Mattr Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

March 31, 2024

Mattr Corp.
Condensed Interim Consolidated Statements of (Loss) Income (Unaudited)

(in thousands of Canadian dollars, except per share amounts)	Three Months Ended March 31, 2024	2023
Revenue		
Sale of products	**$ 207,301**	$ 222,925
Rendering of services	**17,160**	15,807
	224,461	238,732
Cost of Goods Sold and Services Rendered	**159,113**	164,634
Gross Profit	**65,348**	74,098
Selling, general and administrative expenses	**40,518**	31,451
Research and development expenses	**2,393**	2,139
Foreign exchange losses	**2,515**	1,210
Depreciation and amortization	**8,996**	9,021
Restructuring costs and other, net	**3,201**	–
Operating Income from Continuing Operations	**7,725**	30,277
Finance costs, net (note 5)	**(2,142)**	(4,984)
Income from Continuing Operations before income taxes	**5,583**	25,293
Income tax expense (note 6)	**5,817**	4,585
Net (Loss) Income from Continuing Operations	**(234)**	20,708
Net (Loss) Income from Discontinued Operations, net of income tax expense (note 3)	**(5,405)**	4,521
Net (Loss) Income	**$ (5,639)**	$ 25,229
Net (Loss) Income from Continuing Operations Attributable to:		
Shareholders of the Company	**$ (437)**	$ 20,718
Non-controlling interests	**203**	(10)
Net (Loss) Income from Continuing Operations	**$ (234)**	$ 20,708
Net (Loss) Income from Discontinued Operations Attributable to:		
Shareholders of the Company	**$ (5,405)**	$ 4,521
Net Income from Discontinued Operations	**$ (5,405)**	$ 4,521
(Loss) Earnings per Share ("EPS") (note 7)		
Basic	**$ (0.09)**	$ 0.36
Diluted	**$ (0.09)**	$ 0.36
(Loss) Earnings per Share ("EPS") – Contininuing Operations (note 7)		
Basic	**$ (0.01)**	$ 0.30
Diluted	**$ (0.01)**	$ 0.29
Weighted Average Number of Shares Outstanding (000s) (note 7)		
Basic	**66,317**	70,175
Diluted	**66,317**	70,743

Mattr Corp.
Condensed Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	2023
Net (Loss) Income	**$ (5,639)**	$ 25,229
Other Comprehensive Income (Loss) that has been or may be Reclassified to Net Income (Loss) in Subsequent Periods		
Exchange differences on translation of foreign operations	**13,221**	(145)
Net Other Comprehensive Income (Loss) that has been or may be Reclassified to Net Income (Loss) in Subsequent Periods	**13,221**	(145)
Other Comprehensive Income (Loss) not to be Reclassified to Net Income (Loss) in Subsequent Periods		
Actuarial gain on defined benefit plans	**–**	12
Income recovery expense	**–**	(13)
Net Other Comprehensive Loss not to be Reclassified to Net Income (Loss) in Subsequent Periods	**–**	(1)
Total Other Comprehensive Income (Loss)	**13,221**	(146)
Total Comprehensive Income	**$ 7,582**	$ 25,083
Comprehensive Income Attributable to:		
Shareholders of the Company	**$ 7,387**	$ 24,978
Non-controlling interests	**195**	105
Total Comprehensive Income	**$ 7,582**	$ 25,083
Comprehensive Income from Continuing Operations Attributable to:		
Shareholders of the Company	**12,792**	21,914
Non-controlling interests	**195**	105
Comprehensive (Loss) Income from Discontinued Operations Attributable to:		
Shareholders of the Company	**(5,405)**	3,064
Non-controlling interests	**–**	–
Total Comprehensive Income	**$ 7,582**	$ 25,083
Continuing Operations	**$ 12,987**	$ 22,019
Discontinued Operations	**(5,405)**	3,064
Total Comprehensive Income Attributable to Shareholders of the Company	**$ 7,582**	$ 25,083

Mattr Corp.
Condensed Interim Consolidated Balance Sheet (Unaudited)

