MARTINREA INTERNATIONAL INC.

REPORT TO SHAREHOLDERS

FOR THE SECOND QUARTER ENDING JUNE 30, 2026

SECOND QUARTER REPORT

June 30, 2026

MESSAGE TO SHAREHOLDERS

The Company's second quarter was good, reflecting nice sequential improvement from the first quarter. Our Company continues to improve, driving our One Martinrea culture. Our financial position remains very strong and our future is bright.

We thank you for your ongoing support as we work hard to build our company and your company.

(Signed) *"Rob Wildeboer"*

Rob Wildeboer
Executive Chairman

PRESS RELEASE

FOR IMMEDIATE RELEASE
August 4, 2026

MARTINREA INTERNATIONAL INC. REPORTS SECOND QUARTER RESULTS AND DECLARES DIVIDEND

Toronto, Ontario – Martinrea International Inc. (TSX : MRE), a diversified and global automotive supplier engaged in the design, development and manufacturing of highly engineered, value-added Lightweight Structures and Propulsion Systems, today announced the release of its financial results for the second quarter ended June 30, 2026, and declared a quarterly cash dividend of $0.05 per share.

SECOND-QUARTER HIGHLIGHTS

- Total sales of $1,200.5 million, production sales of $1,166.5 million.
- Diluted net earnings per share and Adjusted Net Earnings per Share(1) of $0.61.
- Adjusted EBITDA(1) of $147.2 million, 12.3% of total sales.
- Adjusted Operating Income Margin(1) of 5.9%.
- Free Cash Flow(1) (excluding principal payments of IFRS 16 lease liabilities) of $52.8 million.
- Net Debt-to-Adjusted EBITDA(1) ratio, excluding the impact of IFRS 16, ended the second quarter at 1.63x.
- New business awards worth approximately $110 million in annualized sales at mature volumes; new business awards over the last 12 months total approximately $440 million in annualized sales.
- Quarterly cash dividend of $0.05 per share declared.
- 2026 outlook reaffirmed.

OVERVIEW

Pat D'Eramo, Chief Executive Officer, stated: "We are pleased with our performance in the second quarter. We saw increases in sales, earnings, and volumes from the first quarter. Overall, we are on track to deliver on our 2026 outlook. As we look to the future, our medium-term priorities include: enhancing margins and Free Cash Flow(1), growing our core automotive business, expanding our non-automotive businesses, partnering in regions in our Rest of World segment to limit our risk, and ensuring our investments are successful. We anticipate above-market growth in our core auto parts business over the next few years, based on strong quoting activity and recent new business awards. Sales growth will be focused on our core North American market, while we will look to maintain in Europe, and limit exposure in markets that comprise our Rest of World segment. On that note, we reached an agreement during the quarter to sell an 85% interest in our Fluids plant in China, partnering with a local supplier. As we move forward, better volumes, continued operating improvements, and an evolution in our book of business to next-generation programs are expected to support higher margins and Free Cash Flow(1). Outside of auto, we continue to see growth in our industrial business, both with core customers, as well as new customers in new market verticals including defense, power generation, and transportation. Our TruNorth Kaizen consulting business recently won a

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[1] The Company prepares its financial statements in accordance with IFRS Accounting Standards ("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, included anywhere in this press release, 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 relevant IFRS financial measure, as applicable, and a reconciliation of certain non-IFRS financial measures to measures determined in accordance with IFRS are contained in the Company's Management Discussion and Analysis for the three months ended March 31, 2026 and in this press release.

$5 million contract with Raytheon to help improve throughput on key defense and aerospace products. We believe the relationships forged through TruNorth could ultimately lead to opportunities to participate in defense manufacturing programs."

Fred Di Tosto, President, stated: "I am pleased to announce that we have been awarded new business representing approximately $110 million in annualized sales at mature volumes, consisting of various structural components in our Lightweight Structures commercial group with Ford and Volkswagen/Scout; $40 million in our Propulsion Systems commercial group with Volvo, BMW/Rolls Royce and Volkswagen/Scout; $5 million in our Flexible Manufacturing Group with Isuzu and John Deere, and the $ 5million TruNorth Kaizen contract with Raytheon. New business awards over the last 12 months total $440 million in annualized sales."

He continued: "Our reputation for quality and on-time delivery is really good, and has helped us win a large amount of work. This is being recognized by our customers, as evidenced by more than 30 awards we won from customers and industry organizations in 2025 alone, in areas including quality, delivery, sustainability, workplace excellence, communications, and industry leadership. We have won awards from multiple customers including General Motors (most notably a GM Supplier of the Year award), Ford, Toyota, and others. Quoting activity remains robust, we continue to secure takeover work from financially troubled or underperforming suppliers, and we continue to see opportunities from OEMs localizing or onshoring production to North America."

