Mattr Corp.

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2024 and 2023

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Mattr Corp.

Opinion

We have audited the consolidated financial statements of Mattr Corp. (the Entity), which comprise:

- the consolidated balance sheets as at December 31, 2024 and December 31, 2023
- the consolidated statements of (loss) income for the years then ended
- the consolidated statements of comprehensive income for the years then ended
- the consolidated statements of changes in equity for the years then ended
- the consolidated statements of cash flows for the years then ended
- and notes to the consolidated financial statements, including a summary of material accounting policy information

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2024 and December 31, 2023, its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditor's Responsibilities for the Audit of the Financial Statements"*** section of our auditor's report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2024. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our auditor's report.

Evaluation of goodwill and indefinite life intangible assets impairment analysis

Description of the matter

We draw attention to Notes 2 b), r), s), t) and 21 to the financial statements. The Entity has recorded a goodwill balance of $163,142 thousand and indefinite life intangible assets balance of $82,530 thousand. The Entity performs an impairment test for each specified group of cash generating units (GCGUs) that contains goodwill and/or intangible assets with indefinite life at the Entity's annual impairment testing date or when indicators of impairment exist at its GCGUs. The Entity determines the recoverable amount for its GCGUs as the higher of value in use and the fair value less costs of disposal (FVLCD). Key assumptions used in determining its FVLCD include projected operating margins, projected capital expenditures, terminal value growth rate and discount rates.

Why the matter is a key audit matter

We identified the evaluation of goodwill and indefinite life intangible assets impairment analysis for each GCGU as a key audit matter. This matter represented an area of significant risk of material misstatement due to the magnitude of the balance and the high degree of estimation uncertainty in determining the FVLCD. Further, professionals with specialized skills and knowledge were required in performing and evaluating the results of our procedures due to the sensitivity of the recoverable amount to changes in key assumptions.

How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following on each GCGU with goodwill or indefinite life intangible assets:

We assessed the Entity's ability to accurately estimate projected operating margins and projected capital expenditures by comparing the Entity's historical estimated projected operating margins and projected capital expenditures to actual results.

We considered changes in conditions and events affecting each GCGU with goodwill or indefinite life intangible assets and assessed how they have been factored into the Entity's estimated projected operating margins and projected capital expenditures.

We involved valuation professionals with specialized skills and knowledge, who assisted in:

- Evaluating the Entity's terminal value growth rate against long-term estimates of inflation.
- Evaluating the Entity's discount rates of each GCGU, which was based on weighted average cost of capital (WACC), by comparing the Entity's WACC to a WACC that was independently developed using publicly available market data for comparable entities.

We assessed the reasonableness of the Entity's estimate of the recoverable amount of goodwill and indefinite life intangible assets for each GCGU by developing an estimated recoverable amount using the Entity's projected cash flows, which includes projected operating margins and projected capital expenditures, and terminal value growth rate for each GCGU and the independently developed discount rates developed by valuation professionals, and comparing the result to the Entity's estimated recoverable amount for each GCGU.

Other Information

Management is responsible for the other information. Other information comprises of the information included in Management’s Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management’s Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditor’s report.

If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditor’s report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this auditor's report is Sarah Catherine deGuzman.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

March 13, 2025

Mattr Corp.

Consolidated Statements of (Loss) Income

For the years ended December 31:

(in thousands of Canadian dollars, except per share amounts)		**2024**		2023
Revenue				
Sale of products	**$**	**872,501**	$	863,603
Rendering of services		**12,816**		16,926
		885,317		880,529
Cost of Goods Sold and Services Rendered		**641,482**		601,988
Gross Profit		**243,835**		278,541
Selling, general and administrative expenses		**133,717**		135,606
Research and development expenses		**10,775**		8,566
Foreign exchange losses		**10,374**		2,423
Depreciation and amortization		**40,435**		35,817
Gain on sale of land and other		**—**		(1,655)
Impairment		**—**		27,196
Restructuring costs and other, net (note 7)		**8,413**		2,474
Operating Income from Continuing Operations		**40,121**		68,114
Finance costs, net (note 9)		**(17,539)**		(20,831)
Cost associated with repayment of senior note (note 27)		**(6,750)**		—
Income from Continuing Operations before Income Taxes		**15,832**		47,283
Income tax expense (note 10)		**21,849**		4,918
Net (Loss) Income from Continuing Operations		**(6,017)**		42,365
Net Income from Discontinued Operations, net of income tax (recovery) expense (note 6)		**2,469**		44,854
Net (Loss) Income	**$**	**(3,548)**	$	87,219
Net (Loss) Income from Continuing Operations Attributable to:				
Shareholders of the Company	**$**	**(6,202)**	$	42,333
Non-controlling interests		**185**		32
Net (Loss) Income from Continuing Operations	**$**	**(6,017)**	$	42,365
Net Income from Discontinued Operations Attributable to:				
Shareholders of the Company	**$**	**2,469**	$	44,854
Non-controlling interests		**—**		—
Net Income from Discontinued Operations	**$**	**2,469**	$	44,854
(Loss) Earnings per Share ("EPS") (note 11)				
Basic	**$**	**(0.06)**	$	1.26
Diluted	**$**	**(0.06)**	$	1.25
(Loss) Earnings per Share (“EPS”) – Continuing Operations (note 11)				
Basic	**$**	**(0.09)**	$	0.61
Diluted	**$**	**(0.09)**	$	0.61
Weighted Average Number of Shares Outstanding (000s) (note 11)				
Basic		**65,642**		69,204
Diluted		**65,642**		69,785

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

Mattr Corp.

Consolidated Statements of Comprehensive Income
For the years ended December 31:

(in thousands of Canadian dollars)	2024	2023
Net (Loss) Income	**$ (3,548)**	$ 87,219
Other Comprehensive Income (Loss) to be Reclassified to Net Income (Loss) in Subsequent Periods		
Exchange differences on translation of foreign operations	**48,968**	(15,834)
Reclassification of exchange difference on disposal of foreign operation	**—**	13,105
Other Comprehensive Income (Loss) not to be Reclassified to Net Income (Loss) in Subsequent Periods		
Actuarial gain (loss) on defined benefit plans (note 15)	**2,263**	(9,448)
Income tax (expense) recovery (note 10)	**(518)**	2,219
Net Other Comprehensive Income (Loss) not to be Reclassified to Net Income (Loss) in Subsequent Periods	**1,745**	(7,229)
Total Other Comprehensive Income (Loss), Net of Income Tax	**50,713**	(9,958)
Total Comprehensive Income	**$ 47,165**	$ 77,261
Comprehensive Income Attributable to:		
Shareholders of the Company	**$ 47,007**	$ 77,119
Non-controlling interests	**158**	142
Total Comprehensive Income	**$ 47,165**	$ 77,261
Comprehensive Income from Continuing Operations Attributable to:		
Shareholders of the Company	**$ 40,950**	$ 18,007
Non-controlling interests	**158**	142
Comprehensive Income from Discontinued Operations Attributable to:		
Shareholders of the Company	**$ 6,057**	$ 59,112
Non-controlling interests	**—**	—
Continuing Operations	**$ 41,108**	$ 18,149
Discontinued Operations	**6,057**	59,112
Total Comprehensive Income	**$ 47,165**	$ 77,261

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

Mattr Corp.

Consolidated Balance Sheets

As at December 31:

(in thousands of Canadian dollars)		**2024**		2023
ASSETS				
Current Assets				
Cash and cash equivalents	**$**	**375,239**	$	334,061
Restricted cash (note 27)		**127,251**		—
Accounts receivable (note 17)		**146,454**		157,689
Contract assets (note 25)		**3,982**		10,596
Income taxes receivable		**5,808**		4,510
Inventory (note 18)		**142,871**		122,536
Prepaid expenses		**5,435**		6,544
Derivative financial instruments		**—**		894
Assets held for sale (note 6)		**35,380**		—
Total current assets		**842,420**		636,830
Non-current Assets				
Property, plant and equipment (note 19)		**293,090**		203,980
Right-of-use assets (note 20)		**145,118**		76,396
Goodwill (note 21)		**163,142**		163,143
Intangible assets (note 21)		**141,862**		144,542
Deferred income tax assets (note 10)		**36,798**		45,163
Other assets (note 22)		**6,730**		8,245
Total non-current assets		**786,740**		641,469
TOTAL ASSETS	**$**	**1,629,160**	$	1,278,299
LIABILITIES AND EQUITY				
Current Liabilities				
Accounts payable and accrued liabilities (note 23)	**$**	**172,326**	$	178,807
Lease liabilities (note 20)		**9,180**		11,330
Provisions (note 24)		**18,705**		12,157
Income taxes payable		**4,110**		8,865
Contract liabilities (note 25)		**11,019**		39,494
Other liabilities (note 26)		**17,900**		28,656
Liabilities associated with assets held for sale (note 6)		**11,053**		—
Total current liabilities		**244,293**		279,309
Non-current Liabilities				
Long-term debt (note 27)		**471,238**		144,201
Lease liabilities (note 20)		**153,947**		76,933
Provisions (note 24)		**9,926**		11,903
Employee future benefits (note 15)		**5,395**		6,145
Deferred income tax liabilities (note 10)		**14,265**		19,565
Contract liabilities (note 25)		**—**		1,101
Other liabilities (note 26)		**9,315**		9,463
Total non-current liabilities		**664,086**		269,311
Total liabilities		**908,379**		548,620
Equity				
Share capital (note 29)		**639,408**		681,865
Contributed surplus		**22,917**		23,450
Retained deficit		**(109,647)**		(92,841)
Non-controlling interests		**(323)**		(481)
Accumulated other comprehensive income		**168,426**		117,686
Total equity		**720,781**		729,679
TOTAL LIABILITIES AND EQUITY	**$**	**1,629,160**	$	1,278,299

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

Mattr Corp.

Consolidated Statements of Changes in Equity
For the years ended December 31:

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Deficit	Non-controlling Interests	Accumulated Other Comprehensive Income	Total Equity
2024						
Balance – December 31, 2023	**$ 681,865**	**$ 23,450**	**$ (92,841)**	**$ (481)**	**$ 117,686**	**$ 729,679**
Net (loss) income	—	—	**(3,733)**	**185**	—	**(3,548)**
Other comprehensive (loss) income	—	—	—	**(27)**	**50,740**	**50,713**
Comprehensive (loss) income	—	—	**(3,733)**	**158**	**50,740**	**47,165**
Issued on exercise of stock options	**806**	—	—	—	—	**806**
Compensation cost on exercised options	**222**	**(222)**	—	—	—	—
Compensation cost on exercised Restricted Share Units	**1,597**	**(1,597)**	—	—	—	—
Share-based compensation expense	—	**1,286**	—	—	—	**1,286**
Share repurchase – NCIB (note 29)	**(35,526)**	—	—	—	—	**(35,526)**
Share repurchase – ASPP (note 29)	**(9,556)**	—	—	—	—	**(9,556)**
Excess of purchase price over stated value of shares	—	—	**(13,073)**	—	—	**(13,073)**
Balance – December 31, 2024	**$ 639,408**	**$ 22,917**	**$ (109,647)**	**$ (323)**	**$ 168,426**	**$ 720,781**
2023						
Balance – December 31, 2022	$ 707,400	$ 25,717	$ (161,212)	$ 275	$ 127,473	$ 699,653
Net Income	—	—	87,187	32	—	87,219
Other comprehensive income (loss)	—	—	—	110	(10,068)	(9,958)
Comprehensive Income (loss)	—	—	87,187	142	(10,068)	77,261
Purchase of non-controlling interests	—	—	—	(898)	281	(617)
Issued on exercise of stock options	1,343	—	—	—	—	1,343
Compensation cost on exercised options	416	(416)	—	—	—	—
Compensation cost on exercised Restricted Share Units	4,035	(4,035)	—	—	—	—
Share-based compensation expense	—	2,184	—	—	—	2,184
Share repurchase – NCIB (note 29)	(45,729)	—	—	—	—	(45,729)
Share repurchase – ASPP (note 29)	14,400	—	—	—	—	14,400
Excess of purchase price over stated value of shares	—	—	(18,816)	—	—	(18,816)
Balance – December 31, 2023	$ 681,865	$ 23,450	$ (92,841)	$ (481)	$ 117,686	$ 729,679

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

Mattr Corp.

Consolidated Statements of Cash Flows

For the years ended December 31:

(in thousands of Canadian dollars)		2024		2023
Operating Activities				
Net (Loss) Income from Continuing Operations	**$**	**(6,017)**	$	42,365
Add (deduct) items not affecting cash				
Depreciation and amortization		**40,435**		35,817
Impairment (note 14)		**—**		27,196
Interest expense on lease liabilities (note 9)		**9,198**		2,773
Share-based compensation and incentive-based compensation (note 13)		**5,601**		18,307
Deferred income taxes (note 10)		**5,140**		(11,997)
Gains on sale of land and other		**—**		(1,655)
Gain on disposal of property, plant and equipment		**(1,119)**		(1,288)
Unrealized loss on derivative financial instruments		**894**		547
Other		**14,559**		5,434
Change in non-cash working capital and foreign exchange (note 16)		**(17,714)**		(47,027)
Cash Provided by Operating Activities from Continuing Operations		**50,977**		70,472
Cash Provided by Operating Activities from Discontinued Operations		**369**		54,135
Cash Provided by Operating Activities	**$**	**51,346**	$	124,607
Investing Activities				
Decrease in loan receivable	**$**	**271**	$	—
Decrease in other asset		**525**		—
Purchase of property, plant and equipment		**(110,398)**		(70,958)
Proceeds on disposal of property, plant and equipment		**4,192**		13,827
Business acquisition, net of cash acquired		**—**		(8,125)
Purchase of non-controlling interests		**—**		(617)
Cash Used in Investing Activities from Continuing Operations		**(105,410)**		(65,873)
Cash (Used in) Provided by Investing Activities from Discontinued Operations		**(49,581)**		175,695
Cash (Used in) Provided by Investing Activities	**$**	**(154,991)**	$	109,822
Financing Activities				
Repayment of Senior Note (note 27)	**$**	**(156,750)**	$	(69,000)
Long-term debt issuance cost		**(8,050)**		(88)
Proceeds from issuance of Senior Note (note 27)		**302,344**		—
Proceeds from drawdown of credit facilities (note 27)		**179,900**		—
Repayment of lease liabilities (note 20)		**(11,007)**		(9,608)
Repurchase of shares – Normal Course Issuer Bids (note 29)		**(47,271)**		(64,545)
Proceeds from stock options exercised (note 29)		**806**		1,343
Cash Provided by (Used in) Financing Activities from Continuing Operations		**259,972**		(141,898)
Cash Used in Financing Activities from Discontinued Operations		**(132)**		(19,882)
Cash Provided by (Used in) Financing Activities	**$**	**259,840**	$	(161,780)
Effect of Foreign Exchange on Cash and Cash Equivalents		**12,234**		(2,578)
Net increase in Cash, Cash Equivalents, and Restricted Cash		**168,429**		70,071
Cash and Cash Equivalents – Beginning of Period		**334,061**		263,990
Cash, Cash Equivalents, and Restricted Cash – End of Period	**$**	**502,490**	$	334,061
Cash	**$**	**372,634**	$	293,373
Cash Equivalents		**2,605**		40,688
Restricted Cash		**127,251**		—
Total Cash and Cash Equivalents	**$**	**502,490**	$	334,061
Supplemental Cash Flow Information				
Interest paid	**$**	**12,690**	$	17,276
Interest received	**$**	**11,918**	$	3,114
Income taxes paid	**$**	**21,060**	$	17,974

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

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 5.

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. Additionally, in September 2024, the Company entered into a definitive agreement to sell Thermotite do Brazil ("Thermotite"); a pipe coating subsidiary based out of Serra, Brazil. This is accounted for as held for sale and discontinued operations as at and for the period ended December 31, 2024 (note 6).

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

1. Basis of Financial Statement Preparation

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards, as issued by the International Accounting Standards Board ("IFRS").

Basis of Presentation and Consolidation

The consolidated financial statements have been prepared on the historical cost basis, except for liabilities for cash-settled share based payment arrangements and derivative financial instruments, which are measured at fair value, and employee future benefits measured at fair value of plan assets less the present value of the defined benefit obligation as explained in the accounting policies set out in note 2.

The consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand, except when otherwise stated.

The 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 preparation of consolidated financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

The results of the subsidiaries are included in the consolidated financial statements from the date of the acquisition. Adjustments are made, where necessary, to the financial statements of the subsidiaries and joint arrangements and associates to ensure consistency with those policies adopted by the Company. All intercompany transactions, balances, income, expenses and profits are eliminated upon consolidation.

The audited consolidated financial statements and accompanying notes for the year ended December 31, 2024 were authorized for issue by the Company's Board of Directors (the "Board") on March 13, 2025.

2. Summary of Material Accounting Policies

The Company has considered the amendments to IAS 1: Presentation of Financial Statements, IAS 7: Statement of Cash Flows, 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 consolidated financial statements.

New accounting standards issued but not yet effective

On April 9, 2024, the IASB issued IFRS 18 - Presentation and Disclosure in Financial Statements that will replace IAS 1 – Presentation of Financial Statement. The new standard is expected to improve the usefulness of information presented and disclosed in the financial statements of the Company. The new standard will be effective for annual periods beginning on or after January 1, 2027. The Company is currently assessing the impact of this new IFRS accounting standard on its consolidated financial statements.

The material accounting policies are as follows:

a. Critical Judgments in Applying Accounting Policies

The following are the critical judgments management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Determination of Reportable Operating Segments

Management has exercised judgment in evaluating the defined aspects of its operating segments, aggregation criteria, and quantitative thresholds that form the reportable operating segments of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the CODM. The CODM is responsible for allocating resources and assessing the performance of the operating segments.

Determination of Cash-Generating Units ("CGUs")

Management has exercised judgment in identifying the CGUs of the Company. In performing impairment assessments of long-lived assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Determination of CGUs is also required for annual impairment testing of goodwill.

Provisions and Contingent Liabilities

Provisions and liabilities for legal and other contingent matters are recognized in the period when it becomes probable that there will be a future outflow of economic benefits resulting from past operations or events and the amount of the cash outflow can be reliably measured. The timing of recognition and measurement of the provision requires the application of judgment to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take into account changing facts and circumstances.

The Company is required to determine whether a loss is probable based on judgment and interpretation of laws and regulations and whether the loss can be reliably measured. When a loss is determined, it is charged to the consolidated statements of loss. The Company must continually monitor known and potential contingent matters and make appropriate provisions by charges to income when warranted by circumstances.

Income Taxes

The calculation of income taxes requires judgment in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The tax filings also are subject to audits, the outcome of which could change the amount of current and deferred income tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that is currently available.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Management judgment is used to determine the amounts of deferred income tax assets and liabilities to be recognized, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. In particular, judgment is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

b. Use of Estimates

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets, liabilities and contingencies at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the period. These estimates and assumptions are made with management's best judgement given at the time; however, actual results could differ from the estimates.

Long-lived Assets and Goodwill

The Company evaluates the carrying values of the CGU or group of CGU's ("GCGU") goodwill and indefinite life intangible assets on an annual basis in the fourth quarter of each year to determine whether or not impairment of these assets has occurred and whether impairments of the value of these assets are required. Similarly, the Company evaluates the carrying values of CGUs with long-lived assets whenever circumstances arise that could indicate impairment or reversal of impairment, and at each reporting date. These impairment tests require the determination of recoverable amounts which include certain assumptions regarding discount rates and future cash flows generated by these assets in determining the value-in-use or fair value less costs of disposal calculations. Actual results could differ from these assumptions and estimates.

Employee Future Benefit Obligations

The Company provides future benefits to its employees under a number of defined benefit arrangements. The calculation of the defined benefit obligation recognized in the consolidated financial statements includes a number of assumptions regarding discount rates, rates of employee compensation increases, rates of inflation, and life expectancies. The outcome of any of these factors could differ from the estimates used in the calculations have an impact on operating expenses, non-current assets and non-current liabilities.

Income Taxes

The recording of income tax expense includes certain estimations related to the impact in the current year of future events. Differences between the estimated and actual impact of these events could impact tax expense, current taxes payable or deferred taxes. In particular, income and losses in foreign jurisdictions may be taxed at rates different from those expected in Canada. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the losses can be utilized. Given the wide range of international business relationships and the complexity and duration of contracts, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and tax expense already recorded. The Company establishes liabilities, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such liabilities is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues, depending on the conditions prevailing in the domicile of the respective entity.

c. Business Combinations

Business combinations are accounted for using the acquisition method of accounting. Identifiable assets, liabilities and contingent liabilities acquired are measured at fair value at the acquisition date. The consideration transferred is measured at fair value and includes the fair value of any contingent consideration. Acquisition transaction costs and any restructuring costs are charged to the consolidated statements of Income (loss) in the period in which they are incurred. The excess of the aggregate consideration transferred over the fair value of the Company's share of the identifiable net assets acquired is recorded as goodwill.

d. Leases

The Company recognizes Right-of-Use ("ROU") assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). ROU assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of ROU assets includes the amount of lease liabilities recognized, initial direct costs incurred, an estimate of costs to restore the underlying asset, any site upon which it is located to the condition required by the terms and conditions of the lease, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized ROU assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. ROU assets are subject to impairment.

Lease payments on short-term leases and leases of low-value assets are recognized as expenses on a straight-line basis over the lease term. The service component of a lease agreement is separated from the value of the asset and is not reported on the consolidated balance sheets. Purchase, renewal and termination options that are reasonably certain of being exercised are also included in the measurement of the lease liability.

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of remaining lease payments to be made over the lease term. The lease payments include fixed payments, including in-substance fixed payments, variable lease payments that depend on an index or a rate less any lease incentives, amount expected to be payable under a residual value guarantee, and the exercise price of a purchase option if the exercise of the extension option and early termination penalties is certain, unless the Company is reasonably certain it will not terminate early. In calculating the present value of lease payments, the Company uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, such as a change in the lease term, a change in the fixed lease payments or a change in the assessment to purchase the underlying asset.

e. Foreign Currency Translation

Functional and Presentation Currency

Amounts included in the financial statements of each of the Company's subsidiaries, joint arrangements and associates are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements of the Company are presented in Canadian dollars, which is the parent company's functional and presentation currency.

Foreign Currency Transactions

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the consolidated statements of loss, except when deferred in other comprehensive income ("OCI") as qualifying net investment hedges or considered to form part of a net investment in a foreign operation as the settlement is neither planned nor likely in the foreseeable future.

Translation of Foreign Operations

The results and financial position of all the Company's entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each consolidated balance sheet presented are translated at the closing rate at the date of that consolidated balance sheet; and
- Income and expenses for each consolidated statement of income (loss) are translated at the average exchange rates prevailing for the year.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other currency instruments designated as hedges of such investments, are recorded in OCI.

When a foreign operation is sold, exchange differences that were recorded in accumulated OCI are recognized in the consolidated statements of loss as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

f. Financial Instruments

Financial assets are recognized initially at fair value. On initial recognition, the Company classifies its financial assets as subsequently measured at either amortized cost or fair value, depending on its business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Financial assets are not reclassified subsequent to their initial recognition, unless the Company changes its business model for managing financial assets.

All financial liabilities are designated upon inception as fair value through profit or loss, or measured at amortized cost.

Financial liabilities classified as fair value through profit or loss include derivative financial instruments. Any changes in fair value are recognized through the consolidated statements of loss.

Loans and borrowings are initially recorded at fair value less any directly attributable transaction costs. After initial recognition, these liabilities are subsequently measured at amortized cost using the effective interest rate method.

The following is a summary of the classes of financial instruments included in the Company's consolidated balance sheets as well as their designation by the Company:

Balance Sheet Item	**Designation**
Cash and cash equivalents	Measured at amortized cost
Accounts receivable	Measured at amortized cost
Contract assets	Measured at amortized cost
Loans receivable	Measured at amortized cost
Deposit guarantee	Measured at amortized cost
Derivative financial instruments	Fair value through profit or loss
Accounts payable	Measured at amortized cost
Contract Liabilities	Measured at amortized cost
Income tax receivable (payable)	Measured at amortized cost
Long-term debt	Measured at amortized cost
Contingent consideration	Fair value through profit or loss

Derivative Financial Instruments

The Company's policy is to document its risk management objectives and strategy for undertaking various derivative financial instrument transactions. Derivative financial instruments designated as effective net investment hedges are reflected in the consolidated balance sheets at fair value, with any gains or losses resulting from fair value changes included in OCI to the extent of hedge effectiveness. Derivative financial instruments not designated as part of a formal hedging relationship are carried at fair value in the consolidated balance sheets, with gains or losses resulting from changes in fair value during a period recognized in the consolidated statements of loss.

Fair Value

Financial instruments measured at fair value are categorized into one of the following three levels in the fair value hierarchy for disclosure purposes:

- 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.

Derecognition

Financial assets are derecognized when the contractual rights to the receipt of cash flows expire or the asset is transferred to another party whereby the entity no longer has any significant continuing involvement in the risks and rewards associated with the asset. If neither the rights to receive cash flows from the asset have expired nor the Company has transferred its rights to receive cash flows from the asset, the Company will assess whether it has relinquished control of the asset or not. If the Company does not control the asset then de-recognition is appropriate.

Financial liabilities are derecognized when the related obligations are either discharged, cancelled, or expire. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference between the carrying value of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets acquired or liabilities assumed, is recognized in the consolidated statements of loss as a gain or loss on debt extinguishment.

Impairment

Financial assets carried at amortized cost are assessed at each reporting date for any potential impairment. The Company uses the expected credit loss ("ECL") model for calculating impairment and recognizes expected credit losses as a loss allowance for assets measured at amortized cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The expected credit losses are required to be measured through a loss allowance at an amount equal to the 12 month expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) or full lifetime expected credit losses (expected credit losses that result from all possible default events over the life of the financial instrument). A loss allowance for full lifetime expected credit losses is required for a financial instrument if the credit risk of that financial instrument has increased significantly since initial recognition.

The amount of the loss is measured as the difference between the carrying amount and the present value of the estimated future cash flows discounted using the original effective interest rate. The carrying amount of the asset is then reduced by the amount of the impairment and the impairment loss is recognized in the consolidated statements of loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment loss is recognized in the consolidated statements of loss.

Transaction Costs

Transaction costs associated with financial assets carried at fair value through profit or loss are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset and recorded using the effective interest rate method.

g. Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and net of taxes or duty.

The Company has concluded that it is the principal in its revenue arrangements since it is the primary obligor, has pricing latitude and is exposed to inventory and credit risks. Revenue is recognized when, or as, control of a good or service is transferred to a customer as satisfaction of a performance obligation. The majority of the Company's revenue is from short-term contracts associated with the sale of goods or the rendering of services including freight, installion, repair and other services provided in respect of customer-owned property.

A performance obligation is a promise in a contract to transfer a distinct good or service to the customer and is the unit of account in IFRS 15, *Revenue from Contracts with Customers*. A contract's price is allocated to distinct performance obligations on a standalone selling price basis. The majority of the Company's contracts have a single performance obligation as the promise to transfer the goods or services is not separately identifiable from other promises in the contracts and, therefore, are not distinct. For contracts with multiple performance obligations, the allocation of the transaction price is done using management's best estimate of the standalone selling price of distinct goods or services in the contract using a cost plus a margin approach within typical and reasonable variance ranges for similar contracts.

Sale of Goods

Revenue from the sale of goods is recognized when the control of the goods has passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenue for the sale of goods is recognized at a point in time, upon transfer of control of the goods based upon the specified delivery terms.

Rendering of Services

Revenue from freight, installation, repair, storage and other services in respect of customer-owned property is recognized upon completion unless performance obligations are satisfied over time as the work progresses. Revenue recognized over time is done using output measures such as hours of service completed or over time on a straight-line bases for storage fees. Revenue from services is measured at the fair value of the consideration received or receivable, net of trade discounts and rebates.

Services performed in advance of billings are recorded as contract assets pursuant to contractual terms. In general, amounts become billable upon the achievement of contract milestones or in accordance with predetermined payment schedules. Changes in the scope of work are not included in net revenue unless the changes are probable and can be reliably measured.

The Company records payments received in advance of revenue recognition from customers as contract liabilities, which are then recognized as revenue as goods are delivered and as services are performed.

Contract Assets – Contract assets include unbilled amounts typically resulting from sales under contracts when an input or output method of revenue recognition is utilized and revenue recognized exceeds the amount billed to the customer. Amounts may not exceed their net realizable value. Additionally, capitalized costs to fulfill contracts are included within contract assets. Contract assets are generally classified as current.

Contract Liabilities – Contract liabilities consist of advance payments and billings in excess of revenue recognized. Contract assets and liabilities are reported on a net position on a contract-by-contract basis at the end of each reporting period. Advance payments and deferred revenue are combined and presented as contract liabilities under current liabilities.

h. Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. Employee Future Benefits

The Company provides future benefits to its employees under a number of defined benefit and defined contribution arrangements. The employee future benefits liability recognized on the consolidated balance sheets, in respect of the defined benefit pension plans, represents the deficit position for those defined benefit plans, whose defined benefit obligation exceeds that pension plan's assets. The Company has included in other assets the net surplus position of those defined benefit plans whose pension plan assets exceed the defined benefit obligation.

The defined benefit obligation is determined by independent actuaries using the projected unit credit method pro-rated on service. The defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that have terms to maturity matching the terms of the related defined benefit arrangements. Plan assets are valued at quoted market prices at the consolidated balance sheet dates.

Past service costs arising from plan amendments are fully recognized in income when the plan amendment or curtailment occurs, or when related restructuring costs or termination benefits are recognized, whichever comes first.

Actuarial gains and losses resulting from experience adjustments and the effect of changes in actuarial assumptions, and actual returns on plan assets, as compared to returns using interest rates of high-quality corporate bonds, are recognized in OCI in the period in which they arise.

For the Company’s defined contribution plans, costs are determined based on the services provided by the Company’s employees and are recognized in the consolidated statements of income (loss) as those services are provided.

j. Share-based and Other Incentive-based Compensation

The Company has various stock-based compensation plans. The Company recognizes compensation expense in respect of all of its stock-based compensation plans. The compensation expense for equity-settled awards is equal to the estimated fair value, based on an appropriate pricing model of the incentive options, rights or units granted at the grant date, and is amortized over the vesting period of the incentive options, rights or units.

For each award of stock-based compensation that vests in instalments, the fair value is determined on each instalment as a separate award. Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At the end of each reporting period, the Company revises its estimates of the number of options, rights or incentive units that are expected to vest based on the non-market vesting conditions.

For options, units or rights that are settled with equity, an amount equal to compensation expense is initially credited to contributed surplus as the expense is recognized and transferred to share capital if and when the option, unit or right is exercised.

Consideration received on the exercise of a stock option, right or unit is credited to share capital, when additional equity instruments are issued. Options, units or rights that are settled with cash are classified as liability instruments.

Awards where the employee has the right to choose whether a share-based transaction is settled in cash or by issuing equity are accounted for as liabilities on the consolidated balance sheets.

For cash-settled awards, the fair value of the liability is recalculated at each consolidated balance sheet date until the awards are settled based on the estimated number of awards that are expected to vest, adjusting for non-market based performance conditions. During the vesting period, a liability is recognized representing the portion of the vesting period that has expired at the consolidated balance sheet date multiplied by the fair value of the awards at that date. After vesting, the full fair value of the unsettled awards at each consolidated balance sheet date is recognized as a liability. Movements in the liability are recognized in the consolidated statements of loss. The fair value is recalculated using an option pricing model or other appropriate valuation technique.

k. Research and Development Costs

Research and development costs are charged to the consolidated statements of loss, except for development costs, which are capitalized as an intangible asset when the following criteria are met:

- The project is clearly defined and the costs are separately identified and reliably measured;
- The technical feasibility of the project is demonstrated;
- The project will generate future economic benefit;
- Resources are available to complete the project; and
- The project is intended to be completed.

The intangible assets are carried at cost less any accumulated amortization and impairment losses, if any. Amortization of the asset commences when development has been completed and the asset is available for use. It is amortized over the period of expected future benefit, generally between 3 to 10 years. During the period of development, the asset is tested for impairment annually. All other development costs are charged to the consolidated statements of loss.

l. Income Taxes

Income tax expense comprises current and deferred income taxes. Income taxes are recognized in the consolidated statements of loss, except to the extent that they relate to items recognized in OCI.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the consolidated balance sheet dates in the countries where the Company and its subsidiaries operate and generate taxable income.

The Company accounts for income taxes using the liability method. Under this method, deferred income tax assets and liabilities are determined based on differences between the financial reporting and tax bases of assets and liabilities and are measured using the enacted or substantively enacted tax rates and laws that will be in effect when the differences are expected to reverse.

Deferred income tax liabilities are not recognized if they arise from the initial recognition of goodwill; and deferred income taxes are not accounted for if they arise from initial recognition of an asset or liability in a transaction, other than a business combination, that at the time of the transaction affects neither accounting nor taxable profit or loss.

Deferred income tax assets are recognized only to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the current income tax balances on a net basis.