(in thousands of Canadian dollars)		March 31, 2024		December 31, 2023
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**315,986**	$	334,061
Accounts receivable		**190,694**		157,689
Contract assets		**7,619**		10,596
Income taxes receivable		**4,706**		4,510
Inventory		**126,446**		122,536
Prepaid expenses and other		**11,822**		6,544
Derivative financial instruments (note 2)		**–**		894
Total current assets		**657,273**		636,830
Non-current Assets				
Property, plant and equipment		**224,606**		203,980
Right-of-use assets		**76,258**		76,396
Intangible assets		**144,233**		144,542
Deferred income tax assets		**44,774**		45,163
Goodwill		**163,042**		163,143
Other assets		**8,308**		8,245
Total non-current assets		**661,221**		641,469
TOTAL ASSETS	**$**	**1,318,494**	$	1,278,299
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities	**$**	**209,996**	$	178,807
Provisions		**14,918**		12,157
Income taxes payable		**7,389**		8,865
Contract liabilities		**44,276**		39,494
Lease liabilities		**10,422**		11,330
Other liabilities		**22,966**		28,656
Total current liabilities		**309,967**		279,309
Non-current Liabilities				
Long-term debt (note 10)		**144,726**		144,201
Lease liabilities		**78,997**		76,933
Provisions		**12,069**		11,903
Contract liabilities		**1,192**		1,101
Employee future benefits		**6,230**		6,145
Deferred income tax liabilities		**18,907**		19,565
Other liabilities		**8,447**		9,463
Total non-current liabilities		**270,568**		269,311
Total liabilities		**580,535**		548,620
Equity				
Share capital		**682,934**		681,865
Contributed surplus		**23,076**		23,450
Retained Deficit		**(98,683)**		(92,841)
Non-controlling interests		**(286)**		(481)
Accumulated other comprehensive income		**130,918**		117,686
Total equity		**737,959**		729,679
TOTAL LIABILITIES AND EQUITY	**$**	**1,318,494**	$	1,278,299

Mattr Corp.
Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Deficit	Non-controlling Interests	Accumulated Other Comprehensive Income	Total Equity
Balance – December 31, 2023	**$ 681,865**	**$ 23,450**	**$ (92,841)**	**$ (481)**	**$ 117,686**	**$ 729,679**
Net (loss) income	**–**	**–**	**(5,842)**	**203**	**–**	**(5,639)**
Other comprehensive (loss) income	**–**	**–**	**–**	**(8)**	**13,232**	**13,224**
Comprehensive (loss) income	**–**	**–**	**(5,842)**	**195**	**13,232**	**7,585**
Issued on exercise of stock options	**67**	**–**	**–**	**–**	**–**	**67**
Compensation cost on exercised options	**4**	**(4)**	**–**	**–**	**–**	**–**
Compensation cost on exercised Restricted Share Units	**998**	**(998)**	**–**	**–**	**–**	**–**
Share-based compensation expense	**–**	**628**	**–**	**–**	**–**	**628**
Balance – March 31, 2024	**$ 682,934**	**$ 23,076**	**$ (98,683)**	**$ (286)**	**$ 130,918**	**$ 737,959**
Balance – December 31, 2022	$ 707,400	$ 25,717	$ (161,212)	$ 275	$ 127,473	$ 699,653
Net Income (loss)	–	–	25,239	(10)	–	25,229
Other comprehensive income (loss)	–	–	–	115	(261)	(146)
Comprehensive Income (loss)	–	–	25,239	105	(261)	25,083
Issued on exercise of stock options	80	–	–	–	–	80
Compensation cost on exercised Restricted Share Units	1,524	(1,524)	–	–	–	–
Share-based compensation expense	–	654	–	–	–	654
Purchase – NCIB	(6,434)	–	–	–	–	(6,434)
Share repurchase – ASPP	5,100	–	–	–	–	5,100
Excess of purchase price over stated value of shares	–	–	(1,277)	–	–	(1,277)
Balance – March 31, 2023	$ 707,670	$ 24,847	$ (137,250)	$ 380	$ 127,212	$ 722,859

