

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

As at June 30, 2022 with comparatives as at December 31, 2021 (Unaudited)

(in thousands of Canadian dollars)

	June 30 2022 \$	December 31 2021 \$
<b>ASSETS</b>		
Cash and cash equivalents	877,483	928,428
Accounts and other receivables	1,130,236	870,551
Inventories	1,336,720	1,066,456
Income taxes recoverable	24,603	23,188
Current portion of long-term receivables (Note 6)	29,996	43,883
Current portion of derivative financial instruments (Note 6)	13,176	9,099
Prepaid expenses and other current assets	34,835	40,588
<b>Current Assets</b>	<b>3,447,049</b>	<b>2,982,193</b>
Long-term receivables (Note 6)	49,148	186,186
Derivative financial instruments (Note 6)	1,926	1,031
Property, plant and equipment	2,591,514	2,415,916
Investments	15,319	14,375
Deferred tax assets	138,473	130,925
Intangible assets	911,845	806,476
Goodwill	890,155	853,288
<b>Assets</b>	<b>8,045,429</b>	<b>7,390,390</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	1,874,389	1,603,466
Provisions	34,308	35,910
Income taxes payable	40,497	77,390
Current portion of long-term debt (Notes 6, 7)	656,290	21,055
Current portion of derivative financial instruments (Note 6)	12,795	7,299
<b>Current Liabilities</b>	<b>2,618,279</b>	<b>1,745,120</b>
Long-term debt (Notes 6, 7)	558,616	770,490
Derivative financial instruments (Note 6)	1,524	1,044
Deferred tax liabilities	264,918	274,940
<b>Liabilities</b>	<b>3,443,337</b>	<b>2,791,594</b>
<b>EQUITY</b>		
Capital stock	142,828	146,204
Retained earnings	4,544,551	4,449,643
Contributed surplus	30,345	28,816
Accumulated other comprehensive earnings (loss)	(115,632)	(25,867)
<b>Equity</b>	<b>4,602,092</b>	<b>4,598,796</b>
<b>Liabilities and Equity</b>	<b>8,045,429</b>	<b>7,390,390</b>

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

On behalf of the Board of Directors:

(Signed) "Linda Hasenfratz"

Linda Hasenfratz  
Director

(Signed) "Jim Jarrell"

Jim Jarrell  
Director

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

For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)

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

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
Sales	1,981,640	1,575,270	3,759,729	3,357,127
Cost of sales	1,731,772	1,346,739	3,311,671	2,815,889
<b>Gross Margin</b>	249,868	228,531	448,058	541,238
Selling, general and administrative	100,649	77,018	192,352	168,538
Other income and (expenses) (Note 9)	(5,427)	2,171	22,227	2,220
<b>Operating Earnings (Loss)</b>	143,792	153,684	277,933	374,920
Share of net earnings (loss) of investments accounted for using the equity method	-	(7,284)	(6,086)	(13,509)
Finance income and (expenses) (Note 10)	(4,858)	(716)	(5,395)	(8,336)
<b>Net Earnings (Loss) before Income Taxes</b>	138,934	145,684	266,452	353,075
Provision for (recovery of) income taxes	34,465	37,727	65,692	91,586
<b>Net Earnings (Loss) for the Period</b>	104,469	107,957	200,760	261,489
<b>Net Earnings (Loss) per Share:</b>				
Basic	1.61	1.65	3.08	4.00
Diluted	1.61	1.65	3.08	3.99

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, 2022 and June 30, 2021 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended		Six Months Ended	
	June 30		June 30	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Net Earnings (Loss) for the Period</b>	104,469	107,957	200,760	261,489
<b>Items that may be reclassified subsequently to net income</b>				
Unrealized gains (losses) on translating financial statements of foreign operations	(47,008)	1,109	(119,216)	(129,179)
Change in unrealized gains (losses) on net investment hedges	10,336	1,056	28,352	35,222
Change in unrealized gains (losses) on cash flow hedges	(19,101)	8,096	(1,720)	3,105
Change in cost of hedging	1,501	(764)	3,070	(2,385)
Reclassification to earnings of gains (losses) on cash flow hedges	4,457	(8,890)	3,106	(7,780)
Tax impact of above	3,797	448	(366)	(1,474)
<b>Other Comprehensive Earnings (Loss)</b>	(46,018)	1,055	(86,774)	(102,491)
<b>Comprehensive Earnings (Loss) for the Period</b>	58,451	109,012	113,986	158,998

