

**LINAMAR CORPORATION**  
**Consolidated Interim Statements of Financial Position**

As at June 30, 2020 with comparatives as at December 31, 2019 (Unaudited)  
(in thousands of Canadian dollars)

	June 30 2020 \$	December 31 2019 \$
<b>ASSETS</b>		
Cash and cash equivalents	375,550	338,226
Accounts and other receivables	783,887	988,245
Inventories	931,007	991,759
Income taxes recoverable	38,704	47,216
Current portion of long-term receivables (Note 6)	86,903	118,095
Current portion of derivative financial instruments (Note 6)	32,905	6,415
Other current assets	31,663	40,879
<b>Current Assets</b>	<b>2,280,619</b>	<b>2,530,835</b>
Long-term receivables (Note 6)	404,118	403,811
Derivative financial instruments (Note 6)	-	84,758
Property, plant and equipment	2,701,362	2,758,764
Investments	6,796	6,642
Deferred tax assets	82,271	61,840
Intangible assets	875,770	873,616
Goodwill	880,820	858,541
<b>Assets</b>	<b>7,231,756</b>	<b>7,578,807</b>
<b>LIABILITIES</b>		
Short-term borrowings	519	5,561
Accounts payable and accrued liabilities	1,057,199	1,271,856
Provisions	37,553	40,358
Income taxes payable	48,421	23,188
Current portion of long-term debt (Notes 6, 7)	615,597	26,186
Current portion of derivative financial instruments (Note 6)	21,425	-
<b>Current Liabilities</b>	<b>1,780,714</b>	<b>1,367,149</b>
Long-term debt (Notes 6, 7)	1,101,579	1,865,942
Derivative financial instruments (Note 6)	2,053	20,153
Deferred tax liabilities	264,781	295,808
<b>Liabilities</b>	<b>3,149,127</b>	<b>3,549,052</b>
<b>EQUITY</b>		
Capital stock	146,204	132,356
Retained earnings	3,846,806	3,830,666
Contributed surplus	23,885	27,578
Accumulated other comprehensive earnings (loss)	65,734	39,155
<b>Equity</b>	<b>4,082,629</b>	<b>4,029,755</b>
<b>Liabilities and Equity</b>	<b>7,231,756</b>	<b>7,578,807</b>

The accompanying notes are an integral part of these consolidated interim financial statements.

On behalf of the Board of Directors:

(Signed) "Frank Hasenfratz"

Frank Hasenfratz  
Director

(Signed) "Linda Hasenfratz"

Linda Hasenfratz  
Director

# LINAMAR CORPORATION

## Consolidated Interim Statements of Earnings

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)

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

	Three Months Ended		Six Months Ended	
	2020	2019	2020	2019
	\$	\$	\$	\$
Sales	923,571	2,086,113	2,473,336	4,060,607
Cost of sales	882,591	1,751,745	2,231,883	3,422,383
<b>Gross Margin</b>	40,980	334,368	241,453	638,224
Selling, general and administrative	60,431	111,012	157,872	221,229
Other income and (expenses) (Note 9)	(5,813)	(8,232)	9,095	(14,141)
<b>Operating Earnings (Loss)</b>	(25,264)	215,124	92,676	402,854
Share of net earnings (loss) of investments accounted for using the equity method	(5,151)	(2,812)	(11,577)	(5,474)
Finance income and (expenses) (Note 10)	(17,736)	(13,762)	(25,176)	(26,025)
<b>Net Earnings (Loss) before Income Taxes</b>	(48,151)	198,550	55,923	371,355
Provision for (recovery of) income taxes	(10,232)	48,388	15,356	88,866
<b>Net Earnings (Loss) for the Period</b>	(37,919)	150,162	40,567	282,489
<b>Net Earnings (Loss) Per Share:</b>				
Basic	(0.58)	2.30	0.62	4.33
Diluted	(0.58)	2.28	0.62	4.28

The accompanying notes are an integral part of these consolidated interim financial statements.

**LINAMAR CORPORATION****Consolidated Interim Statements of Comprehensive Earnings**

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Net Earnings (Loss) for the Period</b>	<b>(37,919)</b>	<b>150,162</b>	<b>40,567</b>	<b>282,489</b>
<b>Items that may be reclassified subsequently to net income</b>				
Unrealized gains (losses) on translating financial statements of foreign operations	(87,423)	(65,659)	78,911	(160,015)
Change in unrealized gains (losses) on net investment hedges	16,561	6,599	(41,637)	44,129
Change in unrealized gains (losses) on cash flow hedges	(61,805)	(26,576)	(40,119)	(55,128)
Change in cost of hedging	213	2,029	9,093	9,332
Reclassification to earnings of gains (losses) on cash flow hedges	90,707	23,435	2,888	46,606
Tax impact of above	(11,420)	(1,372)	17,443	(11,235)
<b>Other Comprehensive Earnings (Loss)</b>	<b>(53,167)</b>	<b>(61,544)</b>	<b>26,579</b>	<b>(126,311)</b>
<b>Comprehensive Earnings (Loss) for the Period</b>	<b>(91,086)</b>	<b>88,618</b>	<b>67,146</b>	<b>156,178</b>

The accompanying notes are an integral part of these consolidated interim financial statements.