Mattr Corp.
Condensed Interim Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	2023
Operating Activities		
Net (loss) income from continuing operations	**$ (234)**	$ 20,708
Add (deduct) items not affecting cash		
Depreciation and amortization	**8,996**	9,021
Interest expense on lease liabilities	**1,358**	270
Share-based compensation (note 8)	**7,633**	(41)
Deferred income taxes	**1,143**	8,443
Gain on disposal of property, plant and equipment	**(587)**	(472)
Unrealized loss on derivative financial instruments	**991**	1,428
Other	**3,481**	6,328
Change in non-cash working capital and foreign exchange (note 9)	**(12,328)**	(52,238)
Cash Provided by (Used in) Operating Activities from Continuing Operations	**10,453**	(6,553)
Cash Used in Operating Activities from Discontinued Operations	**–**	(25,072)
Cash Provided by (Used in) Operating Activities	**$ 10,453**	$ (31,625)
Investing Activities		
Purchase of property, plant and equipment	**(30,621)**	(7,923)
Proceeds on disposal of property, plant and equipment	**2,101**	803
Business acquisition	**–**	(8,589)
Cash Used in Investing Activities from Continuing Operations	**(28,520)**	(15,709)
Cash Used in Investing Activities from Discontinued Operations	**–**	(14,699)
Cash Used in Investing Activities	**$ (28,520)**	$ (30,408)
Financing Activities		
Repayment of bank indebtedness and long-term debt	**–**	(25,000)
Repayment of long term debt finance cost	**(88)**	(78)
Repayment of lease liabilities	**(2,561)**	(2,646)
Repurchase of shares – Normal Course Issuer Bids	**–**	(7,038)
Proceeds from stock options exercised (note 11)	**67**	80
Cash Used in Financing Activities from Continuing Operations	**(2,582)**	(34,682)
Cash Used in Financing Activities from Discontinued Operations	**–**	(5,159)
Cash Used in Financing Activities	**$ (2,582)**	$ (39,841)
Effect of Foreign Exchange on Cash and Cash Equivalents	**2,574**	(107)
Net decrease in Cash and Cash Equivalents	**(18,075)**	(101,981)
Cash and Cash Equivalents – Beginning of Period	**334,061**	263,990
Cash and Cash Equivalents – End of Period	**$ 315,986**	$ 162,009
Cash	**273,383**	160,312
Cash Equivalents	**42,603**	1,697
Total Cash and Cash Equivalents	**$ 315,986**	$ 162,009
Supplemental Cash Flow Information		
Interest paid	**$ 319**	$ 1,271
Interest received	**$ 4,100**	$ 1,095
Income taxes (refund) paid	**$ (568)**	$ 1,462

Mattr Corp.
Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

Mattr Corp. is a publicly listed company incorporated in Canada with its shares listed on the Toronto Stock Exchange under ticker symbol MATR. Mattr Corp, together with its wholly owned subsidiaries (collectively referred to as the "Company" or "Mattr"), is a growth oriented, global materials technology company broadly serving critical infrastructure markets including transportation, communication, water management, energy and electrification. The Company operates through a network of fixed manufacturing facilities within two operating units. These operating units are reported as two business segments, Composite Technologies and Connection Technologies which enable responsible renewal and enhancement of critical infrastructure while lowering risk and environmental impact. Further information as it pertains to the nature of operations is set out in note 4.

In November 2023, the Company closed the sale of a substantial part of what was previously referred to as its Pipeline and Pipe Services ("PPS") segment and it is accounted for as discontinued operations (note 3).

The head office, principal address and registered office of the Company is 25 Bethridge Road, Toronto, Ontario, M9W 1M7, Canada.

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1 Basis of Financial Statement Preparation

Basis of Presentation

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34*, Interim Financial Reporting*. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and thus should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2023 ("Annual Consolidated Financial Statements").

The condensed interim consolidated financial statements have been prepared on the historical cost basis, except for certain current assets and financial instruments, which are measured at fair value, as explained in note 2 of the accounting policies in the Company's Annual Consolidated Financial Statements.

The condensed interim consolidated financial statements comprise the financial statements of the Company and the entities under its control and the Company's equity accounted interests in joint ventures and associates. The results of the subsidiaries acquired during the period are included from the date of the acquisition. Adjustments are made, where necessary, to the financial statements of the subsidiaries, joint arrangements and associates to ensure consistency with those policies adopted by the Company. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The condensed interim consolidated financial statements and accompanying notes as at and for the three-month period ended March 31, 2024 were authorized for issue by the Company's Board of Directors on May 14, 2024.

b) Use of Estimates and Judgements

The preparation of condensed interim consolidated financial statements in conformity with International Financial Reporting Standards ("IFRS") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. Except for the critical judgment described below, the areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these condensed interim consolidated financial statements, are described in note 2 of the Company's Annual Consolidated Financial Statements.

c) Accounting policies

Except for as described below, the condensed interim consolidated financial statements are based on accounting policies consistent with those described in note 2 to our Annual Consolidated Financial Statements:

The Company has considered the amendments to IAS 1: Presentation of Financial Statements, IAS 7: Statement of Cash Flows and Errors, IFRS 7: Financial Instruments: Disclosures and IFRS 16: Leases, which are effective for annual periods beginning on or after January 1, 2024 and has concluded that these amendments have no impact on the Company's condensed interim consolidated financial statements.

