

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

As at September 30, 2021 with comparatives as at December 31, 2020 (Unaudited)  
(in thousands of Canadian dollars)

	September 30 2021 \$	December 31 2020 \$
<b>ASSETS</b>		
Cash and cash equivalents	805,996	861,100
Accounts and other receivables	968,365	888,206
Inventories	977,114	864,155
Income taxes recoverable	12,394	8,961
Current portion of long-term receivables (Note 6)	38,399	66,135
Current portion of derivative financial instruments (Note 6)	15,054	26,398
Other current assets	42,938	34,847
<b>Current Assets</b>	<b>2,860,260</b>	<b>2,749,802</b>
Long-term receivables (Note 6)	196,738	310,315
Derivative financial instruments (Note 6)	844	5,073
Property, plant and equipment	2,439,853	2,624,004
Investments	14,399	6,579
Deferred tax assets	116,924	106,358
Intangible assets	821,573	864,478
Goodwill	862,015	890,081
<b>Assets</b>	<b>7,312,606</b>	<b>7,556,690</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,530,475	1,452,323
Provisions	34,936	38,441
Income taxes payable	84,279	83,882
Current portion of long-term debt (Notes 6, 7)	21,352	577,335
Current portion of derivative financial instruments (Note 6)	7,385	45,236
<b>Current Liabilities</b>	<b>1,678,427</b>	<b>2,197,217</b>
Long-term debt (Notes 6, 7)	778,967	725,879
Derivative financial instruments (Note 6)	2,264	363
Deferred tax liabilities	271,476	279,733
<b>Liabilities</b>	<b>2,731,134</b>	<b>3,203,192</b>
<b>EQUITY</b>		
Capital stock	146,204	146,204
Retained earnings	4,412,503	4,073,591
Contributed surplus	27,664	25,546
Accumulated other comprehensive earnings (loss)	(4,899)	108,157
<b>Equity</b>	<b>4,581,472</b>	<b>4,353,498</b>
<b>Liabilities and Equity</b>	<b>7,312,606</b>	<b>7,556,690</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 nine months ended September 30, 2021 and September 30, 2020 (Unaudited)

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2021 \$	2020 \$	2021 \$	2020 \$
Sales	1,645,005	1,637,392	5,002,132	4,110,728
Cost of sales	1,409,488	1,363,911	4,225,377	3,595,794
<b>Gross Margin</b>	235,517	273,481	776,755	514,934
Selling, general and administrative	85,016	89,791	253,554	247,663
Other income and (expenses) (Note 9)	5,704	(7,589)	7,924	1,506
<b>Operating Earnings (Loss)</b>	156,205	176,101	531,125	268,777
Share of net earnings (loss) of investments accounted for using the equity method	(7,698)	(4,360)	(21,207)	(15,937)
Finance income and (expenses) (Note 10)	(1,926)	(1,546)	(10,262)	(26,722)
<b>Net Earnings (Loss) before Income Taxes</b>	146,581	170,195	499,656	226,118
Provision for (recovery of) income taxes	37,742	44,709	129,328	60,065
<b>Net Earnings (Loss) for the Period</b>	108,839	125,486	370,328	166,053
<b>Net Earnings (Loss) Per Share:</b>				
Basic	1.66	1.92	5.66	2.54
Diluted	1.66	1.92	5.65	2.54

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

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

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Net Earnings (Loss) for the Period</b>	108,839	125,486	370,328	166,053
<b>Items that may be reclassified subsequently to net income</b>				
Unrealized gains (losses) on translating financial statements of foreign operations	3,159	43,507	(126,020)	122,418
Change in unrealized gains (losses) on net investment hedges	1,440	(21,462)	36,662	(63,099)
Change in unrealized gains (losses) on cash flow hedges	(13,305)	5,613	(10,200)	(34,506)
Change in cost of hedging	(173)	(3,138)	(2,558)	5,955
Reclassification to earnings of gains (losses) on cash flow hedges	(6,830)	12,134	(14,610)	15,022
Tax impact of above	5,091	1,714	3,617	19,157
<b>Other Comprehensive Earnings (Loss)</b>	(10,618)	38,368	(113,109)	64,947
<b>Comprehensive Earnings (Loss) for the Period</b>	98,221	163,854	257,219	231,000

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

# LINAMAR CORPORATION

## Consolidated Interim Statements of Changes in Equity

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)

(in thousands of Canadian dollars)

