

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at March 31, 2024 with comparatives as at December 31, 2023 (Unaudited)

(in thousands of Canadian dollars)

	March 31 2024 \$	December 31 2023 \$
ASSETS		
Cash and cash equivalents	787,189	653,327
Accounts and other receivables	1,594,310	1,343,322
Inventories	2,125,740	1,836,665
Income taxes recoverable	38,528	41,481
Current portion of long-term receivables (Note 6)	24,790	24,151
Current portion of derivative financial instruments (Note 6)	20,617	32,970
Prepaid expenses and other current assets	70,040	65,052
Current Assets	4,661,214	3,996,968
Long-term receivables (Note 6)	33,042	39,142
Derivative financial instruments (Note 6)	2,909	5,110
Property, plant and equipment	3,866,681	3,652,498
Investments	8,483	8,227
Deferred tax assets	178,147	172,832
Intangible assets	1,179,341	942,274
Goodwill	1,196,008	1,033,449
Assets	11,125,825	9,850,500
LIABILITIES		
Accounts payable and accrued liabilities	2,594,910	2,328,651
Provisions	51,848	49,255
Income taxes payable	36,643	95,781
Current portion of long-term debt (Notes 6, 7)	120,263	40,530
Current portion of derivative financial instruments (Note 6)	8,978	4,698
Current Liabilities	2,812,642	2,518,915
Long-term debt (Notes 6, 7)	2,494,792	1,731,817
Derivative financial instruments (Note 6)	647	139
Deferred tax liabilities	324,225	277,526
Liabilities	5,632,306	4,528,397
EQUITY		
Capital stock	142,100	142,100
Retained earnings	5,224,934	5,046,422
Contributed surplus	34,953	34,177
Accumulated other comprehensive earnings (loss)	91,532	99,404
Equity	5,493,519	5,322,103
Liabilities and Equity	11,125,825	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 three months ended March 31, 2024 and March 31, 2023 (Unaudited)

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

	Three Months Ended	
	2024	2023
	\$	\$
Sales	2,721,896	2,292,662
Cost of sales	2,328,704	1,992,139
Gross Margin	393,192	300,523
Selling, general and administrative	151,722	124,652
Other income and (expenses) (Note 8)	27,755	1,068
Operating Earnings (Loss)	269,225	176,939
Finance income and (expenses) (Note 9)	(32,944)	(13,226)
Net Earnings (Loss) before Income Taxes	236,281	163,713
Provision for (recovery of) income taxes	57,769	46,716
Net Earnings (Loss) for the Period	178,512	116,997
Net Earnings (Loss) per Share:		
Basic	2.90	1.90
Diluted	2.90	1.90

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

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

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended	
	2024	March 31
	2023	
	\$	\$
Net Earnings (Loss) for the Period	178,512	116,997
Items that may be reclassified subsequently to net income		
Unrealized gains (losses) on translating financial statements of foreign operations	8,126	68,163
Change in unrealized gains (losses) on net investment hedges	320	(6,464)
Change in unrealized gains (losses) on cash flow hedges	(17,523)	10,589
Change in cost of hedging	1,609	(2,067)
Reclassification to earnings of gains (losses) on cash flow hedges	(5,844)	5,120
Tax impact of above	5,440	(3,443)
Other Comprehensive Earnings (Loss)	(7,872)	71,898
Comprehensive Earnings (Loss) for the Period	170,640	188,895

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

LINAMAR CORPORATION

Consolidated Interim Statements of Changes in Equity

For the three months ended March 31, 2024 and March 31, 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)	-	116,997	-	-	-	116,997
Other comprehensive earnings (loss)	-	-	-	61,699	10,199	71,898
Comprehensive Earnings (Loss)	-	116,997	-	61,699	10,199	188,895
Hedging transferred to the carrying value of inventory	-	-	-	-	130	130
Share-based compensation	-	-	1,200	-	-	1,200
Balance at March 31, 2023	138,925	4,714,510	32,559	121,463	(5,521)	5,001,936

	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)	-	178,512	-	-	-	178,512
Other comprehensive earnings (loss)	-	-	-	8,447	(16,319)	(7,872)
Comprehensive Earnings (Loss)	-	178,512	-	8,447	(16,319)	170,640
Share-based compensation	-	-	776	-	-	776
Balance at March 31, 2024	142,100	5,224,934	34,953	90,893	639	5,493,519

