

MARTINREA INTERNATIONAL INC.
INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2026

Martinrea International Inc.

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Martinrea International Inc.

Interim Condensed Consolidated Balance Sheets

(in thousands of Canadian dollars) (unaudited)

	Note	September 30, 2026	December 31, 2025
ASSETS			
Cash and cash equivalents		$ 108,451	$ 174,144
Trade and other receivables	2	775,277	591,586
Inventories	3	509,220	474,224
Prepaid expenses and deposits		43,005	40,707
Income taxes recoverable		46,036	42,205
Assets held for sale	19	77,865	-
TOTAL CURRENT ASSETS		1,559,854	1,322,866
Property, plant and equipment	4	1,827,350	1,847,262
Right-of-use assets	5	213,657	229,084
Deferred tax assets		251,684	211,405
Intangible assets		35,255	36,650
Investments		70,236	71,975
Pension assets		12,646	18,537
Other long term assets	18	3,873	-
TOTAL NON-CURRENT ASSETS		2,414,701	2,414,913
TOTAL ASSETS		3,974,555	3,737,779
LIABILITIES			
Trade and other payables	6	$ 1,102,708	$ 1,010,928
Provisions	7	8,407	20,110
Income taxes payable		46,736	9,873
Current portion of long-term debt	8	9,001	13,424
Current portion of lease liabilities	9	59,563	59,237
Liabilities associated with assets held for sale	19	11,550	-
TOTAL CURRENT LIABILITIES		1,237,965	1,113,572
Long-term debt	8	869,008	855,385
Lease liabilities	9	169,609	191,919
Pension and other post-retirement benefits		36,207	37,874
Deferred tax liabilities		28,121	26,543
TOTAL NON-CURRENT LIABILITIES		1,102,945	1,111,721
TOTAL LIABILITIES		2,340,910	2,225,293
EQUITY			
Capital stock	11	570,180	594,756
Contributed surplus		47,059	46,760
Accumulated other comprehensive income		236,333	168,628
Retained earnings		780,073	702,342
TOTAL EQUITY		1,633,645	1,512,486
TOTAL LIABILITIES AND EQUITY		$ 3,974,555	$ 3,737,779

Contingencies (note 16)

Subsequent event (note 19)

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, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
SALES		$ 1,181,949	$ 1,190,801	$ 3,507,927	$ 3,634,567
Cost of sales (excluding depreciation of property, plant and equipment and right-of-use assets)		(953,169)	(951,776)	(2,820,812)	(2,912,716)
Depreciation of property, plant and equipment and right-of-use assets (production)		(72,017)	(69,053)	(212,128)	(215,745)
Total cost of sales		(1,025,186)	(1,020,829)	(3,032,940)	(3,128,461)
GROSS MARGIN		156,763	169,972	474,987	506,106
Research and development costs		(10,625)	(11,221)	(33,515)	(33,183)
Selling, general and administrative		(75,427)	(89,583)	(230,332)	(247,949)
Depreciation of property, plant and equipment and right-of-use assets (non-production)		(4,233)	(3,996)	(12,363)	(11,621)
Gain (loss) on disposal of property, plant and equipment		204	(176)	262	(311)
Restructuring costs	7	(2,439)	(2,511)	(13,207)	(33,114)
OPERATING INCOME		64,243	62,485	185,832	179,928
Share of loss of equity investments		(496)	(662)	(2,208)	(1,997)
Loss on disposal of foreign operations	18	(9,182)	-	(7,284)	-
Finance expense	13	(13,351)	(15,951)	(41,445)	(49,399)
Other finance expense	13	(848)	(245)	(1,153)	(4,221)
INCOME BEFORE INCOME TAXES		40,366	45,627	133,742	124,311
Income tax expense	10	(13,539)	(9,865)	(35,935)	(32,984)
NET INCOME FOR THE PERIOD		$ 26,827	$ 35,762	$ 97,807	$ 91,327
Basic earnings per share	12	$ 0.38	$ 0.49	$ 1.38	$ 1.25
Diluted earnings per share	12	$ 0.38	$ 0.49	$ 1.38	$ 1.25