Peter Cirulis, Chief Financial Officer, stated: "Our second quarter results reflected solid margin performance on a quarter over quarter basis, consistent with our full-year outlook. Sales (excluding tooling sales of $34.1 million) were $1,166.5 million, and Adjusted Operating Income(1) was $70.7 million. Adjusted Operating Income Margin(1) of 5.9% was down 90 basis points year over year, driven by higher aluminum costs owing to the situation in the Middle East, the end of production on the Ford Escape program at the end of last year, lower vehicle production volumes, primarily in Europe, and unfavourable foreign exchange on our Mexican cost base. Adjusted Operating Income Margin(1) improved by 40 basis points compared to the first quarter, despite higher aluminum cost, reflecting positive flow-through from higher vehicle production volumes and strong operating performance. Net Debt-to-Adjusted EBITDA(1) (excluding IFRS-16 lease liabilities) ended the quarter at 1.63x, consistent with the first quarter. As Pat noted, we are well-positioned to deliver on our 2026 outlook, which calls for total sales of $4.5 to $4.9 billion, Adjusted Operating Income Margin(1) of 5.5% to 6.0%, and Free Cash Flow(1) of $125 to $175 million."

Rob Wildeboer, Executive Chairman, stated: "We continue to execute well, both operationally and financially in the face of ongoing industry dynamics pertaining to trade, tariffs, electric vehicle volumes, and the Middle East conflict. We are doing well managing what's in our control. We take a balanced approach to capital allocation which includes investing in the business, maintaining a strong balance sheet, and returning capital to shareholders through dividends and share repurchases. We repurchased 919,000 shares under our normal course issuer bid during the second quarter for $10.0 million. Year to date, we repurchased over 2.5% of our outstanding shares. On behalf of the executive management team, we would like to thank our people for their hard work and commitment, as well as our shareholders and other stakeholders for their ongoing support."

RESULTS OF OPERATIONS

All amounts in this press release 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 Management Discussion and Analysis of Operating Results and Financial Position for the three and six months ended June 30, 2026 ("MD&A"), the Company's interim condensed consolidated financial statements for the three and six months ended June 30, 2026 (the "interim financial statements") and the Company's Annual Information Form for the year ended December 31, 2025 can be found on the Company's profile at www.sedarplus.ca.

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 press release.

		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 press release.

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 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
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.

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.

DIVIDEND

A cash dividend of $0.05 per share has been declared by the Board of Directors payable to shareholders of record on September 30, 2026, on or about October 15, 2026.

ABOUT MARTINREA

Martinrea International Inc. is a leader in the development and production of quality metal parts, assemblies and modules, fluid management systems, and complex aluminum products focused primarily on the automotive sector. Martinrea currently operates in 56 locations in Canada, the United States, Mexico, Brazil, Germany, Slovakia, Spain, China, South Africa, and Japan. Martinrea's vision is making lives better by being the best supplier we can be in the products we make and the services we provide. For more information on Martinrea, please visit www.martinrea.com. Follow Martinrea on X and Facebook.

CONFERENCE CALL DETAILS

A conference call to discuss the financial results will be held on Tuesday, August 4, 2026 at 5:30 p.m. Eastern Time. To participate, please dial 416-855-9085 (Toronto area) or 800-952-5114 (toll free Canada and US) and enter participant code 50078#. Please call 10 minutes prior to the start of the conference call.

The conference call will also be webcast live in listen-only mode and archived for twelve months. The webcast and accompanying presentation can be accessed at: https://www.martinrea.com/investor-relations/events-presentations/.

There will also be a rebroadcast of the call available by dialing 289-819-1325 or toll free 888-660-6264 (Conference ID – 50078#). The rebroadcast will be available until November 2, 2026.

If you have any teleconferencing questions, please call Ganesh Iyer at 416-749-0314.

FORWARD-LOOKING INFORMATION

Special Note Regarding Forward-Looking Statements

This Press Release and the documents incorporated by reference therein contains forward-looking statements within the meaning of applicable Canadian securities laws including those related to the Company's expectations as to, or its views or beliefs in or on, the impact of, or duration of, or factors affecting, or expected response to or growth of, improvements in, expansion of and/or guidance or outlook (including for 2026) as to future results, revenue, sales, margin, gross margin, earnings, and earnings per share, adjusted earnings per share, free cash flow, volumes, adjusted net earnings per share, operating income margins, operating margins, adjusted operating income margins, leverage ratios, net debt to adjusted EBITDA[(1)], debt repayment, Adjusted EBITDA[(1)], capex levels, working capital levels, cash tax levels, progress on commercial negotiations, the growth of the Company and pursuit of, and belief in, its strategies, the strength, recovery and growth of the automotive industry and continuing challenges, the use of the NCIB, the impact and uncertainty of tariffs and trade issues in the Company's business and its industry, the benefit of the TruNorth business as well as other forward-looking statements. 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. Certain industry, market and production data may be contained in this presentation and if so 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. 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, some of which are discussed in detail in the Company's AIF and MD&A for the year ended December 31, 2025 and other public filings which can be found on the Company's profile 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
- Russia and Ukraine War and Middle East Tensions
- Inflationary Pressures
- Regional Energy Shortages
- Customer Consolidation and Cooperation
- Emergence of Potentially Disruptive EV OEMs
- Outsourcing and Insourcing Trends
- Financial Viability of Suppliers and Key Suppliers and Supply Disruptions (Material Availability or Disruption)
- Semiconductor Chip Shortages and Price Increases
- 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
- Product Warranty, Repair/Replacement Costs, Recall, Product Liability and Liability Risk
- Product Development and Technological Change (Including Artificial Intelligence and Electrification)
- A Shift Away from Technologies in Which the Company is Investing
- Dependence Upon Key Personnel
- Limited Financial Resources/Uncertainty of Future Financing/Banking
- Cybersecurity Threats
- 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

- 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.