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, 2022 and June 30, 2021 (Unaudited)

(in thousands of Canadian dollars)

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
<b>Balance at January 1, 2022</b>	146,204	4,449,643	28,816	(21,284)	(4,583)	4,598,796
Net Earnings (Loss)	-	200,760	-	-	-	200,760
Other comprehensive earnings (loss)	-	-	-	(90,863)	4,089	(86,774)
<b>Comprehensive Earnings (Loss)</b>	-	200,760	-	(90,863)	4,089	113,986
Hedging transferred to the carrying value of inventory	-	-	-	-	(2,991)	(2,991)
Share-based compensation	-	-	1,529	-	-	1,529
Common shares repurchased and cancelled (Note 8)	(3,376)	(79,794)	-	-	-	(83,170)
Dividends	-	(26,058)	-	-	-	(26,058)
<b>Balance at June 30, 2022</b>	142,828	4,544,551	30,345	(112,147)	(3,485)	4,602,092

	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)	-	261,489	-	-	-	261,489
Other comprehensive earnings (loss)	-	-	-	(97,185)	(5,306)	(102,491)
<b>Comprehensive Earnings (Loss)</b>	-	261,489	-	(97,185)	(5,306)	158,998
Hedging transferred to the carrying value of inventory	-	-	-	-	110	110
Share-based compensation	-	-	1,412	-	-	1,412
Dividends	-	(20,944)	-	-	-	(20,944)
<b>Balance at June 30, 2021</b>	146,204	4,314,136	26,958	(5,587)	11,363	4,493,074

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, 2022 and June 30, 2021 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended		Six Months Ended	
	2022	2021	2022	2021
	\$	\$	\$	\$
<b>Cash generated from (used in)</b>				
<b>Operating Activities</b>				
Net Earnings (Loss) for the Period	104,469	107,957	200,760	261,489
Adjustments for:				
Amortization of property, plant and equipment	97,153	97,941	189,514	205,148
Amortization of other intangible assets	13,645	12,226	27,541	24,098
Deferred income taxes	(17,839)	(3,125)	(18,214)	(13,587)
Asset impairment provision, net of reversals	64	(511)	139	1,640
Share-based compensation	765	706	1,529	1,412
Equity investment (earnings) loss	-	7,284	6,086	13,509
Finance (income) and expenses	4,858	716	5,395	8,336
Other	1,000	(2,845)	(24,115)	(16,523)
	204,115	220,349	388,635	485,522
Changes in operating assets and liabilities:				
(Increase) decrease in accounts and other receivables	(89,780)	3,776	(225,243)	(100,608)
(Increase) decrease in inventories	(76,623)	(57,633)	(217,916)	(103,305)
(Increase) decrease in prepaid expenses and other current assets	4,733	2,832	6,543	2,756
(Increase) decrease in long-term receivables	7,685	132,458	10,665	123,606
Increase (decrease) in income taxes	6,291	997	(40,961)	(19,118)
Increase (decrease) in accounts payable and accrued liabilities	10,323	(117,456)	209,250	22,793
Increase (decrease) in provisions	(393)	656	(2,125)	(1,746)
	(137,764)	(34,370)	(259,787)	(75,622)
<b>Cash generated from (used in) operating activities</b>	<b>66,351</b>	<b>185,979</b>	<b>128,848</b>	<b>409,900</b>
<b>Financing Activities</b>				
Proceeds from (repayments of) long-term debt	423,453	(53,705)	413,333	(845,694)
Proceeds from senior unsecured notes	-	-	-	493,952
Repurchase of shares (Note 8)	(73,183)	-	(83,170)	-
Dividends	(26,058)	(20,944)	(26,058)	(20,944)
Finance income received (expenses paid)	(932)	1,753	(3,626)	2,120
Settlement of derivative contracts	-	-	-	(40,470)
<b>Cash generated from (used in) financing activities</b>	<b>323,280</b>	<b>(72,896)</b>	<b>300,479</b>	<b>(411,036)</b>
<b>Investing Activities</b>				
Payments for purchase of property, plant and equipment	(84,840)	(50,799)	(172,850)	(110,351)
Proceeds on disposal of property, plant and equipment	3,801	2,560	32,988	4,405
Payments for purchase of intangible assets	(2,361)	(1,871)	(4,311)	(5,271)
Business acquisitions, net of cash acquired (Note 14)	(328,352)	-	(328,352)	-
Other	(903)	(5,981)	(903)	(5,981)
<b>Cash generated from (used in) investing activities</b>	<b>(412,655)</b>	<b>(56,091)</b>	<b>(473,428)</b>	<b>(117,198)</b>
Effect of translation adjustment on cash	(23,024)	56,992	(44,101)	(118,334)
	(3,435)	2,677	(6,844)	(11,195)
<b>Increase (decrease) in cash and cash equivalents</b>	<b>(26,459)</b>	<b>59,669</b>	<b>(50,945)</b>	<b>(129,529)</b>
<b>Cash and cash equivalents - Beginning of Period</b>	<b>903,942</b>	<b>671,902</b>	<b>928,428</b>	<b>861,100</b>
<b>Cash and cash equivalents - End of Period</b>	<b>877,483</b>	<b>731,571</b>	<b>877,483</b>	<b>731,571</b>
<b>Comprised of:</b>				
Cash in bank	475,528	429,853	475,528	429,853
Short-term deposits	409,061	310,768	409,061	310,768
Unpresented cheques	(7,106)	(9,050)	(7,106)	(9,050)
	877,483	731,571	877,483	731,571

