



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

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2025

Martinrea International Inc.

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Martinrea International Inc.

Interim Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	Note	September 30, 2025	December 31, 2024
ASSETS			
Cash and cash equivalents		\$ 142,987	\$ 167,951
Trade and other receivables	2	759,620	613,505
Inventories	3	519,284	508,231
Prepaid expenses and deposits		44,924	33,599
Income taxes recoverable		23,299	12,784
TOTAL CURRENT ASSETS		1,490,114	1,336,070
Property, plant and equipment	4	1,879,996	1,949,004
Right-of-use assets	5	218,086	215,802
Deferred tax assets		215,738	199,512
Intangible assets		38,222	37,535
Investments	6	64,625	65,378
Pension assets		18,599	17,493
TOTAL NON-CURRENT ASSETS		2,435,266	2,484,724
TOTAL ASSETS		\$ 3,925,380	\$ 3,820,794
LIABILITIES			
Trade and other payables		\$ 1,116,814	\$ 1,024,716
Provisions	7	26,187	6,862
Income taxes payable		20,243	25,332
Current portion of long-term debt	8	16,097	10,445
Current portion of lease liabilities	9	56,705	54,235
TOTAL CURRENT LIABILITIES		1,236,046	1,121,590
Long-term debt	8	894,959	970,969
Lease liabilities	9	184,919	189,176
Pension and other post-retirement benefits		40,754	40,384
Deferred tax liabilities		32,999	31,653
TOTAL NON-CURRENT LIABILITIES		1,153,631	1,232,182
TOTAL LIABILITIES		2,389,677	2,353,772
EQUITY			
Capital stock	11	601,188	601,188
Contributed surplus		46,583	46,052
Accumulated other comprehensive income		197,627	210,821
Retained earnings		690,305	608,961
TOTAL EQUITY		1,535,703	1,467,022
TOTAL LIABILITIES AND EQUITY		\$ 3,925,380	\$ 3,820,794

Contingencies (note 16)

Subsequent events (notes 6 and 18)

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 September 30, 2025	Three months ended September 30, 2024	Nine Months ended September 30, 2025	Nine Months ended September 30, 2024
SALES		\$ 1,190,801	\$ 1,237,493	\$ 3,634,567	\$ 3,863,199
Cost of sales (excluding depreciation of property, plant and equipment and right-of-use assets)		(951,776)	(993,212)	(2,912,716)	(3,109,104)
Depreciation of property, plant and equipment and right-of-use assets (production)		(69,053)	(80,931)	(215,745)	(234,578)
Total cost of sales		(1,020,829)	(1,074,143)	(3,128,461)	(3,343,682)
GROSS MARGIN		169,972	163,350	506,106	519,517
Research and development costs		(11,221)	(10,852)	(33,183)	(32,037)
Selling, general and administrative		(89,583)	(82,384)	(247,949)	(247,132)
Depreciation of property, plant and equipment and right-of-use assets (non-production)		(3,996)	(3,973)	(11,621)	(12,230)
Loss on disposal of property, plant and equipment		(176)	(262)	(311)	(1,489)
Restructuring costs	7	(2,511)	-	(33,114)	(11,610)
OPERATING INCOME		62,485	65,879	179,928	215,019
Share of loss of equity investments	6	(662)	(690)	(1,997)	(2,147)
Finance expense	13	(15,951)	(18,840)	(49,399)	(58,501)
Other finance income (expense)	13	(245)	1,084	(4,221)	8,140
INCOME BEFORE INCOME TAXES		45,627	47,433	124,311	162,511
Income tax expense	10	(9,865)	(33,276)	(32,984)	(63,725)
NET INCOME FOR THE PERIOD		\$ 35,762	\$ 14,157	\$ 91,327	\$ 98,786
Basic earnings per share	12	\$ 0.49	\$ 0.19	\$ 1.25	\$ 1.30
Diluted earnings per share	12	\$ 0.49	\$ 0.19	\$ 1.25	\$ 1.30

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Interim Condensed Consolidated Statements of Comprehensive Income

(in thousands of Canadian dollars) (unaudited)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine Months ended September 30, 2025	Nine Months ended September 30, 2024
NET INCOME FOR THE PERIOD	\$ 35,762	\$ 14,157	\$ 91,327	\$ 98,786
Other comprehensive income (loss), net of tax:				
Items that may be reclassified to net income				
Foreign currency translation differences for foreign operations	30,323	(1,472)	(13,170)	44,206
Items that will not be reclassified to net income				
Share of other comprehensive income (loss) of equity investments (note 6)	88	14	(24)	(25)
Remeasurement of defined benefit plans	29	322	935	(814)
Other comprehensive income (loss), net of tax	30,440	(1,136)	(12,259)	43,367
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 66,202	\$ 13,021	\$ 79,068	\$ 142,153