The common shares of Martinrea trade on The Toronto Stock Exchange under the symbol "MRE".

For further information, please contact:

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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

	For U.S. dollars		
Currency - Buy/Sell	**Amount of 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.

MARTINREA INTERNATIONAL INC.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2026

Martinrea International Inc.
Table of Contents

Martinrea International Inc.

Interim Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	Note		June 30, 2026		December 31, 2025
ASSETS					
Cash and cash equivalents		$	109,586	$	174,144
Trade and other receivables	2		811,523		591,586
Inventories	3		517,242		474,224
Prepaid expenses and deposits			43,583		40,707
Income taxes recoverable			49,666		42,205
TOTAL CURRENT ASSETS			1,531,600		1,322,866
Property, plant and equipment	4		1,878,150		1,847,262
Right-of-use assets	5		220,469		229,084
Deferred tax assets			241,944		211,405
Intangible assets			35,105		36,650
Investments			70,577		71,975
Pension assets			18,859		18,537
TOTAL NON-CURRENT ASSETS			2,465,104		2,414,913
TOTAL ASSETS		$	3,996,704	$	3,737,779
LIABILITIES					
Trade and other payables		$	1,131,415	$	1,010,928
Provisions	6		13,458		20,110
Income taxes payable			30,488		9,873
Current portion of long-term debt	7		9,912		13,424
Current portion of lease liabilities	8		60,561		59,237
TOTAL CURRENT LIABILITIES			1,245,834		1,113,572
Long-term debt	7		900,498		855,385
Lease liabilities	8		177,372		191,919
Pension and other post-retirement benefits			38,091		37,874
Deferred tax liabilities			25,928		26,543
TOTAL NON-CURRENT LIABILITIES			1,141,889		1,111,721
TOTAL LIABILITIES			2,387,723		2,225,293
EQUITY					
Capital stock	10		577,953		594,756
Contributed surplus			46,960		46,760
Accumulated other comprehensive income			221,808		168,628
Retained earnings			762,260		702,342
TOTAL EQUITY			1,608,981		1,512,486
TOTAL LIABILITIES AND EQUITY		$	3,996,704	$	3,737,779

Contingencies (note 15)

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 June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
SALES		$ 1,200,549	$ 1,275,535	$ 2,325,978	$ 2,443,766
Cost of sales (excluding depreciation of property, plant and equipment and right-of-use assets)		(961,178)	(1,017,671)	(1,867,643)	(1,960,940)
Depreciation of property, plant and equipment and right-of-use assets (production)		(70,375)	(73,329)	(140,111)	(146,692)
Total cost of sales		(1,031,553)	(1,091,000)	(2,007,754)	(2,107,632)
GROSS MARGIN		168,996	184,535	318,224	336,134
Research and development costs		(11,669)	(11,401)	(22,890)	(21,962)
Selling, general and administrative		(82,698)	(83,091)	(154,905)	(158,366)
Depreciation of property, plant and equipment and right-of-use assets (non-production)		(3,978)	(3,853)	(8,130)	(7,625)
Gain (loss) on disposal of property, plant and equipment		84	(86)	58	(135)
Restructuring costs	6	(4,572)	(13,766)	(10,768)	(30,603)
OPERATING INCOME		66,163	72,338	121,589	117,443
Share of loss of equity investments		(726)	(538)	(1,712)	(1,335)
Gain on disposal of foreign operation	17	1,898	-	1,898	-
Finance expense	12	(14,283)	(16,760)	(28,094)	(33,448)
Other finance income (expense)	12	637	(1,745)	(305)	(3,976)
INCOME BEFORE INCOME TAXES		53,689	53,295	93,376	78,684
Income tax expense	9	(10,563)	(15,204)	(22,396)	(23,119)
NET INCOME FOR THE PERIOD		$ 43,126	$ 38,091	$ 70,980	$ 55,565
Basic earnings per share	11	$ 0.61	$ 0.52	$ 1.00	$ 0.76
Diluted earnings per share	11	$ 0.61	$ 0.52	$ 1.00	$ 0.76

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)

	Note	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
NET INCOME FOR THE PERIOD		$ 43,126	$ 38,091	$ 70,980	$ 55,565
Other comprehensive income (loss), net of tax:					
Items that are or may be reclassified to net income					
Foreign currency translation differences for foreign operations		34,625	(43,989)	54,981	(43,494)
Reclassification of foreign currency translation difference on disposal of foreign operation	17	(1,843)	-	(1,843)	-
Items that will not be reclassified to net income					
Share of other comprehensive income (loss) of equity investments		(68)	37	42	(111)
Remeasurement of defined benefit plans		769	285	400	906
Other comprehensive income (loss), net of tax		33,483	(43,667)	53,580	(42,699)
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE PERIOD		$ 76,609	$ (5,576)	$ 124,560	$ 12,866

