-zero economy, underpinned by trends associated with aging infrastructure, mobility, connectivity, and population growth. In the first quarter of 2024, an Aecon-led consortium was selected by the U.S. Virgin Islands Port Authority to redevelop the Cyril E. King Airport in St. Thomas and the Henry E. Rohlsen Airport in St. Croix under a collaborative Design, Build, Finance, Operate and Maintain Public-Private Partnership model. The GO Expansion On-Corridor Works project includes an operations and maintenance component over a 23-year term commencing January 1, 2025.

Global and Canadian economic conditions impacting inflation, interest rates, and overall supply chain efficiency have stabilized, and these factors have largely been and will continue to be reflected in the pricing and commercial terms of the Company's recent and prospective project awards and bids. Results have been negatively impacted by four legacy projects in recent periods, undermining positive profitability trends in the balance of Aecon's business. Until the balance of these projects is complete and related claims have been resolved, there is a risk that this could also occur in future periods – see Section 5 "Recent Developments" and Section 10.2 "Contingencies" in this MD&A, and Section 13 "Risk Factors" in the 2023 Annual MD&A regarding the risk on certain large fixed price legacy projects entered into in 2018 or earlier by joint ventures in which Aecon is a participant.

Revenue in 2024 will be impacted by the sales of ATE and a 49.9% interest in Skyport completed in 2023, the substantial completion of several large projects in 2023, the four legacy projects, and major projects currently in the development phase by consortiums in which Aecon is a participant being delivered using the progressive design-build or alliance models which are expected to move into the construction phase in 2025 and 2026.

The completion and satisfactory resolution of claims on the remaining three legacy projects with the respective clients remains a critical focus for the Company and its partners. Aecon is also focused on making strategic investments in its operations to support access to new markets and increase operational effectiveness.

AECON GROUP INC.

THIRD QUARTER

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

(unaudited)

September 30, 2024

INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS SEPTEMBER 30, 2024 AND 2023

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MANAGEMENT REPORT
October 31, 2024

Notice to Reader

The management of Aecon Group Inc. (the “Company”) is responsible for the preparation of the accompanying interim condensed consolidated financial statements. The interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IFRS Accounting Standards”) applicable to the preparation of interim financial statements including International Accounting Standard (“IAS”) 34 “Interim Financial Reporting” and are considered by management to present fairly the consolidated financial position, operating results and cash flows of the Company.

These interim condensed consolidated financial statements have not been reviewed by the Company’s auditor. These interim condensed consolidated financial statements are unaudited and include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows of the Company.

(signed) Jean-Louis Servranckx, President and Chief Executive Officer

(signed) Jerome Julier, Executive Vice-President and Chief Financial Officer

CONSOLIDATED BALANCE SHEETS

AS AT SEPTEMBER 30, 2024 AND DECEMBER 31, 2023

(in thousands of Canadian dollars) (unaudited)

	Note	September 30 2024	December 31 2023
ASSETS			
Current assets			
Cash and cash equivalents	7	**$ 506,077**	$ 645,784
Trade and other receivables	8	**1,014,046**	969,756
Unbilled revenue		**782,753**	719,243
Inventories	9	**30,086**	20,815
Income tax recoverable		**27,254**	23,863
Prepaid expenses		**86,090**	93,795
		2,446,306	2,473,256
Non-current assets			
Long-term financial assets		**21,056**	21,423
Projects accounted for using the equity method	10	**232,515**	232,752
Deferred income tax assets		**110,388**	93,285
Property, plant and equipment	11	**342,125**	251,899
Intangible assets	12	**181,615**	123,013
		887,699	722,372
TOTAL ASSETS		**$ 3,334,005**	$ 3,195,628
LIABILITIES			
Current liabilities			
Trade and other payables	13	**1,135,194**	1,017,836
Provisions	14	**28,462**	35,270
Deferred revenue		**628,952**	519,084
Income taxes payable		**58,949**	11,359
Current portion of long-term debt	15	**43,913**	42,608
Preferred Shares of Aecon Utilities	16	**154,870**	157,110
		2,050,340	1,783,267
Non-current liabilities			
Bank indebtedness	17	**165,756**	111,700
Provisions	14	**4,240**	3,976
Long-term debt	15	**104,310**	106,770
Deferred income tax liabilities		**47,113**	125,337
Other liabilities		**-**	252
		321,419	348,035
TOTAL LIABILITIES		**2,371,759**	2,131,302
EQUITY			
Capital stock	22	**435,292**	430,709
Contributed surplus		**79,795**	80,706
Retained earnings		**438,940**	551,263
Accumulated other comprehensive income		**1,932**	1,648
Equity attributable to Aecon shareholders		**955,959**	1,064,326
Non-controlling interests		**6,287**	-
TOTAL EQUITY		**962,246**	1,064,326
TOTAL LIABILITIES AND EQUITY		**$ 3,334,005**	$ 3,195,628

Contingencies (Note 21)

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONSOLIDATED STATEMENTS OF INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note	For the three months ended		For the nine months ended	
		September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Revenue		**$ 1,275,347**	$ 1,239,584	**$ 2,975,718**	$ 3,513,657
Direct costs and expenses	23	**(1,124,922)**	(1,193,884)	**(2,900,414)**	(3,355,981)
Gross profit		**150,425**	45,700	**75,304**	157,676
Marketing, general and administrative expense	23	**(55,814)**	(28,685)	**(156,116)**	(126,028)
Depreciation and amortization	23	**(22,985)**	(20,274)	**(61,612)**	(64,439)
Income from projects accounted for using the equity method	10	**5,796**	5,214	**19,644**	13,251
Other income	24	**3,473**	138,154	**33,177**	220,883
Operating profit (loss)		**80,895**	140,109	**(89,603)**	201,343
Finance income		**1,420**	2,288	**6,717**	5,463
Finance cost	25	**(4,544)**	(16,556)	**(16,788)**	(49,607)
Profit (loss) before income taxes		**77,771**	125,841	**(99,674)**	157,199
Income tax recovery (expense)	19	**(21,303)**	7,584	**26,131**	(5,004)
Profit (loss) for the period		**$ 56,468**	$ 133,425	**$ (73,543)**	$ 152,195
Profit (loss) attributable to:					
Aecon shareholders		**$ 56,462**	$ 133,425	**$ (73,549)**	$ 152,195
Non-controlling interests		**6**	-	**6**	-
		$ 56,468	$ 133,425	**$ (73,543)**	$ 152,195
Basic earnings (loss) per share	26	**$ 0.90**	$ 2.16	**$ (1.18)**	$ 2.47
Diluted earnings (loss) per share	26	**$ 0.85**	$ 1.63	**$ (1.18)**	$ 1.94

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(in thousands of Canadian dollars) (unaudited)

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Profit (loss) for the period	**$ 56,468**	$ 133,425	**$ (73,543)**	$ 152,195
Other comprehensive income (loss):				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences - foreign operations	**(2,689)**	3,403	**2,797**	(2,310)
Cash flow hedges - equity accounted investees	**(2,694)**	(2,945)	**(5,208)**	(5,591)
Cash flow hedges - joint operations	**(284)**	543	**(674)**	(3,450)
Fair value gain on Preferred Shares of Aecon Utilities	**1,020**	-	**1,610**	-
Income taxes on the above	**791**	254	**1,651**	2,022
Total other comprehensive income (loss) for the period	**(3,856)**	1,255	**176**	(9,329)
Comprehensive income (loss) for the period	**$ 52,612**	$ 134,680	**$ (73,367)**	$ 142,866
Comprehensive income (loss) attributable to:				
Aecon shareholders	**52,714**	134,680	**(73,265)**	142,866
Non-controlling interests	**(102)**	-	**(102)**	-
	$ 52,612	$ 134,680	**$ (73,367)**	$ 142,866

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023
(in thousands of Canadian dollars, except per share

				Accumulated other comprehensive income (loss)						
	Capital stock	Contributed surplus	Retained earnings	Currency translation differences	Actuarial gains and losses	Cash flow hedges	Fair value gain (loss) on preferred shares	Shareholders' equity	Non-controlling interest	Total equity
Balance at January 1, 2024	$ 430,709	$ 80,706	$ 551,263	$ (3,950)	$ 803	$ 6,635	$ (1,840)	$ 1,064,326	$ -	$ 1,064,326
Profit (loss) for the period	-	-	(73,549)	-	-	-	-	(73,549)	6	(73,543)
Other comprehensive income (loss):										
Currency translation differences - foreign operations	-	-	-	2,905	-	-	-	2,905	(108)	2,797
Cash flow hedges - equity accounted investees	-	-	-	-	-	(5,208)	-	(5,208)	-	(5,208)
Cash flow hedges - joint operations	-	-	-	-	-	(674)	-	(674)	-	(674)
Fair value gain on Preferred Shares of Aecon Utilities	-	-	-	-	-	-	1,610	1,610	-	1,610
Taxes with respect to above items included in other comprehensive income (loss)	-	-	-	-	-	1,651	-	1,651	-	1,651
Total other comprehensive income (loss) for the period	-	-	-	2,905	-	(4,231)	1,610	284	(108)	176
Total comprehensive income (loss)	-	-	(73,549)	2,905	-	(4,231)	1,610	(73,265)	(102)	(73,367)
Dividends declared	-	-	(35,551)	-	-	-	-	(35,551)	-	(35,551)
Comon shares purchased under Normal Course Issuer Bid	(1,046)	-	(1,857)	-	-	-	-	(2,903)	-	(2,903)
Non-controlling interests arising on acquisition of Xtreme (note 18)	-	-	-	-	-	-	-	-	6,389	6,389
Stock-based compensation expense	-	5,757	-	-	-	-	-	5,757	-	5,757
Shares issued to settle LTIP/ESU/Director DSU obligations	5,629	(5,208)	(1,366)	-	-	-	-	(945)	-	(945)
Stock-based compensation settlements and receipts	-	(1,460)	-	-	-	-	-	(1,460)	-	(1,460)
Balance at September 30, 2024	$ 435,292	$ 79,795	$ 438,940	$ (1,045)	$ 803	$ 2,404	$ (230)	$ 955,959	$ 6,287	$ 962,246

					Accumulated other comprehensive income (loss)			
	Capital stock	Convertible debentures	Contributed surplus	Retained earnings	Currency translation differences	Actuarial gains and losses	Cash flow hedges	Shareholders' equity
Balance at January 1, 2023	$ 419,357	$ 12,707	$ 63,312	$ 435,305	$ 3,274	$ 1,018	$ 19,022	$ 953,995
Profit for the period	-	-	-	152,195	-	-	-	152,195
Other comprehensive income (loss):								
Currency translation differences - foreign operations	-	-	-	-	(2,310)	-	-	(2,310)
Cash flow hedges - equity-accounted investees	-	-	-	-	-	-	(5,591)	(5,591)
Cash flow hedges - joint operations	-	-	-	-	-	-	(3,450)	(3,450)
Taxes with respect to above items included in other comprehensive income (loss)	-	-	-	-	-	-	2,022	2,022
Total other comprehensive loss for the period	-	-	-	-	(2,310)	-	(7,019)	(9,329)
Total comprehensive income (loss) for the period	-	-	-	152,195	(2,310)	-	(7,019)	142,866
Dividends declared	-	-	-	(34,225)	-	-	-	(34,225)
Stock-based compensation expense	-	-	16,120	-	-	-	-	16,120
Shares issued to settle LTIP/ESU/Director DSU obligations	3,810	-	(4,029)	(170)	-	-	-	(389)
Stock based compensation settlements and receipts	-	-	(490)	-	-	-	-	(490)
Balance at September 30, 2023	$ 423,167	$ 12,707	$ 74,913	$ 553,105	$ 964	$ 1,018	$ 12,003	$ 1,077,877

During the nine months ended September 30, 2024, the Company declared dividends amounting to $0.57 per share (September 30, 2023 - $0.555 per share).

