



**MARTINREA INTERNATIONAL INC.
INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

FOR THE THREE MONTHS ENDED MARCH 31, 2026

Martinrea International Inc.

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Martinrea International Inc.
Interim Condensed Consolidated Balance Sheets
(in thousands of Canadian dollars) (unaudited)

	Note	March 31, 2026	December 31, 2025
ASSETS			
Cash and cash equivalents		\$ 129,626	\$ 174,144
Trade and other receivables	2	756,579	591,586
Inventories	3	490,489	474,224
Prepaid expenses and deposits		43,323	40,707
Income taxes recoverable		53,991	42,205
TOTAL CURRENT ASSETS		1,474,008	1,322,866
Property, plant and equipment	4	1,847,205	1,847,262
Right-of-use assets	5	223,536	229,084
Deferred tax assets		221,100	211,405
Intangible assets		35,494	36,650
Investments		71,163	71,975
Pension assets		17,621	18,537
TOTAL NON-CURRENT ASSETS		2,416,119	2,414,913
TOTAL ASSETS		\$ 3,890,127	\$ 3,737,779
LIABILITIES			
Trade and other payables	6	\$ 1,060,835	\$ 1,010,928
Provisions	7	16,507	20,110
Income taxes payable		11,960	9,873
Current portion of long-term debt	8	11,379	13,424
Current portion of lease liabilities	9	59,981	59,237
TOTAL CURRENT LIABILITIES		1,160,662	1,113,572
Long-term debt	8	936,938	855,385
Lease liabilities	9	183,948	191,919
Pension and other post-retirement benefits		37,565	37,874
Deferred tax liabilities		24,818	26,543
TOTAL NON-CURRENT LIABILITIES		1,183,269	1,111,721
TOTAL LIABILITIES		2,343,931	2,225,293
EQUITY			
Capital stock	11	585,543	594,756
Contributed surplus		46,860	46,760
Accumulated other comprehensive income		189,094	168,628
Retained earnings		724,699	702,342
TOTAL EQUITY		1,546,196	1,512,486
TOTAL LIABILITIES AND EQUITY		\$ 3,890,127	\$ 3,737,779

Contingencies (note 16)

See accompanying notes to the interim condensed consolidated financial statements.

On behalf of the Board:

“Robert Wildeboer” Director

 “Terry Lyons” Director

Martinrea International Inc.

Interim Condensed Consolidated Statements of Operations

(in thousands of Canadian dollars, except per share amounts) (unaudited)

	Note	Three months ended March 31, 2026	Three months ended March 31, 2025
SALES		\$ 1,125,429	\$ 1,168,231
Cost of sales (excluding depreciation of property, plant and equipment and right-of-use assets)		(906,465)	(943,269)
Depreciation of property, plant and equipment and right-of-use assets (production)		(69,736)	(73,363)
Total cost of sales		(976,201)	(1,016,632)
GROSS MARGIN		149,228	151,599
Research and development costs		(11,221)	(10,561)
Selling, general and administrative		(72,207)	(75,275)
Depreciation of property, plant and equipment and right-of-use assets (non-production)		(4,152)	(3,772)
Loss on disposal of property, plant and equipment		(26)	(49)
Restructuring costs	7	(6,196)	(16,837)
OPERATING INCOME		55,426	45,105
Share of loss of equity investments		(986)	(797)
Finance expense	13	(13,811)	(16,688)
Other finance expense	13	(942)	(2,231)
INCOME BEFORE INCOME TAXES		39,687	25,389
Income tax expense	10	(11,833)	(7,915)
NET INCOME FOR THE PERIOD		\$ 27,854	\$ 17,474
Basic earnings per share	12	\$ 0.39	\$ 0.24
Diluted earnings per share	12	\$ 0.39	\$ 0.24

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars) (unaudited)

	Three months ended March 31, 2026	Three months ended March 31, 2025
NET INCOME FOR THE PERIOD	\$ 27,854	\$ 17,474
Other comprehensive income (loss), net of tax:		
Items that may be reclassified to net income		
Foreign currency translation differences for foreign operations	20,356	495
Items that will not be reclassified to net income		
Share of other comprehensive income (loss) of equity investments	110	(148)
Remeasurement of defined benefit plans	(369)	621
Other comprehensive income, net of tax	20,097	968
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 47,951	\$ 18,442

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Changes in Equity

(in thousands of Canadian dollars) (unaudited)

	Capital stock	Contributed surplus	Accumulated other comprehensive income	Retained earnings	Total equity
BALANCE AT DECEMBER 31, 2024	\$ 601,188	\$ 46,052	\$ 210,821	\$ 608,961	\$ 1,467,022
Net income for the period	-	-	-	17,474	17,474
Compensation expense related to stock options	-	177	-	-	177
Dividends (\$0.05 per share)	-	-	-	(3,639)	(3,639)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	621	621
Foreign currency translation differences	-	-	495	-	495
Share of other comprehensive loss of equity investments	-	-	(148)	-	(148)
BALANCE AT MARCH 31, 2025	601,188	46,229	211,168	623,417	1,482,002
Net income for the period	-	-	-	89,511	89,511
Compensation expense related to stock options	-	531	-	-	531
Dividends (\$0.15 per share)	-	-	-	(10,880)	(10,880)
Repurchase of common shares (note 11)	(6,432)	-	-	(1,736)	(8,168)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	2,030	2,030
Foreign currency translation differences	-	-	(42,652)	-	(42,652)
Share of other comprehensive income of equity investments	-	-	112	-	112
BALANCE AT DECEMBER 31, 2025	594,756	46,760	168,628	702,342	1,512,486
Net income for the period	-	-	-	27,854	27,854
Compensation expense related to stock options	-	100	-	-	100
Dividends (\$0.05 per share)	-	-	-	(3,547)	(3,547)
Repurchase of common shares (note 11)	(9,213)	-	-	(1,581)	(10,794)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	(369)	(369)
Foreign currency translation differences	-	-	20,356	-	20,356
Share of other comprehensive income of equity investments	-	-	110	-	110
BALANCE AT MARCH 31, 2026	\$ 585,543	\$ 46,860	\$ 189,094	\$ 724,699	\$ 1,546,196

