

## UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	September 30, 2024	December 31, 2023	January 1, 2023
(Canadian \$ millions)		(Restated - Note 1a)	(Restated - Note 1a)
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	298	152	288
Accounts receivable	1,136	1,012	1,129
Unbilled receivables	501	496	422
Inventory (Note 9)	2,881	2,844	2,461
Other assets	539	426	481
<b>Total current assets</b>	<b>5,355</b>	<b>4,930</b>	<b>4,781</b>
Property, plant, and equipment	1,048	976	973
Rental equipment	469	608	469
Goodwill	338	329	325
Intangible assets	259	309	333
Net post-employment assets	125	109	98
Distribution network	100	100	100
Investment in joint ventures	91	87	83
Other assets	140	109	107
<b>Total assets</b>	<b>7,925</b>	<b>7,557</b>	<b>7,269</b>
<b>LIABILITIES</b>			
Current liabilities			
Short-term debt	1,103	1,239	1,068
Accounts payable and accruals (Note 1a)	1,433	1,299	1,337
Deferred revenue	565	507	544
Current portion of long-term debt	—	199	114
Other liabilities (Note 1a)	282	272	362
<b>Total current liabilities</b>	<b>3,383</b>	<b>3,516</b>	<b>3,425</b>
Long-term debt (Note 5)	1,378	949	815
Long-term lease liabilities	260	235	255
Deferred tax liabilities	154	160	153
Other liabilities (Note 1a)	159	167	160
<b>Total liabilities</b>	<b>5,334</b>	<b>5,027</b>	<b>4,808</b>
<b>EQUITY</b>			
Share capital	494	516	536
Accumulated other comprehensive income	278	220	273
Retained earnings	1,805	1,778	1,634
Equity attributable to shareholders of Finning International Inc.	<b>2,577</b>	<b>2,514</b>	<b>2,443</b>
Non-controlling interests	14	16	18
<b>Total equity</b>	<b>2,591</b>	<b>2,530</b>	<b>2,461</b>
<b>Total liabilities and equity</b>	<b>7,925</b>	<b>7,557</b>	<b>7,269</b>

The accompanying Notes to the Condensed Interim Consolidated Financial Statements are an integral part of these statements.

## UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF NET INCOME

	3 months ended		9 months ended	
	September 30		September 30	
	2024	2023	2024	2023
		(Restated - Note 11)		(Restated - Note 11)
<b>(Canadian \$ millions, except per share amounts)</b>				
Revenue				
New equipment	<b>933</b>	870	<b>2,691</b>	2,443
Used equipment	<b>89</b>	72	<b>371</b>	257
Equipment rental	<b>76</b>	86	<b>220</b>	239
Product support	<b>1,388</b>	1,362	<b>4,086</b>	4,065
Fuel and other	<b>343</b>	314	<b>965</b>	859
Total revenue	<b>2,829</b>	2,704	<b>8,333</b>	7,863
Cost of sales (Note 11)	<b>(2,214)</b>	(2,064)	<b>(6,486)</b>	(5,981)
Gross profit (Note 11)	<b>615</b>	640	<b>1,847</b>	1,882
Selling, general, and administrative expenses (Note 11)	<b>(426)</b>	(392)	<b>(1,233)</b>	(1,180)
Equity earnings of joint ventures	—	4	<b>5</b>	8
Other income (Note 4)	—	—	—	41
Other expense (Note 4)	<b>(19)</b>	—	<b>(19)</b>	(18)
Earnings before finance costs and income taxes	<b>170</b>	252	<b>600</b>	733
Finance costs (Note 5)	<b>(44)</b>	(40)	<b>(127)</b>	(117)
Income before provision for income taxes	<b>126</b>	212	<b>473</b>	616
Provision for income taxes (Note 6)	<b>(24)</b>	(57)	<b>(107)</b>	(180)
Net income	<b>102</b>	155	<b>366</b>	436
Net income (loss) attributable to:				
Shareholders of Finning International Inc.	<b>103</b>	156	<b>368</b>	438
Non-controlling interests	<b>(1)</b>	(1)	<b>(2)</b>	(2)
Earnings per share (Note 3)				
Basic	<b>0.75</b>	1.07	<b>2.60</b>	2.95
Diluted	<b>0.74</b>	1.06	<b>2.60</b>	2.94