The accompanying notes are an integral part of these interim condensed consolidated financial statements

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2024 AND 2023

(in thousands of Canadian dollars) (unaudited)

	Note	September 30 2024	September 30 2023
CASH PROVIDED BY (USED IN)			
Operating activities			
Profit (loss) before income taxes		$ (99,674)	$ 157,199
Income taxes paid		(27,799)	(28,875)
Defined benefit pension		(715)	(89)
Stock-based compensation settlements and receipts		(2,405)	(1,254)
Items not affecting cash:			
Depreciation and amortization		61,612	64,439
Income from projects accounted for using the equity method		(19,644)	(13,251)
Gain on sale of assets		(17,297)	(44,922)
Gain on sale of subsidiaries	24	(14,912)	(175,545)
Fair value gain on Preferred Shares of Aecon Utilities	16	(15,299)	-
Fair value gain on other financial instruments		(499)	-
Provision for expected credit losses		313	251
Concession deferred revenue		-	(3,001)
Unrealized foreign exchange gain		(8,783)	(3,235)
Increase in provisions		16,615	8,232
Accrued dividends on Preferred Shares of Aecon Utilities and notional interest representing accretion		16,114	4,698
Stock-based compensation expense		14,225	17,957
Change in other balances relating to operations	27	68,654	(108,095)
		(29,494)	(125,491)
Investing activities			
Decrease in restricted cash balances		-	2,004
Purchase of property, plant and equipment	11	(42,776)	(11,247)
Proceeds on sale of property, plant and equipment		23,085	67,803
Proceeds on sale of subsidiaries, net of cash in subsidiaries disposed	24	11,494	317,632
Increase in intangible assets		(602)	(5,038)
Increase in long-term financial assets		(130)	(14,153)
Distributions from projects accounted for using the equity method		18,116	525
Net cash outflow from a business acquisition	18	(113,511)	-
		(104,324)	357,526
Financing activities			
Increase (decrease) increase in bank indebtedness		55,631	(90,979)
Issuance of long-term debt		9,887	6,736
Repayments of lease liabilities		(26,485)	(34,975)
Repayments of long-term debt		(8,546)	(20,262)
Repayments of non-recourse project debt		-	(3,355)
Dividends paid		(35,215)	(34,182)
Common shares purchased under NCIB	22	(2,903)	-
		(7,631)	(177,017)
(Decrease) increase in cash and cash equivalents during the period		(141,449)	55,018
Effect of foreign exchange on cash balances		1,742	182
Cash and cash equivalents - beginning of period		645,784	377,212
Cash and cash equivalents - end of period	7	$ 506,077	$ 432,412

The accompanying notes are an integral part of these interim condensed consolidated financial statements

1. CORPORATE INFORMATION

Aecon Group Inc. ("Aecon" or the "Company") is a publicly traded construction and infrastructure development company incorporated in Canada. Aecon and its subsidiaries provide services to private and public sector clients throughout Canada and on a selected basis internationally. Its registered office is located in Toronto, Ontario at 20 Carlson Court, Suite 105, M9W 7K6.

The Company operates in two segments within the infrastructure development industry: Construction and Concessions.

2. DATE OF AUTHORIZATION FOR ISSUE

The consolidated financial statements of the Company were authorized for issue on October 31, 2024 by the Board of Directors of the Company.

3. BASIS OF PRESENTATION

Basis of presentation
The Company prepares its interim condensed consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS Accounting Standards") applicable to the preparation of interim financial statements including International Accounting Standard ("IAS") 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in the Company's annual consolidated financial statements and should be read in conjunction with the Company's annual consolidated financial statements for the year ended December 31, 2023. The accounting policies that are set out in Note 5, "*Summary of Material Accounting Policies*" to the Company's annual consolidated financial statements for the year ended December 31, 2023 were consistently applied to all periods presented, except for new accounting standards and amendments that became effective on January 1, 2024 as described in Note 5, "*New Accounting Standards*".

Seasonality
The construction industry in Canada is seasonal in nature for companies like Aecon who do a significant portion of their work outdoors, particularly road construction and utilities work. As a result, less work is performed in the winter and early spring months than in the summer and fall months. Accordingly, Aecon has historically experienced a seasonal pattern in its operating results, with the first half of the year, and particularly the first quarter, typically generating lower revenue and profits than the second half of the year. Therefore, results in any one quarter are not necessarily indicative of results in any other quarter, or for the year as a whole.

Basis of measurement
The consolidated financial statements have been prepared under the historical cost convention, except for the revaluation of certain financial assets and financial liabilities to fair value, including derivative instruments.

Principles of consolidation
The consolidated financial statements include the accounts of the Company and all of its subsidiaries. In addition, the Company's participation in joint arrangements classified as joint operations is accounted for in the consolidated financial statements by reflecting, line by line, the Company's share of the assets held jointly, liabilities incurred jointly, and revenue and expenses arising from the joint operations. The consolidated financial statements also include the Company's investment in and share of the earnings of projects accounted for using the equity method. 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 subsidiary that is not wholly-owned by the Company results in non-controlling interests that are presented separately on the consolidated balance sheets, while the portions of net income and of other comprehensive income attributable to such non-controlling interests are also shown separately on the consolidated statements of income and on the consolidated statements of comprehensive income, respectively.

4. CRITICAL ACCOUNTING ESTIMATES

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in a material adjustment to the carrying value of the asset or liability affected.

Critical accounting estimates are those that require management to make assumptions about matters that are highly uncertain at the time the estimate or assumption is made. Critical accounting estimates are also those that could potentially have a material impact on the Company's financial results were a different estimate or assumption used.

Estimates and underlying assumptions are reviewed on an ongoing basis. These estimates and assumptions are subject to change at any time based on experience and new information. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. Critical accounting estimates are also not specific to any one segment unless otherwise noted below.

The Company's material accounting policies are described in Note 5, "*Summary of Material Accounting Policies,*" in the Company's annual consolidated financial statements for the year ended December 31, 2023. The following discussion is intended to describe those judgments and key assumptions concerning major sources of estimation uncertainty at the end of the reporting period that have the most significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year.

4.1 MAJOR SOURCES OF ESTIMATION UNCERTAINTY

ASSETS AND LIABILITIES ACQUIRED IN A BUSINESS COMBINATION

The Company assesses whether an acquisition transaction should be accounted for as an asset acquisition or a business combination. This assessment requires management to make judgments on whether the assets acquired and liabilities assumed constitute a business as defined in IFRS 3, "Business Combinations" and if the integrated set of activities, including inputs and processes acquired, is capable of being conducted and managed as a business. Purchase prices related to business combinations and asset acquisitions are allocated to the underlying acquired assets and liabilities based on their estimated fair value at the time of acquisition. The determination of fair value requires the Company to make assumptions, estimates and judgments regarding cash flow projections, valuation techniques, economic risk, weighted average cost of capital and future events. Significant judgments, estimates and assumptions are also required by management in estimating the amount of contingent payments to the selling shareholders of the acquiree and assessing whether these amounts should be considered part of the consideration transferred for the acquiree (i.e. contingent consideration), accounted for as a separate transaction from the business combination as compensation expense, or a combination of both. The measurement of the purchase consideration and allocation process is therefore inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Company's reported assets and liabilities (including the amounts allocated to intangible assets and goodwill), and future earnings due to the impacts on compensation expense, depreciation and amortization expense, and impairment testing.

REVENUE AND GROSS PROFIT RECOGNITION

Revenue and income from fixed price construction contracts, including contracts in which the Company participates through joint operations, are determined on the percentage of completion method, based on the ratio of costs incurred to date over estimated total costs. The Company has a process whereby progress on jobs is reviewed by management on a regular basis and estimated costs to complete are updated. However, due to unforeseen changes in the nature or cost of the work to be completed or performance factors, contract profit can differ significantly from earlier estimates.

The Company's estimates of contract revenue and cost are highly detailed. Management believes, based on its experience, that its current systems of management and accounting controls allow the Company to produce materially reliable estimates of total contract revenue and cost during any accounting period. However, many factors can and do change during a contract performance period, which can result in a change to contract profitability from one financial reporting period to another. Some of the factors that can change the estimate of total contract revenue and cost include

differing site conditions (to the extent that contract remedies are unavailable), the availability of skilled contract labour, the performance of major material suppliers to deliver on time, the performance of major subcontractors, unusual weather conditions and the accuracy of the original bid estimate. Fixed price contracts are common across all of the Company's sectors, as are change orders and claims, and therefore these estimates are not unique to one core segment. Because the Company has many contracts in process at any given time, these changes in estimates can offset each other without impacting overall profitability. Changes in cost estimates, which on larger, more complex construction projects can have a material impact on the Company's consolidated financial statements, are reflected in the results of operations when they become known.

A change order results from a change to the scope of the work to be performed compared to the original contract that was signed. Unpriced change orders are change orders that have been approved as to scope but unapproved as to price. Claims are amounts in excess of the agreed contract price, or amounts not included in the original contract price, that the Company seeks to collect from clients for delays, errors in specifications and designs, contract terminations, change orders in dispute or unapproved as to both scope and price, or other causes of unanticipated additional costs. Management, in making judgments, estimates and assumptions that affect the contract revenue and cost amounts from unpriced change orders and claims, also considered the impacts of recent economic conditions on the Company's operations. These judgments, estimates and assumptions affecting the revenue and cost forecasts of individual performance obligations were based on facts and circumstances that existed at the time when such judgments, estimates and assumptions were made. In accordance with the Company's accounting policy, unpriced change orders and claims are recognized in revenue at the amount the Company expects to be entitled to, where it is highly probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Where such revenue amounts cannot be estimated with reasonable assurance, they are excluded from the revenue forecast of the related performance obligation. Therefore, it is possible for the Company to have substantial contract costs recognized in one accounting period with associated revenue recognized in a later period.

Given the above-noted critical accounting estimates associated with the accounting for construction contracts, including change orders and claims, it is reasonably possible, on the basis of existing knowledge, that outcomes within the next financial year or later could be different from the estimates and assumptions adopted and could require a material adjustment to revenue and/or the carrying amount of the asset or liability affected. The Company is unable to quantify the potential impact to the consolidated financial results from a change in estimate in calculating revenue.

LITIGATION RISK AND CLAIMS RISK

Disputes are common in the construction industry and as such, in the normal course of business, the Company is involved in various legal actions and proceedings which arise from time to time, some of which may be substantial, including the legal proceedings discussed in Note 21, *"Contingencies"*. The Company must make certain assumptions and rely on estimates regarding potential outcomes of legal proceedings in order to determine if a provision is required. Estimating and recording the future outcome of litigation proceedings requires management to make significant judgments and assumptions, which are inherently subject to risks and uncertainties. Management regularly analyzes current information about these matters, and internal and external legal counsel, as well as other claim specialists, are often used for these assessments. In making decisions regarding the need for provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The outcome of matters related to disputes, legal actions and proceedings may have a material effect on the financial position, results of operations or cash flows of the Company, and there is no guarantee that there will not be a future rise in litigation which, depending on the nature of the litigation, could impact the financial position, results of operations, or cash flows of the Company.

The Company also pursues claims against project owners for additional costs exceeding the contract price or for amounts not included in the original contract price. When these types of events occur and unresolved claims are pending, the Company may invest significant working capital in projects to cover costs pending the resolution of the relevant claims. A failure to ultimately recover on claims could have a material effect on liquidity and financial results.

FAIR VALUING FINANCIAL INSTRUMENTS

From time to time, the Company, often through its subsidiaries, joint arrangements and equity accounted investees, enters into forward contracts and other foreign exchange hedging products to manage its exposure to changes in exchange rates related to transactions denominated in currencies other than the Canadian dollar, but does not hold or

issue such financial instruments for speculative trading purposes. In addition, some of the Company's equity accounted investees enter into derivative financial instruments, namely interest rate swaps, to hedge the variability of interest rates related to non-recourse project debt. The Company is required to measure certain financial instruments at fair value, using the most readily available market comparison data and where no such data is available, using quoted market prices of similar assets or liabilities, quoted prices in markets that are not active, or other observable inputs that can be corroborated.