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Cash Flows

(in thousands of Canadian dollars) (unaudited)

	Note	Three months ended March 31, 2026	Three months ended March 31, 2025
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES:			
Net income for the period		\$ 27,854	\$ 17,474
Adjustments for:			
Depreciation of property, plant and equipment and right-of-use assets		73,888	77,135
Amortization of development costs		2,194	1,795
Unrealized loss (gain) on foreign exchange forward contracts		106	(452)
Finance expense	13	13,811	16,688
Income tax expense	10	11,833	7,915
Loss on disposal of property, plant and equipment		26	49
Deferred and restricted share units benefit	11	(1,081)	(3,086)
Stock options expense	11	100	177
Share of loss of equity investments		986	797
Pension and other post-retirement benefits expense		545	603
Contributions made to pension and other post-retirement benefits		(572)	(589)
		129,690	118,506
Changes in non-cash working capital items:			
Trade and other receivables		(108,591)	(115,682)
Inventories		(11,246)	(12,090)
Prepaid expenses and deposits		(2,055)	3,839
Trade, other payables and provisions		33,465	77,833
		41,263	72,406
Interest paid		(14,616)	(18,117)
Income taxes paid		(29,729)	(25,873)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		\$ (3,082)	\$ 28,416
FINANCING ACTIVITIES:			
Increase in long-term debt (net of deferred financing fees)		77,562	38,514
Equipment loan repayments		(4,011)	(3,147)
Principal payments of lease liabilities		(15,320)	(14,099)
Dividends paid		(3,600)	(3,639)
Repurchase of common shares		(10,794)	-
NET CASH PROVIDED BY FINANCING ACTIVITIES		\$ 43,837	\$ 17,629
INVESTING ACTIVITIES:			
Purchase of property, plant and equipment (excluding capitalized interest)*		(43,447)	(62,230)
Capitalized development costs		(625)	(1,660)
Net increase in investments		(48)	(1,059)
Proceeds on disposal of property, plant and equipment		83	36
NET CASH USED IN INVESTING ACTIVITIES		\$ (44,037)	\$ (64,913)
Effect of foreign exchange rate changes on cash and cash equivalents		2,445	(535)
DECREASE IN CASH AND CASH EQUIVALENTS		(837)	(19,403)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1(d)	130,463	167,951
CASH AND CASH EQUIVALENTS, END OF PERIOD		\$ 129,626	\$ 148,548

*As at March 31, 2026, \$47,628 (December 31, 2025 - \$51,215) of purchases of property, plant and equipment remain unpaid and are recorded in trade and other payables.

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

Martinrea International Inc. ("Martinrea" or the "Company") was formed by the amalgamation under the Ontario Business Corporations Act of several predecessor Corporations by articles of amalgamation dated May 1, 1998. The Company is a diversified and global automotive supplier engaged in the design, development and manufacturing of highly engineered, value-added Lightweight Structures and Propulsion Systems.

1. BASIS OF PREPARATION

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ("IAS" 34) as issued by the International Accounting Standards Board ("IASB"), and on a basis consistent with the accounting policies disclosed in the Company's annual audited consolidated financial statements for the year ended December 31, 2025.

(b) Basis of presentation

These interim condensed consolidated financial statements include the accounts of Martinrea International Inc. and its subsidiaries. The notes presented in these interim condensed consolidated financial statements include in general only significant changes and transactions occurring since the Company's last year end, and are not fully inclusive of all disclosures required by IFRS Accounting Standards for annual financial statements. These interim condensed consolidated financial statements should be read in conjunction with the Company's annual audited consolidated financial statements, including the notes thereto, for the year ended December 31, 2025.

(c) Presentation currency

These interim condensed consolidated financial statements are presented in Canadian dollars, which is the Company's presentation currency. All financial information presented in Canadian dollars has been rounded to the nearest thousand, except per share amounts and where otherwise indicated.

(d) Recently adopted accounting standard and policy

Amendments to IFRS 9 and IFRS 7, Classification and Measurements of Financial Instruments

On May 30, 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and IFRS 7). The amendments include:

- clarifying the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarifying and adding further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
- adding new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance targets); and
- updating the disclosures for equity instruments designated at fair value through other comprehensive income.

The Company adopted the change in accounting policy effective January 1, 2026 in accordance with the applicable transitional provisions of the amendment, and comparative information has not been restated. The adoption of the amendments to IFRS 9 and IFRS 7 resulted in a reduction of \$43,681 to cash and cash equivalents as at January 1, 2026.

(e) Recently issued accounting standard

The IASB issued the following new standard:

IFRS 18, Presentation and Disclosure in Financial Statements

On April 9, 2024, the IASB issued IFRS 18, Presentation and Disclosure in Financial Statements (replacement to IAS 1). The new accounting standard introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies:

- improved comparability in the statement of profit or loss by introducing three defined categories for income and expenses (operating, investing and financing) and requiring companies to provide new defined subtotals, including operating profit;
- enhanced transparency of management-defined performance measures by requiring companies to disclose explanations of those company-specific measures that are related to the income statement; and
- enhanced guidance on how companies group information in the financial statements, including guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

The new standard is effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact of the new standard on the consolidated financial statements.

2. TRADE AND OTHER RECEIVABLES

	March 31, 2026	December 31, 2025
Trade receivables	\$ 681,024	\$ 517,124
Other receivables	75,555	73,623
Foreign exchange forward contracts not accounted for as hedges (note 15(d))	-	839
	\$ 756,579	\$ 591,586

The Company's exposures to credit and currency risks, and impairment losses related to trade and other receivables, are disclosed in note 15.

On March 27, 2024, Martinrea entered into an accounts receivable program agreement to sell up to \$100,000 in trade receivables without recourse and on an uncommitted basis, subject to predetermined limits for certain customers. Under the agreement, the receivables are sold on a fully serviced basis, so that the Company continues to administer the collection of such receivables. The Company derecognizes the trade receivables sold under the program when it transfers substantially all the risks and rewards of ownership of the receivables. As at March 31, 2026, \$51,306 (US \$36,928) (December 31, 2025 - \$33,561 or US \$24,547) of receivables were sold under the program, of which \$10,774 (US \$7,755) (December 31, 2025 - \$9,397 or US \$6,873) was held back from the sale proceeds, to be settled when the funds are received from the customers, in accordance with the provisions of the program, with the net proceeds being used primarily to support the Company's supply base.