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**UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME**

<b>(Canadian \$ millions)</b>	<b>3 months ended</b>		<b>9 months ended</b>	
	<b>September 30</b>		<b>September 30</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
Net income	<b>102</b>	155	<b>366</b>	436
Other comprehensive income (loss), net of income tax				
Items that may be subsequently reclassified to net income:				
Foreign currency translation adjustments	<b>1</b>	23	<b>67</b>	2
Gain (loss) on net investment hedges	<b>4</b>	(10)	<b>(10)</b>	(2)
Foreign currency translation adjustments, net of net investment hedges, reclassified to net income (Note 4)	<b>—</b>	—	<b>—</b>	(41)
Provision for income taxes on foreign currency translation adjustments, reclassified to net income (Note 4)	<b>—</b>	—	<b>—</b>	9
Impact of foreign currency translation and net investment hedges, net of income tax	<b>5</b>	13	<b>57</b>	(32)
(Loss) gain on cash flow hedges	<b>(1)</b>	9	<b>5</b>	4
Gain on cash flow hedges, reclassified to net income	<b>—</b>	(1)	<b>—</b>	(1)
Recovery of (provision for) income taxes on cash flow hedges	<b>1</b>	(2)	<b>(1)</b>	(1)
Impact of cash flow hedges, net of income tax	<b>—</b>	6	<b>4</b>	2
Items that will not be subsequently reclassified to net income:				
Actuarial gain (loss)	<b>7</b>	8	<b>14</b>	(9)
(Provision for) recovery of income taxes on actuarial gain (loss)	<b>(1)</b>	(2)	<b>(3)</b>	2
Actuarial gain (loss), net of income tax	<b>6</b>	6	<b>11</b>	(7)
<b>Total comprehensive income</b>	<b>113</b>	180	<b>438</b>	399
Total comprehensive income (loss) attributable to:				
Shareholders of Finning International Inc.	<b>114</b>	181	<b>440</b>	401
Non-controlling interests	<b>(1)</b>	(1)	<b>(2)</b>	(2)

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## UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(Canadian \$ millions)	Attributable to Shareholders of Finning International Inc.						
	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings	Total	Non- controlling Interests	Total
Balance, January 1, 2023	536	—	273	1,634	2,443	18	2,461
Net income (loss)	—	—	—	438	438	(2)	436
Other comprehensive loss	—	—	(30)	(7)	(37)	—	(37)
Total comprehensive (loss) income	—	—	(30)	431	401	(2)	399
Exercise of share options	4	(1)	—	(3)	—	—	—
Share option expense	—	1	—	—	1	—	1
Hedging gain transferred to statement of financial position	—	—	(5)	—	(5)	—	(5)
Repurchase of common shares (Note 7)	(21)	—	—	(206)	(227)	—	(227)
Decrease in automatic share purchase plan commitment (Note 7)	1	—	—	14	15	—	15
Dividends on common shares	—	—	—	(109)	(109)	—	(109)
Balance, September 30, 2023	520	—	238	1,761	2,519	16	2,535
Balance, January 1, 2024	<b>516</b>	<b>—</b>	<b>220</b>	<b>1,778</b>	<b>2,514</b>	<b>16</b>	<b>2,530</b>
Net income (loss)	—	—	—	368	368	(2)	366
Other comprehensive income	—	—	61	11	72	—	72
Total comprehensive income (loss)	—	—	61	379	440	(2)	438
Exercise of share options	2	(2)	—	—	—	—	—
Share option expense	—	2	—	—	2	—	2
Hedging gain transferred to statement of financial position	—	—	(3)	—	(3)	—	(3)
Repurchase of common shares (Note 7)	(22)	—	—	(222)	(244)	—	(244)
Increase in automatic share purchase plan commitment (Note 7)	(2)	—	—	(17)	(19)	—	(19)
Dividends on common shares	—	—	—	(113)	(113)	—	(113)
Balance, September 30, 2024	<b>494</b>	<b>—</b>	<b>278</b>	<b>1,805</b>	<b>2,577</b>	<b>14</b>	<b>2,591</b>

The accompanying Notes to the Condensed Interim Consolidated Financial Statements are an integral part of these statements.