2 Financial Instruments

The Company has classified its financial instruments as follows:

(in thousands of Canadian dollars)		March 31, 2024		December 31, 2023
Loans and Receivables, Measured at Amortized Cost				
Cash and cash equivalents	**$**	**315,986**	$	334,061
Accounts receivable		**190,694**		157,689
Contract assets		**7,619**		10,596
Loans receivable		**1,094**		1,067
Deposit guarantee		**487**		485
Contract liabilities (note 10)		**44,276**		39,494
Income tax receivable		**4,706**		4,510
Fair Value through Profit or Loss				
Derivative financial instruments – assets	**$**	**12**	$	894
Derivative financial instruments – liabilities		**109**		–
Financial Liabilities, Measured at Amortized Cost				
Accounts payable	**$**	**75,266**	$	54,507
Lease liabilities		**89,419**		88,263
Income tax payable		**7,389**		8,865
Long-term debt (note 11)		**150,000**		150,000

Fair Value

IFRS 13, *Fair Value Measurement,* provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs, which are used to measure fair value, fall into the following three different levels of the fair value hierarchy:

- Level 1 – Quoted prices in active markets for identical instruments that are observable.
- Level 2 – Quoted prices in active markets for similar instruments; inputs other than quoted prices that are observable and derived from or corroborated by observable market data.
- Level 3 – Valuations derived from valuation techniques in which one or more significant inputs are unobservable.

The hierarchy requires the use of observable market data when available.

The following table presents the fair value of financial assets and liabilities in the fair value hierarchy as at March 31, 2024:

(in thousands of Canadian dollars)		Fair Value		Level 1		Level 2		Level 3
Assets								
Derivative financial instruments		**12**		**–**		**12**		**–**
	$	**12**	**$**	**–**	**$**	**12**	**$**	**–**
Liabilities								
Derivative financial instruments		**109**		**–**		**109**		**–**
Long-term debt	**$**	**165,754**	**$**	**–**	**$**	**165,754**	**$**	**–**
	$	**165,863**	**$**	**–**	**$**	**165,863**	**$**	**–**

The derivative financial instruments relate to foreign exchange forward contracts entered into by the Company (as described below) and are valued by comparing the contracted rates at the time the derivatives are acquired to the period-end rates quoted in the market.

Total long-term debt is comprised of the amounts drawn on Senior Notes, unsecured of $150 million. The Senior Notes, unsecured have a fair market value of $165.8 million which is higher than the carrying amount as the fixed interest rate is higher than the market rate of interest for this grade of Senior Note as at March 31, 2024. The Credit Facility is subject to a variable interest rate and therefore the carrying amount is approximately equal to the fair market value.

Financial Risk Management

The Company's operations expose it to a variety of financial risks including market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial position and financial performance. Risk management is the responsibility of the Company's management. Material risks are monitored and are regularly reported to the Board.

Market Risk

Foreign Exchange Risk

The majority of the Company's business is transacted outside of Canada through subsidiaries operating in many countries. The net investments in these subsidiaries as well as their revenue, operating expenses and non-operating expenses are denominated in foreign currencies. As a result, the Company's consolidated revenue, expenses and financial position may be impacted by fluctuations in foreign exchange rates as these foreign currency amounts are translated into Canadian dollars. As of March 31, 2024, fluctuations of +/- 5% in the Canadian dollar, relative to those foreign currencies, would impact the Company's consolidated revenue, income from operations, and net income (attributable to shareholders of the Company) for the three-month period ended March 31, 2024 by approximately $7.3 million, $0.3 million, and $0.1 million, respectively, prior to foreign exchange forward contract activities. In addition, such fluctuations would impact the Company's consolidated total assets, consolidated total liabilities and consolidated total equity by approximately $37.8 million, $13.9 million, and $23.9 million, respectively, as at March 31, 2024.

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures associated with the Company's foreign currency denominated cash streams and the resulting variability of the Company's earnings. The Company utilizes foreign exchange forward contracts to manage this foreign exchange risk. The Company does not enter into foreign exchange forward contracts for speculative purposes.

Foreign Exchange Forward Contracts

The Company utilizes financial instruments to manage the risk associated with foreign exchange rates.

The following table sets out the notional amounts outstanding under foreign exchange forward contracts, the average contractual exchange rates and the settlement of these contracts as at:

(in thousands, except weighted average rate amounts)	**March 31, 2024**	December 31, 2023
U.S. dollars sold for Euros		
Less than one year	**U.S.$17,371**	U.S.$13,014
Weighted average rate	**0.92**	0.94
Canadian dollars sold for British pounds		
Less than one year	**Can$3,883**	Can$3,734
Weighted average rate	**0.59**	0.61

The Company does not apply hedge accounting to account for its foreign exchange forward contracts.
As at March 31, 2024, the Company had notional amounts of $27.4 million of foreign exchange forward contracts outstanding (December 31, 2023 – $20.9 million) with the net unrealized loss of $0.1 million from all foreign exchange forward contracts (December 31, 2023 – $0.9 million net unrealized gain).