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	-	-	-	55,565	55,565
Compensation expense related to stock options	-	354	-	-	354
Dividends ($0.10 per share)	-	-	-	(7,279)	(7,279)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	906	906
Foreign currency translation differences	-	-	(43,494)	-	(43,494)
Share of other comprehensive loss of equity investments	-	-	(111)	-	(111)
BALANCE AT JUNE 30, 2025	601,188	46,406	167,216	658,153	1,472,963
Net income for the period	-	-	-	51,420	51,420
Compensation expense related to stock options	-	354	-	-	354
Dividends ($0.10 per share)	-	-	-	(7,240)	(7,240)
Repurchase of common shares (note 10)	(6,432)	-	-	(1,736)	(8,168)
<u>Other comprehensive income net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	1,745	1,745
Foreign currency translation differences	-	-	1,337	-	1,337
Share of other comprehensive income of equity investments	-	-	75	-	75
BALANCE AT DECEMBER 31, 2025	594,756	46,760	168,628	702,342	1,512,486
Net income for the period	-	-	-	70,980	70,980
Compensation expense related to stock options	-	200	-	-	200
Dividends ($0.10 per share)	-	-	-	(7,046)	(7,046)
Repurchase of common shares (note 10)	(16,803)	-	-	(4,416)	(21,219)
<u>Other comprehensive income net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	400	400
Foreign currency translation differences	-	-	53,138	-	53,138
Share of other comprehensive income of equity investments	-	-	42	-	42
BALANCE AT JUNE 30, 2026	$ 577,953	$ 46,960	$ 221,808	$ 762,260	$ 1,608,981

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 June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
CASH PROVIDED BY (USED IN):					
OPERATING ACTIVITIES:					
Net income for the period		$ 43,126	$ 38,091	$ 70,980	$ 55,565
Adjustments for:					
Depreciation of property, plant and equipment and right-of-use assets		74,353	77,182	148,241	154,317
Amortization of development costs		2,163	2,014	4,357	3,809
Unrealized gain on foreign exchange forward contracts		(172)	(222)	(66)	(674)
Finance expense	12	14,283	16,760	28,094	33,448
Income tax expense	9	10,563	15,204	22,396	23,119
Loss (gain) on disposal of property, plant and equipment		(84)	86	(58)	135
Gain on disposal of foreign operation	17	(1,898)	-	(1,898)	-
Deferred and restricted share units expense	10	7,144	5,213	6,063	2,127
Stock options expense	10	100	177	200	354
Share of loss of equity investments		726	538	1,712	1,335
Pension and other post-retirement benefits expense		542	612	1,087	1,215
Contributions made to pension and other post-retirement benefits		(616)	(575)	(1,188)	(1,164)
		150,230	155,080	279,920	273,586
Changes in non-cash working capital items:					
Trade and other receivables		(41,034)	(50,757)	(149,625)	(166,439)
Inventories		(19,864)	36,812	(31,110)	24,722
Prepaid expenses and deposits		63	(6,525)	(1,992)	(2,686)
Trade, other payables and provisions		49,143	44,980	82,608	122,813
		138,538	179,590	179,801	251,996
Interest paid		(16,390)	(18,511)	(31,006)	(36,628)
Income taxes paid		(2,136)	(28,580)	(31,865)	(54,453)
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 120,012	$ 132,499	$ 116,930	$ 160,915
FINANCING ACTIVITIES:					
Increase (decrease) in banking facility (net of deferred financing fees)		(41,472)	(31,886)	36,090	6,628
Equipment loan repayments		(3,301)	(4,701)	(7,312)	(7,848)
Principal payments of lease liabilities		(15,895)	(14,033)	(31,215)	(28,132)
Dividends paid		(3,547)	(3,640)	(7,147)	(7,279)
Repurchase of common shares		(10,009)	-	(20,803)	-
NET CASH USED IN FINANCING ACTIVITIES		$ (74,224)	$ (54,260)	$ (30,387)	$ (36,631)
INVESTING ACTIVITIES:					
Purchase of property, plant and equipment (excluding capitalized interest)*		(66,570)	(59,374)	(110,017)	(121,604)
Capitalized development costs		(1,180)	(4,937)	(1,805)	(6,597)
Net increase in investments		-	(190)	(48)	(1,249)
Proceeds on disposal of property, plant and equipment		567	614	650	650
NET CASH USED IN INVESTING ACTIVITIES		$ (67,183)	$ (63,887)	$ (111,220)	$ (128,800)
Effect of foreign exchange rate changes on cash and cash equivalents		1,355	(2,870)	3,800	(3,405)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		(20,040)	11,482	(20,877)	(7,921)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1(d)	129,626	148,548	130,463	167,951
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 109,586	$ 160,030	$ 109,586	$ 160,030

*As at June 30, 2026, $39,367 (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. (“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 to cash and cash equivalents from $174,144 as at December 31, 2025 to $130,463 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.

(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

		June 30, 2026		December 31, 2025
Trade receivables	$	722,027	$	517,124
Other receivables		89,430		73,623
Foreign exchange forward contracts not accounted for as hedges (note 14(d))		66		839
	$	811,523	$	591,586

The Company's exposures to credit and currency risks, and impairment losses related to trade and other receivables, are disclosed in note 14.

