

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at September 30, 2024 with comparatives as at December 31, 2023 (Unaudited)
(in thousands of Canadian dollars)

	September 30 2024	December 31 2023
	\$	\$
ASSETS		
Cash and cash equivalents	824,431	653,327
Accounts and other receivables	1,584,739	1,343,322
Inventories	2,087,113	1,836,665
Income taxes recoverable	62,244	41,481
Current portion of long-term receivables (Note 6)	15,264	24,151
Current portion of derivative financial instruments (Note 6)	4,586	32,970
Prepaid expenses and other current assets	77,561	65,052
Current Assets	4,655,938	3,996,968
Long-term receivables (Note 6)	27,877	39,142
Derivative financial instruments (Note 6)	1,580	5,110
Property, plant and equipment	3,820,155	3,652,498
Investments	8,491	8,227
Deferred tax assets	184,059	172,832
Intangible assets	1,150,169	942,274
Goodwill	1,221,586	1,033,449
Assets	11,069,855	9,850,500
LIABILITIES		
Accounts payable and accrued liabilities	2,431,887	2,328,651
Provisions	54,963	49,255
Income taxes payable	56,040	95,781
Current portion of long-term debt (Notes 6, 7)	45,198	40,530
Current portion of derivative financial instruments (Note 6)	14,386	4,698
Current Liabilities	2,602,474	2,518,915
Long-term debt (Notes 6, 7)	2,422,617	1,731,817
Derivative financial instruments (Note 6)	2,522	139
Deferred tax liabilities	282,056	277,526
Liabilities	5,309,669	4,528,397
EQUITY		
Capital stock	142,100	142,100
Retained earnings	5,490,811	5,046,422
Contributed surplus	36,505	34,177
Accumulated other comprehensive earnings (loss)	90,770	99,404
Equity	5,760,186	5,322,103
Liabilities and Equity	11,069,855	9,850,500

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, 2024 and September 30, 2023 (Unaudited)

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

	Three Months Ended September 30		Nine Months Ended September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Sales	2,635,733	2,434,161	8,206,285	7,279,657
Cost of sales	2,255,578	2,093,868	7,008,117	6,276,988
Gross Margin	380,155	340,293	1,198,168	1,002,669
Selling, general and administrative	152,398	139,363	457,150	395,187
Other income and (expenses) (Note 8)	(7,661)	13,333	19,848	(2,211)
Operating Earnings (Loss)	220,096	214,263	760,866	605,271
Finance income and (expenses) (Note 9)	(35,488)	(17,806)	(105,736)	(46,375)
Net Earnings (Loss) before Income Taxes	184,608	196,457	655,130	558,896
Provision for (recovery of) income taxes	46,653	49,748	164,557	160,199
Net Earnings (Loss) for the Period	137,955	146,709	490,573	398,697
Net Earnings (Loss) per Share:				
Basic	2.24	2.38	7.97	6.48
Diluted	2.24	2.38	7.96	6.47

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, 2024 and September 30, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Net Earnings (Loss) for the Period	137,955	146,709	490,573	398,697
Items that may be reclassified subsequently to net income				
Unrealized gains (losses) on translating financial statements of foreign operations	47,067	(14,402)	36,948	(10,315)
Change in unrealized gains (losses) on net investment hedges	(12,608)	3,456	(13,888)	4,416
Change in unrealized gains (losses) on cash flow hedges	(826)	(22,802)	(46,854)	11,224
Change in cost of hedging	(1,372)	188	2,216	(3,072)
Reclassification to earnings of gains (losses) on cash flow hedges	3,805	(3,395)	2,380	5,145
Tax impact of above	(402)	6,229	10,564	(3,804)
Other Comprehensive Earnings (Loss)	35,664	(30,726)	(8,634)	3,594
Comprehensive Earnings (Loss) for the Period	173,619	115,983	481,939	402,291