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

LINAMAR CORPORATION

Consolidated Interim Statements of Cash Flows

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended	
	2024	March 31 2023
	\$	\$
Cash generated from (used in)		
Operating Activities		
Net Earnings (Loss) for the Period	178,512	116,997
Adjustments for:		
Amortization of property, plant and equipment	122,637	100,065
Amortization of other intangible assets	17,563	15,912
Deferred income taxes	(16,373)	(14,143)
Asset impairment provision, net of reversals	157	23
Share-based compensation	776	1,200
Finance (income) and expenses	32,944	13,226
Other	(11,169)	884
	325,047	234,164
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	(184,647)	(119,077)
(Increase) decrease in inventories	(109,396)	(94,326)
(Increase) decrease in prepaid expenses and other current assets	(3,059)	3,762
(Increase) decrease in long-term receivables	5,847	3,915
Increase (decrease) in income taxes	(46,019)	13,268
Increase (decrease) in accounts payable and accrued liabilities	162,383	139,286
Increase (decrease) in provisions	(89)	715
	(174,980)	(52,457)
Cash generated from (used in) operating activities	150,067	181,707
Financing Activities		
Proceeds from (repayments of) long-term debt	129,662	24,326
Proceeds from term credit agreement	700,000	-
Finance income received (expenses paid)	(37,156)	(14,271)
Cash generated from (used in) financing activities	792,506	10,055
Investing Activities		
Payments for purchase of property, plant and equipment	(189,842)	(162,748)
Proceeds on disposal of property, plant and equipment	460	398
Payments for purchase of intangible assets	(6,894)	(4,402)
Business acquisition, net of cash acquired	(617,301)	-
Other	(80)	(126)
Cash generated from (used in) investing activities	(813,657)	(166,878)
	128,916	24,884
Effect of translation adjustment on cash	4,946	5,290
Increase (decrease) in cash and cash equivalents	133,862	30,174
Cash and cash equivalents - Beginning of Period	653,327	860,515
Cash and cash equivalents - End of Period	787,189	890,689
Comprised of:		
Cash in bank	497,284	494,167
Short-term deposits	292,994	400,591
Unpresented cheques	(3,089)	(4,069)
	787,189	890,689

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

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 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 March 31, 2024 were authorized for issue in accordance with a resolution of the Company's Board of Directors on May 8, 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 three months ended March 31, 2024 and March 31, 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	March 31, 2024		December 31, 2023	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	57,832	57,222	63,293	62,803
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	(4,577)	(4,577)	15,385	15,385
USD sales forwards – MXN functional entities	Fair value (Level 2)	21,172	21,172	20,653	20,653
USD sales forwards – CNY functional entities	Fair value (Level 2)	(1,016)	(1,016)	(702)	(702)
Derivative financial instruments (held for trading)					
CAD foreign currency forwards	Fair value (Level 2)	(1,678)	(1,678)	(2,093)	(2,093)
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	8,483	8,483	8,227	8,227
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(2,408,180)	(2,306,316)	(1,568,834)	(1,478,148)

7 Long-Term Debt

	March 31 2024	December 31 2023
	\$	\$
Private placement notes	1,014,973	1,015,213
Bank borrowings	1,328,578	485,195
Lease liabilities	206,875	203,513
Government borrowings	64,629	68,426
	2,615,055	1,772,347
Less: current portion	120,263	40,530
	2,494,792	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 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 March 31, 2024, \$522,932 was available under the revolving credit facility.

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

8 Other Income and (Expenses)

	Three Months Ended	
	2024	March 31 2023
	\$	\$
Foreign exchange gain (loss)	25,432	6,028
Other income (expense)	2,323	(4,960)
	27,755	1,068

9 Finance Income and (Expenses)

	Three Months Ended	
	2024	March 31 2023
	\$	\$
Interest expense	(30,061)	(13,221)
Foreign exchange gain (loss) on debt and derivatives	(458)	(200)
Interest earned	4,131	6,170
Other	(6,556)	(5,975)
	(32,944)	(13,226)

10 Commitments

As at March 31, 2024, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$377,564 (March 31, 2023 - \$345,003). Of this amount \$331,533 (March 31, 2023 - \$306,030) relates to the purchase of manufacturing equipment and \$46,031 (March 31, 2023 - \$38,973) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, \$37,416 (March 31, 2023 - \$788) 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 \$17,977 for the three months ended March 31, 2024 (\$3,239 for the three months ended March 31, 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.

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Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 2023 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

	Three Months Ended March 31, 2024		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$
Mobility	1,993,294	13,525	129,491
Industrial	728,602	3,126	139,734
Total	2,721,896	16,651	269,225

	Three Months Ended March 31, 2023		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$
Mobility	1,707,681	13,472	72,049
Industrial	584,981	2,840	104,890
Total	2,292,662	16,312	176,939

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	
	March 31 2024	March 31 2023
	\$	\$
Canada	1,438,961	1,265,309
Rest of North America	529,064	315,579
Asia Pacific	132,893	121,678
Europe	620,978	590,096
Total	2,721,896	2,292,662

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 \$618,450.

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 \$162,932 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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Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2024 and March 31, 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	234,196
Non-current assets	377,549
Goodwill	162,932
Total assets acquired	774,677
Current liabilities	89,709
Non-current liabilities	66,518
Total liabilities assumed	156,227
Preliminary net identifiable assets acquired	618,450

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 March 31, 2024 contributed by Bourgault were \$98,756. Bourgault also contributed net earnings of \$9,596 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. As at March 31, 2024, 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. As at March 31, 2024, all details remain unchanged from December 31, 2023.

(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 March 31, 2024, 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. As at March 31, 2024, all details remain unchanged from December 31, 2023.