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, 2022 and June 30, 2021 (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, 2022 were authorized for issue in accordance with a resolution of the Company's Board of Directors on August 10, 2022.

### 2 Basis of Preparation 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, 2021. 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, 2021. 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 period; however the adoption of these new standards and amendments did not significantly impact the Company's net earnings or financial position.

#### New Standards and Interpretations Not Yet Adopted

All pronouncements will be adopted in the Company's accounting policies 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. 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.

#### Purchase Price Allocations

The determination of the purchase price is a critical estimate until finalized. The purchase price related to a business combination is allocated to the underlying acquired assets and liabilities based on their estimated fair values at the time of acquisition. The determination

# LINAMAR CORPORATION

## Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)

(in thousands of Canadian dollars, except where otherwise noted)

of fair value requires the Company to make assumptions, estimates and judgements regarding future events. The allocation process is inherently subjective and impacts the amounts assigned to individually identifiable assets and liabilities. As a result, the purchase price allocation impacts the Company's reported assets and liabilities and future net earnings due to the impact on future depreciation and amortization expense and impairment tests.

Please refer to the "Critical Accounting Estimates and Judgements" section of the Company's December 31, 2021 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.

### 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:

		June 30, 2022		December 31, 2021	
	Subsequent Measurement	Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	79,144	85,695	230,069	240,456
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	(13,919)	(13,919)	(3,880)	(3,880)
USD sales forwards – MXN functional entities	Fair value (Level 2)	5,102	5,102	3,323	3,323
USD sales forwards – CNY functional entities	Fair value (Level 2)	(279)	(279)	1,045	1,045
CAD purchase forwards – GBP functional entities	Fair value (Level 2)	9,589	9,589	1,299	1,299
Derivative financial instruments (held for trading)					
USD foreign currency forwards	Fair value (Level 2)	290	290	-	-
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	7,191	7,191	6,794	6,794
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(1,131,926)	(1,041,031)	(732,249)	(700,197)

### 7 Long-Term Debt

	June 30 2022	December 31 2021
	\$	\$
Senior unsecured notes	430,191	458,521
Bank borrowings	629,411	198,007
Lease liabilities	82,980	59,296
Government borrowings	72,324	75,721
	1,214,906	791,545
Less: current portion	656,290	21,055
	558,616	770,490

As of June 30, 2022, \$527,025 was available under the revolving credit facility.