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, 2023	\$ 645,256	\$ 45,903	\$ 95,753	\$ 678,269	\$ 1,465,181
Net income for the period	-	-	-	98,786	98,786
Compensation expense related to stock options	-	127	-	-	127
Dividends (\$0.15 per share)	-	-	-	(11,281)	(11,281)
Exercise of employee stock options	350	(80)	-	-	270
Repurchase of common shares (note 11)	(34,505)	-	-	(15,868)	(50,373)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	(814)	(814)
Foreign currency translation differences	-	-	44,206	-	44,206
Share of other comprehensive loss of equity investments	-	-	(25)	-	(25)
BALANCE AT SEPTEMBER 30, 2024	611,101	45,950	139,934	749,092	1,546,077
Net loss for the period	-	-	-	(133,332)	(133,332)
Compensation expense related to stock options	-	102	-	-	102
Dividends (\$0.05 per share)	-	-	-	(3,640)	(3,640)
Repurchase of common shares (note 11)	(9,913)	-	-	(2,211)	(12,124)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	(948)	(948)
Foreign currency translation differences	-	-	70,878	-	70,878
Share of other comprehensive income of equity investments	-	-	9	-	9
BALANCE AT DECEMBER 31, 2024	601,188	46,052	210,821	608,961	1,467,022
Net income for the period	-	-	-	91,327	91,327
Compensation expense related to stock options	-	531	-	-	531
Dividends (\$0.15 per share)	-	-	-	(10,918)	(10,918)
<u>Other comprehensive income (loss) net of tax</u>					
Remeasurement of defined benefit plans	-	-	-	935	935
Foreign currency translation differences	-	-	(13,170)	-	(13,170)
Share of other comprehensive loss of equity investments	-	-	(24)	-	(24)
BALANCE AT SEPTEMBER 30, 2025	\$ 601,188	\$ 46,583	\$ 197,627	\$ 690,305	\$ 1,535,703

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)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine Months ended September 30, 2025	Nine Months ended September 30, 2024
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES:				
Net income for the period	\$ 35,762	\$ 14,157	\$ 91,327	\$ 98,786
Adjustments for:				
Depreciation of property, plant and equipment and right-of-use assets	73,049	84,904	227,366	246,808
Amortization of development costs	2,179	3,084	5,988	8,172
Unrealized loss (gain) on foreign exchange forward contracts	482	(4,382)	(192)	(913)
Finance expense	15,951	18,840	49,399	58,501
Income tax expense	9,865	33,276	32,984	63,725
Loss on disposal of property, plant and equipment	176	262	311	1,489
Deferred and restricted share units expense	9,984	2,893	12,111	6,261
Stock options expense	177	43	531	127
Share of loss of equity investments	662	690	1,997	2,147
Pension and other post-retirement benefits expense	612	571	1,827	1,702
Contributions made to pension and other post-retirement benefits	(788)	(489)	(1,952)	(1,657)
	148,111	153,849	421,697	485,148
Changes in non-cash working capital items:				
Trade and other receivables	18,424	(2,739)	(148,015)	(87,575)
Inventories	(36,237)	12,159	(11,515)	15,897
Prepaid expenses and deposits	(8,547)	(2,163)	(11,233)	(1,226)
Trade, other payables and provisions	11,878	(5,529)	134,691	(17,128)
	133,629	155,577	385,625	395,116
Interest paid	(17,540)	(21,839)	(54,168)	(65,306)
Income taxes paid	(8,561)	(1,849)	(63,014)	(50,533)
NET CASH PROVIDED BY OPERATING ACTIVITIES	\$ 107,528	\$ 131,889	\$ 268,443	\$ 279,277
FINANCING ACTIVITIES:				
Increase (decrease) in long-term debt (net of deferred financing fees)	(45,299)	(29,094)	(38,671)	18,847
Equipment loan repayments	(4,421)	(1,329)	(12,269)	(5,899)
Principal payments of lease liabilities	(14,055)	(13,096)	(42,187)	(38,852)
Dividends paid	(3,639)	(3,743)	(10,918)	(11,489)
Exercise of employee stock options	-	-	-	270
Repurchase of common shares	-	(9,471)	-	(49,393)
NET CASH USED IN FINANCING ACTIVITIES	\$ (67,414)	\$ (56,733)	\$ (104,045)	\$ (86,516)
INVESTING ACTIVITIES:				
Purchase of property, plant and equipment (excluding capitalized interest)*	(55,872)	(80,814)	(177,476)	(191,681)
Capitalized development costs	(754)	(1,457)	(7,351)	(4,601)
Increase in investments	(22)	-	(1,271)	(8,130)
Proceeds on disposal of property, plant and equipment	189	4,122	839	5,311
NET CASH USED IN INVESTING ACTIVITIES	\$ (56,459)	\$ (78,149)	\$ (185,259)	\$ (199,101)
Effect of foreign exchange rate changes on cash and cash equivalents	(698)	(1,178)	(4,103)	(3,197)
DECREASE IN CASH AND CASH EQUIVALENTS	(17,043)	(4,171)	(24,964)	(9,537)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	160,030	181,438	167,951	186,804
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 142,987	\$ 177,267	\$ 142,987	\$ 177,267

*As at September 30, 2025, \$34,529 (December 31, 2024 - \$78,547) of purchases of property, plant and equipment remain unpaid and are recorded in trade and other payables.

See accompanying notes to the interim condensed consolidated financial statements.

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

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

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

1. BASIS OF PREPARATION

(a) Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting' ("IAS" 34) as issued by the International Accounting Standards Board ("IASB"), and on a basis consistent with the accounting policies disclosed in the Company's annual audited consolidated financial statements for the year ended December 31, 2024.

(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, 2024.

(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 issued accounting standards

The IASB issued the following new standards:

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.

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.

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 amendments are effective for annual periods beginning on or after January 1, 2026. The adoption of amendments to IFRS 9 and IFRS 7 is not expected to have a material impact on the consolidated financial statements.