Investment tax credits relating to the acquisition of assets are accounted for using the cost reduction approach, reducing the cost of the asset acquired or amortized to income over the useful life of the asset.

m. (Loss) Earnings Per Share (“EPS”)

Basic EPS is calculated using the weighted average number of shares outstanding during the year.

Diluted EPS is calculated using the treasury stock method for determining the dilutive effect of outstanding financial instruments issued under the Company’s various stock-based compensation plans. Under this method, the conversion of dilutive financial instruments and related issue of shares is assumed at the beginning of the period (or at the time of award, if later).

The proceeds from the conversion or exercise of dilutive financial instruments plus future period compensation expenses are assumed to be used to purchase common shares at the average market price during the period, and the incremental number of shares (the difference between the number of shares assumed issued and assumed purchased) is included in the denominator of the diluted EPS computation.

n. Cash and Cash Equivalents

Cash and cash equivalents consist of balances with banks and short-term, highly liquid investments with maturity dates on acquisition of 90 days or less. The amounts presented in the consolidated balance sheets approximate the fair value of cash and cash equivalents. Restricted cash is reserved for specific purposes and not available for general business use by the Company and therefore is not normally considered highly liquid

As of December 31, 2024, the Company had restricted cash reserved for the acquisition of AmerCable Incorporated which it subsequently deployed on January 2, 2025. As such, the Company determined that the restricted cash was liquid and considered a current asset.

o. Trade and Other Receivables

Trade and other receivables are recorded at amortized cost. Impairment of trade and other receivables is regularly monitored. The Company uses the ECL model for calculating impairment and recognizes ECLs. The model is based on observed customer solvency, the aging of trade and other receivables, historical values and customer-specific and industry risks; external credit ratings as well as bank and trade references are reviewed when available.

p. Inventory

Inventory is measured at the lower of cost or net realizable value. Cost is determined using weighted average cost method for certain raw materials and standard costing for certain categories of inventory, particularly those involving complex manufacturing processes. The average cost basis is employed in certain project-based businesses and includes direct materials, direct labour and variable and fixed manufacturing overheads. Net realizable value for finished goods, work-in-process and raw materials inventory required for production is the estimated amount that would be realized on eventual sale of completed products, less the estimated costs necessary to complete the sale, while for excess raw materials it is the current market price. Ownership of inbound inventory is recognized at the time title passes to the Company.

q. Property, Plant and Equipment

Property, plant and equipment are recorded at historical cost less accumulated amortization and any accumulated impairment losses. Direct costs are included in the asset’s carrying amount, such as borrowing costs for long-term construction projects, major inspections and component replacements, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. For component replacements, the carrying amount of the replaced part is derecognized.

All other repair and maintenance costs are recognized in the consolidated statements of loss during the financial period in which they are incurred. The expected cost for the decommissioning and remediation of an asset is included in the cost of the respective asset if the recognition criteria are met.

Property, plant and equipment, other than land and project-related facilities and equipment, are amortized over their estimated useful lives commencing when the asset is available for use as follows:

- Land improvements are amortized over the estimated life of each site;
- 3% to 10% on buildings;
- 5% to 50% on machinery and equipment; and
- Project-related facilities are amortized over the estimated project life.

An item of property, plant and equipment is derecognized when no further economic benefits are expected from its use or disposal. Any gains or losses arising on derecognition of the asset (calculated as the difference between the net disposal proceeds or the net recoverable amount, and the carrying value of the asset) are included in the consolidated statements of loss in the period the asset is derecognized.

The assets' residual values, useful lives and methods of amortization are reviewed at the end of each reporting period and adjusted prospectively, if appropriate.

r. Intangible Assets

Intangible assets acquired separately are measured at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Internally generated intangible assets, excluding capitalized development costs, are not capitalized, and the expenditure is reflected in the consolidated statements of loss during the period in which they are incurred.

<u>Intellectual Property and Intangible Assets with Limited Lives</u>

Intellectual property and intangible assets with limited lives are amortized over their useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Amortization is recorded on a straight-line basis over their estimated useful lives, which range from 2 years to 15 years. The amortization period and the amortization method are reviewed at least on an annual basis and adjusted prospectively if appropriate.

<u>Intangible Assets with Indefinite Lives</u>

Intangible assets with indefinite lives are not amortized but are tested for impairment annually, or when there is an indication that the asset may be impaired either individually, at the CGU level or as a GCGUs. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable; if not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statements of loss when the asset is derecognized.

s. Impairment of Non-financial Assets

Assets that have indefinite lives are not subject to amortization and are tested annually for impairment or when there is an indication that the asset may be impaired.

Assets that are subject to amortization are reviewed for impairment at the end of each reporting period or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value-in-use. For the purposes of assessing impairment, assets are grouped into CGUs at the lowest level for which there are separately identifiable independent cash inflows. Non-financial assets, other than goodwill, that experienced an impairment are reviewed for possible reversal of the impairment whenever reversal indicators exist.

t. Goodwill

Goodwill represents the excess of the purchase price of the Company's interest in subsidiary entities over the fair value of the underlying net identifiable tangible and intangible assets arising at the date of acquisition.

Goodwill is deemed to have an indefinite life and is tested annually for impairment or when there is an indicator of impairment. Goodwill is carried at cost less accumulated impairment losses, if any. Impairment losses recognized on goodwill are not reversed.

Goodwill is allocated to CGUs for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose, but are not allocated above the operating segment level at which management monitors the recovery of goodwill.

Gains or losses on the disposal of a CGU or component of a CGU include the carrying amount of goodwill relating to the entity sold.

u. Provisions

A provision is an accrued liability, legal or constructive, resulting from a past event with a high degree of uncertainty with respect to either the timing or amount. Provisions must be probable and should be measurable to be recognized, and are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognized as finance costs in the consolidated statements of loss.

v. Discontinued Operations

A disposal group qualifies as a discontinued operation if it is a component of the Company that either has been disposed of, or is classified as held for sale, and: (i) represents a separate major line of business or geographical area of operations; (ii) is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or (iii) is a subsidiary acquired exclusively with a view to resale. A component of the Company comprises an operation and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as earnings or loss after tax from discontinued operations in the consolidated statement of (loss) income and comprehensive income.

When an operation is classified as a discontinued operation, the comparative statement of (loss) income and statement of comprehensive income is re-presented as if the operation had been discontinued from the start of the comparative year.

3. Capital Management

The Company defines capital that it manages as the aggregate of its equity and interest-bearing liabilities. The Company's objectives when managing capital are to ensure that the Company will continue to operate as a going concern and continue to provide products and services to its customers, preserve its ability to finance expansion opportunities as they arise, and provide returns to its shareholders.

The following table sets forth the Company's total managed capital as at:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Long-term debt	**$**	**471,238**	$	144,201
Lease liabilities		**163,127**		88,263
Equity		**720,781**		729,679
Total managed capital	**$**	**1,355,146**	$	962,143

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions, the risk characteristics of the underlying assets and business investment opportunities. To maintain or adjust the capital structure, the Company may issue or reacquire shares, acquire or dispose of assets, or adjust the amount of cash and cash equivalents, bank indebtedness or long-term debt balances. The Company's capital is not subject to any capital requirements imposed by any regulators; however, it is limited by the terms of its syndicated credit facility (the "Credit Facility"). Specifically, the Company has undertaken to maintain certain covenants in respect of its Credit Facility. The Company is in compliance with these covenants as at December 31, 2024. Refer to note 27 for further information pertaining to the Company's debt covenant requirements.

4. Financial Instruments

The Company has classified its financial instruments as follows:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Financial assets, Measured at Amortized Cost				
Cash and cash equivalents	**$**	**375,239**	$	334,061
Restricted cash		**127,251**		—
Accounts receivable (note 17)		**146,454**		157,689
Contract assets		**3,982**		10,596
Loans receivable		**460**		1,067
Deposit guarantee		**127**		485
Income taxes receivable		**5,808**		4,510
Fair Value through Profit or Loss				
Derivative financial instruments – assets	**$**	**—**	$	894
Redemption option derivative asset		**6,004**		—
Financial Liabilities, Measured at Amortized Cost				
Accounts payable (note 23)	**$**	**74,503**	$	54,507
Contract liabilities		**11,019**		39,494
Lease liabilities (note 20)		**163,127**		88,263
Income taxes payable		**4,110**		8,865
Long-term debt (note 27)		**482,244**		150,000

* Fair value equals carrying value for all above financial instruments except for long-term debt (see in section below for fair value of long-term debt).

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 where instruments are measured at amortized cost and the carrying value does not approximate the fair value as at December 31, 2024:

(in thousands of Canadian dollars)	**Fair Value**	**Level 1**	**Level 2**	**Level 3**
Liabilities				
Long-term debt	**$ 491,898**	**$ —**	**$ 491,898**	**$ —**

Total long-term debt is comprised of Senior Notes, unsecured of $300 million and amounts drawn on Credit Facility of $179.9 million. The Senior Notes, unsecured have a fair market value of $312.0 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 December 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 as at December 31, 2024.

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 several 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 items are translated into Canadian dollars. As at December 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 continuing operations for the year ended December 31, 2024 by approximately $29.4 million, $0.2 million and $0.8 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 $61.1 million, $11.7 million and $49.4 million, respectively, as at December 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 December 31:

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

The Company does not apply hedge accounting to account for its foreign exchange forward contracts.

As at December 31, 2024, the Company does not have any outstanding foreign exchange forward contracts, therefore the unrealized foreign exchange gain (loss) on these forward contracts is nil (2023 – $20.9 million of foreign exchange forward contracts outstanding and $0.9 million net unrealized gain from foreign exchange forward contracts).

Interest Rate Risk

The following table summarizes the Company's exposure to interest rate risk as at December 31, 2024:

(in thousands of Canadian dollars)	Non-interest Bearing	Floating Rate	Fixed Interest Rate	Total
Financial Assets				
Cash equivalents	$ —	$ —	$ 2,605	$ 2,605
Financial Liabilities				
Standard letters of credit for performance, bid and surety bonds	$ 34,213	$ —	$ —	$ 34,213
Long-term debt	—	179,900	300,000	479,900
	$ 34,213	179,900	$ 300,000	$ 514,113

As at December 31, 2024, the Company estimates that a 100- basis point increase [decrease] in short-term interest rates, with all other variables held constant, would result in an increase [decrease] of approximately $1.8 million in annual finance costs.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks, foreign exchange forward contracts, as well as credit exposure of customers, including outstanding accounts receivable. The maximum credit risk is equal to the carrying value of the financial instruments.

For both years ended December 31, 2024 and 2023, there was no customer who generated more than 10% of total consolidated revenue. As at December 31, 2024, no customer accounted for more than 10% of total consolidated trade accounts receivable.

The carrying value of accounts receivable is reduced using ECL, and the amount of the loss is recognized in the consolidated statements of loss with a charge to selling, general and administrative expenses. When a receivable balance is considered to be uncollectible, it is written off against the ECL accounts. Subsequent recoveries of amounts previously written off are credited against selling, general and administrative expenses.

As at December 31, 2024, $3.5 million, or 2%, of trade accounts receivable was more than 90 days overdue, compared to $8.7 million, or 6%, as at December 31, 2023. The Company expects to receive full payment on accounts receivable that are neither past due nor impaired. Refer to note 17 for the trade accounts receivable aging schedule.

The following is an analysis of the change in the ECL accounts for the years ended December 31:

(in thousands of Canadian dollars)	**2024**	2023
Balance – Beginning of Year	**$ (2,715)**	$ (4,042)
ECL expense	**(1,371)**	(2,171)
Recovery of amounts previously provided for	**769**	1,078
ECL written off	**486**	204
Disposals [(a)]	**—**	2,208
Impact of change in foreign exchange rates	**(45)**	8
Balance - End of Year	**$ (2,876)**	$ (2,715)

(a) Balances disposed of in conjunction with the sale of PPG.

Liquidity Risk

The Company's objective in managing liquidity risk is to maintain sufficient, readily available cash reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents and through the availability of funding from committed credit facilities. As at December 31, 2024, the Company had cash and cash equivalents totaling $375.2 million (2023 – $334.1.0 million) and had unutilized lines of credit available to use of $291.2 million (2023 – $445.9 million).

The following are the contractual maturities of the Company's purchase commitments and financial liabilities as at December 31, 2024:

(in thousands of Canadian dollars)	2025	2026	2027	2028	2029	Thereafter	Total
Purchase commitments	$ 65,482	$ 4,203	$ 597	$ 298	$ 530	$ 15,626	$ 86,736
Accounts payable	74,503	—	—	—	—	—	74,503
Long-term debt (note 27)	—	—	—	179,900	—	300,000	479,900
Interest obligations on long- term debt	21,750	21,750	21,750	21,750	21,750	32,625	141,375
Obligations under leases	16,707	14,816	13,879	13,072	13,070	246,793	318,337
Common area maintenance obligations under leases	2,299	1,751	1,676	1,574	1,574	4,529	13,403
Total	**$ 180,741**	**$ 42,520**	**$ 37,902**	**$ 216,594**	**$ 36,924**	**$ 599,573**	**$1,114,254**

5. 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 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 and Corporate (previously referred to as Financial, Corporate and Other) represents operating income, property, plant and equipment, and Corporate office costs that are not allocated to the Composite Technologies or Connection Technologies Segment. This section previously included Thermotite which is now being reported as Discontinued Operations and as such prior period information has been retrospectively revised. The aggregation of the reportable segments is based on the customers and markets that the Company services.

Composite Technologies

The Composite Technologies reportable segment comprises the following division:

- Composite Production Technologies manufacturers flexible composite pipes used primarily for oil and gas gathering lines, and other applications requiring corrosion resistance and high pressure capabilities operating under the Flexpipe® brand. Under the Xerxes® brand, this operating unit also manufactures FRP underground storage tanks for the retail fuel, water and wastewater, and oil and gas markets.

Connection Technologies

The Connection Technologies segment consists of the Connection Technologies operating unit.

- Connection Technologies includes DSG Canusa, a global manufacturer of heat-shrinkable products including thin, medium and heavy-walled tubing, sleeves and molded products as well as heat-shrink accessories and equipment; and Shawflex, a manufacturer of highly engineered, low-voltage wire, cable, connector and harness solutions for control, instrumentation, thermocouple, power, and industrial applications.

Financial and Corporate

The financial and corporate division for Mattr does not meet the definition of a reportable operating segment as defined under IFRS, as it does not earn revenue.

The entities in Malaysia, Italy, and the United Kingdom, which were not in the substantial part of the pipe coating division of PPG that was sold, have been included in Financial and Corporate.

Segment

The following table sets forth information by segment for the years ended December 31:

(in thousands of Canadian dollars)	Composite Technologies	Connection Technologies	Financial and Corporate	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations	Total Continuing and Discontinued Operations
2024							
	$	**$**	**$**	**$**	**$**	**$**	**$**
External Revenue	**528,435**	**356,882**	**—**	**—**	**885,317**	**74,395**	**959,712**
Total Revenue	**528,435**	**356,882**	**—**	**—**	**885,317**	**74,395**	**959,712**
Operating expenses [a]	**448,950**	**298,621**	**38,002**	**—**	**785,573**	**52,893**	**838,466**
Research and development	**8,694**	**2,861**	**(780)**	**—**	**10,775**	**—**	**10,775**
Depreciation and amortization	**29,405**	**8,998**	**2,032**	**—**	**40,435**	**1,237**	**41,672**
Restructuring costs and other, net	**4,571**	**3,844**	**(2)**	**—**	**8,413**	**—**	**8,413**
Income (Loss) from Operations for CODM	**36,815**	**42,558**	**(39,252)**	**—**	**40,121**	**20,265**	**60,386**
Additions to property, plant and equipment, net of disposals	**63,853**	**45,033**	**79**	**—**	**108,965**	**179**	**109,144**
Goodwill	**145,553**	**17,589**	**—**	**—**	**163,142**	**—**	**163,142**
Total assets	**667,946**	**354,654**	**473,918**	**97,262**	**1,593,780**	**35,380**	**1,629,160**
Total liabilities	**189,944**	**201,176**	**500,257**	**5,949**	**897,326**	**11,053**	**908,379**

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

(in thousands of Canadian dollars)	Composite Technologies	Connection Technologies	Financial and Corporate [c]	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations [c]	Total Continuing and Discontinued Operations
2023							
	$	$	$	$	$	$	$
External Revenue	535,549	344,980	—	—	880,529	874,383	1,754,912
Total Revenue	535,549	344,980	—	—	880,529	874,383	1,754,912
Operating expenses [a]	417,554	278,833	43,630	—	740,017	633,316	1,373,333
Research and development	6,985	1,921	(340)	—	8,566	1,335	9,901
Depreciation and amortization	27,045	5,752	3,020	—	35,817	28,568	64,385
Restructuring costs and other, net	—	747	1,727	—	2,474	1,465	3,939
Gains on sale of land and other	(1,995)	—	340	—	(1,655)	—	(1,655)
Income (Loss) from Operations for CODM	85,960	57,727	(48,377)	—	95,310	209,699	305,009
Impairment (note 14)	18,544	—	8,652	—	27,196	—	27,196
Income (Loss) from Operations [b]	67,416	57,727	(57,029)	—	68,114	209,699	277,813
Additions to property, plant and equipment, net of disposals	60,007	11,390	730	—	72,127	56,720	128,847
Goodwill	145,889	17,254	—	—	163,143	—	163,143
Total assets	611,457	227,104	401,600	22,525	1,262,686	15,613	1,278,299
Total liabilities	182,270	101,241	227,701	4,128	515,340	33,280	548,620

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

(b) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for the year ended December 31, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $2.6 million were reflected in Income (Loss) from Operations for the year ended December 31, 2023.

(c) The Financial and Corporate segment and Discontinued Operations were restated to reflect the inclusion of Thermotite as part of Discontinued Operations.

Geographical Information

The following table sets forth information by geographic region for the years ended December 31; the geographic region is determined by the country or location of operation.

(in thousands of Canadian dollars)	2024						
	Canada	**USA**	**Latin America**	**EMEA[(a)]**	**Asia Pacific**	**Eliminations**	**Total**
Revenue - Continuing Operations	**$ 297,123**	**$ 477,156**	**$ —**	**$ 95,708**	**$ 15,330**	**$ —**	**$ 885,317**
Revenue - Discontinued Operations	**—**	**—**	**74,395**	**—**	**—**	**—**	**74,395**
Non-current assets [(b)]	**$ 388,689**	**$ 296,879**	**$ —**	**$ 54,810**	**$ 4,479**	**$ —**	**$ 744,857**

(in thousands of Canadian dollars)	2023						
	Canada	USA	Latin America	EMEA[(a)]	Asia Pacific	Eliminations	Total
Revenue - Continuing Operations	$ 287,277	$ 482,665	$ —	$ 93,913	$ 16,674	$ —	$ 880,529
Revenue - Discontinuing Operations	52,387	47,487	532,001	85,362	157,146	—	874,383
Non-current assets [(b)]	$ 289,691	$ 231,809	$ 8,748	$ 55,961	$ 5,017	$ —	$ 591,226

(a) Refers to the Europe, Middle East, and Africa
(b) Excluding loans receivable, investment in associates, deferred income tax assets and accrued employee future benefit asset.

6. Assets and Liabilities Held for Sale and Discontinued Operations

Through a coordinated plan to dispose of a major line of business, the Company has disposed of various operations within what was formerly referred to as the PPS segment. Additionally, on September 16, 2024, the Company entered into a definitive agreement to sell Thermotite do Brazil ("Thermotite"), its subsidiary in Brazil. Thermotite is accounted as held for sale and the related results of its operations and those of the disposed operations are presented as discontinued operations. The comparative consolidated statement of (loss) income, statement of comprehensive income 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 a substantial majority of the assets of its pipe coating business to Tenaris S.A. The Company received gross proceeds of $241.2 million, which included the agreed-upon purchase price of $225.4 million and an initial working capital estimate. The final net cash proceeds, which were contingent upon a customary final true-up of the working capital calculation as set forth in the definitive purchase and sale agreement, were ultimately determined after an agreement between Mattr and Tenaris was reached in August 2024. The agreed upon total net cash outflow to settle the working capital adjustment was $47.4 million, of which $36.6 million was disbursed in June 2024 with the balance disbursed in August 2024. The year ended December 31, 2024 reflects an additional $16.4 million loss from the sale of the Pipeline Performance Group ("PPG") business in Discontinued Operations, predominantly driven by the final working capital adjustment noted here.

In the year ended December 31, 2024, an agreement for $0.8 million (or 0.5 million GBP) was reached to settle costs related to the sale of the specialty pipe coating business and related assets in Ellon, Scotland ("Ellon"). The sale of Ellon was completed on May 23, 2023. This agreement and subsequent payment has been recorded as a loss within discontinued operations in the second quarter of 2024. Also in 2024, the Company reached an agreement for $1.1 million (or $0.8 million U.S.$) to settle costs related to the sale of its 100% controlling interest in its Socotherm Americas Subsidiary in Argentina ("Socotherm"), which was completed on December 2, 2022. This agreement and subsequent payment has also been recorded as a loss within discontinued operations in 2024.

(in thousands of Canadian dollars)	**Sale of PPG**	**Sale of Ellon**	**Sale of Socotherm**	**2024 Discontinued Operations Total**	Sale of PPG	Sale of SPS	Sale of Ellon	2023 Discontinued Operations Total
	$	**$**	**$**	**$**	$	$	$	$
Purchase price	—	—	—	—	225,445	8,856	538	234,839
Net working capital adjustments	**(14,681)**	—	—	**(14,681)**	(16,294)	(1,496)	—	(17,790)
Total adjusted purchase price	**(14,681)**	—	—	**(14,681)**	209,151	7,360	538	217,049
Costs related to sale	**(1,700)**	**(811)**	**(1,143)**	**(3,654)**	(12,703)	(2,915)	(1,609)	(17,227)
Carrying amount of net assets sold	—	—	—	—	(289,053)	(9,057)	(286)	(298,396)
Cumulative Translation Adjustment balance	—	—	—	—	(12,366)	(56)	(8)	(12,430)
Loss on Sale before Income Tax	**(16,381)**	**(811)**	**(1,143)**	**(18,335)**	(104,971)	(4,668)	(1,365)	(111,004)
Total adjusted purchase price	**(14,681)**	—	—	**(14,681)**	209,151	7,360	538	217,049
Payables - current	**(32,710)**	—	—	**(32,710)**	32,011	—	—	32,011
Receivables - current	—	—	—	—	—	—	(210)	(210)
Non-current Note Receivables	—	—	—	—	—	(681)	—	(681)
Cash (paid) received from Sale, net of receivables	**(47,391)**	—	—	**(47,391)**	241,162	6,679	328	248,169
Other costs paid	—	**(811)**	**(1,143)**	**(1,954)**	—	—	(1,060)	(1,060)
Cash balance transferred as part of sales	—	—	—	—	(28,974)	(596)	—	(29,570)
Net Cash (paid) received from Sale, net of receivables and cash balance transferred	**(47,391)**	**(811)**	**(1,143)**	**(49,345)**	212,188	6,083	(732)	217,539

During the third quarter of 2024, the Company entered into a definitive agreement to sell its subsidiary Thermotite, its final remaining pipe coating business to Vallourec Tubular Solutions, a subsidiary of Vallourec S.A. ("Vallourec"). The transaction, under which Vallourec will acquire 100% of the shares of the Thermotite legal entity, is subject to customary closing conditions, including Brazilian anti-trust review and approval, which the Company currently anticipates will be completed within the standard review time. Thermotite provides thermal insulation pipe coating services to the offshore oil and gas industry from its plant in Serra, Brazil. The Company will retain all earnings from the business until the transaction closes, and upon closing, the Company expects to receive the gross sale proceeds of approximately $25.2 million (or U.S.$17.5 million) based on December 31, 2024 exchange rates, on a cash-free, debt-free basis, subject to normal working capital adjustments. The regulatory approval for this transaction and subsequent closing is expected to conclude by mid - 2025. Thermotite, which was previously accounted for under the Financial and Corporate, is accounted as held for sale and is now reflected as Discontinued Operations. For the year ended December 31, 2024, revenue of $74.4 million and income from operations of $20.3 million from Thermotite is included as discontinued operations.

The assets and liabilities of Thermotite are measured at the lower of their carrying amount and fair value less cost of disposal (“FVLCD”). The Company determined FVLCD based on management's best estimate of the future proceeds of purchase price and remaining future cash flows from certain existing contracts, net of estimated selling costs. As of December 31, 2024, the Company determined that the carrying amount of the net assets of Thermotite are recoverable. Upon closing, the Company will reassess the determination of FVLCD and any gain or loss on the sale will be recognized in discontinued operations in the consolidated statements of (loss) income.

The Net Income from discontinued operations for the year ended December 31, 2024 and 2023 are as follows:

(in thousands of Canadian dollars)	2024	2023
Revenue - External	**$ 74,395**	$ 874,383
Operating expenses [(a)]	**51,923**	636,108
Research and development expenses	—	1,335
Foreign exchange loss (gain)	**970**	(2,792)
Depreciation and amortization	**1,237**	28,568
Restructuring costs and other, net	—	1,465
Income from Discontinued Operations	**$ 20,265**	209,699
Loss on sale of operating unit	**(18,335)**	(111,004)
Finance costs (income)	**406**	(698)
Net Income before Income Tax	**2,336**	97,997
Income tax (recovery) expense from discontinued operations	**(133)**	53,143
Net Income from Discontinued Operations	**$ 2,469**	$ 44,854

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

The assets and liabilities of Thermotite included in the held for sale categories as at December 31, 2024 are summarized below:

(in thousands of Canadian dollars)	2024
Assets	
Accounts receivable	**$ 6,211**
Contract assets	**7,962**
Income taxes receivable	**1,918**
Inventory	**8,846**
Prepaid expenses	**306**
Property, plant and equipment, net	**6,613**
Right-of-use assets	**73**
Deferred income tax assets	**3,451**
Total assets held for sale	**$ 35,380**
Liabilities	
Accounts payable and accrued liabilities	**4,945**
Provisions	**343**
Contract liabilities	**5,765**
Total liabilities associated with assets held for sale	**$ 11,053**

7. Restructuring Costs and Other, net

In the year ended December 31, 2023, the Company recorded restructuring costs of $2.5 million. These costs reflect the revaluation of share-based incentive compensation costs associated with historical restructuring actions, including previously completed executive leadership changes and severance costs related to the relocation initiative from the Rexdale facility to the new facilities in Vaughn, Ontario and Ohio, USA.

In the year ended December 31, 2024, the Company recorded $8.4 million of restructuring costs associated with organizational changes and rightsizing of the Company's workforce and the shut-down and exit of a production site in Anaheim, California.

8. Employee Benefits Expense

(in thousands of Canadian dollars)		2024		2023
Salaries, wages and employee benefits	$	**220,288**	$	191,827
Pension (note 15)		**9,884**		4,319
Share-based and other incentive-based compensation (note 13)		**5,975**		15,699
Employee Benefits Expense from Continuing Operations	$	**236,147**	$	211,845
Salaries, wages and employee benefits	$	**8,458**	$	173,317
Pension (note 15)		—		3,095
Share-based and other incentive-based compensation (note 13)		—		236
Employee Benefits Expense from Discontinued Operations	$	**8,458**	$	176,648

9. Finance Costs

The following table sets forth the Company's finance costs for the years ended December 31:

(in thousands of Canadian dollars)		2024		2023
Interest income	$	**(11,264)**	$	(2,310)
Interest expense on long-term debt		**13,223**		15,858
Interest expense, other		**6,382**		4,510
Interest expense on lease liabilities		**9,198**		2,773
Finance Costs – Net from continuing operations	$	**17,539**	$	20,831
Interest income	$	**(1,147)**	$	(1,912)
Interest expense, other		**738**		549
Interest expense on lease liabilities		**3**		2,061
Finance Costs – Net from discontinued operations	$	**(406)**	$	698

10. Income Taxes

The following table sets forth the Company's income tax (recovery) expense for the years ended December 31:

(in thousands of Canadian dollars)		2024		2023
Current Income Taxes				
Based on taxable income of current year	$	**15,484**	$	16,883
Adjustment to prior year provision		**1,225**		32
		16,709		16,915
Deferred Income Taxes				
Reversal of temporary differences		**5,140**		(11,997)
Total Income Tax Expense	$	**21,849**	$	4,918

The following table sets forth the Company's income taxes on items recognized in OCI for the years ended December 31:

(in thousands of Canadian dollars)		2024		2023
Income tax expense (recovery) on actuarial gains and losses on defined benefit plans	$	**518**	$	(2,219)
Income Tax Expense (Recovery) Charged to OCI	$	**518**	$	(2,219)

The following table sets forth a reconciliation of the Company's effective income tax rate for the years ended December 31:

(in thousands of Canadian dollars)		2024		2023
Expected income tax expense based on statutory rate	$	**3,872**	$	11,535
Income tax rate differential on earnings of foreign subsidiaries		**1,344**		793
Benefit of previously unrecognized deferred tax assets		**(503)**		(15,236)
Deferred tax not recognized		**13,495**		1,961
Change in estimates related to prior years		**972**		(1,030)
Non-deductible amounts		**418**		5,044
Withholding taxes		**1,148**		1,523
Recognition of previously unrecognized temporary difference on investment in subsidiary		**405**		(555)
State tax and other		**698**		883
Income Tax Expense	$	**21,849**	$	4,918

The expected income tax rate is computed using the average Canadian federal and provincial income tax rates based on an estimated allocation of income before tax to the various provinces.

Recognized Deferred Income Tax Assets and Liabilities

The following table sets forth the Company's deferred income tax assets and liabilities as at:

(in thousands of Canadian dollars)		December 31, 2024		December 31, 2023
Deferred Income Tax Assets				
Property, plant and equipment	$	**46**	$	69
Provisions and future expenditures		**29,904**		17,774
Non-capital losses and tax credits		**38,014**		55,505
		67,964		73,348
Offset of deferred tax assets and liabilities		**(31,166)**		(28,185)
Deferred Income Tax Assets total		**36,798**		45,163
Deferred Income Tax Liabilities				
Property, plant and equipment		**(7,902)**		(7,043)
Provisions and future expenditures		**(37,529)**		(40,708)
		(45,431)		(47,751)
Offset of deferred tax assets and liabilities		**31,166**		28,186
Deferred Income Tax Liabilities total		**(14,265)**		(19,565)
Net Deferred Income Tax Asset	$	**22,533**	$	25,598

The following table sets forth the Company's deferred income tax assets and liabilities as presented in the consolidated balance sheets as at:

(in thousands of Canadian dollars)		December 31, 2024		December 31, 2023
Deferred income tax assets	$	**36,798**	$	45,163
Deferred income tax liabilities		**(14,265)**		(19,565)
	$	**22,533**	$	25,598

The Company has recorded deferred tax assets of $38.0 million as at December 31, 2024 (2023 – $55.5 million), pertaining to operating loss carryforwards based on management's financial projections and the relevant tax legislation in each jurisdiction.

(in thousands of Canadian dollars)	Consolidated Statements of Loss (Income) 2024	2023
Deferred Income Tax Assets		
Property, plant and equipment	**$ 23**	$ 3,099
Provisions and future expenditures	**(12,130)**	28,893
Non-capital losses and tax credits	**17,491**	(2,300)
Change in deferred income tax assets	**5,384**	29,692
Deferred Income Tax Liabilities		
Property, plant and equipment	**859**	(1,417)
Provisions and future expenditures	**(3,178)**	(8,799)
Change in deferred income tax liabilities	**(2,319)**	(10,216)
Change in Deferred Income Taxes	**3,065**	19,476
Deferred income taxes in OCI	**(518)**	2,219
Reclass of investment tax credit recoverable	—	(7,976)
Sale of operating units and subsidiaries	—	(26,209)
Foreign exchange and other	**2,593**	493
Deferred Income Tax Expense (Recovery) in Net Income	**$ 5,140**	$ (11,997)

The Company has not recognized a deferred income tax liability for taxes that would be payable on the unremitted earnings of certain of the Company’s subsidiaries, associates and joint ventures for the years ended December 31, 2024 and 2023, as the Company has determined that the undistributed profits of its subsidiaries will not be distributed in the foreseeable future. The temporary difference associated with investments in subsidiaries, associates and joint ventures, for which a deferred income tax liability has not been recognized, aggregated to $85.5 million and $75.8 million for the years ended December 31, 2024 and 2023, respectively.

The Company has net operating losses of $192.4 million for the year ended December 31, 2024 (2023 – losses of $108.9 million) in various jurisdictions for which no deferred income tax asset has been recognized. These losses expire subsequent to the 2031 fiscal year. The Company has capital losses of $89.8 million and $91.5 million for the years ended December 31, 2024 and 2023, respectively, in various jurisdictions for which no deferred income tax asset has been recognized. These capital losses can be carried forward indefinitely.

International Tax Reform - Pillar Two Model Rules

On June 19, 2024, the Government of Canada substantively enacted legislation implementing the Global Minimum Tax Act (“GMTA”), which includes the introduction of a 15% global minimum tax (“top-up tax”) that applies to large multinational enterprise groups with global consolidated revenues over €750 million, similar to previously enacted Pillar Two legislation in other jurisdictions in which the Company operates. As a result, the Company will be subject to the top-up tax rules for its financial year beginning January 1, 2024. The GMTA did not have a material impact on the Company for the year ended December 31, 2024, as none of our current jurisdictions were subject to any material top up tax amount. In accordance with the amendments to IAS 12 “Income Taxes” issued by the IASB on May 23, 2023, the Company has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when incurred.

