

**Aecon Group Inc.**

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

**March 31, 2026**

# Management’s Discussion and Analysis of Operating Results and Financial Condition

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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 March 31, 2026 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, 2025 (the “2025 Annual MD&A”). This MD&A is dated as at April 28, 2026, 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](http://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, the United States, and, on a selected basis, internationally, and focuses primarily on the following market sectors:

- Civil Infrastructure;
- Urban Transportation Solutions;
- Nuclear 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. 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 normal course issuer bid (“NCIB”), 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 three remaining 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 energy and sustainability, and the opportunities arising therefrom; opportunities to add to the existing portfolio of Canadian and international concessions in the next 12 to 24 months; the expansion in the North America and global nuclear services market and driving continued growth in priority markets; the ability to advance Aecon’s diversification and growth with a focus on energy security and energy addition; the ability to capitalize on, and the continued growth of, the increasing demand for clean, affordable, and reliable energy; the anticipated growth of Aecon's nuclear and engineering business, and Aecon's expansion in the U.S. and Canadian markets, expansion of market share and operational capacity. 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 operations, 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 extreme weather-related risks, including the ability to recognize and adequately respond to concerns or public, governmental, and other stakeholders’ expectations on environmental 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 of increased costs due to the imposition of tariffs; the risk of non-compliance with government regulations, policies or executive orders; the risks relating to performance of U.S. government

contracts; the risk that Aecon will not realize the opportunities presented by a transition to a net-zero economy; risks associated with future pandemics or health-related outbreaks and Aecon's ability to respond to and implement measures to mitigate the impact of such pandemics or health-related outbreaks; the risk that the strategic partnership with Oaktree Capital Management, L.P. ("Oaktree") will not realize the expected results and may negatively impact the existing business of Aecon Utilities Group Inc. ("Aecon Utilities"); the safety risks related to the performance of nuclear projects; the risk of costs or difficulties related to the integration of recently acquired entities being greater than expected; the risk of the anticipated benefits and synergies from the acquisitions not being fully realized or taking longer than expected to realize; and the risk of being unable to retain key personnel or to maintain relationships with customers, suppliers or other partners of recently acquired companies.

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 2025 Annual MD&A which is available on SEDAR+ at [www.sedarplus.ca](http://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 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 and ratios 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 Accounting Standards; costs associated with the remediation of properties sold; Enterprise Resource Planning (“ERP”) implementation costs; 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 measure presented in the consolidated statements of income is operating profit.
- **“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 Accounting Standards; costs associated with the remediation of properties sold; ERP implementation costs; 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 Accounting Standards measure for Adjusted Profit (Loss) Attributable to Shareholders is Profit (Loss) Attributable to Aecon Shareholders.

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) for the period, before finance income, finance cost, and income tax expense (recovery).

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 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 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.
- **“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.

Management uses the above non-GAAP ratios to analyze and evaluate operating performance.

### **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**

### **Closing of Offering of Common Shares**

On March 27, 2026, the Company announced the closing of an offering announced on March 11, 2026, consisting of 4,395,300 common shares, including 573,300 common shares pursuant to the exercise of the over-allotment option granted to the underwriters. The common shares were offered at a price of \$39.25 per common share for gross proceeds to Aecon of \$172,515,525 (the “Offering”). (see Section 10.8 “Common Share Offering” of this MD&A for further details).

### **Acquisition of Duna Services and KNX**

On March 9, 2026, Aecon Utilities Group Inc (“AUGI”) completed the acquisition of Duna Services, LLC (“Duna Services”) and its subsidiaries Arc American, LLC and C.A. Advanced, LLC, and a 49% interest in KNX Utility Services, LLC (“KNX”) from Ryker Holdings Inc. The acquisition was financed through AUGI’s standalone committed revolving credit facility.

Headquartered in Indiana, Duna Services and its subsidiaries have approximately 350 employees and bring 14 years of experience providing underground and overhead electrical distribution, transmission, substation

maintenance, and emergency restoration construction services. The majority of their work is conducted under master service agreements with utility and government clients, and their service area is focused on the Midwest and Eastern United States.

### **Acquisition of KPC**

On January 6, 2026, AUGI completed the acquisition of K.P.C. Power Electrical Ltd. and K.P.C. Energy Metering Solutions Ltd. (collectively “KPC”), headquartered in Ontario. The acquisition was financed through AUGI’s standalone committed revolving credit facility.

KPC has approximately 100 employees and the majority of its work is with local electricity distribution companies in Ontario. Founded in 2011, KPC’s power electrical business provides high-voltage testing and commissioning services including substation technical services, emergency response, project management, material procurement, quality assurance, and preventative maintenance, amongst other services. Founded in 2018, KPC’s energy metering solutions business provides services including meter installation and replacement, re-verification, testing, cross-phase analysis, compliance investigation and troubleshooting services for all voltage classes.

