

LINAMAR CORPORATION

Consolidated Interim Statements of Financial Position

As at March 31, 2025 with comparatives as at December 31, 2024 (Unaudited)

(in thousands of Canadian dollars)

	March 31 2025 \$	December 31 2024 \$
ASSETS		
Cash and cash equivalents	909,234	1,054,598
Accounts and other receivables	1,564,127	1,312,281
Inventories	2,129,241	2,062,358
Income taxes recoverable	91,315	76,612
Current portion of long-term receivables (Note 12)	22,953	21,656
Current portion of derivative financial instruments (Note 12)	1,072	-
Prepaid expenses and other current assets	61,967	78,062
Current Assets	4,779,909	4,605,567
Long-term receivables (Note 12)	33,724	32,023
Derivative financial instruments (Note 12)	575	-
Property, plant and equipment	3,692,268	3,642,618
Investments	1,785	1,419
Deferred tax assets	213,911	250,601
Intangible assets	1,127,390	1,135,042
Goodwill	838,231	832,572
Assets	10,687,793	10,499,842
LIABILITIES		
Accounts payable and accrued liabilities	2,394,175	2,247,695
Provisions	67,288	74,925
Income taxes payable	46,069	54,633
Current portion of long-term debt (Notes 6, 12)	273,448	45,658
Current portion of derivative financial instruments (Note 12)	45,392	64,125
Current Liabilities	2,826,372	2,487,036
Long-term debt (Notes 6, 12)	1,924,964	2,246,861
Derivative financial instruments (Note 12)	3,775	9,020
Deferred tax liabilities	285,762	328,979
Liabilities	5,040,873	5,071,896
EQUITY		
Capital stock	138,221	140,521
Retained earnings	5,327,271	5,201,851
Contributed surplus	38,444	37,669
Accumulated other comprehensive earnings (loss)	142,984	47,905
Equity	5,646,920	5,427,946
Liabilities and Equity	10,687,793	10,499,842

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, 2025 and March 31, 2024 (Unaudited)

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

	Three Months Ended	
	March 31	
	2025	2024
	\$	\$
Sales	2,532,077	2,721,896
Cost of sales	2,129,632	2,328,704
Gross Margin	402,445	393,192
Selling, general and administrative	152,077	151,722
Other income and (expenses) (Note 7)	15,929	27,755
Operating Earnings (Loss)	266,297	269,225
Finance income and (expenses) (Note 8)	(24,733)	(32,944)
Net Earnings (Loss) before Income Taxes	241,564	236,281
Provision for (recovery of) income taxes	63,865	57,769
Net Earnings (Loss) for the Period	177,699	178,512
Net Earnings (Loss) per Share:		
Basic	2.94	2.90
Diluted	2.94	2.90

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, 2025 and March 31, 2024 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended	
	2025	March 31
	2024	
	\$	\$
Net Earnings (Loss) for the Period	177,699	178,512
Items that may be reclassified subsequently to net income		
Unrealized gains (losses) on translating financial statements of foreign operations	98,825	8,126
Change in unrealized gains (losses) on net investment hedges	(20,896)	320
Change in unrealized gains (losses) on cash flow hedges	2,727	(17,523)
Change in cost of hedging	(528)	1,609
Reclassification to earnings of gains (losses) on cash flow hedges	20,668	(5,844)
Tax impact of above	(5,717)	5,440
Other Comprehensive Earnings (Loss)	95,079	(7,872)
Comprehensive Earnings (Loss) for the Period	272,778	170,640

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, 2025 and March 31, 2024 (Unaudited)

(in thousands of Canadian dollars)