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

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

2. TRADE AND OTHER RECEIVABLES

	September 30, 2025	December 31, 2024
Trade receivables	\$ 680,370	\$ 571,073
Other receivables	79,058	40,146
Foreign exchange forward contracts not accounted for as hedges (note 15(d))	192	2,286
	\$ 759,620	\$ 613,505

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

On March 27, 2024, Martinrea entered into an accounts receivable program agreement to sell up to \$100,000 in trade receivables without recourse and on an uncommitted basis, subject to predetermined limits for certain customers. Under the agreement, the receivables are sold on a fully serviced basis, so that the Company continues to administer the collection of such receivables. The Company derecognizes the trade receivables sold under the program when it transfers substantially all the risks and rewards of ownership of the receivables. As at September 30, 2025, \$54,991 (US \$39,467) (December 31, 2024 - \$32,986 or US \$22,888) of receivables were sold under the program, of which \$15,398 (US \$11,051) (December 31, 2024 - \$9,236 or US \$6,409) 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

	September 30, 2025	December 31, 2024
Raw materials	\$ 253,712	\$ 256,154
Work in progress	77,115	64,982
Finished goods	53,732	51,128
Tooling work in progress and other inventory	134,725	135,967
	\$ 519,284	\$ 508,231

4. PROPERTY, PLANT AND EQUIPMENT

	September 30, 2025			December 31, 2024		
	Cost	Accumulated amortization and impairment losses	Net book value	Cost	Accumulated amortization and impairment losses	Net book value
Land and buildings	\$ 276,009	\$ (65,152)	\$ 210,857	\$ 261,870	\$ (61,976)	\$ 199,894
Leasehold improvements	97,463	(72,220)	25,243	94,528	(67,164)	27,364
Manufacturing equipment	3,590,790	(2,209,372)	1,381,418	3,592,179	(2,139,284)	1,452,895
Tooling and fixtures	41,441	(34,918)	6,523	40,572	(34,197)	6,375
Other assets	110,471	(78,603)	31,868	102,361	(72,663)	29,698
Construction in progress	224,087	-	224,087	232,778	-	232,778
	\$ 4,340,261	\$ (2,460,265)	\$ 1,879,996	\$ 4,324,288	\$ (2,375,284)	\$ 1,949,004

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

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

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

	Land and buildings	Leasehold improvements	Manufacturing equipment	Tooling and fixtures	Other assets	Construction in progress	Total
Net as of December 31, 2023	\$ 193,125	\$ 27,157	\$ 1,379,979	\$ 4,325	\$ 28,756	\$ 310,429	\$ 1,943,771
Additions	84	-	4,729	-	1,403	285,343	291,559
Disposals	(1,198)	-	(4,973)	(5)	(155)	(563)	(6,894)
Depreciation	(7,485)	(4,546)	(262,220)	(1,434)	(8,390)	-	(284,075)
Impairment	(5,476)	(647)	(88,101)	(2,507)	(5,705)	(14,581)	(117,017)
Transfers from construction in progress	5,166	4,091	331,138	5,541	12,203	(358,139)	-
Foreign currency translation adjustment	15,678	1,309	92,343	455	1,586	10,289	121,660
Net as of December 31, 2024	\$ 199,894	\$ 27,364	\$ 1,452,895	\$ 6,375	\$ 29,698	\$ 232,778	\$ 1,949,004
Additions	133	-	633	339	490	137,939	139,534
Disposals	-	-	(1,058)	(4)	(88)	-	(1,150)
Depreciation	(5,661)	(3,570)	(173,010)	(1,234)	(5,522)	-	(188,997)
Transfers from construction in progress	20,772	1,367	113,738	1,085	7,086	(144,048)	-
Foreign currency translation adjustment	(4,281)	82	(11,780)	(38)	204	(2,582)	(18,395)
Net as of September 30, 2025	\$ 210,857	\$ 25,243	\$ 1,381,418	\$ 6,523	\$ 31,868	\$ 224,087	\$ 1,879,996

5. RIGHT-OF-USE ASSETS

	September 30, 2025			December 31, 2024		
	Cost	Accumulated amortization and impairment losses	Net book value	Cost	Accumulated amortization and impairment losses	Net book value
Leased buildings	\$ 372,416	\$ (209,827)	\$ 162,589	\$ 344,345	\$ (192,304)	\$ 152,041
Leased manufacturing equipment	131,854	(77,897)	53,957	126,163	(63,660)	62,503
Leased other assets	6,141	(4,601)	1,540	5,767	(4,509)	1,258
	\$ 510,411	\$ (292,325)	\$ 218,086	\$ 476,275	\$ (260,473)	\$ 215,802

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

	Leased buildings	Leased manufacturing equipment	Leased other assets	Total
Net as of December 31, 2023	\$ 174,831	\$ 62,177	\$ 1,544	\$ 238,552
Additions	2,804	12,457	744	16,005
Lease modifications	5,808	-	-	5,808
Depreciation	(34,806)	(15,713)	(885)	(51,404)
Impairment	(6,346)	(28)	(218)	(6,592)
Foreign currency translation adjustment	9,750	3,610	73	13,433
Net as of December 31, 2024	\$ 152,041	\$ 62,503	\$ 1,258	\$ 215,802
Additions	-	2,760	680	3,440
Lease modifications	37,031	74	23	37,128
Depreciation	(25,087)	(12,795)	(487)	(38,369)
Foreign currency translation adjustment	(1,396)	1,415	66	85
Net as of September 30, 2025	\$ 162,589	\$ 53,957	\$ 1,540	\$ 218,086

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

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

6. INVESTMENTS

	September 30, 2025	December 31, 2024
Investment in common shares of NanoXplore Inc.	\$ 49,438	\$ 51,462
Investment in shares of AlumaPower Corporation.	4,036	4,036
Investment in shares of Equispheres Inc.	9,030	9,030
Other	2,121	850
	\$ 64,625	\$ 65,378

As at September 30, 2025, the Company held a 22.5%, 11.8%, and 6.8% equity interest (on a non-diluted basis) in NanoXplore Inc. ("NanoXplore"), AlumaPower Corporation ("AlumaPower"), and Equispheres Inc. ("Equispheres"), respectively. NanoXplore is a publicly listed company on the Toronto Stock Exchange trading under the ticker symbol GRA. It is a manufacturer and supplier of high-volume graphene powder for use in transportation and industrial markets providing customers with standard and custom graphene-enhanced plastic and composite products. NanoXplore is also a silicon-graphene-enhanced Li-ion battery manufacturer for the electric vehicle and grid storage markets. AlumaPower is a private company developing aluminum air battery technology for a variety of end markets, including automotive. Equispheres is a private company developing technologies for the production and use of advanced materials in additive manufacturing.