# LINAMAR CORPORATION

## Consolidated Interim Statements of Changes in Equity

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)

(in thousands of Canadian dollars)

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
<b>Balance at January 1, 2020</b>	132,356	3,830,666	27,578	36,469	2,686	4,029,755
Net Earnings (Loss)	-	40,567	-	-	-	40,567
Other comprehensive earnings (loss)	-	-	-	46,946	(20,367)	26,579
<b>Comprehensive Earnings (Loss)</b>	-	40,567	-	46,946	(20,367)	67,146
Share-based compensation	-	-	1,221	-	-	1,221
Shares issued on exercise of options	14,417	-	(4,914)	-	-	9,503
Common shares repurchased and cancelled (Note 8)	(569)	(12,711)	-	-	-	(13,280)
Dividends	-	(11,716)	-	-	-	(11,716)
<b>Balance at June 30, 2020</b>	146,204	3,846,806	23,885	83,415	(17,681)	4,082,629
	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
<b>Balance at January 1, 2019</b>	122,393	3,459,841	28,449	197,221	(4,772)	3,803,132
Net Earnings (Loss)	-	282,489	-	-	-	282,489
Other comprehensive earnings (loss)	-	-	-	(125,745)	(566)	(126,311)
<b>Comprehensive Earnings (Loss)</b>	-	282,489	-	(125,745)	(566)	156,178
Share-based compensation	-	-	1,260	-	-	1,260
Shares issued on exercise of options	1,897	-	(608)	-	-	1,289
Common shares repurchased and cancelled	(328)	(7,663)	-	-	-	(7,991)
Dividends	-	(15,663)	-	-	-	(15,663)
<b>Balance at June 30, 2019</b>	123,962	3,719,004	29,101	71,476	(5,338)	3,938,205

The accompanying notes are an integral part of these consolidated interim financial statements.

# LINAMAR CORPORATION

## Consolidated Interim Statements of Cash Flows

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)  
(in thousands of Canadian dollars)

	Three Months Ended		Six Months Ended	
	2020	2019	2020	2019
	\$	\$	\$	\$
<b>Cash generated from (used in)</b>				
<b>Operating Activities</b>				
Net Earnings (Loss) for the Period	(37,919)	150,162	40,567	282,489
Adjustments for:				
Amortization of property, plant and equipment	99,560	87,669	199,136	173,392
Amortization of other intangible assets	10,887	10,517	21,505	20,924
Deferred income taxes	(20,429)	396	(27,720)	(1,374)
Share-based compensation	611	630	1,221	1,260
Finance (income) and expenses	17,736	13,762	25,176	26,025
Other	22,076	1,069	15,817	9,434
	92,522	264,205	275,702	512,150
Changes in operating assets and liabilities:				
(Increase) decrease in accounts and other receivables	246,279	(33,317)	216,728	(246,266)
(Increase) decrease in inventories	151,295	117,710	68,620	98,536
(Increase) decrease in other current assets	4,515	1,653	9,253	3,374
(Increase) decrease in long-term receivables	28,393	8,934	41,077	7,048
Increase (decrease) in income taxes	8,610	1,087	25,291	(20,812)
Increase (decrease) in accounts payable and accrued liabilities	(338,173)	(44,056)	(207,401)	90,727
Increase (decrease) in provisions	103	3,626	(3,122)	5,345
	101,022	55,637	150,446	(62,048)
<b>Cash generated from (used in) operating activities</b>	<b>193,544</b>	<b>319,842</b>	<b>426,148</b>	<b>450,102</b>
<b>Financing Activities</b>				
Proceeds from (repayments of) short-term borrowings	(13,606)	(1,969)	(5,776)	(2,166)
Proceeds from (repayments of) long-term debt	(187,937)	(175,347)	(241,361)	(157,101)
Proceeds from exercise of stock options	9,503	1,289	9,503	1,289
Repurchase of shares (Note 8)	-	(6,322)	(13,280)	(7,991)
Dividends	(11,716)	(15,663)	(11,716)	(15,663)
Finance income received (expenses paid)	(12,501)	(9,653)	(20,847)	(23,270)
Settlement of forward contracts	25,335	-	25,335	-
<b>Cash generated from (used in) financing activities</b>	<b>(190,922)</b>	<b>(207,665)</b>	<b>(258,142)</b>	<b>(204,902)</b>
<b>Investing Activities</b>				
Payments for purchase of property, plant and equipment	(23,987)	(126,395)	(114,682)	(246,794)
Proceeds on disposal of property, plant and equipment	941	1,093	6,110	13,094
Payments for purchase of intangible assets	(5,834)	(6,576)	(11,616)	(9,726)
Other	-	(4,192)	(5,289)	(9,959)
<b>Cash generated from (used in) investing activities</b>	<b>(28,880)</b>	<b>(136,070)</b>	<b>(125,477)</b>	<b>(253,385)</b>
Effect of translation adjustment on cash	(26,258)	(23,893)	42,529	(8,185)
	(11,377)	(24,012)	(5,205)	(26,238)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(37,635)</b>	<b>(47,905)</b>	<b>37,324</b>	<b>(34,423)</b>
<b>Cash and cash equivalents - Beginning of Period</b>	<b>413,185</b>	<b>485,457</b>	<b>338,226</b>	<b>471,975</b>
<b>Cash and cash equivalents - End of Period</b>	<b>375,550</b>	<b>437,552</b>	<b>375,550</b>	<b>437,552</b>
<b>Comprised of:</b>				
Cash in bank	265,141	363,412	265,141	363,412
Short-term deposits	132,665	110,807	132,665	110,807
Unpresented cheques	(22,256)	(36,667)	(22,256)	(36,667)
	375,550	437,552	375,550	437,552