### 8 Capital Stock

In November 2021, the Company announced TSX approval to commence a new normal course issuer bid. This bid permits the Company to acquire for cancellation up to 4,421,507 common shares between November 30, 2021 and November 29, 2022. This bid is subject to daily limits and blackout periods. For the six months ended June 30, 2022, the Company repurchased and cancelled 1,510,996 common

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)

(in thousands of Canadian dollars, except where otherwise noted)

shares under its bid for a total amount of \$83,170. Subsequent to the period end and before entering into the next blackout period, the Company has repurchased and cancelled 353,964 common shares under its bid for a total amount of \$19,597.

#### 9 Other Income and (Expenses)

	Three Months Ended		Six Months Ended	
	2022	June 30 2021	2022	June 30 2021
	\$	\$	\$	\$
Foreign exchange gain (loss)	(5,455)	1,436	17	1,359
Gain on sale of unused land	-	-	22,157	-
Other income (expense)	28	735	53	861
	(5,427)	2,171	22,227	2,220

#### 10 Finance Income and (Expenses)

	Three Months Ended		Six Months Ended	
	2022	June 30 2021	2022	June 30 2021
	\$	\$	\$	\$
Finance costs	(4,969)	(4,722)	(8,835)	(10,122)
Foreign exchange gain (loss) on debt and derivatives	(909)	-	(567)	(6,324)
Interest earned	3,862	5,603	8,918	11,768
Other	(2,842)	(1,597)	(4,911)	(3,658)
	(4,858)	(716)	(5,395)	(8,336)

#### 11 Commitments

As at June 30, 2022, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$324,572 (June 30, 2021 - \$167,935). Of this amount \$306,318 (June 30, 2021 - \$151,146) relates to the purchase of manufacturing equipment and \$18,254 (June 30, 2021 - \$16,789) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, \$5,792 (June 30, 2021 - \$13,319) were commitments to a related party, a company owned by the spouse of an officer and director. The majority of these commitments are due within the next twelve months.

#### 12 Related Party Transactions

Related party transactions include long-term receivables due from an investee accounted for using the equity method at June 30, 2022 of \$Nil (June 30, 2021 - \$118,030). Interest earned on the receivable included in finance income was \$Nil for the three months ended June 30, 2022 and \$1,470 for the six months ended June 30, 2022 (\$1,200 for the three months ended June 30, 2021 and \$2,333 for the six months ended June 30, 2021). Included in the cost of sales are material purchases from the same related party of \$Nil for the three months ended June 30, 2022 and \$7,458 for the six months ended June 30, 2022 (\$7,493 for the three months ended June 30, 2021 and \$10,803 for the six months ended June 30, 2021), with amounts payable at June 30, 2022 of \$Nil (June 30, 2021 of \$6,450). Please see Note 14 regarding the business acquisition of the remaining 50% interest in the equity accounted investment on April 1, 2022.

Building additions made by a related party, a company owned by the spouse of an officer and director, were \$4,606 for the three months ended June 30, 2022 and \$9,928 for the six months ended June 30, 2022 (\$63 for the three months ended June 30, 2021 and \$262 for the six months ended June 30, 2021).

#### 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.

**Mobility:** The Mobility segment derives revenues primarily from the collaborative design, development and manufacture of both systems and components for new energy powertrains, body and chassis, driveline, engine, and transmission systems for both the global electrified and traditionally powered on and off highway 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.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)

(in thousands of Canadian dollars, except where otherwise noted)

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, net 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, 2022			Six Months Ended June 30, 2022		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,477,031	9,352	104,100	2,886,965	18,863	216,726
Industrial	504,609	2,700	39,692	872,764	5,238	61,207
Total	1,981,640	12,052	143,792	3,759,729	24,101	277,933