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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
NET INCOME FOR THE PERIOD		$ 26,827	$ 35,762	$ 97,807	$ 91,327
Other comprehensive income (loss), net of tax:					
Items that are or may be reclassified to net income					
Foreign currency translation differences for foreign operations		(5,242)	30,323	49,739	(13,170)
Reclassification of foreign currency translation difference on disposal of foreign operations	18	19,802	-	17,959	-
Items that will not be reclassified to net income					
Share of other comprehensive income (loss) of equity investments		(35)	88	7	(24)
Remeasurement of defined benefit plans		(3,366)	29	(2,966)	935
Other comprehensive income (loss), net of tax		11,159	30,440	64,739	(12,259)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		$ 37,986	$ 66,202	$ 162,546	$ 79,068

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	-	-	-	91,327	91,327
Compensation expense related to stock options	-	531	-	-	531
Dividends ($0.15 per share)	-	-	-	(10,918)	(10,918)
Other comprehensive income (loss) net of tax					
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
Net income for the period	-	-	-	15,658	15,658
Compensation expense related to stock options	-	177	-	-	177
Dividends ($0.05 per share)	-	-	-	(3,601)	(3,601)
Repurchase of common shares (note 11)	(6,432)	-	-	(1,736)	(8,168)
Other comprehensive income (loss) net of tax					
Remeasurement of defined benefit plans	-	-	-	1,716	1,716
Foreign currency translation differences	-	-	(28,987)	-	(28,987)
Share of other comprehensive loss of equity investments	-	-	(12)	-	(12)
BALANCE AT DECEMBER 31, 2025	594,756	46,760	168,628	702,342	1,512,486
Net income for the period	-	-	-	97,807	97,807
Compensation expense related to stock options	-	299	-	-	299
Dividends ($0.15 per share)	-	-	-	(10,500)	(10,500)
Repurchase of common shares (note 11)	(24,576)	-	-	(6,610)	(31,186)
Other comprehensive income (loss) net of tax					
Remeasurement of defined benefit plans	-	-	-	(2,966)	(2,966)
Foreign currency translation differences	-	-	67,698	-	67,698
Share of other comprehensive income of equity investments	-	-	7	-	7
BALANCE AT SEPTEMBER 30, 2026	$ 570,180	$ 47,059	$ 236,333	$ 780,073	$ 1,633,645

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 September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
CASH PROVIDED BY (USED IN):					
OPERATING ACTIVITIES:					
Net income for the period		$ 26,827	$ 35,762	$ 97,807	$ 91,327
Adjustments for:					
Depreciation of property, plant and equipment and right-of-use assets		76,250	73,049	224,491	227,366
Amortization of development costs		2,193	2,179	6,550	5,988
Unrealized loss (gain) on foreign exchange forward contracts		341	482	275	(192)
Finance expense	13	13,351	15,951	41,445	49,399
Income tax expense	10	13,539	9,865	35,935	32,984
Loss (gain) on disposal of property, plant and equipment		(204)	176	(262)	311
Loss on disposal of foreign operations	18	9,182	-	7,284	-
Deferred and restricted share units expense	11	2,769	9,984	8,832	12,111
Stock options expense	11	99	177	299	531
Share of loss of equity investments		496	662	2,208	1,997
Pension and other post-retirement benefits expense		547	612	1,634	1,827
Contributions made to pension and other post-retirement benefits		(632)	(788)	(1,820)	(1,952)
		144,758	148,111	424,678	421,697
Changes in non-cash working capital items:					
Trade and other receivables		26,027	18,424	(123,598)	(148,015)
Inventories		(5,271)	(36,237)	(36,381)	(11,515)
Prepaid expenses and deposits		(876)	(8,547)	(2,868)	(11,233)
Trade, other payables and provisions		(22,721)	11,878	59,887	134,691
		141,917	133,629	321,718	385,625
Interest paid		(15,120)	(17,540)	(46,126)	(54,168)
Income taxes paid		(518)	(8,561)	(32,383)	(63,014)
NET CASH PROVIDED BY OPERATING ACTIVITIES		$ 126,279	$ 107,528	$ 243,209	$ 268,443
FINANCING ACTIVITIES:					
Increase (decrease) in long-term debt (net of deferred financing fees)		(27,288)	(45,299)	8,802	(38,671)
Equipment loan repayments		(2,981)	(4,421)	(10,293)	(12,269)
Principal payments of lease liabilities		(15,596)	(14,055)	(46,811)	(42,187)
Dividends paid		(3,499)	(3,639)	(10,646)	(10,918)
Repurchase of common shares		(9,282)	-	(30,085)	-
NET CASH USED IN FINANCING ACTIVITIES		$ (58,646)	$ (67,414)	$ (89,033)	$ (104,045)
INVESTING ACTIVITIES:					
Purchase of property, plant and equipment (excluding capitalized interest)*		(68,549)	(55,872)	(178,566)	(177,476)
Capitalized development costs		(2,992)	(754)	(4,797)	(7,351)
Net increase in investments		(196)	(22)	(244)	(1,271)
Proceeds on disposal of property, plant and equipment		224	189	874	839
Proceeds from disposal of foreign operations (net of transaction costs)	18	2,791	-	2,791	-
NET CASH USED IN INVESTING ACTIVITIES		$ (68,722)	$ (56,459)	$ (179,942)	$ (185,259)
Effect of foreign exchange rate changes on cash and cash equivalents		(46)	(698)	3,754	(4,103)
DECREASE IN CASH AND CASH EQUIVALENTS		(1,135)	(17,043)	(22,012)	(24,964)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	1(d)	109,586	160,030	130,463	167,951
CASH AND CASH EQUIVALENTS, END OF PERIOD		$ 108,451	$ 142,987	$ 108,451	$ 142,987

