

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

As at September 30, 2023 with comparatives as at December 31, 2022 (Unaudited)  
(in thousands of Canadian dollars)

|  | September 30<br>2023<br>\$ | December 31<br>2022<br>\$ |
|--|----------------------------|---------------------------|
| <b>ASSETS</b>  |                            |                           |
| Cash and cash equivalents                                    | 694,614                    | 860,515                   |
| Accounts and other receivables                               | 1,483,503                  | 1,160,509                 |
| Inventories  | 1,675,457                  | 1,509,302                 |
| Income taxes recoverable                                     | 43,377                     | 76,733                    |
| Current portion of long-term receivables (Note 6)            | 32,326                     | 24,754                    |
| Current portion of derivative financial instruments (Note 6) | 19,323                     | 14,160                    |
| Prepaid expenses and other current assets                    | 54,757                     | 47,313                    |
| <b>Current Assets</b>  | <b>4,003,357</b>           | <b>3,693,286</b>          |
| Long-term receivables (Note 6)                               | 33,850                     | 47,630                    |
| Derivative financial instruments (Note 6)                    | 1,862                      | 2,247                     |
| Property, plant and equipment                                | 3,372,075                  | 2,793,091                 |
| Investments  | 17,546                     | 18,185                    |
| Deferred tax assets  | 184,403                    | 170,115                   |
| Intangible assets  | 933,981                    | 902,918                   |
| Goodwill   | 1,024,525                  | 948,919                   |
| <b>Assets</b>  | <b>9,571,599</b>           | <b>8,576,391</b>          |
| <b>LIABILITIES</b>   |                            |                           |
| Accounts payable and accrued liabilities                     | 2,245,646                  | 2,011,694                 |
| Provisions   | 37,221                     | 35,599                    |
| Income taxes payable   | 88,819                     | 50,425                    |
| Current portion of long-term debt (Notes 6, 7)               | 34,215                     | 26,733                    |
| Current portion of derivative financial instruments (Note 6) | 15,831                     | 31,974                    |
| <b>Current Liabilities</b>                                   | <b>2,421,732</b>           | <b>2,156,425</b>          |
| Long-term debt (Notes 6, 7)                                  | 1,668,032                  | 1,281,641                 |
| Derivative financial instruments (Note 6)                    | 2,871                      | 3,677                     |
| Deferred tax liabilities                                     | 300,886                    | 322,937                   |
| <b>Liabilities</b>   | <b>4,393,521</b>           | <b>3,764,680</b>          |
| <b>EQUITY</b>  |                            |                           |
| Capital stock  | 138,925                    | 138,925                   |
| Retained earnings  | 4,955,601                  | 4,597,513                 |
| Contributed surplus  | 34,126                     | 31,359                    |
| Accumulated other comprehensive earnings (loss)              | 49,426                     | 43,914                    |
| <b>Equity</b>  | <b>5,178,078</b>           | <b>4,811,711</b>          |
| <b>Liabilities and Equity</b>                                | <b>9,571,599</b>           | <b>8,576,391</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 nine months ended September 30, 2023 and September 30, 2022 (Unaudited)

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

|   | Three Months Ended<br>September 30 |           | Nine Months Ended<br>September 30 |           |
|---|------------------------------------|-----------|-----------------------------------|-----------|
|   | 2023                               | 2022      | 2023                              | 2022      |
|   | \$                                 | \$        | \$                                | \$        |
| Sales   | 2,434,161                          | 2,098,143 | 7,279,657                         | 5,857,872 |
| Cost of sales   | 2,093,868                          | 1,820,236 | 6,276,988                         | 5,131,907 |
| <b>Gross Margin</b>   | 340,293                            | 277,907   | 1,002,669                         | 725,965   |
| Selling, general and administrative   | 139,363                            | 108,707   | 395,187                           | 301,059   |
| Other income and (expenses) (Note 8)  | 13,333                             | 16,205    | (2,211)                           | 38,432    |
| <b>Operating Earnings (Loss)</b>  | 214,263                            | 185,405   | 605,271                           | 463,338   |
| Share of net earnings (loss) of investments accounted for using the equity method | -                                  | -         | -                                 | (6,086)   |
| Finance income and (expenses) (Note 9)  | (17,806)                           | (8,900)   | (46,375)                          | (14,295)  |
| <b>Net Earnings (Loss) before Income Taxes</b>                                    | 196,457                            | 176,505   | 558,896                           | 442,957   |
| Provision for (recovery of) income taxes  | 49,748                             | 43,267    | 160,199                           | 108,959   |
| <b>Net Earnings (Loss) for the Period</b>   | 146,709                            | 133,238   | 398,697                           | 333,998   |
| <b>Net Earnings (Loss) per Share:</b>   |                                    |           |                                   |           |
| Basic   | 2.38                               | 2.10      | 6.48                              | 5.17      |
| Diluted   | 2.38                               | 2.10      | 6.47                              | 5.17      |