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 June 30, 2026, $46,041 (US $32,435) (December 31, 2025 - $33,561 or US $24,547) of receivables were sold under the program, of which $9,669 (US $6,811) (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

		June 30, 2026		December 31, 2025
Raw materials	$	245,385	$	236,431
Work in progress		72,285		69,755
Finished goods		50,847		51,397
Tooling work in progress		148,725		116,641
	$	517,242	$	474,224

4. PROPERTY, PLANT AND EQUIPMENT

	June 30, 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	$	284,410	$	(69,633)	$	214,777	$	273,284	$	(65,748)	$	207,536
Leasehold improvements		103,154		(75,449)		27,705		100,267		(73,633)		26,634
Manufacturing equipment		3,749,880		(2,389,624)		1,360,256		3,598,280		(2,242,288)		1,355,992
Tooling and fixtures		41,908		(34,080)		7,828		39,112		(32,488)		6,624
Other assets		109,158		(74,540)		34,618		109,904		(78,193)		31,711
Construction in progress		232,966		-		232,966		218,765		-		218,765
	$	4,521,476	$	(2,643,326)	$	1,878,150	$	4,339,612	$	(2,492,350)	$	1,847,262

(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	-	-	476	7	291	100,844	101,618
Disposals	(44)	(30)	(404)	-	(45)	(13)	(536)
Disposal of foreign operation	-	-	(18)	-	-	-	(18)
Depreciation	(3,738)	(2,610)	(109,715)	(1,032)	(4,234)	-	(121,329)
Transfers from construction in progress	3,876	3,123	77,250	1,948	6,216	(92,413)	-
Foreign currency translation adjustment	7,147	588	36,675	281	679	5,783	51,153
Net as of June 30, 2026	$ 214,777	$ 27,705	$ 1,360,256	$ 7,828	$ 34,618	$ 232,966	$ 1,878,150

5. RIGHT-OF-USE ASSETS

	June 30, 2026			December 31, 2025		
	Cost	Accumulated amortization and impairment losses	Net book value	Cost	Accumulated amortization and impairment losses	Net book value
Leased buildings	$ 409,801	$ (239,067)	$ 170,734	$ 393,282	$ (215,786)	$ 177,496
Leased manufacturing equipment	135,982	(87,729)	48,253	131,138	(81,078)	50,060
Leased other assets	6,521	(5,039)	1,482	6,185	(4,657)	1,528
	$ 552,304	$ (331,835)	$ 220,469	$ 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	1,773	4,761	293	6,827
Lease modifications	6,444	1,151	17	7,612
Depreciation	(18,746)	(7,788)	(378)	(26,912)
Lease terminations	-	(729)	-	(729)
Foreign currency translation adjustment	3,767	798	22	4,587
Net as of June 30, 2026	$ 170,734	$ 48,253	$ 1,482	$ 220,469

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

6. 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	10,768	484	11,252
Amounts used during the period	(17,712)	(423)	(18,135)
Foreign currency translation adjustment	66	165	231
Net as of June 30, 2026	$ 10,494	$ 2,964	$ 13,458

Additions to the restructuring provision during the six months ended June 30, 2026 totalled $10,768 and represent employee-related severance resulting from the rightsizing of certain operations in North America ($9,103), and Europe ($1,665).

7. 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 14.

	June 30, 2026	December 31, 2025
Banking facility	$ 857,906	$ 808,535
Equipment loans	52,504	60,274
	910,410	868,809
Current portion	(9,912)	(13,424)
Non-current portion	$ 900,498	$ 855,385

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

	Currency	Nominal interest rate	Year of maturity	June 30, 2026 Carrying amount	December 31, 2025 Carrying amount
Banking facility	USD	SOFR + 1.70%	2030	$ 342,097	$ 350,011
	CAD	CORRA + 1.70%	2030	315,809	208,524
	CAD	CORRA + 1.95%	2030	200,000	250,000
Equipment loans	CAD	4.79%	2030	27,018	30,268
	USD	4.61%	2030	22,360	22,829
	CAD	2.54%	2026	1,327	3,955
	EUR	3.72%	2035	885	881
	EUR	2.41%	2036	485	483
	EUR	0.00%	2028	429	640
	EUR	2.46%	2026	-	964
	EUR	1.40%	2026	-	254
				$ 910,410	$ 868,809

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;

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

- 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 June 30, 2026, the Company had drawn US $241,000 (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 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.

Deferred financing fees of $4,191 (December 31, 2025 - $1,476) have been netted against the carrying amount of the long-term debt.

Future annual minimum principal repayments as at June 30, 2026 are as follows:

	Scheduled principal repayments	Scheduled amortization of deferred financing fees	Carrying amount of outstanding loans
Within one year	$ 11,055	$ (1,143)	$ 9,912
One to two years	10,189	(1,143)	9,046
Two to three years	10,754	(1,143)	9,611
Three to four years	871,460	(762)	870,698
Thereafter	11,143	-	11,143
	$ 914,601	$ (4,191)	$ 910,410

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	39,477
Equipment loan repayments	(7,312)
Deferred financing fee additions	(3,387)
Amortization of deferred financing fees	672
Foreign currency translation adjustment	12,151
Net as of June 30, 2026	$ 910,410

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

8. 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		6,827
Lease modifications		7,612
Principal payments of lease liabilities		(31,215)
Lease terminations		(674)
Disposal of foreign operation		(979)
Foreign currency translation adjustment		5,206
Net as of June 30, 2026	$	237,933