Preferred Shares issued by Aecon Utilities Group Inc. ("Aecon Utilities") are recorded as a financial liability measured at fair value through profit and loss. The fair value of the Preferred Shares was determined at inception, represented by the aggregate subscription price, and subsequently remeasured to its fair value at each reporting date. This subsequent fair value was determined using significant unobservable inputs when readily available market comparison date was not available. The key inputs in the fair value measurement include credit spread, market volatility, and the underlying share price. The changes in these inputs and assumptions could materially affect the determination of the fair value at each reporting date. Refer to Note 16, *"Preferred Shares of Aecon Utilities"* and Note 28, "*Financial Instruments*" for further details regarding the Preferred Shares.

While the Company considers its fair value measurements to be appropriate and reasonable, the use of alternative assumptions could result in different fair values. It is possible that other market participants may measure a same financial instrument and arrive at a different fair value on a given valuation date, with the valuation techniques and inputs used by these market participants still meeting the definition of fair value. The fact that different fair value measurements could exist reflects the judgment, estimates and assumptions applied as well as the uncertainty involved in determining the fair value of these financial instruments.

Further information with regard to the treatment of other financial instruments can be found in Note 28, *"Financial Instruments."*

INCOME TAXES

The Company is subject to income taxes in both Canada and several foreign jurisdictions. Significant estimates and judgments are required in determining the Company's worldwide provision for income taxes. In the ordinary course of business, there are transactions and calculations where the ultimate tax determination is uncertain. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Management estimates income taxes for each jurisdiction the Company operates in, taking into consideration different income tax rates, non-deductible expenses, valuation allowances, changes in tax laws, and management's expectations of future results. Management bases its estimates of deferred income taxes on temporary differences between the assets and liabilities reported in the Company's consolidated financial statements, and the assets and liabilities determined by the tax laws in the various countries in which the Company operates. The Company is also within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules ("Pillar Two"). Under the legislation, the Company is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Rules ("GloBE" or "global minimum tax") effective tax rate per jurisdiction and the 15% minimum tax rate. Applying the OECD Pillar Two model rules and determining their impact on the consolidated financial statements is complex and poses a number of practical challenges. Although the Company believes its tax estimates are reasonable, there can be no assurance that the final determination of any tax audits and litigation will not be materially different from that reflected in the Company's historical income tax provisions and accruals. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the Company's income tax expense and current and deferred income tax assets and liabilities in the period in which such determinations are made. Although management believes it has adequately provided for any additional taxes that may be assessed as a result of an audit or litigation, the occurrence of either of these events could have an adverse effect on the Company's current and future results and financial condition.

The Company is unable to quantify the potential future impact to its consolidated financial results from a change in estimate in calculating income tax assets and liabilities.

IMPAIRMENT OF GOODWILL AND OTHER INTANGIBLE ASSETS

Intangible assets with finite lives are amortized over their useful lives. Goodwill, which has an indefinite life, is not amortized. Management evaluates intangible assets that are not amortized at the end of each reporting period to determine whether events and circumstances continue to support an indefinite useful life. Intangible assets with finite

lives, including the Company's intangible assets in the Bermuda International Airport Concessionaire which is accounted for using the equity method, are tested for impairment whenever events or circumstances indicate the carrying value may not be recoverable. Goodwill and intangible assets with indefinite lives, if any, are tested for impairment by applying a fair value test in the fourth quarter of each year and between annual tests if events occur or circumstances change, which suggest the goodwill or intangible assets should be evaluated.

Impairment assessments inherently involve management judgment as to the assumptions used to project these amounts and the impact of market conditions on those assumptions. The key assumptions used to estimate the fair value of cash generating units under the fair value less cost to disposal approach are: weighted average cost of capital used to discount the projected cash flows; cash flows generated from new work awards; and projected operating margins.

The weighted average cost of capital rates used to discount projected cash flows are developed via the capital asset pricing model, which is primarily based on market inputs. Management uses discount rates it believes are an accurate reflection of the risks associated with the forecasted cash flows of the respective reporting units.

To develop the cash flows generated from project awards and projected operating margins, the Company tracks prospective work primarily on a project-by-project basis as well as the estimated timing of when new work will be bid or prequalified, started and completed. Management also gives consideration to its relationships with prospective customers, the competitive landscape, changes in its business strategy, and the Company's history of success in winning new work in each reporting unit. With regard to operating margins, consideration is given to historical operating margins in the end markets where prospective work opportunities are most significant, and changes in the Company's business strategy.

Unanticipated changes in these assumptions or estimates could materially affect the determination of the fair value of a reporting unit and, therefore, could reduce or eliminate the excess of fair value over the carrying value of a reporting unit entirely and could potentially result in an impairment charge in the future.

See Note 14, "*Intangible Assets*", in the Company's annual consolidated financial statements for the year ended December 31, 2023 for further details regarding goodwill and other intangible assets.

4.2 JUDGMENTS

The following are critical judgments management has made in the process of applying accounting policies and that have the most significant effect on how certain amounts are reported in the consolidated financial statements.

BASIS FOR CONSOLIDATION AND CLASSIFICATION OF JOINT ARRANGEMENTS

Assessing the Company's ability to control or influence the relevant financial and operating policies of another entity may, depending on the facts and circumstances, require the exercise of significant judgment to determine whether the Company controls, jointly controls, or exercises significant influence over the entity performing the work. This assessment of control impacts how the operations of these entities are reported in the Company's consolidated financial statements (i.e., full consolidation, equity investment or proportional share).

The Company performs the majority of its construction and concession projects through wholly owned subsidiary entities, which are fully consolidated. However, a number of projects, particularly some larger, multi-year, multi-disciplinary projects and concession projects, are executed through partnering agreements. As such, the classification of these entities as a subsidiary, joint operation, joint venture, associate or financial instrument requires judgment by management to analyze the various indicators that determine whether control exists. In particular, when assessing whether an entity is classified as either a joint operation, joint venture or associate, management considers the contractual rights and obligations, voting shares, share of board members and the legal structure of the joint arrangement. Subject to reviewing and assessing all the facts and circumstances of each joint arrangement, joint arrangements contracted through agreements and general partnerships would generally be classified as joint operations whereas joint arrangements contracted through corporations would be classified as joint ventures. The majority of the current partnering agreements are classified as joint operations.

The application of different judgments when assessing control or the classification of joint arrangements could result in materially different presentations in the consolidated financial statements.

SERVICE CONCESSION ARRANGEMENTS

The accounting for concession arrangements requires the application of judgment in determining if the project falls within the scope of IFRIC Interpretation 12, "*Service Concession Arrangements*", ("IFRIC 12"). Additional judgments are needed when determining, among other things, the accounting model to be applied under IFRIC 12, the allocation of the consideration receivable between revenue-generating activities, the classification of costs incurred on such activities, as well as the effective interest rate to be applied to the financial asset. As the accounting for concession arrangements under IFRIC 12 requires the use of estimates over the term of the arrangement, any changes to these long-term estimates could result in a significant variation in the accounting for the concession arrangement.

5. NEW ACCOUNTING STANDARDS

The following amendments to IFRS accounting standards and interpretations became effective for the annual periods beginning on or after January 1, 2024.

Classification of Liabilities as Current or Non-current (Amendments to IAS 1, Presentation of Financial Statements)

The amendments to IAS 1 revise the approach to the classification of liabilities based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the right to defer settlement by at least twelve months and make explicit that only rights in place at the end of the reporting period should affect the classification of a liability. The amendments are effective for annual reporting periods beginning on or after January 1, 2024, and were applied retrospectively.

Upon adoption of the amendments to IAS 1, the entire balance of Preferred Shares of Aecon Utilities was reclassified from non-current liabilities to current liabilities and all bank indebtedness was reclassified from current liabilities to non-current liabilities in the consolidated balance sheets. As such, the current portion of Preferred Shares increased by $157,110 and $nil, respectively, at December 31, 2023, and January 1, 2023, respectively, while the long-term portion of Preferred Shares decreased by the same amount in each period. In addition, the long-term portion of bank indebtedness increased by $111,700 and $120,979, respectively, at December 31, 2023, and January 1, 2023, respectively, while the current portion of bank indebtedness decreased by the same amount in each period.

Other New Standards, Amendments and Interpretations Adopted In 2024

The following amendments to standards and interpretations also became effective for annual periods beginning on January 1, 2024. The application of these amendments and interpretations had no significant impact on the Company's consolidated financial position or results of operations.

Non-current Liabilities with Covenants (Amendments to IAS 1)

The amendments to IAS 1 specify that only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity should disclose information in the notes that enables users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.

Lease Liability Measurement in a Sale and Leaseback transaction (Amendments to IFRS 16, Leases)

The amendments to IFRS 16 clarify how a seller-lessee should apply the subsequent measurement requirements in IFRS 16 to the lease liability that arises in a sale and leaseback transaction. The amendments specify that the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains when lease liabilities are subsequently measured. However, the new requirements do not prevent a seller-lessee from recognizing, in profit or loss, any gain or loss that relates to the partial or full termination of a lease.

6. FUTURE ACCOUNTING CHANGES

IFRS 18, Presentation and Disclosure in Financial Statements
IFRS 18 is a new standard issued in April 2024 on financial statement presentation and disclosure with a focus on updates to the statement of income. IFRS 18 will supersede IAS 1 "Presentation of Financial Statements" and the related interpretations when it becomes effective, however, many existing principles in IAS 1 are retained with limited changes. New requirements introduced in IFRS 18 include updates to the structure of the statement of income including presenting defined subtotals and specified categories, further disclosures on management-defined performance measures, and enhanced guidance on the principles of aggregation and disaggregation. The standard is effective for annual reporting periods beginning on or after January 1, 2027, and retrospective application is required.

The Company is currently assessing the impact of adopting this new accounting standard on its future financial statements.

7. CASH AND CASH EQUIVALENTS

	September 30 2024	December 31 2023
Cash balances excluding joint operations	$ 196,872	$ 258,734
Cash balances of joint operations	309,205	387,050
	$ 506,077	$ 645,784

Cash and cash equivalents on deposit in the bank accounts of joint operations cannot be accessed directly by the Company.

8. TRADE AND OTHER RECEIVABLES

	September 30 2024	December 31 2023
Trade receivables	$ 623,736	$ 601,467
Holdbacks receivable	357,766	341,690
Other	33,545	27,447
Allowance for expected credit losses	(1,001)	(848)
	1,014,046	969,756
Amounts receivable beyond one year	$ 11,202	$ 13,198

A reconciliation of the beginning and ending carrying amounts of the Company's allowance for expected credit losses is as follows:

	September 30 2024	December 31 2023
Balance - beginning of period	**$ (848)**	$ (1,362)
Additional amounts provided for during the period	**(313)**	(353)
Trade receivables written off during the period	**60**	554
Amounts recovered	**100**	49
Disposal of subsidiaries	**-**	264
Balance - end of period	**$ (1,001)**	$ (848)

The Company entered into a program with a financial institution whereby it can sell, without credit recourse, eligible trade receivables to the financial institution. The Company's ongoing involvement is limited to the remittance of customer payments to the financial institution with respect to the sold trade receivables. Trade receivables are presented net of the trade receivables sold.

9. INVENTORIES

	September 30 2024	December 31 2023
Raw materials and supplies	**$ 23,409**	$ 15,100
Finished goods	**6,677**	5,715
	$ 30,086	$ 20,815

10. PROJECTS ACCOUNTED FOR USING THE EQUITY METHOD

The Company performs some construction and concession related projects through non-consolidated entities. The Company's participation in these entities is conducted through joint ventures and associates and is accounted for using the equity method. The Company's joint ventures and associates are private entities and there is no quoted market price available for their shares.