## UNAUDITED CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOW

(Canadian \$ millions)	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
<b>OPERATING ACTIVITIES</b>				
Net income	102	155	366	436
Adjusting for:				
Depreciation and amortization	100	94	297	280
Gain on disposal of property, plant, and equipment	(1)	(8)	(2)	(10)
Impairment of long-lived assets	1	—	1	—
Equity earnings of joint ventures	—	(4)	(5)	(8)
Share-based payment expense	8	7	22	26
Provision for income taxes	24	57	107	180
Finance costs	44	40	127	117
Net benefit cost of defined benefit pension plans and other post-employment benefit plans	5	4	13	12
Gain on wind up of foreign subsidiaries (Note 4)	—	—	—	(41)
Changes in operating assets and liabilities (Note 10)	150	(194)	(122)	(612)
Additions to rental fleet	(42)	(38)	(93)	(130)
Additions to rental equipment with purchase options	(38)	(25)	(117)	(71)
Proceeds on disposal of rental fleet	13	11	71	39
Proceeds on disposal of rental equipment with purchase options	103	24	184	51
Interest paid	(45)	(40)	(127)	(118)
Income tax paid	(41)	(46)	(152)	(214)
Cash flow provided by (used in) operating activities	<b>383</b>	37	<b>570</b>	(63)
<b>INVESTING ACTIVITIES</b>				
Additions to property, plant, and equipment and intangible assets	(38)	(50)	(109)	(169)
Proceeds on disposal of property, plant, and equipment	1	13	5	18
Consideration paid for business acquisitions, net of cash acquired	—	—	(8)	(13)
(Increase) decrease in short-term and long-term investments	—	(12)	27	(12)
Cash flow used in investing activities	<b>(37)</b>	(49)	<b>(85)</b>	(176)
<b>FINANCING ACTIVITIES</b>				
(Decrease) increase in short-term debt (Note 10)	(116)	209	(162)	313
Issuance of long-term debt, net of issue costs (Notes 5 and 10)	4	—	427	348
Repayment of long-term debt (Note 10)	—	—	(207)	(122)
Decrease in lease liabilities (Note 10)	(22)	(20)	(66)	(64)
Credit facility fee	—	—	(2)	—
Repurchase of common shares	(96)	(65)	(239)	(230)
Dividends paid	(38)	(36)	(113)	(109)
Cash flow (used in) provided by financing activities	<b>(268)</b>	88	<b>(362)</b>	136
Effect of currency translation on cash balances	(13)	18	23	(17)
Increase (decrease) in cash and cash equivalents	65	94	146	(120)
Cash and cash equivalents, beginning of period	233	74	152	288
Cash and cash equivalents, end of period (Note 10)	<b>298</b>	168	<b>298</b>	168

The accompanying Notes to the Condensed Interim Consolidated Financial Statements are an integral part of these statements.

## 1. MATERIAL ACCOUNTING POLICY INFORMATION, KEY ASSUMPTIONS, AND SIGNIFICANT JUDGMENTS

These unaudited condensed interim consolidated financial statements (Interim Financial Statements) of Finning International Inc. and its subsidiaries (together, Finning or the Company) have been prepared in accordance with International Accounting Standard (IAS) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB). Accordingly, certain information and footnote disclosure normally included in annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS) have been omitted or condensed, and therefore these Interim Financial Statements should be read in conjunction with the December 31, 2023 audited annual consolidated financial statements and the notes to such financial statements.

These Interim Financial Statements are based on the IFRS issued and effective for the current year. The Interim Financial Statements were authorized for issuance by the Company's Board of Directors (Board) on November 12, 2024. The Company has applied the same accounting policies and methods of computation as the most recent annual consolidated financial statements, except for the impact of the changes in accounting policies disclosed below:

### a) Amendments to Standards

The Company has adopted the following amendments to IFRS:

- Amendments to IAS 1, *Presentation of Financial Statements* (effective January 1, 2024):
  - Clarify the classification of liabilities as current or non-current based on contractual rights that are in existence at the end of the reporting period and is unaffected by expectations about whether an entity will exercise its right to defer or accelerate settlement. A liability not due over the next twelve months is classified as non-current even if management intends or expects to settle the liability within twelve months. The amendments also introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets, or services to the counterparty.