11. (Loss) Earnings 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)	Year ended December 31, 2024		
	Continuing Operations	**Discontinued Operations**	**Total**
Net (loss) income (attributable to shareholders of the Company) for the period	**$ (6,202)**	**$ 2,469**	**$ (3,733)**
Weighted average number of shares outstanding – basic (000s)	**65,642**	**65,642**	**65,642**
Basic EPS	**$ (0.09)**	**$ 0.04**	**$ (0.06)**
Net (loss) income (attributable to shareholders of the Company) for the period	**$ (6,202)**	**$ 2,469**	**$ (3,733)**
Weighted average number of shares outstanding – diluted (000s)	**65,642**	**66,014**	**65,642**
Diluted EPS [(a)]	**$ (0.09)**	**$ 0.04**	**$ (0.06)**

(a) Potentially dilutive instruments are anti-dilutive for continuing operations and total and therefore are not included in the calculation of EPS. At December 31, 2024, a net of 372 options (2023 – 581 options) were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

(in thousands of Canadian dollars, except share and per share amounts)	Year ended December 31, 2023		
	Continuing Operations	Discontinued Operations	Total
Net income (attributable to shareholders of the Company) for the period	$ 42,333	$ 44,854	$ 87,187
Weighted average number of shares outstanding – basic (000s)	69,204	69,204	69,204
Basic EPS	$ 0.61	$ 0.65	$ 1.26
Net income (attributable to shareholders of the Company) for the period	$ 42,333	$ 44,854	$ 87,187
Weighted average number of shares outstanding – diluted (000s)	69,785	69,785	69,785
Diluted EPS	$ 0.61	$ 0.65	$ 1.25

12. Key Management Compensation

Key management includes directors (executive and non-executive) and corporate officers. The compensation paid or payable to key management for employee and director services is shown below for the years ended December 31:

(in thousands of Canadian dollars)	**2024**	2023
Salaries and other short-term incentive compensation and employee benefits	**$ 3,338**	$ 4,732
Post-employment benefits – defined benefit plans	**109**	84
Share-based and other incentive-based compensation	**2,831**	5,070
Directors’ fees and other compensation	**(203)**	2,833
Total	**$ 6,075**	$ 12,719

13. Share-based and Other Incentive-based Compensation

Incentive-based Compensation

The following table sets forth the incentive-based compensation expense for the years ended December 31:

(in thousands of Canadian dollars)		2024		2023
Stock option (recovery) expense	$	**(261)**	$	491
DSU (recovery) expense		**(374)**		2,608
RSU expense		**1,547**		1,693
SAR (recovery) expense		**(229)**		950
CPSU expense		**4,918**		12,693
Other plans recovery		**—**		(128)
Total Share-based and Other Incentive-based Compensation Expense – Continuing Operations	**$**	**5,601**	$	18,307
CPSU expense	**$**	**—**	$	236
Total Share-based and Other Incentive-based Compensation Expense – Discontinued Operations	**$**	**—**	$	236

As at December 31, 2024, the Company had the following stock option plan, which was initiated in 2001:

Under the Company's 2001 employee stock option plan (the ″2001 Employee Plan″), which is a traditional stock option plan, the options granted have a term of approximately 5 to 10 years from the date of the grant. Exercises of stock options are permitted on the basis of 20% of the optioned shares per year over five years, on a cumulative basis, commencing one year following the date of the grant. The grant price equals the closing market price of the common shares on the day prior to the grant.

On March 3, 2010, the Board approved the amended 2001 Employee Plan (the ″Amended 2001 Employee Plan″). All stock options granted in 2010, and certain options granted thereafter, under the Amended 2001 Employee Plan have a tandem share appreciation right (″SAR″) attached, which allows the option holder to exercise either the option and receive a share, or exercise the SAR and receive a cash payment that is equivalent to the difference between the grant price and fair market value. All stock options granted under the Amended 2001 Employee Plan have the same characteristics as stock options that were granted under the original 2001 Employee Plan with respect to vesting requirements, term, termination and other provisions.

A summary of the status of the Company's stock option plan and changes during the year is presented below:

Stock Options without SARs

			2024			2023
	Total Shares		**Weighted Average Exercise Price**	Total Shares		Weighted Average Exercise Price
Balance Outstanding – Beginning of Year	**1,282,198**	**$**	**19.21**	1,486,551	$	18.41
Exercised	**(76,418)**		**7.56**	(135,113)		7.62
Cancelled/Forfeited	**(219,135)**		**10.70**	(58,940)		21.09
Expired	**(26,300)**		**35.79**	(10,300)		45.73
Balance Outstanding – End of Year	**960,345**	**$**	**21.62**	1,282,198	$	19.21
Options Exercisable	**877,431**	**$**	**23.09**	857,172	$	24.50

December 31, 2024

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	**Outstanding as at December 31, 2024**	**Weighted Average Remaining Contractual Life (years)**	**Weighted Average Exercise Price**	**Exercisable as at December 31, 2024**	**Weighted Average Exercise Price**
$1.62 to $5.00	**95,819**	**6.37**	**$ 4.28**	**50,328**	**$ 3.95**
$5.01 to $10.00	**178,486**	**5.20**	**7.92**	**141,063**	**7.95**
$20.01 to $25.00	**163,820**	**4.00**	**21.05**	**163,820**	**21.05**
$25.01 to $30.00	**321,520**	**2.45**	**25.57**	**321,520**	**25.57**
$30.01 to $35.00	**45,000**	**1.00**	**32.19**	**45,000**	**32.19**
$35.01 to $40.00	**155,700**	**2.00**	**37.40**	**155,700**	**37.40**
Balance Outstanding – End of Year	**960,345**	**3.48**	**$ 21.62**	**877,431**	**$ 23.09**

December 31, 2023

	Options Outstanding			Options Exercisable	
Range of Exercise Prices	Outstanding as at December 31, 2023	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Exercisable as at December 31, 2023	Weighted Average Exercise Price
$1.62 to $5.00	116,819	7.13	$ 4.14	38,163	$ 3.70
$5.01 to $10.00	402,179	6.55	7.91	98,229	7.99
$20.01 to $25.00	212,100	5.00	21.05	169,680	21.05
$25.01 to $30.00	324,100	3.46	25.57	324,100	25.57
$30.01 to $35.00	45,000	2.00	32.19	45,000	32.19
$35.01 to $40.00	182,000	2.71	37.17	182,000	37.17
Balance Outstanding – End of Year	1,282,198	4.86	$ 19.21	857,172	$ 24.50

The fair value of options granted under the Amended 2001 Employee Plan will be amortized to compensation expense over the five-year vesting period of the options. The compensation cost from the amortization of granted stock options for the year ended December 31, 2024, included in selling, general and administrative expenses, was a recovery of $0.3 million (2023 – $0.5 million expense).

Stock Options with SARs

		2024		2023
	Total Shares	**Weighted Average Fair Value(a)**	Total Shares	Weighted Average Fair Value(a)
Balance Outstanding – Beginning of Year	**600,345**	**$ 3.91**	700,661	$ 6.60
Exercised	**(35,089)**	**6.48**	(42,170)	7.43
Forfeited/Cancelled	**(194,374)**	**23.64**	(18,046)	7.18
Expired	**(80,800)**	**24.59**	(40,100)	45.73
Balance Outstanding – End of Year	**290,082**	**$ 8.49**	600,345	$ 3.91
Options Exercisable	**142,659**	**$ 4.43**	321,594	$ 5.88

(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.

The mark-to-market liability for the stock options with SARs as at December 31, 2024 is $2.3 million (2023 – $2.5 million), all of which is included in current and non-current other liabilities on the consolidated balance sheets.

On March 3, 2010, the Board approved a long-term incentive program ("LTIP") for executives and key employees and a DSU plan for directors of the Company. Additional details with respect to the LTIP and DSU plan are as follows:

LTIP

The LTIP includes the existing stock option plan discussed above, the Restricted Share Unit Plan ("RSU Plan"), previously known as the Employee Share Unit Plan ("ESUP"), and the Mattr Cash Performance Share Unit Plan ("CPSU Plan").

RSU Plan

The RSU Plan authorizes the Board to grant awards of restricted share units ("RSUs") and performance share units ("PSUs") to employees of the Company as a form of incentive compensation. All RSUs and PSUs are to be settled with common shares and are valued on the basis of the underlying weighted average trading price of the common shares over the five trading days preceding the grant date. The valuation is not subsequently adjusted for changes in the market price of the common shares prior to the settlement of the award. Each RSU and PSU granted under the ESUP represents one common share. The RSU Plan provides that the maximum number of common shares that are reserved for issuance from time to time shall be fixed at 1,000,000 common shares. The RSUs and PSUs vest in two tranches over a period of three to five years, and become exercisable once vesting is completed. Compensation cost is recognized over the vesting period in accordance with IFRS. All RSUs and PSUs granted are classified as equity instruments in accordance with IFRS as their terms require that they be settled in shares.

The following table sets forth the Company's RSU/PSU reconciliation for the years ended December 31:

	2024		2023	
	Total Shares	**Weighted Average Grant Date Fair Value[(a)(b)]**	Total Shares	Weighted Average Grant Date Fair Value[(a)(b)]
Balance Outstanding – Beginning of Year	**551,377**	**$ 9.76**	683,238	$ 11.16
Granted	**136,846**	**15.17**	127,349	13.73
Exercised	**(161,468)**	**9.92**	(237,669)	16.09
Forfeited/Cancelled	**(83,117)**	**6.72**	(21,541)	7.85
Expired	**(291)**	**40.48**	—	—
Balance Outstanding – End of Year	**443,347**	**$ 11.91**	551,377	$ 9.76
RSUs/PSUs Exercisable	**63,933**	**$ 11.24**	71,570	$ 15.85

(a) RSU awards do not have an exercise price; their weighted average grant date fair value is the weighted average trading price of the common shares over the five trading days preceding the grant date.
(b) PSU awards do not have an exercise price; their weighted average grant date fair value is the weighted average trading price of the common shares over the five trading days preceding the grant date.

CPSU Plan

The CPSU Plan (previously referred to as SPSP) is a cash-based awards plan, which seeks to further align the interests of employees with those of the shareholders of the Company and associates a portion of the compensation of executives and key employees with the returns achieved by the shareholders. The plan provides senior executives and senior employees a reward opportunity directly tied to Mattr's long term share price performance, modified by one or more performance factors. Participants are awarded cash performance share units ("CPSUs") with a vested value based on a five-day trading average Mattr share price and adjusted based on performance factors identified at grant date. Relative total shareholder return when compared to the Mattr Performance Peer Group was used as the performance factor for 2022, 2023 and 2024 award grants, which can modify vested unit values from a range of 0% to 200%. In 2024, a tranche of awards for senior executives included a value modifier tied to 3-year return on invested capital performance against a target value. The vesting schedule for performance units is set each year at the time of grant. In 2023, the units awarded to participants are broken up into three equal tranches that vest on January 3 of three subsequent years. For 2024 awards, the vesting schedule is 100% of the total grant over a 3-year period on the grant anniversary date. The value of the units is determined based on Mattr's share performance as of the vesting date. Compensation cost is recognized over the vesting periods and adjusted based on Mattr's share price. All units granted under the CPSU plan will be classified as liability instruments in accordance with IFRS as their terms require that they be settled in cash.

The CPSU liability as at December 31, 2024 is $10.4 million (2023 – $19.9 million).

DSUs

The annual equity retainer component of the Company's independent director compensation program is satisfied through deferred share units ("DSUs") issued under the Company's Deferred Share Unit plan. In addition, each independent director may elect to receive up to 100% of their annual cash retainer and travel fees in the form of DSUs. Each DSU has the notional value of one common share. DSUs reflecting each independent director's equity retainer and, if applicable, their cash retainer or a portion thereof, are credited to such participant's account at the end of each quarter by dividing the relevant retainer by the weighted average trading price of the Company's common shares on the TSX for the five trading days immediately preceding the grant of DSUs.

If applicable, each participant's account is also credited with "dividend equivalents" in the form of additional DSUs on each payment date where a cash dividend on common shares is paid. The Company did not pay a dividend at any time in 2024.

DSUs are fully vested at the time awarded and upon ceasing to be an independent director:

i. participants in the DSU Plan, other than U.S. participants, may elect up to two separate dates (each an "Entitlement Date") as of which all or a portion of their DSUs will be redeemed, such dates to be no later than December 15th of the calendar year following that in which the date such participant ceases to be a director ("Termination Date") occurs. Where a participant, other than a U.S. participant, does not elect an Entitlement Date(s), the Entitlement Date will be December 15th of the calendar year following the year in which such participant's Termination Date occurs; and

ii. the Entitlement Date for U.S. participants in the DSU plan will occur by December 15th of the year following the year in which the U.S. participant's Termination Date occurs; provided that, if the U.S. participant is a Specified Employee, as defined in Section 4.09A of the U.S. Internal Revenue Code of 1986, the Entitlement Date will occur on a date that is at least six (6) months after the Participant's Termination Date.

DSUs are settled by a cash payment calculated by multiplying the number of DSUs being redeemed on the applicable Entitlement Date by the volume weighted average trading price of the common shares for the five trading days immediately preceding the Entitlement Date. All DSU's granted will be classified as liability instruments on the date of the grant in accordance with IFRS.

The following table sets forth the Company's DSU reconciliation for the years ended December 31:

	2024		2023	
	Total Shares	**Weighted Average Grant Date Fair Value[(a)]**	Total Shares	Weighted Average Grant Date Fair Value[(a)]
Balance Outstanding – Beginning of Year	**665,787**	**$ 14.44**	675,433	$ 14.90
Granted	**81,626**	**11.21**	88,252	15.25
Exercised	**(126,659)**	**14.81**	(97,898)	18.35
Balance Outstanding – End of Year	**620,754**	**$ 13.94**	665,787	$ 14.44
DSU Exercisable	**263,063**	**$ 8.42**	—	$ —

(a) DSU awards do not have an exercise price; their weighted average grant date fair value is the weighted average trading price of the common shares over the five trading days preceding the grant date.

The mark-to-market liability for the DSUs as at December 31, 2024 is $7.8 million (2023 – $10.1 million), all of which is included in current other liabilities on the consolidated balance sheets.

14. Impairment

2024

The Company did not record any impairment charges for the year ended December 31, 2024.

2023

The following table sets forth the Company's impairment charges for the years ended December 31, 2023:

	2023					
(in thousands of Canadian dollars)	Composite Production Technologies	Connection Technologies	Financial and Corporate	Total Continuing Operations	Discontinued Operations	Total Continuing & Discontinued Operations
Impairment of property, plant and equipment	$ 968	$ —	$ 8,652	$ 9,620	$ —	$ 9,620
Impairment of intangible assets	17,576	—	—	17,576	—	17,576
Total Impairment	$ 18,544	$ —	$ 8,652	$ 27,196	$ —	$ 27,196

During 2023, the Company performed impairment testing on its property, plant and equipment, intangible assets and goodwill and concluded that the recoverable amounts, based on FVLCD indicated by the sale price of the Lake Superior Consulting CGU, Oilfield Asset Management CGU, and Socotherm Americas (Argentina) CGU and the quoted prices in active markets for Shaw Pipeline Services CGU and the Composite Production Technologies Plant in Saudi Arabia, were less than their respective carrying amounts. As such, impairments of property, plant and equipment, and intangible assets were recorded. The FVLCD was categorized as Level 3 fair value measurement.

(in thousands of Canadian dollars)	2023		
CGU or GCGUs	Impairment Test Date	Nature of Assets Impaired	Impairment Loss
Composite Production Technologies (USA)	December 31, 2023	Intangible assets [(1)] and Property, plant and equipment	$ 18,544
Finance and Corporate	September 30, 2023	Property, plant and equipment	$ 8,652
Total			$ 27,196

(1) See note 21 for impairment testing for each cash-generating unit containing goodwill and intangible assets with an indefinite life.

15. Employee Future Benefits

The Company provides future benefits to its employees under a number of defined benefit and defined contribution arrangements. The defined benefit pension plans are in Canada and the United Kingdom and include both flat-dollar plans for hourly employees and final earnings plans for salaried employees. The Company also provides a post-employment life insurance benefit to its Canadian retirees and a post-employment benefit to its hourly and salaried employees in Indonesia.

The Company's funding policy for the Canadian registered pension plans is to fund in accordance with the requirements of applicable pension legislation. The determination of the required funding is made on the basis of periodic actuarial valuations as required under applicable pension legislation. The Company is responsible for the governance of the pension plans, including overseeing investment decisions. The Company has also appointed experienced independent professional experts such as investment managers, actuaries and consultants to assist in the management of the pension plans.

By their nature, defined benefit pension plans carry many types of financial risk. The main financial risks faced by the Company's pension plans can be summarized as follows:

- Longevity risk: The risk that retirees will, on average, collect a pension for a longer period of time than expected based on the mortality assumption.
- Investment risk: The risk that the invested assets of the plan will not yield the assumed rate of return, resulting in insufficient assets to provide for the benefits promised and/or requiring the Company to make additional contributions to fund the deficit.
- Interest rate risk: The risk from changing market interest rates. A decrease in corporate bond yields will increase plan liabilities. This risk is greater to the extent that there is a mismatch between the characteristics of the assets and liabilities.

- Regulatory/legal risk: The risk of regulatory/jurisprudence changes that can alter the benefits promised.

The total cash payments made by the Company to fund the defined benefit pension plans, the post-retirement insurance plans and the post-employment benefit plan during 2024 were $0.9 million (2023 – $1.5 million). The total cash payments made by the Company to fund the defined contribution pension arrangements during 2024 were $6.3 million (2023 – $7.1 million).

The Company measures the fair value of plan assets and the defined benefit obligation as at December 31 of each year. Actuarial valuations for the Company's registered defined benefit pension plans and the Supplementary Executive Retirement Plan ("SERP") for Executives of Mattr are generally required at least every three years. The most recent actuarial valuations of the plans were conducted as of January 1, 2022 (one plan), July 31, 2022 (one plan), October 31, 2023 (two plans), January 1, 2024 (one plan), and August 1, 2024 (one plan).

The employee future benefit amounts recognized in the consolidated balance sheets are as follows:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Accrued Employee Future Benefit Asset				
Pension plans (note 22)	**$**	**4,625**	$	4,013
Accrued Employee Future Benefit Liability				
Pension plans	**$**	**(5,296)**	$	(6,043)
Post-employment benefits		**—**		—
Post-retirement life insurance		**(99)**		(102)
	$	**(5,395)**	$	(6,145)

The following was the composition of plan assets at the consolidated balance sheet dates, for the Canadian registered defined benefit pension plans:

	December 31, 2024	December 31, 2023
Investments Quoted in Active Markets		
Cash and cash equivalents	4%	3%
Equity instruments	63%	64%
Debt instruments	33%	33%
	100%	100%

The following was the composition of invested plan assets at the consolidated balance sheet dates for the SERP:

	December 31, 2024	December 31, 2023
Investments Quoted in Active Markets		
Equity instruments[a]	100%	100%

(a) The amounts in the above table exclude amounts held in the refundable tax account by the Canada Revenue Agency.

Actual Return on Plan Assets

The actual return on plan assets for the years ended December 31, 2024 and 2023 amounted to $4.8 million and $10.5 million, respectively.

Employee Future Benefit Cost

The employee future benefit cost recognized in the consolidated statements of income is as follows:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Current service costs	**$**	**233**	$	1,156
Administrative expenses		**1,364**		1,084
Past service costs and impact of settlements, curtailments and termination benefits		**40**		(2,158)
Interest cost on defined benefit obligation		**4,865**		5,543
Interest income on plan assets		**(5,532)**		(6,157)
		970		(532)
Impact of asset ceiling/minimum funding requirement		**781**		599
Defined benefit cost recognized		**1,751**		67
Defined contribution cost recognized		**8,133**		7,347
Employee Future Benefit Cost Recognized[a]	**$**	**9,884**	$	7,414

(a) The total amount is included in the consolidated statements of loss in selling, general and administrative expenses.

The employee future benefit income recognized in OCI is as follows:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Valuation effect	**$**	**(2)**	$	—
Return on plan assets (excluding amounts included in interest income)		**713**		(4,948)
Net actuarial loss (gains) recognized in the year		**(66)**		4,294
Other changes in asset ceiling/minimum funding requirement not included in net interest cost		**(2,888)**		9,335
Foreign exchange differences		**(20)**		—
Disposals				767
Employee Future Benefit Income Recognized in OCI	**$**	**(2,263)**	$	9,448

Changes in the defined benefit obligation are as follows:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Balance – Beginning of Year	**$**	**108,185**	$	114,787
Valuation effect		**(2)**		(15)
Employer current service cost		**233**		1,156
Net interest cost		**4,865**		5,543
Past service costs and impact of settlements, curtailments and termination benefits		**(110)**		(2,158)
Transfer of defined benefit for company mergers/divestitures		**(61,888)**		(8,463)
Benefit payments		**(18,370)**		(7,126)
Actuarial (gains) losses due to changes in demographic assumptions		**(10)**		(229)
Actuarial losses (gains) due to changes in economic assumptions		**3**		4,229
Experience (gains) losses		**(59)**		664
Foreign exchange differences		**400**		(203)
Balance – End of Year	**$**	**33,247**	$	108,185

Changes in the fair value of the plan assets for the year ended December 31 are as follows:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Balance – Beginning of Year	**$**	**122,642**	$	123,607
Valuation effect		**—**		(91)
Employer contributions		**850**		1,727
Transfer of defined benefit for company mergers/divestitures		**(62,038)**		(5,045)
Benefit payments		**(18,370)**		(7,126)
Interest income on plan assets		**5,532**		6,157
Administrative expense paid from fund		**(1,364)**		(1,084)
Return on plan assets (excluding amounts included in interest income)		**(713)**		4,534
Foreign exchange differences		**554**		(37)
Balance – End of Year	**$**	**47,093**	$	122,642

The following are the principal assumptions for the actuarial valuation of the plans as at December 31:

(in thousands of Canadian dollars)	**2024**	2023
Canada		
Defined benefit obligation		
Discount rate	**4.54%**	4.63%
Future salary increase	**n/a**	n/a
Future pension increase	**n/a**	n/a
Mortality	**Custom Mortality rates with scale CPM-B**	Custom Mortality rates with scale CPM-B
Benefit cost for the year ended December 31		
Discount rate	**4.63%**	5.05%
Future salary increase	**n/a**	3.00%
United Kingdom		
Defined benefit obligation		
Discount rate	**5.50%**	4.80%
Future salary increase	**n/a**	n/a
Future pension increase	**2.90%**	2.90%
Mortality	**S3PMA (projected)**	S3PMA (projected)
Benefit cost for the year ended December 31		
Discount rate	**4.8%**	5.00%
Future salary increase	**n/a**	n/a

Sensitivity Analysis

A quantitative sensitivity analysis for significant assumptions as at December 31, 2024 is as shown below:

Significant Assumptions	**Impact of Sensitivity Analysis on Defined Benefit Obligation**	
(in thousands of Canadian dollars)	$ Change	% Change
Discount rate		
Decrease of 50 basis points	**1,198**	**4.4%**
Increase of 50 basis points	**(1,111)**	**-4.0%**
Future salary increase		
Decrease of 50 basis points	**n/a**	**n/a**
Increase of 50 basis points	**n/a**	**n/a**
Mortality Assumption - Impact of Life Expectancy being one year longer	**858**	**3.1%**

The sensitivity analysis noted above has been determined based on a method that extrapolates the impact on the defined benefit obligation as a result of reasonable changes in key assumptions occurring during the year ended December 31, 2024.

In 2023, the Company decided to wind down the Canadian Salaried Defined Benefit Plan and the Hourly Defined Benefit Plan and transfer all of its members to the Mattr Defined Contribution Plan to harmonize and streamline pension benefits for all employees across Canada. As such, the Company filed the related plan amendments with the Ontario regulator in August of 2023 and a re-measurement of the related assets and liabilities was required. As a result, the Company recorded a $1.9

million curtailment gain in SG&A and a $1.0 million remeasurement gain in Other Comprehensive Income in the year ended December 31, 2023.

Other Information

The Company expects to contribute $0.8 million to its defined benefit plans for the year ended December 31, 2025.

The average duration of the defined benefit plans as at December 31, 2024 is 9 years.

16. Supplemental Cash Flow Information

The following table sets forth the supplemental cash flow information on net change in non-cash working capital as at:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Accounts receivable	**$**	**2,048**	$	3,573
Inventories		**(24,031)**		(12,094)
Prepaid expenses		**551**		(1,910)
Contract assets		**(1,653)**		(815)
Contract liabilities		**(2,384)**		1,415
Accounts payable and accrued liabilities, income taxes, and other liabilities		**12,602**		(18,411)
Foreign exchange losses and other		**(4,847)**		(18,785)
Total change in non-cash working capital from continuing operations	**$**	**(17,714)**	$	(47,027)

17. Accounts Receivable

The following table sets forth the Company’s trade and other receivables as at:

(in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Trade accounts receivable	**$**	**141,679**	$	141,750
ECL provision		**(2,876)**		(2,715)
Other receivables		**7,651**		18,654
Total Accounts Receivable	**$**	**146,454**	$	157,689

The following table sets forth the aging of the Company’s trade accounts receivable as at:

(all dollar amounts in thousands of Canadian dollars)		**December 31, 2024**		December 31, 2023
Current	**$**	**92,767**	$	86,361
Past due 1 to 30 days		**31,269**		30,589
Past due 31 to 60 days		**7,046**		9,985
Past due 61 to 90 days		**7,188**		6,137
Past due for more than 90 days		**3,409**		8,678
Total trade accounts receivable		**141,679**		141,750
Less: ECL accounts		**(2,876)**		(2,715)
Trade Accounts Receivable, Net	**$**	**138,803**	$	139,035

18. Inventory

The following table sets forth the Company's inventory as at:

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023
Raw materials and supplies	**$ 62,571**	$ 58,151
Work-in-progress	**12,384**	10,415
Finished goods	**75,966**	63,130
Inventory obsolescence	**(8,050)**	(9,160)
Total Inventory	**$ 142,871**	$ 122,536

19. Property, Plant and Equipment

The following table sets forth the Company's property, plant and equipment as at the periods indicated:

(in thousands of Canadian dollars)	**Land and Land Improvements**	**Buildings**	**Machinery and Equipment**	**Capital Projects-in-progress**	**Total**
Cost					
Balance – December 31, 2022	$ 71,125	$ 149,601	$ 683,767	$ 60,427	$ 964,920
Exchange differences	(1,155)	(1,166)	(18,598)	(3,529)	(24,448)
Additions	151	18,722	93,138	37,168	149,179
Acquisition	—	—	3,738	—	3,738
Disposals	(45,765)	(113,345)	(497,304)	(13,088)	(669,502)
Balance – December 31, 2023	$ 24,356	$ 53,812	$ 264,741	$ 80,978	$ 423,887
Exchange differences	21	316	4,974	5,346	10,657
Additions	336	25,263	71,758	16,975	114,332
Disposals	(4,690)	(3,644)	(24,547)	(6,299)	(39,180)
Balance – December 31, 2024	**$ 20,023**	**$ 75,747**	**$ 316,926**	**$ 97,000**	**$ 509,696**

(in thousands of Canadian dollars)	Land and Land Improvements	Buildings	Machinery and Equipment	Capital Projects-in-progress	Total
Accumulated Depreciation					
Balance – December 31, 2022	$ (13,340)	$ (74,436)	$ (494,302)	$ —	$ (582,078)
Exchange differences	1,363	1,003	20,644	—	23,010
Depreciation – from Continuing Operations	(229)	(2,509)	(12,328)	—	(15,066)
Depreciation – from Discontinued Operations	(122)	(2,887)	(12,028)	—	(15,037)
Disposals	7,108	57,889	327,510	—	392,507
Balance – December 31, 2023	$ (5,220)	$ (20,940)	$ (170,504)	$ —	$ (196,664)
Exchange differences	(8)	(722)	(4,849)	—	(5,579)
Depreciation	(363)	(3,335)	(14,958)	—	(18,656)
Disposals	3,023	4,454	14,111	—	21,588
Balance – December 31, 2024	**$ (2,568)**	**$ (20,543)**	**$ (176,200)**	**$ —**	**$ (199,311)**

(in thousands of Canadian dollars)	Land and Land Improvements	Buildings	Machinery and Equipment	Capital Projects-in-progress	Total
Accumulated Impairment					
Balance – December 31, 2022	$ (5,513)	$ (19,868)	$ (55,728)	$ (4,632)	$ (85,741)
Exchange differences	(9)	374	327	76	768
Impairment – from Continuing Operations	(7,078)	(1,999)	(543)	—	(9,620)
Disposals	11,691	20,922	37,466	1,271	71,350
Balance – December 31, 2023	$ (909)	$ (571)	$ (18,478)	$ (3,285)	$ (23,243)
Exchange differences	30	(403)	(242)	—	(615)
Disposals	529	517	2,232	3,285	6,563
Balance – December 31, 2024	**$ (350)**	**$ (457)**	**$ (16,488)**	**$ —**	**$ (17,295)**
Net Book Value					
As at December 31, 2023	$ 18,227	$ 32,301	$ 75,759	$ 77,693	$ 203,980
As at December 31, 2024	**$ 17,105**	**$ 54,747**	**$ 124,238**	**$ 97,000**	**$ 293,090**

20. Leases

The following table sets forth the carrying amounts of the Company's ROU assets and lease liabilities and the movements for the years ended December 31:

	ROU Assets				
(in thousands of Canadian dollars)	Real Estate Property	Vehicles	Equipment	Total	Lease liabilities
	$	$	$	$	$
Balance – December 31, 2022	47,391	613	2,282	50,286	59,439
Additions	71,443	129	1,701	73,273	75,469
Interest expense on lease liabilities – from Continuing Operations	—	—	—	—	2,773
Interest expense on lease liabilities – from Discontinued Operations	—	—	—	—	2,061
Amortization expense – from Continuing Operations	(8,710)	(158)	(568)	(9,436)	—
Amortization expense – from Discontinued Operations	(12,058)	(88)	(345)	(12,491)	—
Disposals	(24,379)	(175)	(1,112)	(25,666)	(18,017)
Payments	—	—	—	—	(34,324)
Foreign exchange difference	463	23	(56)	430	862
Balance – December 31, 2023	74,150	344	1,902	76,396	88,263
Additions	**77,249**	**435**	**2,792**	**80,476**	**82,265**
Interest expense on lease liabilities	—	—	—	—	**9,198**
Interest expense on lease liabilities – from Discontinued Operations	—	—	—	—	**3**
Amortization expense – from Continuing Operations	**(12,269)**	**(232)**	**(867)**	**(13,368)**	—
Amortization expense – from Discontinued Operations	**(72)**	—	—	**(72)**	—
Disposals	**(3,716)**	**6**	**4**	**(3,706)**	**(4,580)**
Payments	—	—	—	—	**(20,340)**
Foreign exchange difference	**5,261**	**5**	**126**	**5,392**	**8,318**
Balance – December 31, 2024	**$ 140,603**	**$ 558**	**$ 3,957**	**$ 145,118**	**$ 163,127**

Set out below are the amounts recognized in the consolidated statement of income (loss) for the years ended December 31:

(in thousands of Canadian dollars)	**2024**	2023
Amortization expense – ROU asset leases	**$ 13,368**	$ 9,396
Interest expense on lease liabilities	**9,198**	2,773
Rent expense – short-term and low-value leases	**212**	268
Rent expense – variable lease payments	**872**	716
Continuing Operations Total	**$ 23,650**	$ 13,153
Amortization expense – ROU asset leases	**72**	12,531
Interest expense on lease liabilities	**3**	2,061
Rent expense – short-term and low-value leases	**59**	2,896
Rent expense – variable lease payments	**—**	117
Discontinued Operations Total	**$ 134**	$ 17,605

21. Goodwill and Intangible Assets

The following table sets forth the Company's goodwill and intangible assets as at the periods indicated:

(in thousands of Canadian dollars)	Goodwill	Intellectual Property, with Limited Life[(a)]	Intangible Assets, with Limited Life[(b)]	Intangible Assets, with Indefinite Life[(c)]	Intangible Assets Total
Cost					
Balance – December 31, 2022	$ 404,004	$ 125,013	$ 111,955	$ 96,623	$ 333,591
Exchange differences	712	(66)	(1,427)	(1,893)	(3,386)
Acquisition	3,728	4,011	1,804	—	5,815
Disposals	(198,066)	(206)	(205)	—	(411)
Balance – December 31, 2023	$ 210,378	$ 128,752	$ 112,127	$ 94,730	$ 335,609
Exchange differences	(1)	(4,507)	11,405	6,684	13,582
Disposals	(3,801)	(3,063)	(63,054)	—	(66,117)
Balance – December 31, 2024	**$ 206,576**	**$ 121,182**	**$ 60,478**	**$ 101,414**	**$ 283,074**
Accumulated Amortization					
Balance – December 31, 2022	$ —	$ (80,508)	$ (28,347)	$ —	$(108,855)
Exchange differences	—	37	500	—	537
Amortization	—	(9,160)	(3,199)	—	(12,359)
Disposals	—	130	169	—	299
Balance – December 31, 2023	$ —	$ (89,501)	$ (30,877)	$ —	$(120,378)
Exchange differences	—	(181)	(2,174)	—	(2,355)
Amortization	—	(5,745)	(3,832)	—	(9,577)
Disposals	—	1,224	9,270	—	10,494
Balance – December 31, 2024	**$ —**	**$ (94,203)**	**$ (27,613)**	**$ —**	**$(121,816)**
Accumulated Impairment					
Balance – December 31, 2022	$ (186,972)	$ (1,957)	$ (51,955)	$ —	$ (53,912)
Exchange differences	240	(147)	590	244	687
Impairment (note 14)	—	—	—	(17,576)	(17,576)
Disposals	139,497	76	36	—	112
Balance – December 31, 2023	$ (47,235)	$ (2,028)	$ (51,329)	$ (17,332)	$ (70,689)
Exchange differences	—	189	(2,967)	(1,552)	(4,330)
Disposals	3,801	1,839	53,784	—	55,623
Balance – December 31, 2024	**$ (43,434)**	**$ —**	**$ (512)**	**$ (18,884)**	**$ (19,396)**
Net Book Value					
As at December 31, 2023	$ 163,143	$ 37,223	$ 29,921	$ 77,398	$ 144,542
As at December 31, 2024	**$ 163,142**	**$ 26,979**	**$ 32,353**	**$ 82,530**	**$ 141,862**

(a) Intellectual property, with limited life, represents the cost of certain technology, know-how and patents obtained mainly through acquisitions. The Company amortizes the cost of intellectual property over its estimated useful life, which ranges from 10 years to 15 years.