*As at September 30, 2026, $44,957 (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.

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

	September 30, 2026	December 31, 2025
Trade receivables	$ 681,116	$ 517,124
Other receivables	94,161	73,623
Foreign exchange forward contracts not accounted for as hedges (note 15(d))	-	839
	$ 775,277	$ 591,586

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

On March 27, 2024, Martinrea entered into an accounts receivable program agreement to sell up to $100,000 in trade receivables without recourse and on an uncommitted basis, subject to predetermined limits for certain customers. Under the agreement, the receivables are sold on a fully serviced basis, so that the Company continues to administer the collection of such receivables. The Company derecognizes the trade receivables sold under the program when it transfers substantially all the risks and rewards of ownership of the receivables. As at September 30, 2026, $51,941 (US $36,728) (December 31, 2025 - $33,561 or US $24,547) of receivables were sold under the program, of which $10,908 (US $7,713) (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

	September 30, 2026	December 31, 2025
Raw materials	$ 248,767	$ 236,431
Work in progress	77,557	69,755
Finished goods	47,647	51,397
Tooling work in progress	135,249	116,641
	$ 509,220	$ 474,224

4. PROPERTY, PLANT AND EQUIPMENT

	September 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	$ 259,536	$ (41,257)	$ 218,279	$ 273,284	$ (65,748)	$ 207,536
Leasehold improvements	97,815	(70,481)	27,334	100,267	(73,633)	26,634
Manufacturing equipment	3,554,671	(2,269,725)	1,284,946	3,598,280	(2,242,288)	1,355,992
Tooling and fixtures	36,925	(32,087)	4,838	39,112	(32,488)	6,624
Other assets	109,698	(75,594)	34,104	109,904	(78,193)	31,711
Construction in progress	257,849	-	257,849	218,765	-	218,765
	$ 4,316,494	$ (2,489,144)	$ 1,827,350	$ 4,339,612	$ (2,492,350)	$ 1,847,262

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	27	96	645	7	322	176,833	177,930
Disposals	(44)	(30)	(409)	-	(61)	(13)	(557)
Disposal of foreign operations	-	-	(1,037)	-	-	(705)	(1,742)
Held for sale reclassification	(12,555)	(810)	(36,699)	(2,378)	(294)	(5,094)	(57,830)
Depreciation	(5,630)	(3,927)	(166,034)	(1,646)	(6,500)	-	(183,737)
Transfers from construction in progress	22,565	4,838	99,762	1,948	8,335	(137,448)	-
Foreign currency translation adjustment	6,380	533	32,726	283	591	5,511	46,024
Net as of September 30, 2026	$ 218,279	$ 27,334	$ 1,284,946	$ 4,838	$ 34,104	$ 257,849	$ 1,827,350

5. RIGHT-OF-USE ASSETS

	September 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	$ 404,724	$ (239,387)	$ 165,337	$ 393,282	$ (215,786)	$ 177,496
Leased manufacturing equipment	138,120	(91,161)	46,959	131,138	(81,078)	50,060
Leased other assets	6,067	(4,706)	1,361	6,185	(4,657)	1,528
	$ 548,911	$ (335,254)	$ 213,657	$ 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	7,787	448	10,008
Lease modifications	18,487	1,151	17	19,655
Held for sale reclassification	(7,505)	(71)	(75)	(7,651)
Depreciation	(28,316)	(11,862)	(576)	(40,754)
Lease terminations	-	(729)	-	(729)
Foreign currency translation adjustment	3,402	623	19	4,044
Net as of September 30, 2026	$ 165,337	$ 46,959	$ 1,361	$ 213,657