Management determined the amendment impacted the presentation of certain of the Company's share-based payment arrangements. Deferred Share Units (DSUs) are cash-settled share-based payment arrangements. DSUs are issued to certain executives and Board members, vest at the time of issuance, and are redeemable by December of the year following the year in which cessation of employment or service on the Board occurs. The Company does not have the ability to defer settlement of its vested DSUs for a period of twelve months after cessation of employment or service on the Board. As a result, the Company reclassified its vested DSU liabilities as current liabilities. These amendments were applied retrospectively.

The impact of the amendments to IAS 1 are shown in the table below. In addition, to align with this presentation, the Company also reclassified the current portion of its share-based payment liability from accounts payable and accruals to other current liabilities (current).

(\$ millions)	December 31, 2023	January 1, 2023
Increase in other liabilities (current)	47	60
Decrease in accounts payable and accruals	(16)	(36)
Decrease in other liabilities (non-current)	(31)	(24)

Except as outlined in the table above, the adoption of these amendments did not result in any other changes to the condensed interim consolidated statement of financial position.

- Clarify that only covenants with which an entity must comply on or before the reporting date will affect the classification of a liability as current or non-current. In addition, the amendments require a company to disclose information in the notes to the financial statements when liabilities are classified as non-current when the right to defer settlement of those liabilities is subject to complying with covenants within twelve months after the reporting date. No changes were required to the Company's classification upon adoption of these amendments.
- Amendments to IAS 7, *Statement of Cash Flows* and IFRS 7, *Financial Instruments: Disclosures* (effective January 1, 2024) add disclosure requirements that require companies to provide qualitative and quantitative information about supplier finance arrangements that will assist users of financial statements to assess the effects of the company's supplier finance arrangements on its liabilities and cash flows. Management will continue to assess the impact on the disclosures of all supplier finance arrangements in scope of these amendments for the Company's December 31, 2024 annual financial statements.

- Amendments to IFRS 16, *Leases* (effective January 1, 2024) explain how an entity accounts for a sale and leaseback after the transaction date. The amendments clarify how a seller-lessee should subsequently measure lease liabilities and when it is appropriate to record a gain or loss on these transactions. The amendments apply to all sale and leaseback transactions entered since the effective date of IFRS 16 (January 1, 2019). Adoption of these amendments did not have a material impact on the Company's financial statements.

#### **b) Future Accounting Pronouncements**

The Company has not applied the following amendments to IFRS and new standard that have been issued but are not yet effective:

- Amendments to IFRS 9, *Financial Instruments* and IFRS 7, *Financial Instruments: Disclosures* (effective January 1, 2026):
  - clarify the date of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic payment system;
  - clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest criterion;
  - add new disclosures for certain instruments with contractual terms that can change cash flows (such as instruments with features linked to the achievement of environment, social and governance (ESG) targets); and,
  - update the disclosure requirements for equity instruments designated at fair value through other comprehensive income and add disclosure requirements for financial instruments with contingent features that are not related directly to basic lending risks and costs, such as loans subject to ESG targets.

Management is currently assessing the impact of these amendments.

- Amendments to IFRS 9, *Financial Instruments* (effective January 1, 2026) clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognize any resulting gain or loss in profit or loss. Management is currently assessing the impact of these amendments on the Company's financial statements.
- IFRS 18, *Presentation and Disclosure in the Financial Statements* (effective for periods on or after January 1, 2027) replaces IAS 1, *Presentation of Financial Statements*. IFRS 18 carries forward many requirements from IAS 1 but introduces significant changes to the structure of a company's income statement, more discipline and transparency in presentation of management-defined performance measures, and less aggregation of items into large, single numbers. IFRS 18 promotes a more structured income statement, including a newly defined 'operating profit' subtotal and a requirement for all income and expenses to be allocated between three new distinct categories (operating, investing, and financing) based on the Company's main business activities. Management is currently assessing the impacts of the new standard but expects the adoption of IFRS 18 will have a material impact on the Company's financial statements.