The Company applies equity accounting to its equity investment in NanoXplore based on its most recently available financial statements, adjusted for any significant transactions that occur thereafter and up to the Company's reporting date, which represents a reasonable estimate of the change in the Company's interest. The shares in AlumaPower and Equispheres are classified as fair value through other comprehensive income. Accordingly, the shares are recorded at their fair value at the end of each reporting period, with the change in fair value recorded in other comprehensive income (loss).

Movement in equity-accounted investments is summarized as follows:

	Investment in common shares of NanoXplore
Net as of December 31, 2023	\$ 54,384
Share of loss for the period	(2,904)
Share of other comprehensive loss for the period	(18)
Net as of December 31, 2024	\$ 51,462
Share of loss for the period	(1,997)
Share of other comprehensive loss for the period	(27)
Net as of September 30, 2025	\$ 49,438

As at September 30, 2025, the stock market value of the shares held in NanoXplore by the Company was \$110,398.

Subsequent to September 30, 2025, on October 30, 2025, the Company acquired an additional 2,343,750 common shares in NanoXplore pursuant to a private placement offering at a price of \$2.40 per common share for an aggregate purchase price of \$5,625. The Company is currently assessing the accounting impact of this transaction.

7. PROVISIONS

	Restructuring	Claims and Litigation	Total
Net as of December 31, 2023	\$ 27,777	\$ 2,115	\$ 29,892
Net additions	12,644	2,097	14,741
Amounts used during the period	(35,505)	(2,200)	(37,705)
Foreign currency translation adjustment	232	(298)	(66)
Net as of December 31, 2024	\$ 5,148	\$ 1,714	\$ 6,862
Net additions	33,114	2,291	35,405
Amounts used during the period	(16,369)	(1,533)	(17,902)
Foreign currency translation adjustment	1,661	161	1,822
Net as of September 30, 2025	\$ 23,554	\$ 2,633	\$ 26,187

Additions to the restructuring provision during the nine months ended September 30, 2025 totalled \$33,114 and represent employee-related severance resulting from the rightsizing of certain operations in Germany (\$25,088), Mexico (\$3,736), Canada (\$3,485), and the United States (\$805).

Martinrea International Inc.

Notes to the Interim Condensed Consolidated Financial Statements

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

8. LONG-TERM DEBT

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

	September 30, 2025	December 31, 2024
Banking facility	\$ 845,640	\$ 963,556
Equipment loans	65,416	17,858
	911,056	981,414
Current portion	(16,097)	(10,445)
	\$ 894,959	\$ 970,969

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

	Currency	Nominal interest rate	Year of maturity	September 30, 2025 Carrying amount	December 31, 2024 Carrying amount
Banking facility	USD	SOFR + 1.70%	2027	\$ 412,432	\$ 556,297
	CAD	CORRA + 1.70%	2027	183,208	157,259
	CAD	CORRA + 1.95%	2027	250,000	250,000
Equipment loans	CAD	4.79%	2030	31,864	-
	USD	4.61%	2030	23,912	-
	CAD	2.54%	2026	5,257	9,113
	EUR	2.46%	2026	1,703	3,526
	EUR	1.40%	2026	1,027	3,059
	EUR	0.00%	2028	648	796
	EUR	3.72%	2035	489	451
	EUR	2.41%	2036	489	-
	EUR	0.26%	2025	27	24
	CAD	5.22%	2025	-	889
				\$ 911,056	\$ 981,414

On February 23, 2024, 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 ten banks (down from eleven), include the following:

- an unaltered unsecured credit structure, with a \$100 million increase in total borrowing capacity;
- unchanged financial covenants, including a maximum net debt to trailing twelve months EBITDA ratio of 3.0x (excluding the impact of IFRS 16, Leases);
- a new non-amortizing term loan of \$250 million at variable interest rates;
- available revolving credit lines of \$350 million (down from \$500 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 \$300 million, similar to the previous facility;
- pricing terms at market rates including transitioning the interest rate benchmark of the Canadian revolving credit line from Bankers' Acceptance ("BA") to the Canadian Overnight Repo Rate Average ("CORRA");
- a maturity date extended to February 2027 (from April 2025); 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 September 30, 2025, the Company had drawn US \$296,000 (December 31, 2024 - US \$386,000) on the U.S. revolving credit line, \$185,000 (December 31, 2024 - \$160,000) on the Canadian revolving credit line, and \$250,000 (December 31, 2024 - \$250,000) on the Canadian non-amortizing term loan. At September 30, 2025, the weighted average effective interest rate of the banking facility was 5.3% (December 31, 2024 - 5.9%). The facility requires the maintenance of certain financial ratios with which the Company was in compliance as at September 30, 2025.

Deferred financing fees of \$1,792 (December 31, 2024 - \$2,741) have been netted against the carrying amount of the long-term debt.

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On March 4, 2025, the Company finalized a five-year equipment loan in the amount of \$35,000, repayable in monthly installments commencing in 2025 at a fixed annual interest rate of 4.79%.