3 Discontinued Operations

In the year ended December 31 2023, through a coordinated plan to dispose of a major line of business, the Company disposed of various operations within what was formerly referred to as the PPS segment, and thus the related results of the disposed operations are presented as discontinued operations. The comparative consolidated statement of (loss) income, statement of comprehensive income (loss) and other relevant notes have been restated to separately show the results from the discontinued operations from the Company's continuing operations.

During the fourth quarter of 2023, the Company completed the sale of the majority of its pipe coating business to Tenaris and received total gross proceeds of $241.2 million which included the agreed-upon purchase price and an initial working capital estimate. The final net cash proceeds received by the Company in satisfaction of the contractual purchase price for the sale of the PPG business remains subject to completion of a customary final true up of the estimated working capital calculation as provided in the definitive purchase and sale agreement in respect of the transaction. The Company now expects its net cash outflow to settle the working capital adjustment to be approximately $37.4 million and therefore in the first quarter of 2024 recorded an additional $5.4 million loss from the sale of PPG in Discontinued Operations. The Company expects the parties to finalize the net working capital adjustment by the third quarter of 2024.

The Net (Loss) Income from discontinued operations for the three months period ended March 31 is as follows:

(in thousands of Canadian dollars)	Three Months Ended	
	March 31, 2024	March 31, 2023
Revenue - External	**$ –**	$ 125,673
Operating expenses [(a)]	**–**	110,738
Research and development expenses	**–**	312
Foreign exchange gain	**–**	(939)
Depreciation and amortization	**$ –**	10,209
Income from Operations	**–**	$ 5,353
Loss on sale of operating unit	**(5,405)**	**–**
Finance Costs	**–**	(160)
Net (Loss) Income before Income Tax	**(5,405)**	5,193
Income tax expense from discontinued operations	**$ –**	672
Net (Loss) Income from Discontinued Operations	**$ (5,405)**	$ 4,521

(a) Operating expenses include cost of goods and services rendered, and selling, general and administrative expenses.

The table below sets forth, by geographical region, revenue for the three months period ended March 31, 2023 for the discontinued operations. No revenue is associated with discontinued operations in the first quarter of 2024.

(in thousands of Canadian dollars)	
North America	$ 36,918
Latin America	28,634
EMEA[(a)]	31,914
Asia Pacific	28,207
Total revenue	$ 125,673

(a) Refers to the Europe, Middle East, and Africa

4 Segment Information

Mattr's operating segments are being reported based on the financial information provided to the Chief Executive Officer, who has been identified as the Chief Operating Decision Maker ("CODM") in monitoring segment performance and allocating resources between segments. The CODM assesses segment performance based on segment operating income or loss, which is measured differently than income from operations in the condensed interim consolidated financial statements. Income taxes are managed at a consolidated level and are not allocated to the reportable operating segments.

Inter-segment transactions, if any, among Composite Technologies, and Connection Technologies are accounted for at negotiated transfer prices. Financial, Corporate and Others represents operating income, property, plant and equipment, and Corporate office costs that are not allocated to the Composite Technologies or Connection Technologies Segment and property, and plant and equipment not sold in the Pipeline, Pipe and Services Segment. The aggregation of the reportable segments is based on the customers and markets that the Company services.

What was previously referred to as the PPS reportable segment, excluding the entities in Malaysia, Italy, the United Kingdom and Brazil, which were not sold, has been presented as discontinued operations.

Segment

The following table sets forth information by segment for the three months ended March 31:

	2024						
(in thousands of Canadian dollars)	**Composite Technologies**	**Connection Technologies**	**Financial, Corporate, and Others**	**Eliminations and Adjustments**	**Total Continuing Operations**	**Discontinued Operations**	**Total Continuing and Discontinued Operations**
	$	**$**	**$**	**$**	**$**	**$**	**$**
Revenue							
External	**119,282**	**90,757**	**14,422**	**–**	**224,461**	**–**	**224,461**
Total Revenue	**119,282**	**90,757**	**14,422**	**–**	**224,461**	**–**	**224,461**
Income (Loss) from Operations	**4,017**	**14,543**	**(10,835)**	**–**	**7,725**	**–**	**7,725**
Additions to property, plant and equipment, net of disposals	**18,060**	**4,787**	**450**	**–**	**23,297**	**–**	**23,297**
As at March 31, 2024							
Goodwill	**145,794**	**17,248**	**–**	**–**	**163,042**	**–**	**163,042**
Total assets	**640,894**	**246,404**	**405,423**	**25,773**	**1,318,494**	**–**	**1,318,494**
Total liabilities	**210,614**	**107,746**	**257,299**	**4,876**	**580,535**	**–**	**580,535**