## 2. SEGMENTED INFORMATION

The Company's revenue, results, and other information by reportable segment were as follows:

3 months ended September 30, 2024 (\$ millions)	Canada	South America	UK & Ireland	Other	Total
Revenue					
New equipment	422	333	178	—	933
Used equipment	47	21	21	—	89
Equipment rental	47	18	11	—	76
Product support	690	580	118	—	1,388
Fuel and other	343	—	—	—	343
Total revenue	1,549	952	328	—	2,829
Cost of fuel	(290)	—	—	—	(290)
Net revenue	1,259	952	328	—	2,539
Operating costs <sup>(1)</sup>	(1,123)	(818)	(296)	(13)	(2,250)
Depreciation and amortization	(56)	(30)	(12)	(2)	(100)
Other expense	(9)	(3)	(4)	(3)	(19)
Earnings (loss) before finance costs and income taxes	71	101	16	(18)	170
Finance costs					(44)
Provision for income taxes					(24)
Net income					102
Invested capital <sup>(2)</sup>	2,795	1,443	541	(5)	4,774
Gross capital expenditures <sup>(3)(4)</sup>	27	22	4	4	57
Gross rental equipment spend <sup>(4)</sup>	70	9	2	—	81
<b>3 months ended September 30, 2023 (\$ millions)</b>	<b>Canada</b>	<b>South America</b>	<b>UK &amp; Ireland</b>	<b>Other</b>	<b>Total</b>
Revenue					
New equipment	407	288	175	—	870
Used equipment	45	13	14	—	72
Equipment rental	55	19	12	—	86
Product support	714	533	115	—	1,362
Fuel and other	314	—	—	—	314
Total revenue	1,535	853	316	—	2,704
Cost of fuel	(267)	—	—	—	(267)
Net revenue	1,268	853	316	—	2,437
Operating costs <sup>(1)</sup>	(1,084)	(717)	(287)	(7)	(2,095)
Depreciation and amortization	(51)	(32)	(10)	(1)	(94)
Equity earnings of joint ventures	4	—	—	—	4
Earnings (loss) before finance costs and income taxes	137	104	19	(8)	252
Finance costs					(40)
Provision for income taxes					(57)
Net income					155
Invested capital <sup>(2)</sup>	2,826	1,479	558	34	4,897
Gross capital expenditures <sup>(3)(4)</sup>	22	30	2	4	58
Gross rental equipment spend <sup>(4)</sup>	47	8	8	—	63

<sup>(1)</sup> Operating costs are calculated as cost of sales less cost of fuel plus selling, general, and administrative expenses less depreciation and amortization.

<sup>(2)</sup> Invested capital is calculated as total assets less total liabilities, excluding net debt. Net debt is calculated as short-term debt and long-term debt, net of cash and cash equivalents.

<sup>(3)</sup> Capital includes property, plant, and equipment and intangible assets.

<sup>(4)</sup> Includes leases and borrowing costs capitalized and excludes additions through business acquisitions.

The Company's revenue, results, and other segment information was as follows:

9 months ended September 30, 2024 (\$ millions)	Canada	South America	UK & Ireland	Other	Total
Revenue					
New equipment	1,303	870	518	—	2,691
Used equipment	244	49	78	—	371
Equipment rental	136	53	31	—	220
Product support	2,110	1,640	336	—	4,086
Fuel and other	964	1	—	—	965
Total revenue	4,757	2,613	963	—	8,333
Cost of fuel	(816)	—	—	—	(816)
Net revenue	3,941	2,613	963	—	7,517
Operating costs <sup>(1)</sup>	(3,456)	(2,239)	(882)	(29)	(6,606)
Depreciation and amortization	(167)	(93)	(32)	(5)	(297)
Equity earnings of joint ventures	5	—	—	—	5
Other expenses	(9)	(3)	(4)	(3)	(19)
Earnings (loss) before finance costs and income taxes	314	278	45	(37)	600
Finance costs					(127)
Provision for income taxes					(107)
Net income					366
Invested capital <sup>(2)</sup>	2,795	1,443	541	(5)	4,774
Gross capital expenditures <sup>(3)(4)</sup>	88	73	19	11	191
Gross rental equipment spend <sup>(4)</sup>	178	23	10	—	211
<b>9 months ended September 30, 2023</b>					
(\$ millions)	Canada	South America	UK & Ireland	Other	Total
Revenue					
New equipment	1,146	782	515	—	2,443
Used equipment	177	33	47	—	257
Equipment rental	148	57	34	—	239
Product support	2,184	1,544	337	—	4,065
Fuel and other	859	—	—	—	859
Total revenue	4,514	2,416	933	—	7,863
Cost of fuel	(723)	—	—	—	(723)
Net revenue	3,791	2,416	933	—	7,140
Operating costs <sup>(1)</sup>	(3,245)	(2,034)	(847)	(32)	(6,158)
Depreciation and amortization	(151)	(93)	(32)	(4)	(280)
Equity earnings of joint ventures	8	—	—	—	8
Other income	—	—	—	41	41
Other expense	(4)	(7)	(2)	(5)	(18)
Earnings before finance costs and income taxes	399	282	52	—	733
Finance costs					(117)
Provision for income taxes					(180)
Net income					436
Invested capital <sup>(2)</sup>	2,826	1,479	558	34	4,897
Gross capital expenditures <sup>(3)(4)</sup>	95	85	8	17	205
Gross rental equipment spend <sup>(4)</sup>	140	47	18	—	205