3. INVENTORIES

	March 31, 2026	December 31, 2025
Raw materials	\$ 244,002	\$ 236,431
Work in progress	73,915	69,755
Finished goods	47,322	51,397
Tooling work in progress	125,250	116,641
	\$ 490,489	\$ 474,224

4. PROPERTY, PLANT AND EQUIPMENT

	March 31, 2026			December 31, 2025		
	Cost	Accumulated amortization and impairment losses	Net book value	Cost	Accumulated amortization and impairment losses	Net book value
Land and buildings	\$ 275,716	\$ (66,306)	\$ 209,410	\$ 273,284	\$ (65,748)	\$ 207,536
Leasehold improvements	101,164	(74,842)	26,322	100,267	(73,633)	26,634
Manufacturing equipment	3,648,461	(2,307,287)	1,341,174	3,598,280	(2,242,288)	1,355,992
Tooling and fixtures	39,500	(32,815)	6,685	39,112	(32,488)	6,624
Other assets	106,900	(72,372)	34,528	109,904	(78,193)	31,711
Construction in progress	229,086	-	229,086	218,765	-	218,765
	\$ 4,400,827	\$ (2,553,622)	\$ 1,847,205	\$ 4,339,612	\$ (2,492,350)	\$ 1,847,262

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

Movement in property, plant and equipment is summarized as follows:

	Land and buildings	Leasehold improvements	Manufacturing equipment	Tooling and fixtures	Other assets	Construction in progress	Total
Net as of December 31, 2024	\$ 199,894	\$ 27,364	\$ 1,452,895	\$ 6,375	\$ 29,698	\$ 232,778	\$ 1,949,004
Additions	433	-	1,128	339	716	215,559	218,175
Additions from acquisition	-	932	11,100	-	161	-	12,193
Disposals	-	-	(2,002)	(4)	(382)	-	(2,388)
Depreciation	(7,642)	(4,843)	(231,117)	(1,702)	(7,646)	-	(252,950)
Impairment	-	-	(27,392)	-	(797)	(2,235)	(30,424)
Transfers from construction in progress	22,939	3,431	183,566	1,713	10,174	(221,823)	-
Foreign currency translation adjustment	(8,088)	(250)	(32,186)	(97)	(213)	(5,514)	(46,348)
Net as of December 31, 2025	\$ 207,536	\$ 26,634	\$ 1,355,992	\$ 6,624	\$ 31,711	\$ 218,765	\$ 1,847,262
Additions	-	-	186	-	177	41,212	41,575
Disposals	-	(30)	(21)	-	(45)	(13)	(109)
Depreciation	(1,862)	(1,307)	(54,729)	(473)	(2,190)	-	(60,561)
Transfers from construction in progress	902	835	25,804	440	4,675	(32,656)	-
Foreign currency translation adjustment	2,834	190	13,942	94	200	1,778	19,038
Net as of March 31, 2026	\$ 209,410	\$ 26,322	\$ 1,341,174	\$ 6,685	\$ 34,528	\$ 229,086	\$ 1,847,205

5. RIGHT-OF-USE ASSETS

	March 31, 2026			December 31, 2025		
	Cost	Accumulated amortization and impairment losses	Net book value	Cost	Accumulated amortization and impairment losses	Net book value
Leased buildings	\$ 396,464	\$ (225,692)	\$ 170,772	\$ 393,282	\$ (215,786)	\$ 177,496
Leased manufacturing equipment	136,665	(85,330)	51,335	131,138	(81,078)	50,060
Leased other assets	6,299	(4,870)	1,429	6,185	(4,657)	1,528
	\$ 539,428	\$ (315,892)	\$ 223,536	\$ 530,605	\$ (301,521)	\$ 229,084

Movement in right-of-use assets is summarized as follows:

	Leased buildings	Leased manufacturing equipment	Leased other assets	Total
Net as of December 31, 2024	\$ 152,041	\$ 62,503	\$ 1,258	\$ 215,802
Additions	-	3,359	854	4,213
Lease modifications	49,241	74	23	49,338
Additions from acquisition	13,715	703	-	14,418
Depreciation	(33,981)	(17,228)	(678)	(51,887)
Foreign currency translation adjustment	(3,520)	649	71	(2,800)
Net as of December 31, 2025	\$ 177,496	\$ 50,060	\$ 1,528	\$ 229,084
Additions	-	3,844	77	3,921
Lease modifications	1,171	1,151	17	2,339
Depreciation	(9,301)	(3,833)	(193)	(13,327)
Foreign currency translation adjustment	1,406	113	-	1,519
Net as of March 31, 2026	\$ 170,772	\$ 51,335	\$ 1,429	\$ 223,536

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

6. TRADE AND OTHER PAYABLES

	March 31, 2026	December 31, 2025
Trade accounts payable and accrued liabilities	\$ 1,060,729	\$ 1,010,928
Foreign exchange forward contracts not accounted for as hedges (note 15(d))	106	-
	\$ 1,060,835	\$ 1,010,928

The Company's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 15.

7. PROVISIONS

	Restructuring	Claims and Litigation	Total
Net as of December 31, 2024	\$ 5,148	\$ 1,714	\$ 6,862
Net additions	36,118	2,802	38,920
Amounts used during the period	(25,313)	(1,852)	(27,165)
Foreign currency translation adjustment	1,419	74	1,493
Net as of December 31, 2025	\$ 17,372	\$ 2,738	\$ 20,110
Net additions	6,196	388	6,584
Amounts used during the period	(9,978)	(277)	(10,255)
Foreign currency translation adjustment	(43)	111	68
Net as of March 31, 2026	\$ 13,547	\$ 2,960	\$ 16,507

Additions to the restructuring provision during the first quarter of 2026 totalled \$6,196 and represent employee-related severance resulting from the rightsizing of certain operations in North America (\$5,559), and Europe (\$637).

8. LONG-TERM DEBT

The Company's interest-bearing loans and borrowings are measured at amortized cost. For more information about the Company's exposure to interest rate, foreign currency and liquidity risk, see note 15.