On May 8, 2025, the Company finalized an eleven-year equipment loan with total borrowing capacity of €857 (\$1,374), repayable in bi-annual installments commencing in 2028 at a fixed annual interest rate of 2.41%.

On September 10, 2025, the Company finalized a five-year equipment loan in the amount of US \$17,161 (\$23,912), repayable in quarterly installments commencing in 2025 at a fixed annual interest rate of 4.61%.

Future annual minimum principal repayments as at September 30, 2025 are as follows:

	Scheduled principal repayments	Scheduled amortization of deferred financing fees	Carrying amount of outstanding loans
Within one year	\$ 17,362	\$ (1,265)	\$ 16,097
One to two years	857,224	(527)	856,697
Two to three years	10,362	-	10,362
Three to four years	10,907	-	10,907
Thereafter	16,993	-	16,993
	\$ 912,848	\$ (1,792)	\$ 911,056

Movement in long-term debt is summarized as follows:

	Total
Net as of December 31, 2023	\$ 969,236
Net repayments	(22,759)
Equipment loan proceeds	442
Equipment loan repayments	(13,990)
Deferred financing fee additions	(2,600)
Amortization of deferred financing fees	1,226
Foreign currency translation adjustment	49,859
Net as of December 31, 2024	\$ 981,414
Net repayments	(97,778)
Equipment loan proceeds	59,107
Equipment loan repayments	(12,269)
Amortization of deferred financing fees	949
Foreign currency translation adjustment	(20,367)
Net as of September 30, 2025	\$ 911,056

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9. LEASE LIABILITIES

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

Movement in lease liabilities is summarized as follows:

		Total
Net as of December 31, 2023	\$	258,976
Net additions		16,005
Lease modifications		5,808
Principal payments of lease liabilities		(52,330)
Foreign currency translation adjustment		14,952
Net as of December 31, 2024	\$	243,411
Net additions		3,440
Lease modifications		37,128
Principal payments of lease liabilities		(42,187)
Foreign currency translation adjustment		(168)
Net as of September 30, 2025	\$	241,624

The maturity of contractual undiscounted lease liabilities as at September 30, 2025 is as follows:

		Total
Within one year	\$	66,831
One to two years		61,360
Two to three years		41,717
Three to four years		29,101
Thereafter		77,683
Total undiscounted lease liabilities at September 30, 2025	\$	276,692
Interest on lease liabilities		(35,068)
Total present value of minimum lease payments	\$	241,624
Current portion		(56,705)
	\$	184,919

10. INCOME TAXES

The components of income tax expense are as follows:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Current income tax expense	\$ (13,638)	\$ (29,893)	\$ (52,830)	\$ (60,923)
Deferred income tax recovery (expense)	3,773	(3,383)	19,846	(2,802)
Total income tax expense	\$ (9,865)	\$ (33,276)	\$ (32,984)	\$ (63,725)

11. CAPITAL STOCK

Common shares outstanding:	Number	Amount
Balance as of December 31, 2023	78,141,440	\$ 645,256
Exercise of stock options	25,000	350
Repurchase of common shares under normal course issuer bid	(4,178,592)	(34,505)
Balance as of September 30, 2024	73,987,848	611,101
Repurchase of common shares under normal course issuer bid	(1,200,000)	(9,913)
Balance as of December 31, 2024 and September 30, 2025	72,787,848	\$ 601,188

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

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Repurchase of capital stock:

On April 29, 2024, the Company renewed the NCIB receiving approval from the TSX to acquire for cancellation up to an additional 6,435,000 common shares of the Company. The renewed bid commenced on May 2, 2024 and spans a 12-month period.

During 2024, the Company purchased for cancellation an aggregate of 5,378,592 common shares for an aggregate purchase price of \$62,497 resulting in a reduction to capital stock of \$44,418 and a decrease to retained earnings of \$18,079. The shares were purchased and cancelled directly under the NCIB.

On May 23, 2025, the Company renewed the NCIB receiving approval from the 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. As at September 30, 2025, no common shares were purchased and cancelled under the NCIB.

Stock options

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

	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	2,245,000	\$ 13.22	2,328,500	\$ 13.56
Exercised during the period	-	-	(25,000)	10.80
Cancelled during the period	(175,000)	15.24	-	-
Expired during the period	(75,000)	13.87	(58,500)	12.63
Balance, end of period	1,995,000	\$ 13.02	2,245,000	\$ 13.62
Options exercisable, end of period	1,485,000	\$ 13.99	2,045,000	\$ 13.55

The following is a summary of the issued and outstanding common share purchase options as at September 30, 2025:

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 nine months ended September 30, 2025, the Company expensed \$177 (2024 - \$43) and \$531 (2024 - \$127), 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 September 30, 2025 and 2024:

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Outstanding, beginning of period	1,056,743	836,505
Grants and reinvested dividends	210,357	134,977
Redeemed	-	-
Outstanding, end of period	1,267,100	971,482

The DSUs granted during the nine months ended September 30, 2025 and 2024 had a weighted average fair value per unit of \$7.57 and \$11.91, respectively, on the date of grant. For the three and nine months ended September 30, 2025, DSU compensation expense reflected in the interim condensed consolidated statement of operations, including changes in fair value during the period, amounted to \$3,186 (2024 - \$110) and \$3,332 (2024 - \$402), respectively, recorded in selling, general and administrative expense.

Unrecognized DSU compensation expense as at September 30, 2025 was \$1,649 (September 30, 2024 - \$1,371 and December 31, 2024 - \$1,118) and will be recognized in profit or loss over the remaining vesting period.