	2023						
(in thousands of Canadian dollars)	Composite Technologies	Connection Technologies	Financial, Corporate, and Others	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations	Total Continuing and Discontinued Operations
	$	$	$	$	$	$	$
Revenue							
External	132,549	94,687	11,496	–	238,732	125,673	364,405
Total Revenue	132,549	94,687	11,496	–	238,732	125,673	364,405
Income (Loss) from Operations [(a)]	20,722	16,993	(7,438)	–	30,277	5,353	35,630
Additions to property, plant and equipment, net of disposals	4,844	2,241	992	–	8,077	18,174	26,251
As at December 31, 2023							
Goodwill	145,889	17,254	–	–	163,143	–	163,143
Total assets	611,457	227,104	417,213	22,525	1,278,299	–	1,278,299
Total liabilities	182,270	101,241	260,981	4,128	548,620	–	548,620

(a) Amount of Connection Technologies and Financial, Corporate, and Others are changed due to re-allocation of corporate administration costs.

Geographical Segment Revenue Information

The table below sets forth, by geographical region, revenue for the following periods for the Composite Technologies Segment:

(in thousands of Canadian dollars)	Three Months Ended	
	March 31, 2024	March 31, 2023
North America	**$ 117,206**	$ 132,116
EMEA	**1,087**	404
Asia Pacific	**989**	29
Total revenue	**$ 119,282**	$ 132,549

The table below sets forth, by geographical region, revenue for the following periods for the Connection Technologies Segment:

(in thousands of Canadian dollars)	Three Months Ended	
	March 31, 2024	March 31, 2023
North America	**$ 61,377**	$ 65,885
EMEA	**25,787**	24,799
Asia Pacific	**3,593**	4,003
Total revenue	**$ 90,757**	$ 94,687

The table below sets forth, by geographical region, revenue for the following periods for Finance, Corporate, and Others:

(in thousands of Canadian dollars)	Three Months Ended	
	March 31, 2024	March 31, 2023
Latin America	**14,422**	11,496
Total revenue	**$ 14,422**	$ 11,496

5 Finance Costs

The following table sets forth the Company's finance costs for the following periods:

(in thousands of Canadian dollars)	Three Months Ended March 31,	
	2024	2023
Interest income	**$ (3,694)**	$ (495)
Interest expense on long-term debt	**3,366**	4,189
Interest expense, other	**1,112**	1,020
Interest expense on lease liabilities	**1,358**	270
Finance Costs – net	**$ 2,142**	$ 4,984

6 Income Taxes

The following table sets forth a reconciliation of the Company's effective income tax for the three months ended March 31:

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	2023
Expected income tax expense based on statutory rate	**$ 1,365**	$ 6,096
Income tax rate differential on earnings of foreign subsidiaries	**531**	344
Benefit of previously unrecognized tax losses	**(214)**	(2,960)
Deferred tax not recognized	**4,483**	1,120
Non-deductible amounts	**279**	28
Recognition of previously unrecognized temporary difference on investment in subsidiary	**(732)**	–
Withholding taxes	**283**	91
Movement in uncertain tax positions	**53**	520
State tax and other	**(231)**	(654)
Income tax expense	**$ 5,817**	$ 4,585

7 Earnings (loss) Per Share

The following table details the weighted average number of shares outstanding for the purposes of calculating basic and diluted EPS:

(in thousands of Canadian dollars, except share and per share amounts)	Three Months Ended March 31, 2024		
	Continuing Operations	Discontinued Operations	Total
Net income (attributable to shareholders of the Company) for the period	**$ (437)**	**$ (5,405)**	**$ (5,842)**
Weighted average number of shares outstanding – basic and diluted (000s)	**66,317**	**–**	**66,317**
Basic EPS and Diluted EPS [(a)]	**$ (0.01)**	**$ (0.08)**	**$ (0.09)**

(a) All potentially dilutive instruments are anti-dilutive and therefore are not included in the calculation of EPS.