	March 31, 2026	December 31, 2025
Banking facility	\$ 892,346	\$ 808,535
Equipment loans	55,971	60,274
	948,317	868,809
Current portion	(11,379)	(13,424)
	\$ 936,938	\$ 855,385

Terms and conditions of outstanding loans, in Canadian dollar equivalents, are as follows:

	Currency	Nominal interest rate	Year of maturity	March 31, 2026 Carrying amount	December 31, 2025 Carrying amount
Banking facility	USD	SOFR + 1.70%	2030	\$ 376,513	\$ 350,011
	CAD	CORRA + 1.70%	2030	315,833	208,524
	CAD	CORRA + 1.95%	2030	200,000	250,000
Equipment loans	CAD	4.79%	2030	28,653	30,268
	USD	4.61%	2030	22,545	22,829
	CAD	2.54%	2026	2,645	3,955
	EUR	3.72%	2035	876	881
	EUR	0.00%	2028	530	640
	EUR	2.41%	2036	480	483
	EUR	2.46%	2026	242	964
	EUR	1.40%	2026	-	254
				\$ 948,317	\$ 868,809

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

On February 27, 2026, the Company's banking facility was amended to extend its maturity and enhance certain provisions of the facility. The primary terms of the amended banking facility, with now a syndicate of twelve banks (up from ten), include the following:

- unchanged financial covenants, including a maximum net debt to trailing twelve months EBITDA ratio of 3.0x (excluding the impact of IFRS 16, Leases);
- available non-amortizing term loan of \$200 million (down from \$250 million) at variable interest rates;
- available revolving credit lines of \$400 million (up from \$350 million) and US \$520 million (similar to the previous facility);
- available asset based financing capacity of \$300 million, similar to the previous facility;
- accordion feature which provides the Company with the ability to increase the revolving credit facility by up to US \$400 million, up from US \$300 million;
- pricing terms at market rates, similar to the previous facility;
- a maturity date extended to February 2030 (from February 2027); and
- no mandatory principal repayment provisions for the revolving credit lines, including the new non-amortizing term loan, similar to the previous facility.

As at March 31, 2026, the Company had drawn US \$271,000 (December 31, 2025 - US \$256,000) on the U.S. revolving credit line, \$320,000 (December 31, 2025 - \$210,000) on the Canadian revolving credit line, and \$200,000 (December 31, 2025 - \$250,000) on the Canadian non-amortizing term loan. At March 31, 2026, the weighted average effective interest rate of the banking facility was 4.8% (December 31, 2025 - 4.9%). The facility requires the maintenance of certain financial ratios with which the Company was in compliance as at March 31, 2026.

Deferred financing fees of \$4,167 (December 31, 2025 - \$1,476) have been netted against the carrying amount of the long-term debt.

Future annual minimum principal repayments as at March 31, 2026 are as follows:

	Scheduled principal repayments	Scheduled amortization of deferred financing fees	Carrying amount of outstanding loans
Within one year	\$ 12,443	\$ (1,064)	\$ 11,379
One to two years	10,003	(1,064)	8,939
Two to three years	10,670	(1,064)	9,606
Three to four years	907,657	(975)	906,682
Thereafter	11,711	-	11,711
	\$ 952,484	\$ (4,167)	\$ 948,317

Movement in long-term debt is summarized as follows:

	Total
Net as of December 31, 2024	\$ 981,414
Net repayments	(128,910)
Equipment loan proceeds	59,573
Equipment loan repayments	(16,685)
Amortization of deferred financing fees	1,265
Foreign currency translation adjustment	(27,848)
Net as of December 31, 2025	\$ 868,809
Net drawdowns	80,634
Equipment loan repayments	(4,011)
Deferred financing fee additions	(3,072)
Amortization of deferred financing fees	381
Foreign currency translation adjustment	5,576
Net as of March 31, 2026	\$ 948,317

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

(in thousands of Canadian dollars, except per share amounts)

9. LEASE LIABILITIES

The Company enters into lease agreements for land and buildings, manufacturing equipment and other assets as a part of regular operations as a means of efficiently utilizing capital and managing the Company's cash flows.

Movement in lease liabilities is summarized as follows:

	Total
Net as of December 31, 2024	\$ 243,411
Net additions	4,213
Lease modifications	49,338
Additions from acquisition	14,418
Principal payments of lease liabilities	(56,889)
Foreign currency translation adjustment	(3,335)
Net as of December 31, 2025	\$ 251,156
Net additions	3,921
Lease modifications	2,339
Principal payments of lease liabilities	(15,320)
Foreign currency translation adjustment	1,833
Net as of March 31, 2026	\$ 243,929

The maturity of contractual undiscounted lease liabilities as at March 31, 2026 is as follows:

	Total
Within one year	\$ 70,155
One to two years	61,087
Two to three years	40,332
Three to four years	29,979
Thereafter	76,738
Total undiscounted lease liabilities at March 31, 2026	\$ 278,291
Interest on lease liabilities	(34,362)
Total present value of minimum lease payments	\$ 243,929
Current portion	(59,981)
	\$ 183,948

10. INCOME TAXES

The components of income tax expense are as follows:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Current income tax expense	\$ (20,610)	\$ (12,666)
Deferred income tax recovery	8,777	4,751
Total income tax expense	\$ (11,833)	\$ (7,915)

11. CAPITAL STOCK

Common shares outstanding:	Number	Amount
Balance as of December 31, 2024 and March 31, 2025	72,787,848	\$ 601,188
Repurchase of common shares under normal course issuer bid	(778,698)	(6,432)
Balance as of December 31, 2025	72,009,150	\$ 594,756
Repurchase of common shares under normal course issuer bid	(1,115,479)	(9,213)
Balance as of March 31, 2026	70,893,671	\$ 585,543

The Company is authorized to issue an unlimited number of common shares. The Company's shares have no par value.

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Repurchase of capital stock:

On May 23, 2025, the Company renewed its normal course issue bid ("NCIB") receiving approval from the Toronto Stock Exchange to acquire for cancellation up to an additional 7,110,571 common shares of the Company. The renewed bid commenced on May 27, 2025 and spans a 12-month period.