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

The following is a summary of the issued and outstanding RSUs and PSUs for the nine months ended September 30, 2025 and 2024:

	RSUs	PSUs	Total
Outstanding, December 31, 2023	809,190	644,195	1,453,385
Grants and reinvested dividends	261,306	193,303	454,609
Redeemed	-	-	-
Cancelled	(3,854)	(3,047)	(6,901)
Outstanding, September 30, 2024	1,066,642	834,451	1,901,093
Grants and reinvested dividends	243,016	220,711	463,727
Redeemed	(368,170)	(287,815)	(655,985)
Cancelled	(10,712)	(11,153)	(21,865)
Outstanding, December 31, 2024	930,776	756,194	1,686,970
Grants and reinvested dividends	385,121	282,965	668,086
Redeemed	-	-	-
Cancelled	(8,394)	(21,821)	(30,215)
Outstanding, September 30, 2025	1,307,503	1,017,338	2,324,841

The RSUs and PSUs granted during the nine months ended September 30, 2025 and 2024 had a weighted average fair value per unit of \$7.66 and \$12.15, respectively, on the date of grant. For the three and nine months ended September 30, 2025, RSU and PSU compensation expense reflected in the interim condensed consolidated statement of operations, including changes in fair value during the period, amounted to \$6,798 (2024 - \$2,783) and \$8,779 (2024 - \$5,859), respectively, recorded in selling, general and administrative expense.

Unrecognized RSU and PSU compensation expense as at September 30, 2025 was \$5,649 (September 30, 2024 - \$5,454 and December 31, 2024 - \$5,801) 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 nine months ended September 30, 2025 and 2024 are shown in the table below:

	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Expected life (years)	2.52	2.52
Risk free interest rate	2.56%	4.00%

12. EARNINGS PER SHARE

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

	Three months ended September 30, 2025		Three months ended September 30, 2024	
	Weighted average number of shares	Per common share amount	Weighted average number of shares	Per common share amount
Basic	72,787,848	\$ 0.49	74,629,233	\$ 0.19
Effect of dilutive securities:				
Stock options	-	-	1,051	-
Diluted	72,787,848	\$ 0.49	74,630,284	\$ 0.19

	Nine months ended September 30, 2025		Nine months ended September 30, 2024	
	Weighted average number of shares	Per common share amount	Weighted average number of shares	Per common share amount
Basic	72,787,848	\$ 1.25	76,191,453	\$ 1.30
Effect of dilutive securities:				
Stock options	-	-	2,748	-
Diluted	72,787,848	\$ 1.25	76,194,201	\$ 1.30

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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 nine months ended September 30, 2025, 1,995,000 (2024 - 2,220,000) and 1,995,000 (2024 - 1,720,000) options, respectively, were excluded from the diluted weighted average per share calculation as they were anti-dilutive.

13. FINANCE EXPENSE AND OTHER FINANCE INCOME (EXPENSE)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Debt interest, gross	\$ (15,373)	\$ (19,507)	\$ (47,481)	\$ (60,788)
Interest on lease liabilities	(2,640)	(2,782)	(7,994)	(8,323)
Capitalized interest - at an average rate of 5.3%, 5.6% (2024 - 7.1%, 7.3%)	2,062	3,449	6,076	10,610
Finance expense	\$ (15,951)	\$ (18,840)	\$ (49,399)	\$ (58,501)

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
Net foreign exchange gain (loss)	\$ (31)	\$ 1,298	\$ (3,883)	\$ 8,079
Other income (expense), net	(214)	(214)	(338)	61
Other finance income (expense)	\$ (245)	\$ 1,084	\$ (4,221)	\$ 8,140

14. OPERATING SEGMENTS

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

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

The accounting policies of the segments are the same as those described in the Company's annual consolidated financial statements for the year ended December 31, 2024. The Company uses operating income as the basis for the CODM to evaluate the performance of each of the Company's reportable segments.

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Three months ended September 30, 2025						
	Production Sales		Tooling Sales		Total Sales	Operating Income (Loss)
North America						
Canada	\$	135,550	\$	8,335	\$	143,885
USA		329,617		1,161		330,778
Mexico		475,971		11,700		487,671
Eliminations		(44,838)		(5,041)		(49,879)
	\$	896,300	\$	16,155	\$	912,455
					\$	60,959
Europe						
Germany		166,880		12,481		179,361
Spain		52,043		1,303		53,346
Slovakia		14,738		107		14,845
	\$	233,661	\$	13,891	\$	247,552
					\$	(361)
Rest of the World		32,607		2,259		34,866
						1,887
Eliminations		(3,416)		(656)		(4,072)
	\$	1,159,152	\$	31,649	\$	1,190,801
					\$	62,485
Three months ended September 30, 2024						
	Production Sales		Tooling Sales		Total Sales	Operating Income (Loss)
North America						
Canada	\$	114,672	\$	43,541	\$	158,213
USA		365,254		4,683		369,937
Mexico		469,581		51,022		520,603
Eliminations		(42,495)		(46,002)		(88,497)
	\$	907,012	\$	53,244	\$	960,256
					\$	65,273
Europe						
Germany		161,888		15,834		177,722
Spain		58,601		1,073		59,674
Slovakia		12,671		576		13,247
Eliminations		-		(144)		(144)
	\$	233,160	\$	17,339	\$	250,499
					\$	625
Rest of the World		31,944		1,694		33,638
						(19)
Eliminations		(4,837)		(2,063)		(6,900)
	\$	1,167,279	\$	70,214	\$	1,237,493
					\$	65,879