The maturity of contractual undiscounted lease liabilities as at June 30, 2026 is as follows:

		Total
Within one year	$	70,411
One to two years		57,436
Two to three years		39,941
Three to four years		30,430
Thereafter		72,506
Total undiscounted lease liabilities at June 30, 2026	$	270,724
Interest on lease liabilities		(32,791)
Total present value of minimum lease payments	$	237,933
Current portion		(60,561)
Non-current portion	$	177,372

9. INCOME TAXES

The components of income tax expense are as follows:

		Three months ended June 30, 2026		Three months ended June 30, 2025		Six months ended June 30, 2026		Six months ended June 30, 2025
Current income tax expense	$	(27,640)	$	(26,526)	$	(48,250)	$	(39,192)
Deferred income tax recovery		17,077		11,322		25,854		16,073
Total income tax expense	$	(10,563)	$	(15,204)	$	(22,396)	$	(23,119)

10. CAPITAL STOCK

Common shares outstanding:	Number		Amount
Balance as of December 31, 2024 and June 30, 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	(2,034,391)		(16,803)
Balance as of June 30, 2026	69,974,759	$	577,953

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

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

Repurchase of capital stock:

On May 23, 2025, the Company renewed its normal course issue bid ("NCIB") receiving approval from the Toronto Stock Exchange ("TSX") 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.

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 $21,219 resulting in a reduction to capital stock of $16,803 and a decrease to retained earnings of $4,416. 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:

	Six months ended June 30, 2026		Six months ended June 30, 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
Expired during the period	-	-	(75,000)	13.87
Balance, end of period	1,995,000	$ 13.02	1,995,000	$ 13.02
Options exercisable, end of period	1,585,000	$ 13.75	1,480,000	$ 14.01

The following is a summary of the issued and outstanding common share purchase options as at June 30, 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 and six months ended June 30, 2026, the Company expensed $100 (2025 - $177) and $200 (2025 - $354), respectively, 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 June 30, 2026 and 2025:

	Six months ended June 30, 2026	Six months ended June 30, 2025
Outstanding, beginning of period	1,379,231	1,056,743
Grants and reinvested dividends	165,630	151,030
Redeemed	(65,522)	-
Outstanding, end of period	1,479,339	1,207,773

The DSUs granted during the six months ended June 30, 2026 and 2025 had a weighted average fair value per unit of $9.92 and $7.21, respectively, on the date of grant. For the three and six months ended June 30, 2026, DSU compensation expense reflected in the interim condensed consolidated statement of operations, including changes in fair value during the period, amounted to $1,762 (2025 - $1,804) and $1,194 (2025 - $146), respectively, recorded in selling, general and administrative expense.

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

Unrecognized DSU compensation expense as at June 30, 2026 was $1,736 (June 30, 2025 - $1,055 and December 31, 2025 - $1,544) and will be recognized in profit or loss over the remaining vesting period.

Performance Restricted Share Unit ("PSU" and "RSU") Plan

The following is a summary of the issued and outstanding RSUs and PSUs for the six months ended June 30, 2026 and 2025:

	RSUs	PSUs	Total
Outstanding, December 31, 2024	930,776	756,194	1,686,970
Grants and reinvested dividends	245,263	190,194	435,457
Redeemed	-	-	-
Cancelled	(8,394)	(21,821)	(30,215)
Outstanding, June 30, 2025	1,167,645	924,567	2,092,212
Grants and reinvested dividends	401,275	322,577	723,852
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	220,295	146,467	366,762
Redeemed	-	-	-
Cancelled	-	-	-
Outstanding, June 30, 2026	1,340,630	1,039,207	2,379,837

The RSUs and PSUs granted during the six months ended June 30, 2026 and 2025 had a weighted average fair value per unit of $9.91 and $7.38, respectively, on the date of grant. For the three and six months ended June 30, 2026, RSU and PSU compensation expense reflected in the interim condensed consolidated statement of operations, including changes in fair value during the period, amounted to $5,382 (2025 - $3,409) and $4,869 (2025 - $1,981), respectively, recorded in selling, general and administrative expense.

Unrecognized RSU and PSU compensation expense as at June 30, 2026 was $5,835 (June 30, 2025 - $4,559 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 six months ended June 30, 2026 and 2025 are shown in the table below:

	Six months ended June 30, 2026	Six months ended June 30, 2025
Expected life (years)	2.64	2.61
Risk free interest rate	2.82%	2.51%

11. EARNINGS PER SHARE

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

	Three months ended June 30, 2026		Three months ended June 30, 2025	
	Weighted average number of shares	Per common share amount	Weighted average number of shares	Per common share amount
Basic	70,462,543	$ 0.61	72,787,848	$ 0.52
Effect of dilutive securities:				
Stock options	1,849	-	-	-
Diluted	70,464,392	$ 0.61	72,787,848	$ 0.52

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

	Six months ended June 30, 2026		Six months ended June 30, 2025	
	Weighted average number of shares	**Per common share amount**	**Weighted average number of shares**	**Per common share amount**
Basic	71,119,967	$ 1.00	72,787,848	$ 0.76
Effect of dilutive securities:				
Stock options	-	-	-	-
Diluted	71,119,967	$ 1.00	72,787,848	$ 0.76

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 and six months ended June 30, 2026, 1,495,000 (2025 - 1,995,000) and 1,995,000 (2025 - 1,995,000) options, respectively, were excluded from the diluted weighted average per share calculation as they were anti-dilutive.