During 2025, the Company purchased for cancellation an aggregate of 778,698 common shares for an aggregate purchase price of \$8,168 resulting in a reduction to capital stock of \$6,432 and a decrease to retained earnings of \$1,736. The shares were purchased and cancelled directly under the NCIB.

During the first quarter of 2026, the Company purchased for cancellation an aggregate of 1,115,479 common shares for an aggregate purchase price of \$10,794 resulting in a reduction to capital stock of \$9,213 and a decrease to retained earnings of \$1,581. The shares were purchased and cancelled directly under the NCIB.

Stock options

The following is a summary of the activity of the outstanding share purchase options:

	Three months ended March 31, 2026		Three months ended March 31, 2025	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	1,995,000	\$ 13.02	2,245,000	\$ 13.22
Cancelled during the period	-	-	(175,000)	15.24
Balance, end of period	1,995,000	\$ 13.02	2,070,000	\$ 13.05
Options exercisable, end of period	1,585,000	\$ 13.75	1,555,000	\$ 14.00

The following is a summary of the issued and outstanding common share purchase options as at March 31, 2026:

Range of exercise price per share	Number outstanding	Date of grant	Expiry
\$10.00 - 12.99	525,000	2022 - 2024	2032 - 2034
\$13.00 - 16.99	1,470,000	2018 - 2020	2028 - 2030
Total share purchase options	1,995,000		

For the three months ended March 31, 2026, the Company expensed \$100 (2025 - \$177), to reflect stock-based compensation expense, as derived using the Black-Scholes-Merton option valuation model.

Deferred Share Unit ("DSU") Plan

The following is a summary of the issued and outstanding DSUs as at March 31, 2026 and 2025:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Outstanding, beginning of period	1,379,231	1,056,743
Grants and reinvested dividends	44,455	22,324
Redeemed	-	-
Outstanding, end of period	1,423,686	1,079,067

The DSUs granted during the three months ended March 31, 2026 and 2025 had a weighted average fair value per unit of \$10.55 and \$8.33, respectively, on the date of grant. For the three months ended March 31, 2026, DSU compensation benefit reflected in the interim condensed consolidated statement of operations, including changes in fair value during the period, amounted to \$568 (2025 - \$1,658), recorded in selling, general and administrative expense.

Unrecognized DSU compensation expense as at March 31, 2026 was \$1,495 (March 31, 2025 - \$829 and December 31, 2025 - \$1,544) and will be recognized in profit or loss over the remaining vesting period.

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Performance Restricted Share Unit (“PSU” and “RSU”) Plan

The following is a summary of the issued and outstanding RSUs and PSUs for the three months ended March 31, 2026 and 2025:

	RSUs	PSUs	Total
Outstanding, December 31, 2024	930,776	756,194	1,686,970
Grants and reinvested dividends	51,607	34,117	85,724
Redeemed	-	-	-
Cancelled	(8,394)	(21,821)	(30,215)
Outstanding, March 31, 2025	973,989	768,490	1,742,479
Grants and reinvested dividends	594,931	478,654	1,073,585
Redeemed	(445,189)	(351,061)	(796,250)
Cancelled	(3,396)	(3,343)	(6,739)
Outstanding, December 31, 2025	1,120,335	892,740	2,013,075
Grants and reinvested dividends	79,365	44,365	123,730
Redeemed	-	-	-
Cancelled	-	-	-
Outstanding, March 31, 2026	1,199,700	937,105	2,136,805

The RSUs and PSUs granted during the three months ended March 31, 2026 and 2025 had a weighted average fair value per unit of \$10.57 and \$8.39, respectively, on the date of grant. For the three months ended March 31, 2026, RSU and PSU compensation benefit reflected in the interim condensed consolidated statement of operations, including changes in fair value during the period, amounted to \$513 (2025 - \$1,428), recorded in selling, general and administrative expense.

Unrecognized RSU and PSU compensation expense as at March 31, 2026 was \$4,450 (March 31, 2025 - \$3,210 and December 31, 2025 - \$7,339) and will be recognized in profit or loss over the remaining vesting period.

The key assumptions, on a weighted average basis, used in the valuation of PSUs granted during the three months ended March 31, 2026 and 2025 are shown in the table below:

	Three months ended March 31, 2026	Three months ended March 31, 2025
Expected life (years)	2.75	2.74
Risk free interest rate	2.50%	2.55%

12. EARNINGS PER SHARE

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

	Three months ended March 31, 2026		Three months ended March 31, 2025	
	Weighted average number of shares	Per common share amount	Weighted average number of shares	Per common share amount
Basic	71,787,321	\$ 0.39	72,787,848	\$ 0.24
Effect of dilutive securities:				
Stock options	-	-	-	-
Diluted	71,787,321	\$ 0.39	72,787,848	\$ 0.24

The average market value of the Company’s shares for purposes of calculating the dilutive effect of share options was based on quoted market prices for the period during which the options were outstanding.

For the three months ended March 31, 2026, 1,995,000 (2025 - 2,070,000) stock options were excluded from the diluted weighted average per share calculation as they were anti-dilutive.

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13. FINANCE EXPENSE AND OTHER FINANCE EXPENSE

	Three months ended March 31, 2026	Three months ended March 31, 2025
Debt interest, gross	\$ (12,771)	\$ (16,144)
Interest on lease liabilities	(2,755)	(2,605)
Capitalized interest - at an average rate of 4.8% (2025 - 5.7%)	1,715	2,061
Finance expense	\$ (13,811)	\$ (16,688)

	Three months ended March 31, 2026	Three months ended March 31, 2025
Net foreign exchange loss	\$ (592)	\$ (2,117)
Other expense, net	(350)	(114)
Other finance expense	\$ (942)	\$ (2,231)

14. OPERATING SEGMENTS

The Company is a diversified and global automotive supplier engaged in the design, development and manufacturing of highly engineered, value-added Lightweight Structures and Propulsion Systems. It conducts its operations through divisions, which function as autonomous business units, following a corporate policy of functional and operational decentralization. The Company's offerings include a wide array of products, assemblies and systems for small and large cars, crossovers, pickups and sport utility vehicles.

The Company defines its operating segments as components of its business where separate financial information is available and routinely evaluated by management. The Company's chief operating decision maker ("CODM") is the Chief Executive Officer. Given the differences among the regions in which the Company operates, Martinrea's operations are segmented on a geographic basis between North America, Europe and Rest of the World.