The summarized financial information below reflects the Company's share of the amounts presented in the financial statements of joint ventures and associates:

	September 30, 2024			December 31, 2023		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	Total
Cash and cash equivalents	$ 42,861	$ -	**$ 42,861**	$ 37,719	$ -	$ 37,719
Other current assets	439,272	-	**439,272**	465,510	-	465,510
Total current assets	482,133	-	**482,133**	503,229	-	503,229
Non-current assets	1,300,644	-	**1,300,644**	1,301,771	-	1,301,771
Total assets	1,782,777	-	**1,782,777**	1,805,000	-	1,805,000
Trade and other payables and provisions	396,616	-	**396,616**	435,100	-	435,100
Total current liabilities	396,616	-	**396,616**	435,100	-	435,100
Non-current financial liabilities	1,147,983	-	**1,147,983**	1,132,052	-	1,132,052
Other non-current liabilities	5,663	-	**5,663**	5,096	-	5,096
Total non-current liabilities	1,153,646	-	**1,153,646**	1,137,148	-	1,137,148
Total liabilities	1,550,262	-	**1,550,262**	1,572,248	-	1,572,248
Net assets	$ 232,515	$ -	**$ 232,515**	$ 232,752	$ -	$ 232,752

	For the three months ended					
	September 30, 2024			September 30, 2023		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	Total
Revenue	$ 141,269	$ -	**$ 141,269**	$ 248,903	$ -	$ 248,903
Depreciation and amortization	(3,843)	-	**(3,843)**	-	-	-
Other costs and expenses	(115,293)	-	**(115,293)**	(233,532)	-	(233,532)
Operating profit	22,133	-	**22,133**	15,371	-	15,371
Finance cost	(15,867)	-	**(15,867)**	(8,907)	-	(8,907)
Income tax expense	(470)	-	**(470)**	(1,250)	-	(1,250)
Profit for the period	5,796	-	**5,796**	5,214	-	5,214
Other comprehensive loss	(4,490)	-	**(4,490)**	(2,674)	-	(2,674)
Total comprehensive income	$ 1,306	$ -	**$ 1,306**	$ 2,540	$ -	$ 2,540

	For the nine months ended					
	September 30, 2024			September 30, 2023		
	Joint Ventures	Associates	**Total**	Joint Ventures	Associates	Total
Revenue	$ 430,504	$ -	**$ 430,504**	$ 531,404	$ -	$ 531,404
Depreciation and amortization	(11,487)	-	**(11,487)**	(217)	-	(217)
Other costs and expenses	(350,032)	-	**(350,032)**	(490,289)	45	(490,244)
Operating profit	68,985	-	**68,985**	40,898	45	40,943
Finance cost	(46,727)	-	**(46,727)**	(25,442)	-	(25,442)
Income tax expense	(2,614)	-	**(2,614)**	(2,250)	-	(2,250)
Profit for the period	19,644	-	**19,644**	13,206	45	13,251
Other comprehensive loss	(1,765)	-	**(1,765)**	(4,895)	-	(4,895)
Total comprehensive income	$ 17,879	$ -	**$ 17,879**	$ 8,311	$ 45	$ 8,356

The movement in the investment in projects accounted for using the equity method is as follows:

	For the nine months ended	For the year ended
	September 30 2024	December 31 2023
Projects accounted for using the equity method - at beginning of period	**$ 232,752**	$ 107,871
Share of profit for the period	**19,644**	18,747
Share of other comprehensive loss for the period	**(1,765)**	(12,745)
Disposal of joint venture	**-**	(23,796)
Commencement of equity method accounting for the Company's 50.1% interest in Skyport	**-**	156,531
Distributions from projects accounted for using the equity method	**(18,116)**	(13,856)
Projects accounted for using the equity method - at end of period	**$ 232,515**	$ 232,752

The following joint ventures and associates are included in projects accounted for using the equity method:

Name	**Ownership interest**	**Joint Venture or Associate**	**Years included**
Waterloo Light Rail Transit Concessionaire	10%	Joint Venture	2024, 2023
Eglinton Crosstown Light Rail Transit Concessionaire	25%	Joint Venture	2024, 2023
Finch West Light Rail Transit Concessionaire	33%	Joint Venture	2024, 2023
Gordie Howe International Bridge Concessionaire	20%	Joint Venture	2024, 2023
Highway 401 Expansion Project SPV	50%	Joint Venture	2024, 2023
Pattullo Bridge Replacement Project SPV	50%	Joint Venture	2024, 2023
Eglinton Crosstown West Extension Advance Tunnel Project SPV	40%	Joint Venture	2024, 2023
ONxpress Operations Inc.	28%	Joint Venture	2024, 2023
Yellowline Asphalt Products Ltd.	50%	Joint Venture	2023
Bermuda International Airport Concessionaire ("Skyport")	50.1%	Joint Venture	2024, 2023

On September 20, 2023, the Company completed the sale of a 49.9% interest in Skyport to Connor, Clark & Lunn Infrastructure ("CC&L Infrastructure"). Subsequent to this transaction, the Company holds a 50.1% interest in Skyport, the concessionaire responsible for the Bermuda International Airport's operations, maintenance and commercial functions, and the entity that will manage and coordinate the overall delivery of the Bermuda International Airport Redevelopment

Project over a 30-year concession term that commenced in 2017. Prior to the closing of the transaction with CC&L Infrastructure, the Company's participation in Skyport was 100% consolidated in the Concessions segment and, as such, was accounted for in the consolidated financial statements by reflecting, line by line, the assets, liabilities, revenue and expenses of Skyport. Subsequent to the closing of the sale of a 49.9% interest in Skyport, Aecon's remaining 50.1% interest in the Skyport concession joint venture is accounted for using the equity method.

On May 1, 2023, the Company completed the sale of its Aecon Transportation East ("ATE") roadbuilding, aggregates and materials businesses in Ontario to Green Infrastructure Partners Inc. Aecon's share of the results of the Yellowline Asphalt Products Ltd. joint venture was reported in projects accounted for using the equity method until its sale as part of the sale of the ATE business in the second quarter of 2023.

Projects accounted for using the equity method include various concession joint ventures or project special purpose vehicles ("SPVs") as listed above. However, the construction activities related to these concessions and project SPVs are classified as joint operations which are accounted for in the consolidated financial statements by reflecting, line by line, the Company's share of the assets held jointly, liabilities incurred jointly, and revenue and expenses arising from the joint operations.

11. PROPERTY, PLANT AND EQUIPMENT

		Land	Buildings and leasehold improvements	Aggregate properties	Machinery and construction equipment	Office equipment, furniture and fixtures, and computer hardware	Vehicles	Total
Cost								
Balance at January 1, 2024		$ 39,676	$ 149,384	$ 21,872	$ 226,775	$ 37,941	$ 70,646	**$ 546,294**
Additions - purchased assets		-	3,056	-	37,642	1,886	192	**42,776**
Additions - right-of-use assets		2,146	7,063	-	11,098	-	9,980	**30,287**
Additions - business combination (note 18)		-	1,189	-	7,845	308	30,848	**40,190**
Adjustments	(b)	120	12,593	-	95,444	4,276	18,369	**130,802**
Disposals		(1,391)	(3,527)	-	(41,390)	(1,413)	(16,229)	**(63,950)**
Foreign currency translation adjustments		-	34	-	265	(5)	(409)	**(115)**
Balance at September 30, 2024		$ 40,551	$ 169,792	$ 21,872	$ 337,679	$ 42,993	$ 113,397	**$ 726,284**
Accumulated depreciation and impairment								
Balance at January 1, 2024		1,814	74,219	9,729	132,699	33,859	42,075	**294,395**
Depreciation - purchased assets		-	3,579	1,049	18,892	1,862	1,729	**27,111**
Depreciation - right-of-use assets	(a)	1,269	7,494	-	7,879	-	8,131	**24,773**
Adjustments	(b)	95	6,884	-	70,519	3,601	5,642	**86,741**
Disposals		(1,313)	(3,646)	-	(34,766)	(845)	(8,490)	**(49,060)**
Foreign currency translation adjustments		-	49	-	141	-	9	**199**
Balance at September 30, 2024		$ 1,865	$ 88,579	$ 10,778	$ 195,364	$ 38,477	$ 49,096	**$ 384,159**
Net book value at September 30, 2024		**$ 38,686**	**$ 81,213**	**$ 11,094**	**$ 142,315**	**$ 4,516**	**$ 64,301**	**$ 342,125**
Net book value at January 1, 2024		**$ 37,862**	**$ 75,165**	**$ 12,143**	**$ 94,076**	**$ 4,082**	**$ 28,571**	**$ 251,899**
Net book value of right-of-use assets included in property, plant & equipment at January 1, 2024		**$ 2,571**	**$ 29,306**	**$ 75**	**$ 35,199**	**$ -**	**$ 23,959**	**$ 91,110**
Net book value of right-of-use assets included in property, plant & equipment at September 30, 2024		**$ 3,395**	**$ 33,045**	**$ 75**	**$ 38,974**	**$ -**	**$ 29,551**	**$ 105,040**

(a) Depreciation of land relates to leases of land.
(b) Adjustments relate to property, plant and equipment in joint arrangement projects.

12. INTANGIBLE ASSETS

	Goodwill	Intangible assets related to business combinations	Licences, software and other rights	Total
Cost				
Balance at January 1, 2024	$ 105,561	$ 6,508	$ 99,516	$ **211,585**
Additions				
Separately acquired or constructed	-	-	1,168	**1,168**
Business combinations (note 18)	17,305	50,816	-	**68,121**
Disposals	-	-	(2,005)	**(2,005)**
Foreign currency translation adjustments	(248)	(733)	-	**(981)**
Balance at September 30, 2024	**$ 122,618**	**$ 56,591**	**$ 98,679**	**$ 277,888**
Accumulated amortization and impairment				
Balance at January 1, 2024	-	5,664	82,908	**88,572**
Amortization	-	3,436	6,292	**9,728**
Disposals	-	-	(2,005)	**(2,005)**
Foreign currency translation adjustments	-	(22)	-	**(22)**
Balance at September 30, 2024	**$ -**	**$ 9,078**	**$ 87,195**	**$ 96,273**
Net book value at September 30, 2024	**$ 122,618**	**$ 47,513**	**$ 11,484**	**$ 181,615**
Net book value at January 1, 2024	**$ 105,561**	**$ 844**	**$ 16,608**	**$ 123,013**

Amortization of intangible assets is included in the depreciation and amortization expense line item on the consolidated statements of income.

In 2024, goodwill and other intangible assets increased by $17,305 and $50,816, respectively, as a result of the acquisition of Xtreme Powerline Construction. Refer to Note 18, *"Business Combination"* for further details regarding goodwill and other intangible assets.

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. Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

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

Category	Amortization method	Amortization period
Customer backlog and master service agreements	Straight-Line	4.4 years
Customer relationships	Straight-Line	3 years
Tradenames	Straight-Line	16 years

13. TRADE AND OTHER PAYABLES

	September 30 2024	December 31 2023
Trade payables and accrued liabilities	$ 958,566	$ 834,005
Holdbacks payable	176,628	183,831
	$ 1,135,194	$ 1,017,836

14. PROVISIONS

	Contract related obligations	Asset decommissioning costs	Tax assessments	Other	Total
Balance at January 1, 2024	$ 29,561	$ 3,976	$ 3,544	$ 2,165	**$ 39,246**
Additions made	13,455	118	-	2,875	**16,448**
Amounts used	(20,331)	(21)	-	(2,807)	**(23,159)**
Other changes	-	167	-	-	**167**
Balance at September 30, 2024	**$ 22,685**	**$ 4,240**	**$ 3,544**	**$ 2,233**	**$ 32,702**
Reported as:					
Current	**$ 22,685**	**$ -**	**$ 3,544**	**$ 2,233**	**$ 28,462**
Non-current	**-**	**4,240**	**-**	**-**	**4,240**
	$ 22,685	**$ 4,240**	**$ 3,544**	**$ 2,233**	**$ 32,702**

15. LONG-TERM DEBT

LONG-TERM DEBT

	September 30 2024	December 31 2023
Long-term debt:		
Leases	$ 118,226	$ 120,735
Equipment and other loans	29,997	28,643
Total long-term debt	$ 148,223	$ 149,378
Reported as:		
Current liabilities:		
Current portion of long-term debt	$ 43,913	$ 42,608
Non-current liabilities:		
Long-term debt	104,310	106,770
	$ 148,223	$ 149,378

The following describes the components of long-term debt:

(a) At September 30, 2024, leases of $118,226 (December 31, 2023 - $120,735) bore interest at fixed rates averaging 5.11% (December 31, 2023 – 4.62%) per annum, with specific equipment provided as security.

