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Press Release

FOR IMMEDIATE RELEASE

SNC-Lavalin announces agreement to sell Resources Oil & Gas business, results of legacy LSTK litigation matters and reassessment of Canadian LSTK infrastructure projects in light of COVID-19

Significant step forward in the Company's strategy to enhance focus on its growing Engineering Services business

MONTREAL: February 9, 2021 – SNC-Lavalin Group Inc. (TSX: SNC), a fully integrated professional services and project management company, has entered into a binding agreement to sell its Resources Oil & Gas business, a significant step forward in the Company's strategy to reduce its risk profile and accelerate its ongoing transition to becoming a leading provider of professional engineering services and project management solutions.

The Company has also completed its previously announced review of legacy Lump-Sum Turnkey ("LSTK") litigation matters, which was expanded to include all other significant claims, while concurrently reassessing the costs associated with its three remaining Canadian light rail projects in light of COVID-19. The actions that the Company is taking today resulting from these reviews, together with the sale of the Oil & Gas business, reduce the remaining financial uncertainty associated with SNC-Lavalin's legacy businesses, while allowing the Company to further focus on its strategy of realizing the value and growth potential of Engineering Services business.

- **Strategic divestiture of the Resources Oil & Gas business.** The Company has entered into a binding agreement to sell its Oil & Gas business, including Services and LSTK, de-risking operations and reducing LSTK delivery and warranty obligations, and accelerating the realization of SNC-Lavalin's strategy. Closing is targeted for Q2 2021, at which time the transaction is expected to generate a gain on sale, as the elimination of foreign exchange cumulative translation adjustments ("CTA") should be greater than the fair value write down taken in Q4 as an "Asset Held for Sale". The net cash impact for the transaction is expected to be minimal.
    - A charge of $95 million on the retained Resources business, related to historical legacy positions and one remaining LSTK mining project, will be taken in Q4 2020.

- **Review of legacy LSTK litigation matters and commercial claims completed.** To ensure a holistic review of legacy risks, taking into account new and updated information, the previously announced risk review was expanded to include all significant litigation matters and commercial claims receivable, resulting in $140 million of provisions and $155 million of commercial claims receivable reduction in Q4 2020, which are largely non-cash in nature. The Company will continue to aggressively pursue all claims receivable, which it believes it is entitled to contractually and will vigorously defend the litigation matters.

- **Remaining Canadian LSTK infrastructure projects continue to progress well, costs to complete reassessed in light of COVID-19.** Projects continue to be affected by unprecedented COVID-19 challenges, the primary driver in $90 million of charges to be taken in Q4 2020, largely reflecting the decision to delay recognition of any COVID-19 related revenue.

- **Previously announced financial outlook for SNCL Engineering Services reconfirmed.**

"Over the past 18 months, we have made significant strides in advancing our strategy and de-risking the business. Following the introduction of our new strategy in July 2019, we have significantly improved our operating cash flows and demonstrated that our Engineering Services line of business is resilient and can deliver strong results," said Ian L. Edwards, President and CEO of SNC-Lavalin Group Inc. "The sale of the Oil & Gas business further simplifies and de-risks our business and allows us to enhance our focus on growing our high potential core Engineering Services business. I would like to thank all of our Oil & Gas employees for their contributions over the years and wish them well in the next stage of their journey."

"As previously announced, we have undertaken a rigorous risk review of our legacy LSTK litigation matters, which we expanded to include all other significant current litigation matters and legacy commercial claims receivable. Concurrently, we have also reviewed our remaining Canadian light rail transit LSTK projects to consider, in particular, the significant impact and challenges that COVID-19 has had, and will continue to have, on costs. The objective of this exercise was to further ensure we are taking a prudent and reasonable view of these projects in light of the ongoing COVID-19 situation and further reduce uncertainty on the final financial outcome," added Mr. Edwards.

"Since my appointment in September 2020, the Board has overseen the work of management and external advisors in assessing and reducing the Company's risk areas and quantifying the LSTK financial risks. Our goal is to reduce remaining financial uncertainty of the Company's legacy issues. The sale of the Oil & Gas business allows us to enhance our focus on the future growth potential and profitability in SNC-Lavalin's Engineering Services business. We believe this approach supports our overall objective to unlock and ultimately create long-term shareholder value," said William L. Young, Chair of the Board.