## **6. BUSINESS STRATEGY**

Refer to the discussion on Business Strategy as outlined in the 2025 Annual MD&A available on the Company’s website at [www.aecon.com](http://www.aecon.com) or through SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

## 7. CONSOLIDATED FINANCIAL HIGHLIGHTS

\$ millions (except per share amounts)	Three months ended	
	March 31	
	2026	2025
<b>Revenue</b>	<b>\$ 1,257.0</b>	<b>\$ 1,061.7</b>
Gross profit	100.5	41.8
Marketing, general, and administrative expense	(81.0)	(56.9)
Loss from projects accounted for using the equity method	(2.2)	(0.4)
Other income	0.7	0.8
Depreciation and amortization	(26.0)	(26.0)
<b>Operating loss</b>	<b>(8.0)</b>	<b>(40.7)</b>
Finance income	2.2	1.6
Finance cost	(13.1)	(10.0)
<b>Loss before income taxes</b>	<b>(18.9)</b>	<b>(49.2)</b>
Income tax recovery	0.9	11.1
<b>Loss</b>	<b>(18.0)</b>	<b>(38.1)</b>
Non-controlling interests	0.1	0.1
<b>Loss attributable to shareholders</b>	<b>\$ (17.9)</b>	<b>\$ (37.9)</b>
<b>Gross profit margin<sup>(3)</sup></b>	<b>8.0%</b>	<b>3.9%</b>
<b>MG&amp;A as a percent of revenue<sup>(3)</sup></b>	<b>6.4%</b>	<b>5.4%</b>
<b>Adjusted EBITDA<sup>(1)</sup></b>	<b>\$ 32.0</b>	<b>\$ 3.6</b>
<b>Adjusted EBITDA margin<sup>(2)</sup></b>	<b>2.5%</b>	<b>0.3%</b>
<b>Operating margin<sup>(3)</sup></b>	<b>(0.6)%</b>	<b>(3.8)%</b>
<b>Adjusted loss attributable to shareholders<sup>(1)</sup></b>	<b>\$ (13.3)</b>	<b>\$ (34.6)</b>
<b>Loss per share – basic</b>	<b>\$ (0.28)</b>	<b>\$ (0.60)</b>
<b>Loss per share – diluted</b>	<b>\$ (0.28)</b>	<b>\$ (0.60)</b>
<b>Adjusted loss per share – basic<sup>(2)</sup></b>	<b>\$ (0.21)</b>	<b>\$ (0.55)</b>
<b>Adjusted loss per share – diluted<sup>(2)</sup></b>	<b>\$ (0.21)</b>	<b>\$ (0.55)</b>
<b>Backlog (at end of period)</b>	<b>\$ 10,854</b>	<b>\$ 9,696</b>

(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 March 31, 2026 of \$1,257 million was \$195 million, or 18%, higher compared to the same period in 2025. Revenue was higher in the Construction segment by \$197 million driven by increases in nuclear (\$104 million), utilities (\$38 million), civil (\$29 million), industrial (\$15 million), and urban transportation solutions (\$11 million). Higher revenue in the Construction segment was largely driven by an increased volume of refurbishment, new build, and engineering services work at nuclear generating stations located in Ontario and the United States. In the Concessions segment, revenue of \$2 million in the first quarter of 2026 was unchanged compared to the same period of 2025.

Operating loss of \$8.0 million for the three months ended March 31, 2026 was favourable by \$32.7 million compared to an operating loss of \$40.7 million in the same period in 2025. The improvement in the period was driven by higher gross profit of \$58.7 million. In the Construction segment, gross profit increased by \$57.8 million, largely from the impact of higher volume in nuclear and utilities operations, and from higher

volume and an improvement in gross profit margin in civil operations and urban transportation solutions. In the Concessions segment, gross profit increased by \$1.4 million primarily from an increase in net development fees.

MG&A increased by \$24.1 million in the first quarter of 2026 compared with the same period in 2025, primarily due to higher personnel costs reflecting ongoing investments in organizational capacity to support revenue growth and the integration of recent business acquisitions including Bodell Construction, Trinity Industrial Services, KPC, and Duna Services. MG&A as a percentage of revenue increased to 6.4% in the first quarter of 2026 from 5.4% in the same prior-year period.

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. In the three months ended March 31, 2026, Aecon reported a loss of \$2.2 million from projects accounted for using this method of accounting, compared to a loss of \$0.4 million in the same period in 2025, resulting in an unfavourable impact in the current period of \$1.8 million. In the first quarter of 2026, income was lower in the Concessions segment (\$2.1 million) primarily from lower management and development fees related to light rail transit ("LRT") concession projects achieving substantial completion of construction activities in 2025 and partially offset by higher operating results from Bermuda Skyport Corporation Limited ("Skyport"). In the Construction segment, income improved by \$0.3 million.

Other income of \$0.7 million in the first quarter of 2026 was \$0.1 million lower compared to the same period in 2025. The decrease is primarily related to lower gains on the sale of equipment (\$0.5 million), partially offset by lower foreign exchange losses (\$0.4 million).

In the first quarter of 2026, depreciation and amortization expense of \$26.0 million was unchanged compared to the first quarter of 2025. In the Construction segment, depreciation and amortization expense was higher by \$0.8 million, primarily from expense related to equipment and intangible assets associated with the recently acquired businesses of Bodell Construction, Trinity Industrial Services, KPC, and Duna Services, partially offset by a decrease in equipment deployed in civil operations. Depreciation and amortization expense was unchanged in the Concessions segment and decreased in Corporate and Other (\$0.8 million).

