MANAGEMENT DISCUSSION AND ANALYSIS

OF OPERATING RESULTS AND FINANCIAL POSITION

For the three and six months ended June 30, 2026

The following management discussion and analysis ("MD&A") was prepared as of August 4, 2026 and should be read in conjunction with the Company's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2026 ("interim financial statements") as well as the Company's audited consolidated financial statements and MD&A for the year ended December 31, 2025 together with the notes thereto. All amounts in this MD&A are in Canadian dollars, unless otherwise stated; and all tabular amounts are in thousands of Canadian dollars, except earnings per share and number of shares. Additional information about the Company, including the Company's Annual Information Form ("AIF") dated March 5, 2026 for the year ended December 31, 2025, can be found at www.sedarplus.ca. Certain industry, market and production data contained in this MD&A has been obtained from third-party sources, including Global Data Plc. While management believes such information to be reliable, it has not independently verified the accuracy or completeness of such information.

OVERVIEW

Martinrea International Inc. (TSX: MRE) ("Martinrea" or 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. As at August 4, 2026, Martinrea employed approximately 16,000 skilled and motivated people in 56 locations (including sales and engineering centres) in Canada, the United States, Mexico, Brazil, Germany, Spain, South Africa, Slovakia, China, and Japan.

Martinrea's vision is to make people's lives better by being the best supplier we can be in the products we make and the services we provide. The Company's mission is to make people's lives better by: delivering outstanding quality products and services to our customers; providing meaningful opportunity, job satisfaction, and job security for our people; providing superior long-term investment returns to our stakeholders; and being positive contributors to our communities.

OVERALL RESULTS

Results of operations may include certain items which have been separately disclosed, where appropriate, in order to provide a clear assessment of the underlying Company results. In addition to IFRS Accounting Standards ("IFRS") measures, management uses non-IFRS measures in the Company's disclosures that it believes provide the most appropriate basis on which to evaluate the Company's results.

The following tables set out certain highlights of the Company's performance for the three and six months ended June 30, 2026 and 2025. Refer to the Company's interim financial statements for the three and six months ended June 30, 2026 for a detailed account of the Company's performance for the periods presented in the tables below.

		Three months ended June 30, 2026		Three months ended June 30, 2025	$ Change	% Change
Sales	$	1,200,549	$	1,275,535	(74,986)	(5.9%)
Gross Margin		168,996		184,535	(15,539)	(8.4%)
Operating Income		66,163		72,338	(6,175)	(8.5%)
Net Income for the period		43,126		38,091	5,035	13.2%
Net Earnings per Share - Basic and Diluted	$	0.61	$	0.52	0.09	17.3%
Non-IFRS Measures*						
Adjusted Operating Income	$	70,735	$	86,104	(15,369)	(17.8%)
% of Sales		*5.9 %*		*6.8 %*		
Adjusted EBITDA		147,167		165,386	(18,219)	(11.0%)
% of Sales		*12.3 %*		*13.0 %*		
Adjusted Net Income		43,243		47,755	(4,512)	(9.4%)
Adjusted Net Earnings per Share - Basic and Diluted	$	0.61	$	0.66	(0.05)	(7.6%)

		Six months ended June 30, 2026		Six months ended June 30, 2025	$ Change	% Change
Sales	$	2,325,978	$	2,443,766	(117,788)	(4.8%)
Gross Margin		318,224		336,134	(17,910)	(5.3%)
Operating Income		121,589		117,443	4,146	3.5%
Net Income for the period		70,980		55,565	15,415	27.7%
Net Earnings per Share - Basic and Diluted	$	1.00	$	0.76	0.24	31.6%
Non-IFRS Measures*						
Adjusted Operating Income	$	132,357	$	148,046	(15,689)	(10.6%)
% of Sales		*5.7 %*		*6.1 %*		
Adjusted EBITDA		284,897		306,307	(21,410)	(7.0%)
% of Sales		*12.2 %*		*12.5 %*		
Adjusted Net Income		75,712		77,275	(1,563)	(2.0%)
Adjusted Net Earnings per Share - Basic and Diluted	$	1.06	$	1.06	-	0.0%

***Non-IFRS Measures**

The Company prepares its interim financial statements in accordance with IFRS. However, the Company considers certain non-IFRS financial measures as useful additional information in measuring the financial performance and condition of the Company. These measures, which the Company believes are widely used by investors, securities analysts and other interested parties in evaluating the Company's performance, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Non-IFRS measures include “Adjusted Net Income”, “Adjusted Net Earnings per Share (on a basic and diluted basis)”, “Adjusted Operating Income”, "Adjusted EBITDA”, “Free Cash Flow”, "Free Cash Flow (after IFRS 16 lease payments)", and “Net Debt”.

The following tables provide a reconciliation of IFRS “Net Income” to Non-IFRS “Adjusted Net Income”, “Adjusted Operating Income” and “Adjusted EBITDA”:

		Three months ended June 30, 2026		Three months ended June 30, 2025
Net Income	$	43,126	$	38,091
Adjustments, after tax*		117		9,664
Adjusted Net Income	$	43,243	$	47,755

		Six months ended June 30, 2026		Six months ended June 30, 2025
Net Income	$	70,980	$	55,565
Adjustments, after tax*		4,732		21,710
Adjusted Net Income	$	75,712	$	77,275

**Adjustments are explained in the "Adjustments to Net Income" section of this MD&A*

	Three months ended June 30, 2026	Three months ended June 30, 2025
Net Income	$ 43,126	$ 38,091
Income tax expense	10,563	15,204
Other finance expense (income)	(637)	1,745
Share of loss of equity investments	726	538
Finance expense	14,283	16,760
Adjustments, before tax*	2,674	13,766
Adjusted Operating Income	$ 70,735	$ 86,104
Depreciation of property, plant and equipment and right-of-use assets	74,353	77,182
Amortization of development costs	2,163	2,014
Loss (gain) on disposal of property, plant and equipment	(84)	86
Adjusted EBITDA	$ 147,167	$ 165,386

	Six months ended June 30, 2026	Six months ended June 30, 2025
Net Income	$ 70,980	$ 55,565
Income tax expense	22,396	23,119
Other finance expense	305	3,976
Share of loss of equity investments	1,712	1,335
Finance expense	28,094	33,448
Adjustments, before tax*	8,870	30,603
Adjusted Operating Income	$ 132,357	$ 148,046
Depreciation of property, plant and equipment and right-of-use assets	148,241	154,317
Amortization of development costs	4,357	3,809
Loss (gain) on disposal of property, plant and equipment	(58)	135
Adjusted EBITDA	$ 284,897	$ 306,307

**Adjustments are explained in the "Adjustments to Net Income" section of this MD&A*

SALES

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

	Three months ended June 30, 2026	Three months ended June 30, 2025	$ Change	% Change
North America	$ 944,774	$ 980,361	(35,587)	(3.6%)
Europe	241,526	268,667	(27,141)	(10.1%)
Rest of the World	27,951	31,818	(3,867)	(12.2%)
Eliminations	(13,702)	(5,311)	(8,391)	(158.0%)
Total Sales	$ 1,200,549	$ 1,275,535	(74,986)	(5.9%)

The Company's consolidated sales for the second quarter of 2026 decreased by $75.0 million or 5.9% to $1,200.5 million as compared to $1,275.5 million for the second quarter of 2025. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the second quarter of 2026 in the Company's North America operating segment decreased by $35.6 million or 3.6% to $944.8 million from $980.4 million for the second quarter of 2025. The operations acquired from Lyseon North America Inc. ("Lyseon"), which have been consolidated with the Company's results since October 20, 2025, contributed $14.0 million of year-over-year sales to the North America operating segment. Excluding the acquired operations, second quarter sales in North America decreased by $49.6 million or 5.1%. The decrease was due to programs that ended production during or subsequent to the second quarter of 2025, specifically the Ford Escape; lower year-over-year OEM production volumes on certain light vehicle platforms, including General Motors' electric vehicle platforms (BEV3/BET), Mercedes' electric vehicle platform (EVA2), the Ford Mustang Mach E, and the Lucid Air; a decrease in tooling sales of $24.2 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer; and the impact of foreign exchange on the translation of U.S. denominated production sales, which had a negative impact on overall sales for the second quarter of 2026 of $19.4 million. These negative factors were partially offset by higher year-over-year OEM production volumes on certain platforms, including the Jeep Grand Cherokee and Wagoneer, General Motors' large pick-up truck and SUV platforms, Nissan Pathfinder and Rogue, the Toyota Tacoma, a transmission for the ZF Group, and General Motors' Equinox/Terrain; and the launch and ramp up of new programs, including Volvo's new electric vehicle platform (EX90), and General Motors' new electric vehicle platform (Chevrolet Bolt). Overall second quarter industry-wide OEM light vehicle production volumes in North America increased by approximately 1% year-over-year.