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, 2023 and September 30, 2022 (Unaudited)

(in thousands of Canadian dollars)

|   | Three Months Ended |          | Nine Months Ended |          |
|---|--------------------|----------|-------------------|----------|
|   | September 30       |          | September 30      |          |
|   | 2023               | 2022     | 2023              | 2022     |
|   | \$                 | \$       | \$                | \$       |
| <b>Net Earnings (Loss) for the Period</b>   | 146,709            | 133,238  | 398,697           | 333,998  |
| <b>Items that may be reclassified subsequently to net income</b>                    |                    |          |                   |          |
| Unrealized gains (losses) on translating financial statements of foreign operations | (14,402)           | 61,791   | (10,315)          | (57,425) |
| Change in unrealized gains (losses) on net investment hedges                        | 3,456              | (1,408)  | 4,416             | 26,944   |
| Change in unrealized gains (losses) on cash flow hedges                             | (22,802)           | (48,624) | 11,224            | (50,344) |
| Change in cost of hedging   | 188                | 4,149    | (3,072)           | 7,219    |
| Reclassification to earnings of gains (losses) on cash flow hedges                  | (3,395)            | 8,829    | 5,145             | 11,935   |
| Tax impact of above   | 6,229              | 9,664    | (3,804)           | 9,298    |
| <b>Other Comprehensive Earnings (Loss)</b>  | (30,726)           | 34,401   | 3,594             | (52,373) |
| <b>Comprehensive Earnings (Loss) for the Period</b>                                 | 115,983            | 167,639  | 402,291           | 281,625  |

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, 2023 and September 30, 2022 (Unaudited)

(in thousands of Canadian dollars)

|  | Capital<br>stock<br>\$ | Retained<br>earnings<br>\$ | Contributed<br>surplus<br>\$ | Cumulative<br>translation<br>adjustment<br>\$ | Hedging<br>reserves<br>\$ | Total Equity<br>\$ |
|--|------------------------|----------------------------|------------------------------|---|---------------------------|--------------------|
| <b>Balance at January 1, 2023</b>                      | 138,925                | 4,597,513                  | 31,359                       | 59,764  | (15,850)                  | 4,811,711          |
| Net Earnings (Loss)                                    | -                      | 398,697                    | -                            | -   | -                         | 398,697            |
| Other comprehensive earnings (loss)                    | -                      | -                          | -                            | (5,900)                                       | 9,494                     | 3,594              |
| <b>Comprehensive Earnings (Loss)</b>                   | -                      | 398,697                    | -                            | (5,900)                                       | 9,494                     | 402,291            |
| Hedging transferred to the carrying value of inventory | -                      | -                          | -                            | -   | 1,918                     | 1,918              |
| Share-based compensation                               | -                      | -                          | 2,767                        | -   | -                         | 2,767              |
| Dividends  | -                      | (40,609)                   | -                            | -   | -                         | (40,609)           |
| <b>Balance at September 30, 2023</b>                   | 138,925                | 4,955,601                  | 34,126                       | 53,864  | (4,438)                   | 5,178,078          |

|  | Capital<br>stock<br>\$ | Retained<br>earnings<br>\$ | Contributed<br>surplus<br>\$ | Cumulative<br>translation<br>adjustment<br>\$ | Hedging<br>reserves<br>\$ | Total Equity<br>\$ |
|--|------------------------|----------------------------|------------------------------|---|---------------------------|--------------------|
| <b>Balance at January 1, 2022</b>                      | 146,204                | 4,449,643                  | 28,816                       | (21,284)                                      | (4,583)                   | 4,598,796          |
| Net Earnings (Loss)                                    | -                      | 333,998                    | -                            | -   | -                         | 333,998            |
| Other comprehensive earnings (loss)                    | -                      | -                          | -                            | (30,481)                                      | (21,892)                  | (52,373)           |
| <b>Comprehensive Earnings (Loss)</b>                   | -                      | 333,998                    | -                            | (30,481)                                      | (21,892)                  | 281,625            |
| Hedging transferred to the carrying value of inventory | -                      | -                          | -                            | -   | (6,002)                   | (6,002)            |
| Share-based compensation                               | -                      | -                          | 2,294                        | -   | -                         | 2,294              |
| Common shares repurchased and cancelled                | (7,368)                | (186,327)                  | -                            | -   | -                         | (193,695)          |
| Dividends  | -                      | (38,776)                   | -                            | -   | -                         | (38,776)           |
| <b>Balance at September 30, 2022</b>                   | 138,836                | 4,558,538                  | 31,110                       | (51,765)                                      | (32,477)                  | 4,644,242          |