12. FINANCE EXPENSE AND OTHER FINANCE INCOME (EXPENSE)

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Debt interest, gross	$ (13,227)	$ (15,964)	$ (25,998)	$ (32,108)
Interest on lease liabilities	(2,790)	(2,749)	(5,545)	(5,354)
Capitalized interest - at an average rate of 4.8%, 4.8% (2025 - 5.6%, 5.7%)	1,734	1,953	3,449	4,014
Finance expense	$ (14,283)	$ (16,760)	$ (28,094)	$ (33,448)

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
Net foreign exchange gain (loss)	$ 816	$ (1,735)	$ 224	$ (3,852)
Other expense, net	(179)	(10)	(529)	(124)
Other finance income (expense)	$ 637	$ (1,745)	$ (305)	$ (3,976)

13. 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.

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

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

	Three months ended June 30, 2026			
	Production Sales	**Tooling Sales**	**Total Sales**	**Operating Income (Loss)**
North America				
Canada	$ 128,760	$ 53,401	$ 182,161	
USA	330,423	4,299	334,722	
Mexico	487,431	4,731	492,162	
Eliminations	(40,462)	(23,809)	(64,271)	
	$ 906,152	$ 38,622	$ 944,774	$ 75,035
Europe				
Germany	162,795	5,201	167,996	
Spain	53,820	391	54,211	
Slovakia	19,375	26	19,401	
Eliminations	-	(82)	(82)	
	$ 235,990	$ 5,536	$ 241,526	$ (8,569)
Rest of the World	27,708	243	27,951	(303)
Eliminations	(3,363)	(10,339)	(13,702)	-
	$ 1,166,487	$ 34,062	$ 1,200,549	$ 66,163

Included in the Operating Income (Loss) for the three months ended June 30, 2026 is total depreciation and amortization expense of $76,516. Of this amount, $61,003 was recognized in North America, $13,802 in Europe, and $1,711 in the Rest of the World operating segment.

	Three months ended June 30, 2025			
	Production Sales	**Tooling Sales**	**Total Sales**	**Operating Income (Loss)**
North America				
Canada	$ 115,558	$ 27,288	$ 142,846	
USA	347,402	10,855	358,257	
Mexico	496,543	36,675	533,218	
Eliminations	(41,943)	(12,017)	(53,960)	
	$ 917,560	$ 62,801	$ 980,361	$ 80,864
Europe				
Germany	184,409	7,131	191,540	
Spain	54,605	4,804	59,409	
Slovakia	17,552	173	17,725	
Eliminations	(7)	-	(7)	
	$ 256,559	$ 12,108	$ 268,667	$ (9,894)
Rest of the World	30,091	1,727	31,818	1,368
Eliminations	(4,977)	(334)	(5,311)	-
	$ 1,199,233	$ 76,302	$ 1,275,535	$ 72,338

Included in the Operating Income (Loss) for the three months ended June 30, 2025 is total depreciation and amortization expense of $79,196. Of this amount, $62,594 was recognized in North America, $14,669 in Europe, and $1,933 in the Rest of the World operating segment.

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

	Six months ended June 30, 2026			
	Production Sales	Tooling Sales	Total Sales	Operating Income (Loss)
North America				
Canada	$ 233,605	$ 69,635	$ 303,240	
USA	636,482	5,074	641,556	
Mexico	924,877	38,893	963,770	
Eliminations	(78,476)	(37,350)	(115,826)	
	$ 1,716,488	$ 76,252	$ 1,792,740	$ 132,878
Europe				
Germany	334,892	7,789	342,681	
Spain	110,298	3,290	113,588	
Slovakia	37,570	63	37,633	
Eliminations	-	(108)	(108)	
	$ 482,760	$ 11,034	$ 493,794	$ (11,323)
Rest of the World	56,561	445	57,006	34
Eliminations	(7,085)	(10,477)	(17,562)	-
	$ 2,248,724	$ 77,254	$ 2,325,978	$ 121,589

Included in the Operating Income (Loss) for the six months ended June 30, 2026 is total depreciation and amortization expense of $152,598. Of this amount, $122,056 was recognized in North America, $27,152 in Europe, and $3,390 in the Rest of the World operating segment.

	Six months ended June 30, 2025			
	Production Sales	Tooling Sales	Total Sales	Operating Income (Loss)
North America				
Canada	$ 237,120	$ 37,136	$ 274,256	
USA	671,678	13,862	685,540	
Mexico	948,750	61,362	1,010,112	
Eliminations	(83,723)	(20,764)	(104,487)	
	$ 1,773,825	$ 91,596	$ 1,865,421	$ 138,527
Europe				
Germany	366,788	12,762	379,550	
Spain	103,935	8,207	112,142	
Slovakia	31,876	444	32,320	
Eliminations	(7)	-	(7)	
	$ 502,592	$ 21,413	$ 524,005	$ (24,467)
Rest of the World	58,451	7,116	65,567	3,383
Eliminations	(9,974)	(1,253)	(11,227)	-
	$ 2,324,894	$ 118,872	$ 2,443,766	$ 117,443

Included in the Operating Income (Loss) for the six months ended June 30, 2025 is total depreciation and amortization expense of $158,126. Of this amount, $125,523 was recognized in North America, $28,602 in Europe, and $4,001 in the Rest of the World operating segment.