(in thousands of Canadian dollars, except share and per share amounts)	Three Months Ended March 31, 2023		
	Continuing Operations	Discontinued Operations	Total
Net income (attributable to shareholders of the Company) for the period	$ 20,718	$ 4,521	$ 25,239
Weighted average number of shares outstanding – basic (000s)	70,175	70,175	70,175
Basic EPS	$ 0.30	$ 0.06	$ 0.36
Net income (attributable to shareholders of the Company) for the period	$ 20,718	$ 4,521	$ 25,239
Weighted average number of shares outstanding – diluted (000s)	70,743	70,743	70,743
Diluted EPS	$ 0.29	$ 0.07	$ 0.36

8 Share-based and Other Incentive-based Compensation

The Company employs a number of long-term incentive plans that include a stock option plan without Tandem Share Appreciation Rights, a stock option plan with Tandem Share Appreciation Rights (SARs), an Employee Share Unit Plan ("ESUP"), a Restricted Share Unit ("RSU"), , a Deferred Share Unit Plan ("DSU") and a Mattr Cash Performance Share Unit Plan ("CPSU").

The following tables summarize the information related to these plans and set forth the incentive-based compensation expense (recovery) for the period indicated.

(in thousands of Canadian dollars)	Three Months Ended March 31,	
	2024	2023
Stock option expense	**$ 85**	$ 163
DSU expense (recovery)	**2,037**	(533)
RSU expense	**543**	491
SARs expense (recovery)	**216**	(154)
CPSU expense	**4,752**	52
Other plans	**–**	(60)
Total Share-based and Other Incentive-based Compensation Expense – Continuing Operations	**$ 7,633**	$ (41)
CPSU expense	**–**	(561)
Total Share-based and Other Incentive-based Compensation Expense – Discontinued Operastions	**$ –**	$ (561)

	Three Months Ended March 31, 2024							
	Stock Options without Tandem Share Appreciation Rights ("SARs")		Stock Options with Tandem Share Appreciation Rights		Restricted Share Units ("RSU")		Deferred Stock Units ("DSU")	
	Total Shares	Weighted Average Share Price	Total Shares	Weighted Average Share Price[a]	Total Shares	Weighted Average Share Price[b]	Total Shares	Weighted Average Share Price[b]
Balance Outstanding – Beginning of Period	**1,282,198**	**$ 19.21**	**600,345**	**$ 3.91**	**551,377**	**$ 9.76**	**665,787**	**$ 14.44**
Granted	**–**	**–**	**–**	**–**	**136,846**	**15.17**	**17,237**	**17.68**
Exercised	**(2,000)**	**8.42**	**(7,155)**	**7.03**	**(104,856)**	**9.60**	**–**	**–**
Cancelled/Forfeited	**(78,050)**	**8.60**	**(52,511)**	**7.09**	**(41,711)**	**5.64**	**–**	**–**
Expired	**–**	**–**	**–**	**–**	**(291)**	**40.48**	**–**	**–**
Balance Outstanding – End of Period	**1,202,148**	**$ 19.91**	**540,679**	**$ 3.56**	**541,365**	**$ 11.45**	**683,024**	**$ 14.52**
Exercisable	**1,015,349**	**$ 22.31**	**393,256**	**$ 5.56**	**119,770**	**$ 10.85**	**126,659**	**$ 6.90**

(a) The weighted average fair value refers to the fair value of the underlying shares of the Company on the grant date of the SARs.
(b) RSU and DSU awards do not have an exercise price; their weighted average Share Price is the weighted average trading price of the common shares over the five trading days preceding the grant date.

The fair value of options granted will be amortized to compensation expense over the five-year vesting period of the options. The compensation cost from the amortization of stock options for the three-month period ended March 31, 2024, included in selling, general and administrative expenses, was $0.1 million (three-month period ended March 31, 2023 – $0.2 million).

The mark-to-market liability for the stock options with SARs as at March 31, 2024 is $2.7 million (December 31, 2023 – $2.5 million), all of which is included in current other liabilities on the condensed interim consolidated balance sheets.

The mark-to-market liability for the DSUs as at March 31, 2024 is $12.1 million (December 31, 2023 – $10.1 million), all of which is included in current other liabilities on the condensed interim consolidated balance sheet.

The CPSU liability as at March 31, 2024 is $10.6 million (December 31, 2023 – $19.9 million), of which $7.4 million is included in current other liabilities and $3.2 million in non-current other liabilities on the condensed interim consolidated balance sheet.