Net financing expense of \$10.9 million in the first quarter of 2026, consisting of finance cost of \$13.1 million less finance income of \$2.2 million, was \$2.4 million higher than in the same period in 2025. The increase resulted primarily from higher borrowing costs on Aecon's revolving credit facilities, changes in the fair value of the Preferred Shares of Aecon Utilities (\$0.9 million expense), and higher accrued dividends on the Preferred Shares of Aecon Utilities (\$0.7 million).

Set out in Note 20 "Income Taxes" of the March 31, 2026 interim condensed consolidated financial statements is a reconciliation between the expected income tax recovery in the first three months of 2026 and 2025 based on statutory income tax rates and the actual income tax recovery reported for both these periods. In both the first quarter of 2026 and 2025, the effective income tax rate was lower than the Canadian statutory income tax rate of 26.0%, mainly due to the impact of non-deductible income and expenses and fair value gains and losses, as well as the geographic mix of earnings, largely related to international projects.

Reported backlog at March 31, 2026 of \$10,854 million compares to backlog of \$9,696 million at March 31, 2025. The March 31, 2026 balance represents the highest reported backlog in the history of Aecon. New contract awards of \$1,397 million were booked in the first quarter of 2026 compared to \$4,096 million in the

same period in 2025. The reported awards in the first quarter of 2026 include \$19.2 million of backlog acquired at the time of the acquisitions of KPC and Duna Services.

Backlog \$ millions	At March 31	
	2026	2025
Construction	\$ 10,833	\$ 9,677
Concessions	21	19
Consolidated	<u>\$ 10,854</u>	<u>\$ 9,696</u>

Estimated backlog duration \$ millions	At March 31			
	2026		2025	
Next 12 months	\$ 3,944	36%	\$ 3,327	34%
Next 13-24 months	2,139	20%	1,695	18%
Beyond	4,771	44%	4,674	48%
	<u>\$ 10,854</u>	<u>100%</u>	<u>\$ 9,696</u>	<u>100%</u>

The timing of work to be performed for projects in backlog at March 31, 2026 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	
	March 31	
	2026	2025
Revenue	\$ 1,254.4	\$ 1,057.4
Gross profit	\$ 100.8	\$ 43.0
Adjusted EBITDA <sup>(1)</sup>	\$ 41.9	\$ (1.1)
Operating profit (loss)	\$ 12.0	\$ (29.9)
Gross profit margin <sup>(3)</sup>	8.0%	4.1%
Adjusted EBITDA margin <sup>(2)</sup>	3.3%	(0.1)%
Operating margin <sup>(3)</sup>	1.0%	(2.8)%
Backlog (at end of period)	\$ 10,833	\$ 9,677

(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 March 31, 2026 of \$1,254 million was \$197 million, or 19%, higher compared to the same period in 2025. Construction segment revenue was higher in all sectors, with the largest increase occurring in nuclear operations (\$104 million) from a higher volume of refurbishment, new build, and engineering services work at nuclear generating stations located in Ontario and the United States. Revenue was also higher in utilities operations (\$38 million) primarily from an increase in electrical transmission and distribution work in Canada and the United States, with the acquisitions of KPC and Duna Services in the first quarter of 2026 contributing to this increase, and from higher telecom and gas distribution work. In civil operations, revenue was higher (\$29 million) primarily from an increase in the civil infrastructure component of power and rail projects, and from major project work performed internationally, partially offset by a lower volume of foundations work and highway, road, and bridge building activity. In industrial operations, revenue was higher (\$15 million) from an increase in field construction work at industrial manufacturing and wastewater treatment facilities, driven by operations in the United States with most of the revenue growth from the Bodell Construction and Trinity Industrial Services businesses acquired in the third quarter of 2025, and from an increase in the industrial component of power generation related projects. The higher revenue in urban transportation solutions (\$11 million) resulted largely from an increase in subway and commuter rail system projects, partially offset by a lower volume of work from LRT projects in Ontario and Québec that achieved substantial completion in 2025 or are approaching substantial completion.

Operating profit in the Construction segment of \$12.0 million in the first three months of 2026 increased by \$41.9 million compared to an operating loss of \$29.9 million in the first three months of 2025. This increase resulted primarily from a volume driven increase in gross profit in nuclear operations, and from an improvement in gross profit margin in civil operations and urban transportation solutions. In addition, in

utilities, operating profit increased slightly from higher gross profit that was mostly offset by higher MG&A, whereas in industrial, operating profit was down primarily due to higher MG&A. In addition, costs related to business acquisitions and amortization of acquisition-related intangible assets were \$8.2 million in the first quarter of 2026 compared to \$7.7 million in the same period of 2025, for an unfavourable impact to operating profit of \$0.5 million in the current period.

Construction backlog at March 31, 2026 was \$10,833 million compared to \$9,677 million at the same time in 2025. Backlog increased period-over-period in civil (\$1,288 million), utilities (\$214 million), and industrial operations (\$44 million), while backlog decreased in urban transportation solutions (\$385 million) and nuclear operations (\$5 million). New contract awards of \$1,393 million in the first quarter of 2026 were \$2,700 million lower than the same period in 2025. During the first three months of 2026, an Aecon joint venture was awarded a contract for the Howard A. Hanson Dam Facility project in Washington State.