(b) Intangible assets, with limited life, represent customer relationships, trademarks and non-compete agreements acquired directly or in conjunction with past business combinations. The Company amortizes the cost of intangible assets with limited life over their estimated useful lives, which ranges from 2 to 5 years for trademarks and non-compete agreements, and 10 years to 15 years for customer relationships. This estimate is based on expected customer attrition rates and considers the cyclicality of the global energy market (or the oil & gas market) where applicable. The net book value of customer relationships as at December 31, 2024 is $27.9 million (2023 – $29.7 million), and is included in intangible assets, with limited life, in the table above.

(c) Intangible assets, with indefinite life, represent the value of brands and air permits obtained in previous acquisitions. As the Company has the exclusive right to use and benefit from the brands and air permits of the acquired companies for an undefined period, certain acquired brands and air permits have been classified as intangible assets with indefinite life. As the cost of intangible assets, with indefinite life, is not amortized, the Company assesses these intangible assets for impairment on an annual basis or when there is an indicator of impairment.

(in thousands of Canadian dollars)	**December 31, 2024**		December 31, 2023	
	Goodwill	**Intangible Assets**	Goodwill	Intangible Assets
Flexpipe Systems	**$ 49,730**	**$ 1,976**	$ 49,730	$ 2,022
Xerxes	**95,823**	**135,164**	96,159	137,399
DSG-Canusa GmbH	**17,589**	**—**	17,254	—
Kanata	**—**	**4,722**	—	5,121
Total	**$ 163,142**	**$ 141,862**	$ 163,143	$ 144,542

Impairment Testing for Each Cash-generating Unit Containing Goodwill and Intangible Assets with Indefinite Life

The Company performs an impairment test for each specified GCGUs that contains goodwill and/or intangible assets with an indefinite life at the Company's annual impairment testing date of October 31 (“Annual Valuation Date”), or when indicators of impairment exist at its GCGUs.

Recoverable Amount

The Company determines the recoverable amount for its GCGUs as the higher of Value in Use (“VIU”) and the FVLCD. At the Annual Valuation Date of October 31, 2024, the Company concluded there was no impairment of goodwill or intangible assets with an indefinite life in any of its GCGUs, as the recoverable amount for these GCGUs was higher than their respective carrying amounts. In respect of the impairment tests in 2023, the recoverable amount for the GCGUs was also higher than their respective carrying amount and therefore no impairment on goodwill or intangible assets with an indefinite life.

The FVLCD is calculated net of selling costs that are estimated at 2%.

The FVLCD is determined by discounting the projected cash flows generated from the Company's continuing use of the respective GCGUs. The discount rates used are post-tax and reflect specific risks relating to the GCGUs. The discounted cash flow model employed by the Company reflects the specific risks of each GCGU and their business environment. The model calculates the FVLCD as the present value of the projected cash flows and the terminal value of each GCGU.

The calculation of FVLCD for each GCGU is most sensitive to the following key assumptions:

- Projected Cash Flows
- Discount Rate
- Terminal Value Growth Rate

Projected Cash Flows

The Projected Cash Flows for each GCGU are derived from the most recently completed three-year Business Plan, which is projected out for a further time period based on estimated terminal value growth rate. Projected Cash Flow is estimated by adjusting forecasted annual net income (for the forecast period) for non-cash items (such as amortization, accretion, and foreign exchange), investments in working capital and investments in property, plant and equipment. The most sensitive assumptions within projected cash flows are projected operating margins and investments in property, plant and equipment.

The forecasted revenue for a GCGU in the Business Plan is based on that GCGU securing an estimated number of projects or sales orders. A change in the number of estimated projects or sales orders to be secured by a GCGU can have a material impact on the projected cash flows for that particular GCGU. The gross margin for each GCGU in the Business Plan is also dependent on assumptions made about the price of raw materials in the future; a change in the assumptions of these key inputs can have a material impact on the projected future cash flows for a particular GCGU.

Estimating future income requires judgment, consideration of past and actual performance, as well as expected developments in the GCGU's respective markets and in the overall macroeconomic environment.

Discount Rate

The discount rate represents the current market assessment of the risks specific to each GCGU, regarding the time value of money and the individual risks of the underlying assets, which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Company and its GCGUs and is derived from the weighted average cost of capital ("WACC") for the consolidated Company. The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Company's investors. The cost of debt is based on the interest bearing borrowings the Company is obliged to service. The GCGU specific risk is incorporated by applying individual specific risk factors; these specific risk factors are evaluated annually.

The following are the discount rates used in the calculation of the valuations of the GCGUs:

	October 31, 2024	October 31, 2023
Flexpipe Systems	11%	12%
Xerxes	12%	12%
DSG-Canusa GmbH	11%	12%

Terminal Value Growth Rate

The Terminal Value Growth Rate is used to calculate the Terminal Value of the GCGUs at the end of the projected free cash flow. A Terminal Value Growth Rate of 3% was used (for all goodwill and indefinite life intangible asset impairment tests) reflecting terminal value growth rate expectation of long-term growth in energy infrastructure investment; this figure also reflects the Company's best estimate of the economic conditions that are expected to exist over the forecast period.

Sensitivity to Changes in Assumptions

With regard to the assessment of FVLCD of all of the Company's GCGUs, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of each CGU to materially exceed its recoverable amount, as estimated by the GCGU's FVLCD.

22. Other Assets

The following table sets forth the Company's other assets as at:

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023
Long-term prepaid expenses	**$ 1,645**	$ 2,121
Loans receivable	**460**	1,067
Long-term receivable	—	1,044
Accrued employee future benefit asset (note 17)	**4,625**	4,013
	$ 6,730	$ 8,245

23. Accounts Payable and Accrued Liabilities

The following table sets forth the Company's accounts payable and accrued liabilities as at:

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023
Accounts payable	$ 74,503	$ 54,507
Accrued liabilities	97,823	124,300
	$ 172,326	$ 178,807

In 2024, the Company incurred $8.4 million in restructuring cost. As at December 31, 2024, $8.0 million of restructuring liabilities are included in accrued liabilities (December 31, 2023 – $6.3 million).

24. Provisions

The following table sets forth the Company's provisions as at the periods indicated:

(in thousands of Canadian dollars)	Decommissioning Liabilities	Warranties	Other Provisions	Total
Balance – December 31, 2022	$ 15,273	$ 6,566	$ 8,106	$ 29,945
Provision adjustments	747	1,836	38,899	41,482
Settlement of liabilities	(467)	(2,506)	(5,645)	(8,618)
Accretion expense	520	—	—	520
Foreign exchange differences	(209)	(101)	(251)	(561)
Disposal	(6,652)	—	(32,056)	(38,708)
Balance – December 31, 2023	$ 9,212	$ 5,795	$ 9,053	$ 24,060
Provision adjustments	154	4,891	3,393	8,438
Settlement of liabilities	(5)	(4,084)	(730)	(4,819)
Accretion expense	320	—	—	320
Foreign exchange differences	205	204	566	975
Disposal	(334)	—	(9)	(343)
Balance – December 31, 2024	**$ 9,552**	**$ 6,806**	**$ 12,273**	**$ 28,631**

(in thousands of Canadian dollars)	Decommissioning Liabilities	Warranties	Other Provisions	Total
Balance – December 31, 2023				
Current	$ 642	$ 5,795	$ 5,720	$ 12,157
Non-current	8,570	—	3,333	11,903
	$ 9,212	$ 5,795	$ 9,053	$ 24,060
Balance – December 31, 2024				
Current	**3,379**	**6,788**	**8,538**	**$ 18,705**
Non-current	**6,173**	**18**	**3,735**	**9,926**
	$ 9,552	**$ 6,806**	**$ 12,273**	**$ 28,631**

Decommissioning Liabilities

The total undiscounted cash flows estimated to settle all decommissioning liabilities were $9.6 million as at December 31, 2024. The current pre-tax risk-free rates at which the estimated cash flows have been discounted range between 2% and 15%. Settlement for all decommissioning liabilities is expected to be funded by future cash flows from the Company's operations.

The Company expects the following cash outflows over the next five years and thereafter for remediating its decommissioning liability obligations:

(in thousands of Canadian dollars)	
2025	$ 3,164
2026	2,486
2030 and thereafter	6,127
	$ 11,777

Warranties

Project specific warranties are provided by various divisions in the normal course of business that are usually valid for a term of less than one year.

Other Provisions

The other provisions consist of current and non-current employee related provisions (required by local law in international jurisdictions), provisions for lawsuits and other accrued liabilities related to operations for which there is a higher degree of uncertainty with respect to either the amount or timing of the underlying payment.

25. Contract Balances

Contract assets represent costs incurred and recorded margins on service contracts. The Contract assets balance was $4.0 million as at December 31, 2024 (2023 – $10.6 million).

Contract liabilities represent obligations to perform services or deliver products in the future for cash considerations that have been received from customers. Contract liabilities were as follows, as at:

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023
Composite Technologies	**$ 11,019**	$ 11,560
Connection Technologies	**—**	803
Financial and Corporate [(a)]	**—**	28,232
	$ 11,019	$ 40,595
Current	**$ 11,019**	$ 39,494
Non-current	**—**	1,101
Total Contract Liabilities	**$ 11,019**	$ 40,595

(a) In 2023 this represented the continuing operations of previous Pipeline and Pipe Services segment, which in 2024 has been included in assets held for sale (note 6).

26. Other Liabilities

The following table sets forth the Company's other liabilities as at the periods indicated:

(in thousands of Canadian dollars)	Incentive-based Compensation (note 13)	Other Liabilities	Total
Balance – December 31, 2022	$ 34,677	$ 830	$ 35,507
Adjustments	16,061	(805)	15,256
Settlement of liabilities	(18,449)	—	(18,449)
Foreign exchange differences	200	(416)	(216)
Acquisition	—	6,021	6,021
Balance – December 31, 2023	$ 32,489	$ 5,630	$ 38,119
Adjustments	4,299	509	4,808
Settlement of liabilities	(16,481)	—	(16,481)
Foreign exchange differences	257	512	769
Balance – December 31, 2024	**$ 20,564**	**$ 6,651**	**$ 27,215**
December 31, 2023			
Current	$ 28,100	$ 556	$ 28,656
Non-current	4,389	5,074	9,463
	$ 32,489	$ 5,630	$ 38,119
December 31, 2024			
Current	$ 17,295	$ 605	$ 17,900
Non-current	3,269	6,046	9,315
	$ 20,564	**$ 6,651**	**$ 27,215**

27. Long-term Debt and Credit Facilities

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

(in thousands of Canadian dollars)	December 31, 2024	December 31, 2023
Credit Facility	**$ 179,900**	$ —
Senior Notes, unsecured [a]	**308,348**	150,000
Redemption option derivative asset	**(6,004)**	—
Deferred transaction costs	**(11,006)**	(5,799)
Total Long-term Debt	**$ 471,238**	$ 144,201

(a) The Senior Notes includes initial redemption option of $6.0 million and $2.3 million premium.

Credit Facilities

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

(in thousands of Canadian dollars)	December 31, 2024	December 31, 2023
Borrowings on Credit Facility	**$ 179,900**	$ —
Standard letters of credit for financial guarantees, performance and bid bonds	**34,213**	57,728
Total utilized credit facilities	**$ 214,113**	$ 57,728
Total available credit facilities [a] [b]	**505,302**	503,594
Unutilized Credit Facilities [b]	**$ 291,189**	$ 445,866

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

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

Credit Facility Renewal

On April 19, 2024, the Company entered into a Sixth Amended and Restated Credit Facility *with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and Royal Bank of Canada, JP Morgan Chase Bank, Export Development Bank, and ATB Financial 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. 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 Export Development Canada ("EDC"). The Company incurred fees and expenses of $1.1 million to implement this renewal. As at December 31, 2024, the credit facility has $179.9 million borrowings (2023 - nil).

Senior Notes

On April 2, 2024, the Company closed its private offering (the "2024 Notes Offering") of $175 million aggregate principal amount of 7.25% senior unsecured notes (the "2024 Senior Notes") due 2031. The 2024 Senior Notes were issued at a price of $1,000 per $1,000 principal amount of 2024 Senior Notes. The Company utilized proceeds of the 2024 Notes Offering to fund the redemption of its outstanding 2021 Senior Notes, and to pay related fees and expenses and for general corporate purposes. The 2024 Notes Offering was underwritten by a syndicate led by National Bank Financial and TD Securities.

On December 19, 2024, the Company closed a private offering (the "December 2024 Subscription Receipts") of 125 million subscription receipts at a price of $1,018.75 per subscription receipt for proceeds to the Company of approximately $127.3 million. Each subscription receipt entitled the holder thereof to receive upon satisfaction of certain conditions, a newly authenticated 7.25% senior unsecured note due 2031 ("Additional Notes"). Conversion of the December 2024 Subscription Receipts occurred and Additional Notes were issued pursuant to the April 2, 2024 trust indenture between the Company and TSX Trust Company (the "Trust Indenture") as supplemented by a supplemental indenture dated December 24, 2024 between the Company and TSX Trust Company such that following the issuance of the Additional Notes, which become 2024 Senior Notes under the Trust Indenture, $300 million aggregate principal amount of 2024 Senior Notes was outstanding. The fair value and carrying value of the premium on the Additional Notes issued pursuant to the December 2024 Subscription Receipts is approximately $2.4 million and $2.3 million, respectively. The December 2024 Subscription Receipts were offered through TD Securities and National Bank Financial Markets.

The Company used the net proceeds of the December 2024 Subscription Receipts to pay a portion of the purchase price for the Company's acquisition of AmerCable Incorporated ("AmerCable") (note 30).

The Company incurred $7.0 million fees and expenses on issuing the 2024 Senior Notes and $6.8 million cost associated with redemption of its 2021 Senior Notes.

The 2024 Senior Notes are redeemable by the Company in whole or in part, for cash:

1. At any time prior to April 2, 2027, up to 40% of the original aggregate principal amount of the 2024 Senior Notes with the net cash proceeds of one or more equity offerings at a redemption price equal to 107.25% of the aggregate principal amount of the 2024 Senior Notes redeemed, plus accrued and unpaid interest.
2. At any time prior to April 2, 2027, at a redemption price equal to 100% of the aggregate principal amount of the 2024 Senior Notes, accrued and unpaid interest and a premium at the greater of 1% of the principal value of the notes to be redeemed, or the present value of remaining interest to April 2, 2027, discounted at the treasury yield plus 100 basis points.
3. On and after the dates provided below, at the redemption prices, expressed as a percentage of principal amount of the notes to be redeemed, set forth below, plus accrued and unpaid interest on the senior notes.

Date	Percentage
April 2, 2027	103.625%
April 2, 2028	101.813%
April 2, 2029 and thereafter	100.00%

The redemption features described above constitute an embedded derivative which was separately recognized at its fair value of $6.0 million on initial recognition of the 2024 Senior Notes and December 2024 Senior Notes recorded in other assets. The embedded derivative is classified as fair value through profit and loss. Future changes in fair value will be recognized in finance costs in the condensed consolidated statements of comprehensive income (loss).

The 2024 Senior Notes are subject to customary terms, conditions and covenants. The Company is in compliance with these covenants at December 31, 2024.

As of December 31, 2024, the Company has $127.3 million of restricted cash, which represents the proceeds from the December 2024 Subscription Receipts offering. In accordance with the terms of the December 2024 Subscription Receipts, these proceeds were only eligible to be used for the acquisition of AmerCable and, as such, are classified as restricted cash since they are not available for general use. The restricted cash is disclosed separately in the financial statements.

This amount is classified as a current asset as the acquisition of AmerCable is expected to be completed within the next 12 months. Upon the completion of the acquisition, the restricted cash will be applied toward the purchase price of AmerCable, in line with the conditions of the December 2024 Subscription Receipts.

28. Commitments and Contingencies

a. Legal Claims

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and other third parties. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such contingencies would not have a material adverse effect on the consolidated financial position of the Company.

b. Performance, Bid and Surety Bonds

The Company provides standby letters of credit for performance, bid and surety bonds through financial intermediaries to various customers in support of project contracts for the successful execution of these contracts. If the Company fails to perform under the terms of the contract, the customer has the ability to draw upon all or a portion of the bond as compensation for the Company's failure to perform. The contracts that these performance bonds support generally have a term of one to three years, but could extend up to four years. Bid bonds typically have a term of less than one year and are renewed, if required, over the term of the applicable contract. Historically, the Company has not made and does not anticipate that it will be required to make material payments under these types of bonds.

The Company utilizes the Credit Facility to support its bonds. The Company has utilized total credit facilities of $34.2 million as at December 31, 2024 (2023 – $57.7 million) including those used in support of its bonds. In addition, as at December 31, 2024, the Company had $12.6 million of outstanding surety bonds through insurance companies (2023 – $92.8 million).

29. 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.

On September 26, 2022, the Company commenced a normal course issuer bid (the "Prior NCIB") that provided for the purchase and cancelation by the Company on the open market (or as otherwise permitted), at its discretion, of up to a maximum of 5.69 million common shares of the Company. Under this bid, the Company purchased for cancellation a total of $1.52 million common shares.

On June 26, 2023, the Company terminated the Prior NCIB and received the approval by the TSX of the Company's notice of intention to renew its normal course issuer bid (the "New Bid") for common shares of the Company. Under the New Bid, the Company could purchase for cancellation up to 3.44 million common shares, representing approximately 10% of the Company's public float as at June 26, 2023. (being 4.96 million common shares), less the 1.52 million common shares purchased under the Prior NCIB. In connection with the commencement of the New Bid, the Company removed the restriction previously limiting the aggregate common share repurchases to a maximum of $25 million.

On June 26, 2024, the Company announced the approval by the Toronto Stock Exchange of the Company's notice to renew its NCIB (the "New Bid") for common shares of the Company. Under the New Bid, the Company may purchase for cancellation up to 4.98 million common shares, representing approximately 10% of the Company's public float as at June 14, 2024.

In the year ended December 31, 2024, the Company repurchased for cancellation a total of 3.4 million of its common shares for an aggregate repurchase price of approximately $47.6 million of share repurchases at a weighted average price of approximately $14.17 per common share. On December 31, 2024 the Company initiated the application of an automatic repurchase plan ("ASPP") application between January 6th to March 14th a, which represents a potential maximum obligation of $9.6 million. The Company has recorded this obligation and the corresponding reduction in share capital.

The following table sets forth the changes in the Company's shares for the years ended December 31:

(all dollar amounts in thousands of Canadian dollars)		**2024**
Number of shares		
Balance – December 31, 2023		66,230,182
Issued on exercise of stock options		111,507
Issued on exercise of RSUs		161,468
Share repurchase – NCIB		(3,359,098)
Balance – December 31, 2024		**63,144,059**
Stated value		
Balance – December 31, 2023	$	681,865
Issued – stock options		806
Compensation cost on exercised options		222
Compensation cost on exercised RSUs		1,597
Share repurchase - NCIB		(35,526)
Share repurchase – ASPP		(9,556)
Balance – December 31, 2024	**$**	**639,408**

30. Subsequent events

Acquisition of Amercable

On January 2, 2025 ("the acquisition date"), the Company announced it had closed on its acquisition of AmerCable Incorporated ("AmerCable"). Under the terms of the transaction, the Company has acquired 100% of the outstanding shares of AmerCable from Nexans USA Inc. for consideration of $403 million (or U.S.$280 million) before any working capital adjustments. AmerCable will be reported under the Company's Connection Technologies segment. The acquisition of AmerCable increases the Company's North American footprint as a provider of highly engineered wire and cable technologies. In addition, the synergies of AmerCable's portfolio of low and medium voltage electric power, control and instrumentation cable products complement the Company's Shawflex branded products.

The Company has determined that the acquisition of AmerCable is a business combination for accounting purposes under IFRS 3 Business Combinations. The preliminary purchase price allocation ("PPA") is based on management's best estimates of the fair value of the assets acquired and liabilities assumed. The purchase price remains preliminary as the valuations of certain assets, including property, plant and equipment, intangible assets, and other identified assets and liabilities, are still in progress. As a result, adjustments to the initial estimates, including those related to goodwill, may be necessary once the final determination of the net assets acquired is completed.

The preliminary aggregate purchase consideration inclusive of estimated working capital adjustments for the acquired assets and liabilities assumed as of the acquisition date is $411.1 million (or U.S.$285.7 million). The Company preliminary valuations indicate a total of $343.6 million associated with goodwill and intangible assets.

(in thousands of Canadian dollars)

Total purchase consideration	**$**	**411,110**
Net assets acquired at fair value		
Current assets	$	113,718
Non-current assets		410,279
Total assets acquired	**$**	**523,997**
Assumed non-interest-bearing liabilities		112,887
Total liabilities assumed	**$**	**112,887**

The fair values allocated to assets acquired and liabilities assumed are preliminary and are subject to adjustment based on further analysis and evaluation over the course of the measurement period, which will not exceed twelve months from the acquisition date. Where preliminary values are used in accounting for a business combination, they may be materially adjusted retrospectively in subsequent periods. The Company will continue to evaluate new information about the facts and circumstances that exist at the acquisition date pertaining to the preliminary fair value of the assets acquired and liabilities assumed including the effects on goodwill, income tax and deferred income tax liabilities and any post-acquisition date working capital adjustments.

The Company incurred $1.7 million as at December 31, 2024 in acquisition related costs recorded in selling, general and administrative expenses.

Tariffs

In 2025, the government of the United States announced tariffs on certain good imported from the Canada, Mexico and China. The governments of these three countries have announced their intentions to respond with tariffs on certain goods imported from the U.S. On March 6, 2025, it was announced that the implementation of the tariffs between the United States and Canada and between the United States and Mexico for USMCA compliant goods would be paused for 30 days. The Company acknowledges that extreme uncertainty exists regarding the magnitude and duration of tariffs impacting the movement of goods across North American borders, and is currently assessing the business consequences arising from such tariffs.

Mattr Corp.
Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis ("MD&A"), prepared as of March 13, 2025, is a discussion of the consolidated financial position and results of operations of Mattr Corp. ("Mattr" or the "Company") for the years ended December 31, 2024 and 2023 and should be read together with Mattr's audited consolidated financial statements ("financial statements") and accompanying notes for the same periods. All dollar amounts in this MD&A are in thousands of Canadian dollars, except per share amounts or unless otherwise stated.

This MD&A and the audited consolidated financial statements and comparative information have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board ("IFRS"), which are also Generally Accepted Accounting Principles ("GAAP") for publicly accountable enterprises in Canada.

The Company is reporting as "Continuing Operations" its Composite Technologies and Connection Technologies reporting segments. The Company is reporting as Discontinued Operations its last remaining pipe coating subsidiary, Thermotite do Brasil ("Thermotite"), which was previously reported through the Financial and Corporate section of the segment information note in the Financial Statements. As such, certain prior period amounts have been retrospectively revised in the financial statements. Discontinued Operations also includes the results of what was previously referred to as the Company's Pipeline and Pipe Services ("PPS") reporting segment, of which a substantial majority of its assets were sold in the fourth quarter of 2023. See section 1.1 Core Business and 1.2 Discontinued Operations for further discussion on revised reporting.

Forward-Looking Information

This document includes certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward-looking information involves estimates, assumptions, judgements and uncertainties. These statements may be identified by the use of forward-looking terminology such as "may", "will", "should", "anticipate", "expect", "believe", "predict", "estimate", "continue", "intend", "plan" and variations of these words or other similar expressions. Specifically, this document includes forward-looking information in the Outlook Section and elsewhere in respect of, among other things, the ability of the Company to deliver higher returns to all shareholders; the Company's ability to deliver customer and shareholder value expansion; the Company's ability to make continued share repurchases under its NCIB; the Company's ability to reduce its indebtedness, enhance cash flow and grow profits; the market dynamics during 2025, including underlying near-term, mid-term and long-term macroeconomic trends; the favourability of underlying business trends of the Company; the Company's ability to execute on projects under contract; the Company's ability to execute on its business plan and strategies; the level of financial performance throughout 2025; overall demand for the Company's products; strong customer demand across the Company's electrification, mineral extraction, retail fueling and water management end markets in 2025; expected year-over-year growth of Adjusted EBITDA, Operating Cash Flow and Adjusted Earnings per Share; the Company's growth and outlook in 2026 and beyond; accelerated demand for premium, harsh environment products; increased electrical power generation expansion, including substantial nuclear refurbishment and potential new site development; electrical utility network expansion and renewal, storm water management needs, data center construction and retail fueling network renewal; lowered cross-border dependence between the Company's operations in Canada and the U.S.; the ability of the Company to raise the selling prices of its products to mitigate trade tariffs; improved cost absorption; the impact of MEO activities, including on new customer capture, customer activity and productive output and revenue generating capacity; MEO cost recognition in 2025; the timing for the relocations of new production sites; manufacturing efficiency in 2025; the ability of the Company to return to more normalized operations to deliver value from its restructured operational footprint while fully integrating and optimizing the AmerCable acquisition; the contribution of existing business lines to contribute to year-over-year revenue growth; increased customer activity in the Xerxes business and expectation of Xerxes to follow its normal seasonal profile; sales growth in fuel and water related products; the positive evolution of total tank production capacity in 2025; the supply of North American demand for infiltration chambers; financial performance of the

Flexpipe business; the anticipated drop in average U.S. onshore completion activity levels; favourability of production and transportation efficiency; the ability of the Company to enter into large international contract awards; declined U.S. onshore oil and gas completion activity; the introduction of larger diameter and higher operating temperature products at the end of 2025; full-year growth in the DSG-Canusa business in 2025; robust industrial demand in North America in the DSG-Canusa business; increased production efficiency in the first half of 2025; rising production efficiency in Ohio; the market dynamics in the global automotive market in 2025, including macroeconomic conditions in North America and Europe; seasonality of revenue in the DSG-Canusa business; higher demand in Shawflex across industrial and infrastructure markets in 2025; long-cycle infrastructure spending patterns; rising orders tied to data center construction; increased total production output in the Shawflex business in the second half of 2025; the anticipated timing for the relocation of the Ontario Shawflex production site; timing of deliveries into specific mining projects and the corresponding impact on revenue in the first quarter of 2025; the timing of the finalization of the net capital working adjustments for the acquisition of AmerCable; the impact of the AmerCable acquisition on the Company's financial performance; customer demand for AmerCable's products in 2025; the realization of commercial synergies following the acquisition of AmerCable; the expected amount and duration of onboarding expenses for AmerCable in 2025; the impact of certain factors on AmerCable's results during the first three quarters of 2025; the Company's overall financial performance in 2025 following the integration of the AmerCable business; the anticipated timing of the sale of the Thermotite business; the timing of the finalization of the net capital working adjustments for the sale of Thermotite; the approach to capital allocation and capital deployment in 2025, including the anticipated amount of total full-year capital expenditures; the relative revenue contribution from each business within the Connection Technologies reporting segment; the impact of the compliance deadline for the State of California's Permanent Closure Requirements for Underground Storage Tank with Single-Walled Components bill on demand for tanks; and the impact of inflation and other macroeconomic trends on the demand for the Company's products and the Company's overall financial performance. Forward-looking information involves known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted by the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward-looking information. Significant risks facing the Company include but are not limited to the risks and uncertainties described herein under "Risks and Uncertainties" and in the Company's Annual Information Form ("AIF") under "Risk Factors". These statements of forward-looking information are based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments as well as other factors believed to be reasonable and relevant in the circumstances. These assumptions include those in respect of: the scale and duration of North American trade tariffs; expectations for demand for the Company's products; sales trends for the Company's products; North American onshore oilfield customer spending; the Company's ability to build proficiency within its manufacturing force at its Xerxes fuel business and the overall effectiveness of such efforts; the Company's cash flow generation and growth outlook; activity levels across the Company's business segments; the Company's ability to manage supply chain disruptions and other business impacts caused by, among other things, current or future geopolitical events, conflicts, or disruptions, such as the conflict in Ukraine and related sanctions on Russia; the impact of the Russia and Ukraine conflict on the Company's demand for products and the strength of its and its customers supply chains; the current Israel-Palestine conflict; the impact of changing interest rates and levels of inflation; regular, seasonal impacts on the Company's businesses, including in the fiberglass reinforced plastic ("FRP") tanks business and composite pipe business; expectations regarding the Company's ability to attract new customers and develop and maintain relationships with existing customers; the continued availability of funding required to meet the Company's anticipated operating and capital expenditure requirements over time; consistent competitive intensity in the business in which the Company operates; no significant or unexpected legal or regulatory developments, other shifts in economic conditions, or macro changes in the competitive environment affecting the Company's business activities; key interest rates remaining relatively stable throughout 2025; the accuracy of the forecast data from the Company's North American convenience store customers; the accuracy of market indicators in determining industry health for AmerCable's products, such as commodity prices, housing starts, and GDP; the impact of federal stimulus packages in the Connection Technologies reporting segment; heightened demand for electric and hybrid vehicles and for electronic content within those vehicles particularly in the Asia Pacific, Europe and Africa regions; heightened infrastructure spending in Canada, including in respect of commercial and municipal water projects, nuclear plant refurbishment and upgraded communication and transportation networks, communication networks and nuclear refurbishments; sustained health of oil and gas producers; the continued global need to renew and expand critical infrastructure, including energy generation and distribution, electrification, transportation network enhancement and storm management; the Company's ability to execute projects under contract; the Company's continuing ability to provide new and enhanced product offerings to its customers; that the Company will identify and successfully execute on opportunities for acquisitions or investments; the higher level of investment in working capital by the Company; the easing of supply chain shortages and the continued supply of and stable pricing or the ability to pass on higher prices to the Company's customers for commodities used by the Company; the availability of personnel resources sufficient for the Company to operate its businesses; the maintenance of operations by the Company in major oil and gas producing regions; the adequacy of the Company's existing accruals in respect of environmental compliance and in respect of litigation and tax matters and other claims generally; the impact of adoption of artificial intelligence and other machine learning on competition in the industries which the Company operates; the Company's ability to meet its financial objectives; the ability of the Company to satisfy all covenants under its Credit Facility (as defined herein) and other debt obligations and having sufficient liquidity to fund its obligations and planned initiatives; and the availability, commercial viability and scalability of the Company's greenhouse gas emission reduction strategies and related technology and products, and the anticipated costs and impacts on the Company's operations and financial results of adopting these technologies or strategies. The Company believes that the expectations reflected in the forward-looking information are based on reasonable assumptions in light of currently available information. However, should one or more risks materialize, or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking information included in this document and the Company can give no assurance that such expectations will be achieved. When considering the forward-looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not assume the obligation to revise or update forward-looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws. To the extent any forward-looking information in this document constitutes future oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this in-formation may not be appropriate for any other purpose. Future oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks noted above and below.

1.0 Executive Overview

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 manufacturing facilities within two business segments: Composite Technologies and Connection Technologies, which enable responsible renewal and enhancement of critical infrastructure.

Mattr is publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "MATR."

1.1 Core Businesses

Mattr provides a broad range of products and services, which include flexible composite pipe, FRP underground storage tanks, stormwater management solutions, heat-shrinkable polymer tubing products and low-voltage control and instrumentation wire, cable and harness solutions.

Composite Technologies

The Composite Technologies reporting segment consists of the Composite Technologies business unit and accounted for 60% of the Continuing Operations revenue for the year ended December 31, 2024 compared to 61% in the prior year.