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, 2024 and September 30, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
Balance at January 1, 2023	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
Comprehensive Earnings (Loss)	-	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)
Balance at September 30, 2023	138,925	4,955,601	34,126	53,864	(4,438)	5,178,078

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
Balance at January 1, 2024	142,100	5,046,422	34,177	82,446	16,958	5,322,103
Net Earnings (Loss)	-	490,573	-	-	-	490,573
Other comprehensive earnings (loss)	-	-	-	23,059	(31,693)	(8,634)
Comprehensive Earnings (Loss)	-	490,573	-	23,059	(31,693)	481,939
Share-based compensation	-	-	2,328	-	-	2,328
Dividends	-	(46,184)	-	-	-	(46,184)
Balance at September 30, 2024	142,100	5,490,811	36,505	105,505	(14,735)	5,760,186

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LINAMAR CORPORATION

Consolidated Interim Statements of Cash Flows

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended		Nine Months Ended	
	2024	2023	2024	2023
	\$	\$	\$	\$
Cash generated from (used in)				
Operating Activities				
Net Earnings (Loss) for the Period	137,955	146,709	490,573	398,697
Adjustments for:				
Amortization of property, plant and equipment	130,974	106,448	382,316	308,200
Amortization of other intangible assets	19,216	15,473	56,971	46,804
Deferred income taxes	(21,392)	(25,980)	(50,905)	(44,469)
Asset impairment provision, net of reversals	466	-	769	28
Share-based compensation	776	783	2,328	2,767
Finance (income) and expenses	35,488	17,806	105,736	46,375
Other	6,259	(5,530)	(1,761)	(5,636)
	309,742	255,709	986,027	752,766
Changes in operating assets and liabilities				
(Increase) decrease in accounts and other receivables	30,497	(57,333)	(155,385)	(287,909)
(Increase) decrease in inventories	117,284	(42,259)	(64,334)	(131,269)
(Increase) decrease in prepaid expenses and other current assets	(14,221)	(6,772)	(11,168)	710
(Increase) decrease in long-term receivables	18,778	4,843	21,419	8,254
Increase (decrease) in income taxes	(17,468)	32,035	(66,346)	65,678
Increase (decrease) in accounts payable and accrued liabilities	(72,918)	(108,992)	46,000	107,192
Increase (decrease) in provisions	(1,314)	(2,664)	200	1,716
	60,638	(181,142)	(229,614)	(235,628)
Cash generated from (used in) operating activities	370,380	74,567	756,413	517,138
Financing Activities				
Proceeds from (repayments of) long-term debt	(72,179)	(217,794)	25,982	(242,054)
Proceeds from term credit agreement	-	-	700,000	-
Repayments of term credit agreement	(75,000)	-	(75,000)	-
Proceeds from private placement notes	-	-	-	550,000
Dividends	(15,395)	(13,537)	(46,184)	(40,609)
Finance income received (expenses paid)	(37,646)	(11,064)	(101,319)	(37,712)
Cash generated from (used in) financing activities	(200,220)	(242,395)	503,479	229,625
Investing Activities				
Payments for purchase of property, plant and equipment	(102,519)	(199,882)	(466,326)	(568,049)
Proceeds on disposal of property, plant and equipment	1,780	1,367	7,342	2,434
Payments for purchase of intangible assets	(7,104)	(5,852)	(19,752)	(17,944)
Business acquisition, net of cash acquired	(3,195)	(318,330)	(620,496)	(318,330)
Other	2	-	(79)	(425)
Cash generated from (used in) investing activities	(111,036)	(522,697)	(1,099,311)	(902,314)
Effect of translation adjustment on cash	59,124	(690,525)	160,581	(155,551)
	5,424	9,380	10,523	(10,350)
Increase (decrease) in cash and cash equivalents	64,548	(681,145)	171,104	(165,901)
Cash and cash equivalents - Beginning of Period	759,883	1,375,759	653,327	860,515
Cash and cash equivalents - End of Period	824,431	694,614	824,431	694,614
Comprised of:				
Cash in bank	503,829	429,033	503,829	429,033
Short-term deposits	322,773	270,739	322,773	270,739
Unpresented cheques	(2,171)	(5,158)	(2,171)	(5,158)
	824,431	694,614	824,431	694,614

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, 2024 and September 30, 2023 (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, 2024 were authorized for issue in accordance with a resolution of the Company's Board of Directors on November 12, 2024.