6. TRADE AND OTHER PAYABLES

	September 30, 2026	December 31, 2025
Trade accounts payable and accrued liabilities	$ 1,102,433	$ 1,010,928
Foreign exchange forward contracts not accounted for as hedges (note 15(d))	275	-
	$ 1,102,708	$ 1,010,928

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

7. PROVISIONS

	Restructuring	Claims and Litigation	Total
Net as of December 31, 2024	$ 5,148	$ 1,714	$ 6,862
Net additions	36,118	2,802	38,920
Amounts used during the period	(25,313)	(1,852)	(27,165)
Foreign currency translation adjustment	1,419	74	1,493
Net as of December 31, 2025	$ 17,372	$ 2,738	$ 20,110
Net additions	13,207	669	13,876
Amounts used during the period	(23,461)	(540)	(24,001)
Disposal of foreign operation	-	(1,786)	(1,786)
Foreign currency translation adjustment	34	174	208
Net as of September 30, 2026	$ 7,152	$ 1,255	$ 8,407

Additions to the restructuring provision during the nine months ended September 30, 2026 totalled $13,207 and represent employee-related severance resulting from the rightsizing of certain operations in North America ($10,223), and Europe ($2,984).

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, 2026	December 31, 2025
Banking facility	$ 822,208	$ 808,535
Equipment loans	55,801	60,274
	878,009	868,809
Current portion	(9,001)	(13,424)
Non-current portion	$ 869,008	$ 855,385

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

	Currency	Nominal interest rate	Year of maturity	September 30, 2026 Carrying amount	December 31, 2025 Carrying amount
Banking facility	USD	SOFR + 1.70%	2030	$ 311,124	$ 350,011
	CAD	CORRA + 1.70%	2030	311,084	208,524
	CAD	CORRA + 1.95%	2030	200,000	250,000
Equipment loans	CAD	4.79%	2030	25,364	30,268
	USD	4.61%	2030	21,597	22,829
	EUR	3.60%	2032	7,047	-
	EUR	3.72%	2035	882	881
	EUR	2.41%	2036	483	483
	EUR	0.00%	2028	428	640
	CAD	2.54%	2026	-	3,955
	EUR	2.46%	2026	-	964
	EUR	1.40%	2026	-	254
				$ 878,009	$ 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;
- 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 September 30, 2026, the Company had drawn US $220,000 (December 31, 2025 - US $256,000) on the U.S. revolving credit line, $315,000 (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 September 30, 2026, the weighted average effective interest rate of the banking facility was 4.9% (December 31, 2025 - 4.9%). The facility requires the maintenance of certain financial ratios with which the Company was in compliance as at September 30, 2026.

Deferred financing fees of $3,916 (December 31, 2025 - $1,476) have been netted against the carrying amount of the long-term debt.

On July 31, 2026, the Company finalized a six-year equipment loan in the amount of €4,374 ($7,047), repayable in monthly installments commencing in 2027 at a fixed annual interest rate of 3.60%.

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

	Scheduled principal repayments	Scheduled amortization of deferred financing fees	Carrying amount of outstanding loans
Within one year	$ 10,147	$ (1,146)	$ 9,001
One to two years	11,697	(1,146)	10,551
Two to three years	12,294	(1,146)	11,148
Three to four years	834,996	(478)	834,518
Thereafter	12,791	-	12,791
	$ 881,925	$ (3,916)	$ 878,009

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	5,155
Equipment loan proceeds	7,047
Equipment loan repayments	(10,293)
Deferred financing fee additions	(3,400)
Amortization of deferred financing fees	960
Foreign currency translation adjustment	9,731
Net as of September 30, 2026	$ 878,009

9. LEASE LIABILITIES

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

Movement in lease liabilities is summarized as follows:

	Total
Net as of December 31, 2024	$ 243,411
Net additions	4,213
Lease modifications	49,338
Additions from acquisition	14,418
Principal payments of lease liabilities	(56,889)
Foreign currency translation adjustment	(3,335)
Net as of December 31, 2025	$ 251,156
Net additions	10,008
Lease modifications	19,655
Held for sale reclassification	(7,778)
Principal payments of lease liabilities	(46,811)
Lease terminations	(674)
Disposal of foreign operations	(979)
Foreign currency translation adjustment	4,595
Net as of September 30, 2026	$ 229,172