Sales for the second quarter of 2026 in the Company's Europe operating segment decreased by $27.1 million or 10.1% to $241.5 million from $268.7 million for the second quarter of 2025. The decrease was due to lower year-over-year OEM production volumes on certain platforms, including an aluminum engine block for Mercedes, the Lucid Air, a transmission for the ZF Group, Volkswagen's new electric vehicle platform (PPE), and Mercedes' electric vehicle platform (EVA2); and a decrease in tooling sales of $6.6 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. These negative factors were partially offset by the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the second quarter of 2026 of $6.8 million; and higher year-over-year OEM production volumes on certain platforms, including an aluminum engine block for Ford. Overall second quarter industry-wide OEM light vehicle production volumes in Europe decreased by approximately 3% year-over-year.

Sales for the second quarter of 2026 in the Company's Rest of the World operating segment decreased by $3.9 million or 12.2% to $28.0 million from $31.8 million in the second quarter of 2025. The decrease was largely driven by lower year-over-year production volumes with General Motors, Mercedes, Jaguar Land Rover, and BMW; and a decrease in tooling sales of $1.5 million.

Overall tooling sales decreased by $42.2 million (including outside segment sales eliminations) to $34.1 million for the second quarter of 2026 from $76.3 million for the second quarter of 2025.

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

	Six months ended June 30, 2026	Six months ended June 30, 2025	$ Change	% Change
North America	$ 1,792,740	$ 1,865,421	(72,681)	(3.9%)
Europe	493,794	524,005	(30,211)	(5.8%)
Rest of the World	57,006	65,567	(8,561)	(13.1%)
Eliminations	(17,562)	(11,227)	(6,335)	(56.4%)
Total Sales	$ 2,325,978	$ 2,443,766	(117,788)	(4.8%)

The Company's consolidated sales for the six months ended June 30, 2026 decreased by $117.8 million or 4.8% to $2,326.0 million as compared to $2,443.8 million for the six months ended June 30, 2025. The total decrease in sales was driven by year-over-year decreases across all operating segments.

Sales for the six months ended June 30, 2026 in the Company's North America operating segment decreased by $72.7 million or 3.9% to $1,792.7 million from $1,865.4 million for the six months ended June 30, 2025. The operations acquired from Lyseon, which have been consolidated with the Company's results since October 20, 2025, contributed $29.3 million of year-over-year sales to the North America operating segment. Excluding the acquired operations, sales for the six months ended June 30, 2026 in North America decreased by $102.0 million or 5.5%. The decrease was due to programs that ended production during or subsequent to the corresponding period of 2025, specifically the Ford Escape; lower year-over-year OEM production volumes on certain light vehicle platforms, including General Motors' electric vehicle platforms (BEV3/BET), Mercedes' electric vehicle platform (EVA2), the Ford Mustang Mach E, and the Lucid Air; the impact of foreign exchange on the translation of U.S. denominated production sales, which had a negative impact on overall sales for the six months ended June 30, 2026 of $46.3 million; and a decrease in tooling sales of $15.3 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. These negative factors were partially offset by higher year-over-year OEM production volumes on certain platforms, including the Jeep Grand Cherokee and Wagoneer, Nissan Pathfinder and Rogue, General Motors' large pick-up truck and SUV platforms, General Motors' Equinox/Terrain, and a transmission for the ZF Group; and the launch and ramp up of new programs, including Volvo's new electric vehicle platform (EX90), and General Motors' new electric vehicle platform (Chevrolet Bolt). Overall industry-wide OEM light vehicle production volumes during the six months ended June 30, 2026 remained largely unchanged in North America year-over-year.

Sales for the six months ended June 30, 2026 in the Company's Europe operating segment decreased by $30.2 million or 5.8% to $493.8 million from $524.0 million for the six months ended June 30, 2025. The decrease was due to lower year-over-year OEM production volumes on certain platforms, including an aluminum engine block for Mercedes, the Lucid Air, Volkswagen's new electric vehicle platform (PPE), Mercedes' electric vehicle platform (EVA2), Jaguar Land Rover, and a transmission for the ZF Group; and a decrease in tooling sales of $10.4 million, which are typically dependent on the timing of tooling construction and final acceptance by the customer. These negative factors were partially offset by the impact of foreign exchange on the translation of Euro denominated production sales, which had a positive impact on overall sales for the six months ended June 30, 2026 of $25.7 million; and higher year-over-year OEM production volumes of certain platforms, including an aluminum engine block for Ford. Overall industry-wide OEM light vehicle production volumes during the six months ended June 30, 2026 decreased in Europe by approximately 1% year-over-year.

Sales for the six months ended June 30, 2026 in the Company's Rest of the World operating segment decreased by $8.6 million or 13.1% to $57.0 million from $65.6 million for the six months ended June 30, 2025. The decrease was largely driven by a decrease in tooling sales of $6.7 million; and lower year-over-year production volumes with Mercedes, General Motors, BMW, and Jaguar Land Rover.

Overall tooling sales decreased by $41.6 million (including outside segment sales eliminations) to $77.3 million for the six months ended June 30, 2026 from $118.9 million for the six months ended June 30, 2025.

GROSS MARGIN

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

	Three months ended June 30, 2026	Three months ended June 30, 2025	$ Change	% Change
Gross margin	$ 168,996	$ 184,535	(15,539)	(8.4%)
% of Sales	14.1 %	14.5 %		

The gross margin percentage for the second quarter of 2026 of 14.1% decreased as a percentage of sales by 0.4% as compared to the gross margin percentage for the second quarter of 2025 of 14.5%. The decrease in gross margin as a percentage of sales was generally due to overall lower production sales volume and corresponding contribution; and operational inefficiencies at certain operating facilities. These factors were partially offset by productivity and efficiency improvements at certain other operating facilities and other improvements; and lower year-over-year indirect costs incurred in production.

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

	Six months ended June 30, 2026	Six months ended June 30, 2025	$ Change	% Change
Gross margin	$ 318,224	$ 336,134	(17,910)	(5.3%)
% of Sales	13.7%	13.8%		

The gross margin percentage for the six months ended June 30, 2026 of 13.7% decreased as a percentage of sales by 0.1% as compared to the gross margin percentage for the six months ended June 30, 2025 of 13.8%. The decrease in gross margin as a percentage of sales was generally due to overall lower production sales volume and corresponding contribution; and operational inefficiencies at certain operating facilities. These factors were partially offset by productivity and efficiency improvements at certain other operating facilities and other improvements; and lower year-over-year indirect costs incurred in production.