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, 2023 and September 30, 2022 (Unaudited)

(in thousands of Canadian dollars)

|  | Three Months Ended |                 | Nine Months Ended |                  |
|--|--------------------|-----------------|-------------------|------------------|
|  | 2023               | 2022            | 2023              | 2022             |
|  | \$                 | \$              | \$                | \$               |
| <b>Cash generated from (used in)</b>                             |                    |                 |                   |                  |
| <b>Operating Activities</b>                                      |                    |                 |                   |                  |
| Net Earnings (Loss) for the Period                               | 146,709            | 133,238         | 398,697           | 333,998          |
| Adjustments for:   |                    |                 |                   |                  |
| Amortization of property, plant and equipment                    | 106,448            | 95,684          | 308,200           | 285,198          |
| Amortization of other intangible assets                          | 15,473             | 14,996          | 46,804            | 42,537           |
| Deferred income taxes  | (25,980)           | (7,119)         | (44,469)          | (25,333)         |
| Asset impairment provision, net of reversals                     | -                  | -               | 28                | 139              |
| Share-based compensation   | 783                | 765             | 2,767             | 2,294            |
| Equity investment (earnings) loss                                | -                  | -               | -                 | 6,086            |
| Finance (income) and expenses                                    | 17,806             | 8,900           | 46,375            | 14,295           |
| Other  | (5,530)            | 3,718           | (5,636)           | (20,397)         |
|  | 255,709            | 250,182         | 752,766           | 638,817          |
| Changes in operating assets and liabilities:                     |                    |                 |                   |                  |
| (Increase) decrease in accounts and other receivables            | (57,333)           | (164,263)       | (287,909)         | (389,506)        |
| (Increase) decrease in inventories                               | (42,259)           | (77,269)        | (131,269)         | (295,185)        |
| (Increase) decrease in prepaid expenses and other current assets | (6,772)            | (17,959)        | 710               | (11,416)         |
| (Increase) decrease in long-term receivables                     | 4,843              | 3,918           | 8,254             | 14,583           |
| Increase (decrease) in income taxes                              | 32,035             | 8,677           | 65,678            | (32,284)         |
| Increase (decrease) in accounts payable and accrued liabilities  | (108,992)          | 113,626         | 107,192           | 322,876          |
| Increase (decrease) in provisions                                | (2,664)            | 1,349           | 1,716             | (776)            |
|  | (181,142)          | (131,921)       | (235,628)         | (391,708)        |
| <b>Cash generated from (used in) operating activities</b>        | <b>74,567</b>      | <b>118,261</b>  | <b>517,138</b>    | <b>247,109</b>   |
| <b>Financing Activities</b>                                      |                    |                 |                   |                  |
| Proceeds from (repayments of) long-term debt                     | (217,794)          | 56,250          | (242,054)         | 469,583          |
| Proceeds from private placement notes                            | -                  | -               | 550,000           | -                |
| Repurchase of shares   | -                  | (110,525)       | -                 | (193,695)        |
| Dividends  | (13,537)           | (12,718)        | (40,609)          | (38,776)         |
| Finance income received (expenses paid)                          | (11,064)           | (9,410)         | (37,712)          | (13,036)         |
| <b>Cash generated from (used in) financing activities</b>        | <b>(242,395)</b>   | <b>(76,403)</b> | <b>229,625</b>    | <b>224,076</b>   |
| <b>Investing Activities</b>                                      |                    |                 |                   |                  |
| Payments for purchase of property, plant and equipment           | (199,882)          | (83,430)        | (568,049)         | (256,280)        |
| Proceeds on disposal of property, plant and equipment            | 1,367              | 1,777           | 2,434             | 34,765           |
| Payments for purchase of intangible assets                       | (5,852)            | (4,443)         | (17,944)          | (8,754)          |
| Business acquisitions, net of cash acquired (Note 13)            | (318,330)          | -               | (318,330)         | (328,352)        |
| Other  | -                  | (1,841)         | (425)             | (2,744)          |
| <b>Cash generated from (used in) investing activities</b>        | <b>(522,697)</b>   | <b>(87,937)</b> | <b>(902,314)</b>  | <b>(561,365)</b> |
|  | (690,525)          | (46,079)        | (155,551)         | (90,180)         |
| Effect of translation adjustment on cash                         | 9,380              | 24,629          | (10,350)          | 17,785           |
| <b>Increase (decrease) in cash and cash equivalents</b>          | <b>(681,145)</b>   | <b>(21,450)</b> | <b>(165,901)</b>  | <b>(72,395)</b>  |
| <b>Cash and cash equivalents - Beginning of Period</b>           | <b>1,375,759</b>   | <b>877,483</b>  | <b>860,515</b>    | <b>928,428</b>   |
| <b>Cash and cash equivalents - End of Period</b>                 | <b>694,614</b>     | <b>856,033</b>  | <b>694,614</b>    | <b>856,033</b>   |
| <b>Comprised of:</b>   |                    |                 |                   |                  |
| Cash in bank   | 429,033            | 422,010         | 429,033           | 422,010          |
| Short-term deposits  | 270,739            | 440,076         | 270,739           | 440,076          |
| Unpresented cheques  | (5,158)            | (6,053)         | (5,158)           | (6,053)          |
|  | 694,614            | 856,033         | 694,614           | 856,033          |