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	
	March 31	
	2026	2025
Revenue	\$ 2.4	\$ 1.6
Gross profit (loss)	\$ 0.3	\$ (1.2)
Income from projects accounted for using the equity method	\$ (1.9)	\$ 0.2
Adjusted EBITDA <sup>(1)</sup>	\$ 6.2	\$ 12.8
Operating loss	\$ (3.6)	\$ (1.7)
Backlog (at end of period)	\$ 21	\$ 19

(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. 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 months ended March 31, 2026, revenue in the Concessions segment of \$2 million was unchanged compared to the same period in 2025.

Operating loss in the Concessions segment was \$3.6 million for the three months ended March 31, 2026 compared to an operating loss of \$1.7 million in the first three months of 2025 for a decrease in operating profit of \$1.9 million. This decrease was primarily due to lower management and development fees on LRT projects that achieved substantial completion in 2025, partially offset by an improvement in operating results at Skyport.

## 9. QUARTERLY FINANCIAL DATA

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

\$ millions (except per share amounts)

	2026	2025				2024		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Revenue	\$ 1,257.0	\$ 1,541.2	\$ 1,530.2	\$ 1,301.6	\$ 1,061.7	\$ 1,267.0	\$ 1,275.3	\$ 853.8
Adjusted EBITDA <sup>(1)</sup>	32.0	97.3	92.7	41.1	3.6	76.3	126.9	(153.5)
Profit (loss) before income taxes	(18.9)	35.3	49.7	(11.0)	(49.2)	23.1	77.8	(170.8)
Profit (loss) attributable to shareholders	(17.9)	20.7	40.0	(7.6)	(37.9)	14.0	56.5	(123.9)
Adjusted profit (loss) attributable to shareholders <sup>(1)</sup>	(13.3)	34.6	33.1	(6.6)	(34.6)	15.2	55.6	(127.4)
Earnings (loss) per share:								
Basic	\$ (0.28)	\$ 0.33	\$ 0.63	\$ (0.12)	\$ (0.60)	\$ 0.22	\$ 0.90	\$ (1.99)
Diluted	(0.28)	0.31	0.60	(0.12)	(0.60)	0.21	0.85	(1.99)
Adjusted earnings (loss) per share:								
Basic <sup>(1)</sup>	\$ (0.21)	\$ 0.54	\$ 0.52	\$ (0.10)	\$ (0.55)	\$ 0.24	\$ 0.89	\$ (2.04)
Diluted <sup>(1)</sup>	(0.21)	0.52	0.49	(0.10)	(0.55)	0.23	0.83	(2.04)

(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.

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 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

	2026	2025				2024		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Operating profit (loss)	\$ (8.0)	\$ 64.2	\$ 61.4	\$ 2.3	\$ (40.7)	\$ 29.6	\$ 80.9	\$ (166.3)
Depreciation and amortization	26.0	30.1	24.4	25.8	26.0	26.2	23.0	19.8
(Gain) on sale of assets	(0.6)	(1.2)	(1.7)	(4.6)	(1.1)	(1.7)	(2.8)	(28.4)
Costs (gains) related to business acquisitions <sup>(2)</sup>	2.8	(9.4)	(6.2)	2.3	2.7	4.3	5.6	-
(Income) loss from projects accounted for using the equity method	2.2	(2.0)	(2.1)	(4.0)	0.4	(1.6)	(5.8)	(11.6)
Equity Project EBITDA <sup>(1)</sup>	9.6	15.6	17.0	19.3	16.4	19.6	25.9	32.9
Adjusted EBITDA <sup>(1)</sup>	\$ 32.0	\$ 97.3	\$ 92.7	\$ 41.1	\$ 3.6	\$ 76.3	\$ 126.9	\$ (153.5)

- (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 (gains) 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 Accounting Standards.

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

\$ millions

Aecon's proportionate share of projects accounted for using the equity method <sup>(1)</sup>	2026	2025				2024		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Operating profit	\$ 5.6	\$ 11.4	\$ 13.1	\$ 15.4	\$ 12.3	\$ 15.6	\$ 22.1	\$ 29.0
Depreciation and amortization	4.0	4.2	3.9	3.9	4.1	4.0	3.8	3.9
Equity Project EBITDA <sup>(2)</sup>	\$ 9.6	\$ 15.6	\$ 17.0	\$ 19.3	\$ 16.4	\$ 19.6	\$ 25.9	\$ 32.9

- (1) Refer to Note 11 “Projects Accounted for Using the Equity Method” in the March 31, 2026 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 ended March 31, 2026 and 2025:

\$ millions

	Three months ended March 31, 2026				Three months ended March 31, 2025			
	Other costs and				Other costs and			
	Construction	Concessions	eliminations	Consolidated	Construction	Concessions	eliminations	Consolidated
Operating profit (loss)	\$ 12.0	\$ (3.6)	\$ (16.4)	\$ (8.0)	\$ (29.9)	\$ (1.7)	\$ (9.1)	\$ (40.7)
Depreciation and amortization	25.7	-	0.2	26.0	25.0	0.1	0.9	26.0
(Gain) on sale of assets	(0.6)	-	-	(0.6)	(1.1)	-	-	(1.1)
Costs related to business acquisitions <sup>(2)</sup>	2.8	-	-	2.8	2.7	-	-	2.7
(Income) loss from projects accounted for using the equity method	0.3	1.9	-	2.2	0.5	(0.2)	-	0.3
Equity Project EBITDA <sup>(1)</sup>	1.7	7.9	-	9.6	1.8	14.6	-	16.4
Adjusted EBITDA <sup>(1)</sup>	\$ 41.9	\$ 6.2	\$ (16.2)	\$ 32.0	\$ (1.0)	\$ 12.8	\$ (8.2)	\$ 3.6

- (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 (gains) 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 Accounting Standards.