SELLING, GENERAL & ADMINISTRATIVE ("SG&A")

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

	Three months ended June 30, 2026	Three months ended June 30, 2025	$ Change	% Change
Selling, general & administrative	$ 82,698	$ 83,091	(393)	(0.5%)
% of Sales	6.9 %	6.5 %		

SG&A expense for the second quarter of 2026 decreased by $0.4 million to $82.7 million as compared to SG&A expense for the second quarter of 2025 of $83.1 million. The decrease in SG&A expense can largely be attributed to lower year-over-year professional service fees.

SG&A expense as a percentage of sales increased to 6.9% for the second quarter of 2026 compared to 6.5% for the second quarter of 2025 primarily as a result of lower year-over-year sales.

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

		Six months ended June 30, 2026		Six months ended June 30, 2025	$ Change	% Change
Selling, general & administrative	$	154,905	$	158,366	(3,461)	(2.2%)
% of Sales		6.7%		6.5%		

SG&A expense for the six months ended June 30, 2026 decreased by $3.5 million to $154.9 million as compared to SG&A expense for the six months ended June 30, 2025 of $158.4 million. The decrease in SG&A expense can largely be attributed to overall lower employee levels and related costs as compared to the corresponding period of 2025, and lower year-over-year professional service fees; partially offset by an increase in equity-based compensation expense related to deferred, restricted, and performance share units.

SG&A expense as a percentage of sales increased to 6.7% for the six months ended June 30, 2026 compared to 6.5% for the six months ended June 30, 2025 primarily as a result of lower year-over-year sales.

DEPRECIATION OF PROPERTY, PLANT AND EQUIPMENT ("PP&E"), RIGHT-OF-USE ASSETS AND AMORTIZATION OF INTANGIBLE ASSETS

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

		Three months ended June 30, 2026		Three months ended June 30, 2025	$ Change	% Change
Depreciation of PP&E and right-of-use assets (production)	$	70,375	$	73,329	(2,954)	(4.0%)
Depreciation of PP&E and right-of-use assets (non-production)		3,978		3,853	125	3.2%
Amortization of development costs		2,163		2,014	149	7.4%
Total depreciation and amortization	$	76,516	$	79,196	(2,680)	(3.4%)

Total depreciation and amortization expense for the second quarter of 2026 decreased by $2.7 million to $76.5 million as compared to $79.2 million for the second quarter of 2025. The decrease in depreciation and amortization expense was due to impairment charges recorded during the fourth quarter of 2025, partially offset by additional depreciation on PP&E assets relating to new and replacement business that commenced during or subsequent to the second quarter of 2025.

A significant portion of the Company’s recent investments relates to various new programs that commenced during or subsequent to the second quarter of 2025 and new and replacement programs scheduled to launch over the next two to three years in all of the Company’s various product offerings.

Total depreciation and amortization expense as a percentage of sales increased year-over-over to 6.4% for the second quarter of 2026 from 6.2% for the second quarter of 2025 due to lower year-over-year sales.

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

	Six months ended June 30, 2026	Six months ended June 30, 2025	$ Change	% Change
Depreciation of PP&E and right-of-use assets (production)	$ 140,111	$ 146,692	(6,581)	(4.5%)
Depreciation of PP&E and right-of-use assets (non-production)	8,130	7,625	505	6.6%
Amortization of development costs	4,357	3,809	548	14.4%
Total depreciation and amortization	$ 152,598	$ 158,126	(5,528)	(3.5%)

Total depreciation and amortization expense for the six months ended June 30, 2026 decreased by $5.5 million to $152.6 million as compared to $158.1 million for the six months ended June 30, 2025. The decrease in depreciation and amortization expense was due to impairment charges recorded during the fourth quarter of 2025, partially offset by additional depreciation on PP&E assets relating to new and replacement business that commenced during or subsequent to the six months ended June 30, 2025.

Total depreciation and amortization expense as a percentage of sales increased year-over-year to 6.6% for the six months ended June 30, 2026 from 6.5% for the six months ended June 30, 2025 due to lower year-over-year sales.

ADJUSTMENTS TO NET INCOME

Adjusted Net Income excludes certain items as set out in the following tables and described in the notes thereto. Management uses Adjusted Net Income as a measurement of operating performance of the Company and believes that, in conjunction with IFRS measures, it provides useful information about the financial performance and condition of the Company.

TABLE A

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

	Three months ended June 30, 2026	Three months ended June 30, 2025	$ Change
NET INCOME	**$ 43,126**	**$ 38,091**	**$ 5,035**
Adjustments:			
Restructuring costs (1)	4,572	13,766	(9,194)
Gain on disposal of foreign operation (2)	(1,898)	-	(1,898)
ADJUSTMENTS, BEFORE TAX	**$ 2,674**	**$ 13,766**	**$ (11,092)**
Tax impact of adjustments (2)	(2,557)	(4,102)	1,545
ADJUSTMENTS, AFTER TAX	**$ 117**	**$ 9,664**	**$ (9,547)**
ADJUSTED NET INCOME	**$ 43,243**	**$ 47,755**	**$ (4,512)**
Number of Shares Outstanding – Basic (‘000)	70,463	72,788	
Adjusted Net Earnings Per Share - Basic	$ 0.61	$ 0.66	
Number of Shares Outstanding – Diluted (‘000)	70,464	72,788	
Adjusted Net Earnings Per Share - Diluted	$ 0.61	$ 0.66	

TABLE B

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

		Six months ended June 30, 2026		Six months ended June 30, 2025		$ Change
NET INCOME	**$**	**70,980**	**$**	**55,565**	**$**	**15,415**
Adjustments:						
Restructuring costs (1)		10,768		30,603		(19,835)
Gain on disposal of foreign operation (2)		(1,898)		-		(1,898)
ADJUSTMENTS, BEFORE TAX	**$**	**8,870**	**$**	**30,603**	**$**	**(21,733)**
Tax impact of adjustments (2)		(4,138)		(8,893)		4,755
ADJUSTMENTS, AFTER TAX	**$**	**4,732**	**$**	**21,710**	**$**	**(16,978)**
ADJUSTED NET INCOME	**$**	**75,712**	**$**	**77,275**	**$**	**(1,563)**
Number of Shares Outstanding – Basic and Diluted (‘000)		71,120		72,788		
Adjusted Net Earnings Per Share - Basic and Diluted	$	1.06	$	1.06		

(1) Restructuring costs

Additions to the restructuring provision during the three and six months ended June 30, 2026 totalled $4.6 million and $10.8 million, respectively, and represent employee-related severance resulting from the rightsizing of certain operations in North America ($3.5 million and $9.1 million), and Europe ($1.1 million and $1.7 million).

Additions to the restructuring provision during the three and six months ended June 30, 2025 totalled $13.8 million and $30.6 million, respectively, and represent employee-related severance resulting from the rightsizing of certain operations in North America ($2.1 million and $6.1 million), and Europe ($11.7 million and $24.5 million).

(2) Disposal of foreign operation

On June 1, 2026, the Company disposed 85% of its equity interest in one of its plants in China for CNY ¥5.5 million ($1.1 million). Subsequent to this transaction, the Company derecognized the net assets of the disposed entity and recognized a total gain on disposal of $1.9 million, including $0.1 million that represents the difference between the aggregate fair value of the proceeds to be received and the carrying amount of the net assets disposed of, and $1.8 million reclassification of cumulative foreign currency translation gains from accumulated other comprehensive income to profit or loss. This disposal of foreign operation resulted in a tax impact of $1.5 million that was recognized during the three and six months ended June 30, 2026.