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Strategic divestiture of the Resources Oil & Gas business

On February 8, 2021, SNC-Lavalin Group Inc. entered into a binding agreement to sell its Oil & Gas business, including Services and LSTK, to Kentech Corporate Holdings Limited. The transaction is subject to regulatory approvals and satisfaction of customary closing conditions and the closing is targeted for Q2 2021.

In line with the Company's strategy, the sale of the business, which includes all ongoing and recently completed Oil & Gas LSTK projects, is expected to significantly reduce operational and execution risks and will simplify the Company's corporate structure and enable management to dedicate more time, effort and resources to growing the higher margin and more stable Engineering Services business. The transaction is also an important milestone in the Company's journey towards its sustainability business strategy, as highlighted in the Company's 2019 Sustainability Report.

At closing, the transaction is expected to create a gain on sale. The Oil & Gas business will be classified as an "Asset Held for Sale" in Q4 2020 and is expected to result in a fair value write down in the range of $260 to $295 million, which is almost entirely non-cash in nature. At closing, the transaction is expected to generate a gain on the sale in excess of the fair value write down, after accounting for the elimination of foreign exchange CTA included in the historical carrying amounts of the disposed Oil & Gas business.

The remaining Resources business will be mainly comprised of Services projects in the Mining & Metallurgy ("M&M") sector. The remaining Resources project positions, including historical claims and litigation matters, have been reassessed based on the latest information, including ongoing commercial discussions with clients. An updated cost forecast was also completed in Q4 2020 on the one remaining Resources M&M LSTK project, which is expected to be completed in 2021. Based on these actions for the remaining Resources business, a charge of approximately $95 million, for which approximately 30% is non-cash, will be taken in Q4 2020.

Previously announced review of legacy LSTK litigation matters completed, expanded to include all other significant claims

As indicated in the Company's press release dated October 30, 2020, the Company undertook a review of the remaining LSTK legacy litigation matters, taking into account all new and updated information. A decision was also made by management to expand this exercise to include all other significant litigation matters, as well as commercial claims receivable on all legacy and ongoing LSTK projects. This review process was an enhancement of the robust process normally done in connection with the preparation of the annual financial statements. At the same time, the latest commercial discussions with customers, updated cost forecasts, and realized litigation matter outcomes were incorporated into the review process.

The review was performed by senior management utilizing internal and external experts and advisors, and was overseen by a special committee of the Board of Directors. The review is now complete.

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Based on the combination of the latest commercial outcomes and the expanded review process, the Company will be recognizing in Q4 2020 additional provisions of approximately $140 million, and a reduction in commercial claims receivable of $155 million. Approximately 75% of the total is non-cash in nature, with the balance impacting cash and spread over a number of future years depending on the eventual timing of litigation outcomes. Notwithstanding these provisions, the Company will continue to aggressively pursue all claims receivable, which it believes it is entitled to contractually and will vigorously defend the litigation matters.

Remaining Canadian LSTK infrastructure projects continue to progress well, costs to complete reassessed in light of COVID-19

Concurrently with the above-mentioned review, the Company has also reviewed its remaining three Canadian LSTK infrastructure projects, taking into consideration the ongoing significant impact and challenges resulting from COVID-19. These projects continue to be materially affected by lower productivity attributable to revised working conditions caused by COVID-19 and supply chain disruptions, creating unprecedented challenges. Following the review of these projects and a cost reassessment based on the latest facts and information, and in light of the ongoing uncertainty on the timing and scope of reimbursement of these COVID-19 incremental costs, no revenue associated with the additional COVID-19 costs has been recognized by the Company for these projects. As a result, the Company expects to take a charge of approximately $90 million in Q4 2020 related to these projects, most of which is due to COVID-19 challenges and the decision to not recognize associated revenue at this time. The Company strongly believes that it is entitled to these revenues, but until greater clarity is forthcoming, it will continue to only recognize COVID-19 expenses on the ongoing LSTK infrastructure projects.