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

		Total
Within one year	$	68,919
One to two years		51,491
Two to three years		37,640
Three to four years		29,406
Thereafter		74,271
Total undiscounted lease liabilities at September 30, 2026	$	261,727
Interest on lease liabilities		(32,555)
Total present value of minimum lease payments	$	229,172
Current portion		(59,563)
Non-current portion	$	169,609

10. INCOME TAXES

The components of income tax expense are as follows:

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Current income tax expense	$ (20,583)	$ (13,638)	$ (68,833)	$ (52,830)
Deferred income tax recovery	7,044	3,773	32,898	19,846
Total income tax expense	$ (13,539)	$ (9,865)	$ (35,935)	$ (32,984)

11. CAPITAL STOCK

Common shares outstanding:	Number	Amount
Balance as of December 31, 2024 and September 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	(2,975,520)	(24,576)
Balance as of September 30, 2026	69,033,630	$ 570,180

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 issuer 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 spanned 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 nine months ended September 30, 2026, the Company purchased for cancellation an aggregate of 2,975,520 common shares for an aggregate purchase price of $31,186 resulting in a reduction to capital stock of $24,576 and a decrease to retained earnings of $6,610. 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:

	Nine months ended September 30, 2026		Nine months ended September 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	1,590,000	$ 13.74	1,485,000	$ 13.99

The following is a summary of the issued and outstanding common share purchase options as at September 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 nine months ended September 30, 2026, the Company expensed $99 (2025 - $177) and $299 (2025 - $531), 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, 2026 and 2025:

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Outstanding, beginning of period	1,379,231	1,056,743
Grants and reinvested dividends	222,202	210,357
Redeemed	(65,522)	-
Outstanding, end of period	1,535,911	1,267,100

The DSUs granted during the nine months ended September 30, 2026 and 2025 had a weighted average fair value per unit of $9.97 and $7.57, respectively, on the date of grant. For the three and nine months ended September 30, 2026, DSU compensation expense reflected in the interim condensed consolidated statement of operations, including changes in fair value during the period, amounted to $195 (2025 - $3,186) and $1,389 (2025 - $3,332), respectively, recorded in selling, general and administrative expense.

Unrecognized DSU compensation expense as at September 30, 2026 was $1,838 (September 30, 2025 - $1,649 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 nine months ended September 30, 2026 and 2025:

	RSUs	PSUs	Total
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
Grants and reinvested dividends	261,417	229,806	491,223
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	323,004	204,505	527,509
Redeemed	-	-	-
Cancelled	(1,680)	(1,245)	(2,925)
Outstanding, September 30, 2026	1,441,659	1,096,000	2,537,659

The RSUs and PSUs granted during the nine months ended September 30, 2026 and 2025 had a weighted average fair value per unit of $9.88 and $7.66, respectively, on the date of grant. For the three and nine months ended September 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 $2,574 (2025 - $6,798) and $7,443 (2025 - $8,779), respectively, recorded in selling, general and administrative expense.

Unrecognized RSU and PSU compensation expense as at September 30, 2026 was $4,677 (September 30, 2025 - $5,649 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 nine months ended September 30, 2026 and 2025 are shown in the table below:

	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Expected life (years)	2.55	2.52
Risk free interest rate	2.84%	2.56%

12. EARNINGS PER SHARE

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

	Three months ended September 30, 2026		Three months ended September 30, 2025	
	Weighted average number of shares	Per common share amount	Weighted average number of shares	Per common share amount
Basic	69,696,658	$ 0.38	72,787,848	$ 0.49
Effect of dilutive securities:				
Stock options	5,069	-	-	-
Diluted	69,701,727	$ 0.38	72,787,848	$ 0.49

	Nine months ended September 30, 2026		Nine months ended September 30, 2025	
	Weighted average number of shares	Per common share amount	Weighted average number of shares	Per common share amount
Basic	70,639,576	$ 1.38	72,787,848	$ 1.25
Effect of dilutive securities:				
Stock options	-	-	-	-
Diluted	70,639,576	$ 1.38	72,787,848	$ 1.25

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, 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.