The accompanying notes are an integral part of these consolidated interim financial statements.

# **LINAMAR CORPORATION**

## **Notes to Consolidated Interim Financial Statements**

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

### **1 General Information**

Linamar Corporation and its subsidiaries, including jointly controlled entities, (together, the "Company") is a diversified global manufacturing company of highly engineered products. The Company is incorporated in Ontario, Canada with common shares listed on the Toronto Stock Exchange ("TSX"). The Company is domiciled in Canada and its registered office is 287 Speedvale Avenue West, Guelph, Ontario, Canada.

The consolidated interim financial statements of the Company for the period ended June 30, 2020 were authorized for issue in accordance with a resolution of the Company's Board of Directors on August 6, 2020.

### **2 Basis of Presentation and Significant Accounting Policies**

The Company has prepared its consolidated interim financial statements in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and with interpretations of the International Financial Reporting Issues Committee.

These interim financial statements have been prepared in accordance with IFRS applicable to the preparation of interim financial statements, including International Accounting Standards ("IAS") 34, Interim Financial Reporting. Accordingly, certain information and footnotes as required in the annual financial statements have been omitted or condensed and as such these interim financial statements should be read in conjunction with the Company's annual financial statements for the year ended December 31, 2019. These interim financial statements and the notes thereto have not been reviewed by the Company's external auditors pursuant to a review engagement applying review standards set out in the Canadian Chartered Professional Accountants handbook.

These interim financial statements were prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative instruments) at fair value.

The Company has prepared these unaudited consolidated interim financial statements using the same accounting policies and methods as those used in the Company's audited consolidated annual financial statements for the year ended December 31, 2019. These policies have been consistently applied to all periods presented, unless otherwise stated.

### **3 Changes in Accounting Policies**

#### **New Standards and Interpretations Not Yet Adopted**

All pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. At the date of authorization of these interim financial statements, there were no new standards, amendments and interpretations to existing standards that were relevant to the Company.

### **4 Critical Accounting Estimates and Judgements**

The preparation of financial statements in conformity with IFRS requires management to make estimates and judgements about the future. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different assumptions or conditions.

The following discussion sets forth an update to Impairment of Non-Financial Assets which is considered one of the Company's critical estimates in determining the value of assets and liabilities and most critical judgements in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

#### **Impairment of Non-Financial Assets**

The Company believes that the estimate of impairment for goodwill and non-financial assets is a "critical accounting estimate" because management is required to assess at the end of each reporting period whether there is any indication that an asset may be impaired and to make significant forward-looking assumptions. In assessing whether there is an indication that an asset may be impaired, there are a number of external and internal sources of information which require a high degree of judgement. The recoverable amounts of cash generating units have been determined based on the higher of fair value less costs of disposal or value in use calculations, which require the use of estimates. Uncertain changes in the discount rate used, and forward-looking assumptions regarding improvement plans, costing assumptions, timing of program launches, and production volumes may affect the fair value of estimates used. No known trends, commitments, events or other uncertainties are currently believed to materially affect the assumptions used with the exception of the length and extent of the COVID-19 pandemic and its impact on the overall global economy which is not known.