The Composite Technologies business segment includes (i) the Xerxes® brand, which manufactures FRP underground storage tanks for retail fuel, water, stormwater and wastewater markets, and (ii) the Flexpipe® brand, which manufactures flexible composite pipe, used primarily for oil and gas gathering lines and other applications requiring corrosion resistance and high-pressure capabilities.

Connection Technologies

The Connection Technologies reporting segment consists of the Connection Technologies business segment and accounted for 40% of the Continuing Operations revenue for the year ended December 31, 2024 compared to 39% in the prior year.

The Connection Technologies business segment includes (i) DSG-Canusa, a global manufacturer of heat-shrinkable products including thin, medium and heavy-walled tubing, sleeves and molded products as well as heat-shrink accessories and equipment, and (ii) Shawflex, a manufacturer of highly engineered, low-voltage wire, cable, connector and harness solutions for control, instrumentation, thermocouple, power, and industrial automation applications.

In the fourth quarter of 2024, the Company entered into a definitive agreement to acquire AmerCable Incorporated ("AmerCable"), a U.S. manufacturer of highly engineered wire and cable solutions. The transaction, which was completed subsequent to the year-end on January 2, 2025, enhances the Company's position as a premier, custom engineered cable manufacturer in North America and broadens its product offering through the addition of low- and medium-voltage electrical power, control and instrumentation cable solutions. AmerCable will be reported in the Connection Technologies reporting segment, which will make the segment the largest in Mattr's portfolio.

Financial and Corporate

The Financial and Corporate (formerly Financial, Corporate and Other) section of the Company's financial statements represents operating income, property, plant and equipment, and corporate office costs that are not allocated to either the Composite Technologies reporting segment or the Connection Technologies reporting segment. This section previously included Thermotite which is now being reported as Discontinued Operations and as such prior period information has been retrospectively revised.

On September 16, 2024, a definitive agreement for the sale of the Company's subsidiary, Thermotite, was entered into with Vallourec Tubular Solutions, a subsidiary of Vallourec S.A. ("Vallourec"). Thermotite, a provider of high quality onshore and offshore pipeline corrosion and thermal protection and buoyancy management coating services, is now reported as Discontinued Operations. Previously, this business was reported in the Financial, Corporate and Other (now Financial and Corporate) section in the segment information of the financial statements. See section 1.2 – Discontinued Operations for further details.

1.2 Discontinued Operations

During the fourth quarter of 2023, the Company completed the sale of a substantial majority of the assets of its pipe coating business to Tenaris S.A ("Tenaris"). The Company received gross proceeds of $241.2 million, which included the agreed-upon purchase price of $225.4 million and an initial working capital estimate. The final net cash proceeds, which were contingent upon a customary final true-up of the working capital calculation as set forth in the definitive purchase and sale agreement, were ultimately determined after an agreement between Mattr and Tenaris was reached subsequent to the second quarter of 2024. The agreed upon total net cash outflow to settle the working capital adjustment was $47.4 million, of which $36.6 million was disbursed in June 2024 with the balance disbursed in August 2024. The year ended December 31, 2024 reflects an additional $14.7 million loss from the sale of the Pipeline Performance Group ("PPG") business in Discontinued Operations, predominantly driven by the final working capital adjustment noted here.

On September 16, 2024, a definitive agreement was entered into to sell the Company's subsidiary Thermotite, its final remaining pipe coating business, to Vallourec. The transaction, under which Vallourec will acquire 100% of the shares of the Thermotite legal entity, is subject to customary closing conditions, including Brazilian anti-trust review and approval. Thermotite provides thermal insulation pipe coating services to the offshore oil and gas industry from its plant in Serra, Brazil. The Company will retain all earnings from the business until the transaction closes, and upon closing, the Company expects to receive the gross sale proceeds of approximately $25.2 million (or US$17.5 million) at December 31, 2024 exchange rates, on a cash-free, debt-free basis, subject to normal working capital adjustments. The Company expects that the regulatory approval for this transaction will be received and closing to occur by mid-2025. Thermotite, which was previously accounted for under the Financial and

Corporate section (when it was referred to as Financial, Corporate and Other), is accounted as Held for Sale and its financial reporting is reflected as Discontinued Operations.

The assets and liabilities of Thermotite are measured at the lower of their carrying amount and fair value less cost of disposal ("FVLCD"). The Company determined FVLCD based on management's best estimate of future proceeds of purchase price and remaining future cash flows from certain existing contracts, net of estimated selling costs. The Company determined the carrying amount of the net assets of Thermotite to be recoverable as at December 31, 2024. Upon closing, the Company will reassess the determination of FVLCD and any gain or loss on the sale will be recognized in Discontinued Operations in the consolidated statements of income (loss).

In the year ended December 31, 2024, the Company incurred additional costs related to the previously recorded sales of the pipe coating business in Ellon and the Socotherm Americas subsidiary of $0.8 million and $1.1 million, respectively. These costs and the subsequent payments have been recorded as a loss on sale of the respective transactions within Discontinued Operations in 2024.

1.3 Performance Objectives

Mattr's objective is to deliver stakeholder value by leveraging its core competencies in materials-based technology and complex manufacturing processes to provide differentiated products and services to critical infrastructure markets, including transportation, communication, water management, energy and electrification. The Company's priorities include:

- generating a positive return on resources invested;
- generating sustainable, profitable growth;
- consistently developing and delivering high quality, high value, products and services to customers; and
- stewarding effective practices and minimizing impacts related to health, safety and the environment.

1.4 Performance Drivers

The Company believes that a number of performance drivers are critical to the success of its businesses. These include, but are not limited to:

- the demand for the Company's products and services in the critical infrastructure markets;
- the Company's ability and agility to respond to changing market dynamics;
- the capital spending of the Company's customers to build new and replace, refurbish and repair aging infrastructure;
- the operating expenditure of the Company's customers to maintain and manage the operational integrity of current infrastructure;
- the focus of the Company's portfolio on products and services with notable performance differentiation;
- the Company's ability to attract and retain talent;
- access to capital to maintain liquidity for operational and selected growth initiatives;
- the Company's ability to complete successful business acquisitions and divestitures in support of a differentiated portfolio; and
- the Company's ability to operate in a way that maintains the health and safety of its employees.

1.5 Key Performance Measures

Several of the drivers identified above are beyond the Company's control; however, there are certain key performance measures that the Company utilizes to monitor its progress in achieving its vision and performance objectives. These measures are detailed below.

Certain of the following key performance measures used by Mattr are not in accordance with GAAP, should not be considered as an alternative to net income or any other measure of performance under GAAP and may not necessarily be comparable to similarly titled measures of other entities. Refer to "*Section 15.0 – Reconciliation of Non-GAAP Measures and Other Financial Measures*" for additional information with respect to non-GAAP measures used by the Company.

Net Income Growth

Net Loss (attributable to shareholders of the Company) was $3.7 million for the year ended December 31, 2024 compared to a net income of $87.2 million in the prior year. Net Loss from Continuing Operations was $6.0 million for the year ended December 31, 2024 compared to an income of $42.4 million in the prior year. The decrease of $48.4 million was mainly driven by a decrease of $34.7 million in gross profit, $6.8 million of costs associated with the early redemption of the Company's senior notes during fiscal 2024 and an increase of $5.9 million in restructuring costs and other, net. Additionally, the Company recorded a $21.8 million income tax expense and $10.4 million in foreign exchange loss for the current year as compared to a $4.9 million income tax expense and $2.4 million in foreign exchange loss in the prior year. These negative impacts were partially offset by the absence of a $27.2 million impairment taken on some of the Company's assets in 2023. See *"Section 4.0 – Results from Operations for the year ended December 31, 2024"* for additional disclosures regarding the Company's Continuing Operations earnings. Net Income from Discontinued Operations was $2.5 million for the year ended December 31, 2024 compared to $44.9 million in the prior year. See *"Section 5.0 – Results from Discontinued Operations for the year ended December 31, 2024"* for additional disclosures regarding the Company's Discontinued Operations earnings.

Adjusted EBITDA Growth

Adjusted EBITDA[1] from total operations (including Discontinued Operations) was $130.7 million for the year ended December 31, 2024 compared to $388.0 million in the prior year. Adjusted EBITDA from Continuing Operations was $108.2 million for the year ended December 31, 2024 compared to $150.8 million in the prior year. The decrease of $42.6 million was primarily due to a $34.7 million decrease in gross profit as mentioned above, along with an increase of $9.1 million of SG&A expenses excluding the impact of share-based incentive compensation and costs associated with the AmerCable acquisition and other costs associated with transactions that are outside the Company's normal course of business. Adjusted EBITDA from Discontinued Operations was $22.5 million for the year ended December 31, 2024 compared to $237.2 million in the prior year. See *"Section 4.0 – Results from Operations for the year ended December 31, 2024"* for additional disclosures regarding the Company's earnings, *"Section 5.0 – Results from Discontinued Operations for the year ended December 31, 2024"* for additional disclosures regarding the Company's Discontinued Operations earnings and "*Section 15.0 – Reconciliation of Non-GAAP Measures and Other Financial Measures*" for additional disclosures regarding Adjusted EBITDA.

1. EBITDA, Adjusted EBITDA, adjusted EBITDA margins and net debt-to-Adjusted EBITDA are non-GAAP measures. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. See *"Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

Portfolio Optimization

Revenue generated from businesses serving infrastructure and industrial end markets (formerly described as "non-oil and gas") has increased from less than 10% in 2013 to 67% when compared to total revenue (including Discontinued Operations) and 72% when compared to Mattr's revenue generated from Continuing Operations in 2024. This has been achieved both through organic growth and through notable transactions, such as the acquisitions of Xerxes (formerly referred to as ZCL) in 2019, Kanata Electronic Services Ltd. ("Kanata") in 2022 and Triton Stormwater Solutions in 2023, coupled with the sales of Pipeline Performance Products in 2020, Shawcor Inspection Services in 2021, Lake Superior Consulting, Oilfield Asset Management ("OAM"), and Socotherm Americas in 2022 and its PPG and SPS businesses in 2023. In the third quarter of 2024, the Company entered into a definitive agreement for the sale of Thermotite, its last remaining pipe coating subsidiary which was part of its PPG business. The Thermotite sale is expected to close in mid-2025. Upon completion of the Thermotite sale, the Company will have completed its strategic review process and portfolio transformation.

During the fourth quarter of 2024, the Company entered into a definitive agreement with Nexans USA Inc. ("Nexans") to acquire AmerCable, a globally recognized U.S. manufacturer of highly engineered wire and cable solutions used in the electrification of critical infrastructure. This acquisition forms part of the Company's strategy to enhance its wire and cable business footprint within the North American critical infrastructure market. The transaction was completed on January 2, 2025 and will be included as part of the Company's portfolio under the Connection Technology business segment.

The Company intends to continue to explore organic and inorganic investment opportunities, while maintaining its material science and manufacturing expertise to bring new or enhanced offerings to customers across a range of critical infrastructure end markets and accelerating high value growth within its existing business segments.

Environmental, Social and Governance

In August of 2024, the Company published its 2023 ESG Report with reference to guidelines, terminology and select disclosures from the Sustainability and Accounting Standards Board ("SASB") framework as well as references to alignment with the Task Force on Climate-Related Financial Disclosures ("TCFD"), which has since disbanded. The 2023 ESG report is available at https://www.mattr.com/esg/.

The Company maintains a comprehensive Health, Safety and Environment ("HSE") management system deployed across all operating units and aspires to be an Incident and Injury Free ("IIF") workplace with zero harm to the environment. For the years ended December 31, 2024 and December 31, 2023, the Company had a Total Recordable incident Case Frequency ("TRCF") per million person hours worked of 2.1 and 3.0, respectively, with 2024 representing the lowest TRCF in the Company's history.

During 2024, the Company completed 10 Internal HSE Audits at manufacturing sites across all of its operating units and executed on action plans to address any deficiencies identified. Additionally, HSE-Operational Readiness and HSE Culture Assessments were conducted at new and existing operations to support an effective HSE Culture and foster the Company's IIF vision.

Furthermore, the Company's continued focus on 'Risk Identification and Reduction' in 2024 generated 21,330 Advanced Safety Audits involving frontline Employees and 11,191 Hazard Identifications, 78% of which were actioned and closed in the year. The Company also launched its inaugural "Summer of Safety", a multimedia safety campaign aimed at reducing summer incidents via three months of continuous communication, team activities and training on summer safety topics. This resulted in 44% year-over-year reduction in recordable injuries as well as a 41% reduction in first-aid cases Company-wide and will be an annual event moving forward. These engaging and proactive safety management tools and initiatives are designed to identify and address risk, thereby decreasing the likelihood of an incident or injury, while shaping safety behaviours Company-wide, ultimately expected to lower the Company's TRCF.

In the second quarter of 2024, the Company published its first Supply Chain Transparency Report (2023), as required by Canada's Fighting Against Forced Labour and Child Labour in Supply Chains Act (the "Modern Slavery Act"). The Modern Slavery Act came into force on January 1, 2024, and obligates the Company to publish an annual report detailing steps regarding the previous year's effort to mitigate the risk of forced labour used at any step in its supply chain, including production of goods in Canada or elsewhere or of goods imported into Canada. The Supply Chain Transparency Report (2023) constitutes the first report prepared by the Company pursuant to the Modern Slavery Act. This report, and other related information has been made available on the Company's profile on SEDAR+ at www.sedarplus.com and on the Company's website.

2.0 Financial Highlights

2.1 Selected Financial Information

(in thousands of Canadian dollars except per share amounts and percentages)	Year Ended **December 31, 2024**	 December 31, 2023
Revenue	**885,317**	880,529
Cost of Goods Sold and Services Rendered	**641,482**	601,988
Gross Profit	**243,835**	278,541
Selling, general and administrative expenses	**133,717**	135,606
Research and development expenses	**10,775**	8,566
Foreign exchange losses	**10,374**	2,423
Depreciation and amortization	**40,435**	35,817
Impairment	—	27,196
Gain on sale of land and other	—	(1,655)
Restructuring costs and other, net	**8,413**	2,474
Income from Continuing Operations	**40,121**	68,114
Finance costs, net	**(17,539)**	(20,831)
Cost associated with repayment and modification of long-term debt	**(6,750)**	—
Income before Income Taxes	**15,832**	47,283
Income tax expense	**21,849**	4,918
Net (Loss) Income from Continuing Operations	**(6,017)**	42,365
Net Income from Discontinued Operations	**2,469**	44,854
Net (Loss) Income	**(3,548)**	87,219
Total Net (Loss) Income attributable to:		
Shareholders of the Company	**(3,733)**	87,187
Non-controlling interests	**185**	32
Net (Loss) Income	**(3,548)**	87,219
Per Share Information:		
(Loss) Earnings per Share		
Basic	**(0.06)**	1.26
Diluted	**(0.06)**	1.25
(Loss) Earnings per Share from Continuing Operations		
Basic	**(0.09)**	0.61
Diluted	**(0.09)**	0.61
Earnings per Share from Discontinued Operations		
Basic	**0.04**	0.65
Diluted	**0.04**	0.64
Total Adjusted EPS (a)		
Basic	**0.70**	3.46
Diluted	**0.69**	3.43
Adjusted EBITDA from Continuing Operations (a)	**108,224**	150,787
Adjusted EBITDA Margin from Continuing Ops (%) (a)	**12.2%**	17.1%
Adjusted EBITDA from Discontinued Operations (a)	**22,472**	237,176
Adjusted EBITDA Margin from Discontinued Ops (%) (a)	**30.2%**	27.1%
Total Adjusted EBITDA from Operations (a)	**130,696**	387,963
Total Adjusted EBITDA Margin from Operations (%) (a)	**13.6%**	22.1%

(a) Adjusted EBITDA, adjusted EBITDA margins and adjusted EPS are non-GAAP measures. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. See *"Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

2.2 Foreign Exchange Impact

The following table sets forth the significant currencies in which the Company operates and the average foreign exchange rates for these currencies versus Canadian dollars, for the following periods:

(in thousands of Canadian dollars)	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
U.S. dollar	**1.3964**	1.3615	**1.3679**	1.3503
Euro	**1.4965**	1.4657	**1.4799**	1.4596
British Pounds	**1.7932**	1.6886	**1.7487**	1.6791
Brazilian Reals	**0.2376**	0.2745	**0.2542**	0.2704

The following table sets forth the impact on revenue, income from operations and net loss (attributable to shareholders of the Company), compared with the prior year period, as a result of foreign exchange fluctuations on the translation of foreign currency operations, based on average rates in the table above:

(in thousands of Canadian dollars)		**Year ended December 31, 2024**
Revenue from Continuing Operations	**$**	**7,573**
Income from Continuing Operations	**$**	**37**
Net Loss (attributable to shareholders of the Company)	**$**	**(253)**

In addition to the translation impact noted above, the Company recorded a foreign exchange loss from Continuing Operations of $3.6 million in the fourth quarter of 2024 (year ended December 31, 2024 – loss of $10.4 million), compared to a foreign exchange loss of $0.3 million for the comparable period in the prior year (year ended December 31, 2023 – loss of $2.4 million), as a result of the impact of changes in foreign exchange rates on monetary assets and liabilities and short term foreign currency intercompany loans within the group, net of economic hedging activities.

3.0 Key Developments

Completion of PPG Business Sale

In the fourth quarter of 2023, the Company completed the sale of a substantial majority of the assets of its pipe coating business to Tenaris. The Company received gross proceeds of $241.2 million, which included the agreed-upon purchase price of $225.4 million and an initial working capital estimate. The final net cash proceeds, which were contingent upon a customary final true-up of the working capital calculation as set forth in the definitive purchase and sale agreement, were ultimately determined after an agreement between Mattr and Tenaris was reached subsequent to the second quarter of 2024. The total net cash outflow agreed upon to settle the working capital adjustment was $47.4 million, which was fully disbursed to Tenaris during 2024.

Definitive Agreement to Sell Thermotite

During the third quarter of 2024, the Company entered into a definitive agreement to sell its subsidiary Thermotite, its final remaining pipe coating business, to Vallourec. The transaction, under which Vallourec will acquire 100% of the shares of the Thermotite legal entity, is subject to customary closing conditions, including Brazilian anti-trust review and approval. Thermotite provides thermal insulation pipe coating services to the offshore oil and gas industry from its plant in Serra, Brazil. The Company will retain all earnings from the business until the transaction closes, and upon closing, the Company expects to receive the gross sale proceeds of approximately $25.2 million (or US$17.5 million) based on December 31, 2024 exchange rates, on a cash-free, debt-free basis, subject to normal working capital adjustments. The Company expects regulatory approval for this transaction will be received and closing will occur by mid-2025.

Closure of Xerxes Anaheim Production Facility

In the first quarter of 2024, Xerxes closed its manufacturing facility in Anaheim, California, USA in an effort to lower its fixed cost and operating risk base. The decision to close the facility, which was approved in the fourth quarter of 2023, resulted in an impairment of $17.3 million for intangible assets and $0.9 million for Property, Plant, and Equipment ("PPE"), recorded as of December 31, 2023. The remaining PPE, valued at approximately $1.6 million, has been transferred to other locations for continued use in ongoing business operations. Additionally, the Company has recognized restructuring costs of $2.6 million associated with the closure of the Anaheim facility.

New Production Facilities for the Composite Technologies and Connection Technologies Business Segments

During the second quarter of 2023, the Company detailed several planned capital investments into high-return growth and efficiency improvement opportunities in both the Composite Technologies and Connection Technologies business segments. These investments, and other Modernization, Expansion and Optimization ("MEO")[2] activities, have progressed on time and on budget, and include:

- The addition of two new Composite Technologies segment manufacturing facilities (Xerxes in Blythewood, South Carolina and Flexpipe in Rockwall, Texas) which were completed during the second half of 2024 and the elimination of one aging manufacturing facility (Xerxes in Anaheim, California) which was closed in the first quarter of 2024 and fully vacated at the end of 2024. Production output in both new facilities is currently being ramped-up.
- The bifurcation, relocation, expansion and modernization of the Connection Technologies segment's Rexdale, Ontario facility, which is replaced by a new DSG-Canusa facility in Fairfield, Ohio and a new Shawflex facility in Vaughan, Ontario. Both new sites commenced initial production at the end of 2024, with final relocations to be completed by mid-year 2025.

On average, these four new production sites are initially being populated with manufacturing equipment occupying approximately 50% of available floor space. The Company retains the option of adding further production equipment to each site in a phased manner in future years.

In aggregate, once completed and with initial equipment installation, these planned investments are expected to result in the Company creating at least $150 million per year of incremental revenue generating capacity with margins comparable to those realized in its Composite Technologies and Connection Technologies reporting segments. These levels of output are expected to be realized as the facilities reach efficient utilization levels in accordance with their currently expected timelines, but the Company notes these timelines may be impacted by changes in underlying market demand for specific products.

Acquisition of AmerCable Incorporated

On November 8, 2024, the Company entered into a definitive agreement with Nexans to acquire all outstanding shares of its subsidiary, AmerCable, a globally recognized U.S. manufacturer of highly engineered wire and cable solutions used in the electrification of critical infrastructure, for a purchase price of US$280 million or approximately CAD $403 million, based on the exchange rates as of December 31, 2024, before any working capital adjustments. This purchase price was determined by a multiple of approximately 5.0 times Adjusted EBITDA of the AmerCable business for the trailing twelve-month period ended June 30, 2024.

The transaction closed on January 2, 2025 and, moving forward, the business will be included in the Company's portfolio and reported through the Connection Technologies reporting segment. The inclusion of AmerCable in the Connection Technologies reporting segment will position the Company as one of the premier, custom engineered wire and cable manufacturers in North America and broaden its product offering by the addition of premium, medium voltage electrical power, control and instrumentation cable solutions.

2. MEO Costs is a supplementary financial measure. Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a definition of these non-GAAP and other financial measures, and a reconciliation of non-GAAP measures.

The preliminary aggregate purchase consideration inclusive of estimated working capital adjustments for the acquired assets and liabilities assumed as of the acquisition date is $411.1 million (or US$285.7 million). The Company's preliminary valuations indicate a total of $343.6 million associated with goodwill and intangible assets.

(in thousands of Canadian dollars)		
Total purchase consideration	**$**	**411,110**
Net assets acquired at fair value		
Current assets	$	113,718
Non-current assets		410,279
Total assets acquired	**$**	**523,997**
Assumed non-interest-bearing liabilities		112,887
Total liabilities assumed	**$**	**112,887**

The fair values allocated to assets acquired and liabilities assumed are preliminary and are subject to adjustment based on further analysis and evaluation over the course of the measurement period, which will not exceed twelve months from the acquisition date. Where preliminary values are used in accounting for a business combination, they may be materially adjusted retrospectively in subsequent periods. The Company will continue to evaluate new information about the facts and circumstances that exist at the acquisition date pertaining to the preliminary fair value of the assets acquired and liabilities assumed including the effects on goodwill, income tax and deferred income tax liabilities and any post-acquisition date working capital adjustments.

Share re-purchase under Normal Course Issuer Bid ("NCIB")

On June 26, 2024, the Company announced that the TSX approved its notice to renew its NCIB for common shares. The NCIB commenced on June 28, 2024 and will terminate one year after its commencement, or earlier if the maximum allowable number of shares are repurchased or the NCIB is terminated at the option of the Company. The Company's previous NCIB was terminated on December 19, 2023, the date the maximum share purchase limit had been reached. Under the renewed NCIB, the Company may repurchase up to 4,982,824 shares, approximately 10% of the public float as of June 14, 2024. Purchases will be made through the TSX or other permitted means, funded by existing cash or available credit. Daily purchases will be limited to 30,099 shares, subject to a block purchase exemption. The Company also implemented an automatic share purchase plan ("ASPP") with a designated broker to facilitate repurchases during black-out periods, approved by the TSX on June 28, 2024. Refer to "Section 7.8 - Outstanding Share Capital - Normal Course Issuer Bid" for additional information with respect to the NCIB.

During the fourth quarter of 2024, the Company repurchased 1,888,400 of its common shares for a gross purchase price of $24.9 million. During the year ended December 31, 2024, it repurchased 3,359,098 shares for $47.6 million. In the aggregate, since the launch of the Company's first NCIB through to December 31, 2024, the Company repurchased for cancellation a total of 8.3 million of its common shares for an aggregate repurchase price of approximately $117.4 million. All repurchased shares were cancelled subsequent to the repurchase.

Senior Unsecured Notes Offering

On April 2, 2024, the Company closed a private $175 million offering of 7.25% senior unsecured notes due 2031 (the "**2031 Senior Notes**"), issued at par ($1,000 per $1,000 principal). Proceeds from the offering were used to redeem all $150 million of outstanding 9% senior unsecured notes issued in 2021, to pay related fees and for general corporate purposes. The offering was underwritten by a syndicate led by National Bank Financial and TD Securities.

On December 19, 2024, the Company closed an incremental private offering of 125 million debt subscription receipts, at a price of $1,018.75 per subscription receipt for proceeds to the Company of approximately $127.3 million, which debt subscription receipts were exchanged, in accordance with their terms, on December 24, 2024 into additional 2031 Senior Notes. Proceeds from the offering were used to partially fund the purchase price for the acquisition of AmerCable. See "Section 7.5 – Long-term Debt and Credit Facilities" for further details.

Credit Facility Extension

On April 19, 2024, the Company amended its Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and Royal Bank of Canada, JP Morgan Chase Bank, Export Development Canada and ATB Financial as lenders, which provides for an aggregate principal amount of US$300 million, to further extend the maturity date to April 19, 2028. See "Section 7.5 – Long-term Debt and Credit Facilities" for further details.

4.0 Results from Operations

4.1 Consolidated Information

Revenue from Continuing Operations

The following table sets forth revenue by reportable segment for the following periods:

(in thousands of Canadian dollars)	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
Composite Technologies	**$ 120,277**	$ 112,489	**$ 528,435**	$ 535,549
Connection Technologies	**87,494**	78,982	**356,882**	344,980
Revenue - Continuing Operations	**$ 207,771**	$ 191,471	**$ 885,317**	$ 880,529

Fourth quarter 2024 versus Fourth quarter 2023

Revenue in the fourth quarter of 2024 was $207.8 million, an increase of $16.3 million, or 8.5%, from the $191.5 million in the fourth quarter of 2023. The increase in revenue reflects increases of $8.5 million in the Connection Technologies segment and $7.8 million in the Composite Technologies segment. See "*Section 4.2 – Segment Information*" for additional disclosure with respect to the change in revenue in each reportable segment.

Year ended December 31, 2024 versus Year ended December 31, 2023

Revenue in the twelve months ended December 31, 2024 was $885.3 million, an increase of $4.8 million, or 0.5%, from $880.5 million in the twelve months ended December 31, 2023. The increase in revenue reflects a decrease of $7.1 million in the Composite Technologies segment, offset by an increase of $11.9 million in the Connection Technologies segment. See "*Section 4.2 – Segment Information*" for additional disclosure with respect to the changes in revenue in each reportable segment for the applicable periods.

Income from Continuing Operations ("Operating Income")

The following table sets forth gross profit, gross margin, operating income, operating margin, Adjusted EBITDA and Adjusted EBITDA margin from Continuing Operations, for the following periods:

	Three Months Ended		Year Ended	
(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Gross profit	**$ 47,270**	$ 57,896	**$ 243,835**	$ 278,541
Gross margin	**22.8%**	30.2%	**27.5%**	31.6%
Operating (loss) income [(a)]	**$ (9,416)**	$ (4,262)	**$ 40,121**	$ 68,114
Operating margin [(b)]	**-4.5%**	-2.2%	**4.5%**	7.7%
Adjusted EBITDA [(b)]	**$ 12,718**	$ 25,894	**$ 108,224**	$ 150,787
Adjusted EBITDA margin [(b)]	**6.1%**	13.5%	**12.2%**	17.1%

(a) Operating income for the three months ended December 31, 2024, includes $4.9 million restructuring costs and other net, no impairment charges or gain on sale of land and other; while operating income for the three months ended December 31, 2023, includes $2.5 million restructuring costs and other net, $18.5 million impairment charges and $1.7 million gain on sale of land and other. Operating income for the year ended December 31, 2024, includes $8.4 million restructuring costs and other net, no impairment charges and no gain on sale of land and other; Operating income for the year ended December 31, 2023, includes $2.5 million restructuring costs and other net, impairment charges of $27.2 million, and $1.7 million gain on sale of land and other.

(b) Operating margin, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Fourth quarter 2024 versus Fourth quarter 2023

The Company recorded a gross profit of $47.3 million in the fourth quarter of 2024, which is a decrease of $10.6 million or 18.4% compared to the fourth quarter of 2023. This was driven by a 7.5 percentage point decrease in gross margin. The decrease in gross profit reflects decreases of $8.1 million in the Composite Technologies segment and $2.6 million in the Connection Technologies segment in the fourth quarter of 2024 when compared to the corresponding prior year period. The gross margin decrease primarily reflects the temporary impact associated with unabsorbed costs at newly established Xerxes and Flexpipe sites as well as other legacy Xerxes sites that underwent significant upgrades during the fourth quarter of 2024, a relatively less favourable product mix, a non-routine provision associated with a specific customer order and the impact of the costs associated with relocation of inventory into the US in anticipation of potential tariff implementation. Additionally, during the fourth quarter of 2024, the Company incurred non-capitalizable North American production footprint MEO costs[2] of $1.7 million, which are included in its reported gross margin, compared to no MEO costs incurred in the prior year period.

The Company's selling, general and administrative ("SG&A") expenses of $33.6 million represent a slight increase of $1.5 million in the fourth quarter of 2024 compared to the fourth quarter of 2023. During the fourth quarter of 2024 the Company incurred non-capitalizable MEO project costs of $2.1 million, which are included in SG&A expenses, compared to $1.7 million incurred in the prior year period. Additionally, SG&A expenses in the fourth quarter of 2024 included non-recurring costs associated with Canadian retirement plans of $2.2 million and costs associated with the acquisition of AmerCable of $1.7 million. These costs were offset by a decrease in long-term share based incentive compensation of $4.3 million.

Operating loss in the fourth quarter of 2024 was $9.4 million compared to an operating loss of $4.3 million in the fourth quarter of 2023. The $5.2 million increase in loss was mainly driven by the decline of $10.6 million in gross profit, increases of $3.5 million in depreciation and amortization, $3.4 million in foreign exchange losses, $2.4 million in restructuring costs and other net, $1.5 million in SG&A expenses as described above and the absence of $1.7 million in gain on sale of land and other recorded in the fourth quarter of 2023. This was partially offset by the absence of $18.5 million in impairment charges recorded in the fourth quarter of 2023.

2. MEO Costs is a supplementary financial measure. Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a definition of these non-GAAP and other financial measures, and a reconciliation of non-GAAP measures.

Adjusted EBITDA was $12.7 million in the fourth quarter of 2024 compared to $25.9 million in the fourth quarter of 2023. See "*Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

Year ended December 31, 2024 versus Year ended December 31, 2023

The Company recorded a gross profit of $243.8 million in the twelve months ended December 31, 2024, which is a decrease of $34.7 million or 12.5% compared to the twelve months ended December 31, 2023. This was primarily driven by a 4.1 percentage point decrease in gross margin. The change in gross profit reflects a decrease of $28.3 million in the Composite Technologies segment and a $6.5 million decrease in the Connection Technologies segment. The gross margin decrease reflects a less favourable customer and product mix and the temporary impact associated with unabsorbed costs at newly established Xerxes and Flexpipe sites as well as other legacy Xerxes sites that underwent significant upgrades. Additionally, in the year-ended December 31, 2023, the Connection Technologies segment benefited from a significant high margin aerospace order which was absent in 2024. During the twelve months ended December 31, 2024, the Company incurred non-capitalizable MEO project costs of $2.2 million, which are included in its reported gross margin, while no MEO project costs were incurred in the prior year period.

The Company's SG&A expenses of $133.7 million in the twelve months ended December 31, 2024 represent a decrease of $1.9 million compared to the same period of the prior year. During the current period the Company incurred non-capitalizable MEO costs of $15.5 million, which are included in its reported SG&A expense, while it incurred $2.6 million in the prior year period. During the period, the Company also incurred severance costs of $3.1 million primarily associated with the change in senior management, compared to $1.5 million recorded in the prior period. The decrease in SG&A expenses was primarily driven by decrease of $12.7 million in share based incentive compensation costs, partially offset by above mentioned MEO and severance costs.

Operating income in the twelve months ended December 31, 2024 was $40.1 million compared to an operating income of $68.1 million in the twelve months ended December 31, 2023. The $28.0 million decrease was primarily driven by a decrease of $34.7 million in gross profit, increases of $8.0 million in foreign exchange losses, $6.0 million in restructuring costs and other net, $4.7 million in depreciation and amortization, $2.2 million in Research and development expenses, and the absence of $1.7 million in gain on sale of land and other recorded in the fourth quarter of 2023. These increases were partially offset by the absence of $27.2 million of impairment charges compare to the year 2023 and a decrease of $1.9 million in SG&A expenses, as explained above as described above.