The accounting policies of the segments are the same as those described in the Company's annual consolidated financial statements for the year ended December 31, 2025. The Company uses operating income as the basis for the CODM to evaluate the performance of each of the Company's reportable segments.

The following is a summary of selected data for each of the Company's operating segments:

	Three months ended March 31, 2026			Operating Income (Loss)
	Production Sales	Tooling Sales	Total Sales	
North America				
Canada	\$ 104,845	\$ 16,234	\$ 121,079	
USA	306,059	775	306,834	
Mexico	437,446	34,162	471,608	
Eliminations	(38,014)	(13,541)	(51,555)	
	\$ 810,336	\$ 37,630	\$ 847,966	\$ 57,843
Europe				
Germany	172,097	2,588	174,685	
Spain	56,478	2,899	59,377	
Slovakia	18,195	37	18,232	
Eliminations	-	(26)	(26)	
	\$ 246,770	\$ 5,498	\$ 252,268	\$ (2,754)
Rest of the World	28,853	202	29,055	337
Eliminations	(3,722)	(138)	(3,860)	-
	\$ 1,082,237	\$ 43,192	\$ 1,125,429	\$ 55,426

Included in the Operating Income (Loss) for the three months ended March 31, 2026 is total depreciation and amortization expense of \$76,082. Of this amount, \$61,053 was recognized in North America, \$13,350 in Europe, and \$1,679 in the Rest of the World operating segment.

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Three months ended March 31, 2025				
	Production Sales	Tooling Sales	Total Sales	Operating Income (Loss)
North America				
Canada	\$ 121,562	\$ 9,848	\$ 131,410	
USA	324,276	3,007	327,283	
Mexico	452,207	24,687	476,894	
Eliminations	(41,780)	(8,747)	(50,527)	
	\$ 856,265	\$ 28,795	\$ 885,060	\$ 57,663
Europe				
Germany	182,379	5,631	188,010	
Spain	49,330	3,403	52,733	
Slovakia	14,324	271	14,595	
	\$ 246,033	\$ 9,305	\$ 255,338	\$ (14,573)
Rest of the World	28,360	5,389	33,749	2,015
Eliminations	(4,997)	(919)	(5,916)	-
	\$ 1,125,661	\$ 42,570	\$ 1,168,231	\$ 45,105

Included in the Operating Income (Loss) for the three months ended March 31, 2025 is total depreciation and amortization expense of \$78,930. Of this amount, \$62,930 was recognized in North America, \$13,934 in Europe, and \$2,066 in the Rest of the World operating segment.

15. FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, trade and other receivables, investments in equity securities and convertible notes, trade and other payables, long-term debt, and foreign exchange forward contracts.

Fair Value

IFRS 13, Fair Value Measurement, defines fair value as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value are required to maximize the use of observable inputs and minimize the use of unobservable inputs. The fair value hierarchy is based on three levels of inputs. The first two levels are considered observable and the last unobservable. These levels are used to measure fair values as follows:

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

The following table summarizes the fair value hierarchy under which the Company's applicable financial instruments are valued:

	March 31, 2026			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 129,626	\$ 129,626	\$ -	-
Investments	17,903	-	-	17,903
Foreign exchange forward contracts not accounted for as hedges (note 6)	(106)	-	(106)	-
	December 31, 2025			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 174,144	\$ 174,144	\$ -	-
Investments	14,066	-	-	14,066
Foreign exchange forward contracts not accounted for as hedges (note 2)	839	-	839	-

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Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the interim condensed consolidated balance sheets, are as follows:

March 31, 2026	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortized cost	Amortized cost	Carrying amount	Fair value
FINANCIAL ASSETS:						
Trade and other receivables	\$ -	\$ -	\$ 756,579	\$ -	\$ 756,579	\$ 756,579
Investments	-	16,903	-	1,000	17,903	17,903
	\$ -	\$ 16,903	\$ 756,579	\$ 1,000	\$ 774,482	\$ 774,482
FINANCIAL LIABILITIES:						
Trade and other payables	-	-	-	(1,060,729)	(1,060,729)	(1,060,729)
Foreign exchange forward contracts not accounted for as hedges	(106)	-	-	-	(106)	(106)
Long-term debt	-	-	-	(948,317)	(948,317)	(948,317)
	\$ (106)	\$ -	\$ -	\$ (2,009,046)	\$ (2,009,152)	\$ (2,009,152)
Net financial assets (liabilities)	\$ (106)	\$ 16,903	\$ 756,579	\$ (2,008,046)	\$ (1,234,670)	\$ (1,234,670)

December 31, 2025	Fair value through profit or loss	Fair value through other comprehensive income	Financial assets at amortized cost	Amortized cost	Carrying amount	Fair value
FINANCIAL ASSETS:						
Trade and other receivables	\$ -	\$ -	\$ 590,747	\$ -	\$ 590,747	\$ 590,747
Investments	-	13,066	-	1,000	14,066	14,066
Foreign exchange forward contracts not accounted for as hedges	839	-	-	-	839	839
	\$ 839	\$ 13,066	\$ 590,747	\$ 1,000	\$ 605,652	\$ 605,652
FINANCIAL LIABILITIES:						
Trade and other payables	-	-	-	(1,010,928)	(1,010,928)	(1,010,928)
Long-term debt	-	-	-	(868,809)	(868,809)	(868,809)
	\$ -	\$ -	\$ -	\$ (1,879,737)	\$ (1,879,737)	\$ (1,879,737)
Net financial assets (liabilities)	\$ 839	\$ 13,066	\$ 590,747	\$ (1,878,737)	\$ (1,274,085)	\$ (1,274,085)

The fair values of trade and other receivables and trade and other payables approximate their carrying amounts due to the short-term maturities of these instruments. The estimated fair value of long-term debt approximates its carrying amount since it is subject to terms and conditions similar to those available to the Company for instruments with comparable terms, and the interest rates are predominantly market-based.

The fair values of investments are estimated at the reporting date based on valuation methods using the observable transaction price at the transaction dates and other observable inputs including rights and obligations of these investments.