13. FINANCE EXPENSE AND OTHER FINANCE EXPENSE

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Debt interest, gross	$ (12,797)	$ (15,373)	$ (38,795)	$ (47,481)
Interest on lease liabilities	(2,727)	(2,640)	(8,272)	(7,994)
Capitalized interest - at an average rate of 4.9%, 4.8% (2025 - 5.3%, 5.6%)	2,173	2,062	5,622	6,076
Finance expense	$ (13,351)	$ (15,951)	$ (41,445)	$ (49,399)

	Three months ended September 30, 2026	Three months ended September 30, 2025	Nine months ended September 30, 2026	Nine months ended September 30, 2025
Net foreign exchange loss	$ (881)	$ (31)	$ (657)	$ (3,883)
Other income (expense), net	33	(214)	(496)	(338)
Other finance expense	$ (848)	$ (245)	$ (1,153)	$ (4,221)

14. OPERATING SEGMENTS

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

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

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

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

	Three months ended September 30, 2026			
	Production Sales	Tooling Sales	Total Sales	Operating Income (Loss)
North America				
Canada	$ 116,628	$ 34,368	$ 150,996	
USA	292,137	16,932	309,069	
Mexico	482,764	59,494	542,258	
Eliminations	(37,195)	(28,743)	(65,938)	
	$ 854,334	$ 82,051	$ 936,385	$ 65,398
Europe				
Germany	166,561	1,642	168,203	
Spain	46,383	-	46,383	
Slovakia	17,505	-	17,505	
	$ 230,449	$ 1,642	$ 232,091	$ (111)
Rest of the World	16,687	184	16,871	(1,044)
Eliminations	(2,621)	(777)	(3,398)	-
	$ 1,098,849	$ 83,100	$ 1,181,949	$ 64,243

Included in the Operating Income (Loss) for the three months ended September 30, 2026 is total depreciation and amortization expense of $78,443. Of this amount, $62,819 was recognized in North America, $14,002 in Europe, and $1,622 in the Rest of the World operating segment.

	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

Included in the Operating Income (Loss) for the three months ended September 30, 2025 is total depreciation and amortization expense of $75,228. Of this amount, $58,737 was recognized in North America, $14,585 in Europe, and $1,906 in the Rest of the World operating segment.

	Nine months ended September 30, 2026			
	Production Sales	Tooling Sales	Total Sales	Operating Income (Loss)
North America				
Canada	$ 350,233	$ 104,003	$ 454,236	
USA	928,619	22,006	950,625	
Mexico	1,407,641	98,387	1,506,028	
Eliminations	(115,671)	(66,093)	(181,764)	
	$ 2,570,822	$ 158,303	$ 2,729,125	$ 198,276
Europe				
Germany	501,453	9,431	510,884	
Spain	156,681	3,290	159,971	
Slovakia	55,075	63	55,138	
Eliminations	-	(108)	(108)	
	$ 713,209	$ 12,676	$ 725,885	$ (11,434)
Rest of the World	73,248	629	73,877	(1,010)
Eliminations	(9,706)	(11,254)	(20,960)	-
	$ 3,347,573	$ 160,354	$ 3,507,927	$ 185,832

Included in the Operating Income (Loss) for the nine months ended September 30, 2026 is total depreciation and amortization expense of $231,041. Of this amount, $184,875 was recognized in North America, $41,154 in Europe, and $5,012 in the Rest of the World operating segment.

	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

Included in the Operating Income (Loss) for the nine months ended September 30, 2025 is total depreciation and amortization expense of $233,354. Of this amount, $184,260 was recognized in North America, $43,188 in Europe, and $5,906 in the Rest of the World operating segment.

15. FINANCIAL INSTRUMENTS

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

Fair Value

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

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

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

	September 30, 2026			
	Total	**Level 1**	**Level 2**	**Level 3**
Cash and cash equivalents	$ 108,451	$ 108,451	$ -	$ -
Investments	18,316	-	-	18,316
Foreign exchange forward contracts not accounted for as hedges (note 6)	(275)	-	(275)	-

	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:

September 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	$ -	$ -	$ 775,277	$ -	$ 775,277	$ 775,277
Other long term assets			3,873		$ 3,873	$ 3,873
Investments	-	17,316	-	1,000	18,316	18,316
	$ -	$ 17,316	$ 779,150	$ 1,000	$ 797,466	$ 797,466
FINANCIAL LIABILITIES:						
Trade and other payables	-	-	-	(1,102,433)	(1,102,433)	(1,102,433)
Foreign exchange forward contracts not accounted for as hedges	(275)	-	-	-	(275)	(275)
Long-term debt	-	-	-	(878,009)	(878,009)	(878,009)
	$ (275)	$ -	$ -	$ (1,980,442)	$ (1,980,717)	$ (1,980,717)
Net financial assets (liabilities)	$ (275)	$ 17,316	$ 779,150	$ (1,979,442)	$ (1,183,251)	$ (1,183,251)

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

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

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

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

Risk Management

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

(a) Credit risk

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

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 30.8%, 16.4%, and 9.4% of its production sales for the nine months ended September 30, 2026 (2025 - 30.4%, 20.8%, and 9.3%). 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, 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:

	September 30, 2026	December 31, 2025
0-60 days	$ 663,612	$ 508,403
61-90 days	4,663	4,107
Greater than 90 days	12,841	4,614
	$ 681,116	$ 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 September 30, 2026, the Company had cash of $108,451 (December 31, 2025 - $174,144) and banking facilities available as discussed in note 8. All of the Company's financial liabilities other than long-term debt have maturities of approximately 60 days.

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

(c) Interest rate risk

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

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

	Carrying amount	
	September 30, 2026	December 31, 2025
Variable rate instruments	$ 822,208	$ 808,535
Fixed rate instruments	55,801	60,274
	$ 878,009	$ 868,809

Sensitivity analysis

An increase of 1.0% in all variable interest rate debt would, all else being equal, have an effect of $2,199 (2025 - $2,252) on the Company's interim condensed consolidated financial results for the three months ended September 30, 2026 and $6,654 (2025 - $7,112) for the nine months ended September 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 September 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	$ 11,454	$ 17.4618	1
Sell Chinese Yuan	4,000	0.1496	1
Sell Brazilian Real	11,592	0.2696	1

The aggregate value of these forward contracts as at September 30, 2026 was a pre-tax loss of $275 and was recorded in trade and other payables (December 31, 2025 - pre-tax gain of $839 recorded in trade and other receivables).

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

September 30, 2026		**USD**	**EURO**	**PESO**	**BRL**	**CNY**
Trade and other receivables	$	400,532	€ 90,833	$ 80,197	R$ -	¥ -
Trade and other payables		(496,608)	(160,574)	(510,690)	-	(4,873)
Long-term debt		(235,272)	(5,487)	-	-	-
	$	(331,348)	€ (75,228)	$ (430,493)	R$ -	¥ (4,873)

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

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

	Average rate		**Average rate**		**Closing rate**	
	Three months ended September 30, 2026	**Three months ended September 30, 2025**	**Nine months ended September 30, 2026**	**Nine months ended September 30, 2025**	**September 30, 2026**	**December 31, 2025**
USD	1.4015	1.3731	1.3869	1.4032	1.4142	1.3672
EURO	1.6118	1.5910	1.6062	1.5451	1.6111	1.6099
PESO	0.0808	0.0728	0.0796	0.0711	0.0800	0.0763
BRL	0.2739	0.2483	0.2718	0.2446	0.2729	0.2466
CNY	0.2070	0.1913	0.2036	0.1938	0.2106	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 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, 2026 and 2025 by the amounts shown below, assuming all other variables remain constant:

	Three months ended September 30, 2026	**Three months ended September 30, 2025**	**Nine months ended September 30, 2026**	**Nine months ended September 30, 2025**
USD	$ (4,472)	$ (5,508)	$ (16,184)	$ (18,594)
EURO	(32)	231	1,202	2,372
BRL	(83)	19	(46)	93
CNY	167	(103)	(231)	(386)
	$ (4,420)	$ (5,361)	$ (15,259)	$ (16,515)

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.

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, and the application of tax treaties.

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, 2026, is approximately $430,684 (MXN $5,384,566) (December 31, 2025 - $403,639 or MXN $5,291,065) in Mexico for 2013 and 2015 to 2018 tax years, and $35,559 (EURO €22,070) (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 Mexican contingency at this stage, as the Company has concluded that it is not probable that a liability will result from this matter. 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.

The previously disclosed Brazilian tax assessments are no longer applicable to the Company, as all related obligations were assumed by the purchaser upon disposal of the Brazilian operations.

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, 2026, the amount of the off-balance sheet program financing was $3,374 (December 31, 2025 - $9,781) representing the maximum amount of undiscounted future payments the Company could be required to make under the guarantee.