Adjusted EBITDA was $108.2 million in the twelve months ended December 31, 2024 compared to $150.8 million in the twelve months ended December 31, 2023. See "*Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

4.2 Segment Information

4.2.1 Composite Technologies Segment

The following table sets forth, revenue (by geographic location), operating income, operating margin, Adjusted EBITDA and Adjusted EBITDA Margin for the Composite Technologies segment for the following periods:

	Three Months Ended		Year Ended	
(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
North America	**$ 119,453**	$ 111,834	**$ 525,415**	$ 532,711
Europe, Middle East and Africa ("EMEA")	**824**	459	**3,020**	2,341
Asia Pacific	**—**	196	**—**	497
Total Revenue	**$ 120,277**	$ 112,489	**$ 528,435**	$ 535,549
Operating (loss) income [(a)]	**$ (499)**	$ (4,369)	**$ 36,815**	$ 67,416
Operating margin [(b)]	**-0.4%**	-3.9%	**7.0%**	12.6%
Adjusted EBITDA [(b)]	**$ 9,402**	$ 18,836	**$ 72,208**	$ 112,821
Adjusted EBITDA margin [(b)]	**7.8%**	16.7%	**13.7%**	21.1%

(a) Operating income for the three months ended December 31, 2024, includes $1.1 million restructuring costs and other net, no impairment charges and gain on sale of land and other, while operating income for the three months ended December 31, 2023, includes no restructuring costs and other net, $18.5 million impairment charges and $2.0 million gain on sale of land and other. Operating income for the year ended December 31, 2024, includes $4.6 million restructuring costs and other net, no impairment charges and no gain on sale of land and other; Operating income for the year ended December 31, 2023, includes no restructuring costs and other net, impairment charges of $18.5 million, $2.0 million gain on sale of land and other.

(b) Operating margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Fourth quarter 2024 versus Fourth quarter 2023

Revenue in the fourth quarter of 2024 increased by $7.8 million, or 6.9%, compared to the fourth quarter of 2023. The increase is primarily attributable to increased sales of FRP tanks into retail fuel applications as customers largely overcame transient permitting delays experienced during 2023 and returned to a more normal level of fourth quarter construction activity. Additionally, composite pipe sales in North America rose, despite a decline in North American onshore drilling rig count and well completion activity, due to continued market share gains, enhanced by some customers accelerating order placement in order to fully utilize their calendar year budgets. These increases were slightly offset by a decline in international revenue based on the specific timing of orders and deliveries of products into international markets.

Gross profit decreased by $8.1 million compared to the fourth quarter of 2023 resulting from a reduction of 8.6 percentage point in gross margin. The decrease in gross margin was attributed to the temporary impact associated with unabsorbed costs at the newly established Xerxes and Flexpipe sites as well as other legacy Xerxes sites that underwent significant upgrades during the quarter. Additionally, it reflects a modestly less favorable relative product mix in the Flexpipe business based on the timing and quantity of deliveries to specific customers, a non-routine provision associated with a specific customer order and the impact of the costs associated with the relocation of inventory into the US in anticipation of potential tariff implementation.

SG&A expenses in the fourth quarter of 2024 stayed relatively flat at $13.9 million compared to $13.0 million recorded in the same period of the prior year. SG&A included an increase of $1.1 million in legal and other professional fees, partially offset by lower compensation related expenses. Additionally, during the fourth quarter the segment incurred $0.4 million of non-capitalizable MEO costs compared to $1.5 million in the same period of the prior year.

Operating loss in the fourth quarter of 2024 was $0.5 million compared to an operating loss of $4.4 million in the fourth quarter of 2023. The $3.9 million decrease in operating loss was primarily driven by the absence of $18.4 million in impairment charges incurred in relation to the closure of the Anaheim manufacturing facility in the same period of 2023. This was partially offset by the decrease of $8.1 million in gross profit together with increases of $2.7 million in depreciation and amortization expenses.

Adjusted EBITDA in the fourth quarter of 2024 was $9.4 million compared to $18.8 million in the fourth quarter of 2023. See "*Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

Year ended December 31, 2024 versus Year ended December 31, 2023

Revenue in the twelve months ended December 31, 2024 decreased by $7.1 million, or 1.3%, compared to the twelve months ended December 31, 2023. The decrease is primarily attributable to lower FRP tank production and shipment activity during the first quarter of 2024. This was partially offset by full year record revenue of Flexpipe products; driven by continued market share gain in North America and internationally - including in larger diameter products - despite lower year-over-year levels of oilfield customer activity in North America.

Gross profit decreased by $28.3 million compared to the twelve months ended December 31, 2023. This decrease in gross profit was driven by the decrease in revenue, as explained above, coupled with a reduction of 4.9 percentage points in gross margin. The decrease in gross margin is primarily the result of a less favourable customer and product mix across the segment and the temporary impact associated with unabsorbed costs at the newly established Xerxes and Flexpipe sites as well as other legacy Xerxes sites that underwent significant upgrades. Additionally, it reflects the impact of the costs associated with a non-routine provision associated with a specific customer order and the relocation of inventory into the US in anticipation of potential upcoming tariffs.

SG&A expenses increased by $10.2 million compared to the twelve months ended December 31, 2023. This increase was driven by the recognition of non-capitalizable MEO costs within the segment's reported SG&A expenses of $11.5 million in the current period compared to $2.3 million in the prior year period.

Operating income in the twelve months ended December 31, 2024 was $36.8 million compared to $67.4 million in the twelve months ended December 31, 2023. The $30.6 million decrease was primarily due to the $28.3 million decrease in gross profit and increases of $10.2 million in SG&A expenses, $4.6 million in restructuring costs related to the Anaheim facility closure and an overall reorganization of the operational structure that reduced the segment's operating cost base and $2.4 million in depreciation and amortization. This was partially offset by the absence of $18.5 million in impairment charges associated with the closure of the Anaheim manufacturing facility in 2023.

Adjusted EBITDA in the twelve months ended December 31, 2024 was $72.2 million compared to $112.8 million in the twelve months ended December 31, 2023. See "*Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

4.2.2 Connection Technologies Segment

The following table sets forth, revenue (by geographic location), operating income, operating margin, Adjusted EBITDA and Adjusted EBITDA Margin for the Connection Technologies segment for the following periods:

(in thousands of Canadian dollars)	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
North America	**$ 63,640**	53,381	**$ 248,864**	$ 237,231
Europe, Middle East and Africa ("EMEA")	**19,783**	21,474	**92,688**	91,572
Asia Pacific	**4,071**	4,127	**15,330**	16,177
Total Revenue	**$ 87,494**	$ 78,982	**$ 356,882**	$ 344,980
Operating income [(a) (b)]	**$ 3,808**	$ 11,133	**$ 42,558**	$ 57,727
Operating margin [(c)]	**4.4%**	14.1%	**11.9%**	16.7%
Adjusted EBITDA [(c)]	**$ 9,973**	$ 14,041	**$ 56,819**	$ 66,875
Adjusted EBITDA margin [(c)]	**11.4%**	17.8%	**15.9%**	19.4%

(a) Operating income for the three months and year ended December 31, 2024, includes $3.8 million restructuring while operating income for the three months and year ended December 31, 2023, includes $0.7 restructuring costs.

(b) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for the fourth quarter of 2023 and twelve months ended December 31, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million were reflected in operating income for the fourth quarter of 2024 and 2023, as well as $2.9 million and $2.6 million for the twelve months ended December 31, 2024 and 2023, respectively. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further information regarding the restated Adjusted EBITDA for all quarters of 2023.

(c) Operating margin, Adjusted EBITDA and Adjusted EBITDA margin are non-GAAP measures. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Fourth quarter 2024 versus Fourth quarter 2023

Revenue in the fourth quarter of 2024 increased by $8.5 million compared to the fourth quarter of 2023. The increase in revenue was primarily due to higher demand for 'stock' industrial products from Canadian distributors, the pass-through of elevated copper prices (which contributed limited incremental margin) and increased sales into automotive end markets in North America. This was partially offset by lower sales in U.S. and Canadian infrastructure applications due to specific project timing and lower sales in automotive end markets within the Europe, Middle East, and Africa (EMEA) region, as the Company gained market share despite a backdrop of reduced global automotive production during the quarter.

Gross profit in the fourth quarter of 2024 decreased by $2.6 million compared to the fourth quarter of 2023. despite the increase in revenue. The decrease is a result of a reduction of 5.9 percentage points in gross margin. This reduction in gross margin was primarily the result of a less favourable product mix within the Shawflex business together with the incurrence of non-capitalizable MEO costs of $1.7 million (no MEO costs were incurred in the prior year period), which are included in the above-mentioned gross margin.

SG&A expenses stayed relatively flat at $11.1 million compared to $10.5 million in the fourth quarter of 2023. SG&A expenses include non-capitalizable MEO costs of $1.7 million incurred in support of the relocation of the segment's North American footprint ($0.2 MEO costs were incurred in the prior year period).

Operating income in the fourth quarter of 2024 was $3.8 million compared to the $11.1 million in the fourth quarter of 2023. The decrease of $7.3 million in operating income is mainly attributable to decrease in gross profit of $2.6 million and increases of $3.1 million in restructuring costs related to an overall reorganization of the operational structure that reduced the segment's operating cost base, $0.7 million in depreciation and amortization and $0.6 million in SG&A expenses, as explained above.

Adjusted EBITDA in the fourth quarter of 2024 was $10.0 million compared to $14.0 million in the fourth quarter of 2023. The amounts noted for Adjusted EBITDA for the prior year quarter have been restated to align with the revised allocation of corporate administrative costs. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

Year ended December 31, 2024 versus Year ended December 31, 2023

Revenue in the twelve months ended December 31, 2024 increased by $11.9 million, or 3.5%, compared to the twelve months ended December 31, 2023 as a result of stronger demand for the segment's products in its industrial, infrastructure and automotive end markets. This was partially offset by the absence of a large shipment into the aerospace market that benefited the comparative prior year period.

Gross profit in the twelve months ended December 31, 2024 decreased by $6.5 million compared to the twelve months ended December 31, 2023. This is primarily due to a reduction of 2.9 percentage points in gross margin. This decrease in gross margin is primarily the result of a less favourable product mix within the Shawflex business and the absence of a high-margin aerospace project that benefited the comparative period. In addition, non-capitalizable MEO costs of $2.2 million were incurred and reported through gross profit during the current period, while no MEO costs were incurred in the prior year period.

SG&A expenses increased by $1.4 million compared to the twelve months ended December 31, 2023. During the period the segment incurred and included in SG&A expenses non-capitalizable MEO costs of $4.0 million, compared to MEO costs of $0.4 million incurred in the prior year period.

Operating income in the twelve months ended December 31, 2024 was $42.6 million compared to $57.7 million in the twelve months ended December 31, 2023. The decrease of $15.2 million in operating income is mainly attributable to a decrease of $6.5 million in gross profit and increases of $3.2 million in depreciation and amortization, $3.1 million in restructuring costs related to an overall reorganization of the operational structure that reduced the segment's operating cost base and $1.4 million in SG&A expenses, as explained above.

Adjusted EBITDA in the twelve months ended December 31, 2024 was $56.8 million compared to $66.9 million in the twelve months ended December 31, 2023. The amounts noted for Adjusted EBITDA for the prior year quarter have been restated to align with the revised allocation of corporate administrative costs. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

4.2.3 Financial and Corporate

The Financial and Corporate section in the segment information note in the Financial Statements represents operating income, property, plant and equipment, and corporate office costs that are not allocated to the Composite Technologies or Connection Technologies segments. The corporate division of the Company earns revenue that is considered incidental to the activities of the Company. As a result, it does not meet the definition of a reportable operating segment as defined under IFRS. Thermotite, which was previously reported through Financial and Corporate is now reported as Discontinued Operations. As such, prior period amounts have been retrospectively revised.

The following table sets forth the Company's unallocated operating income (losses) including Financial and Corporate expenses for the following periods:

	Three Months Ended		Year Ended	
(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Operating loss [(a)] [(b)]	**$ (12,725)**	$ (11,026)	**$ (39,252)**	$ (57,029)
Adjusted EBITDA [(c)]	**$ (6,657)**	$ (6,984)	**$ (20,803)**	$ (28,909)

(a) Operating loss for the three months and year ended December 31, 2024, includes no restructuring while operating income for the three months and year ended December 31, 2023, includes $1.7 restructuring costs.

(b) As of the first quarter of 2024, the Company began allocating corporate administrative allocations to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for the fourth quarter of 2023 and twelve months ended December 31, 2024 have been retrospectively restated to reflect this allocation. Corporate administrative allocations of $0.7 million were reflected in operating income for the fourth quarter of 2024 and 2023, as well as $2.9 million and $2.6 million for the twelve months ended December 31, 2024 and 2023, respectively. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further information regarding the restated Adjusted EBITDA for all quarters of 2023.

(c) Adjusted EBITDA is non-GAAP measure. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See *"Section 15.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

Fourth quarter 2024 versus Fourth quarter 2023

Operating loss in the three months ended December 31, 2024, was $12.7 million compared to a $11.0 million operating loss for the three months ended December 31, 2023. The $1.7 million increase in loss primarily reflects an increase of $3.4 million in foreign exchange losses, partially offset by the absence of $1.7 million in restructuring costs incurred in the fourth quarter of 2023. SG&A expenses in the fourth quarter of 2024 included non-recurring costs associated with Canadian retirement plans of $2.2 million and costs associated with the acquisition of AmerCable of $1.7 million. These costs were partially offset by a decrease in long-term share based incentive compensation of $3.3 million.

Year ended December 31, 2024 versus Year ended December 31, 2023

Operating loss in the twelve months ended December 31, 2024, was $39.3 million compared to a $57.0 million operating loss for the twelve months ended December 31, 2023. The $17.8 million decrease in loss reflects a $13.5 million decrease in SG&A expenses, the absence of an $8.7 million impairment charge incurred in the third quarter of 2023, the absence of $1.7 million in restructuring costs and other, net. This was partially offset by an increase of $8.0 million in foreign exchange losses. The decrease in SG&A expenses was primarily driven by a decrease of $11.1 million in long term incentive-based compensation.

4.3 Other Consolidated Information

Finance costs, Net

The following table sets forth the components of finance costs, net for the following periods:

	Three Months Ended		Year Ended	
(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Interest income	**$ (1,787)**	$ (1,311)	**$ (11,264)**	$ (2,310)
Interest expense on long-term debt	**3,432**	3,558	**13,223**	15,858
Interest expense, other	**1,727**	1,654	**6,382**	4,510
Interest expense on lease liabilities	**2,653**	1,193	**9,198**	2,773
Finance costs, net	**$ 6,025**	$ 5,094	**$ 17,539**	$ 20,831

Fourth quarter 2024 versus Fourth quarter 2023

For the fourth quarter of 2024, net finance costs were $6.0 million, compared to $5.1 million in the fourth quarter of 2023. The increase in net finance costs was driven by the increased imputed interest on new lease liabilities the Company entered into in support of the MEO projects in both the Composite Technologies and Connection Technologies segments and partially offset by the interest income earned on larger cash balances.

Year ended December 31, 2024 versus Year ended December 31, 2023

For the twelve months ended December 31, 2024, net finance costs were $17.5 million, compared to $20.8 million in the twelve months ended December 31, 2023. The decrease in net finance costs was driven by additional interest income earned on larger cash balances along with overall lowered interest rates on refinanced long-term debt. This was partially offset by increased imputed interest on new lease liabilities the Company entered into in support of the MEO projects in both the Composite Technologies and Connection Technologies segments.

Income Taxes

The following table sets forth the income tax expenses for the following periods:

	Three Months Ended		Year Ended	
(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Income tax expense (recovery) from Continuing Operations	**$ 4,848**	$ (5,860)	**$ 21,849**	$ 4,918

Fourth quarter 2024 versus Fourth quarter 2023

The Company recorded an income tax expense of $4.8 million (31% of income before income taxes) for the quarter ended December 31, 2024, compared to an income tax recovery of $5.9 million (63% of loss before income taxes) during the quarter ended December 31, 2023. The effective tax rate for the fourth quarter of 2024 was higher than the Company's statutory income tax rate of 25% primarily due to change in deferred tax asset not recognized, adjustments to prior year tax provisions, recognition of a deferred tax liability on foreign unremitted earnings and the mix of jurisdictions where the income was earned.

Year ended December 31, 2024 versus Year ended December 31, 2023

The Company recorded an income tax expense of $21.8 million (138% of income before income taxes) for the twelve months ended December 31, 2024, compared to an income tax expense of $4.9 million (10% of income before income taxes) during the twelve months ended December 31, 2023. The effective tax rate for the twelve months of 2024 was higher than the Company's statutory income tax rate of 25% primarily due to change in deferred tax asset not recognized, adjustments to prior year tax provisions and the mix of jurisdictions where the income was earned, partially offset by changes in uncertain tax positions and change in benefit of previously unrecognized deferred tax assets.

Net Income from Continuing Operations (attributable to shareholders of the Company)

Fourth quarter 2024 versus Fourth quarter 2023

Net loss from Continuing Operations increased by $16.8 million, from $3.5 million for the three months ended December 31, 2023, to $20.3 million for the three months ended December 31, 2024. The variance was primarily due to an increase in the operating loss of $5.2 million from the fourth quarter of the previous year and an increase of $10.7 million in tax expenses from the comparable period. See "*Section 4.1 – Consolidated Information*" for additional disclosures.

Year ended December 31, 2024 versus Year ended December 31, 2023

Net loss from Continuing Operations decreased by $48.4 million, from a net income from Continuing Operations of $42.4 million for the year ended December 31, 2023, to net loss of $6.0 million for the year ended December 31, 2024. The variance was primarily due to a decrease in operating income of $28.0 million from $68.1 million for the year ended December 31, 2023 to $40.1 million for the year ended December 31, 2024 and a $17.0 million increase in income tax expenses from a $4.9 million expense in the prior period to a $21.9 million expense in the current year. See "*Section 4.1 – Consolidated Information*" for additional disclosures.

5.0 Discontinued Operations

In the third quarter of 2024, the Company entered into a definitive agreement with Vallourec for the sale of its subsidiary, Thermotite. As a result, Thermotite is now classified as Discontinued Operations. Prior to this, the business was included under the Financial and Corporate section in the segment information of the financial statements.

The following table sets forth, revenue (by geographic location), operating loss, operating margin, Adjusted EBITDA and Adjusted EBITDA Margin for Discontinued Operations for the following periods:

	Three Months Ended		Year Ended	
(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
North America	**$ —**	$ 14,393	**$ —**	$ 99,874
Latin America	**23,777**	227,058	**74,395**	532,001
Europe, Middle East and Africa ("EMEA")	**—**	14,974	**—**	85,362
Asia Pacific	**—**	27,996	**—**	157,146
Total Revenue	**$ 23,777**	$ 284,421	**$ 74,395**	$ 874,383
Operating income	**$ 8,243**	$ 111,937	**$ 20,265**	$ 209,699
Operating margin [(a)]	**34.7%**	39.4%	**27.2%**	24.0%
Adjusted EBITDA [(a)]	**$ 8,342**	$ 111,826	**$ 22,472**	$ 237,176
Adjusted EBITDA margin [(a)]	**35.1%**	39.3%	**30.2%**	27.1%

(a) Operating margin, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Fourth quarter 2024 versus Fourth quarter 2023

Total revenue from Discontinued Operations in the fourth quarter of 2024 was $23.8 million, a decrease of $260.6 million from $284.4 million in the prior period of 2023, mainly due to the absence of revenue from the PPS segment which was sold to Tenaris. in the fourth quarter of 2023. This was slightly offset by positive impacts from the Thermotite business where revenue was up by $4.5 million from increased activity in pipe coating projects when compared to the same period of 2023. Gross profit decreased by $125.2 million when compared to the same period of 2023, primarily attributable to the absence of activity from the aforementioned segment that was sold. This was slightly offset by positive impacts from the Thermotite business where gross profit is up by $2.3 million on increased revenue and better gross margins when compared to the same period of 2023. For the three months ended December 31, 2024, the operating income was $8.2 million compared to $111.9 million for the three months ended December 31, 2023. Adjusted EBITDA in the fourth quarter of 2024 was $8.3 million compared to $111.8 million in the fourth quarter of 2023. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

Year ended December 31, 2024 versus Year ended December 31, 2023

Total revenue from Discontinued Operations for the twelve months ended December 31, 2024 was $74.4 million, a decrease of $800.0 million from $874.4 million in the prior period of 2023, primarily due to the absence of revenue from the PPS segment sold to Tenaris in the fourth quarter of 2023. This was slightly offset by positive impacts from the Thermotite business where revenue is up by $29.5 million from increased activity in pipe coating projects when compared to 2023. Gross profit decreased by $323.5 million when compared to the same period of 2023, mainly attributable to the absence of activity from the aforementioned segment that was sold. This was slightly offset by positive impacts from the Thermotite business where gross profit is up by $19.2 million on increased revenue and better gross margins when compared to 2023. For the twelve months ended December 31, 2024, the operating income was $20.3 million compared to $209.7 million for the twelve months ended December 31, 2023, mainly attributable to the PPS segment sale completed in the fourth quarter of 2023. Adjusted EBITDA in twelve months ended December 31, 2024 was $22.5 million compared to $237.2 million in the twelve months ended December 31, 2023. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

6.0 Outlook

The Company acknowledges that extreme uncertainty exists regarding the magnitude and duration of tariffs impacting the movement of goods across North American borders, and the business consequences arising from such tariffs. The Company currently manufactures products in the US and/or Canada that are sold cross-border in all its business units and imports raw materials and component parts for the production of its products. On a pro forma basis, inclusive of the AmerCable acquisition, approximately 30% of the Company's 2024 Continuing Operations revenue would have been tied to cross-border sales of finished goods and approximately 45% of its Cost of Goods Sold would have been tied to raw materials that crossed at least one North American border prior to incorporation into finished goods. Even without tariff-specific mitigation efforts, as the Company concludes its MEO strategy and the associated new manufacturing facilities ramp-up in productive output, it expects cross-border dependence to lower over the course of 2025. The Company also sources raw materials from other countries that are currently subject to or may in future become subject to tariffs by the United States government. The Company continues to diversify its supply chain and has secured sources based in several different countries for a majority of its raw material needs. The Company remains vigilant and prepared to take additional mitigation actions as needed, including raising the selling prices of its products where necessary. Given the material uncertainty and difficulty of forecasting the potential impact of tariffs, the outlook provided below excludes any such impacts.

- The Company has completed its disposition of non-core assets, with the exception of the sale of Thermotite, which is expected to close around mid-year 2025. In addition, the Company has largely completed the modernization, expansion and optimization of its North American production network, with the remaining relocation of its Shawflex manufacturing site expected to be completed by mid-year 2025. Consequently, over the course of 2025, Mattr is expected to return to more normalized operations, with a primary focus on delivering value from its restructured operational footprint while also ensuring full integration and optimization of AmerCable following its acquisition.

- During 2025, the Company expects year-over-year revenue, Adjusted EBITDA and Adjusted EPS growth versus 2024, driven primarily by new customer capture, new product adoption, increased customer activity, progressively rising production output from newly established sites, progressively improving cost absorption as new site activity rises, significantly lower full -year 2025 MEO cost recognition when compared to 2024 and the addition of AmerCable. All previously existing business lines are expected to contribute to year-over-year revenue growth, with the exception of Flexpipe, where the Company is expecting relatively flat revenue performance in 2025.

- The Company is expecting the Xerxes business to follow its normal seasonal profile amidst an anticipated rise in customer activity, which should enable growth in sales of both fuel and water related products. The Company has already secured a significant percentage of full year 2025 fuel customer demand into backlog, while water product backlog, including orders tied to data center construction, continues to rise. Total tank production capacity is expected to evolve positively over the course of 2025 as output from new and newly refurbished manufacturing sites continues to rise, and the Company expects to supply all of its North American demand for infiltration chambers from its recently completed internal production footprint, enhancing fixed cost absorption.

- Flexpipe is expecting approximately flat year-over-year revenue in spite of an anticipated drop in average US onshore completion activity levels of 8-12% versus 2024. The Company anticipates this activity decline will largely be offset by continued share gains, including in larger diameter products. Given the expectation of progressively lower US customer activity levels over the course of 2025, approximately offset by progressive market share gains, the Company currently anticipates that Flexpipe will deviate from its normal seasonal cycle and expects contributions from the business to be relatively evenly distributed throughout the year. Production and transportation efficiency for large diameter products is expected to progress favorably over the year as output from its new production site in Texas rises. Large international contract awards would offer an upside opportunity to this outlook. The Company currently anticipates 2025 will be the near-term low point for US onshore oil and gas completion activity and believes it has positioned itself to accelerate its growth in 2026 and beyond, including via the introduction of incrementally larger diameter and higher operating temperature products around year-end 2025.

- The Company currently expects full -year growth in its DSG-Canusa business versus 2024, driven by new customer capture and new product introduction, primarily in North America where industrial demand is expected to remain robust. Production efficiency is expected to evolve favorably during the first half of 2025 as output from its newly established site in Ohio rises. The Company currently anticipates the global automotive market in 2025 will be approximately flat to 2024, although further unfavorable changes in North American or European macroeconomic conditions would likely lower this outlook. The Company anticipates typical seasonality in its DSG-Canusa revenue stream, including normal fourth quarter softness in automotive related demand.

- Shawflex is anticipating modestly higher demand across industrial and infrastructure markets in 2025, including gradually increasing demand for nuclear products. Total production output is expected to evolve favorably over the second half of 2025, once relocation to its new Ontario site is completed around mid-year. The business is expected to recognize MEO costs of $7-8 million, spread over the first half of 2025, which will impact margins during this period.

- Timing of deliveries into specific mining projects likely causes Q1 revenue for AmerCable to be its highest quarter of 2025. The Company has already successfully leveraged Shawflex resources to secure early confirmation of US and Canadian customer appetite to utilize AmerCable's medium voltage products in specific industrial applications and continues to anticipate benefits from industrial sector commercial synergies will commence in the second half of 2025. The Company expects AmerCable to incur non-routine onboarding expenses of up to $5 million over the course of 2025. In addition, the revaluation of AmerCable's inventory to fair value as part of the purchase price allocation process is expected to temporarily impact gross margins as the inventory is sold. In combination these factors are expected to impact AmerCable results during the first three quarters of 2025. The recognition and amortization of acquired intangible assets may affect reported earnings, though these non-cash expenses do not impact the Company's underlying operational performance or cash flow. The impact on gross margins resulting from the revaluation of inventory is expected to be added back in the calculation of Adjusted EBITDA. The Company has successfully completed multiple initial integration actions to onboard the AmerCable business and currently anticipates that its overall financial performance in 2025 following the acquisition of AmerCable will approximate its expectations.

- The Company continues to expect that its Thermotite business (reported in Discontinued Operations) will be sold around the middle of the year, with a working capital true-up being completed approximately 90 days post-closing.

- While the Company expects to maintain its "all of the above" approach to capital allocation, with the acquisition of AmerCable and the majority of its large organic MEO projects completed, the Company's capital deployment in 2025 is expected to focus more heavily on debt repayment and activity under its NCIB. The Company currently anticipates total full -year Capital Expenditures will be $60-$70 million, with approximately $15 million of such amount allocated to maintenance capital, and the remaining amounts allocated to growth projects, including completion of the remaining MEO projects.

- As previously communicated, proforma for the AmerCable acquisition as of December 31, 2024, the Company would have moved modestly above its normal net-debt-to-Adjusted EBITDA ratio target of 2.0 times. Through prioritization of debt repayment, the Company currently expects to move back below its normal target ratio within 12 to 18 months of the acquisition date.

Supplemental Business Background Information

The following section provides further background information regarding the Company's strategic transformation and the foundational elements within each of its businesses that may influence Company performance.

Mattr:

Strategic Portfolio Transformation

Since 2019, the Company has undergone a substantial portfolio transformation, evolving from a predominantly oilfield product and service oriented organization to become a provider of premium, harsh environment products for industrial and infrastructure applications. Key developments in support of this transformation are detailed below:

- 2019: Acquired the Xerxes business (formerly known as ZCL), which provides underground fuel and water storage solutions for commercial and industrial sites such as convenience stores, hospitals, airports, data centers and government installations.

- 2020 - 2024: Sold or shuttered eight businesses that provided oilfield products and/or services, in the process eliminating the Company's Pipeline and Pipe Services segment. With these actions, the Company reduced the percentage of its Continuing Operations revenue exposed to oilfield end markets from >75% in 2019 to <30% in 2024.

- 2022-2023: Acquired two small businesses - Kanata, a premium, custom cable assembly provider primarily serving nuclear and aerospace end markets, and Triton Stormwater Solutions, a stormwater management product provider.

- 2023-2024: Invested organically in four new production sites, one for each of its DSG-Canusa, Shawflex, Xerxes, and Flexpipe businesses, while also establishing in-house production capability for the stormwater product line acquired from Triton Stormwater Solutions. These investments position the Company for substantial growth and efficiency enhancement, while significantly lowering its tariff exposure by expanding its ability to supply US customers from domestic production sites. In addition, the Company completed the elimination of one of its aging manufacturing facilities (Xerxes in Anaheim, California), closing the facility in the first quarter of 2024 and fully vacating the facility at the end of 2024.

- 2024-2025: Acquired AmerCable, a US-based manufacturer of harsh environment wire, cable and assemblies. This business manufactures premium low- and medium-voltage products in support of electrification within critical infrastructure sites. This acquisition enhances the Company's position as a premier, custom engineered cable manufacturer in North America and broadens its product offering. AmerCable will be reported in the Connection Technologies reporting segment, which will make this segment the largest in Mattr's portfolio.

These actions have reshaped the Company's footprint and end market exposure as well as the relative contributions from each segment.

On a pro forma basis, inclusive of the AmerCable acquisition, the Connection Technologies reporting segment is now the largest reporting segment in the Company's portfolio, constituting 55-60% of the Company's trailing twelve month Continuing Operations revenue for the period ending December 31, 2024. Contributions from each business within the reporting segment will vary quarter-over-quarter and the Company does not intend to provide a business specific breakdown of its financial performance; however, the data below provides an approximate range of expected relative revenue contribution from each business within the Connection Technologies reporting segment based on 2024 results and the Company's expectations and business plans going forward:

- DSG Canusa: 20-25%
- Shawflex: 25-30%
- AmerCable: 45-50%

The Composite Technologies reporting segment is now the smaller of the two reporting segments within the Company's portfolio, contributing 40-45% of the Company's trailing twelve month Continuing Operations revenue for the period ending December 31, 2024, proforma for the AmerCable acquisition. Contributions from each business within the reporting segment will vary quarter-over-quarter and the Company does not intend to provide a business specific breakdown of its financial performance; however, the data below provides an approximate range of expected relative revenue contribution from each business within the Composite Technologies reporting segment based on 2024 results and the Company's expectations and business plans going forward:

- Xerxes: 55-60%
- Flexpipe: 40-45%

Market Environment

In management's view, the overall underlying near-, mid- and long-term macro trends impacting Mattr's core industrial and infrastructure businesses remain favourable. Despite interest rates, which remain above recent historical levels, and ongoing geopolitical uncertainty, demand for products in support of critical infrastructure renewal and expansion, including broad electrification, industrial growth, fueling station construction and water management, is expected to remain robust. The Company continues to believe it will benefit from long-cycle infrastructure spending patterns, as new and upgraded utility and communication networks are constructed, nuclear refurbishments continue in Canada, and federal stimulus package impacts persist.

The Company continues to closely monitor the timing of large, project driven orders for some of its products. It also closely monitors raw material and labour costs and, accordingly, will continue to adjust its pricing strategy to appropriately reflect the value of its products and its cost inputs.

Tariffs

In 2025, the government of the United States announced tariffs on certain good imported from Canada, Mexico and China. The governments of these three countries have announced their intentions to respond with tariffs on certain goods imported from the US. On March 6, 2025, it was announced that the implementation of the tariffs between the United States and Canada and between the United States and Mexico for USMCA compliant goods would be paused for 30 days. The Company acknowledges that extreme uncertainty exists regarding the magnitude and duration of tariffs impacting the movement of goods across North American borders and is currently assessing the business consequences arising from such tariffs.

Modernization, Expansion and Optimization (MEO) Actions

During the second quarter of 2023, the Company detailed several planned capital investments into high-return growth and efficiency improvement opportunities in both segments. These investments, and other MEO activities, have progressed on time and on budget, and include:

- The addition of two new Composite Technologies segment manufacturing facilities (Xerxes in Blythewood, South Carolina and Flexpipe in Rockwall, Texas) which were completed during the second half of 2024 and the elimination of one aging manufacturing facility (Xerxes in Anaheim, California), which was closed in the first quarter of 2024 and fully vacated at the end of 2024. Production output in both new facilities is currently being ramped-up.

- The bifurcation, relocation, expansion and modernization of the Connection Technologies segment's Rexdale, Ontario facility, which is replaced by a new DSG-Canusa facility in Fairfield, Ohio and a new Shawflex facility in Vaughan, Ontario. Both new sites commenced initial production at the end of 2024, with final relocations to be completed by mid-year 2025.

On average, these four new production sites are initially being populated with manufacturing equipment occupying approximately 50% of available floor space. The Company retains the option of adding further production equipment to each site in a phased manner in future years to support increased customer demand, expansion of its product portfolio or potential long-term tariff mitigation.