The fair values of the forward contracts are determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.

Risk Management

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

(a) Credit risk

Credit risk refers to the risk of losses due to failure of the Company's customers or other counterparties to meet their payment obligations. Financial instruments that subject the Company to credit risk consist primarily of cash and cash equivalents, trade and other receivables, and foreign exchange forward contracts.

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Credit risk associated with cash and cash equivalents is minimized by ensuring these financial assets are placed with financial institutions with high credit ratings.

The credit risk associated with foreign exchange forward contracts arises from the possibility that the counterparty to one of these contracts fails to perform according to the terms of the contract. Credit risk associated with foreign exchange forward contracts is minimized by entering into such transactions with major Canadian and U.S. financial institutions.

In the normal course of business, the Company is exposed to credit risk from its customers. The Company has three customers whose sales were 29.6%, 16.0%, and 9.7% of its production sales for the three months ended March 31, 2026 (2025 - 29.4%, 20.3%, and 8.8%). A substantial portion of the Company's trade receivables are with large customers in the automotive, truck and industrial sectors and are subject to normal industry credit risks. The level of trade receivables that were past due as at March 31, 2026 is within the normal payment pattern of the industry. The allowance for doubtful accounts is less than 1.0% of total trade receivables for all periods and movements in the period were minimal.

The aging of trade receivables at the reporting date was as follows:

	March 31, 2026		December 31, 2025	
0-60 days	\$	670,580	\$	508,403
61-90 days		1,810		4,107
Greater than 90 days		8,634		4,614
	\$	681,024	\$	517,124

(b) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations when they become due. The Company manages liquidity risk by monitoring sales volumes and collection efforts to ensure sufficient cash flows are generated from operations to meet its liabilities when they become due. Management monitors consolidated cash flows on a weekly basis covering a rolling 12-week period, quarterly through forecasting and annually through the Company's budget process. At March 31, 2026, the Company had cash of \$129,626 (December 31, 2025 - \$174,144) and banking facilities available as discussed in note 8. All of the Company's financial liabilities other than long-term debt have maturities of approximately 60 days.

A summary of contractual maturities of long-term debt is provided in note 8.

(c) Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in the market interest rates. The Company is exposed to interest rate risk as a significant portion of the Company's long-term debt bears interest at rates linked to the SOFR or the CORRA rates. The interest on the bank facility fluctuates depending on the achievement of certain financial debt ratios.

The interest rate profile of the Company's long-term debt was as follows:

	Carrying amount			
	March 31, 2026		December 31, 2025	
Variable rate instruments	\$	892,346	\$	808,535
Fixed rate instruments		55,971		60,274
	\$	948,317	\$	868,809

Sensitivity analysis

An increase of 1.0% in all variable interest rate debt would, all else being equal, have an effect of \$2,191 (2025 - \$2,449) on the Company's interim condensed consolidated financial results for the three months ended March 31, 2026.

(d) Currency risk

Currency risk refers to the risk that the value of the financial instruments or cash flows associated with the instruments will fluctuate due to changes in foreign exchange rates. The Company undertakes revenue and purchase transactions in foreign currencies, and therefore is subject to gains and losses due to fluctuations in foreign currency exchange rates. The Company's foreign exchange risk management includes the use of foreign currency forward contracts to fix the exchange rates on certain foreign currency exposures.

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At March 31, 2026, the Company had committed to the following foreign exchange contracts:

Foreign exchange forward contracts not accounted for as hedges and fair valued through profit or loss

Currency - Buy/Sell	For U.S. dollars		For Canadian dollars		Maximum period in months
	Amount of U.S. dollars	Weighted average exchange rates	Amount of CAD	Weighted average exchange rates	
Buy Mexican Peso	\$ 2,139	\$ 16.3591	\$ -	\$ -	1
Sell Euro	-	-	3,263	1.6315	1
Sell Chinese Yuan	5,000	0.1466	-	-	1
Sell Brazilian Real	3,000	0.1911	-	-	1

The aggregate value of these forward contracts as at March 31, 2026 was a pre-tax loss of \$106 and was recorded in trade and other payables (December 31, 2025 - pre-tax gain of \$839 recorded in trade and other receivables).

The Company's exposure to foreign currency risk reported in the foreign currency was as follows:

March 31, 2026	USD		EURO		PESO		BRL		CNY	
Trade and other receivables	\$ 363,215	€	95,224	\$	22,722	R\$	19,085	¥	51,917	
Trade and other payables	(474,438)		(158,128)		(428,388)		(49,847)		(54,958)	
Long-term debt	(287,227)		(1,331)		-		-		-	
	\$ (398,450)	€	(64,235)	\$	(405,666)	R\$	(30,762)	¥	(3,041)	

December 31, 2025	USD		EURO		PESO		BRL		CNY	
Trade and other receivables	\$ 307,315	€	77,780	\$	9,249	R\$	12,351	¥	53,392	
Trade and other payables	(451,490)		(148,952)		(451,009)		(37,388)		(60,597)	
Long-term debt	(272,697)		(2,002)		-		-		-	
	\$ (416,872)	€	(73,174)	\$	(441,760)	R\$	(25,037)	¥	(7,205)	

The following summary illustrates the fluctuations in the foreign exchange rates applied:

	Average rate		Closing rate	
	Three months ended March 31, 2026	Three months ended March 31, 2025	March 31, 2026	December 31, 2025
	USD	1.3770	1.4294	1.3893
EURO	1.6171	1.4902	1.5988	1.6099
PESO	0.0777	0.0700	0.0767	0.0763
BRL	0.2577	0.2399	0.2652	0.2466
CNY	0.1970	0.1964	0.2009	0.1951

Sensitivity analysis

The Company does not have significant foreign currency exposure based on each subsidiary's functional currency. However, a 10% strengthening of the Canadian dollar against the following currencies at March 31, would give rise to a translation risk on net income and would have increased (decreased) equity, profit or loss and comprehensive income for the three months ended March 31, 2026 and 2025 by the amounts shown below, assuming all other variables remain constant:

	Three months ended March 31, 2026	Three months ended March 31, 2025
USD	\$ (5,155)	\$ (4,647)
EURO	421	1,244
BRL	63	56
CNY	(46)	(240)
	\$ (4,717)	\$ (3,587)

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A weakening of the Canadian dollar against the above currencies at March 31 would have had the equal but opposite effect on the above currencies to the amounts shown above, on the basis that all other variables remain constant.