14. 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:

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

- 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:

	June 30, 2026			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 109,586	$ 109,586	$ -	$ -
Investments	18,121	-	-	18,121
Foreign exchange forward contracts not accounted for as hedges (note 2)	66	-	66	-

	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	-

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:

June 30, 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	$ -	$ -	$ 811,457	$ -	$ 811,457	$ 811,457
Investments	-	17,121	-	1,000	18,121	18,121
Foreign exchange forward contracts not accounted for as hedges	66	-	-	-	66	66
	$ 66	$ 17,121	$ 811,457	$ 1,000	$ 829,644	$ 829,644
FINANCIAL LIABILITIES:						
Trade and other payables	-	-	-	(1,131,415)	(1,131,415)	(1,131,415)
Long-term debt	-	-	-	(910,410)	(910,410)	(910,410)
	$ -	$ -	$ -	$ (2,041,825)	$ (2,041,825)	$ (2,041,825)
Net financial assets (liabilities)	$ 66	$ 17,121	$ 811,457	$ (2,040,825)	$ (1,212,181)	$ (1,212,181)

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)

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

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.

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 30.0%, 16.2%, and 10.1% of its production sales for the six months ended June 30, 2026 (2025 - 30.3%, 21.3%, and 8.3%). 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 June 30, 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:

	June 30, 2026	December 31, 2025
0-60 days	$ 709,895	$ 508,403
61-90 days	3,583	4,107
Greater than 90 days	8,549	4,614
	$ 722,027	$ 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 June 30, 2026, the Company had cash of $109,586 (December 31, 2025 - $174,144) and banking facilities available as discussed in note 7. 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 7.

(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.

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

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

	Carrying amount	
	June 30, 2026	**December 31, 2025**
Variable rate instruments	$ 857,906	$ 808,535
Fixed rate instruments	52,504	60,274
	$ 910,410	$ 868,809

Sensitivity analysis

An increase of 1.0% in all variable interest rate debt would, all else being equal, have an effect of $2,264 (2025 - $2,411) on the Company's interim condensed consolidated financial results for the three months ended June 30, 2026 and $4,455 (2025 - $4,860) for the six months ended June 30, 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.

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

	For U.S. dollars		
Currency - Buy/Sell	**Amount of 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 $66 and was recorded in trade and other receivables (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:

June 30, 2026	**USD**	**EURO**	**PESO**	**BRL**	**CNY**
Trade and other receivables	$ 420,289	€ 88,553	$ 72,542	R$ 23,181	¥ 25,854
Trade and other payables	(505,571)	(163,420)	(475,003)	(54,085)	(19,172)
Long-term debt	(256,752)	(1,113)	-	-	-
	$ (342,034)	€ (75,980)	$ (402,461)	R$ (30,904)	¥ 6,682

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)

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

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

	Average rate		Average rate		Closing rate	
	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025	June 30, 2026	December 31, 2025
USD	1.3723	1.4073	1.3746	1.4183	1.4195	1.3672
EURO	1.6006	1.5540	1.6089	1.5221	1.6157	1.6099
PESO	0.0785	0.0706	0.0781	0.0703	0.0809	0.0763
BRL	0.2697	0.2456	0.2637	0.2428	0.2745	0.2466
CNY	0.2003	0.1938	0.1986	0.1951	0.2087	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 June 30, 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 and six months ended June 30, 2026 and 2025 by the amounts shown below, assuming all other variables remain constant:

	Three months ended June 30, 2026	Three months ended June 30, 2025	Six months ended June 30, 2026	Six months ended June 30, 2025
USD	$ (6,557)	$ (8,439)	$ (11,712)	$ (13,086)
EURO	813	897	1,234	2,141
BRL	(26)	18	37	74
CNY	(352)	(43)	(398)	(283)
	$ (6,122)	$ (7,567)	$ (10,839)	$ (11,154)

A weakening of the Canadian dollar against the above currencies at June 30 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.

15. 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 $38,881 (BRL $141,664) including interest and penalties to June 30, 2026 (December 31, 2025 - $38,258 or BRL $155,125). The assessments are at various stages in the process. Five assessments totaling $25,416 (BRL $92,605) including interest and penalties as at June 30, 2026, have entered the judicial litigation process. The Company's subsidiary may be required to present guarantees related to these assessments up to $25,288 (BRL $92,138) 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 June 30, 2026, is approximately $433,083 (MXN $5,355,498) (December 31, 2025 - $403,639 or MXN $5,291,065) in Mexico for 2013 and 2015 to 2018 tax years, and $35,238 (EURO €21,809) (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 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.

16. 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 June 30, 2026, the amount of the off-balance sheet program financing was $5,834 (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.

17. 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 ¥5,500 ($1,107). 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 $1,898 in the consolidated statements of operations. The gain includes $55 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 $1,843 from accumulated other comprehensive income to profit or loss upon closing of the transaction.

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