(b) At September 30, 2024, equipment and other loans of $29,997 (December 31, 2023 - $28,643) bore interest at fixed rates averaging 3.54% (December 31, 2023 – 4.10%) per annum, with specific equipment provided as security.

The weighted average interest rate on long-term debt outstanding at September 30, 2024 was 4.80% (December 31, 2023 – 4.52%).

Expenses relating to short-term leases and leases of low-value assets recognized in the statement of income during the three and nine months ended September 30, 2024 were $31,854 and $69,615, respectively (2023 - $28,243 and $71,226, respectively).

Total cash outflow related to lease liabilities for the three and nine months ended September 30, 2024 was $9,276 and $26,485, respectively (2023 – $19,439 and $34,975, respectively).

See Note 11, “*Property, Plant and Equipment*” for further details of additions to right-of-use assets and depreciation charged on right-of-use assets during the nine months ended September 30, 2024.

See Note 25, “*Finance Cost*” for further details of interest on lease liabilities recognized during the three and nine months ended September 30, 2024.

See Note 28, “*Financial Instruments*” for contractual maturities of lease liabilities at September 30, 2024.

16. PREFERRED SHARES OF AECON UTILITIES

	September 30 2024	December 31 2023
Reported as current liabilities:		
Preferred Shares of Aecon Utilities	**$ 154,870**	$ 157,110
Total Preferred Shares of Aecon Utilities	**$ 154,870**	$ 157,110

On October 23, 2023, Aecon Utilities, a wholly owned subsidiary of Aecon, entered into a subscription agreement with funds managed by the Power Opportunities strategy of Oaktree Capital Management LP (“Oaktree”). Oaktree subscribed for 154,640 convertible preferred shares (the "Preferred Shares") in Aecon Utilities at a subscription price of $1,000 each resulting in gross proceeds of $154,640, which represents $150,000 after upfront fees (“Net Investment Amount”). The Preferred Shares are convertible at any time by Oaktree into a fixed 27.5% of the common equity of Aecon Utilities and is mandatorily convertible upon a qualified initial public offering (“IPO”). Prior to conversion, the Preferred Shares will accrue a 12% annual coupon for the first three years and 14% annual coupon thereafter. At Aecon’s option, the coupon is payable in kind by accreting the principal amount or in cash. On conversion of the Preferred Shares, Aecon’s 72.5% equity interest in Aecon Utilities is not diluted as a result of the accretion feature. Accrued dividends of $5,035 and $14,669, respectively were included in finance costs for the three and nine months ended September 30, 2024 (2023 - $nil and $nil, respectively).

Aecon has the option to purchase the Preferred Shares for cash at any time at a value equivalent to the greatest of: (a) the as-converted value of the Preferred Shares, (b) the accreted value of the Preferred Shares, and (c) 1.5 times the Net Investment Amount less all cash dividends and distributions paid to Oaktree. Following the seven-year anniversary of the Investment, Oaktree may sell its Preferred Shares, subject to a right of first offer in favour of Aecon, or may require Aecon, at Aecon’s election, to either (i) initiate an IPO process and/or (ii) initiate a sale of Aecon Utilities or (iii) purchase the Preferred Shares for cash at a price equal to the greater of (A) the accreted value of the Preferred Shares and (B) the

as-converted value of the Preferred Shares being the fair market value of the common shares into which the Preferred Shares is convertible at that time.

Upon the occurrence of a change of control event, or in the event of the dissolution, liquidation or winding-up of Aecon Utilities, the preferred shares will be redeemed for cash at the greatest of: (a) the as-converted value of the Preferred Shares, (b) the accreted value of the Preferred Shares, and (c) 1.5 times the Net Investment Amount less all cash dividends and distributions paid to Oaktree.

A six-person board of directors will oversee Aecon Utilities, comprised of four members nominated by Aecon and two members nominated by Oaktree.

The following table sets out the movements in the Preferred Shares of Aecon Utilities:

	For the nine months ended	For the year ended
	September 30 2024	December 31 2023
Balance at beginning of the period	**$** 157,110	$ 154,640
Accrued dividends	14,669	3,557
Fair value (gain) through profit or loss	(15,299)	(2,927)
Fair value (gain) loss through other comprehensive income	(1,610)	1,840
Balance at end of period	**$ 154,870**	$ 157,110

17. BANK INDEBTEDNESS

	September 30 2024	December 31 2023
Bank indebtedness	**$ 165,756**	$ 111,700
	$ 165,756	$ 111,700

At September 30, 2024, Aecon had a committed credit facility of $450,000 (December 31, 2023 - $450,000) and a separate $400,000 (December 31, 2023 - $400,000) committed credit facility for Aecon Utilities. At September 30, 2024, the two committed revolving credit facilities totalled $850,000 (December 31, 2023 - $850,000). Both credit facilities mature on October 24, 2027. The Company also has uncommitted demand letter of credit facilities of $201,000 (December 31, 2023 - $201,000) from Canadian banks and $45,228 (€30,000) from a Spanish bank (December 31, 2023 - $43,878 (€30,000)).

Bank indebtedness representing borrowings on the Aecon and Aecon Utilities revolving credit facilities at September 30, 2024 were $nil and $165,756, respectively (December 31, 2023 - $nil and $111,700, respectively). At September 30, 2024, letters of credit amounting to $2,756 and $1,585, respectively, were issued against Aecon and Aecon Utilities revolving credit facilities (December 31, 2023 - $4,971 and $540, respectively). At September 30, 2024, letters of credit amounting to $20,406 and $nil, respectively, were issued against Aecon and Aecon Utilities uncommitted demand letter of credit facilities (December 31, 2023 - $22,169 and $nil, respectively). Cash drawings under the two revolving credit facilities bear interest at rates between prime and prime plus 1.85% per annum. Letters of credit drawn on the revolving credit facilities reduce the amount available-for-use under the facilities.

At September 30, 2024, the Company also maintains an additional performance security guarantee facility of $900,000 (December 31, 2023 - $900,000) to support letters of credit provided by Export Development Canada of which $620,884 was utilized at September 30, 2024 (December 31, 2023 - $622,392). This performance security guarantee facility matures on June 30, 2025.

18. BUSINESS COMBINATION

On July 2, 2024, the Company through its subsidiary, Aecon Utilities acquired a 94.34% interest in Xtreme Powerline Construction Inc ("Xtreme"), an electrical distribution utility contractor headquartered in Port Huron, Michigan. Previously a privately owned company, Xtreme is a full-service powerline constructor specializing in overhead distribution line repair, maintenance, and expansion services throughout the Eastern United States. Xtreme management retained a minority ownership of 5.66% in Xtreme post-acquisition. Xtreme expands Aecon Utilities' electrical distribution capabilities in the U.S. and enhances its diverse utility infrastructure service offering.

The acquisition is accounted for using the purchase method and the results of its operations are included from the date of the acquisition. The interest of non-controlling shareholders is measured at the acquisition date at their proportion of the fair values of the assets and liabilities recognized. The purchase price allocation for this acquisition is provisional as the Company is still finalizing the valuation of assets acquired and liabilities assumed at the date of acquisition. As such, the final allocation of the purchase price may vary significantly from the amounts presented below.

Details of the purchase consideration, the net assets acquired, and goodwill are as follows:

Purchase consideration

		2024
		Xtreme
Cash paid	$	103,964
Contingent consideration		19,825
Total purchase consideration	**$**	**123,789**

The transaction requires the Company to pay the sellers additional earnout payments based on exceeding annual profitability targets over the subsequent two years. The Company has included $19,825 as contingent consideration related to the additional earnout payments, which represents its assessment of fair value at the date of acquisition. Management has not yet finalized its assessment of the amount of contingent consideration payable as part of the transaction. In addition, for both the three and nine months ended September 30, 2024, compensation expense of $1,634 was recognized within marketing, general and administrative expense related to certain future earnout payments recognized separately from the business combination.

Assets and liabilities recognized as a result of the acquisition

		2024
		Xtreme
Cash and cash equivalents	$	578
Trade and other receivables		16,534
Unbilled revenue		24,801
Prepaid expenses		3,243
Property, plant and equipment		40,190
Intangible assets		50,816
Trade and other payables		(8,247)
Long-term debt		(11,173)
Deferred income tax liabilities		(3,869)
Net identifiable assets acquired	**$**	**112,873**
Less: non-controlling interests		(6,389)
Add: goodwill		17,305
Net assets acquired	**$**	**123,789**

Goodwill is attributed to Xtreme's workforce, the future profitability of the acquired business, as well as from expected synergies arising from the complementary nature of Xtreme's service offerings. This goodwill will not be deductible for tax purposes.

The fair value of trade and other receivables of $16,534 for Xtreme do not include any amounts for expected credit losses.

Revenue and operating profit contribution
Since the date of acquisition, Xtreme contributed revenue of $37,760 and an operating profit of $162 to the Company for the period from July 2, 2024 to September 30, 2024.

If the acquisition of Xtreme had occurred on January 1, 2024, pro forma revenue and operating profit for the year would have been $99,269 and $851, respectively, for the period from January 1, 2024 to September 30, 2024. These pro forma amounts are estimated based on the results of the acquired business prior to the acquisition date and should not be viewed as indicative of the Company's consolidated future performance.

Cash Outflow Presented in the Consolidated Statements of Cash Flows		2024
		Xtreme
Outflows of cash used to acquire Xtreme, net of cash acquired:		
Cash consideration paid in the period	$	103,964
Debt repayment at closing		10,125
Less: cash acquired		(578)
Net outflow of cash in investing activities	**$**	**113,511**

Acquisition-related costs
Acquisition-related costs of $2,755 for both the three and nine months ended September 30, 2024 incurred as part of the Xtreme transaction are included in marketing, general and administrative expenses in the consolidated statements of income and in operating cash flows in the consolidated statements of cash flows.

19. INCOME TAXES

The provision for income taxes differs from the result that would be obtained by applying combined Canadian federal and provincial (Ontario, Alberta, Quebec and British Columbia) statutory income tax rates to profit or loss before income taxes. This difference results from the following:

	For the nine months ended	
	September 30 2024	September 30 2023
Profit (loss) before income taxes	**$ (99,674)**	$ 157,199
Statutory income tax rate	**26.40%**	26.40%
Expected income tax recovery (expense)	**26,314**	(41,501)
Effect on income taxes of:		
Projects accounted for under equity method	**1,697**	1,652
Provincial and foreign rate differences	**4,058**	181
Other non-deductible expenses	**(4,665)**	(849)
Disposal of subsidiaries	**-**	15,378
Disposal of other assets	**-**	614
Adjustments in respect of prior years	**(326)**	(1,632)
Non-taxable remeasurement gains	**4,039**	21,228
Global minimum tax	**(925)**	-
Other	**(4,061)**	(75)
	(183)	36,497
Income tax recovery (expense)	**$ 26,131**	$ (5,004)

The Company is within the scope of the Organisation for Economic Co-operation and Development Pillar Two model rules ("Pillar Two"). Pillar Two legislation was enacted in Canada on June 20, 2024 and came into effect from January 1, 2024. Under the legislation, the Company is liable to pay a top-up tax for the difference between its Global Anti-Base Erosion Rules ("GloBE" or "global minimum tax") effective tax rate per jurisdiction and the 15% minimum tax rate.

Current income tax expense related to Pillar Two income taxes recorded in the three and nine-month periods ended September 30, 2024 was $325 and $925, respectively.