Despite the COVID-19 related challenges, these Canadian infrastructure LSTK projects, which are being built with strong and reputable partners, continue to progress well.

SNCL Engineering Services 2020 Outlook Reconfirmed

As stated in the Company's Q3 2020 results announcement, the Company expects that SNCL Engineering Services revenue for Q4 2020 should decrease by a low to mid single digit percentage, compared to Q4 2019, and that its Segment Adjusted EBIT to revenue ratio(2) should be between 8.5% and 9.5% for the same period.

This outlook is based on the assumptions and methodology described in the Company's Q3 2020 Management's Discussion and Analysis under the heading, "How We Budget and Forecast Our Results" and the "Forward-Looking Statements" section below and is subject to the risks and uncertainties summarized therein and in the Company's 2019 Annual Management's Discussion and Analysis as updated in the Company's interim quarterly Management's Discussion and Analysis throughout 2020, which are more fully described in the Company's public disclosure documents.

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Financial Impacts Summary

For ease of reference, the table below summarizes the above-mentioned financial metrics.

	Amount* ($m)	**Cash / Non-cash**	**Segment**	**Recognized in**
Strategic divestiture of the Resources Oil & Gas business				
Fair value write down of Oil & Gas business	(260 to 295)	Largely Non-cash	Discontinued Operations	Q4 2020
Elimination of foreign exchange CTA included in the historical carrying amount of the disposed Oil & Gas business	Expected to be greater than above FV write down	Non-cash	Discontinued Operations	At closing, targeting Q2 2021
Charge for remaining LSTK M&M project and other historical claims and litigation matters in the Resources sector	(95)	~30% Non-cash	Resources	Q4 2020
Review of legacy LSTK litigation matters and all other significant claims				
Commercial claims receivable reduction	(155)	~75% Non-cash	10% Corporate 10% Resources 80% Infrastructure EPC Projects	Q4 2020
Additional provisions related to legacy litigation matters	(140)			
Reassessment of the three remaining Canadian LSTK infrastructure projects cost to complete				
Additional charge, mainly due to unprecedented COVID-19 challenges	(90)	Cash	Infrastructure EPC Projects	Q4 2020

** Amounts are before taxes*

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Conference Call / Webcast

SNC-Lavalin will hold a conference call today at 8:30 a.m. EST to discuss this announcement. A live audio *webcast* of the conference call and an accompanying slide presentation will be available at *www.investors.snclavalin.com*. The call will also be accessible by telephone, please dial toll free at 1 800 319 4610 in North America or dial 1 604 638 5340 outside North America. You can also use the following numbers: 416 915 3239 in Toronto, 514 375 0364 in Montreal, or 080 8101 2791 in the United Kingdom. A recording of the conference call and its transcript will be available on the Company's website within 24 hours following the call.

About SNC-Lavalin

Founded in 1911, SNC-Lavalin is a fully integrated professional services and project management company with offices around the world. SNC-Lavalin connects people, technology and data to help shape and deliver world-leading concepts and projects, while offering comprehensive innovative solutions across the asset lifecycle. Our expertise is wide-ranging — consulting & advisory, intelligent networks & cybersecurity, design & engineering, procurement, project & construction management, operations & maintenance, decommissioning and sustaining capital – and delivered to clients in four strategic sectors: EDPM (engineering, design and project management), Infrastructure, Nuclear and Resources, supported by Capital. People. Drive. Results. *www.snclavalin.com*

Non-IFRS Financial Measures

The Company reports its financial results in accordance with IFRS. However, the following non-IFRS measures are used by the Company in this press release: Segment Adjusted EBIT and Segment Adjusted EBIT to revenue ratio. Additional details for these non-IFRS measures can be found in section 9 of SNC-Lavalin's Management's Discussion and Analysis ("MD&A") for the third quarter of 2020, filed with the securities regulatory authorities in Canada, available on SEDAR at *www.sedar.com* and on the Company's website at *www.snclavalin.com* under the "Investors" section. Non-IFRS financial measures do not have any standardized meaning under IFRS and therefore may not be comparable to similar measures presented by other issuers. Management believes that, in addition to conventional measures prepared in accordance with IFRS, these non-IFRS measures provide additional insight into the Company's operating performance and financial position and certain investors may use this information to evaluate the Company's performance from period to period. However, these non-IFRS financial measures have limitations and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. Furthermore, certain non-IFRS financial measures are presented separately for each PS&PM and Capital, as the Company believes that such measures are useful as these activities are usually analyzed separately by the Company. Reconciliations of historical non-IFRS measures to the most comparable IFRS measures are set forth in Section 9.3 of the third quarter 2020 MD&A.