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
<b>Balance at January 1, 2021</b>	146,204	4,073,591	25,546	91,598	16,559	4,353,498
Net Earnings (Loss)	-	370,328	-	-	-	370,328
Other comprehensive earnings (loss)	-	-	-	(92,586)	(20,523)	(113,109)
<b>Comprehensive Earnings (Loss)</b>	-	370,328	-	(92,586)	(20,523)	257,219
Hedging transferred to the carrying value of inventory	-	-	-	-	53	53
Share-based compensation	-	-	2,118	-	-	2,118
Dividends	-	(31,416)	-	-	-	(31,416)
<b>Balance at September 30, 2021</b>	146,204	4,412,503	27,664	(988)	(3,911)	4,581,472

	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)	-	166,053	-	-	-	166,053
Other comprehensive earnings (loss)	-	-	-	74,356	(9,409)	64,947
<b>Comprehensive Earnings (Loss)</b>	-	166,053	-	74,356	(9,409)	231,000
Share-based compensation	-	-	1,831	-	-	1,831
Shares issued on exercise of options	14,417	-	(4,914)	-	-	9,503
Common shares repurchased and cancelled	(569)	(12,711)	-	-	-	(13,280)
Dividends	-	(15,643)	-	-	-	(15,643)
<b>Balance at September 30, 2020</b>	146,204	3,968,365	24,495	110,825	(6,723)	4,243,166

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

# LINAMAR CORPORATION

## Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended September 30		Nine Months Ended September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
<b>Cash generated from (used in)</b>				
<b>Operating Activities</b>				
Net Earnings (Loss) for the Period	108,839	125,486	370,328	166,053
Adjustments for:				
Amortization of property, plant and equipment	96,009	98,977	301,157	298,113
Amortization of other intangible assets	12,667	11,065	36,765	32,570
Deferred income taxes	1,564	(1,170)	(12,023)	(28,890)
Asset impairment provision, net of reversals	109	11,725	1,749	11,725
Share-based compensation	706	610	2,118	1,831
Equity investment (earnings) loss	7,698	4,360	21,207	15,937
Finance (income) and expenses	1,926	1,546	10,262	26,722
Other	(16,485)	4,578	(33,008)	8,818
	213,033	257,177	698,555	532,879
Changes in operating assets and liabilities:				
(Increase) decrease in accounts and other receivables	21,026	(195,675)	(79,582)	21,053
(Increase) decrease in inventories	(28,759)	43,828	(132,064)	112,448
(Increase) decrease in other current assets	(11,805)	(3,088)	(9,049)	6,165
(Increase) decrease in long-term receivables	(1,791)	68,744	121,815	109,821
Increase (decrease) in income taxes	14,024	39,442	(5,094)	64,733
Increase (decrease) in accounts payable and accrued liabilities	76,625	309,630	99,418	102,229
Increase (decrease) in provisions	(1,124)	(1,689)	(2,870)	(4,811)
	68,196	261,192	(7,426)	411,638
<b>Cash generated from (used in) operating activities</b>	<b>281,229</b>	<b>518,369</b>	<b>691,129</b>	<b>944,517</b>
<b>Financing Activities</b>				
Proceeds from (repayments of) short-term borrowings	-	(594)	-	(6,370)
Proceeds from (repayments of) long-term debt	(130,972)	(253,862)	(976,666)	(495,223)
Proceeds from senior unsecured notes	-	-	493,952	-
Proceeds from exercise of stock options	-	-	-	9,503
Repurchase of shares	-	-	-	(13,280)
Dividends	(10,472)	(3,927)	(31,416)	(15,643)
Finance income received (expenses paid)	(2,494)	(1,892)	(374)	(22,739)
Settlement of derivative contracts (Notes 6, 7)	-	16,093	(40,470)	41,428
<b>Cash generated from (used in) financing activities</b>	<b>(143,938)</b>	<b>(244,182)</b>	<b>(554,974)</b>	<b>(502,324)</b>
<b>Investing Activities</b>				
Payments for purchase of property, plant and equipment	(58,632)	(73,867)	(168,983)	(188,549)
Proceeds on disposal of property, plant and equipment	1,303	574	5,708	6,684
Payments for purchase of intangible assets	(2,991)	(8,453)	(8,262)	(20,069)
Other	(7,487)	(2,038)	(13,468)	(7,327)
<b>Cash generated from (used in) investing activities</b>	<b>(67,807)</b>	<b>(83,784)</b>	<b>(185,005)</b>	<b>(209,261)</b>
	69,484	190,403	(48,850)	232,932
Effect of translation adjustment on cash	4,941	4,133	(6,254)	(1,072)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>74,425</b>	<b>194,536</b>	<b>(55,104)</b>	<b>231,860</b>
<b>Cash and cash equivalents - Beginning of Period</b>	<b>731,571</b>	<b>375,550</b>	<b>861,100</b>	<b>338,226</b>
<b>Cash and cash equivalents - End of Period</b>	<b>805,996</b>	<b>570,086</b>	<b>805,996</b>	<b>570,086</b>
<b>Comprised of:</b>				
Cash in bank	449,550	417,000	449,550	417,000
Short-term deposits	375,466	168,195	375,466	168,195
Unpresented cheques	(19,020)	(15,109)	(19,020)	(15,109)
	805,996	570,086	805,996	570,086