(1) Operating costs are calculated as cost of sales less cost of fuel plus selling, general, and administrative expenses less depreciation and amortization.

(2) Invested capital is calculated as total assets less total liabilities, excluding net debt. Net debt is calculated as short-term debt and long-term debt, net of cash and cash equivalents.

(3) Capital includes property, plant, and equipment and intangible assets.

(4) Includes leases and borrowing costs capitalized and excludes additions through business acquisitions.

### 3. EARNINGS PER SHARE

3 months ended (\$ millions, except share and per share amounts)	September 30, 2024		September 30, 2023	
	Basic	Diluted	Basic	Diluted
Net income attributable to shareholders of Finning	103	103	156	156
Weighted average shares outstanding (WASO)	138,993,980	138,993,980	145,889,392	145,889,392
Effect of dilutive share options		187,808		287,025
WASO with assumed conversions		139,181,788		146,176,417
Earnings per share	0.75	0.74	1.07	1.06

9 months ended (\$ millions, except share and per share amounts)	September 30, 2024		September 30, 2023	
	Basic	Diluted	Basic	Diluted
Net income attributable to shareholders of Finning	368	368	438	438
WASO	141,435,918	141,435,918	148,386,631	148,386,631
Effect of dilutive share options		206,931		279,251
WASO with assumed conversions		141,642,849		148,665,882
Earnings per share	2.60	2.60	2.95	2.94

Share options granted to employees that were anti-dilutive were excluded from the weighted average number of shares for the purpose of calculating diluted earnings per share. Anti-dilutive share options were not significant for the three and nine months ended September 30, 2024 and 2023.

### 4. OTHER INCOME AND OTHER EXPENSE

(\$ millions)	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
Gain on wind up of foreign subsidiaries	—	—	—	41
Other income	—	—	—	41

(\$ millions)	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
Severance costs	(19)	—	(19)	(18)
Other expense	(19)	—	(19)	(18)

#### 2024

In the three months ended September 30, 2024, the Company recorded severance costs related to restructuring activities as it works to simplify business activities in each of its operations.

#### 2023

In the three months ended March 31, 2023, the Company executed various transactions to simplify and adjust its organizational structure. The Company wound up two wholly owned subsidiaries, and incurred severance costs in each region as the Company reduced corporate overhead costs and simplified its operating model. As a result of these activities, the Company recorded the following:

- Net foreign currency translation gain of \$41 million and income tax expense of \$9 million (Note 6) were reclassified to net income on the wind up of foreign subsidiaries; and
- Severance costs.

## 5. DEBT AND FINANCE COSTS

In September 2024, the Company extended its \$300 million committed revolving credit facility, which was set to fully mature in October 2024, to October 2025.

In June 2024, the Company extended its \$1.3 billion committed sustainability-linked revolving credit facility, which was set to fully mature in September 2026, to June 2029.

In April 2024, the Company repaid its 4.28%, USD 50 million note due April 3, 2024.

In February 2024, the Company issued \$425 million of 4.778% senior unsecured notes due February 13, 2029. Proceeds of this issuance were used to repay existing debt and for general corporate purposes.

The components of finance costs were as follows:

(\$ millions)	3 months ended		9 months ended	
	September 30		September 30	
	2024	2023	2024	2023
Interest on short-term debt	22	23	68	66
Interest on long-term debt	16	13	45	34
Interest on debt	38	36	113	100
Interest on lease liabilities	4	3	11	9
Other finance related expenses	2	1	3	8
Finance costs	44	40	127	117

## 6. INCOME TAXES

As part of the organizational restructuring described in Note 4, the provision for income taxes in the three months ended March 31, 2023 included a \$9 million expense related to the wind up of foreign subsidiaries and a \$19 million expense for withholding taxes on the repatriation of \$170 million of profits from the Company's South American operations.