# LINAMAR CORPORATION

## Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

Please refer to the “Critical Accounting Estimates and Judgements” section of the Company’s December 31, 2019 consolidated annual financial statements for additional information.

### 5 Seasonality

Historically, earnings in the second quarter for the Industrial segment are positively impacted by the high selling season for both the access equipment and agricultural businesses. For the Transportation segment, vehicle production is typically at its lowest level during the third and fourth quarters due to lower original equipment manufacturers’ production schedules resulting from shutdowns related to summer and winter maintenance and model changeovers. The Company takes advantage of summer and winter shutdowns for maintenance activities that would otherwise disrupt normal production schedules.

### 6 Composition of Financial Instruments

The comparison of fair values to carrying amounts of financial assets and financial liabilities along with their fair value hierarchy for financial assets and financial liabilities carried at fair value on a recurring basis is as follows:

	Subsequent Measurement	June 30, 2020		December 31, 2019	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	491,021	519,178	521,906	529,685
Derivative financial instruments					
USD interest payment forward contracts (Note 7)	Fair value (Level 2)	-	-	3,230	3,230
USD debt principal forward contracts (Note 7)	Fair value (Level 2)	-	-	29,838	29,838
USD cross currency interest rate swaps	Fair value (Level 2)	17,801	17,801	(20,153)	(20,153)
EUR cross currency interest rate swaps	Fair value (Level 2)	15,104	15,104	52,218	52,218
USD sales forwards – CAD functional entities	Fair value (Level 2)	(3,826)	(3,826)	5,887	5,887
USD sales forwards – MXN functional entities	Fair value (Level 2)	(18,588)	(18,588)	-	-
USD sales forwards – CNY functional entities	Fair value (Level 2)	(1,064)	(1,064)	-	-
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	6,796	6,796	6,642	6,642
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(1,645,026)	(1,638,426)	(1,819,589)	(1,807,840)

Beginning in the fourth quarter of 2019, the Company entered into a series of forward exchange contracts to hedge a portion of the ultimate cash flows arising from highly probable forecasted United States dollar (“USD”) sales. The Company’s program hedges a portion of USD sales contracts entered into by entities with various functional currencies. All the contracts are designated as cash flow hedges and are accounted for in the same manner. At period end there were contracts in place which hedge a portion of USD sales for a period of approximately eighteen months and the USD notional hedge values and average forward rates back to the respective functional currencies are as follows:

	Notional Hedge Value USD \$	June 30, 2020		December 31, 2019	
		Average Forward Rate	Notional Hedge Value USD \$	Average Forward Rate	Notional Hedge Value USD \$
USD sales forwards – CAD functional entities	199,925	1.3435	206,675	1.3271	
USD sales forwards – MXN functional entities	135,375	21.3150	-	-	
USD sales forwards – CNY functional entities	34,600	7.0042	-	-	

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

#### 7 Long-Term Debt

	June 30 2020	December 31 2019
	\$	\$
Senior unsecured notes	-	168,778
Bank borrowings	1,566,521	1,570,791
Lease liabilities	72,150	72,539
Government borrowings	78,505	80,020
	1,717,176	1,892,128
Less: current portion	615,597	26,186
	1,101,579	1,865,942

As of June 30, 2020, \$753,965 was available under the various credit facilities. Of the current portion, USD \$434,737 is not due for payment until January 2021.

During June 2020, the USD \$130,000 senior unsecured notes, due in September 2021, were fully repaid. The hedge interest payment and debt principal forward contracts used to convert the United States stated coupon rate to a Canadian interest rate, and to lock in the exchange rate on the principal repayment component, were terminated at the same time (Note 6).

#### 8 Capital Stock

In March 2020, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to renew its normal course issuer bid ("NCIB" or "Bid"). Under the NCIB, Linamar has the ability to purchase for cancellation up to a maximum of 4,396,427 common shares from March 20, 2020 until March 19, 2021, representing approximately 10% of the public float of 43,964,265 that were issued and outstanding as of March 6, 2020. No shares were purchased and cancelled from March 20, 2020 to June 30, 2020 due to the COVID-19 pandemic.