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

# LINAMAR CORPORATION

## Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and September 30, 2020 (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 September 30, 2021 were authorized for issue in accordance with a resolution of the Company's Board of Directors on November 9, 2021.

### 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, 2020. 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, 2020. These policies have been consistently applied to all periods presented, unless otherwise stated.

### 3 Changes in Accounting Policies

#### New Standards and Amendments Adopted

Certain new standards and amendments became effective during the current fiscal year. The impact from the adoption of these new standards and amendments are reflected below.

**IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases** The Company has adopted the Phase 2 amendments to IFRS 9 Financial Instruments, IFRS 7 Financial Instruments: Disclosures and IFRS 16 Leases as issued in August 2020. The Phase 2 amendments address issues affecting financial reporting when changes are made to contractual cash flows of financial instruments or hedging relationships as a result of interest rate benchmark reform. In addition, the amendments to IFRS 7 require additional disclosures related to the interest rate benchmark reform. There have been no significant impacts to the Company for the nine months ended September 30, 2021 for any financial instruments or other contracts linked to an underlying interest rate impacted by the reforms. The Company continues to assess the impacts of the benchmark reforms on our operations and continues to engage with industry associations on recent developments on the transition to risk-free rates. However, the Company does not currently anticipate future significant impacts to the financial statements.

#### 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.

## **LINAMAR CORPORATION**

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

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

Due to the uncertainty of COVID-19, the following discussion sets forth an update to management's most critical estimates and assumptions 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.

#### **Impact of COVID-19 on Results and Risk Management Practices**

During 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 by COVID-19 depends on future developments and cannot be reliably determined at the date of these financial statements. The Company has not changed its fundamental risk management practices. The Company will continue to evaluate the situation and monitor any impacts or potential impacts to its business.

#### **Impact of COVID-19 on Receivables**

With regard to the Company's receivables, the recognition and measurement of the expected credit loss rate involves a provision matrix incorporating historical experiences adjusted for current and future conditions expected for the life of the balance. No significant changes were made to the methodology during the period, except for enhancements made to assess the economic impacts of COVID-19. The level of estimation uncertainty and judgement has increased as a result of the economic effects of the COVID-19 pandemic, particularly as the length and extent of the pandemic and its impact on the overall global economy are not known. Modelled assumptions and linkages between economic factors and credit losses may underestimate or overestimate expected credit losses.

#### **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.

Please refer to the "Critical Accounting Estimates and Judgements" section of the Company's December 31, 2020 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 Mobility 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.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

## 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	September 30, 2021		December 31, 2020	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	235,137	249,715	376,450	413,177
Derivative financial instruments					
USD cross currency interest rate swaps (Note 7)	Fair value (Level 2)	-	-	(33,772)	(33,772)
EUR cross currency interest rate swaps	Fair value (Level 2)	-	-	(10,832)	(10,832)
USD sales forwards – CAD functional entities	Fair value (Level 2)	(2,616)	(2,616)	13,664	13,664
USD sales forwards – MXN functional entities	Fair value (Level 2)	5,727	5,727	15,467	15,467
USD sales forwards – CNY functional entities	Fair value (Level 2)	1,073	1,073	2,340	2,340
CAD purchase forwards – GBP functional entities	Fair value (Level 2)	2,065	2,065	(995)	(995)
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	6,806	6,806	6,579	6,579
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(740,385)	(690,041)	(1,237,415)	(1,211,770)

As at December 31, 2020, the Company held Euro (“EUR”) cross currency interest rate swap contracts to buy EUR interest and principal amounts in exchange for CAD interest and principal amounts. The contracts hedged the effective change in exchange rates on net investments in EUR foreign operations. The EUR cross currency interest rate swap contracts matured and were settled in January 2021, ending that net investment hedge.