NET INCOME

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

		Three months ended June 30, 2026		Three months ended June 30, 2025	$ Change	% Change
Net Income	$	43,126	$	38,091	5,035	13.2%
Adjusted Net Income		43,243		47,755	(4,512)	(9.4%)
Net Earnings per Share						
Basic and Diluted	$	0.61	$	0.52		
Adjusted Net Earnings per Share						
Basic and Diluted	$	0.61	$	0.66		

Net Income, before adjustments, for the second quarter of 2026 increased by $5.0 million to $43.1 million or $0.61 per share, on a basic and diluted basis, from Net Income of $38.1 million or $0.52 per share, on a basic and diluted basis, for the second quarter of 2025. Excluding the adjustments explained in Table A under "Adjustments to Net Income", Adjusted Net Income for the second quarter of

2026 decreased by $4.5 million to $43.2 million or $0.61 per share, on a basic and diluted basis, from $47.8 million or $0.66 per share, on a basic and diluted basis, for the second quarter of 2025.

Adjusted Net Income for the second quarter of 2026, as compared to the second quarter of 2025, was negatively impacted by lower gross margin from lower year-over-year sales volume; partially offset by the following:

- a lower effective tax rate (23.3% for the second quarter of 2026 compared to 28.8% for the second quarter of 2025) primarily reflecting changes in the geographic mix of earnings among jurisdictions with differing tax rates, the impact of valuation allowances in certain jurisdictions, and certain tax benefits derived in foreign jurisdictions;
- a $2.5 million year-over-year decrease in finance expense as a result of decreased debt levels and lower borrowing rates on the Company's revolving bank debt; and
- a net foreign exchange gain of $0.8 million for the second quarter of 2026 compared to a loss of $1.7 million for the second quarter of 2025.

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

		Six months ended June 30, 2026		Six months ended June 30, 2025	$ Change	% Change
Net Income	$	70,980	$	55,565	15,415	27.7%
Adjusted Net Income		75,712		77,275	(1,563)	(2.0%)
Net Earnings per Share						
Basic and Diluted	$	1.00	$	0.76		
Adjusted Net Earnings per Share						
Basic and Diluted	$	1.06	$	1.06		

Net Income, before adjustments, for the six months ended June 30, 2026 increased by $15.4 million to $71.0 million or $1.00 per share, on a basic and diluted basis, from Net Income of $55.6 million or $0.76 per share, on a basic and diluted basis, for the six months ended June 30, 2025. Excluding the adjustments explained in Table B under “Adjustments to Net Income”, Adjusted Net Income for the six months ended June 30, 2026 decreased by $1.6 million to $75.7 million or $1.06 per share on a basic and diluted basis, from $77.3 million or $1.06 per share on a basic and diluted basis, for the six months ended June 30, 2025.

Adjusted Net Income for the six months ended June 30, 2026, as compared to the six months ended June 30, 2025, was negatively impacted by lower gross margin from lower year-over-year sales volume; partially offset by the following:

- a $5.4 million year-over-year decrease in finance expense as a result of decreased debt levels and lower borrowing rates on the Company's revolving bank debt;
- a net foreign exchange gain of $0.2 million for the six months ended June 30, 2026 compared to a loss of $3.9 million for the six months ended June 30, 2025;
- a year-over-year decrease in SG&A expense, as previously explained; and
- a lower effective tax rate (26.0% for the six months ended June 30, 2026 compared to 29.3% for the six months ended June 30, 2025) primarily reflecting changes in the geographic mix of earnings among jurisdictions with differing tax rates, the impact of valuation allowances in certain jurisdictions, and certain tax benefits derived in foreign jurisdictions.

ADDITIONS TO PROPERTY, PLANT AND EQUIPMENT

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

		Three months ended June 30, 2026		Three months ended June 30, 2025	$ Change	% Change
Additions to PP&E	$	60,043	$	48,487	11,556	23.8%

Additions to PP&E increased by $11.6 million to $60.0 million or 5.0% of sales for the second quarter of 2026 as compared to $48.5 million or 3.8% of sales in the second quarter of 2025.

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

	Six months ended June 30, 2026	Six months ended June 30, 2025	$ Change	% Change
Additions to PP&E	$ 101,618	$ 82,734	18,884	22.8%

Additions to PP&E increased by $18.9 million to $101.6 million or 4.4% of sales for the six months ended June 30, 2026 compared to $82.7 million or 3.4% of sales for the six months ended June 30, 2025.

General timing of expenditures makes quarterly additions to PP&E quite volatile by nature. Capital additions for the six months ended June 30, 2026 and 2025 include new program capital and incremental investments required in equipment related to customer-driven engineering changes on new program launches. The Company continues to make investments in the business including in various sales and margin growth projects and in new and replacement business in all its various product offerings, while continuing to apply a measured and prudent approach to capital investment.

SEGMENT ANALYSIS

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

Three months ended June 30, 2026 to three months ended June 30, 2025 comparison

	SALES		OPERATING INCOME (LOSS)*	
	Three months ended June 30, 2026	Three months ended June 30, 2025	Three months ended June 30, 2026	Three months ended June 30, 2025
North America	$ 944,774	$ 980,361	$ 78,579	$ 82,979
Europe	241,526	268,667	(7,541)	1,757
Rest of the World	27,951	31,818	(303)	1,368
Eliminations	(13,702)	(5,311)	-	-
Adjusted Operating Income			$ 70,735	$ 86,104
Adjustments*	-	-	(4,572)	(13,766)
Total	$ 1,200,549	$ 1,275,535	$ 66,163	$ 72,338

**Operating Income (Loss) for the operating segments has been adjusted for certain items as explained in Table A under "Adjustments to Net Income". Of the $4.6 million adjustment for the second quarter of 2026, $3.5 million was recognized in North America and $1.1 million in Europe. Of the $13.8 million adjustment for the second quarter of 2025, $2.1 million was recognized in North America and $11.7 million in Europe.*

North America

Adjusted Operating Income in North America decreased by $4.4 million to $78.6 million or 8.3% of sales for the second quarter of 2026 from $83.0 million or 8.5% of sales for the second quarter of 2025. The decrease in Adjusted Operating Income as a percentage of sales was generally due to the negative impact of lower year-over-year production sales on margins; and operational inefficiencies at certain operating facilities. These negative factors were partially offset by productivity and efficiency improvements at certain other operating facilities and other improvements; and higher year-over-year favourable commercial settlements.

Europe

Adjusted Operating Income (Loss) in Europe decreased by $9.3 million to a loss of $7.5 million or (3.1%) of sales for the second quarter of 2026 from an income of $1.8 million or 0.7% of sales for the second quarter of 2025 due to the negative impact of lower year-over-year production sales on margins, and lower year-over-year commercial settlements; partially offset by lower year-over-year indirect costs incurred in production.

Rest of the World

Adjusted Operating Income (Loss) in the Rest of the World decreased by $1.7 million to a loss of $0.3 million or (1.1%) of sales for the second quarter of 2026 from an income of $1.4 million or 4.3% of sales for the second quarter of 2025 due to the negative impact of lower year-over-year production sales on margins.

Six months ended June 30, 2026 to six months ended June 30, 2025 comparison

	SALES		OPERATING INCOME (LOSS)*	
	Six months ended June 30, 2026	Six months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
North America	$ 1,792,740	$ 1,865,421	$ 141,981	$ 144,643
Europe	493,794	524,005	(9,658)	20
Rest of the World	57,006	65,567	34	3,383
Eliminations	(17,562)	(11,227)	-	-
Adjusted Operating Income			$ 132,357	$ 148,046
Adjustments*	-	-	(10,768)	(30,603)
Total	$ 2,325,978	$ 2,443,766	$ 121,589	$ 117,443

**Operating Income (Loss) for the operating segments has been adjusted for certain items as explained in Table B under "Adjustments to Net Income". Of the $10.8 million adjustment for the six months ended June 30, 2026, $9.1 million was recognized in North America and $1.7 million in Europe. Of the $30.6 million adjustment for the six months ended June 30, 2025*, *$6.1* million was recognized in North America and *$24.5 million in Europe.*

North America

Adjusted Operating Income in North America decreased by $2.7 million to $142.0 million for the six months ended June 30, 2026 from $144.6 million for the six months ended June 30, 2025. Adjusted Operating Income as a percentage of sales increased to 7.9% for the six months ended June 30, 2026 from 7.8% for the six months ended June 30, 2025 due to higher year-over-year favourable commercial settlements; partially offset by the negative impact of lower year-over-year production sales on margins; and operational inefficiencies at certain operating facilities.