#### 9 Other Income and (Expenses)

	Three Months Ended		Six Months Ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019
	\$	\$	\$	\$
Foreign exchange gain (loss)	(5,887)	(8,282)	8,551	(14,224)
Other income (expense)	74	50	544	83
	(5,813)	(8,232)	9,095	(14,141)

#### 10 Finance Income and (Expenses)

	Three Months Ended		Six Months Ended	
	June 30 2020	June 30 2019	June 30 2020	June 30 2019
	\$	\$	\$	\$
Finance costs	(18,666)	(18,557)	(30,406)	(36,980)
Foreign exchange gain (loss) on debt and derivatives	(5,182)	(574)	(5,542)	226
Interest earned	7,344	7,221	15,000	14,493
Other	(1,232)	(1,852)	(4,228)	(3,764)
	(17,736)	(13,762)	(25,176)	(26,025)

#### 11 Government Grants

In response to COVID-19, many governments around the world have provided various subsidy programs to assist companies during the crisis. The Company received government assistance in regions where such assistance was available and where the Company was eligible for the subsidy programs. The Company has recognized these subsidy programs as a reduction to the related expenses. A significant benefit to Linamar was from a subsidy program in Canada. The Canada Emergency Wage Subsidy ("CEWS") program was announced in March 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as result of COVID-19. The direct benefit of CEWS recorded in the consolidated interim statement of earnings was \$52,764 for the current three month period.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

#### 12 Commitments

As at June 30, 2020, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$112,041 (June 30, 2019 - \$176,675). Of this amount \$110,499 (June 30, 2019 - \$146,152) relates to the purchase of manufacturing equipment and \$1,542 (June 30, 2019 - \$30,523) relates to general contracting and construction costs in respect of plant construction. The majority of these commitments are due within the next twelve months.

#### 13 Segmented Information

Management has determined the operating segments based on the reports reviewed by the Senior Executive Group that are used to make strategic decisions.

**Transportation:** The Transportation segment derives revenues primarily from the collaborative design, development and manufacture of precision metallic components, modules and systems for global vehicle markets.

**Industrial:** The Industrial segment is a world leader in the design and production of innovative mobile industrial equipment, notably its class-leading aerial work platforms, telehandlers and agricultural equipment.

The segments are differentiated by the products that each produces and reflects how the Senior Executive Group manages the business. Corporate headquarters and other small operating entities are allocated to the Transportation and Industrial operating segments accordingly.

The Company accounts for inter-segment sales and transfers as arm's length transactions at current market rates. The Company ensures that the measurement and policies are consistently followed among the Company's reportable segments for sales, operating earnings, earnings and assets.

The Company derives revenue from the transfer of goods and services at a point in time and over time in the following operating segments. These segments best depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

	Three Months Ended June 30, 2020			Six Months Ended June 30, 2020			
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Total identifiable assets
	\$	\$	\$	\$	\$	\$	\$
Transportation	664,373	5,028	(49,766)	1,915,184	13,083	25,248	4,451,002
Industrial	259,198	2,997	24,502	558,152	6,238	67,428	2,780,754
Total	923,571	8,025	(25,264)	2,473,336	19,321	92,676	7,231,756

	Three Months Ended June 30, 2019			Six Months Ended June 30, 2019			
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Total identifiable assets
	\$	\$	\$	\$	\$	\$	\$
Transportation	1,486,945	10,772	115,459	2,996,388	21,700	230,061	5,185,079
Industrial	599,168	2,675	99,665	1,064,219	5,172	172,793	2,989,730
Total	2,086,113	13,447	215,124	4,060,607	26,872	402,854	8,174,809

Net earnings (loss) before income taxes reconciles to earnings before interest, taxes and amortization ("EBITDA") as follows:

	Three Months Ended		Six Months Ended	
	2020	June 30 2019	2020	June 30 2019
	\$	\$	\$	\$
Net earnings (loss) before income taxes	(48,151)	198,550	55,923	371,355
Amortization of property, plant and equipment	99,560	87,669	199,136	173,392
Amortization of other intangible assets	10,887	10,517	21,505	20,924
Finance costs	18,666	18,557	30,406	36,980
Other interest	90	184	2,061	486
EBITDA	81,052	315,477	309,031	603,137

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2020 and June 30, 2019 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

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Transportation	40,599	200,388	209,079	399,546
Industrial	40,453	115,089	99,952	203,591
	81,052	315,477	309,031	603,137

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#### 14 Subsequent Events

During the first six months of 2020, the outbreak of the novel strain of coronavirus, specifically identified as COVID-19, spread across the globe impacting worldwide economic activity. The extent to which the financial results and condition of the Company in future periods may be affected depends on future developments and cannot be reliably determined at the date of these interim financial statements. The Company is constantly evaluating the situation and monitoring any impacts or potential impacts to its business.