### Pillar Two income taxes

The Company is within scope of the Pillar Two model rules published by the Organization for Economic Co-operation and Development, and it has applied the IAS 12, *Income Taxes* exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

In June 2024, Pillar Two legislation was enacted in Canada, the jurisdiction where Finning's ultimate parent resides, effective January 1, 2024. Applying Pillar Two legislation to the Company for the three and nine months ended September 30, 2024 resulted in a current tax expense related to Pillar Two income taxes of \$1 million and \$4 million, respectively.

## 7. SHARE CAPITAL

During the nine months ended September 30, 2024, the Company repurchased 6,127,190 Finning common shares for cancellation for \$244 million, at an average cost of \$39.87 per share (including a 2% share buyback tax effective January 1, 2024), through the Company's normal course issuer bid. During the nine months ended September 30, 2023, the Company repurchased 5,967,044 common shares for cancellation for \$227 million, at an average cost of \$38.12 per share.

In connection with the normal course issuer bid, the Company implemented an automatic share purchase plan (ASPP) with a designated broker to enable share repurchases for cancellation during selected blackout periods. At September 30, 2024, an estimated obligation of \$19 million was recorded for the repurchase of shares from October 1, 2024 to November 13, 2024 under this ASPP. At September 30, 2023, an estimated obligation of \$6 million was recorded for the repurchase of shares under the ASPP.

## 8. SHARE-BASED PAYMENTS

The Company has a number of share-based compensation plans in the form of share options and other share-based payment plans noted below.

### Share Options

Details of the share option plan were as follows:

	September 30, 2024		September 30, 2023	
	Options	Weighted Average Exercise Price	Options	Weighted Average Exercise Price
<b>9 months ended</b>				
Share options outstanding, beginning of period	1,149,866	\$ 30.06	1,567,168	\$ 27.63
Granted	226,034	\$ 42.61	278,878	\$ 35.63
Exercised	(261,691)	\$ 29.41	(585,638)	\$ 26.07
Forfeited	(20,365)	\$ 37.84	(69,371)	\$ 28.95
Share options outstanding, end of period	1,093,844	\$ 32.66	1,191,037	\$ 30.20
Share options exercisable, end of period	610,303	\$ 28.07	601,397	\$ 25.89

The fair value of the share options granted was estimated on the date of grant using the following weighted-average assumptions:

	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
Dividend yield	3.05%	n/a <sup>(1)</sup>	3.09%	3.17%
Expected volatility <sup>(2)</sup>	34.25%	n/a	34.12%	33.91%
Risk-free interest rate	2.98%	n/a	3.63%	3.29%
Expected life (in years)	4.91	n/a	4.97	5.02
Grant date fair value of share options	\$ 9.89	n/a	\$ 11.16	\$ 9.05
Share price	\$ 39.07	n/a	\$ 42.61	\$ 35.63

<sup>(1)</sup> n/a – not applicable

<sup>(2)</sup> Expected volatility is based on historical share price volatility of Finning shares listed on the Toronto Stock Exchange.

### Other Share-Based Payment Plans

The Company has other share-based payment plans in the form of deferred share units, performance share units, and restricted share units that use notional common share units. Grants under these plans were as follows:

	3 months ended September 30		9 months ended September 30	
	2024	2023	2024	2023
<b>(Share units granted)</b>				
Executive Deferred Share Unit Plan	—	—	—	6,025
Directors' Deferred Share Unit Plan A	10,850	11,682	35,697	37,312
Performance Share Unit Plan <sup>(3)</sup>	1,296	—	240,931	307,822
Restricted Share Unit Plan	777	—	186,163	193,235

<sup>(3)</sup> Based on 100% vesting.