Europe

Adjusted Operating Income (Loss) in Europe decreased by $9.7 million to a loss of $9.7 million or (2.0%) for the six months ended June 30, 2026 from essentially breakeven results for the six months ended June 30, 2025, due to the negative impact of lower year-over-year production sales on margins, and lower commercial settlements; partially offset by lower year-over-year indirect costs incurred in production.

Rest of the World

Adjusted Operating Income in the Rest of the World decreased by $3.3 million to essentially breakeven for the six months ended June 30, 2026 from an income of $3.4 million or 5.2% of sales for the six months ended June 30, 2025, due to lower commercial settlements, and the negative impact of lower year-over-year production sales on margins.

SUMMARY OF QUARTERLY RESULTS
(unaudited)

	2026		2025				2024	
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Sales	$1,200,549	$1,125,429	$1,187,284	$1,190,801	$1,275,535	$1,168,231	$1,150,928	$1,237,493
Gross Margin	168,996	149,228	140,955	169,972	184,535	151,599	129,040	163,350
Operating Income (Loss)	66,163	55,426	12,546	62,485	72,338	45,105	(90,411)	65,879
Adjusted Operating Income	70,735	61,622	55,066	64,996	86,104	61,942	40,069	65,879
Net Income (Loss) for the period	43,126	27,854	15,658	35,762	38,091	17,474	(133,332)	14,157
Adjusted Net Income (Loss)	43,243	32,469	48,323	37,730	47,755	29,520	(15,596)	14,157
Basic and Diluted Net Earnings (Loss) per Share	0.61	0.39	0.22	0.49	0.52	0.24	(1.82)	0.19
Adjusted Basic and Diluted Net Earnings (Loss) per Share	0.61	0.45	0.67	0.52	0.66	0.41	(0.21)	0.19

LIQUIDITY AND CAPITAL RESOURCES

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.

On March 27, 2024, Martinrea entered into an accounts receivable program agreement to sell up to $100 million 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. As at June 30, 2026, $46.0 million (US $32.4 million) (December 31, 2025 - $33.6 million or US $24.5 million) of receivables were sold under the program, of which $9.7 million (US $6.8 million) (December 31, 2025 - $9.4 million or US $6.9 million) 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.

As at June 30, 2026, the Company had drawn US $241 million (December 31, 2025 - US $256 million) on the U.S. revolving credit line, $320 million (December 31, 2025 - $210 million) on the Canadian revolving credit line, and $200 million (December 31, 2025 - $250 million) on the Canadian non-amortizing term loan. As at June 30, 2026, the Company had total liquidity of $579 million, including cash and cash equivalents and availability under the Company's banking facility. In addition, the Company's credit facility includes a $300 million allowance for asset based financing that the Company can use for additional financing, of which approximately $247 million was available as at June 30, 2026. At June 30, 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 June 30, 2026.

The principal sources of liquidity available for the Company’s future cash requirements are expected to be cash flow from operations, cash and cash equivalents, borrowings from its revolving credit lines, and asset based financing. Management believes that the Company’s overall liquidity and operating cash flow will be sufficient to meet the Company’s anticipated cash requirements for capital expenditures, working capital, debt obligations and other commitments. This expectation is based on current business forecasts, available borrowing capacity under the Company's banking facilities, anticipated capital expenditure requirements, and continued compliance with applicable financial covenants. The Company’s ability to fund its anticipated cash requirements, and to comply with financial covenants under the Company’s banking facility, depend on the Company’s future operating performance and cash flows and many factors outside of its control, including the cost of material, energy and other input costs, the state of the overall automotive industry and financial and economic conditions, including the impact of supply chain disruptions, and other factors.

Debt leverage ratios:

Excluding the impact of IFRS 16:	**June 30, 2026**	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**
Long-term debt	$ 910,410	$ 948,317	$ 868,809	$ 911,056	$ 952,381
Less: Cash and cash equivalents	(109,586)	(129,626)	(174,144)	(142,987)	(160,030)
Net Debt	$ 800,824	$ 818,691	$ 694,665	$ 768,069	$ 792,351
Trailing 12-month Adjusted EBITDA	$ 490,371	$ 510,493	$ 515,055	$ 512,106	$ 526,652
Net Debt to Adjusted EBITDA ratio	1.63x	1.60x	1.35x	1.50x	1.50x

Including the impact of IFRS 16:	**June 30, 2026**	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**
Long-term debt	$ 910,410	$ 948,317	$ 868,809	$ 911,056	$ 952,381
Lease liabilities	237,933	243,929	251,156	241,624	225,382
	1,148,343	1,192,246	1,119,965	1,152,680	1,177,763
Less: Cash and cash equivalents	(109,586)	(129,626)	(174,144)	(142,987)	(160,030)
Net Debt	$ 1,038,757	$ 1,062,620	$ 945,821	$ 1,009,693	$ 1,017,733
Trailing 12-month Adjusted EBITDA	$ 561,334	$ 579,553	$ 582,744	$ 578,367	$ 592,096
Net Debt to Adjusted EBITDA ratio	1.85x	1.83x	1.62x	1.75x	1.72x

The following table provides a reconciliation of Trailing 12-month Adjusted EBITDA including the impact of IFRS 16 to Trailing 12-month Adjusted EBITDA excluding the impact of IFRS 16.

	June 30, 2026	**March 31, 2026**	**December 31, 2025**	**September 30, 2025**	**June 30, 2025**
Trailing 12-month Adjusted EBITDA - including the impact of IFRS 16	$ 561,334	$ 579,553	$ 582,744	$ 578,367	$ 592,096
Principal payments of lease liabilities	(59,972)	(58,110)	(56,889)	(55,665)	(54,706)
Interest on lease liabilities	(10,991)	(10,950)	(10,800)	(10,596)	(10,738)
Trailing 12-month Adjusted EBITDA - excluding the impact of IFRS 16	$ 490,371	$ 510,493	$ 515,055	$ 512,106	$ 526,652

The Company’s Net Debt (excluding the impact of IFRS 16) decreased by $17.9 million during the second quarter of 2026 to $800.8 million from $818.7 million at the end of the first quarter of 2026 due largely to positive Free Cash Flow (after IFRS 16 lease payments) generated during the quarter; partially offset by cash restructuring costs of $7.7 million, foreign exchange translation, and $3.5 million in dividends paid during the quarter. The Company's Net Debt to Adjusted EBITDA ratio (excluding the impact of IFRS 16) increased to 1.63x from 1.60x at the end of the first quarter of 2026, due largely to a decrease in trailing 12-month Adjusted EBITDA.

The Company was in compliance with its debt covenants as at June 30, 2026. The Company's debt covenants are based on leverage ratios excluding the impact of IFRS 16.

Dividends

In the second quarter of 2013, Martinrea's Board of Directors (the "Board") approved, for the first time, a dividend to be paid to all holders of Martinrea common shares. Annual dividends were $0.12 per share, paid in four quarterly payments of $0.03 per share. The first quarterly dividend payment of $0.03 per share was paid on July 11, 2013; with successive quarterly dividends paid thereafter.

In 2018, in view of the Company's financial performance, and its future outlook and cash needs at the time, the Board decided to increase the annual dividends by 50% to $0.18 per share, to be paid in four quarterly payments of $0.045 per share, commencing with the release of the first quarter results of 2018. The first such increased dividend was paid on July 15, 2018.