Set out below is the calculation of Equity Project EBITDA by segment for the three months ended March 31, 2026 and 2025:

\$ millions

Aecon's proportionate share of projects accounted for using the equity method <sup>(1)</sup>	Three months ended March 31, 2026				Three months ended March 31, 2025			
	Construction	Concessions	Other costs and eliminations	Consolidated	Construction	Concessions	Other costs and eliminations	Consolidated
Operating profit	\$ 1.7	\$ 3.9	\$ -	\$ 5.6	\$ 1.8	\$ 10.5	\$ -	\$ 12.3
Depreciation and amortization	-	4.0	-	4.0	-	4.1	-	4.1
Equity Project EBITDA <sup>(2)</sup>	\$ 1.7	\$ 7.9	\$ -	\$ 9.6	\$ 1.8	\$ 14.6	\$ -	\$ 16.4

- (1) Refer to Note 11 "Projects Accounted for Using the Equity Method" in the March 31, 2026 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

	2026	2025				2024		
	Quarter 1	Quarter 4	Quarter 3	Quarter 2	Quarter 1	Quarter 4	Quarter 3	Quarter 2
Profit (loss) attributable to shareholders	\$ (17.9)	\$ 20.7	\$ 40.0	\$ (7.6)	\$ (37.9)	\$ 14.0	\$ 56.5	\$ (123.9)
Unrealized (gain) loss on derivative financial instruments	(1.5)	18.8	(4.5)	(4.2)	(2.4)	(4.3)	(7.3)	(3.7)
Amortization of acquisition related intangible assets	5.4	5.3	4.8	4.8	5.1	3.1	3.0	0.3
Costs (gains) related to business acquisitions <sup>(2)</sup>	2.8	(9.4)	(6.2)	2.3	2.7	4.3	5.6	-
Income tax effect of the above items	(2.1)	(0.8)	(1.0)	(1.8)	(2.0)	(1.9)	(2.3)	(0.1)
Adjusted profit (loss) attributable to shareholders <sup>(1)</sup>	\$ (13.3)	\$ 34.6	\$ 33.1	\$ (6.6)	\$ (34.6)	\$ 15.2	\$ 55.6	\$ (127.4)
Adjusted earnings (loss) per share - basic <sup>(1)</sup>	\$ (0.21)	\$ 0.54	\$ 0.52	\$ (0.10)	\$ (0.55)	\$ 0.24	\$ 0.89	\$ (2.04)
Adjusted earnings (loss) per share - diluted <sup>(1)</sup>	(0.21)	0.52	0.49	(0.10)	(0.55)	0.23	0.83	(2.04)

- (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) Costs (gains) 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 Accounting Standards.

## 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 11 "Projects Accounted for Using the Equity Method" to the March 31, 2026 interim condensed consolidated financial statements.

## **10.2. CONTINGENCIES**

### **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 \$142 million of unbilled revenue and accounts receivable at March 31, 2026. 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**

In the Construction segment, three large fixed-price legacy projects entered into in 2018 or earlier by joint operations in which Aecon is a participant were negatively impacted in recent years by additional costs for which the joint operations assert that the owners are contractually responsible, including for, among other things, unforeseeable site conditions, third party delays, supply chain disruptions, and inflation related to labour and materials. Aecon and its joint operations partners are dedicating all necessary resources to pursue fair and reasonable dispute resolutions with the respective clients in each case. Two of the three fixed-price legacy projects were substantially completed in 2025, and the third project is expected to be substantially complete in the first half of 2026. Future downside risk remains in the event that assumptions, estimates, and/or circumstances change, which then could impact estimated costs to complete the projects and/or estimates of forecasted contract revenue. 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, further impacts to the construction schedule, unknown commissioning risks, and further client changes (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" of the 2025 Annual MD&A).

### 10.3. CASH AND DEBT BALANCES

Cash balances at March 31, 2026 and December 31, 2025 are as follows:

\$ millions	March 31, 2026		
	Balances excluding Joint Operations	Joint Operations	Consolidated Total
Cash and cash equivalents (1)	\$ 81	\$ 425	\$ 507
Bank indebtedness (2)	(294)	-	(294)
	December 31, 2025		
	Balances excluding Joint Operations	Joint Operations	Consolidated Total
Cash and cash equivalents (1)	\$ 93	\$ 393	\$ 486
Bank indebtedness (2)	(257)	-	(257)

(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.

Long-term debt balances at March 31, 2026 and December 31, 2025 are as follows:

\$ millions	March 31, 2026		December 31, 2025	
Current portion of long-term debt – recourse	\$	44.5	\$	43.9
Long-term debt – recourse		119.0		110.6
<b>Total long-term recourse debt</b>	<b>\$</b>	<b>163.5</b>	<b>\$</b>	<b>154.5</b>
<b>Preferred Shares of Aecon Utilities - current</b>	<b>\$</b>	<b>189.6</b>	<b>\$</b>	<b>188.8</b>

Total long-term recourse debt of \$163.5 million at March 31, 2026 compares to \$154.5 million at December 31, 2025. The \$9.0 million net increase in total long-term recourse debt resulted primarily from an increase in equipment leases of \$9.6 million, partially offset by a decrease in equipment financing of \$0.6 million.