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

Nine months ended September 30, 2025					
	Production Sales	Tooling Sales	Total Sales	Operating Income (Loss)	
North America					
Canada	\$ 372,670	\$ 45,471	\$ 418,141		
USA	1,001,295	15,023	1,016,318		
Mexico	1,424,721	73,062	1,497,783		
Eliminations	(128,561)	(25,805)	(154,366)		
	\$ 2,670,125	\$ 107,751	\$ 2,777,876	\$	199,486
Europe					
Germany	533,668	25,243	558,911		
Spain	155,978	9,510	165,488		
Slovakia	46,614	551	47,165		
Eliminations	(7)	-	(7)		
	\$ 736,253	\$ 35,304	\$ 771,557	\$	(24,828)
Rest of the World	91,058	9,375	100,433		5,270
Eliminations	(13,390)	(1,909)	(15,299)		-
	\$ 3,484,046	\$ 150,521	\$ 3,634,567	\$	179,928
Nine months ended September 30, 2024					
	Production Sales	Tooling Sales	Total Sales	Operating Income (Loss)	
North America					
Canada	\$ 406,420	\$ 64,954	\$ 471,374		
USA	1,150,464	11,171	1,161,635		
Mexico	1,414,396	76,552	1,490,948		
Eliminations	(149,041)	(66,138)	(215,179)		
	\$ 2,822,239	\$ 86,539	\$ 2,908,778	\$	195,007
Europe					
Germany	571,636	72,225	643,861		
Spain	180,034	9,528	189,562		
Slovakia	39,519	1,643	41,162		
Eliminations	(380)	(2,736)	(3,116)		
	\$ 790,809	\$ 80,660	\$ 871,469	\$	20,566
Rest of the World	91,173	11,427	102,600		(554)
Eliminations	(15,743)	(3,905)	(19,648)		-
	\$ 3,688,478	\$ 174,721	\$ 3,863,199	\$	215,019

15. FINANCIAL INSTRUMENTS

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

Fair Value

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

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities, either directly or indirectly.

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- 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:

	September 30, 2025			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 142,987	\$ 142,987	\$ -	\$ -
Investment in shares of AlumaPower (note 6)	4,036	-	-	4,036
Investment in shares of Equispheres (note 6)	9,030	-	-	9,030
Foreign exchange forward contracts not accounted for as hedges (note 2)	192	-	192	-

	December 31, 2024			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 167,951	\$ 167,951	\$ -	\$ -
Investment in shares of AlumaPower (note 6)	4,036	-	-	4,036
Investment in shares of Equispheres (note 6)	9,030	-	-	9,030
Foreign exchange forward contracts not accounted for as hedges (note 2)	2,286	-	2,286	-

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:

September 30, 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	\$ -	\$ -	\$ 759,428	\$ -	\$ 759,428	\$ 759,428
Investment in shares of AlumaPower	-	4,036	-	-	4,036	4,036
Investment in shares of Equispheres	-	9,030	-	-	9,030	9,030
Foreign exchange forward contracts not accounted for as hedges	192	-	-	-	192	192
	\$ 192	\$ 13,066	\$ 759,428	\$ -	\$ 772,686	\$ 772,686
FINANCIAL LIABILITIES:						
Trade and other payables	-	-	-	(1,116,814)	(1,116,814)	(1,116,814)
Long-term debt	-	-	-	(911,056)	(911,056)	(911,056)
	\$ -	\$ -	\$ -	(2,027,870)	(2,027,870)	(2,027,870)
Net financial assets (liabilities)	\$ 192	\$ 13,066	\$ 759,428	\$ (2,027,870)	\$ (1,255,184)	\$ (1,255,184)

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December 31, 2024	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	\$ -	\$ -	\$ 611,219	\$ -	\$ 611,219	\$ 611,219
Investment in shares of AlumaPower	-	4,036	-	-	4,036	4,036
Investment in shares of Equispheres	-	9,030	-	-	9,030	9,030
Foreign exchange forward contracts not accounted for as hedges	2,286	-	-	-	2,286	2,286
	\$ 2,286	\$ 13,066	\$ 611,219	\$ -	\$ 626,571	\$ 626,571
FINANCIAL LIABILITIES:						
Trade and other payables	-	-	-	(1,024,716)	(1,024,716)	(1,024,716)
Long-term debt	-	-	-	(981,414)	(981,414)	(981,414)
	\$ -	\$ -	\$ -	\$ (2,006,130)	\$ (2,006,130)	\$ (2,006,130)
Net financial assets (liabilities)	\$ 2,286	\$ 13,066	\$ 611,219	\$ (2,006,130)	\$ (1,379,559)	\$ (1,379,559)

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 market-based.

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 30.4%, 20.8%, and 9.3% of its production sales for the nine months ended September 30, 2025 (2024 - 28.2%, 21.9%, and 11.3%). 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 September 30, 2025 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:

	September 30, 2025	December 31, 2024
0-60 days	\$ 670,842	\$ 565,970
61-90 days	2,670	852
Greater than 90 days	6,858	4,251
	\$ 680,370	\$ 571,073

(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

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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 September 30, 2025, the Company had cash of \$142,987 (December 31, 2024 - \$167,951) and banking facilities available as discussed in note 8. All of the Company's financial liabilities other than long-term debt have maturities of approximately 60 days.

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

(c) Interest rate risk

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

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

	Carrying amount	
	September 30, 2025	December 31, 2024
Variable rate instruments	\$ 845,640	\$ 963,556
Fixed rate instruments	65,416	17,858
	\$ 911,056	\$ 981,414

Sensitivity analysis

An increase of 1.0% in all variable interest rate debt would, all else being equal, have an effect of \$2,252 (2024 - \$2,526) on the Company's interim condensed consolidated financial results for the three months ended September 30, 2025 and \$7,112 (2024 - \$7,583) for the nine months ended September 30, 2025.