On March 5, 2020, in view of the Company's financial performance, and its future outlook and cash needs at that time, the Board decided to increase the annual dividends by another 11% to $0.20 per share, to be paid in four quarterly payments of $0.05 per share commencing at the beginning of 2020. The first such increased quarterly dividend was paid on April 14, 2020, and continues to this date. The Company maintained its dividend throughout the COVID-19 pandemic, semiconductor chip shortage, EV volume shortfalls, rapidly changing trade policies, including tariffs or threatened tariffs between the United States, Canada and Mexico, and other supply chain disruptions. The Board will continue to assess future dividend payment levels from time to time, in light of market conditions, the current supply chain situation, the Company's financial performance and anticipated needs at that time.

Cash flow

		Three months ended June 30, 2026		Three months ended June 30, 2025	$ Change	% Change
Cash provided by operations before changes in non-cash working capital items	$	150,230	$	155,080	(4,850)	(3.1%)
Change in non-cash working capital items		(11,692)		24,510	(36,202)	(147.7%)
		138,538		179,590	(41,052)	(22.9%)
Interest paid		(16,390)		(18,511)	2,121	11.5%
Income taxes paid		(2,136)		(28,580)	26,444	92.5%
Cash provided by operating activities		120,012		132,499	(12,487)	(9.4%)
Cash used in financing activities		(74,224)		(54,260)	(19,964)	(36.8%)
Cash used in investing activities		(67,183)		(63,887)	(3,296)	(5.2%)
Effect of foreign exchange rate changes on cash and cash equivalents		1,355		(2,870)	4,225	147.2%
Increase (decrease) in cash and cash equivalents	$	(20,040)	$	11,482	(31,522)	(274.5%)

Cash provided by operating activities during the second quarter of 2026 was $120.0 million, compared to $132.5 million in the corresponding period of 2025. The components for the second quarter of 2026 primarily include the following:

- cash provided by operations before changes in non-cash working capital items of $150.2 million;
- working capital use of cash $11.7 million comprised of an increase in trade and other receivables of $41.0 million, and an increase in inventories of $19.9 million; partially offset by an increase in trade, other payables and provisions of $49.1 million, and a decrease in prepaid expenses and deposits of $0.1 million;
- interest paid of $16.4 million; and
- income taxes paid of $2.1 million.

Cash used in financing activities during the second quarter of 2026 was $74.2 million, compared to $54.3 million in the corresponding period of 2025. The components for the second quarter of 2026 primarily include the following:

- a $44.8 million net decrease in long-term debt;
- principal payments of lease liabilities of $15.9 million;
- repurchase of common shares under the normal course issuer bid (as described in note 10 of the interim financial statements) of $10.0 million; and
- $3.5 million in dividends paid.

Cash used in investing activities during the second quarter of 2026 was $67.2 million, compared to $63.9 million in the corresponding period of 2025. The components for the second quarter of 2026 primarily include the following:

- cash additions to PP&E of $66.6 million; and
- capitalized development costs relating to upcoming new program launches of $1.2 million.

Taking into account the opening cash balance of $129.6 million at the beginning of the second quarter of 2026, and the activities described above, the cash and cash equivalents balance at June 30, 2026 was $109.6 million.

	Six months ended June 30, 2026	Six months ended June 30, 2025	$ Change	% Change
Cash provided by operations before changes in non-cash working capital items	$ 279,920	$ 273,586	6,334	2.3%
Change in non-cash working capital items	(100,119)	(21,590)	(78,529)	(363.7%)
	179,801	251,996	(72,195)	(28.6%)
Interest paid	(31,006)	(36,628)	5,622	15.3%
Income taxes paid	(31,865)	(54,453)	22,588	41.5%
Cash provided by operating activities	116,930	160,915	(43,985)	(27.3%)
Cash used in financing activities	(30,387)	(36,631)	6,244	17.0%
Cash used in investing activities	(111,220)	(128,800)	17,580	13.6%
Effect of foreign exchange rate changes on cash and cash equivalents	3,800	(3,405)	7,205	211.6%
Decrease in cash and cash equivalents	$ (20,877)	$ (7,921)	(12,956)	(163.6%)

Cash provided by operating activities during the six months ended June 30, 2026 was $116.9 million, compared to $160.9 million in the corresponding period of 2025. The components for the six months ended June 30, 2026 primarily include the following:

- cash provided by operations before changes in non-cash working capital items of $279.9 million;
- working capital use of cash of $100.1 million comprised of an increase in trade and other receivables of $149.6 million, an increase in inventories of $31.1 million, and an increase in prepaid expenses and deposits of $2.0 million; partially offset by and an increase in trade, other payables and provisions of $82.6 million;
- income taxes paid of $31.9 million; and
- interest paid of $31.0 million.

Cash used in financing activities during the six months ended June 30, 2026 was $30.4 million, compared to $36.6 million in the corresponding period of 2025. The components for the six months ended June 30, 2026 primarily include the following:

- principal payments of lease liabilities of $31.2 million;
- a $28.8 million net increase in long-term debt;
- repurchase of common shares under the normal course issuer bid (as described in note 10 of the interim financial statements) of $20.8 million; and
- $7.1 million in dividends paid.

Cash used in investing activities during the six months ended June 30, 2026 was $111.2 million, compared to $128.8 million in the corresponding period of 2025. The components for the six months ended June 30, 2026 primarily include the following:

- cash additions to PP&E of $110.0 million; and
- capitalized development costs relating to upcoming new program launches of $1.8 million.

Taking into account the opening cash balance of $130.5 million at the beginning of 2026 (as described in note 1d of the interim financial statements), and the activities described above, the cash and cash equivalents balance at June 30, 2026 was $109.6 million.

Free Cash Flow

	Three months ended June 30, 2026	Three months ended June 30, 2025	$ Change
Adjusted EBITDA	$ 147,167	$ 165,386	(18,219)
Add (deduct):			
Change in non-cash working capital items	(11,692)	24,510	(36,202)
Remove impact of restructuring provision	3,053	(7,143)	10,196
Purchase of property, plant and equipment (excluding capitalized interest)	(66,570)	(59,374)	(7,196)
Cash proceeds on disposal of property, plant and equipment	567	614	(47)
Capitalized development costs	(1,180)	(4,937)	3,757
Interest paid	(16,390)	(18,511)	2,121
Income taxes paid	(2,136)	(28,580)	26,444
Free Cash Flow	52,819	71,965	(19,146)
Principal payments of IFRS 16 lease liabilities	(15,895)	(14,033)	(1,862)
Free Cash Flow (after IFRS 16 lease payments)	$ 36,924	$ 57,932	(21,008)

Free cash flow for the second quarter of 2026 decreased year-over-year due largely to an increase in non-cash working capital, net of the change in the restructuring provision which is included in working capital, lower Adjusted EBITDA, and an increase in cash purchases of property, plant and equipment; partially offset by lower income taxes paid, a decrease in capitalized development costs, and lower interest paid on long-term debt.

Tooling-related working capital accounts, including inventory, trade and other receivables, and trade and other payables on a net basis, amounted to ($17.7) million as at June 30, 2026, a decrease from ($5.4) million as at March 31, 2026 and from $3.3 million as at June 30, 2025.