The \$0.8 million increase in the first three months of 2026 in the Preferred Shares of Aecon Utilities resulted from accrued dividends of \$6.0 million offset by net fair value gains totalling \$5.2 million (See Section 13 “Risk Factors”: “Aecon’s Utility Business has a Third-Party Equity Investor” of the 2025 Annual MD&A).

At March 31, 2026, Aecon had a committed revolving credit facility of \$600 million and a separate committed credit facility for Aecon Utilities of \$400 million. Both revolving credit facilities mature on June 25, 2029. At March 31, 2026, \$294 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”) and a separate performance security guarantee facility for Aecon Utilities of \$60 million, brings Aecon’s committed credit facilities for working capital and letter of credit requirements to a total of \$1,960 million. Both EDC performance security guarantee facilities mature on June 30, 2027. The Company has no debt or working capital credit facility maturities until 2029, except equipment and property loans and leases in the normal course. At March 31, 2026, Aecon was in compliance with all debt covenants related to its credit facilities.

Aecon's financial position, liquidity, and capital resources are 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 13 "Risk Factors": "Business and Operational Risks" in the 2025 Annual MD&A). Aecon's operations are also subject to the risks and uncertainties described in 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 2025 Annual MD&A) regarding various project execution related risks, as well as 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. 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 first three months of 2026, Aecon acquired, either through purchase or lease, property, plant, and equipment totaling \$31.5 million (excluding property, plant, and equipment acquired at the time of the KPC and Duna Services acquisitions). Of this amount, \$3.2 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 three months of 2025, Aecon acquired, either through purchase or lease, property, plant, and equipment totaling \$32.8 million. Of this amount, \$3.4 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 quarter of 2026, Aecon's Board of Directors approved a quarterly dividend of \$0.1925 per share (annualized dividend level of \$0.77 per share) to be paid to all holders of Aecon common shares. The first quarterly dividend payment of \$0.1925 per share was paid on April 2, 2026.

## 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. 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 months ended March 31, 2026 and 2025 is as follows:

\$ millions	Three Months Ended March 31	
	2026	2025
<b>Operating Activities</b>		
<b>Cash provided by (used in):</b>		
Cash flows used by operations before changes in working capital	\$ (12.4)	\$ (57.7)
Higher investments in working capital	(19.3)	(108.6)
<b>Cash used in operating activities</b>	<b>\$ (31.7)</b>	<b>\$ (166.3)</b>
<b>Investing Activities</b>		
<b>Cash provided by (used in):</b>		
Expenditures (net of proceeds) on property, plant, and equipment and intangible assets	\$ (23.9)	(21.0)
Cash outflow related to acquisitions, net of cash acquired	(109.1)	-
Cash distributions received from projects accounted for using the equity method	7.5	2.3
Cash provided by investments in long-term financial assets	2.2	-
<b>Cash used in investing activities</b>	<b>\$ (123.3)</b>	<b>\$ (18.7)</b>
<b>Financing Activities</b>		
<b>Cash provided by (used in):</b>		
Net increase in bank indebtedness associated with borrowings under the Company's revolving credit facilities	\$ 31.1	\$ 154.1
Increase in long-term recourse debt borrowings	0.4	2.0
Repayments of long-term recourse debt relating primarily to equipment financing arrangements	(12.2)	(11.3)
Cash used for dividends paid	(24.5)	(11.9)
Issuance of common shares	165.1	-
<b>Cash provided by financing activities</b>	<b>\$ 160.0</b>	<b>\$ 132.9</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>\$ 5.0</b>	<b>\$ (52.2)</b>
Effects of foreign exchange on cash balances	3.3	(0.2)
Adjustment on initial application of amendments to IFRS 9 - January 1, 2026	12.3	-
Cash and cash equivalents - beginning of period as amended	486.0	438.0
<b>Cash and cash equivalents - end of period</b>	<b>\$ 506.6</b>	<b>\$ 385.6</b>

During the first three months of 2026, cash used by operating activities of \$31.7 million decreased by \$134.6 million compared to cash used of \$166.3 million during first three months of 2025.

Cash flows from operations before non-cash changes in working capital used \$12.4 million of cash in the first three months of 2026, an improvement of \$45.3 million compared to cash used of \$57.7 million in the first three months of 2025. This improvement was primarily due to a reduction in losses before income taxes of

\$30.3 million, higher non-cash addbacks for stock-based compensation expense of \$12.0 million, provisions of \$2.9 million, equity accounted projects of \$1.8 million, and unrealized foreign exchange losses of \$2.0 million, partially offset by higher cash income taxes paid of \$5.3 million.

Cash used by changes in non-cash working capital of \$19.3 million in the first three months of 2026 compares to cash used of \$108.6 million in the first three months of 2025, a decrease in cash used of \$89.3 million. Aecon's non-cash working capital position fluctuates significantly in the normal course of business from period to period, primarily due to differences between the settlement of payables to suppliers and subcontractors, and the timing of billings and collection of accounts receivable from customers. For additional details, see Note 28 "Supplementary Cash Flow Information" to the Company's March 31, 2026 interim condensed consolidated financial statements.