(e) Capital risk management

The Company's objectives in managing capital are to ensure sufficient liquidity to pursue its strategy of organic growth combined with complementary acquisitions and to provide returns to its shareholders. The Company defines capital that it manages as the aggregate of its equity, which is comprised of issued capital, contributed surplus, accumulated other comprehensive income and retained earnings, and debt.

The Company manages its capital structure and makes adjustments in light of general economic conditions, the risk characteristics of the underlying assets and the Company's working capital requirements. In order to maintain or adjust its capital structure, the Company, upon approval from its Board of Directors, may issue or repay long-term debt, issue shares, repurchase shares, or undertake other activities as deemed appropriate under the specific circumstances. The Board of Directors reviews and approves any material transactions out of the ordinary course of business, including proposals on acquisitions or other major investments or divestitures, as well as annual capital and operating budgets.

In addition to debt and equity, the Company may use leases as additional sources of financing. The Company monitors debt leverage ratios as part of the management of liquidity and shareholders' return and to sustain future development of the business. The Company is not subject to externally imposed capital requirements and its overall strategy with respect to capital risk management remains unchanged from the prior year.

16. CONTINGENCIES

Contingencies

The Company has contingent liabilities relating to legal and tax proceedings arising in the normal course of its business. Known claims and litigation involving the Company or its subsidiaries were reviewed at the end of the reporting period. Based on the advice of legal counsel, all necessary provisions have been made to cover the related risks, however, there can be no assurance as to the final resolution of any claims and any resulting proceedings. If any claims and ensuing proceedings are determined adversely to the Company, the amounts the Company may be required to pay could be material and in excess of any amounts accrued. In addition, new proceedings may be initiated against the Company as a result of facts or circumstances unknown at the date of these interim condensed consolidated financial statements or for which the risk cannot yet be determined or quantified. Such proceedings could have a significant adverse impact on the Company's financial results.

Tax contingencies

The Company conducts business in various tax jurisdictions globally, and as a result, it is subject to tax audits and assessments in many of these jurisdictions. These audits are a regular part of the Company's operations and cover a range of subjective areas of taxation and significant judgement, including intercompany transactions, the deductibility of certain expenses, the application of tax treaties and value added tax ("VAT") credits claimed on certain purchases.

The Company's subsidiary in Brazil is currently being assessed by the State of Sao Paulo's tax authorities for certain historical VAT credits claimed on aluminum purchases from certain local suppliers that occurred prior to the acquisition of the Brazil subsidiary in 2011. The taxation system and regulatory environment in Brazil is characterized by numerous indirect taxes and frequently changing legislation subject to various interpretations by the various Brazilian regulatory authorities who are empowered to impose significant fines, penalties, and interest charges. The basis for the assessments stems from the classification of aluminum purchases, the registration status of the aluminum suppliers in question and the differing treatments between manufactured and unmanufactured aluminum for VAT purposes. The potential exposure under these assessments, based on the notices issued by the tax authorities and most recent developments surrounding the assessments, is approximately \$36,577 (BRL \$137,937) including interest and penalties to March 31, 2026 (December 31, 2025 - \$38,258 or BRL \$155,125). The assessments are at various stages in the process. Five assessments totaling \$24,130 (BRL \$90,997) including interest and penalties as at March 31, 2026, have entered the judicial litigation process. The Company's subsidiary may be required to present guarantees related to these assessments up to \$24,006 (BRL \$90,530) shortly through a pledge of assets, bank letter of credit or cash deposit.

The Company's subsidiaries in Mexico and Germany are currently being assessed by Federal and State Tax authorities for tax deductions taken mainly in respect of certain intercompany transactions. Based on the audit assessments issued by the tax authorities, the potential exposure, including interest and penalties to March 31, 2026, is approximately \$411,573 (MXN \$5,368,253) (December 31, 2025 - \$403,639 or MXN \$5,291,065) in Mexico for 2013 and 2015 to 2018 tax years, and \$34,452 (EURO €21,548) (December 31, 2025 - \$34,270 or EURO €21,287) in Germany for 2014 to 2016 tax years.

The Company has sought external legal advice and believes that it has complied, in all material respects, with the relevant legislation and will continue to vigorously defend against such assessments. No provision has been recorded by the Company in connection with the Brazilian and Mexican contingencies at this stage, as the Company has concluded that it is not probable that a liability will result from these matters. A provision related to the

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German contingency in the amount of \$450 has been recorded, which the Company believes is adequate for all open tax years based on its assessment of many factors, including interpretations of international tax laws and prior experience.

17. GUARANTEES

The Company is a guarantor under a tooling financing program. The tooling financing program involves a third party that provides tooling suppliers with financing subject to a Company guarantee. Payments from the third party to the tooling supplier are approved by the Company prior to the funds being advanced. The amounts loaned to the tooling suppliers through this financing arrangement do not appear on the Company's interim condensed consolidated balance sheet unless the sale on the corresponding tooling project has been recognized, at which point a tooling trade payable on the project is recorded. At March 31, 2026, the amount of the off-balance sheet program financing was \$4,516 (December 31, 2025 - \$9,781) representing the maximum amount of undiscounted future payments the Company could be required to make under the guarantee.

The Company would be required to perform under the guarantee in cases where a tooling supplier could not meet its obligations to the third party. Since the amount advanced to the tooling supplier is required to be repaid generally when the Company receives reimbursement from the final customer, and at this point the Company will in turn repay the tooling supplier, the Company views the likelihood of the tooling supplier default as remote. No such defaults occurred during 2026 or 2025. Moreover, if such an instance were to occur, the Company would obtain the tooling inventory. The term of the guarantee will vary from program to program, but typically range up to twenty-four months.

18. DISPOSAL OF A SUBSIDIARY

On February 5, 2026, the Company entered into an agreement to sell one of its plants in China for CNY ¥8,000 (\$1,577). The transaction is expected to close in the second quarter of 2026 subject to various closing conditions, including government approval in China and, as such, there can be no assurance that the transaction will ultimately be consummated.