	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

	Capital stock \$	Retained earnings \$	Contributed surplus \$	Cumulative translation adjustment \$	Hedging reserves \$	Total Equity \$
Balance at January 1, 2025	140,521	5,201,851	37,669	99,245	(51,340)	5,427,946
Net Earnings (Loss)	-	177,699	-	-	-	177,699
Other comprehensive earnings (loss)	-	-	-	77,929	17,150	95,079
Comprehensive Earnings (Loss)	-	177,699	-	77,929	17,150	272,778
Share-based compensation	-	-	775	-	-	775
Common shares repurchased and cancelled	(2,300)	(52,279)	-	-	-	(54,579)
Balance at March 31, 2025	138,221	5,327,271	38,444	177,174	(34,190)	5,646,920

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, 2025 and March 31, 2024 (Unaudited)

(in thousands of Canadian dollars)

	Three Months Ended	
	2025	2024
	\$	\$
Cash generated from (used in)		
Operating Activities		
Net Earnings (Loss) for the Period	177,699	178,512
Adjustments for:		
Amortization of property, plant and equipment	135,035	122,637
Amortization of other intangible assets	19,994	17,563
Deferred income taxes	(8,121)	(16,373)
Asset impairment provision, net of reversals	(920)	157
Share-based compensation	775	776
Finance (income) and expenses	24,733	32,944
Other	19,897	(11,169)
	369,092	325,047
Changes in operating assets and liabilities		
(Increase) decrease in accounts and other receivables	(244,546)	(184,647)
(Increase) decrease in inventories	(38,065)	(109,396)
(Increase) decrease in prepaid expenses and other current assets	17,026	(3,059)
(Increase) decrease in long-term receivables	(1,746)	5,847
Increase (decrease) in income taxes	(24,680)	(46,019)
Increase (decrease) in accounts payable and accrued liabilities	93,751	162,383
Increase (decrease) in provisions	(6,532)	(89)
	(204,792)	(174,980)
Cash generated from (used in) operating activities	164,300	150,067
Financing Activities		
Proceeds from (repayments of) long-term debt	(137,495)	129,662
Proceeds from term credit agreement	-	700,000
Repurchase of shares (Note 13)	(53,512)	-
Finance income received (expenses paid)	(33,626)	(37,156)
Cash generated from (used in) financing activities	(224,633)	792,506
Investing Activities		
Payments for purchase of property, plant and equipment	(88,765)	(189,842)
Proceeds on disposal of property, plant and equipment	851	460
Payments for purchase of intangible assets	(5,830)	(6,894)
Business acquisition, net of cash acquired	-	(617,301)
Other	(238)	(80)
Cash generated from (used in) investing activities	(93,982)	(813,657)
	(154,315)	128,916
Effect of translation adjustment on cash	8,951	4,946
Increase (decrease) in cash and cash equivalents	(145,364)	133,862
Cash and cash equivalents - Beginning of Period	1,054,598	653,327
Cash and cash equivalents - End of Period	909,234	787,189
Comprised of:		
Cash in bank	600,428	497,284
Short-term deposits	309,820	292,994
Unpresented cheques	(1,014)	(3,089)
	909,234	787,189

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, 2025 and March 31, 2024 (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, 2025 were authorized for issue in accordance with a resolution of the Company's Board of Directors on May 7, 2025.

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, 2024. 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.

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, 2024. 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 nor would significantly impact the Company's net earnings or financial position.

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 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, 2024.

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.

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and March 31, 2024 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

6 Long-Term Debt

	March 31 2025 \$	December 31 2024 \$
Private placement notes	1,045,224	1,024,245
Bank borrowings	859,907	979,628
Lease liabilities	220,966	209,477
Government borrowings	72,315	79,169
	2,198,412	2,292,519
Less: current portion	273,448	45,658
	1,924,964	2,246,861

As of March 31, 2025, \$913,411 was available under the Company's credit facility.