	Three Months Ended June 30, 2021			Six Months Ended June 30, 2021		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,181,774	7,595	80,030	2,615,342	13,947	265,544
Industrial	393,496	2,213	73,654	741,785	4,448	109,376
Total	1,575,270	9,808	153,684	3,357,127	18,395	374,920

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		Six Months Ended	
	2022	June 30 2021	2022	June 30 2021
	\$	\$	\$	\$
Canada	1,036,796	777,789	1,929,400	1,662,632
Rest of North America	273,313	181,529	497,089	404,155
Asia Pacific	128,315	135,332	277,262	274,403
Europe	543,216	480,620	1,055,978	1,015,937
Total	1,981,640	1,575,270	3,759,729	3,357,127

## 14 Business Acquisitions

### (i) GF Linamar LLC

On April 1, 2022, the Company acquired the remaining 50% interest in the joint venture, GF Linamar LLC ("GFL"), from GF Casting Solutions, a division of Georg Fischer AG thereby assuming 100% ownership and operational control. The ownership change will help secure the Company's long-term growth plan in lightweight structural castings; a critical component in electrified vehicles. The preliminary purchase price is USD \$73,000 plus an earn out of up to a maximum of USD \$24,000, for a total in CAD of \$121,316.

Due to the timing of the close and complexities associated with these transactions, the determination of the fair value of the purchase price, including the earn out, assets acquired and liabilities assumed, is not yet complete and are subject to further adjustments. The Company will disclose the finalized purchase price allocation when the determination of the fair value is complete. The following table summarizes the \$121,316 consideration paid for the remaining 50% interest paid for GFL's acquired net assets, recognized at the acquisition date, which has been accounted for as a step business combination.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the six months ended June 30, 2022 and June 30, 2021 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

Preliminary summary of identifiable assets acquired and liabilities assumed after step acquisition completed on April 1, 2022:

	\$
Current assets	83,829
Non-current assets	204,056
Total assets acquired	287,885
Current liabilities	45,594
Non-current liabilities	158
Total liabilities assumed	45,752
Net assets	242,133
Less: Net assets of original 50% equity investment in joint venture	120,817
Preliminary net identifiable assets acquired	121,316

The sales included in the consolidated statement of earnings from April 1, 2022 to June 30, 2022 contributed by GFL were \$41,095. GFL also contributed net losses of \$13,649 over the same period.

#### (ii) Salford Group of Companies

On June 3, 2022, the Company acquired 100% of the issued and outstanding equity of the Salford Group of Companies ("Salford"). The ownership will expand the Company's agricultural portfolio into crop nutrition application and tillage products. The preliminary purchase price is CAD \$248,474.

Due to the timing of the close and complexities associated with these transactions, the determination of the fair value of the purchase price, assets acquired and liabilities assumed, is not yet complete and are subject to further adjustments. The Company has recorded a provisional amount of \$64,666 to goodwill as the current unallocated portion of the purchase price. The Company will update this balance and disclose the finalized purchase price allocation when the determination of the fair value is complete. The following table summarizes the \$248,474 consideration paid for Salford's acquired net assets, recognized at the acquisition date, which has been accounted for as a business combination.

Preliminary summary of identifiable assets acquired and liabilities assumed after acquisition completed on June 3, 2022:

	\$
Current assets	60,689
Non-current assets	166,569
Goodwill	64,666
Total assets acquired	291,924
Current liabilities	43,450
Non-current liabilities	-
Total liabilities assumed	43,450
Preliminary net identifiable assets acquired	248,474

The sales included in the consolidated statement of earnings from June 3, 2022 to June 30, 2022 contributed by Salford were \$12,455. Salford also contributed net earnings of \$649 over the same period.

#### (iii) Consolidated Pro-forma Sales and Earnings

If both acquisitions had occurred on January 1, 2022, the Company's consolidated pro-forma sales and net earnings for the six month period ended June 30, 2022 would have been \$3,887,827 and \$204,006 respectively. These amounts have been calculated using GFL and Salford's results adjusted for the additional depreciation and amortization that would have been charged assuming the preliminary fair value adjustments to property, plant and equipment and intangible assets had applied from January 1, 2022, together with the consequential tax effects.