In aggregate, once completed and with initial equipment installation, these planned investments are expected to result in the Company creating at least $150 million per year of incremental revenue generating capacity with margins comparable to those realized in its Composite Technologies and Connection Technologies segments. These levels of output are expected to be realized as the facilities reach efficient utilization levels in accordance with their currently expected timelines, but the Company notes these timelines may be impacted by changes in underlying market demand for specific products.

With both new Composite Technologies facilities now online and largely complete, the Company anticipates MEO costs in 2025 to be limited to the Connection Technologies segment, predominantly within the Shawflex business as the Vaughan relocation is completed.

Operational Environment

The Company expects its manufacturing efficiency will demonstrate progressive improvement during 2025 as its recently established production sites continue to gradually build workforce proficiency and elevate output.

Capital Allocation

The Company pursues an "all of the above" approach to capital allocation. From the beginning of 2021 and through the period ending December 2024, the Company has lowered its gross debt by over $267.2 million, has deployed over $202.6 million in organic growth capital and has deployed over $100 million to repurchase and retire its own shares. On January 2, 2025 the Company completed its acquisition of AmerCable for a gross purchase price of approximately $400 million. With this acquisition completed and onboarding underway, the Company expects to adjust its near-term capital allocation priority to lowering net debt while completing its existing MEO organic growth initiatives and remaining active under its NCIB.

Xerxes:

Xerxes® primarily manufactures corrosion-free, fiberglass reinforced plastic fuel and water underground storage tanks (USTs) and HydroChain stormwater management products, including infiltration chambers. USTs are marketed and sold primarily to retail fuel outlets, data centers and infrastructure customers across North America. HydroChain stormwater management products are marketed and sold to infrastructure customers across North America, Europe, Australia and New Zealand.

Market Environment

The Company largely bases its demand expectations for USTs serving fuel applications on forecast data from its North American convenience store (C-store) customers. Many of the Company's larger C-store customers, both public and private, have signaled expectations for robust and growing near- and mid-term capital investment to construct 'new-to-industry' C-stores. These expectations are underpinned by anticipated long-term stability in underlying demand for liquid fuels, healthy liquid fuel margins and constructive views from customers on their ability to expand market share as consumers consistently prioritize convenient and modern locations for their fueling needs. Per 2023 EIA Annual Energy Outlook data, approximately 98% of light duty passenger vehicles on United States roadways require liquid fuels and the National Association of Convenience Stores (NACS) has reported year-on-year increases in its total 'C-store with fuel' count in each of its 2025, 2024 and 2023 publications. Xerxes has observed a gradual rise in the average quantity and size of tanks sold into a typical 'new-to-industry' C-store over the last several years, as many customers increasingly emphasize the addition of larger travel centers and truck stops to their fueling networks.

Supplementing strong demand from 'new-to-industry' fueling site construction, accelerating UST replacement programs due to an aging installed base, bolstered by regulations at both the US federal and state levels, support anticipated continued growth in demand for Xerxes fuel USTs. In 1988, the Environmental Protection Agency (EPA) released upgraded standards for USTs that, among other elements, mandated corrosion-protection requirements for tanks. The EPA provided a 10-year grace period for tanks to be retrofitted or replaced to meet those standards. Fuel USTs are typically subject to a 30-year limited warranty, with many USTs installed as part of the 1988 EPA replacement cycle now approaching, or past, this warranty period. The EPA estimated that the average age of the UST installed base in the US during 2024 was approximately 27 years. In 2014 the State of California enacted the Permanent Closure Requirements for Underground Storage Tank with Single-Walled Components bill. This bill, which has a compliance deadline of December 31, 2025, is expected to drive strong regional demand for tanks throughout 2025.

References: NACS, OPIS, Investor Relations Materials from Public C-store Operators, Energy Information Administration (EIA) Annual Energy Outlook: Vehicle Stock by Powertrain, California Water Boards: State Water Control Boards

Xerxes also supplies USTs and its HydroChain brand of products into a wide variety of water, waste water and stormwater related applications. In recent years the Company has been particularly focused on growing its presence within the underground storage segment of the US stormwater market, an end market which, according to Bluefield US Stormwater Market Research, has grown at a CAGR of approximately 7% between 2023 and 2025. Given its modest current market share and confidence in the performance of its products, the Company believes share gains provide an opportunity to outperform this market over the coming years. Xerxes USTs are also sold into certain data center construction projects where they are used to store cooling water, enabling customers to more responsibly utilize water resources, as well as for rainwater harvesting, backup fire protection and backup fuel storage. According to CBRE's North America Data Center Trends H2-2024 report, supply in primary data center markets increased by 34% year-over-year (vs. a 26% increase in 2023) and 'under construction' activity as of year-end 2024 more than doubled versus year-end 2023 to a reach a new record of 6,350MW.

References: Bluefield US Stormwater Market Outlook, CBRE North America Data Center Trends

Operational Footprint

The Xerxes business operates from a North American network of seven manufacturing facilities, serving primarily the US and Canadian markets. Two facilities are located in Canada:

- Edmonton, Alberta
- Drummondville, Quebec

Five facilities are located in the US:

- Tipton, Iowa
- Hagerstown, Maryland
- Seguin, Texas
- Rockwall, Texas (HydroChain infiltration chamber production, co-located with Flexpipe)
- Blythewood, South Carolina

Its newest tank production facility in Blythewood, SC initiated production in the third quarter of 2024, and is still in the process of ramping up production. See "MEO" commentary for more details.

Typical Seasonal Profile

Typically, demand is lowest in the first quarter of the year, when ground conditions are less favorable for the installation of underground storage tanks and accessories in North America. Demand generally rises in the second and third quarters of the year before declining during the fourth quarter as construction activities lower due to increasingly unfavorable ground conditions.

Flexpipe:

Flexpipe® manufactures proprietary, flexible, corrosion resistant pipeline products which are marketed primarily to oil and natural gas producers in Canada, the United States, Latin America, the Asia-Pacific Region, the Middle East, India and North Africa.

Market Environment

Demand for Flexpipe products is primarily driven by underlying oil and gas commodity prices, which influence the scale of oilfield drilling and completion activity undertaken by the business's customers in its key markets. Commodity prices and active drilling rig counts in US land and Canada land are typically used as macro indicators of oilfield activity. The Company monitors well completion activity to anticipate demand for its products in North America and in its most active basins. Management currently anticipates global oil prices will likely remain towards the lower end of recent trading ranges for the near-term, driven by a transient imbalance in global supply versus demand. In recent years Flexpipe has introduced multiple new products, primarily in incrementally larger sizes, which have offered access to new sectors of the oilfield market. The business continues to develop further product extensions and anticipates further expansion of its total addressable market in the coming years.

References: Baker Hughes Rig Counts, Enverus Prism, EIA Well Completions

Operational Footprint

The business operates from a North American network of two manufacturing facilities, serving both Canadian and US markets. One facility is located in Canada:

- Calgary, Alberta

One facility is located in the US:

- Rockwall, Texas

Its newest facility in Rockwall, TX initiated production in the third quarter of 2024, and is still in the process of ramping-up production. See "MEO" commentary for more details.

Typical Seasonal Profile

Absent dramatic changes in underlying oil and gas commodity prices, the business typically sees its lowest US activity levels in the first quarter of the year, with activity rising in the second and third quarters as customers execute installation campaigns before slowing again during the fourth quarter. In Canada, the business typically experiences robust activity in the first, third and fourth quarters, with the second quarter normally less active as customers are forced to reduce operations due to wet ground conditions. International activity tends not to have a typical seasonal profile but is often sporadic due to its project driven nature.

DSG-Canusa:

DSG-Canusa is a global manufacturer of heat shrinkable and cold shrinkable products for mechanical and electrical insulation solutions. The business also manufactures automated heat shrink application equipment. Each product meets or exceeds relevant automotive, defense, telecommunications, industrial or original equipment manufacturers' specifications for performance and safety. These products are sold direct to end users or through distributors throughout North America, Europe and Asia.

Market Environment

The DSG-Canusa business serves two primary end markets: industrial and automotive. Macro indicators such as regional gross domestic product growth and purchasing managers' index provide a reasonable proxy for anticipated industrial activity levels. Industrial activity within North America is currently anticipated to be relatively stable, while European activity is currently expected to decline as a consequence of general economic weakness in the region. Global automotive production metrics are a proxy for general demand for DSG-Canusa products in this sector. Automotive output has recently been challenged by reduced consumer demand driven by elevated interest rates and inflation. Despite these challenges, demand for the Company's automotive products has the opportunity to outpace overall automotive production as a result of electronic content growth in premium, hybrid and full electric vehicle markets.

References: S&P Manufacturing PMI, LMC Auto, IMS

Operational Footprint

The business currently operates from a global network of four facilities. All facilities are capable of servicing local markets within the industrial and automotive market segments.

One facility is located in Canada, predominantly serving the North American market:

- Rexdale, Ontario

One facility is located in the US, predominantly serving the North American market:

- Fairfield, Ohio

One facility is located in Germany, predominantly serving the European market:

- Rheinbach, Germany

One facility is located in China, serving the Chinese market:

- Suzhou, China

Initial Rexdale facility operations have been migrated to the Fairfield, Ohio site on schedule. Remaining Rexdale operations are expected to be fully relocated into the Fairfield, Ohio site around the middle of 2025 at which time the Rexdale site will be abandoned. See "MEO" commentary for more details.

Typical Seasonal Profile

Underlying demand for the business' products is relatively evenly spread across the year, though demand within its automotive end market often softens toward the end of the year as vehicle manufacturers tend to shut down their factories during the holiday period.

Shawflex:

Shawflex is a manufacturer of control, instrumentation and low voltage power cables for use primarily in industrial and infrastructure applications. The business is a market leader in Canada with custom engineered and specialty products sold direct to end-users or through distributors throughout North America. Its electrical products meet or exceed industry standards for performance and safety, such as those issued by the Canadian Standards Association and Underwriters Laboratories and include proprietary products for numerous highly engineered applications. These products are primarily used in North American nuclear and hydro power generation, electrical utility, mass transportation, telecommunications and automation industries.

Shawflex' Kanata Electronics group is a manufacturer and supplier of specialty cable assemblies and wire harnesses for the nuclear and aerospace industries, including a broad portfolio of products that are both environmentally qualified and seismically qualified for use in CANDU nuclear power plants. The division provides assembly solutions direct to end users or through distributors throughout North America, South America, Europe and Asia.

Market Environment

Shawflex serves a wide array of end markets with its highly customizable wire, cable and assembly solutions. Many of these end markets are project specific in nature, in which the business depends on engagement with customers to provide insight into demand requirements and timing. A portion of the business' demand is derived from distributor customers who may act as a go-between for projects or hold inventory for stock demand. While project specific demand through distributors is generally dictated by project timing, distributor appetite to hold stock inventory often fluctuates based on interest rate environments. Reported inflation in the US and Canada has moved gradually lower over the past 12 months which the Company generally views as favourable for demand for its industrial and infrastructure products.

Outside of distribution, Shawflex continues to engage with customers regarding project specific needs in end markets such as nuclear and hydroelectric. The Company continues to see growth opportunities as calls for a global nuclear renaissance are supported by a short- and long-term surge in electricity demand due to electrification. In the nearer term, the Company continues to see a steady flow of announcements around the 2030 refurbishment cycle of CANDU reactors in Canada and internationally. The Company sees mid-to-longer term advancements in new nuclear technology (Small Modular Reactors - SMRs) and demand for domestic energy security via pressurized heavy-water, boiling-water, and light-water reactors - PHWRs, BWRs and LWRs. Shawflex is well positioned to support new nuclear construction pending project awards.

References: Bank of Canada, OPG, Bruce Power, Global Commitment to Net Zero 2050, IAEA 2022

Operational Footprint

The business currently operates from two production footprints in Canada, both predominantly serving the North American market, located in:

- Rexdale, Ontario
- Vaughan, Ontario

All Rexdale facility operations are in the process of being relocated into the Vaughan site. The relocation is expected to be complete around the middle of 2025 at which time the Rexdale site will be abandoned. See “MEO” commentary for more details.

Typical Seasonal Profile

A portion of the business’ products are sold through distributors, who generally restock in the first quarter of the year and lower inventory levels in the fourth quarter of the year. A portion of the business is also project based, which, depending on project size and timing, could mask or exacerbate seasonal fluctuations.

AmerCable:

AmerCable is a leading manufacturer of harsh environment wire, cable and assemblies. The business manufactures premium, low- and medium-voltage products in support of electrification within critical infrastructure sites, including mineral and resource extraction sites, fixed and floating offshore structures and other industrial operations.

Market Environment

The majority of AmerCable's revenue is derived from product sales into maintenance repair operations (MRO) at customer sites with multi-decade operating lives. In addition, the business benefits from new construction projects where demand is anticipated through engagement with customers and end users. The business monitors indicators such as commodity prices, particularly as it relates to mineral extraction (e.g. metallurgical coal, gold, copper, potash, etc.), housing starts, and GDP to assess general industry health. These metrics often indicate the volume of potential capital investments into new facilities, however some level of MRO spend is typically required regardless of macroeconomic backdrop. Project-specific sales can be meaningful, and therefore the timing of such projects can meaningfully influence quarterly performance.

References: Bureau of Economic Analysis (BEA): US GDP, US Energy Information Administration (EIA): Commodity Pricing, Federal Reserve Bank (FRED): US Housing Starts

Operational Footprint

The business operates from two facilities in the US, primarily serving the North American market:

- El Dorado, AR (manufacturing facility)
- Katy, TX (cable assembly facility)

Typical Seasonal Profile

AmerCable’s business is made up of direct customers, distribution customers and direct project work. Given this mix, there is no consistent annual season profile for the business.

7.0 Liquidity and Capitalization

Capital Resources

With the Strategic Review process substantially complete, the volatility of the Company has been considerably reduced; however, the Company still has a diverse portfolio of products and services and operates in several dynamic markets, and as a result, a portion of the operations of the Company are cyclical in nature. These factors, as well as the Company's growth initiatives, can result in variations in the amount of investment in property, plant and equipment, working capital and project guarantees required to support the Company's businesses. The Company's policy is to manage its financial resources, including debt facilities and other debt instruments, to maintain sufficient, flexible financial capacity to fund these investment requirements.

As at December 31, 2024, the Company had cash and cash equivalents (including restricted cash) totaling $502.5 million (December 31, 2023 – $334.1 million) and had unutilized lines of credit available to use of $291.2 million, subject to covenant limitations (December 31, 2023 – $445.9 million). The cash balance as at December 31, 2024, reflects fourth quarter transactions including proceeds of $307.2 million from the issuance of its 2031 Senior Notes and the withdrawal from the credit facility, investments of $16.1 million in capital expenditures to support planned MEO business expansion initiatives and $25.4 million of share repurchases.

Based on the actions completed and planned and its diversified business, the Company expects to generate sufficient cash flows and have continued access to its credit facilities, subject to covenant limitations, to fund its operations, working capital requirements, acquisition program and capital program including share buybacks. The Company will continue to focus on maximizing the conversion of operating income into cash to continue to manage its long-term debt and explore organic and inorganic investment opportunities.

The following table sets forth the Company's cash flows by activity and cash balances for the following periods:

(in thousands of Canadian dollars)	Year Ended December 31, 2024	Year Ended December 31, 2023
Net (Loss) Income from Continuing Operations	**$ (6,017)**	$ 42,365
Depreciation and amortization	**40,435**	35,817
Other non-cash items	**19,714**	33,883
Other	**14,559**	5,434
Net change in non-cash working capital and foreign exchange	**(17,714)**	(47,027)
Cash provided by operating activities from Continuing Operations	**50,977**	70,472
Cash provided by operating activities from Discontinued Operations	**369**	54,135
Cash provided by operating activities	**51,346**	124,607
Cash used in investing activities from Continuing Operations	**(105,410)**	(65,873)
Cash (used in) provided by investing activities from Discontinued Operations	**(49,581)**	175,695
Cash (used in) provided by investing activities	**(154,991)**	109,822
Cash provided by (used in) financing activities from Continuing Operations	**259,972**	(141,898)
Cash used in financing activities from Discontinued Operations	**(132)**	(19,882)
Cash provided by (used in) financing activities	**259,840**	(161,780)
Effect of Foreign Exchange on Cash and Cash Equivalents	**12,234**	(2,578)
Net Change in Cash and Cash Equivalents (and Restricted Cash)	**168,429**	70,071
Cash and Cash Equivalents at Beginning of Period	**334,061**	263,990
Cash and Cash Equivalents (and Restricted Cash) at End of Period	**$ 502,490**	$ 334,061

7.1 Cash Provided by Operating Activities

Cash generated by operating activities was $51.3 million for the year ended December 31, 2024, a decrease of $73.3 million compared to the $124.6 million generated by operating activities for the year ended December 31, 2023. Excluding the impact of Discontinued Operations, where cash provided was $0.4 million for the year ended December 31, 2024, and $54.1 million for the year ended December 31, 2023, the decrease in cash provided by Continuing Operations of $19.5 million was primarily driven by a decline in operational results in continuing operations excluding non-cash items, partially offset by a decrease in investment in working capital.

7.2 Cash (Used in) Provided by Investing Activities

Cash used in investing activities was $155.0 million for the year ended December 31, 2024, a change of $264.8 million compared to the $109.8 million provided by investing activities in the year ended December 31, 2023. Excluding the impact of cash used in investing activities for Discontinued Operations, which was $49.6 million for the year ended December 31, 2024 and the cash provided by investing activities of $175.7 million for the year ended December 31, 2023, the increase in cash used in investing activities was $39.5 million. This was primarily driven by an increase in purchases of property, plant and equipment of $39.4 million, together with a decrease in proceeds from the disposal of property, plant and equipment of $9.6 million and the absence of $8.6 million from a business acquisition that occurred in 2023.

Capital Expenditures

As noted above, the Company's purchases of property, plant and equipment for Continuing Operations increased by $39.4 million from $71.0 million for the year ended December 31, 2023, to $110.4 million for the year ended December 31, 2024. Of the total spend, $100.5 million was directed to growth capital expenditures, largely related to investments in the new operating facilities to increase production capacity and efficiency for the Composite Technologies and Connection Technologies segments.

7.3 Cash Provided by (Used in) Financing Activities

Cash provided by financing activities was $259.8 million for the year ended December 31, 2024, an increase of $421.6 million compared to the $161.8 million cash used in financing activities for the year ended December 31, 2023. Excluding the impact of the cash used in financing activities by Discontinued Operations which was $0.1 million for the year ended December 31, 2024, and $19.9 million for the year ended December 31, 2023, this increase of $401.9 million was primarily driven by the net proceeds of $302.3 million from the offering of senior unsecured notes, $179.9 million from a draw on the credit facility and a decrease of $17.3 million in the Company's NCIB share buyback program. This was partially offset by an increase of $87.8 million in repayment of long-term debt and a $8.1 million increase finance cost associated with the repayment of long-term debt.

7.4 Working Capital

The following table sets forth the Company's key working capital account balances as at:

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023
Accounts receivable	**$ 146,454**	$ 157,689
Inventory	**$ 142,871**	$ 122,536
Accounts payable and accrued liabilities	**$ 172,326**	$ 178,807

Accounts receivable from Continuing Operations decreased by $11.2 million, or 7.1%, as at December 31, 2024 compared to December 31, 2023. The decrease is related to a better management in billing and collection efforts and policies across all segments.

Inventories from Continuing Operations increased by $20.3 million, or 16.6%, as at December 31, 2024 compared to December 31, 2023. The increase is related to the timing of receipts of raw materials and upcoming production schedules along with a strategic increase in finished goods inventory across Canada and USA to mitigate the impact of potential tariffs on customers in these locations.

Accounts payable and accrued liabilities from Continuing Operations decreased by $6.5 million, or 3.6%, as at December 31, 2024 compared to December 31, 2023. The decrease is related to the timing of purchases and payments.

7.5 Long-term Debt and Credit Facilities

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

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023
Credit Facility	**$ 179,900**	$ —
Senior Notes, unsecured [(a)]	**308,348**	150,000
Redemption option derivative asset	**(6,004)**	—
Deferred transaction costs	**(11,006)**	(5,799)
Total Long-term Debt	**$ 471,238**	$ 144,201
Total Net debt-to-Adjusted EBITDA [(b)]	**1.01**	(0.26)
Total Interest Coverage Ratio [(b)]	**7.63**	18.02

(a) The Senior Notes includes redemption option with a fair value of $6.0 million as of December 31, 2024.
(b) Total Net debt-to-Adjusted EBITDA and Total Interest Coverage Ratio are non-GAAP measures. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measure provided by other companies. See "*Section 15.0 – Reconciliation of Non-GAAP Measures*".

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

Credit Facilities

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

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023
Borrowings on Credit Facility	**$ 179,900**	$ —
Standard letters of credit for financial guarantees, performance and bid bonds	**34,213**	57,728
Total utilized credit facilities	**$ 214,113**	$ 57,728
Total available credit facilities [(a)(b)]	**505,302**	503,594
Unutilized Credit Facilities [(b)]	**$ 291,189**	$ 445,866

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

Standard letters of credit have reduced as a result of the sale of the PPG business and are expected to continue to reduce as transition to Tenaris continues in accordance with the terms of the definitive purchase and sale agreement in respect of the transaction.

Credit Facility Renewal

On April 19, 2024, the Company entered into a Sixth Amended and Restated Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and Royal Bank of Canada, JP Morgan Chase Bank, Export Development Bank and ATB Financial 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. 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 Export Development Canada ("EDC"). The Company incurred fees and expenses of $1.1 million to implement this renewal. As at December 31, 2024, the credit facility has $179.9 million borrowings (2023 - nil).

Senior Notes

On April 2, 2024, the Company closed its private offering (the "2024 Notes Offering") of $175 million aggregate principal amount of 2031 Senior Notes. The 2031 Senior Notes were issued at a price of $1,000 per $1,000 principal amount of 2024 Senior Notes. The Company utilized proceeds of the 2024 Notes Offering to fund the redemption of its outstanding 2021 Senior Notes, and to pay related fees and expenses and for general corporate purposes.

On December 19, 2024, the Company closed a private offering (the "December 2024 Subscription Receipts") of 125 million debt subscription receipts at a price of $1,018.75 per subscription receipt for proceeds to the Company of approximately $127.3 million. Each debt subscription receipt entitled the holder thereof to receive, upon satisfaction of certain conditions, a newly authenticated 2031 Senior Notes (the "Additional 2031 Senior Notes"). Conversion of the December 2024 Subscription Receipts occurred and the Additional 2031 Senior Notes were issued pursuant to the April 2, 2024 trust indenture between the Company and TSX Trust Company (the "Trust Indenture") as supplemented by a supplemental indenture dated December 24, 2024 between the Company and TSX Trust Company such that following the issuance of the Additional 2031 Senior Notes, which became 2031 Senior Notes under the Trust Indenture, $300 million aggregate principal amount of 2031 Senior Notes was outstanding. The fair value and carrying value of the premium on the Additional 2031 Senior Notes issued pursuant to the December 2024 Subscription Receipts is approximately $2.4 million and $2.3 million, respectively.

The Company used the net proceeds of the December 2024 Subscription Receipts to pay a portion of the purchase price for the Company's acquisition of AmerCable.

The Company incurred $7.0 million fees and expenses on issuing the 2031 Senior Notes and $6.8 million costs associated with redemption of its 2021 Senior Notes.

The 2031 Senior Notes are redeemable by the Company in whole or in part, for cash:

1. At any time prior to April 2, 2027, up to 40% of the original aggregate principal amount of the 2031 Senior Notes with the net cash proceeds of one or more equity offerings at a redemption price equal to 107.25% of the aggregate principal amount of the 2031 Senior Notes redeemed, plus accrued and unpaid interest.
2. At any time prior to April 2, 2027, at a redemption price equal to 100% of the aggregate principal amount of the 2031 Senior Notes, accrued and unpaid interest and a premium at the greater of 1% of the principal value of the notes to be redeemed, or the present value of remaining interest to April 2, 2027, discounted at the treasury yield plus 100 basis points.
3. On and after the dates provided below, at the redemption prices, expressed as a percentage of principal amount of the notes to be redeemed, set forth below, plus accrued and unpaid interest on the senior notes.

Date	Percentage
April 2, 2027	103.625%
April 2, 2028	101.813%
April 2, 2029 and thereafter	100.000%

The redemption features described above constitute an embedded derivative which was separately recognized at its fair value of $6.0 million on recognition of the 2031 Senior Notes recorded in other assets. The embedded derivative is classified as fair value through profit and loss. Future changes in fair value will be recognized in finance costs in the consolidated statements of comprehensive income (loss).

The 2031 Senior Notes are subject to customary terms, conditions and covenants. The Company is in compliance with these covenants at December 31, 2024.

As of December 31, 2024, the Company has $127.3 million of restricted cash, which represents the proceeds from the December 2024 Subscription Receipts offering. In accordance with the terms of the December 2024 Subscription Receipts, these proceeds were only eligible to be used for the acquisition of AmerCable and, as such, are classified as restricted cash since they are not available for general use. The restricted cash is disclosed separately in the financial statements.

This amount is classified as a current asset as the acquisition of AmerCable closed in January 2025. Upon the completion of the acquisition, the restricted cash was applied toward the purchase price of AmerCable, in line with the conditions of the December 2024 Subscription Receipts.

7.6 Commitments, Leases, Contingencies and Off-Balance Sheet Arrangements

The following are the contractual maturities of the Company's purchase commitments and financial liabilities as at December 31, 2024 relating to Continuing Operations:

(in thousands of Canadian dollars)	2025	2026	2027	2028	2029	Thereafter	Total
	$	$	$	$	$	$	$
Purchase commitments	65,482	4,203	597	298	530	15,626	86,736
Accounts payable	74,503	—	—	—	—	—	74,503
Long-term debt	—	—	—	179,900	—	300,000	479,900
Interest obligations on long- term debt	21,750	21,750	21,750	21,750	21,750	32,625	141,375
Obligations under leases	16,707	14,816	13,879	13,072	13,070	246,793	318,337
Common area maintenance obligations under leases	2,299	1,751	1,676	1,574	1,574	4,529	13,403
Total contractual obligations	**180,741**	**42,520**	**37,902**	**216,594**	**36,924**	**599,573**	**1,114,254**

Purchase Commitments relating to Continuing Operations

The Company has $54.7 million of future commitments with suppliers to purchase raw materials to be used in production. The Company also has agreements with miscellaneous vendors to perform services, acquire supplies, and rent equipment of $5.4 million. Additionally, the Company has entered into contracts to purchase property, plant and equipment of $9.5 million, the majority of which relates to investments in high return potential growth opportunities including the facilities for the Composite Technologies segment and the Connection Technologies segment opened this year.

Legal Claims

In the ordinary course of business activities, the Company may be contingently liable for litigation and claims with customers, suppliers and other third parties. Management believes that adequate provisions have been recorded in the accounts where required. Although it is not possible to estimate the extent of potential costs and losses, if any, management believes, but can provide no assurance, that the ultimate resolution of such contingencies would not have a material adverse effect on the interim consolidated financial position of the Company.

Performance, Bid and Surety Bonds

The Company provides standby letters of credit for performance, bid and surety bonds through financial intermediaries to various customers in support of project contracts for the successful execution of these contracts. If the Company fails to perform under the terms of the contract, the customer has the ability to draw upon all or a portion of the bond as compensation for the Company's failure to perform. The contracts that these performance bonds support generally have a term of one to four years. Bid bonds typically have a term of less than one year and are renewed, if required, over the term of the applicable contract. Historically, the Company has not made and does not anticipate that it will be required to make material payments under these types of bonds.

The Company utilizes the Credit Facility to support its bonds. The Company has utilized total credit facilities of $34.2 million as at December 31, 2024 (December 31, 2023 – $57.7 million) for support of its bonds. In addition, as at December 31, 2024 the Company had $12.6 million of outstanding surety bonds through insurance companies (December 31, 2023 – $92.8 million).

7.7 Financial Instruments and Other Instruments

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 December 31, 2024 where instruments are measured at amortized cost and the carrying value does not approximate the fair value:

(in thousands of Canadian dollars)	Fair Value	Level 1	Level 2	Level 3
Liabilities				
Long-term debt	**$ 491,898**	**$ —**	**$ 491,898**	**$ —**

Total long-term debt is comprised of Senior Notes, unsecured of $300 million and amounts drawn on Credit Facility of $179.9 million. The Senior Notes, unsecured have a fair market value of $312.0 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 December 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 as at December 31, 2024.

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 utilizes financial instruments to manage the risk associated with foreign exchange rates. 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 of Directors.

Market Risk

Foreign Exchange Risk

The majority of the Company's business is transacted outside of Canada through subsidiaries operating in multiple 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 items are translated into Canadian dollars. As at December 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 year ended December 31, 2024 by approximately $29.4 million, $0.2 million and $0.8 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 $61.1 million, $11.7 million and $49.4 million, respectively, as at December 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. Presently the Company does not engage in any significant hedging of currencies.

Foreign Exchange Forward Contracts

The Company utilizes financial instruments to manage the risk associated with foreign exchange rates. The Company formally documents all relationships between hedging instruments and the hedged items, as well as its risk management objective and strategy for undertaking various hedge transactions.

The Company does not apply hedge accounting to account for its foreign exchange forward contracts.

As at December 31, 2024, the Company had no of foreign exchange forward contracts outstanding (2023 – $20.9 million).

Interest Rate Risk

The following table summarizes the Company's exposure to interest rate risk as at December 31, 2024:

(in thousands of Canadian dollars)	Non-interest Bearing	Floating Rate	Fixed Interest Rate	Total
Financial assets				
Cash equivalents	$ —	$ —	$ 2,605	$ 2,605
Financial Liabilities				
Standard letters of credit for performance, bid and surety bonds	$ 34,213	$ —	$ —	$ 34,213
Long-term debt	—	179,900	300,000	479,900
	$ 34,213	**$ 179,900**	**$ 300,000**	**$ 514,113**

As at December 31, 2024, the Company estimates that a 100- basis point increase (decrease) in short-term interest rates, with all other variables held constant, would result in $1.8 million increase (decrease) in annual finance costs.

Credit Risk

Credit risk arises from cash and cash equivalents held with banks, foreign exchange forward contracts, as well as credit exposure of customers, including outstanding accounts receivable. The maximum credit risk is equal to the carrying value of the financial instruments.

For the years ended December 31, 2024 and 2023, there was no customer who generated more than 10% of total consolidated revenue. As at December 31, 2024 and 2023, no customer accounted for more than 10% of the Company's total trade accounts receivable.

The carrying value of accounts receivable is reduced using expected credit loss ("ECL"), and the amount of the loss is recognized in the consolidated statements of income with a charge to SG&A. When a receivable balance is considered to be uncollectible, it is written off against the ECL accounts. Subsequent recoveries of amounts previously written off are credited against SG&A expenses.

As at December 31, 2024, $3.4 million, or 2%, of trade accounts receivable was more than 90 days overdue, compared to $8.7 million, or 6%, as at December 31, 2023. The Company expects to receive full payment on accounts receivable that are neither past due nor impaired.

The following is an analysis of the change in the ECL accounts for the years ended December 31:

(in thousands of Canadian dollars)		**2024**		2023
Balance - Beginning of Year	**$**	**(2,715)**	$	(4,042)
ECL expense		**(1,371)**		(2,171)
Recovery of amounts previously provided		**769**		1,078
ECL written off		**486**		204
Disposals		**—**		2,208
Impact of change in foreign exchange rates		**(45)**		8
Balance - End of Year	**$**	**(2,876)**	$	(2,715)

Liquidity Risk

The Company's objective in managing liquidity risk is to maintain sufficient, readily available cash reserves in order to meet its liquidity requirements at any point in time. The Company achieves this by maintaining sufficient cash and cash equivalents (including restricted cash) and through the availability of funding from committed credit facilities. As at December 31, 2024, the Company had cash and cash equivalents (including restricted cash) totaling $502.5 million (December 31, 2023 – $334.1 million) and had unutilized lines of credit available to use of $291.2 million (December 31, 2023 – $445.9 million). As of December 31, 2024, the Company has $127.3 million in restricted cash from the December 2024 senior unsecured notes offering. These proceeds are restricted under the terms of the senior unsecured notes and can only be used for the acquisition of AmerCable. Accordingly, they are classified as restricted cash and are separately disclosed in the financial statements. The decrease in unutilized lines of credit is primarily due to the draw on the credit facility to finance the acquisition of AmerCable.

7.8 Outstanding Share Capital

As at March 11, 2025, the Company had 62,522,275 Common Shares outstanding and stock options and share units outstanding to purchase up to 1,777,254 Common Shares.

Normal Course Issuer Bid

On June 26, 2024, the Company announced that the TSX had approved the Company's notice of intention to renew its NCIB for common shares of the Company. The NCIB commenced on June 28, 2024 and will terminate one year after its commencement, or earlier if the maximum is reached or the NCIB is terminated at the option of the Company. The Company's previous NCIB terminated on December 19, 2023, the date on which the maximum purchase limit had been reached.

Pursuant to the NCIB, the Company may purchase for cancellation on the open market (or as otherwise permitted), at its discretion, up to 4,982,824 common shares, representing approximately 10% of the Company's public float as at June 14, 2024. The Company believes that using the NCIB to return capital to its shareholders will increase shareholder value and further the returns of the Company.