9 Supplemental Cash Flow Information

The following table sets forth the supplemental cash flow information on net change in non-cash working capital and foreign exchange for the three months ended:

(in thousands of Canadian dollars)		**March 31, 2024**		March 31, 2023
Accounts receivable	**$**	**(33,005)**	$	(29,085)
Inventories		**(3,911)**		(13,897)
Prepaid expenses		**(5,266)**		(4,668)
Contract assets		**2,977**		961
Contract liabilities		**4,873**		(34,092)
Accounts payable, accrued liabilities, income taxes, and other liabilities		**18,313**		(26,950)
Foreign exchange gain and other		**3,691**		55,493
Total change in non-cash working capital	**$**	**(12,328)**	$	(52,238)

10 Long-term Debt and Credit Facilities

The following table sets forth the Company's total long-term debt as at:

(in thousands of Canadian dollars)		**March 31, 2024**		December 31, 2023
Senior Notes, unsecured	$	**150,000**	$	150,000
Deferred transaction costs		**(5,274)**		(5,799)
Total Long-term Debt	**$**	**144,726**	$	144,201

The Company was in full compliance with financial covenants as at March 31, 2024.

Credit Facilities

The following table sets forth the Company's total credit facilities as at:

(in thousands of Canadian dollars)		**March 31, 2024**		December 31, 2023
Standard letters of credit for financial guarantees, performance and bid bonds		**26,704**		57,728
Total utilized credit facilities	**$**	**26,704**	$	57,728
Total available credit facilities [(a)]		**516,285**		503,594
Unutilized Credit Facilities [(b)]	**$**	**489,581**	$	445,866

(a) The Company guarantees the bank credit facilities of its subsidiaries.
(b) Subject to covenant restrictions

Credit Facility Renewal

On January 13, 2022, the Company amended its Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and HSBC Bank Canada, JP Morgan Chase Bank and Export Development Bank as lenders. The Credit Facility provides for a US$300 million, four-year senior secured revolving facility maturing January 13, 2026. The Company will pay a floating interest rate on this Credit Facility that is a function of the Company's Net Debt to EBITDA, and before foreign exchange gains or losses and non-recurring and one-time items. The Company is required to maintain an Interest Coverage Ratio of not less than 2.50:1.00 and a Secured Net Debt to Adjusted EBITDA covenant (the "Secured Leverage Ratio") of not greater than 2.75:1.00. For calculating the Secured Leverage Ratio, Secured Net Debt excludes the Senior Notes

and the first $100 million of performance and bid bond letters of credit and all standard letters of credit that are guaranteed by EDC. The Company incurred fees and expenses of $1.9 million to implement this renewal.

Senior Notes

On December 10, 2021, the Company closed a private placement offering through a syndicate of underwriters led by National Bank Financial and TD Securities, of $150 million principal amount of 9.00% senior unsecured notes due 2026. The Senior Notes were issued at a price of $1,000 per $1,000 principal amount of Senior Notes. Mattr used the net proceeds of this private placement offering to repay amounts outstanding under its existing syndicated Credit Facility. The Notes are subject to customary terms, conditions and covenants.

11 Share capital

There are an unlimited number of common shares authorized. Holders of common shares are entitled to one vote per share. All shares have been issued and fully paid and have no par value.

The following table sets forth the changes in the Company's shares for the periods indicated.

(all dollar amounts in thousands of Canadian dollars)

Number of shares		
Balance – December 31, 2023		66,230,182
Issued on exercise of stock options		9,155
Issued on exercise of RSUs		104,856
Balance – March 31, 2024		**66,344,193**
Stated value		
Balance – December 31, 2023	$	681,865
Issued – stock options		67
Compensation cost on exercised options		4
Compensation cost on exercised RSUs		998
Balance – March 31, 2024	**$**	**682,934**

12 Subsequent Event

On April 2, 2024, the Company closed its private offering (the "New Offering") of $175 million aggregate principal amount of 7.25% senior unsecured notes (the "New Senior Notes") due 2031. The New Senior Notes were issued at a price of $1,000 per $1,000 principal amount of New Senior Notes. The Company utilized proceeds of the New Offering to fund the redemption of its outstanding Senior Notes (Note 11), to pay related fees and expenses and for general corporate purposes. The New Offering was underwritten by a syndicate led by National Bank Financial and TD Securities. The New Senior Notes are subject to customary terms, conditions and covenants.

Subsequent to the quarter-end, the Company renewed the Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and HSBC Bank Canada, JP Morgan Chase Bank, ATB Financial and Export Development Bank as lenders to further extend the maturity date to April 19, 2028. Under the amendment, the Company is required to maintain an Interest Coverage Ratio of not less than 2.50:1.00 and a Secured Net Debt to Adjusted EBITDA covenant of not greater than 3.00:1.00. The Company will pay a floating interest rate on this Credit Facility that is a function of the Company's Net Debt to EBITDA and other adjustments.