(1) Segment Adjusted EBIT consists of revenues allocated to the applicable segment less i) direct costs of activities, ii) directly related selling, general and administrative expenses, and iii) corporate selling, general and administrative expenses that are allocated to segments. Segment Adjusted EBIT is the measure used by management to evaluate the performance of the Company's segments

and gives investors an indication of the profitability of each segment, as it excludes certain items that the Company believes are not reflective of the segment's underlying operations. Such financial measure also facilitates period-to-period comparisons of the underlying segment's performance. Expenses that are not allocated to the Company's segments are: certain corporate selling, general and administrative expenses that are not directly related to projects or segments, impairment loss arising from expected credit losses, gain (loss) arising on financial assets (liabilities) at fair value through profit or loss, restructuring costs, impairment of goodwill, impairment of intangible assets related to business combinations, acquisition-related costs and integration costs, amortization of intangible assets related to business combinations, the federal charges settlement (PPSC) expense and gains (losses) on disposals of PS&PM businesses and Capital investments (or adjustments to gains or losses on such disposals), net financial expenses and income taxes. Also, it should be noted that the following adjustment was removed from the list of adjustments disclosed in prior periods as there was no adjustment of this nature in the current periods and the previous year: the net expense for the 2012 class action lawsuit settlement and related legal costs. See reconciliation of Segment Adjusted EBIT to net income (loss) in Q3 2020 MD&A, Section 4. A reconciliation of Segment Adjusted EBIT from PS&PM and from Capital to net income (loss) as determined under IFRS is presented in Note 3 to the Company's unaudited interim condensed consolidated financial statements for the three-month and nine-month periods ended September 30, 2020.

(2) *Segment Adjusted EBIT to revenue ratio is a measure used to analyze the profitability of the Company's segments and facilitate period-to-period comparisons, as well as comparison with peers. This financial measure is calculated by dividing the amount of Segment Adjusted EBIT of a given period to the amount of revenue for the same period.*

Forward-looking Statements

Reference in this press release, and hereafter, to the "Company" or to "SNC-Lavalin" means, as the context may require, SNC-Lavalin Group Inc. and all or some of its subsidiaries or joint arrangements or associates, or SNC-Lavalin Group Inc. or one or more of its subsidiaries or joint arrangements or associates. References below to the "Sale Transaction" refer to the sale by the Company of its Resources Oil & Gas business as announced and disclosed in this press release.