Reconciliation of IFRS “Cash provided by operating activities” to Non-IFRS “Free Cash Flow”, and "Free Cash Flow (after IFRS 16 lease payments)” for the three months ended June 30, 2026 and 2025:

		Three months ended June 30, 2026		Three months ended June 30, 2025
Cash provided by operating activities	$	120,012	$	132,499
Add (deduct):				
Purchase of property, plant and equipment (excluding capitalized interest)		(66,570)		(59,374)
Cash proceeds on disposal of property, plant and equipment		567		614
Capitalized development costs		(1,180)		(4,937)
Restructuring costs		4,572		13,766
Remove impact of restructuring provision		3,053		(7,143)
Unrealized gain on foreign exchange contracts		172		222
Deferred and restricted share units expense		(7,144)		(5,213)
Stock options expense		(100)		(177)
Pension and other post-employment benefits expense		(542)		(612)
Contributions made to pension and other post-retirement benefits		616		575
Net unrealized foreign exchange loss (gain) and other expense (income)		(637)		1,745
Free Cash Flow		52,819		71,965
Principal payments of IFRS 16 lease liabilities		(15,895)		(14,033)
Free Cash Flow (after IFRS 16 lease payments)	$	36,924	$	57,932

		Six months ended June 30, 2026		Six months ended June 30, 2025	$ Change
Adjusted EBITDA	$	284,897	$	306,307	(21,410)
Add (deduct):					
Change in non-cash working capital items		(100,119)		(21,590)	(78,529)
Remove impact of restructuring provision		6,878		(19,551)	26,429
Purchase of property, plant and equipment (excluding capitalized interest)		(110,017)		(121,604)	11,587
Cash proceeds on disposal of property, plant and equipment		650		650	-
Capitalized development costs		(1,805)		(6,597)	4,792
Interest paid		(31,006)		(36,628)	5,622
Income taxes paid		(31,865)		(54,453)	22,588
Free Cash Flow		17,613		46,534	(28,921)
Principal payments of IFRS 16 lease liabilities		(31,215)		(28,132)	(3,083)
Free Cash Flow (after IFRS 16 lease payments)	$	(13,602)	$	18,402	(32,004)

Free cash flow for the six months ended June 30, 2026 decreased year-over-year due largely to an increase in non-cash working capital, net of the change in the restructuring provision which is included in working capital, and lower Adjusted EBITDA; partially offset by lower income taxes paid, a decrease in cash purchases of property, plant and equipment, lower interest paid on long-term debt, and a decrease in capitalized development costs.

Reconciliation of IFRS “Cash provided by operating activities” to Non-IFRS “Free Cash Flow”, and "Free Cash Flow (after IFRS 16 lease payments)” for the six months ended June 30, 2026 and 2025:

	Six months ended June 30, 2026	Six months ended June 30, 2025
Cash provided by operating activities	$ 116,930	$ 160,915
Add (deduct):		
Purchase of property, plant and equipment (excluding capitalized interest)	(110,017)	(121,604)
Cash proceeds on disposal of property, plant and equipment	650	650
Capitalized development costs	(1,805)	(6,597)
Restructuring costs	10,768	30,603
Remove impact of restructuring provision	6,878	(19,551)
Unrealized gain on foreign exchange contracts	66	674
Deferred and restricted share units expense	(6,063)	(2,127)
Stock options expense	(200)	(354)
Pension and other post-employment benefits expense	(1,087)	(1,215)
Contributions made to pension and other post-retirement benefits	1,188	1,164
Net unrealized foreign exchange loss and other expense	305	3,976
Free Cash Flow	17,613	46,534
Principal payments of IFRS 16 lease liabilities	(31,215)	(28,132)
Free Cash Flow (after IFRS 16 lease payments)	$ (13,602)	$ 18,402

RISKS AND UNCERTAINTIES AND TRENDS

The reader is referred to the detailed discussion on "Automotive Industry Highlights and Trends" and "Risk Factors" as outlined in the AIF available through SEDAR+ at www.sedarplus.ca which are incorporated herein by reference. The disclosure in this MD&A and, in particular under “Recent Developments" supplements those risk factors described in the AIF.

RECENT DEVELOPMENTS

Trade restrictions or disputes

The global growth of the automotive industry has been aided by the free movement of goods, services, people and capital through bilateral and regional trade agreements, particularly in North America and Europe. The introduction of measures which impede free trade, including new or increased tariffs and other trade barriers, could have a material adverse effect on the Company’s operations and profitability, and the automotive industry. The imposition of tariffs and countervailing restrictions and/or retaliatory tariffs between the United States and Canada and Mexico, and with other countries, such as China, is a fluid and rapidly evolving situation. Current international trade disputes or trade wars could, among other things, reduce demand for and production of vehicles including impeding our ability to sell products to customers located in the United States, disrupt global supply chains including the Company’s ability to procure inputs and equipment for its operations, distort commodity pricing, impact the profitability of the Company or its suppliers and/or customers and their financial stability, impair the ability of automotive suppliers and vehicle manufacturers to make efficient long-term investment decisions, create volatility in relative foreign exchange rates, and contribute to stock market volatility or result in a shutdown of the automotive industry.

In addition, one of the most material risks stemming from trade disruptions is the potential shutdown of vehicle production, either at our own facilities or at OEM assembly plants. The automotive industry relies heavily on just-in-time delivery systems and tightly synchronized supply chains. Any delay or blockage in the movement of goods - whether due to tariffs, regulatory inspections, border slowdowns, or retaliatory trade actions - can result in halted production lines, missed delivery windows, and increased operating costs. A prolonged disruption could lead to cascading effects throughout the supply chain, including inventory shortages, contractual penalties, and strained relationships with OEM customers. Furthermore, some OEMs may relocate production to different OEM assembly plants because of tariffs, which may impact production at one or more of the Company's facilities.

The Company's products may also be subject to tariffs that do not apply to automotive suppliers based in other countries which could result in changes to our customer base and disrupt our usual sales process. Any disruption to current trade practices could have a material impact on the Company's ability to market its products and procure inputs for its operations.

Supply chain issues

The Company has seen a recovery in overall production volumes and improved production stability. However, ongoing supply chain disruptions could continue to negatively impact the global automotive supply chain and OEM light vehicle production, especially within the current tariff environment. Despite these improvements, some OEM customers are still taking measures to address these disruptions, such as unplanned shutdowns of production lines and plants, reductions in vehicle production plans, and changes to their product mix.

Late in the third quarter of 2025, a significant event occurred when a major U.S. aluminum supplier experienced a fire at its facility, which supplies a large portion of the aluminum sheet used in the automotive industry. This incident led to some production interruptions for several OEMs. Some of the Company's programs are affected by this supply chain disruption.

Addressing Tier 2 and 3 supply chain issues can sometimes lead to the incurrence of premium costs. As a result, OEM responses to these disruptions have caused several consequences for Tier 1 suppliers like Martinrea, including lower sales, production inefficiencies due to unexpected stops and restarts of production lines based on OEMs' production priorities, and premium costs to expedite shipments.

Geopolitical conflicts and energy price volatility

Ongoing geopolitical conflicts, including the conflict in the Middle East, have contributed to increased volatility in global energy markets, particularly oil and fuel prices. Escalations or further instability in the region could disrupt global energy supply routes, increase transportation and logistics costs, and contribute to broader inflationary pressures.

Elevated or volatile fuel and energy prices may adversely affect the Company's operations and financial results in several ways, including by increasing the cost of inbound materials and outbound logistics, raising utility and operating costs at manufacturing facilities, and impacting the cost structures of the Company's suppliers. While the Company seeks to mitigate certain cost increases through commercial arrangements with customers and operational efficiencies, there can be no assurance that such costs can be fully recovered or mitigated in a timely manner.

In addition, sustained increases in fuel and energy costs may impact consumer demand for certain vehicle categories and influence OEM production volumes, product mix decisions, and the timing of customer programs. Any resulting reduction in global light vehicle production, changes in platform demand, or delays in customer launches could adversely affect the Company's sales, margins, and operating results.

The situation remains fluid and unpredictable, and further developments related to geopolitical conflicts or energy market disruptions could have a material adverse effect on the Company, the automotive industry, or global economic conditions.

Any of these factors could have an adverse effect on the Company's business and operational results.

Significant industry trends, the Company's business strategy and all other major risks the Company faces are discussed further in "Description of the Business and Trends" and "Risk Factors" in the Company's AIF available through SEDAR+ at www.sedarplus.ca.