## 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 when issued, 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, repurchase common or preferred 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 March 31, 2026, the debt to capitalization percentage was 25% (December 31, 2025 - 27%). 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 11% at March 31, 2026 (December 31, 2025 - 12%). 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" in this MD&A, and Section 13 "Risk Factors" in the 2025 Annual MD&A, the Company will continue its efforts to maintain a conservative capital position.

Debt to capitalization percentage is presented in Note 30 “Capital Disclosures” of the Company’s March 31, 2026 interim condensed consolidated financial statements and accompanying notes.

Set out below is the calculation of the Company's debt to capitalization percentage at March 31, 2026 and December 31, 2025 using the definitions provided in the preceding paragraphs:

<b>\$ millions</b>	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Current portion of long-term debt	\$ 44.5	\$ 43.9
Long-term debt	119.0	110.6
Preferred shares of Aecon Utilities	189.6	188.8
<b>Debt (including preferred shares)</b>	<b>\$ 353.1</b>	<b>\$ 343.3</b>
<b>Shareholders' equity</b>	<b>\$ 1,069.2</b>	<b>\$ 921.7</b>
<b>Capitalization</b>	<b>\$ 1,422.3</b>	<b>\$ 1,265.0</b>
<b>Debt to capitalization percentage</b>	<b>25%</b>	<b>27%</b>
	<b>March 31, 2026</b>	<b>December 31, 2025</b>
Current portion of long-term debt	\$ 44.5	\$ 43.9
Long-term debt	119.0	110.6
<b>Debt</b>	<b>\$ 163.5</b>	<b>\$ 154.5</b>
Shareholders' equity	\$ 1,069.2	\$ 921.7
Preferred shares of Aecon Utilities	189.6	188.8
<b>Shareholders' equity and Preferred Shares of Aecon Utilities</b>	<b>\$ 1,258.8</b>	<b>\$ 1,110.5</b>
<b>Capitalization</b>	<b>\$ 1,422.3</b>	<b>\$ 1,265.0</b>
<b>Debt (excluding Preferred Shares) to capitalization percentage</b>	<b>11%</b>	<b>12%</b>

## 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. Additionally, to partially offset the costs of its share-based compensation plans, the Company has also fixed a portion of the settlement costs of these plans by entering into total return swap derivative contracts.

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 29 “Financial Instruments” to the Company’s March 31, 2026 interim condensed consolidated financial statements and the notes thereto.

## **10.7. NORMAL COURSE ISSUER BID**

On August 15, 2025, the Toronto Stock Exchange (“TSX”) approved the renewal of the Company’s normal course issuer bid (the “NCIB”) pursuant to which the Company may purchase for cancellation up to 3,180,767 common shares of Aecon, representing 5% of the issued and outstanding common shares as of August 7, 2025. The NCIB commenced on August 18, 2025 and will end no later than August 18, 2026. During the three months ended March 31, 2026, there were no common shares repurchased for cancellation pursuant to the NCIB. During the year ended December 31, 2025, 405,750 common shares were repurchased for cancellation pursuant to the current and previous normal course issuer bid programs at a cost of \$8.8 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.

## **10.8. COMMON SHARE OFFERING**

On March 27, 2026, the Company announced the closing of an offering announced on March 11, 2026, consisting of 4,395,300 common shares, including 573,300 common shares pursuant to the exercise of the over-allotment option granted to the underwriters. The common shares were offered at a price of \$39.25 per common share for gross proceeds to Aecon of \$172,515,525 (the “Offering”). The Offering was made through a syndicate of underwriters and made on a bought deal basis pursuant to a final short form prospectus dated March 24, 2026.

Aecon used the net proceeds from the Offering to repay amounts drawn under its revolving credit facility.

## **11. NEW ACCOUNTING STANDARDS**

Note 5 “New Accounting Standards” to Aecon’s March 31, 2026 interim condensed consolidated financial statements includes new IFRS amendments that became effective for the Company on January 1, 2026, 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 IFRS 9 and 7, cash and cash equivalents at January 1, 2026 decreased by \$12.3 million and trade and other payables increased by \$12.3 million in the consolidated balance sheets.

Other than as noted above, the new accounting amendment had no significant impact on profit (loss), comprehensive income (loss), or earnings (loss) per share in the first three months of 2026.

## 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 January 1, 2026 and ended on March 31, 2026 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:

<b>\$ millions</b>	<b>Finance lease payments</b>	<b>Equipment and other loans</b>
Due within one year	\$ 46.1	\$ 5.4
Due between one and five years	95.4	17.6
Due after five years	15.5	3.8
	<b>\$ 157.0</b>	<b>\$ 26.8</b>

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

<b>\$ millions</b>	<b>Preferred Shares <sup>(1)</sup></b>
Due within one year	\$ -
Due between one and five years	381.3
	<b>\$ 381.3</b>

(1) The Preferred Shares have no fixed repayment terms (see Note 17 “Preferred Shares of Aecon Utilities” to the Company’s March 31, 2026) interim condensed consolidated financial statements and the accompanying notes. The Preferred Shares are assumed to have a remaining contractual maturity of less than 5 years in this summary.

At March 31, 2026, Aecon had contractual obligations to complete construction contracts that were in progress. The revenue value of these contracts was \$10,854 million.