The Company is applying the exception to recognize and disclose information about deferred tax assets and liabilities related to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

20. EMPLOYEE BENEFIT PLANS

Employee future benefit expenses for the period are as follows:

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Defined benefit pension expense:				
Company sponsored pension plans	**$ 86**	$ 102	**$ 258**	$ 306
Defined contribution pension expense:				
Company sponsored pension plans	**2,583**	2,356	**7,504**	7,407
Multi-employer pension plans	**18,952**	21,779	**55,902**	63,511
Total employee future benefit expense	**$ 21,621**	$ 24,237	**$ 63,664**	$ 71,224

21. CONTINGENCIES

Coastal GasLink Pipeline, Sections 3 and 4
On June 28, 2024, Aecon announced 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., 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 did not result in any further cash impacts to Aecon. From an accounting perspective, Aecon recognized in its consolidated financial results a non-recurring charge of $nil and $127,000, respectively, for the three and nine months ended September 30, 2024 ($nil in both three and nine months ended September 30, 2023) related to the construction of Sections 3 and 4 of the Coastal GasLink Pipeline Project.

Kemano Generating Station Second Tunnel Project
During the second quarter of 2020, Rio Tinto issued a notice of termination of contract to the joint venture in which Aecon holds a 40% interest with respect to the Kemano Generating Station Second Tunnel Project. Rio Tinto also issued notice to the joint ventures' sureties asserting a claim on the 50% performance bonds; the sureties entered into a cooperation agreement with Rio Tinto but have not taken a position on the validity of this claim on the bonds. In the third quarter of 2020, the joint venture issued a notice of civil claim seeking approximately $105,000 in damages from Rio Tinto. The joint venture also registered and perfected a builders' lien against project lands, providing security over approximately $97,000 of the claimed damages. In the first quarter of 2021, Rio Tinto issued a counterclaim against the joint venture and subsequently amended its pleadings to add the joint venture's parent companies to the action pursuant to parent company guarantees issued by said companies, and also to articulate counterclaim damages of approximately $428,000. While it is possible that this commercial dispute could result in a material impact to Aecon's earnings and cash flow if not resolved, the ultimate results cannot be predicted at this time. The aforementioned notice of civil claim was commenced in the Supreme Court of British Columbia between Frontier Kemper Constructors and Frontier Kemper – Aecon Joint Venture as plaintiffs/defendants by counterclaim and Rio Tinto Alcan Inc. and Aluminum Company of Canada Limited/Aluminum Du Canada Limitée as the defendants/plaintiffs by counterclaim.

K+S Potash Canada
During the second quarter of 2018, the Company filed a statement of claim in the Court of King's Bench for Saskatchewan (the "Court") against K+S Potash Canada ("KSPC") and KSPC filed a statement of claim in the Court against the Company. Both actions relate to the Legacy mine project in Bethune, Saskatchewan. The Company is seeking $180,000 in payments due to it pursuant to agreements entered into between the Company and KSPC with respect to the project plus approximately $14,000 in damages. The Company has recorded $141,079 of unbilled revenue and accounts receivable at September 30, 2024. Offsetting this amount to some extent, the Company has accrued $45,000 in trade and other payables for potential payments to third parties pending the outcome of the claim against KSPC. KSPC is seeking an order that the Company repay to KSPC approximately $195,000 already paid to the Company pursuant to such agreements. The Company has also been brought into two other lawsuits in the same Court between KSPC and various other contractors involved with the Legacy mine project, both relating to matters which the Company believes are materially covered by insurance coverage, to the extent of any liability. In the fourth quarter of 2022, the Court issued a decision allowing an application by Aecon to add KSPC's parent company K+S Aktiengesellschaft ("KSAG") as a defendant to the lawsuit arising from KSAG's conduct in inducing KSPC to breach its contract with Aecon. These claims may not be resolved for several years. While the Company considers KSPC's claim to be without merit and does not expect that the resolution of these claims will cause a material impact to its financial position, the ultimate results cannot be predicted at this time.

The Company is involved in various other disputes and litigation both as plaintiff and defendant. In the opinion of management, the resolution of other disputes against the Company, including those provided for (see Note 14, *"Provisions"*), will not result in a material effect on the consolidated financial position of the Company.

See also Note 4, "*Critical Accounting Estimates*" for judgments and estimates impacting litigation risk and claims risk.

As part of regular operations, the Company has the following guarantees and letters of credit outstanding:

	Project	September 30 2024
Letters of credit:		
Financial and performance - issued by Export Development Canada	Various joint arrangement projects	$ 620,884
Financial and performance - issued in the normal conduct of business	Various	$ 24,747

Under the terms of many of the Company's associate and joint arrangement contracts with project owners, each of the partners is jointly and severally liable for performance under the contracts. At September 30, 2024, the value of uncompleted work for which the Company's associate and joint arrangement partners are responsible, and which the Company could be responsible for assuming, amounted to approximately $4,866,387. In the event the Company assumed this additional work, it would have the right to receive the partner's share of billings to the project owners pursuant to the respective associate or joint arrangement contract.

22. CAPITAL STOCK

	For the nine months ended September 30, 2024			For the year ended December 31, 2023		
	Number		Amount	Number		Amount
Number of common shares outstanding - beginning of period	**62,266,403**	**$**	**430,709**	61,535,925	$	419,357
Common shares issued on conversion of 5.0% Debentures	-		-	86		2
Shares issued to settle LTIP/ESU/Director DSU obligations	259,728		5,629	730,392		11,350
Common shares purchased under Normal Course Issuer Bid	(150,600)		(1,046)	-		-
Number of common shares outstanding - end of period	**62,375,531**	**$**	**435,292**	62,266,403	$	430,709

The Company is authorized to issue an unlimited number of common shares.

Normal Course Issuer Bid

On August 15, 2024, the Toronto Stock Exchange ("TSX") approved the Company's normal course issuer bid (the "NCIB") pursuant to which the Company may purchase for cancellation up to 3,126,306 common shares of Aecon, representing 5% of the issued and outstanding common shares as of August 7, 2024. The NCIB commenced on August 18, 2024 and will end no later than August 18, 2025.

The Company also entered into an automatic securities purchase plan ("ASPP") in respect of the NCIB with a designated broker (the "Broker"). The Broker is responsible for making purchases of common shares pursuant to the ASPP including during times when the Company would ordinarily not be permitted to purchase common shares due to regulatory restrictions or trading black-out periods established under Aecon's Insider Trading Policy. Under the Plan, Aecon may, but is not required to, instruct the Broker to make purchases under the NCIB based on parameters set by Aecon in accordance with the Plan, TSX rules and applicable securities laws. At September 30, 2024, no liability was recorded in the Company's consolidated balance sheets in connection with the ASPP.

During both the three and nine months ended September 30, 2024, 150,600 common shares were repurchased for cancellation pursuant to the NCIB at a cost of $2,903 of which $1,046 was recorded as a reduction in share capital and $1,857 recorded as a reduction of retained earnings.

STOCK−BASED COMPENSATION

Long-Term Incentive Plans

The Company maintains various long-term incentive plans (collectively "LTIP") to further focus senior executives on the achievement of the Company's strategic plan, serve as a retention tool for select executives, and better align the interests of senior executives with those of shareholders. Awards to participants are based on the financial results of the Company and are made in the form of Deferred Share Units ("DSU") and Restricted Share Units ("RSU"). DSU and RSU awards represent the right to receive one common share of the Company. Commencing in 2024, the Company also adopted a new Performance Share Unit ("PSU") plan. Each PSU award specifies the applicable performance period, performance criteria, and a performance multiplier that may range from 50% to 200% applied to each performance criteria. Each PSU award represents the right to receive the market value of one common share in cash.

DSU awards vest only on the retirement or termination of the participant, RSU awards vest annually over three years, and PSU awards vest after a three-year period. Compensation charges related to the LTIP are expensed over the estimated vesting period of the awards in marketing, general and administrative expense in the consolidated statements of income. DSU and RSU awards are accounted for as equity-settled stock-based transactions. PSU awards are accounted for as cash-settled stock-based transactions with the related liability revalued to fair value at the end of each reporting period. All

LTIP awards have accompanying dividend equivalent rights, which are also expensed as earned in marketing, general and administrative expense.

For the three and nine months ended September 30, 2024, the Company recorded LTIP compensation charges of $2,981 (2023 - $6,256) and $9,188 (2023 - $15,029), respectively.

Other Stock-based Compensation – Director DSU Awards

In February 2021, the Board of Directors modified its director compensation program by replacing the 2014 Director DSU Plan (as defined below) with a director deferred share unit plan that provides for the settlement of DSUs in cash only (the "2021 Director DSU Plan") for future grants. A DSU is a right to receive an amount from the Company equal to the value of one common share. In addition to the discretionary award of DSUs, directors have an option to elect to receive 50% or 100% of their Board annual retainer fee that is otherwise payable in cash in the form of DSUs. The number of DSUs awarded to a director is equal to the value of the compensation that a director elects to receive in DSUs or the value awarded by the Company on an annual basis divided by the volume weighted average trading price of a common share on the TSX for the five trading days prior to the date of the award. DSUs are redeemable on the first business day following the date the director ceases to serve on the Board.

The Board of Directors will no longer issue new DSUs under the director deferred share unit plan dated May 2014 (the "2014 Director DSU Plan"). The last award of DSUs under the 2014 Director DSU Plan was made on March 12, 2020. DSUs granted under the 2014 Director DSU Plan will continue to be governed by the terms of the 2014 Director DSU Plan.

Director DSU awards are expensed in full on the date of grant and recognized in marketing, general and administrative expense in the consolidated statements of income. DSU awards under the 2014 Director DSU Plan are accounted for as equity-settled stock-based transactions. DSU awards under the 2021 Director DSU Plan are accounted for as cash-settled stock-based transactions with the related liability revalued to fair value at the end of each reporting period. Director DSUs have accompanying dividend equivalent rights, which are also expensed as earned in marketing, general and administrative expense.

For the three and nine months ended September 30, 2024, the Company recorded Director DSU compensation (income)/expense, net of fair value adjustments, of $1,886 and $4,499, respectively (2023 – expense of $49 and $2,001, respectively).

Other Stock-based Compensation – Employee Share Unit (ESU) Awards

In April 2019, the Company adopted an Employee Share Unit ("ESU") plan, an employee benefit program that enables all permanent, non-unionized, Canadian resident employees to become shareholders of the Company. The program includes ESUs gifted to eligible employees, and additional ESUs that may be purchased by eligible employees during a predetermined window each year at a discounted price.

ESU awards and purchases vest annually over three years. ESUs are equity settled awards with compensation charges related to ESU awards and purchases expensed over the estimated vesting period in marketing, general and administrative expense.

For the three and nine months ended September 30, 2024, the Company recorded an ESU compensation expense of $97 (2023 - $215) and $538 (2023 - $928), respectively.

Details of the changes in the balance of LTIP awards, Director DSUs, and ESUs outstanding are detailed below:

	For the nine months ended September 30, 2024		
	LTIP	**Director DSUs**	**ESUs**
	Share Units		
Balance outstanding - beginning of period	**3,480,411**	**585,448**	**295,733**
Granted	**900,164**	**92,048**	**26,300**
Dividend equivalent rights	**146,501**	**23,363**	**22,561**
Settled	**(100,593)**	**(159,134)**	**(138,995)**
Forfeited	**(336,654)**	**-**	**(22,426)**
Balance outstanding - end of period	**4,089,829**	**541,725**	**183,173**
	Weighted Average Grant Date Fair Value Per Unit		
Balance outstanding - beginning of period	**$ 14.39**	**$ 14.70**	**$ 16.92**
Granted including Director DSU fair value adjustments	**16.67**	**44.91**	**15.68**
Dividend equivalent rights	**14.75**	**15.59**	**16.89**
Settled	**14.48**	**15.70**	**18.96**
Forfeited	**13.85**	**-**	**15.68**
Balance outstanding - end of period	**$ 14.95**	**$ 19.58**	**$ 15.35**

Amounts included in Contributed Surplus in the Consolidated Balance Sheets at September 30, 2024 in respect of LTIP, Director DSUs, and ESUs were $49,466 (December 31, 2023 - $45,881), $2,726 (December 31, 2023 - $5,047), and $2,627 (December 31, 2023 – $4,803), respectively. Amounts included in Trade and Other Payables in the Consolidated Balance Sheets at September 30, 2024 in respect of LTIP and Director DSUs were $4,147 (December 31, 2023 - $nil) and $7,879 (December 31, 2023 - $3,558).