7 Other Income and (Expenses)

	Three Months Ended March 31	
	2025 \$	2024 \$
Foreign exchange gain (loss)	14,303	25,432
Other income (expense)	1,626	2,323
	15,929	27,755

8 Finance Income and (Expenses)

	Three Months Ended March 31	
	2025 \$	2024 \$
Interest expense	(24,486)	(30,061)
Foreign exchange gain (loss) on debt and derivatives	(38)	(458)
Interest earned	5,724	4,131
Other	(5,933)	(6,556)
	(24,733)	(32,944)

9 Commitments

As at March 31, 2025, outstanding commitments for capital expenditures under purchase orders and contracts amounted to \$152,337 (March 31, 2024 - \$377,564). Of this amount \$148,493 (March 31, 2024 - \$331,533) relates to the purchase of manufacturing equipment and \$3,844 (March 31, 2024 - \$46,031) relates to general contracting and construction costs in respect of plant construction. Of the commitments for plant construction, \$515 (March 31, 2024 - \$37,416) 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.

10 Related Party Transactions

Building additions made by a related party, a company owned by the spouse of an officer and director, were \$6,022 for the three months ended March 31, 2025 (\$17,977 for the three months ended March 31, 2024).

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Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and March 31, 2024 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

11 Segmented Information

Management has determined the operating segments based on the reports reviewed by senior management 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 senior management 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 March 31, 2025		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$
Mobility	1,898,726	11,648	123,408
Industrial	633,351	4,064	142,889
Total	2,532,077	15,712	266,297

	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

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	
	2025	2024
	\$	\$
Canada	1,286,563	1,438,961
Rest of North America	489,028	529,064
Asia Pacific	165,847	132,893
Europe	590,639	620,978
Total	2,532,077	2,721,896

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Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2025 and March 31, 2024 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

12 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, 2025		December 31, 2024	
		Carrying Value Asset (Liability) \$	Fair Value \$	Carrying Value Asset (Liability) \$	Fair Value \$
Long-term receivables	Amortized cost (Level 2)	56,677	58,170	53,679	52,425
Derivative financial instruments (hedge relationships)					
USD sales forwards – CAD functional entities	Fair value (Level 2)	(39,054)	(39,054)	(52,043)	(52,043)
USD sales forwards – MXN functional entities	Fair value (Level 2)	(7,548)	(7,548)	(19,657)	(19,657)
USD sales forwards – CNY functional entities	Fair value (Level 2)	(918)	(918)	(1,445)	(1,445)
Investment designated at fair value through other comprehensive income	Fair value (Level 3)	1,785	1,785	1,419	1,419
Long-term debt, excluding lease liabilities	Amortized cost (Level 2)	(1,977,446)	(1,898,038)	(2,083,042)	(1,994,979)

13 Capital Stock

In November 2024, the Company announced Toronto Stock Exchange approval to commence a normal course issuer bid. This bid permitted the Company to acquire for cancellation up to 4,021,282 common shares between November 15, 2024 and November 14, 2025. This bid is subject to daily limits. For the three months ended March 31, 2025, the Company repurchased and cancelled 996,939 common shares under its bid for a total of \$53,512.

14 Subsequent Event

In 2025, the United States ("U.S.") administration announced certain tariffs, and although some have now been implemented, the amounts imposed and effective dates on others continue to change. The effect of these tariffs and potential tariffs on our business and financial condition is influenced by several unknown factors, including the effective dates and durations of tariffs, their scope and nature, the amount imposed, and any retaliatory measures by the target countries.

Given these uncertainties, the Company cannot assure that any mitigating actions available to us, such as passing along some or all of the tariff costs to our customers, will be successful. Any further escalation of trade tensions, additional tariffs, retaliatory measures, or shifts in Canadian or international trade policies could adversely impact our business. The United States-Mexico-Canada Agreement (USMCA) is up for renewal in 2026, and there is no assurance that renegotiated terms will not adversely affect our business. It remains unclear what specific actions the current U.S. administration may take to address trade-related issues, and the U.S. and other governments could impose additional sanctions or export controls that might restrict our ability to conduct business directly or indirectly with certain countries or parties.