Statements made in this press release that describe the Company's or management's budgets, estimates, expectations, forecasts, objectives, predictions, projections of the future or strategies may be "forward-looking statements", which can be identified by the use of the conditional or forward-looking terminology such as "aims", "anticipates", "assumes", "believes", "cost savings", "estimates", "expects", "goal", "intends", "may", "plans", "projects", "should", "synergies", "target", "vision", "will", or the negative thereof or other variations thereon. Forward-looking statements also include any other statements that do not refer to historical facts. Forward-looking statements also include statements relating to the following: i) future capital expenditures, revenues, expenses, earnings, economic performance, indebtedness, financial condition, losses and future prospects; ii) business and management strategies and the expansion and growth of the Company's operations; iii) the expected impacts of the ongoing COVID-19 pandemic on the business and its operating and reportable segments as well as elements of uncertainty related thereto and other near-term risks and uncertainties, and (iv) the announced Sale Transaction and the expected impact thereof on SNC-Lavalin's strategic and operational plans and financial results, the expected completion of the Sale Transaction, the anticipated cash consideration therefrom and the timing for completion thereof. All such forward-looking statements are made pursuant to the "safe-harbour" provisions of applicable Canadian securities laws. The Company cautions that, by their nature, forward-looking statements involve risks and uncertainties, and that its actual actions and/or results could differ materially from those expressed or implied in such forward-looking statements, or could affect the extent to which a particular projection materializes. Forward-looking statements are presented for the purpose of assisting investors and others in understanding certain key elements of the Company's current objectives, strategic priorities, expectations and plans, and in obtaining a better understanding of the Company's business and anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Forward-looking statements made in this press release are based on a number of assumptions believed by the Company to be reasonable as at the date hereof. The assumptions include the satisfaction of all conditions to closing the Sale Transaction and the receipt of all necessary regulatory (including competition authority) and other consents and approvals, as well as the assumptions set out throughout the Company's 2019 annual MD&A (particularly in the sections entitled "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" and "How We Analyze and Report our Results") and as updated in the first, second and third quarter 2020 MD&A. If these assumptions are inaccurate, the Company's actual results could differ materially from those expressed or implied in such forward-looking statements. In addition, important risk factors could cause the Company's assumptions and estimates to be inaccurate and actual results or events to differ materially from those expressed in or implied by these forward-looking statements. In relation to the Sale Transaction, these risks include: the failure to receive or delay *in receiving regulatory (including competition authority) approvals or otherwise satisfy the conditions to the completion of the Sale Transaction or delay in completing it and uncertainty regarding the length of time required to complete the Sale Transaction; and the impact of the announcement of the Sale Transaction on SNC-Lavalin's relationships with third parties, including commercial counterparties, employees and competitors, strategic relationships, operating results and businesses generally. These risks also include, but are not limited to: (a) impacts of the COVID-19 pandemic and other near-term risks and uncertainties; (b) results of the 2019 strategic direction coupled with a corporate reorganization; (c) fixed-price contracts or the Company's failure to meet contractual schedule, performance requirements or to execute projects efficiently; (d) contract awards and timing; (e) remaining performance obligations; (f) being a provider of services to government agencies; (g) international operations; (h) Nuclear liability; (i) ownership interests in Capital investments; (j) dependence on third parties; (k) joint ventures and partnerships; (l) information systems and data; (m) competition; (n) professional liability or liability for faulty services; (o) monetary damages and penalties in connection with professional and engineering reports and opinions; (p) insurance coverage; (q) health and safety; (r) qualified personnel; (s) work stoppages, union negotiations and other labour matters; (t) extreme weather conditions and the impact of natural or other disasters and global health crises; (u) intellectual property; (v) divestitures and the sale of significant assets; (w) impact of operating results and level of indebtedness on financial situation; (x) liquidity and financial position; (y) indebtedness; (z) security under the SNC-Lavalin Highway Holdings Loan; (aa) dependence on subsidiaries to help repay indebtedness; (bb) dividends; (cc) post-employment benefit obligations, including pension-related obligations; (dd) working capital requirements; (ee) collection from customers; (ff) impairment of goodwill and other assets; (gg) outcome of pending and future claims and litigations; (hh) ongoing and potential investigations; (ii) settlements; (jj) further regulatory developments as well as employee, agent or partner misconduct or failure to comply with anti-bribery and other government laws and regulations; (kk) reputation of the Company; (ll) inherent limitations to the Company's control framework; (mm) environmental laws and regulations; (nn) Brexit; (oo) global economic conditions; and (pp) fluctuations and volatility in commodity prices.*

The Company cautions that the foregoing list of factors is not exhaustive. For more information on risks and uncertainties, and assumptions that could cause the Company's actual results to differ from current expectations, please refer to the sections "Risks and Uncertainties", "How We Analyze and Report Our Results" and "Critical Accounting Judgments and Key Sources of Estimation Uncertainty" in the Company's 2019 annual MD&A and as updated in the first, second and third quarter 2020 MD&A, each filed with the securities regulatory authorities in Canada, available on SEDAR at www.sedar.com and on the Company's website at www.snclavalin.com under the "Investors" section.

The forward-looking statements herein reflect the Company's expectations as at the date of this press release and are subject to change after this date. The Company does not undertake to update publicly or to revise any such forward-looking statements whether as a result of new information, future events or otherwise, unless required by applicable legislation or regulation.

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