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, 2023 and September 30, 2022 (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, 2023 were authorized for issue in accordance with a resolution of the Company’s Board of Directors on November 8, 2023.

### 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, 2022. 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, 2022. 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. The impact from the adoption of these new standards and amendments are discussed below.

#### *IAS 12 Income Taxes*

The Company has adopted amendments to IAS 12 Income Taxes as issued in May 2023 in regards to Pillar Two model rules. The Pillar Two model was published in December 2021 by the Organization for Economic Cooperation and Development (OECD) and it ensures that large multinational companies are subject to a minimum tax rate. The Pillar Two model rules are anticipated to be substantively enacted into tax law in Canada in 2024. Other jurisdictions within which the Company operates are being reviewed to understand which have enacted or substantively enacted Pillar Two rules already or when they plan to. Therefore, the IAS 12 amendments for a temporary exception to the accounting and disclosures for deferred taxes related to Pillar Two income taxes will be applied as applicable. The application of this exception will be disclosed in the audited consolidated annual financial statements for the year ended December 31, 2023. Until the Pillar Two rules are effective, the amendment also includes disclosures for known or reasonably estimable information regarding the Company’s exposure to Pillar Two income taxes. Management is currently assessing the impact that these amendments will have on disclosures for the audited consolidated annual financial statements for the year ended December 31, 2023 (interim disclosures are not required in 2023).

#### **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. Information on new standards, amendments and interpretations that are expected to be relevant to the Company’s financial statements is provided below. Certain other new standards, amendments and interpretations to existing standards were not relevant nor would significantly impact the Company’s net earnings or financial position.

#### ***IAS 7 Statement of Cash Flows, IFRS 7 Financial Instruments: Disclosures***

Effective for the interim and annual financial statements relating to fiscal years beginning on or after January 1, 2024, the IASB issued disclosure requirements to enhance the transparency of supplier finance arrangements and their effects on the Company’s liabilities, cash flows and exposure to liquidity risk. Management is currently assessing the impact that these amendments will have on disclosures.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and September 30, 2022 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

#### 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. 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 have been set out in the Company's annual financial statements for the year ended December 31, 2022.

#### 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:

|  | Subsequent Measurement   | September 30, 2023                           |                  | December 31, 2022                            |                  |
|--|--------------------------|--|------------------|--|------------------|
|  |                          | Carrying Value<br>Asset<br>(Liability)<br>\$ | Fair Value<br>\$ | Carrying Value<br>Asset<br>(Liability)<br>\$ | Fair Value<br>\$ |
| Long-term receivables  | Amortized cost (Level 2) | 66,176                                       | 64,588           | 72,384                                       | 71,305           |
| Derivative financial instruments (hedge relationships)                 |                          |  |                  |  |                  |
| USD sales forwards – CAD functional entities                           | Fair value (Level 2)     | (12,875)                                     | (12,875)         | (30,651)                                     | (30,651)         |
| USD sales forwards – MXN functional entities                           | Fair value (Level 2)     | 19,430                                       | 19,430           | 11,414                                       | 11,414           |
| USD sales forwards – CNY functional entities                           | Fair value (Level 2)     | (1,988)                                      | (1,988)          | 392  | 392              |
| CAD purchase forwards – GBP functional entities                        | Fair value (Level 2)     | (2,084)                                      | (2,084)          | (399)  | (399)            |
| Investment designated at fair value through other comprehensive income | Fair value (Level 3)     | 8,385  | 8,385            | 7,952  | 7,952            |
| Long-term debt, excluding lease liabilities                            | Amortized cost (Level 2) | (1,552,621)                                  | (1,382,981)      | (1,228,848)                                  | (1,156,636)      |