## 7 Long-Term Debt

	September 30 2021 \$	December 31 2020 \$
Senior unsecured notes	467,370	-
Bank borrowings	197,662	1,158,184
Lease liabilities	59,934	65,799
Government borrowings	75,353	79,231
	800,319	1,303,214
Less: current portion	21,352	577,335
	778,967	725,879

In June 2020, the U.S. \$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.

In January 2021, the Company received funding through a note purchase agreement with certain institutional investors for a private placement of EUR 320,000 aggregate principal amount, issued at an annual rate of 1.37%, coming due January 2031 and paying interest semi-annually. The EUR denominated senior unsecured notes have been designated as a net investment hedge for the net investments in EUR foreign operations.

As at December 31, 2020, the Company held floating USD \$716,044 denominated bank borrowings, a portion of which came due in January 2021. The USD cross currency interest rate swap contracts effectively locked in the exchange rate on the interest and principal repayments of the USD borrowings and hedge the effective changes in exchange rates. The contracts also lock in the interest payments on the USD borrowings from monthly LIBOR floating interest rates to a CAD fixed interest rate. The USD borrowings were repaid in January 2021 and the USD cross currency interest rate swap contracts matured and were settled at the same time (Note 6). Along with available cash and proceeds drawn from the revolving credit facility the Company applied the proceeds of the EUR denominated notes towards the repayment of the USD denominated bank borrowings.

As of September 30, 2021, \$957,493 was available under the revolving credit facility.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

#### 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 March 19, 2021 due to the COVID-19 pandemic.

#### 9 Other Income and (Expenses)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Foreign exchange gain (loss)	5,459	(7,534)	6,818	1,017
Other income (expense)	245	(55)	1,106	489
	5,704	(7,589)	7,924	1,506

#### 10 Finance Income and (Expenses)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Finance costs	(4,453)	(7,734)	(14,575)	(38,140)
Foreign exchange gain (loss) on debt and derivatives	-	885	(6,324)	(4,657)
Interest earned	4,524	7,177	16,292	22,177
Other	(1,997)	(1,874)	(5,655)	(6,102)
	(1,926)	(1,546)	(10,262)	(26,722)

#### 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 certain 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 and the program came to an end in October 2021. CEWS provided a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including a demonstration of revenue declines. The direct benefit of CEWS and other COVID-19 related programs recorded in the consolidated interim statement of earnings was \$24,795 for the three months ended September 30, 2021 and \$62,874 for the nine months ended September 30, 2021 (\$47,050 for the three months ended September 30, 2020 and \$108,061 for the nine months ended September 30, 2020).

#### 12 Commitments

As at September 30, 2021, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$177,456 (September 30, 2020 - \$110,286). Of this amount \$156,069 (September 30, 2020 - \$105,371) relates to the purchase of manufacturing equipment and \$21,387 (September 30, 2020 - \$4,915) 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 Related Party Transactions

Related party transactions include long-term receivables to an investee accounted for using the equity method at September 30, 2021 of \$125,735 (September 30, 2020 - \$110,331). Included in the cost of sales are material purchases from the same related party of \$9,652 for the three months ended September 30, 2021 and \$20,455 for the nine months ended September 30, 2021 (\$7,849 for the three months ended September 30, 2020 and \$17,571 for the nine months ended September 30, 2020), with amounts payable at September 30, 2021 of \$11,029 (September 30, 2020 - \$8,489).

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2021 and September 30, 2020 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

#### 14 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.

**Mobility:** The Mobility 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 Mobility 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 September 30, 2021			Nine Months Ended September 30, 2021		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,211,050	7,899	86,189	3,826,392	21,846	351,733
Industrial	433,955	2,462	70,016	1,175,740	6,910	179,392
Total	1,645,005	10,361	156,205	5,002,132	28,756	531,125

	Three Months Ended September 30, 2020			Nine Months Ended September 30, 2020		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,338,947	4,170	134,883	3,254,131	17,253	160,131
Industrial	298,445	2,691	41,218	856,597	8,929	108,646
Total	1,637,392	6,861	176,101	4,110,728	26,182	268,777

The Company operates in four geographic segments. The sales to external customers in Canada, Rest of North America, Asia Pacific and Europe are as follows:

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2021	2020	2021	2020
	\$	\$	\$	\$
Canada	864,190	821,293	2,526,822	2,020,284
Rest of North America	187,622	215,837	591,777	534,917
Asia Pacific	182,037	157,338	456,440	366,273
Europe	411,156	442,924	1,427,093	1,189,254
Total	1,645,005	1,637,392	5,002,132	4,110,728