2 Basis of Preparation and Material Accounting Policies

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

These interim financial statements have been prepared in accordance with IFRS Accounting Standards 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, 2023. 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, 2023. 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 7 Statement of Cash Flows, IFRS 7 Financial Instruments: Disclosures

Effective for the 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.

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 they significantly impact the Company's net earnings or financial position.

IFRS 18 Presentation and Disclosure in Financial Statements

Effective for the annual financial statements relating to fiscal years beginning on or after January 1, 2027, the IASB issued a new standard replacing *IAS 1 Presentation of Financial Statements*. Although the new standard carries forward many requirements from IAS 1 unchanged, IFRS 18 introduces three sets of new requirements to improve companies' reporting of financial performance and give investors a better basis for analyzing and comparing companies. Management is currently assessing the impact that these amendments will have on the financial statements.

4 Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS Accounting Standards 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

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Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

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, 2023.

5 Seasonality

Historically, earnings in the second and third 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, 2024		December 31, 2023	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	43,141	44,326	63,293	62,803
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	2,031	2,031	15,385	15,385
USD sales forwards – MXN functional entities	Fair value (Level 2)	(12,627)	(12,627)	20,653	20,653
USD sales forwards – CNY functional entities	Fair value (Level 2)	335	335	(702)	(702)
Derivative financial instruments (held for trading)					
CAD foreign currency forwards	Fair value (Level 2)	(481)	(481)	(2,093)	(2,093)
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	8,491	8,491	8,227	8,227
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(2,264,095)	(2,194,684)	(1,568,834)	(1,478,148)

7 Long-Term Debt

	September 30 2024	December 31 2023
	\$	\$
Private placement notes	1,029,346	1,015,213
Bank borrowings	1,169,522	485,195
Lease liabilities	203,720	203,513
Government borrowings	65,227	68,426
	2,467,815	1,772,347
Less: current portion	45,198	40,530
	2,422,617	1,731,817

In February 2024, the Company entered into a new term credit agreement for \$700,000 in connection with the acquisition of Bourgault (Note 13) and general corporate purposes. The term credit agreement is repayable in three tranches with the first due in February 2025 and the last due in February 2027. The first tranche due in February 2025 of \$75,000 was repaid during the third quarter of 2024. The term credit agreement has terms and conditions largely consistent with the Company's existing credit facility. Borrowings are subject to short-term market rates, plus applicable margin. The term credit agreement is unsecured and guaranteed by certain subsidiaries of the Company, as defined in the agreement. The borrowings require the Company to maintain certain financial ratios and impose limitations on specified activities.

As of September 30, 2024, \$602,415 was available under the revolving credit facility.

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Notes to Consolidated Interim Financial Statements

For the nine months ended September 30, 2024 and September 30, 2023 (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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Foreign exchange gain (loss)	(8,501)	13,862	13,800	3,128
Other income (expense)	840	(529)	6,048	(5,339)
	(7,661)	13,333	19,848	(2,211)

9 Finance Income and (Expenses)

	Three Months Ended		Nine Months Ended	
	September 30		September 30	
	2024	2023	2024	2023
	\$	\$	\$	\$
Interest expense	(33,307)	(20,688)	(98,269)	(48,625)
Foreign exchange gain (loss) on debt and derivatives	(436)	96	(1,056)	9
Interest earned	5,009	9,181	14,452	20,761
Other	(6,754)	(6,395)	(20,863)	(18,520)
	(35,488)	(17,806)	(105,736)	(46,375)

10 Commitments

As at September 30, 2024, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$247,534 (September 30, 2023 - \$528,871). Of this amount \$235,420 (September 30, 2023 - \$445,421) relates to the purchase of manufacturing equipment and \$12,114 (September 30, 2023 - \$83,450) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, \$9,203 (September 30, 2023 - \$67,569) 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 \$13,279 for the three months ended September 30, 2024 and \$53,633 for the nine months ended September 30, 2024 (\$16,504 for the three months ended September 30, 2023 and \$35,340 for the nine months ended September 30, 2023).