23. EXPENSES

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Personnel	**$ 306,650**	$ 349,343	**$ 900,853**	$ 1,096,272
Subcontractors	**655,796**	541,551	**1,535,990**	1,488,039
Materials	**168,909**	251,660	**490,753**	685,214
Equipment costs	**37,841**	69,327	**112,018**	183,788
Depreciation of property, plant and equipment and amortization of intangible assets	**22,985**	20,274	**61,612**	64,439
Other expenses	**11,540**	10,688	**16,916**	28,696
Total expenses	**$ 1,203,721**	$ 1,242,843	**$ 3,118,142**	$ 3,546,448

Reported as:

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Direct costs and expenses	**$ 1,124,922**	$ 1,193,884	**$ 2,900,414**	$ 3,355,981
Marketing, general and administrative expense	**55,814**	28,685	**156,116**	126,028
Depreciation and amortization	**22,985**	20,274	**61,612**	64,439
Total expenses	**$ 1,203,721**	$ 1,242,843	**$ 3,118,142**	$ 3,546,448

24. OTHER INCOME

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Foreign exchange gain (loss)	**$ 410**	$ (432)	**$ 469**	$ 416
Gain on sale of property, plant and equipment	**6,274**	1,041	**17,297**	44,922
Gain (loss) on sale of subsidiaries	**(3,500)**	137,545	**14,912**	175,545
Gain on change in fair value of other financial instruments	**289**	-	**499**	-
Total other income	**$ 3,473**	$ 138,154	**$ 33,177**	$ 220,883

On May 1, 2023, the Company completed the sale of its Aecon Transportation East (“ATE”) roadbuilding, aggregates and materials businesses in Ontario to Green Infrastructure Partners Inc. Gross cash proceeds received on closing, net of debt assumed by the purchaser, were $162,657. Cash on hand in ATE subsidiaries at the closing date of $7,341 was transferred to the purchaser. ATE provided roadbuilding infrastructure solutions throughout Ontario to the provincial government, municipalities, and private clients. The financial results of ATE prior to its sale were reported in the construction segment. During the second quarter of 2024, the Company received additional cash proceeds of $11,494 from the sale of ATE. As a result, for the three and nine months ended September 30, 2024, the Company recorded a loss on sale of $3,500 and a gain on sale of $9,018, respectively, compared to a loss on sale of $1,480 and a gain on sale of $36,520, respectively, for the three and nine months ended September 30, 2023. These gain and loss amounts were included in other income in the consolidated income statements.

On September 20, 2023, the Company completed the sale of a 49.9% interest in Skyport to CC&L Infrastructure and as a result lost control for accounting purposes of Skyport (see Note 10, “*Projects Accounted For Using The Equity Method*”). Gross cash proceeds received on closing were $162,316 (US$120,000). For both the three and nine months ended September 30, 2023, the Company recorded a gain on sale of $139,025, including $80,409 relating to the remeasurement of the retained interest in Skyport in other income in the consolidated income statements, and inclusive of foreign currency gains of $1,594 that were reclassified from accumulated other comprehensive income to the consolidated income statements. During the second quarter of 2024, the Company earned additional sale proceeds of $5,894 from the sale of Skyport. As a result, for the three and nine months ended September 30, 2024, a gain on sale of $nil and $5,894 was included in other income in the consolidated income statements.

25. FINANCE COST

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Interest and notional interest on long-term debt and debentures	**$ 670**	$ 9,661	**$ 2,065**	$ 29,350
Interest on leases	**1,368**	1,009	**3,919**	3,478
Interest on bank indebtedness	**4,710**	5,833	**11,267**	16,578
Dividend on Preferred Shares of Aecon Utilities	**5,035**	-	**14,669**	-
Gain on change in fair value of Preferred shares of Aecon Utilities	**(7,295)**	-	**(15,299)**	-
Notional interest on provisions	**56**	53	**167**	201
Total finance cost	**$ 4,544**	$ 16,556	**$ 16,788**	$ 49,607

On December 29, 2023, convertible debentures were redeemed for a total principal amount of $183,998 and convertible debentures with a face value of $2 were converted at $23.21 per share by the holders into 86 common shares. Finance cost associated with the convertible debentures consisting of interest expense on face value and notional interest representing accretion was $nil and $nil respectively for the three and nine months ended September 30, 2024 (2023 - $3,585 and $10,728, respectively).

26. EARNINGS PER SHARE

Details of the calculations of earnings (loss) per share are set out below:

	For the three months ended		For the nine months ended	
	September 30 2024	September 30 2023	**September 30 2024**	September 30 2023
Profit (loss) attributable to shareholders	**$ 56,462**	$ 133,425	**$ (73,549)**	$ 152,195
Interest on convertible debentures, net of tax[(1)]	**-**	2,635	**-**	7,885
Diluted net earnings (loss)	**$ 56,462**	$ 136,060	**$ (73,549)**	$ 160,080
Average number of common shares outstanding	**62,466,408**	61,750,790	**62,348,707**	61,638,845
Effect of dilutive securities:[(1)]				
Convertible debentures[(1)]	**-**	17,216,193	**-**	16,126,226
Long-term incentive plan	**4,254,914**	4,566,356	**4,254,914**	4,566,356
Weighted average number of diluted common shares outstanding	**66,721,322**	83,533,339	**66,603,621**	82,331,427
Basic earnings (loss) per share	**$ 0.90**	$ 2.16	**$ (1.18)**	$ 2.47
Diluted earnings (loss) per share[(1)]	**$ 0.85**	$ 1.63	**$ (1.18)**	$ 1.94

[(1)] When the impact of dilutive securities increases the earnings per share or decreases the loss per share, they are excluded for purposes of the calculation of diluted earnings (loss) per share.
[(2)] The convertible debentures were fully repaid on December 29, 2023.

27. SUPPLEMENTARY CASH FLOW INFORMATION

Change in other balances relating to operations

	For the nine months ended	
	September 30 2024	September 30 2023
Decrease (increase) in:		
Trade and other receivables	**$ (21,513)**	$ (75,149)
Unbilled revenue	**(76,000)**	(93,827)
Inventories	**(9,261)**	(5,459)
Prepaid expenses	**11,255**	(28,146)
Increase (decrease) in:		
Trade and other payables	**78,366**	105,932
Provisions	**(23,159)**	(3,559)
Deferred revenue	**108,966**	(7,887)
	$ 68,654	$ (108,095)

Cash flows from interest

	For the nine months ended	
	September 30 2024	September 30 2023
Operating activities		
Cash interest paid	**$ (15,886)**	$ (48,413)
Cash interest received	**6,717**	5,463

28. FINANCIAL INSTRUMENTS

Fair value

From time to time, the Company enters into forward contracts and other foreign exchange hedging products to manage its exposure to changes in exchange rates related to transactions denominated in currencies other than the Canadian dollar but does not hold or issue such financial instruments for speculative trading purposes. At September 30, 2024, the Company had contracts to buy US$nil, sell US$nil, and sell €nil (December 31, 2023 – buy US$2,200, sell US$14,920, and sell €1,200, respectively), on which there was a cumulative net unrealized exchange gain of $nil recorded in the consolidated statements of income at that date (December 31, 2023 - gain $526). In addition, at September 30, 2024, outstanding contracts to buy US$1,446 (December 31, 2023 – buy US$29,724) were designated as cash flow hedges on which there was a cumulative unrealized gain recorded in other comprehensive income of $110 (December 31, 2023 – gain $784). The net unrealized exchange gain or loss represents the estimated amount the Company would have received/paid if it terminated the contracts at the end of the respective periods.

In addition, some of the Company's investments in projects accounted for using the equity method enter into derivative financial instruments, namely interest rate swaps, to hedge the variability of interest rates related to non-recourse project debt. At September 30, 2024, for these derivative financial instruments designated as cash flow hedges, there was a cumulative unrealized gain recorded in other comprehensive income of $3,163 (December 31, 2023 - gain $8,371).

IFRS 13, "Fair Value Measurement", enhances disclosures about fair value measurements. Fair value is defined as the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs. The first two levels are considered observable and the last unobservable. These levels are used to measure fair values as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 – Inputs, other than Level 1 inputs, that are observable for assets and liabilities, either directly or indirectly. Level 2 inputs include: quoted market prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The following table summarizes the fair value hierarchy under which the Company's fair value disclosures of financial instruments are calculated.

	At September 30, 2024			
	Total	**Level 1**	**Level 2**	**Level 3**
Financial assets (liabilities) measured at fair value:				
Cash flow hedges	$ 3,273	$ -	$ 3,273	$ -
Long-term financial assets	15,759	-	15,759	-
Preferred Shares of Aecon Utilities	(154,870)	-	-	(154,870)
Financial assets (liabilities) disclosed at fair value:				
Long-term financial assets	5,296	-	5,296	-
Long-term debt	(155,644)	-	(155,644)	-

During the nine months ended September 30, 2024, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Preferred Shares of Aecon Utilities

The Preferred Shares are designated as fair value through profit or loss and is classified as level 3 in the fair value hierarchy as there are significant unobservable inputs used in the valuation. Management uses a lattice model to estimate the fair value of the preferred shares. It utilizes the binomial tree method to project the stock price movements, determine optimal timing to exercise the conversion feature and other optionalities included in the instrument, and calculates the possible payoffs of the instruments. The key inputs in determining fair value include credit spread, risk-free rate, market volatility, underlying share price and conversion price, and assumptions related to the probability of events that would trigger mandatory conversions.

Methodologies and procedures regarding Level 3 fair value measurements are determined by the Company's management. The calculation of Level 3 fair values is derived based on the underlying contractual terms of the Preferred Shares as well as observable and unobservable inputs. Development of unobservable inputs requires the use of significant judgment. Level 3 fair value measurements are reviewed and validated by the Company's management to ensure reasonability and accuracy on a quarterly basis.

The Preferred Shares were measured at fair value using the following significant unobservable inputs:
The Company used an underlying share price of Aecon Utilities at September 30, 2024 of $1.00. If the Company had used an underlying share price that was higher or lower by 10%, the potential effect would be an increase of $15,235 or a decrease of $13,321 to the fair value of the Preferred Shares through the income statement. The Company used a market volatility of 21.39%. If the Company had used a market volatility that was higher or lower by 10%, the potential effect

would be an increase of $459 or a decrease of $504 to the fair value of the preferred shares through the income statement. The Company used a credit spread of 15.72%. If the Company had used a credit spread that was higher or lower by 10%, the potential effect would be a decrease of $249 or an increase of $3,091 to the fair value of the preferred shares through other comprehensive income.

Risk management
The main risks arising from the Company's financial instruments are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from exposures that occur in the normal course of business and are managed on a consolidated Company basis.

Credit risk
Concentration of credit risk associated with accounts receivable, holdbacks receivable and unbilled revenue is limited by the Company's diversified customer base and its dispersion across different business and geographic areas.

At September 30, 2024, the Company had $88,537 in trade receivables that were past due. Of this amount, $64,989 was over 60 days past due, against which the Company has recorded an allowance for expected credit losses of $1,001.

Liquidity risk
Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled in cash or another financial asset.

Contractual maturities for financial liabilities at September 30, 2024 are as follows:

	Due within one year	Due between one and five years	Due after five years	Total undiscounted cash flows	Effect of interest	Fair value adjustment	Carrying value
Bank indebtedness	$ -	$ 165,756	$ -	$ 165,756	$ -	$ -	$ 165,756
Trade and other payables	$ 1,135,194	$ -	$ -	$ 1,135,194	$ -	$ -	$ 1,135,194
Leases	$ 38,800	$ 82,721	$ 10,969	$ 132,490	$ (14,264)	$ -	$ 118,226
Equipment and other loans	11,336	16,411	5,771	33,518	(3,521)	-	29,997
	50,136	99,132	16,740	166,008	(17,785)	-	148,223
Preferred Shares of Aecon Utilities [(1)]	-	-	381,256	381,256	(208,390)	(17,996)	154,870
Long-term financial liabilities	$ 50,136	$ 99,132	$ 397,996	$ 547,264	$ (226,175)	$ (17,996)	$ 303,093

(1) The Preferred Shares of Aecon Utilities have no fixed repayment terms (see Note 16 "*Preferred Shares of Aecon Utilities*"). The Preferred Shares are assumed to have a contractual maturity of 7 years from issuance in this summary.