Further details on Contractual Obligations are included in the Company’s 2025 Annual MD&A.

Further details of contingencies and guarantees are included in the March 31, 2026 interim condensed consolidated financial statements and in the 2025 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 three months of 2026.

### **Critical Accounting Estimates and Judgments**

Refer to the detailed discussion outlined in Note 4 “Critical Accounting Estimates” of the March 31, 2026 interim condensed consolidated financial statements.

## **13. RISK FACTORS**

Refer to the detailed discussion on Risk Factors as outlined in the Company’s 2025 Annual MD&A dated March 5, 2026. 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, 2026 except as described below and in Section 10.2 “Contingencies” and Section 10.3 “Cash and Debt Balances” in this MD&A.

The risk of geopolitical instability, escalating tensions and conflict has continued to increase through the beginning of 2026, including increased conflict in the Middle East, disrupting global supply chains and triggering volatility in commodity prices and markets. In addition to potentially compounding operational challenges and costs, such events may lead to constrained investment by the Company’s clients. These conditions are beyond the Company’s control and there can be no assurances that any mitigating actions by the Company or the Company’s suppliers will be effective. See “Force Majeure Events”, “Political and Social Instability”, “Increases in the Cost of Raw Materials” and “Resources and Commodities Sector” risks provided in the 2025 Annual 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.

<b>In thousands of dollars (except share amounts)</b>	<b><u>April 28, 2026</u></b>
Number of common shares outstanding	68,467,322
Outstanding securities exchangeable or convertible into common shares:	
DSUs and RSUs outstanding under the Long-Term Incentive Plan and the 2014 Director DSU Plan	3,052,844

## 15. OUTLOOK

Aecon expects 2026 revenue to exceed 2025 levels on the strength of its record backlog, strategic positioning in sectors with attractive demand profiles, robust recurring revenue programs, and a healthy pipeline of project opportunities tied to power generation, critical resource development, mass transit infrastructure, water, and defence.

In the Construction segment, demand for Aecon's services across Canada and in select U.S. and international markets continues to be strong with opportunities across all sectors. Development phase work is ongoing in consortiums in which Aecon is a participant to deliver several significant long-term projects of various sizes. Aecon expects revenue in 2026 to increase from work on the Howard A. Hanson Dam Facility project in Washington State which was awarded to an Aecon joint venture in the first quarter of 2026, as well as ongoing work from projects that were awarded during 2025, some of which include the implementation phase by an Aecon-led consortium of the Scarborough Subway Extension progressive design-build transit project under a target price contract, the definition phase work by an Aecon joint operation for the retube, feeder and boiler replacement of four units at the Pickering Nuclear Generating Station in Ontario, the execution phase by an Aecon-led partnership of the Darlington New Nuclear Project in Ontario under an alliance construction contract, and the construction of the Port of Montreal Expansion in-water works project in Contrecoeur, Québec by an Aecon partnership under a progressive design-bid structure. Revenue is also expected to increase from businesses acquired in 2025 and early 2026 in the industrial and utilities sectors.

In the Concessions segment, there are several opportunities to add to the existing portfolio of Canadian and international concessions in the next 6 to 12 months to support trends in aging infrastructure, mobility, connectivity, energy, and population growth.

Operating profitability in recent years was negatively impacted by the fixed price legacy projects. Two of the remaining three legacy projects achieved substantial completion in 2025, and construction on the remaining legacy project is significantly progressed but substantial completion has not been achieved due to delays relating to subcontracted work and operational commissioning. The remaining project is expected to be substantially complete in the first half of 2026. Until all projects are complete and the related claims have been resolved, there is a risk that profitability could also be negatively impacted by these projects in future periods –

see Section 5 “Recent Developments”, Section 10.2 “Contingencies”, and Section 13 “Risk Factors” in this MD&A regarding the risk on certain large fixed price legacy projects entered into in 2018 or earlier by joint operations in which Aecon is a participant. As such, the completion and satisfactory resolution of claims on the three remaining fixed price legacy projects with the respective clients remains a critical focus for the Company and its partners. The finalization of these projects is anticipated to lead to improved profitability and margin predictability going forward.

Beyond the legacy projects, Aecon’s deliberate shift towards a greater weighting of improved risk-adjusted programs, in combination with a strong focus on operational excellence, is anticipated to support a stabilization and gradual improvement of Adjusted EBITDA margins in the Construction segment in 2026.

Management will continue to monitor the impact of a dynamic geopolitical environment as well as announced or threatened tariffs and non-tariff measures on the Company’s operations. Higher fuel costs and the introduction of tariffs and non-tariff measures could cause increased purchased material costs and/or reduced availability, downward or upward changes to the level of demand for Aecon’s services, as well as delays by some private clients in moving forward with projects.

Aecon plans to maintain a disciplined capital allocation approach focused on long-term shareholder value through acquisitions and divestitures, organic growth, dividends, capital and operational investments, and share repurchases on an opportunistic basis. Aecon is also focused on making strategic investments in its operations and systems to provide entry into and greater access to attractive markets, increase operational effectiveness, and support the growth of its concessions portfolio. Aecon expects capital expenditures in 2026 to exceed 2025 levels to support growth initiatives and investments designed to enhance execution resiliency and enable the ambitions of key sectors in a disciplined manner.