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 propulsion systems, structural and chassis systems, energy storage and power generation for both the global electrified and traditionally powered markets.

Industrial: The Industrial segment is a world leader in the design and production of innovative 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, 2024 and September 30, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

	Three Months Ended September 30, 2024			Nine Months Ended September 30, 2024		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$	\$	\$	\$
Mobility	1,794,471	8,795	78,289	5,749,814	34,841	324,574
Industrial	841,262	3,777	141,807	2,456,471	10,084	436,292
Total	2,635,733	12,572	220,096	8,206,285	44,925	760,866

	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
Total	2,434,161	15,608	214,263	7,279,657	48,387	605,271

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	
	2024	2023	2024	2023
	\$	\$	\$	\$
Canada	1,443,115	1,322,927	4,469,319	4,014,722
Rest of North America	461,521	343,822	1,507,441	976,325
Asia Pacific	183,563	172,414	447,932	456,536
Europe	547,534	594,998	1,781,593	1,832,074
Total	2,635,733	2,434,161	8,206,285	7,279,657

13 Business Acquisitions

(i) Bourgault

On February 1, 2024, the Company acquired 100% of the equity interest of Bourgault Industries Ltd. ("Bourgault"), headquartered in St. Brieux, Saskatchewan, Canada. The acquisition will expand the Company's agricultural portfolio into broad acre seeding. The preliminary purchase price is \$621,645.

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 preliminary amount of \$182,350 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 Bourgault's acquired net assets, recognized at the acquisition date, which has been accounted for as a business combination.

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For the nine months ended September 30, 2024 and September 30, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

Preliminary summary of identifiable assets acquired and liabilities assumed after acquisition completed on February 1, 2024:

	\$
Current assets	218,419
Non-current assets	378,766
Goodwill	182,350
Total assets acquired	779,535
Current liabilities	93,615
Non-current liabilities	64,275
Total liabilities assumed	157,890
Preliminary net identifiable assets acquired	621,645

The goodwill is attributable to expanding the Company's capabilities and further diversifies the Company's end markets. The acquisition further positions the Company as a global agricultural equipment manufacturer. The goodwill arising from this acquisition is not deductible for tax purposes.

The sales included in the consolidated statements of earnings from February 1, 2024 to September 30, 2024 contributed by Bourgault were \$289,940. Bourgault also contributed net earnings of \$11,751 over the same period. Bourgault is included in the Industrial segment.

(ii) Battery Enclosures Business

On August 3, 2023, the Company acquired three battery enclosures facilities from Dura-Shiloh ("Battery Enclosures Business") through the acquisition of certain assets and shares. During 2024, due to a change in purchase price, the total consideration decreased by \$20,049 to \$298,811, thereby decreasing the fair value of property, plant and equipment by \$7,990 to \$215,301, decreasing goodwill by \$8,865 to \$71,707, and other insignificant adjustments. The determination of the fair value of the assets acquired and liabilities assumed for the 2023 acquisition has been completed.

(iii) Chassis and Suspension Business

On October 31, 2023, the Company acquired the substantial portion of the US-based assets from Mobex Fourth and 1, LLC ("Chassis and Suspension Business") and certain of its affiliates. As at September 30, 2024, the determination of the fair value of the assets acquired and liabilities assumed for the 2023 acquisition is not yet complete and is subject to further adjustments. As at September 30, 2024, all details remain unchanged from December 31, 2023.