DISCLOSURE OF OUTSTANDING SHARE DATA

As at August 4, 2026, the Company had 69,974,759 common shares outstanding. The Company's common shares constitute its only class of voting securities. As at August 4, 2026, options to acquire 1,995,000 common shares were outstanding.

On May 23, 2025, the Company renewed the 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 $8.2 million resulting in a reduction to capital stock of $6.4 million and a decrease to retained earnings of $1.7 million. The shares were purchased and cancelled directly under the NCIB.

On May 25, 2026, the Company renewed its NCIB receiving approval from the TSX to acquire for cancellation up to an additional 6,874,272 common shares of the Company. The renewed bid commenced on May 27, 2026 and spans a 12-month period.

During the six months ended June 30, 2026, the Company purchased for cancellation an aggregate of 2,034,391 common shares for an aggregate purchase price of $21.2 million resulting in a reduction to capital stock of $16.8 million and a decrease to retained earnings of $4.4 million. The shares were purchased and cancelled directly under the NCIB.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET FINANCING

During the six months ended June 30, 2026, there has been no material change in the table of contractual obligations specified in the Company's MD&A for the fiscal year ended December 31, 2025.

Guarantees

The Company has negotiated tool financing facilities that provide direct financing for specific programs. The tool 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 tooling suppliers through this financing arrangement do not appear on the Company's 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 June 30, 2026, the amount of the off-balance sheet program financing was $5.8 million (December 31, 2025 - $9.8 million) 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 obligation 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 a tooling supplier default as remote. Moreover, if such an instance were to occur, the Company would obtain the tool inventory as collateral. The term of the guarantee will vary from program to program, but typically ranges up to twenty-four months.

Financial Instruments

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. It is the Company’s policy to not utilize financial instruments for trading or speculative purposes.

At June 30, 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: Amount of U.S. dollars	For U.S. dollars: Weighted average exchange rates	Maximum period in months
Buy Mexican Peso	$ 3,432	$ 17.4806	1
Sell Chinese Yuan	5,000	0.1481	1
Sell Brazilian Real	3,000	0.1939	1

The aggregate value of these forward contracts as at June 30, 2026 was a pre-tax gain of $0.1 million and was recorded in trade and other receivables (December 31, 2025 - pre-tax gain of $0.8 million recorded in trade and other receivables).

DISPOSAL OF A SUBSIDIARY

On February 5, 2026, the Company entered into an agreement to dispose 85% of its equity interest in one of its plants in China for CNY ¥5.5 million ($1.1 million). The transaction closed on June 1, 2026, resulting in the transfer of control of the entity to the third party purchaser.

Upon transfer of control, the Company derecognized the net assets of the entity and recognized a total gain on disposal of $1.9 million in the consolidated statements of operations. The gain includes $0.1 million that represents the difference between the aggregate fair value of the proceeds to be received and the carrying amount of the net assets disposed of as of the closing date. The residual gain represents the reclassification of cumulative foreign currency translation gains of $1.8 million from accumulated other comprehensive income to profit or loss upon closing of the transaction.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS OVER FINANCIAL REPORTING

There have been no changes in the Company's internal controls over financial reporting during the most recent interim period that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements

This MD&A and the documents incorporated by reference therein contains forward-looking statements within the meaning of applicable Canadian securities laws, including, but not limited to, statements related to the outlook and growth of the automotive industry, the future investments in leading edge technology, opportunities to increase sales, expand the customer base and growth of the Company and pursuit of and belief in its strategies, the impact and duration of supply chain issues, global trade and tariff issues, geopolitical conflicts and energy price volatility, and other statements under Recent Developments, including potential impact on the business, the Company's ability to be a consistent Free Cash Flow generator and its belief in the sufficiency of its liquidity of operating cash flow to meet its needs and other related statements, the execution of the Company's strategy. The words "continue", "expect", "anticipate", "estimate", "may", "will", "should", "views", "intend", "believe", "plan" and similar expressions are intended to identify forward-looking statements. Forward-looking statements are based on estimates and assumptions made by the Company in light of its experience and its perception of historical trends, current conditions and expected future developments, as well as other factors that the Company believes are appropriate in the circumstances, such as expected sales, customer production schedules and release, industry production estimates, current foreign exchange rates, timing of product launches, awarded business proceeding substantially in accordance with expectations, operational improvement during the period, and current Board approved budgets. Although customer supply arrangements generally do not provide minimum volume commitments and may be terminable under certain circumstances, management's planning and forecasting assumptions reflect the Company's historical experience that awarded business generally continues for the life of the applicable vehicle program. These assumptions form an important part of management's assessment of future production volumes, revenues and operating performance. In preparing forward-looking information, management also considers third-party industry production forecasts, expected vehicle production volumes in key markets, current sourcing levels, awarded business and the Company's expected operational performance. Many factors could cause the Company's actual results, performance or achievements to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, the following factors, which are discussed in greater detail in the Company's AIF and this MD&A for the year ended December 31, 2025 and other public filings which can be found at www.sedarplus.ca:

- North American and Global Economic and Political Conditions (including war) and Consumer Confidence
- Automotive Industry Risks
- Trade Restrictions or Disputes
- Changes in Laws and Governmental Regulations
- Dependence Upon Key Customers
- Pandemics and Epidemics, Force Majeure Events, Natural Disasters, Terrorist Activities, Political and Civil Unrest or War, and Other Outbreaks
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions (Material Availability or Disruption)
- Semiconductor Chip Shortages and Price Increases

- Inflationary Pressures
- Regional Energy Shortages
- Russia and Ukraine War and Middle East War
- Customer Consolidation and Cooperation
- Emergence of Potentially Disruptive EV OEMs
- Outsourcing and Insourcing Trends
- Competition
- Customer Pricing Pressures, Contractual Arrangements, Cost and Risk Absorption and Purchase Orders
- Potential Volatility of Share Prices
- Fluctuations in Operating Results
- Material and Commodity Prices and Volatility
- Scrap Steel/Aluminum Price Volatility
- Quote/Pricing Assumptions
- Launch Costs, Operational Costs and Issues and Cost Structure
- Potential Rationalization Costs, Turnaround Costs and Impairment Charges
- Return on Capital Investment
- Product Warranty, Repair/Replacement Costs, Recall, Product Liability and Liability Risk
- Product Development and Technological Change (Including Artificial Intelligence and Electrification)
- Cybersecurity Threats
- A Shift Away from Technologies in Which the Company is Investing
- Dependence Upon Key Personnel
- Limited Financial Resources/Uncertainty of Future Financing/Banking
- Acquisitions
- Joint Ventures
- Private or Public Equity Investments in Technology Companies
- Potential Tax Exposures
- Labour Relations Matters
- Sustainability (ESG) Regulation, Including Environmental Regulation and Climate Change and Human Rights and Supply Chain Issues
- Litigation and Regulatory Compliance and Investigations
- Anti-Trust and Competition Law Enforcement
- Risks of Conducting Business in Foreign Countries, Including China, Brazil, Mexico and Other Growing Markets
- Currency Risk
- Internal Controls Over Financial Reporting and Disclosure Controls and Procedures
- Loss of Use of Key Manufacturing Facilities
- Intellectual Property
- Availability of Consumer Credit or Cost of Borrowing
- Evolving Business Risk Profile
- Competition with Low-Cost Countries
- The Company’s Ability to Shift its Manufacturing Footprint to Take Advantage of Opportunities in Growing Markets
- Change in the Company’s Mix of Earnings Between Jurisdictions with Lower Tax Rates and Those with Higher Tax Rates
- Pension Plans and Other Post-Employment Benefits
- Dividends
- Lease Obligations

These factors should be considered carefully, and readers should not place undue reliance on the Company’s forward-looking statements. The Company has no intention and undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.