(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 September 30, 2025, the Company had committed to the following foreign exchange contracts:

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

Currency - Buy/Sell	For U.S. dollars		For Canadian dollars		Maximum period in months
	Amount of U.S. dollars	Weighted average exchange rates	Amount of CAD	Weighted average exchange rates	
Buy Mexican Peso	\$ 16,063	\$ 18.6762	\$ -	-	1
Sell Euro	-	-	13,010	1.6263	1
Sell Chinese Yuan	8,000	0.1400	-	-	1
Sell Brazilian Real	4,000	0.1849	-	-	1

The aggregate value of these forward contracts as at September 30, 2025 was a pre-tax gain of \$192 and was recorded in trade and other receivables (December 31, 2024 - pre-tax gain of \$2,286 recorded in trade and other receivables).

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

September 30, 2025		USD		EURO		PESO		BRL		CNY
Trade and other receivables	\$	373,834	€	101,678	\$	74,086	R\$	21,182	¥	69,190
Trade and other payables		(475,919)		(160,493)		(613,370)		(49,672)		(74,532)
Long-term debt		(313,161)		(2,689)		-		-		-
	\$	(415,246)	€	(61,504)	\$	(539,284)	R\$	(28,490)	¥	(5,342)

December 31, 2024		USD		EURO		PESO		BRL		CNY
Trade and other receivables	\$	314,371	€	77,985	\$	64,329	R\$	26,197	¥	59,071
Trade and other payables		(406,531)		(171,618)		(718,970)		(66,613)		(87,903)
Long-term debt		(386,000)		(5,230)		-		-		-
	\$	(478,160)	€	(98,863)	\$	(654,641)	R\$	(40,416)	¥	(28,832)

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

	Average rate		Average rate		Closing rate	
	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024	September 30, 2025	December 31, 2024
USD	1.3731	1.3704	1.4032	1.3592	1.3934	1.4412
EURO	1.5910	1.4885	1.5451	1.4743	1.6299	1.5021
PESO	0.0728	0.0749	0.0711	0.0781	0.0760	0.0709
BRL	0.2483	0.2502	0.2446	0.2641	0.2608	0.2327
CNY	0.1913	0.1896	0.1938	0.1886	0.1953	0.1977

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 September 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 nine months ended September 30, 2025 and 2024 by the amounts shown below, assuming all other variables remain constant:

	Three months ended September 30, 2025	Three months ended September 30, 2024	Nine months ended September 30, 2025	Nine months ended September 30, 2024
USD	\$ (5,508)	\$ (3,617)	\$ (18,594)	\$ (12,574)
EURO	231	101	2,372	(1,231)
BRL	19	141	93	308
CNY	(103)	(154)	(386)	(50)
	\$ (5,361)	\$ (3,529)	\$ (16,515)	\$ (13,547)

A weakening of the Canadian dollar against the above currencies at September 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.

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16. CONTINGENCIES

Contingencies

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

Tax contingencies

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

The Company's subsidiary in Brazil is currently being assessed by the State of Sao Paulo's tax authorities for certain historical VAT credits claimed on aluminum purchases from certain local suppliers that occurred prior to the acquisition of the Brazil subsidiary in 2011. The taxation system and regulatory environment in Brazil is characterized by numerous indirect taxes and frequently changing legislation subject to various interpretations by the various Brazilian regulatory authorities who are empowered to impose significant fines, penalties, and interest charges. The basis for the assessments stems from the classification of aluminum purchases, the registration status of the aluminum suppliers in question and the differing treatments between manufactured and unmanufactured aluminum for VAT purposes. The potential exposure under these assessments, based on the notices issued by the tax authorities and most recent developments surrounding the assessments, is approximately \$39,997 (BRL \$153,332) including interest and penalties to September 30, 2025 (December 31, 2024 - \$38,691 or BRL \$166,277). The assessments are at various stages in the process. Three assessments totaling \$22,739 (BRL \$87,173) including interest and penalties as at September 30, 2025, have entered the judicial litigation process. The Company's subsidiary may be required to present guarantees related to these assessments up to \$20,784 (BRL \$79,678) 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 September 30, 2025, is approximately \$397,728 (MXN \$5,234,233) (December 31, 2024 - \$141,187 or MXN \$1,991,745) in Mexico for 2013 and 2015 to 2018 tax years, and \$34,271 (EURO €21,026) (December 31, 2024 - \$30,407 or EURO €20,243) 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.

17. GUARANTEES

The Company is a guarantor under a tooling financing program. The tooling financing program involves a third party that provides tooling suppliers with financing subject to a Company guarantee. Payments from the third party to the tooling supplier are approved by the Company prior to the funds being advanced. The amounts loaned to the tooling suppliers through this financing arrangement do not appear on the Company's interim condensed consolidated balance sheet unless the sale on the corresponding tooling project has been recognized, at which point a tooling trade payable on the project is recorded. At September 30, 2025, the amount of the off-balance sheet program financing was \$10,660 (December 31, 2024 - \$9,948) 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. 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.

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18. SUBSEQUENT EVENT

On October 20, 2025, the Company acquired certain assets and assumed certain liabilities of Lyseon North America, Inc. ("Lyseon") for a net cash outflow of US \$1,250. Lyseon operated a plant in Tulsa, Oklahoma, and was engaged primarily in manufacturing metal parts and assemblies for the bus market. The Company is currently assessing the accounting impact of this transaction.