## 9. INVENTORY

	September 30,	December 31,	January 1,
(\$ millions)	2024	2023	2023
On-hand equipment	1,252	1,266	919
Parts and supplies	1,148	1,110	1,030
Internal service work in progress	481	468	512
Total inventory	2,881	2,844	2,461

## 10. SUPPLEMENTAL CASH FLOW INFORMATION

The components of cash and cash equivalents were as follows:

<b>September 30</b> <b>(\$ millions)</b>	<b>2024</b>	<b>2023</b>
Cash	280	155
Cash equivalents	18	13
<b>Cash and cash equivalents</b>	<b>298</b>	<b>168</b>

The changes in operating assets and liabilities were as follows:

<b>(\$ millions)</b>	<b>3 months ended</b> <b>September 30</b>		<b>9 months ended</b> <b>September 30</b>	
	<b>2024</b>	<b>2023</b> (Restated - Note 1a)	<b>2024</b>	<b>2023</b> (Restated - Note 1a)
Accounts receivable	67	84	(109)	(19)
Unbilled receivables	(8)	(11)	4	(46)
Inventory	86	(139)	—	(460)
Other assets	(12)	(21)	(122)	(47)
Accounts payable and accruals	61	75	103	89
Other liabilities	(44)	(182)	2	(129)
<b>Changes in operating assets and liabilities</b>	<b>150</b>	<b>(194)</b>	<b>(122)</b>	<b>(612)</b>

The changes in liabilities arising from financing and operating activities were as follows:

<b>(\$ millions)</b>	<b>Short-term</b> <b>debt</b>	<b>Long-term</b> <b>debt</b>	<b>Lease</b> <b>liabilities</b>	<b>Total</b>
Balance, January 1, 2024	1,239	1,148	309	2,696
Cash flows (used in) provided by				
Financing activities	(162)	220	(66)	(8)
Operating activities	—	—	(11)	(11)
<b>Total cash movements</b>	<b>(162)</b>	<b>220</b>	<b>(77)</b>	<b>(19)</b>
Non-cash changes				
Additions	—	—	91	91
Remeasurement of liability and disposals	—	—	3	3
Interest expense	—	—	11	11
Foreign exchange rate changes	26	10	3	39
<b>Total non-cash movements</b>	<b>26</b>	<b>10</b>	<b>108</b>	<b>144</b>
<b>Balance, September 30, 2024</b>	<b>1,103</b>	<b>1,378</b>	<b>340</b>	<b>2,821</b>

<b>(\$ millions)</b>	<b>Short-term</b> <b>debt</b>	<b>Long-term</b> <b>debt</b>	<b>Lease</b> <b>liabilities</b>	<b>Total</b>
Balance, January 1, 2023	1,068	929	331	2,328
Cash flows provided by (used in)				
Financing activities	313	226	(64)	475
Operating activities	—	—	(9)	(9)
<b>Total cash movements</b>	<b>313</b>	<b>226</b>	<b>(73)</b>	<b>466</b>
Non-cash changes				
Additions	—	—	42	42
Remeasurement of liability and disposals	—	—	5	5
Interest expense	—	—	9	9
Foreign exchange rate changes	(9)	3	—	(6)
<b>Total non-cash movements</b>	<b>(9)</b>	<b>3</b>	<b>56</b>	<b>50</b>
<b>Balance, September 30, 2023</b>	<b>1,372</b>	<b>1,158</b>	<b>314</b>	<b>2,844</b>

## 11. RESTATEMENT

Following a detailed review of Finning's remanufacturing business in Canada, management determined that the correct classification of certain costs in selling, general, and administrative expenses should be cost of sales. Effective Q3 2024, the comparative figures for 2023 and Q1 2024 and Q2 2024 include an immaterial adjustment for a change in classification of certain expenses. The impact of these reclassifications on each respective line item for the 2023 comparative period is as follows:

<b>3 months ended September 30, 2023</b> <b>(\$ millions)</b>	<b>Previously reported</b>	<b>Adjustment</b>	<b>Restated</b>
Cost of sales	(2,044)	(20)	(2,064)
Gross profit	660	(20)	640
Selling, general, and administrative expenses	(412)	20	(392)
Earnings before finance costs and income taxes	252	—	252
Net income	155	—	155

<b>9 months ended September 30, 2023</b> <b>(\$ millions)</b>	<b>Previously reported</b>	<b>Adjustment</b>	<b>Restated</b>
Cost of sales	(5,927)	(54)	(5,981)
Gross profit	1,936	(54)	1,882
Selling, general, and administrative expenses	(1,234)	54	(1,180)
Earnings before finance costs and income taxes	733	—	733
Net income	436	—	436

This change in presentation does not affect the Company's consolidated statement of financial position, cash flow, or earnings per share.