#### 7 Long-Term Debt

|                         | September 30<br>2023<br>\$ | December 31<br>2022<br>\$ |
|-------------------------|----------------------------|---------------------------|
| Private placement notes | 1,006,118                  | 461,782                   |
| Bank borrowings         | 478,397                    | 694,940                   |
| Lease liabilities       | 149,626                    | 79,526                    |
| Government borrowings   | 68,106                     | 72,126                    |
|                         | 1,702,247                  | 1,308,374                 |
| Less: current portion   | 34,215                     | 26,733                    |
|                         | 1,668,032                  | 1,281,641                 |

In June 2023, the Company received funding through a note purchase agreement with certain institutional investors for a private placement of CAD \$550,000 aggregate principal amount, issued at an annual rate of 5.96%, coming due June 2033 and paying interest semi-annually. The new private placement notes have similar terms and conditions as the notes issued in 2021. The funds were used for general corporate purposes including the Battery Enclosures Business acquisition (Note 13).

As of September 30, 2023, \$675,139 was available under the revolving credit facility.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and September 30, 2022 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

#### 8 Other Income and (Expenses)

|                              | Three Months Ended |        | Nine Months Ended |        |
|------------------------------|--------------------|--------|-------------------|--------|
|                              | September 30       |        | September 30      |        |
|                              | 2023               | 2022   | 2023              | 2022   |
|                              | \$                 | \$     | \$                | \$     |
| Foreign exchange gain (loss) | 13,862             | 16,957 | 3,128             | 16,974 |
| Gain on sale of unused land  | -                  | -      | -                 | 22,157 |
| Other income (expense)       | (529)              | (752)  | (5,339)           | (699)  |
|                              | 13,333             | 16,205 | (2,211)           | 38,432 |

#### 9 Finance Income and (Expenses)

|  | Three Months Ended |         | Nine Months Ended |          |
|--|--------------------|---------|-------------------|----------|
|  | September 30       |         | September 30      |          |
|  | 2023               | 2022    | 2023              | 2022     |
|  | \$                 | \$      | \$                | \$       |
| Interest expense                                     | (20,688)           | (8,614) | (48,625)          | (17,449) |
| Foreign exchange gain (loss) on debt and derivatives | 96                 | (699)   | 9                 | (1,266)  |
| Interest earned                                      | 9,181              | 4,637   | 20,761            | 13,555   |
| Other  | (6,395)            | (4,224) | (18,520)          | (9,135)  |
|  | (17,806)           | (8,900) | (46,375)          | (14,295) |

#### 10 Commitments

As at September 30, 2023, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$528,871 (September 30, 2022 - \$362,563). Of this amount \$445,421 (September 30, 2022 - \$345,051) relates to the purchase of manufacturing equipment and \$83,450 (September 30, 2022 - \$17,512) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, \$67,569 (September 30, 2022 - \$4,837) 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.

#### 11 Related Party Transactions

Building additions made by a related party, a company owned by the spouse of an officer and director, were \$16,504 for the three months ended September 30, 2023 and \$35,340 for the nine months ended September 30, 2023 (\$1,685 for the three months ended September 30, 2022 and \$11,613 for the nine months ended September 30, 2022).

#### 12 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 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.

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.