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

18. DISPOSAL OF FOREIGN OPERATIONS

On February 5, 2026, the Company entered into an agreement to dispose 85% of its equity interest in one of its plants in China, included in the Rest of the World operating segment, for proceeds of 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 $1,643 in the consolidated statements of operations. The gain includes a $200 loss that represents the difference between the aggregate fair value of the sale consideration and the carrying amount of the net assets disposed of as of the closing date, including costs related to the sale. The net 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.

On August 24, 2026, the Company sold 100% of its equity interest in its plant in Brazil, included in the Rest of the World operating segment, for proceeds of BRL $55,000 ($11,817). The proceeds consist of BRL $10,000 ($2,589) received at closing, BRL $20,000 ($5,459) to be received in ten equal monthly installments over the 12-month period following closing, and a long-term receivable of BRL $25,000 ($3,873), measured at its discounted present value at the disposal date, to be received within 36 months of closing. Management assessed the timing and collectability of the deferred consideration and recorded it at fair value on the date of disposal.

As a result of the transaction, the Company derecognized the net assets of the entity and recognized a total loss on disposal of $8,927 in the consolidated statements of operations. The loss includes a $10,875 gain that represents the difference between the aggregate fair value of total consideration and the carrying amount of the net assets disposed of as of the closing date, including costs related to the sale. The net loss represents the reclassification of cumulative foreign currency translation losses of $19,802 from accumulated other comprehensive income to profit or loss upon closing of the transaction.

	Nine months ended September 30, 2026		
	China Plant	**Brazil Plant**	**Total**
Fair value of consideration	$ 1,107	$ 11,817	$ 12,924
Less:			
Carrying amount of net assets sold	(1,052)	(617)	(1,669)
Cost related to sale	(255)	(325)	(580)
	(200)	10,875	10,675
Cumulative translation adjustment balance	1,843	(19,802)	(17,959)
Gain (Loss) on disposal	$ 1,643	$ (8,927)	$ (7,284)

19. ASSETS AND LIABILITIES HELD FOR SALE

On September 1, 2026, the Company entered into a definitive agreement to sell 95% of its equity interest in its remaining plant in China, included in the Rest of the World operating segment. The Company expects to receive gross proceeds of approximately CNY ¥237,500 ($50,025) upon closing. Completion of the transaction remains subject to customary closing conditions, including final steps of local government approval in China, and the Company expects this approval process to be completed in Q4 2026. As at September 30, 2026, management concluded that the transaction is considered highly probable and, accordingly, the related assets and liabilities were classified as held for sale.

Subsequent to September 30, 2026, the transaction closed on October 15, 2026, resulting in the transfer of control of the entity to the third party purchaser.

On May 8, 2026, the Company entered into a purchase and sale agreement (“PSA”) for the disposition of the capital assets of its plant in Shelbyville, Kentucky, included in the North America operating segment. The capital assets comprised of land, buildings and equipment as outlined in the PSA, and had an aggregate carrying amount of US $10,459 ($14,790) as of September 30, 2026. These capital assets are expected to be sold for proceeds of US$30,100 ($42,567). During the third quarter of 2026, the Company made significant progress toward satisfying the remaining closing conditions under the PSA and, as at September 30, 2026, management concluded that the transaction was highly probable. Accordingly, the related capital assets were classified as held for sale at September 30, 2026.

Subsequent to September 30, 2026, the transaction closed on October 15, 2026.

The assets and liabilities classified as held for sale are measured at the lower of their carrying amount and fair value less cost of disposal. The Company determined the fair value less cost of disposal based on management's best estimate of the expected proceeds of the transaction, net of estimated selling costs. At September 30, 2026, the Company determined that the carrying amount of the assets are recoverable.

The assets and liabilities included in the held for sale categories as at September 30, 2026 are summarized below:

		September 30, 2026
Assets		
Trade and other receivables	$	5,456
Inventories		5,783
Prepaid expenses and deposits		598
Property, plant and equipment*		57,830
Right-of-use assets		7,651
Intangible assets		547
Total assets held for sale	$	77,865
Liabilities		
Trade and other payables	$	3,772
Lease liabilities		7,778
Total liabilities associated with assets held for sale	$	11,550

*Of the total property, plant and equipment balance of $57,830, $14,790 is attributable to the capital assets located in Shelbyville, Kentucky.