Interest rate risk
The Company is exposed to interest rate risk on its short-term deposits and its long-term debt to the extent that its investments or credit facilities are based on floating rates of interest.

For the nine months ended September 30, 2024, a 1% increase or a 1% decrease in interest rates applied to the Company's variable rate long-term debt would not have a significant impact on net earnings or comprehensive income.

Currency risk

The Company operates internationally and is exposed to risk from changes in foreign currency rates. The Company is mainly exposed to fluctuations in the US dollar.

At September 30, 2024, a 10% change in the US dollar against the Canadian dollar would have impacted the Company's profit or loss in the current period by $7,965 because of currency exposures. The sensitivity analysis includes foreign currency denominated monetary items but excludes all investments in joint ventures and hedges and adjusts their translation at year-end for the above 10% change in foreign currency rates.

29. CAPITAL DISCLOSURES

For capital management purposes, the Company defines capital as the aggregate of its shareholders' equity and debt. Debt includes the current and non-current portions of long-term debt (excluding non-recourse debt and drawings on the Company's credit facilities presented as bank indebtedness), convertible debentures, and Preferred Shares of Aecon Utilities.

Although the Company monitors capital on a number of bases, including liquidity and working capital, total debt (excluding non-recourse debt and drawings on the Company's credit facilities presented as bank indebtedness) as a percentage of total capitalization (debt to capitalization percentage) is considered by the Company to be the most important metric in measuring the strength and flexibility of its consolidated balance sheets. At September 30, 2024, the debt to capitalization percentage was 24% (December 31, 2023 - 22%). While the Company believes this debt to capitalization percentage is acceptable, because of the cyclical nature of its business, and due to the uncertainties described in Note 4, "Critical Accounting Estimates" and Note 21, "Contingencies", the Company will continue its current efforts to maintain a conservative capital position.

At September 30, 2024, the Company complied with all of its financial debt covenants.

30. OPERATING SEGMENTS

Segment reporting is based on the Company's divisional operations. The breakdown by division mirrors the Company's internal reporting systems.

The Company currently operates in two segments within the infrastructure development industry: Construction and Concessions. The other costs and eliminations category in the summary below includes corporate costs and other activities not directly allocable to segments and also includes inter-segment eliminations.

The Construction segment includes all aspects of the construction of both public and private infrastructure, primarily in Canada, and on a selected basis, internationally and focuses primarily on the following market sectors:

- Civil Infrastructure;
- Urban Transportation Solutions;
- Nuclear Power Infrastructure;
- Utility Infrastructure; and
- Industrial Infrastructure.

Activities within the Concessions segment include the development, financing, build and operation of construction projects primarily by way of public-private partnership contract structures, as well as integrating the services of all project participants, and harnessing the strengths and capabilities of Aecon. The Concessions segment focuses primarily on providing the following services:

- Development of domestic and international Public-Private Partnership projects;
- Private finance solutions;
- Developing strategic partnerships;
- Leading and/or actively participating in development teams; and
- Operations and maintenance of infrastructure assets.

	For the three months ended September 30, 2024			
	Construction	Concessions	Other and eliminations	Total
Consolidated statements of income				
External customer revenue	$ 1,272,757	$ 2,590	$ -	**$ 1,275,347**
Inter-segment revenue	(33)	-	33	**-**
Total revenue	1,272,724	2,590	33	**1,275,347**
Expenses	$ (1,189,458)	$ (4,043)	$ (10,220)	**$ (1,203,721)**
Which include:				
Depreciation and amortization	(22,718)	(61)	(206)	**(22,985)**
Other income (loss):				
Foreign exchange gain (loss)	$ 69	$ (6)	$ 347	**$ 410**
Gain on sale of property, plant and equipment	6,274	-	-	**6,274**
Loss on sale of subsidiaries	-	-	(3,500)	**(3,500)**
Gain on change in fair value of other financial instruments	-	289	-	**289**
Income (loss) from projects accounted for using the equity method	$ (104)	$ 5,900	$ -	**$ 5,796**
Operating profit (loss)	$ 89,505	$ 4,730	$ (13,340)	**$ 80,895**
Finance income (cost):				
Finance income				**$ 1,420**
Finance cost				**(4,544)**
Profit before income taxes				**$ 77,771**
Income tax expense				**(21,303)**
Profit for the period				**$ 56,468**
Revenue by contract type				
Fixed price	$ 486,603	$ -	$ -	**$ 486,603**
Cost plus/unit price	786,121	-	33	**786,154**
Concession operations	-	2,590	-	**2,590**
Total revenue	1,272,724	2,590	33	**1,275,347**
Revenue by service type				
Construction revenue	$ 1,272,724	$ -	$ 33	**$ 1,272,757**
Concession revenue	-	2,590	-	**2,590**
Total revenue	1,272,724	2,590	33	**1,275,347**

	Construction	Concessions	Other and eliminations	Total
Consolidated balance sheets				
Segment assets	$ 2,719,526	$ 244,258	$ 370,221	**$ 3,334,005**
Which include:				
Projects accounted for using the equity method	4,469	228,046	-	**232,515**
Segment liabilities	$ 1,446,691	$ (104,071)	$ 1,029,139	**$ 2,371,759**
Additions to non-current assets:				
Property, plant and equipment	$ 58,854	$ 186	$ 678	**$ 59,718**
Intangible assets	$ 68,121	$ 43	$ 275	**$ 68,439**

	For the nine months ended September 30, 2024			
	Construction	Concessions	Other and eliminations	Total
Consolidated statements of income				
External customer revenue	$ 2,967,901	$ 7,817	$ -	**$ 2,975,718**
Inter-segment revenue	116	-	(116)	**-**
Total revenue	2,968,017	7,817	(116)	**2,975,718**
Expenses	$ (3,073,213)	$ (11,642)	$ (33,287)	**$ (3,118,142)**
Which include:				
Depreciation and amortization	(60,773)	(193)	(646)	**(61,612)**
Other income (loss):				
Foreign exchange gain	$ 208	$ 43	$ 218	**$ 469**
Gain on sale of property, plant and equipment	17,297	-	-	**17,297**
Gain on sale of subsidiaries	-	5,895	9,017	**14,912**
Gain on change in fair value of other financial instruments	-	499	-	**499**
Income (loss) from projects accounted for using the equity method	$ (339)	$ 19,983	$ -	**$ 19,644**
Operating profit (loss)	$ (88,030)	$ 22,595	$ (24,168)	**$ (89,603)**
Finance income (cost):				
Finance income				**$ 6,717**
Finance cost				**(16,788)**
Loss before income taxes				**$ (99,674)**
Income tax recovery				**26,131**
Loss for the period				**$ (73,543)**
Revenue by contract type				
Fixed price	$ 1,237,182	$ -	$ -	**$ 1,237,182**
Cost plus/unit price	1,730,835	-	(116)	**1,730,719**
Concession operations	-	7,817	-	**7,817**
Total revenue	2,968,017	7,817	(116)	**2,975,718**
Revenue by service type				
Construction revenue	$ 2,968,017	$ -	$ (116)	**$ 2,967,901**
Concession revenue	-	7,817	-	**7,817**
Total revenue	2,968,017	7,817	(116)	**2,975,718**

	Construction	Concessions	Other and eliminations	Total
Consolidated balance sheets				
Additions to non-current assets:				
Property, plant and equipment	$ 111,108	$ 301	$ 1,844	**$ 113,253**
Intangible assets	$ 68,121	$ 668	$ 500	**$ 69,289**

	For the three months ended September 30, 2023			
	Construction	Concessions	Other and eliminations	Total
Consolidated statements of income				
External customer revenue	$ 1,213,290	$ 26,294	$ -	**$ 1,239,584**
Inter-segment revenue	2,102	-	(2,102)	**-**
Total revenue	1,215,392	26,294	(2,102)	**1,239,584**
Expenses	$ (1,215,562)	$ (17,398)	$ (9,883)	**$ (1,242,843)**
Which include:				
Depreciation and amortization	(14,100)	(5,609)	(565)	**(20,274)**
Other income (loss):				
Foreign exchange gain (loss)	$ 194	$ (44)	$ (582)	**$ (432)**
Gain on sale of property, plant and equipment	886	-	155	**1,041**
Gain (loss) on sale of subsidiaries	-	139,025	(1,480)	**137,545**
Income from projects accounted for using the equity method	$ 395	$ 4,819	$ -	**$ 5,214**
Operating profit (loss)	$ 1,305	$ 152,696	$ (13,892)	**$ 140,109**
Finance income (cost):				
Finance income				**$ 2,288**
Finance cost				**(16,556)**
Profit before income taxes				**$ 125,841**
Income tax recovery				**7,584**
Profit for the period				**$ 133,425**
Revenue by contract type				
Fixed price	$ 520,511	$ -	$ 4	**$ 520,515**
Cost plus/unit price	694,881	-	(2,106)	**692,775**
Concession operations	-	26,294	-	**26,294**
Total revenue	1,215,392	26,294	(2,102)	**1,239,584**
Revenue by service type				
Construction revenue	$ 1,215,392	$ -	$ (2,102)	**$ 1,213,290**
Concession revenue	-	26,294	-	**26,294**
Total revenue	1,215,392	26,294	(2,102)	**1,239,584**

	Construction	Concessions	Other and eliminations	Total
Consolidated balance sheets				
Segment assets	$ 2,629,319	$ 245,797	$ 243,509	**$ 3,118,625**
Which include:				
Projects accounted for using the equity method	9,944	238,493	-	**248,437**
Segment liabilities	$ 884,320	$ (43,702)	$ 1,200,130	**$ 2,040,748**
Additions to non-current assets:				
Property, plant and equipment	$ 7,491	$ 258	$ 289	**$ 8,038**
Intangible assets	$ -	$ 1,586	$ 175	**$ 1,761**

	For the nine months ended September 30, 2023			
	Construction	Concessions	Other and eliminations	Total
Consolidated statements of income				
External customer revenue	$ 3,443,083	$ 70,574	$ -	**$ 3,513,657**
Inter-segment revenue	2,176	-	(2,176)	**-**
Total revenue	3,445,259	70,574	(2,176)	**3,513,657**
Expenses	$ (3,462,448)	$ (53,246)	$ (30,754)	**$ (3,546,448)**
Which include:				
Depreciation and amortization	(46,172)	(16,906)	(1,361)	**(64,439)**
Other income (loss):				
Foreign exchange gain (loss)	$ 132	$ (46)	$ 330	**$ 416**
Gain on sale of property, plant and equipment	26,949	-	17,973	**44,922**
Gain on sale of subsidiaries	-	139,025	36,520	**175,545**
Income from projects accounted for using the equity method	$ 83	$ 13,168	$ -	**$ 13,251**
Operating profit	$ 9,975	$ 169,475	$ 21,893	**$ 201,343**
Finance income (cost):				
Finance income				**$ 5,463**
Finance cost				**(49,607)**
Profit before income taxes				**$ 157,199**
Income tax expense				**(5,004)**
Profit for the period				**$ 152,195**
Revenue by contract type				
Fixed price	$ 1,526,881	$ -	$ 4	**$ 1,526,885**
Cost plus/unit price	1,918,378	-	(2,180)	**1,916,198**
Concession operations	-	70,574	-	**70,574**
Total revenue	3,445,259	70,574	(2,176)	**3,513,657**
Revenue by service type				
Construction revenue	$ 3,445,259	$ -	$ (2,176)	**$ 3,443,083**
Concession revenue	-	70,574	-	**70,574**
Total revenue	3,445,259	70,574	(2,176)	**3,513,657**

	Construction	Concessions	Other and eliminations	Total
Consolidated balance sheets				
Additions to non-current assets:				
Property, plant and equipment	$ 23,381	$ 368	$ 4,879	**$ 28,628**
Intangible assets	$ -	$ 4,202	$ 835	**$ 5,037**

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