# LINAMAR CORPORATION

## Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and September 30, 2022 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

|              | Three Months Ended September 30, 2023 |                     |                           | Nine Months Ended September 30, 2023 |                     |                           |
|--------------|---------------------------------------|---------------------|---------------------------|--------------------------------------|---------------------|---------------------------|
|              | Sales to external customers           | Inter-segment sales | Operating earnings (loss) | Sales to external customers          | Inter-segment sales | Operating earnings (loss) |
|              | \$                                    | \$                  | \$                        | \$                                   | \$                  | \$                        |
| Mobility     | 1,757,606                             | 12,786              | 83,853                    | 5,240,796                            | 39,875              | 230,206                   |
| Industrial   | 676,555                               | 2,822               | 130,410                   | 2,038,861                            | 8,512               | 375,065                   |
| <b>Total</b> | <b>2,434,161</b>                      | <b>15,608</b>       | <b>214,263</b>            | <b>7,279,657</b>                     | <b>48,387</b>       | <b>605,271</b>            |

|              | Three Months Ended September 30, 2022 |                     |                           | Nine Months Ended September 30, 2022 |                     |                           |
|--------------|---------------------------------------|---------------------|---------------------------|--------------------------------------|---------------------|---------------------------|
|              | Sales to external customers           | Inter-segment sales | Operating earnings (loss) | Sales to external customers          | Inter-segment sales | Operating earnings (loss) |
|              | \$                                    | \$                  | \$                        | \$                                   | \$                  | \$                        |
| Mobility     | 1,564,687                             | 8,602               | 100,705                   | 4,451,652                            | 27,465              | 317,431                   |
| Industrial   | 533,456                               | 2,553               | 84,700                    | 1,406,220                            | 7,791               | 145,907                   |
| <b>Total</b> | <b>2,098,143</b>                      | <b>11,155</b>       | <b>185,405</b>            | <b>5,857,872</b>                     | <b>35,256</b>       | <b>463,338</b>            |

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      |                  |
|                       | 2023               | 2022             | 2023              | 2022             |
|                       | \$                 | \$               | \$                | \$               |
| Canada                | 1,322,927          | 1,124,491        | 4,014,722         | 3,053,891        |
| Rest of North America | 343,822            | 287,488          | 976,325           | 784,577          |
| Asia Pacific          | 172,414            | 178,661          | 456,536           | 455,923          |
| Europe                | 594,998            | 507,503          | 1,832,074         | 1,563,481        |
| <b>Total</b>          | <b>2,434,161</b>   | <b>2,098,143</b> | <b>7,279,657</b>  | <b>5,857,872</b> |

## 13 Business Acquisitions

### (i) Battery Enclosures Business

On August 3, 2023, the Company acquired three battery enclosure facilities from Dura-Shiloh ("Battery Enclosures Business") through the acquisition of certain assets and shares. The ownership will increase the Company's electrified product portfolio with increased future battery electric vehicle content. The preliminary purchase price is CAD \$318,860.

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 is subject to further adjustments. The Company has recorded a preliminary amount of \$80,572 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 consideration paid for the Battery Enclosures Business' 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 August 3, 2023:

|   | \$             |
|---|----------------|
| Current assets                                      | 71,299         |
| Non-current assets                                  | 331,913        |
| Goodwill  | 80,572         |
| <b>Total assets acquired</b>                        | <b>483,784</b> |
| Current liabilities                                 | 108,931        |
| Non-current liabilities                             | 55,993         |
| <b>Total liabilities assumed</b>                    | <b>164,924</b> |
| <b>Preliminary net identifiable assets acquired</b> | <b>318,860</b> |

The goodwill is attributable to expanding the Company's capabilities and further diversifies the Company's end markets.

## LINAMAR CORPORATION

### Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2023 and September 30, 2022 (Unaudited)  
(in thousands of Canadian dollars, except where otherwise noted)

The sales included in the consolidated statement of earnings from August 3, 2023 to September 30, 2023 contributed by the Battery Enclosures Business was \$63,833. The Battery Enclosures Business also contributed net earnings of \$7,148 over the same period. The Battery Enclosures Business is included in the Mobility segment.

#### **Consolidated Pro-forma Sales and Earnings**

If the acquisition had occurred on January 1, 2023, the Company's consolidated pro-forma sales and net earnings for the period ended September 30, 2023 would have been \$7,507,024 and \$386,954 respectively. These amounts have been calculated using the Battery Enclosures Business' 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, 2023, together with the consequential tax effects.

#### **(ii) GF Linamar LLC and Salford Group of Companies**

The determination of the fair value of the purchase prices for the 2022 acquisitions have been completed and are unchanged from December 31, 2022.

#### **(iii) Chassis and Suspension Business**

On September 21, 2023, the Company announced a definitive agreement with Mobex Fourth and 1, LLC, and certain of its affiliates to acquire a substantial portion of its US-based assets for a total estimated USD \$64,000 cash consideration. The acquisition closed October 31, 2023. The acquisition will increase the Company's propulsion-agnostic solutions that can be supplied to BEV, hybrid, and internal combustion-powered vehicle applications.