All purchases pursuant to the NCIB will be made through the facilities of the TSX, or such other permitted means (including through alternative trading systems in Canada), at prevailing market prices or as otherwise permitted. The NCIB will be funded using existing cash resources or credit available under the Credit Facility and any Common Shares repurchased by the Company under the NCIB will be cancelled. Other than purchases made under a block purchase exemption pursuant to the rules and policies of the TSX, daily purchases on the TSX pursuant to the NCIB will be limited to 30,099 Common Shares, which represents approximately 25% of the average daily trading volume of 120,397 common shares of the Company for the six calendar months preceding May 31, 2024.

In connection with the NCIB, the Company entered into an automatic share purchase plan (the "ASPP") with a designated broker (the "Broker") in order to facilitate repurchases of its outstanding Common Shares under the NCIB. The ASPP was approved by the TSX and was implemented effective June 28, 2024.

Under the ASPP, the Broker may purchase Common Shares under the NCIB at times when the Company would ordinarily not be permitted to, due to its self-imposed regular quarterly black-out periods or special black-out periods. Before the commencement of any particular internal trading black-out period, the Company may, but is not required to, instruct the Broker to make purchases of Common Shares under the NCIB during the ensuing black-out period in accordance with the terms of the ASPP.

Since the commencement of the Company's NCIB on June 28, 2024 until December 31, 2024, the Company repurchased for cancellation approximately 3.4 million of its common shares for an aggregate repurchase price of approximately $47.6 million at a weighted average price of approximately $14.17 per common share. In the aggregate, since the launch of the Company's initial NCIB on September 26, 2022 until December 31, 2024, the Company repurchased for cancellation approximately 8.3 million of its common shares for an aggregate repurchase price of approximately $117.4 million at a weighted average price of approximately $14.10 per common share.

Shareholders may obtain a copy of the NCIB notice, without charge, by contacting the Company.

8.0 Transactions with Related Parties

The Company had no material transactions with related parties during the year ended December 31, 2024. All related party transactions were in the normal course of business.

9.0 Selected Annual Information

(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	December 31, 2022
Revenue from Continuing Operations	**$ 885,317**	$ 880,529	$ 841,973
Net (Loss) Income from Continuing Operations	**(6,017)**	42,365	84,959
Total Consolidated Mattr Net (Loss) Income	**(3,548)**	87,219	(30,976)
Total Assets	**1,629,160**	1,278,299	1,549,090
Total Non-Current liabilities	**664,086**	269,311	343,312

The Company did not issue any dividends for the years ended December 31, 2022, 2023 and 2024.

The factors affecting period to period variation and comparability have been discussed in other sections or documents including but not limited to "*Section 3.0 – Key Developments, Section 4.0 - Results from Operations for the Year Ended December 31, 2024", "Section 5.0 – Discontinued Operations", "7.5 Long-term Debt and Credit Facilities", "Section 10.0 – Summary of Quarterly Results"* and prior year MD&A.

10.0 Summary of Quarterly Results

The following is a summary of selected financial information for the eight most recently completed quarters:

(in thousands of Canadian dollars, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Revenue					
2024	210,039	241,267	226,240	**207,771**	**885,317**
2023	227,234	239,932	221,892	191,471	880,529
Income (Loss) from Operations					
2024	4,029	27,163	18,345	**(9,416)**	**40,121**
2023	27,060	19,939	25,377	(4,262)	68,114
Net (Loss) Income from Continuing Operations [(a)]					
2024	(2,348)	10,829	5,606	**(20,289)**	**(6,202)**
2023	18,233	11,077	16,535	(3,512)	42,333
Net (Loss) Income from Discontinued Operations [(a)]					
2024	(3,494)	(8,735)	7,186	**7,512**	**2,469**
2023	7,006	1,976	55,382	(19,510)	44,854
Net (Loss) Income per share from Continuing Operations					
Basic					
2024	(0.04)	0.16	0.09	**(0.32)**	**(0.09)**
2023	0.26	0.16	0.24	(0.05)	0.61
Diluted					
2024	(0.04)	0.16	0.08	**(0.32)**	**(0.09)**
2023	0.26	0.16	0.24	(0.05)	0.61
Net (Loss) Income per share from Discontinued Operations					
Basic					
2024	(0.05)	(0.13)	0.11	**0.12**	**0.04**
2023	0.10	0.03	0.80	(0.28)	0.65
Diluted					
2024	(0.05)	(0.13)	0.11	**0.12**	**0.04**
2023	0.10	0.03	0.79	(0.28)	0.64

(a) Represents the net (loss) income attributable to shareholders of the Company.

The following are key factors affecting the comparability of quarterly financial results.

- The Company's business includes a diverse portfolio of products and services. As such, each operating unit's quarterly results are impacted by different market factors which could result in varying degrees of demand at times. The Company also has a significant portion of its business, representing 28% of Continuing Operations revenue in the year ended December 31, 2024 (and higher percentages in prior years), tied to the oil and gas industry which experiences volatility based on commodity price fluctuations and operators' capital spending budgets. In addition, certain of the Company's operations in both segments are subject to a degree of seasonality.

- Approximately 77% of the Company's revenue from Continued Operations in 2023 and 78% of the revenue from Continued Operations in 2024 was transacted in currencies other than Canadian dollars, with a majority transacted in US dollars. Changes in the rates of exchange between the Canadian dollar and other currencies can have a significant effect on the amount of revenue when it is translated into Canadian dollars. Please refer to "*Section 2.2 – Foreign Exchange Impact*", for additional information with respect to the effects of foreign exchange fluctuations on the results of the Company.
- In November 2023, the Company completed the sale of the majority of what was previously the PPS segment and subsequently reported it under Discontinued Operations. During the third quarter of 2024 the Company reported its remaining pipe coating business, Thermotite, as Discontinued Operations after entering into a definitive agreement on September 16, 2024 to sell Thermotite to Vallourec. All comparative periods have been restated as such.
- In the second half of 2023, the Company began incurring non-capitalizable project costs in support of its North American production footprint MEO strategy which it expects will continue through the first half of 2025.
- The comparability of the quarterly financial results has been impacted by impairment charges and gain on sale of assets recorded in the various periods. See "*Section 4.0 – Results from Operations*" for further details regarding the impairments and sale of assets recorded.

11.0 Risks and Uncertainties

The Company faces a number of business risks and uncertainties that could materially and adversely affect the Company's projections, business, results of operations and financial condition.

The following summarizes the Company's risks and uncertainties and how the Company manages and mitigates each risk, with the risks within each category listed in order from perceived highest to lowest risk:

11.1 Economic Risks

A change in underlying economic factors could materially adversely affect demand for the Company's products and services and, consequently, its projections, business, results of operations and financial condition.

Demand for the products of the Composite Technologies and Connection Technologies business segments are dependent on a wide variety of factors including projected levels of infrastructure spending, interest rates, geopolitical uncertainty, and regulatory conditions including those impacting infrastructure project approvals and permit issuance as well as the imposition of trade tariffs or trade controls by the United States, Canada or other countries. Composite Technologies segment product demand is more specifically dependent upon the level of new onshore oil and gas well completion in North America and select countries in the Middle East and Latin America, the resiliency of demand for retail fuel in North America, continued growth of demand in the water and waste-water markets, as well as the level of general economic activity in North America. Connection Technologies segment product demand is more specifically dependent on continued investment to expand and renew nuclear and other electrical power generation sites and distribution networks, and the level of new automotive vehicle production of all drive types. Significant changes in any of these underlying factors such as lower than anticipated spending on infrastructure programs, a softening of the retail fuel market, or significant technological shifts or developments that impact the Company's current suite of products and services or decreases in economic activity in the regions the Company serves could result in significant decreases in activity levels in these businesses.

The fluctuation and volatility in prices for oil and gas may have an adverse effect on the Company's operations and financial condition. Demand for oil and natural gas is influenced by numerous factors beyond the Company's control, including the North American and worldwide economies as well as activities of the Organization of Petroleum Exporting Countries ("**OPEC**") and Russia; political events causing the disruptions in the supply of oil such as the impact and duration of Russia's invasion of Ukraine and the related sanctions on Russia; the ongoing conflicts in the Middle East, as well as the potential for spread of such conflict in the Middle East; geopolitical and other risks impacting the European Union, the Middle East and global markets economies; and the impact of future epidemics and pandemics. Economic declines impact demand for oil and natural gas and result in a softening of oil and gas prices and projected oil and gas drilling activity. If economic conditions or international markets decline to an extent or for a duration which is unexpected, the Company's projections, business, results of operations and financial condition could be materially adversely affected. If actions by OPEC, Russia and other oil producers to increase production of oil adversely affect world oil prices, additional declines in exploration and production operators spend could result, and the Company's projections, business, results of operations and financial condition could be materially adversely affected. In addition, substantial consolidation activity involving meaningful North American onshore exploration and production companies has the potential to impact their near and mid-term capital spending plans, which could cause the Company's projections, business, results of operations and financial condition to be materially adversely affected.

Increases in the prices and/or shortages in the supply of raw materials used in the Company's manufacturing processes could adversely affect the competitiveness of the Company, its ability to serve its customers' needs and its financial performance.

The Company purchases a broad range of materials and components throughout the world in connection with its manufacturing activities. Major items include polyolefin and other polymeric resins, adhesives, sealants, copper and other nonferrous materials. The ability of suppliers to meet performance and quality specifications and delivery schedules is important to the maintenance of customer satisfaction. While the materials required for the Company's manufacturing operations have generally been readily available, the Company has experienced inflationary pressures and cost increases in certain key raw materials in the past and may continue to experience impacts resulting from such pressures and increases, including from the impact of tariffs, throughout 2025. The Company's performance may be impacted by its ability to pass cost increases on to customers in the price of its products and to affect improvements in productivity. The Company may not be able to fully offset the effects of raw material costs through price increases, productivity improvements or cost-reduction programs. If the Company cannot obtain sufficient quantities of these items at competitive prices, of appropriate quality and on a timely basis, it may not be able to produce sufficient quantities of product to satisfy market demand, contract execution may be delayed, or its material or manufacturing costs may increase. Overall, any of these problems could result in the loss of customers and revenue, provide an opportunity for competitors to gain market acceptance and have a material adverse effect on the Company's business, financial condition and results of operations.

The Company's common shares may experience volatility in their market price.

The market price of the common shares of the Company may be volatile. This volatility may affect the ability of holders to sell the common shares at an advantageous price. Market price fluctuations in the common shares may be due to the Company's operating results failing to meet the expectations of securities analysts or investors in any quarter, downward revision in securities analysts' estimates, governmental regulatory action, adverse change in general market conditions or economic trends, acquisitions, dispositions or other material public announcements by the Company or its competitors, along with a variety of additional factors as outlined herein. In addition, the market price for securities on stock exchanges, including the TSX, may experience significant price and trading fluctuations, which are often unrelated or disproportionate to changes in operating performance. Further, the Company may, on a go forward basis, elect to buy-back shares or issue additional securities or debt, which in turn may impact the price of common shares. These broad market fluctuations and future share buybacks or issuances may affect the market prices of the common shares. Further, sufficient market liquidity for holders to sell common shares when desired cannot be assured. At times when the Company's share price is relatively low by historic standards, the Company may be subject to takeover attempts by certain companies or institutions acting opportunistically.

The Company's failure to successfully execute on its modernization, expansion and optimization initiatives, including, among other things, successfully launching the operation of new production facilities on time and on budget and realizing the benefits of the modernization, expansion and optimization of its current production facilities could harm its business and financial results and damage its customer relationships and reputation.

The construction of new production facilities and the modernization, expansion and optimization of existing production facilities will involve significant capital expenditures and require other resources, such as project management, vendor coordination, and manufacturing expertise as well as management and employee attention. The construction of new facilities may increase operating complexity in the short term and divert managements' attention away from the Company's normal course business activities. Failure by management and employees to balance new capital expenditures with existing operating needs could have a material adverse impact on the Company's business, financial condition and results of operations. Additionally, the amount of capital expenditure incurred will directly affect the amount of cash available to the Company to explore additional business activities. There can be no assurances that the Company will be able to recover the higher capital costs through rate increases to the Company's customers.

Due to the capital intensiveness and large scope of these projects, in the aggregate, the Company will require substantial resources and materials. The Company can offer no guarantee that all of these new projects will be completed on time or on budget. A wide variety of macro-economic factors may create inflationary pressure or otherwise impact the supply-chains relied on to source the necessary resources. The Company may experience cost increases, delays in delivery due to increased demand or financial hardship of a supplier or contractor, or some other unforeseen circumstances related to third parties.

If the Company is unable to complete the construction of these projects or otherwise increase production capacity, to meet any increased demand for its products, the Company may be unable to expand its business, satisfy customer requirements, maintain its competitive position and/or improve profitability. Failure to satisfy customer demand or perform new business contracts may result in a loss of market share and may damage the Company's relationships with key customers. The launch of new projects, whether in an existing or new facility, is a complex process, the success of which depends on a wide range of factors, including the production readiness of the Company and its suppliers, as well as factors related to tooling, equipment, employees, initial product quality and other factors. Failure to successfully launch material projects could have a material adverse effect on the Company's business, financial condition and results of operations. The Company has no guarantee that the proposed new customer contracts related to such projects will continue to exist or will be complied with following the completion of the projects. Although the Company makes every effort to successfully integrate new projects into existing operations, there can be no assurances that the Company will realize the anticipated revenues, synergies, or other benefits associated with new or ongoing MEO projects.

Inflationary pressures may adversely affect the Company's profitability.

Economic conditions causing persistent levels of inflation, challenges in monetary policy normalization, the potential for implementation of new and increased tariffs, and competition for personnel and materials have and may continue to result in significant increases in the cost of obtaining resources necessary to operate the Company's business segments. Levels of inflation have decelerated notably from the peaks seen in 2022 as some of the supply chain pressures which were impacting the global economy have eased, with this trend continuing in 2024. It is uncertain whether any government measures to curb inflationary trends in the future will be implemented or succeed, including the possibility of central banks raising interest rates to counteract inflation. It is also uncertain what impact the imposition of new or increased tariffs will have on inflation levels.

Persistent inflationary pressures and sustained increases to the costs of obtaining the materials, supplies, labour and services used for the Company's operations may impact the Company's ability to achieve certain performance objectives. While the Company seeks to pass certain cost increases on to its customers where possible and attempts to reduce these pressures through proactive human resource and procurement practices, should these efforts not be successful, the Company's profitability may be materially adversely affected.

A decline in North American land drilling and completion activity would have a material adverse effect on the Company's projections, business, results of operations and financial condition.

The Composite Technologies business segment is materially dependent on the level of North American land drilling and completion activity, which, in turn depends on a variety of factors including global oil and gas demand, prices, reserve levels, production depletion rates, access to capital, governmental regulation and support as well as the potential impact of a growing focus on ESG on investor sentiment. Lower land drilling and completion activity decreases demand for the Company's products and services, such as composite pipe. These business activities represent less than 30% of the Company's 2024 Continuing Operations revenues.

An inability to realize the benefits of future strategic transactions, including managing the integration and new demands of our acquisitions or investments, may have a negative impact on the Company's business and financial condition.

The Company evaluates the value proposition for new investments, acquisitions and divestitures on an ongoing basis. The Company may complete acquisitions of assets or other entities in the future. These activities create risks such as: (a) the need to integrate and manage the businesses, operations, services, personnel and systems acquired with the Company's own businesses; (b) additional demands on the Company's resources, systems, procedures and controls; (c) disruption of the Company's on-going businesses; (d) diversion of management's attention from other business concerns; (e) additional strain on the Company's cash resources including potential for increased debt levels; and (f) potential for additional regulatory scrutiny.

On January 2, 2025, the Company announced the completion of the acquisition of AmerCable. Acquisitions, including the acquisition of AmerCable may require substantial capital and negotiations of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting management, and employees' attention, away from day-to-day operations. The Company's ability to realize the benefits of its growth strategy is based on its management of growth and the integration of acquisitions and requires the Company to continue to build its operational, financial and management controls, human resource policies, and reporting systems and procedures. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate backgrounds and combining different corporate cultures. Although the Company makes every effort to successfully integrate new operations, there can be no assurance that the Company will recognize the anticipated revenues, synergies or other intended benefits associated with any acquisitions that are completed. At times, acquisition candidates may have liabilities or adverse operating issues that the Company fails to discover through due diligence prior to the acquisition, including the assumption of risks related to regulatory compliance, pricing, supply chain, environmental, litigation, labour relations, information technology, tax, pensions or warranties. While due diligence is intended to identify and mitigate such risks, these efforts may not always be sufficient in identifying and mitigating all risks and liabilities related to an acquisition. The Company may lack sufficient knowledge of the acquisition candidate's technology and market position to enable an effective evaluation of the acquisition economics or integration challenges. If the Company consummates any future acquisitions, the Company's business, capitalization, financial condition and results of operations may change significantly. Acquisitions or investments may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business purposes. The potential impairment or complete write-off of goodwill and other tangible and intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet. The occurrence of any of the foregoing could have a material adverse effect on the Company's projections, business, and results of operations and/or financial condition.

There can be no assurance that the Company will find additional attractive acquisition candidates in the future, or that the Company will be able to acquire acquisition candidates on financial and other terms acceptable to it or to obtain requisite regulatory approvals.

In the third quarter of 2024, a definitive agreement was entered into for the sale of the Company's subsidiary, Thermotite, to Vallourec. The Company may desire to further divest assets to optimize its operations and financial performance. While divestments may result in the Company having a more focused business, they also may result in the Company becoming less diversified. The Company may have an increased exposure to the business, customers and industry segments in which it operates, which may magnify the impact of any future downcycle in such businesses. In addition, the Company may not receive the optimal or desired amount of proceeds from future divestments and the timing to close any divestment could be significantly different than the Company's expected timeline.

Negative geopolitical events, including the ongoing Russian invasion of Ukraine and the ongoing conflicts in the Middle East, may cause increased economic volatility and adversely affect the Company.

Events such as war and occupation, terrorism and related geopolitical risks, including from Russia's invasion of Ukraine, which is discussed in greater detail below, and the ongoing conflicts in the Middle East, with the potential to spread further in the Middle East, may lead to increased economic volatility and may have adverse short-term and long-term effects on world economies and markets generally, including in Canada, the United States and Western Europe. The effects of disruptive geopolitical events, political changes and trends, including the rise in populism, protectionism, economic nationalism and the sentiment toward foreign companies in the United States and elsewhere in the world, could affect the economy of Canada, the United States and Western Europe, in which the Company and/or its affiliates primarily operate in ways that cannot necessarily be foreseen at the present time. These events could also exacerbate other pre-existing political, social and economic risks. Shipping delays and increased shipping costs due to geopolitical events, including those relating to the shipping disruptions and attacks on shipping vessels in the Red Sea, and any escalation thereof may have a direct or indirect effect on world economies and the Company's operations and financial results. Further, any restrictive actions that are or may be taken in response to such conflicts, such as sanctions or export controls, could have negative implications on financial markets.

In February 2022, Russian military forces commenced their invasion of Ukraine which, as of the date hereof, is still ongoing. In response, Ukrainian military personnel and civilians are actively resisting the invasion. Many countries throughout the world have provided aid to the Ukraine in the form of financial aid and in some cases military equipment and weapons to assist in their resistance to the Russian invasion. The North Atlantic Treaty Organization ("NATO") has also mobilized forces to NATO member countries that are close to the conflict as deterrence to further Russian aggression in the region. The outcome of the conflict is uncertain and is likely to have wide-ranging consequences on the peace and stability of the region and the world economy and may result in adverse effects on macroeconomic conditions, including volatility in financial markets, adverse changes in trade policies, supply chain disruptions, inflation, increased cybersecurity threats and fluctuations in foreign currencies.

Certain governments including Canada, the United States, the United Kingdom and the European Union, have imposed strict financial and trade sanctions against the Russian economy (such as the: imposition of sanctions targeting certain Russian leadership and other individuals; restrictions on the sale, export and transit of certain goods and technology; restrictions on certain sectors of the Russian economy; expulsion of some Russian banks from the Society for Worldwide Interbank Financial Telecommunication global banking payment system; and additional anti-circumvention measures). Such sanctions may have far reaching effects on the global economy and macroeconomic conditions.

Sanctions imposed by the European Union have resulted in an ongoing dispute with Russia regarding the supply of natural gas. In September 2022, the Nord Stream 1 and 2 gas pipelines, which provided gas from Russia to Germany, both ruptured, preventing any further flow of natural gas between the countries. Countries in the European Union have switched to increased use of liquefied natural gas shipment to replace gas supplies from Russia.

Further, Russia has suspended natural gas supplies to several European countries and on January 1, 2025, the supply of natural gas from Russia to the European Union via Ukraine was terminated. Although the European Union continues to work towards its target of eliminating all Russian fossil-fuel imports by 2027, Russia is a major exporter of oil and natural gas and as a result, the disruption of supplies of oil and natural gas from Russia could cause a significant worldwide supply shortage of oil and natural gas and have a significant impact on worldwide prices for oil and natural gas. The inability of European countries to timely establish stable and secure energy sources could cause significant economic disruption across Europe. A lack of supply and high prices of oil and natural gas could have a significant adverse impact on the world economy, as well as the Company's customers, suppliers and its own operations in Europe.

Energy costs in Europe have experienced volatility since the beginning of the conflict and such volatility may continue as long as the conflict exists. Energy price volatility could impact the global competitiveness of Europe as an operations location compared to countries which may not rely as much on imports of gas from Russia. The conflict and financial and trade sanctions imposed against Russia as well as Russia's response to those sanctions could exacerbate a number of risks described elsewhere in these Risk Factors.

The Company has operations and customers in Europe, specifically in Germany, which could be materially affected by the range of sanctions imposed by the global community on the Russian Federation in response to the invasion of Ukraine, as well as countermeasures imposed by the Russian Federation. In addition, a number of the Company's suppliers are located in Europe and it is possible that such measures could have material impacts on their operations and businesses. While the threat of such sanctions, import bans and other changes in trade patterns resulting from the geopolitical instability and war in Ukraine are expected to positively impact demand for North American oil and natural gas, which in turn is expected to increase customers demand for many of the Company's services, it may adversely impact demand for the Company's services, customers and suppliers in Europe and other markets as well as increasing regional trade and logistical barriers and supply chains, which could negatively impact the Company's operations and/or profitability.

The invasion of Ukraine by Russia and the resulting measures that have been taken, and could be taken in the future, by NATO, Canada, the United States, the European Union and other countries have created global security concerns that could have a lasting impact on regional and global economies. Although the length and impact of the ongoing military conflict is highly unpredictable, continued escalations of the conflict may lead to further market disruptions, including significant volatility in commodity prices, credit and capital markets, as well as supply chain interruptions. Additionally, Russian military actions and the resulting sanctions, including further escalations with NATO, may continue to adversely affect the global economy and financial markets, including, but not limited to, foreign exchange rates, interest rates and inflation and lead to instability and lack of liquidity in capital markets and could have a material adverse effect on the Company's business, financial condition and result of operations.

The Company operates in a number of markets where there are changing competitive dynamics that could adversely affect its market shares and operating margins.

The Company faces competition from other suppliers in all markets in which it operates. Certain market segments that are material to the Company's financial performance have mature technology characteristics and face commoditization threats. Certain competitors may have financial, technical, manufacturing and marketing advantages and may be in a stronger competitive position than the Company as a result. Competitive actions taken by competitors such as price changes, new product and technology introductions and improvements in availability and delivery could affect the Company's market share or competitive position. To be competitive, the Company must deliver value to its customers by developing new technologies and providing reliable products and services. The intense competition within the industries in which it operates could lead to a reduction in revenue or prevent the Company from successfully pursuing additional business opportunities, which could have an adverse effect on the Company's operating results and cash flows.

Exchange rate fluctuations are beyond the Company's control and could adversely affect its projections, business, and results of operations and/or financial condition.

A significant portion of the Company's business is transacted outside of Canada through subsidiaries operating in several 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.

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 foreign exchange risk. The Company does not enter into foreign exchange forward contracts for speculative purposes. Presently, the Company does not engage in any significant hedging of currencies.

Forward-looking statements may prove to be inaccurate.

Investors should be cautious and avoid placing undue reliance on forward-looking statements. By their nature, forward-looking statements involve several assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward-looking statements or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate.

The Company's indebtedness may limit its strategic, financial and operational flexibility.

The Company has a significant level of indebtedness under its Credit Facility and Notes. As at December 31, 2024, the Company has $479.9 million in aggregate indebtedness outstanding pursuant to the Credit Facility and the Notes; which includes those that were issued to fund a portion of the purchase price for the acquisition of AmerCable. The degree to which the Company is leveraged could have important consequences, including: (i) the Company's ability to obtain additional financing for working capital, capital expenditures, or acquisitions may be limited; (ii) all or part of the Company's cash flow from operations may be dedicated to the payment of the principal of and interest on the Company's indebtedness, thereby reducing funds available for operations; and (iii) certain of the Company's borrowings are at variable rates of interest, which exposes the Company to the risk of increased interest rates. These factors may adversely affect the Company's cash flow. In addition, the occurrence of an economic shock not contemplated in the Company's business plan, a rapid deterioration of conditions or a prolonged recession could result in the depletion of its cash resources, which could have a material adverse effect on its operations and financial condition.

The agreements governing the Company's indebtedness contain numerous restrictive covenants that limit the discretion of the Company with respect to certain business matters. These covenants place significant restrictions on, among other things, the ability of the Company to create liens or other encumbrances, to pay distributions or make certain other payments, investments, loans and guarantees, the ability to conduct share buybacks and repurchases, including the size thereof, if any, and to sell or otherwise dispose of assets.

The Company's Credit Facility and other financing agreements contain financial and other covenants that, if breached by the Company, may require the Company to redeem, repay, repurchase or refinance its existing debt obligations prior to their scheduled maturity.

The Company's Credit Facility, Notes and other financing agreements contain financial and other covenants, including in the case of the Credit Facility, leverage ratio and interest coverage covenants. If the Company was to breach the financial or other covenants contained in these agreements, the Company may be required to redeem, repay, repurchase or refinance its existing debt obligations in a short time frame and the Company's ability to do so may be restricted or limited by the prevailing conditions in the capital markets, available liquidity and other factors. If the Company is unable to refinance its debt obligations in such circumstances, its ability to make capital expenditures and its financial condition and cash flows could be adversely impacted. If future debt financing is not available to the Company when required or is not available on acceptable terms, the Company may be unable to grow its business, take advantage of business opportunities, respond to competitive pressure or refinance maturing debt, any of which could have a material adverse effect on the Company's operating results and financial condition.

The Company's ability to make scheduled payments or to refinance its debt obligations may be negatively impacted or restricted due to matters beyond the Company's control, including prevailing conditions in the capital markets, available liquidity and other factors.

The ability of the Company to make scheduled payments on or to refinance its debt obligations depends on the Company's financial condition and operating performance, which are subject to a number of factors beyond the Company's control. The Company may be unable to maintain a level of cash flow from operating activities sufficient to permit the Company to pay the principal, premium, if any, and interest on its indebtedness. If the Company's cash flow and capital resources are insufficient to fund its debt service obligations, the Company could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance its indebtedness. The Company may not be able to effect any such alternative measures on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow the Company to meet its scheduled debt service obligations.

The Company is subject to interest rate risk.

The Company's Credit Facility is subject to changes in market interest rates. Further, despite the recent decline in interest rates, unexpected changes in economic or market conditions due to, among other things, persistent inflationary pressures, supply chain shortages and geopolitical events, could result in additional interest rate increases in 2025 and beyond, thereby increasing the Company's cost of borrowing which could have a material adverse effect on the Company's operating results and financial condition.

A downgrade of the Company's credit rating could increase the Company's cost of borrowing and reduce its access to debt.

The credit ratings currently assigned to the Company by DBRS and S&P, or that may in the future be assigned by those or other rating agencies, are subject to amendment in accordance with each agency's rating methodology and subjective modifiers driving the credit rating opinion. There is no assurance that any rating assigned to the Company will remain in effect for any given period of time or that any rating will not be revised or withdrawn entirely by a rating agency in the future. A downgrade in the credit rating assigned by one or more rating agencies could increase the Company's cost of borrowing or impact the Company's ability to renegotiate or access debt and may have a material adverse effect on the Company's financial condition and profitability.

The Company may be adversely affected by public health crises and other events outside its control.

Public health crises, such as epidemics and pandemics and other events outside of the Company's control, may adversely impact its business and operating results. In addition to the direct impact that such events could have on its facilities and workforce, these types of events could negatively impact capital expenditures and overall economic activity in the impacted regions or depending on the severity, globally, which could impact the demand for the Company's products and services.

The COVID-19 pandemic resulted in unprecedented governmental actions, including mobility restrictions, border closures, stay-at home orders, shutdown of non-essential business and new health and monitoring guidelines, which adversely impacted the Company's operations and financial results.

The duration and impact of pandemics and public health crises on the Company are difficult to determine and the potential long-term impact will depend on a number of factors, including the ultimate geographic spread of the pandemic, epidemic or public health emergency, the severity of the disease and the duration of the outbreak, directives of public health and governmental authorities, the extent and duration of governmental assistance for businesses and individuals adversely impacted, the extent to which suppliers and customers return to normalized levels of production and capital spending, the effectiveness and use of treatments and vaccines.

Public health crises and other events outside the Company's control, could materially impact the financial results of the Company and may include, but are not limited to, the following risks:

- Customers may attempt to cancel or delay contracts or may attempt to invoke force majeure clauses in certain contracts.
- Customers may seek to delay payments, may default on payment obligations and/or seek bankruptcy protection that could delay or prevent collections of certain accounts receivable, which may lead to increased allowance provisions.
- Disruption to the Company's domestic and global supply chains, including restrictions on importing and exporting products.

- Temporary or long-term operational disruptions and labour shortages due to decreased productivity resulting from the health and availability for work of the Company's workforce and from government mandated stay-at-home orders or facility closures.
- Supply chain disruptions may adversely impact the Company and its suppliers and customers.
- Shortages of critical components, particularly for customers of the Company's Connection Technologies segment, may adversely impact demand for the Company's products.
- Higher costs associated with the rationalization of facilities and workforce.
- The Company's inability to access capital or liquidity at acceptable terms.
- Additional asset impairments if demand for the Company's services and products decreases.
- Political uncertainty and unrest in reaction to government regulation leading to unexpected economic and social consequences.

Internal control systems for financial reporting cannot provide absolute assurance of the reliability of financial reporting.

The Company prepares its financial reports in accordance with accounting policies and methods prescribed by IFRS. In the preparation of financial reports, management may need to make estimates, rely upon assumptions and use their best judgment in determining the financial condition of the Company. The Company's significant accounting policies are described in the notes to the Company's annual consolidated financial statements for the year ended December 31, 2024. In order to have a reasonable level of assurance that financial transactions are properly authorized, recorded and reported and that assets are safeguarded against unauthorized or improper use, the Company has in place internal control systems for financial reporting. Although the Company believes that its financial reporting and financial statements are prepared with reasonable safeguards to ensure reliability, the Company cannot provide absolute assurance in that regard. An error in the Company's financial statements could lead a requirement to restate such financial statements, resulting in a decrease in investor confidence which could impact the value of the Company's shares.

Customers' inability to obtain credit/financing could lead to lower demand for the Company's services.

Many of the Company's customers require reasonable access to credit facilities and debt and equity capital markets to finance their activity. If the availability of credit to the Company's customers is reduced, they may reduce their expenditures, thereby decreasing demand for the Company's products and services. Additionally, certain investors and lenders may discourage investments or lending into the hydrocarbon industry. A significant segment of the products and services the Company provides are related to the transmission and storage of hydrocarbons including oil and natural gas, whose ultimate consumption are major sources of greenhouse gas emissions or other chemicals. To the extent that investors and institutions discourage investments or lending into the hydrocarbon industry, it could have an adverse effect on the cost of capital or availability of capital for the Company's customers, which may result in reduced spending by the Company's customers. A reduction in spending by the Company's customers could have a material adverse effect on the Company's business.

Economic Risk Mitigation

The Company cannot completely mitigate economic risks. However, it maintains a competitive geographical presence across a diverse range of regions and has implemented several systems and processes to manage operational risks, achieve continuous improvements in operational effectiveness, and support various cost reduction initiatives. During 2024, the Company issued 2024 Senior Notes totaling $300 million and amended its Credit Facility to further extend its maturity date and revise covenants. The Company utilized a portion of the funds from the Senior Notes to fund the redemption of its 2021 Senior Notes. This new debt structure, which includes the 2024 Senior Notes and the amended Credit Facility, provides the Company with additional flexibility to execute its strategy. In 2025, the Company used funds from the 2024 Senior Notes and drew from the Credit Facility to finance the acquisition of AmerCable. Since the beginning of 2021 through December 31, 2024, the Company has repaid $441.5 million of outstanding debt under the Credit Facility. In addition, it has made significant progress in expanding its portfolio outside of the energy sector and optimizing its holdings through non-core business divestitures. For more details on these actions, refer to "Section 3.0 – Key Developments" and "Section 7.5 – Long-term Debt and Credit Facilities" for further specifics on the debt issuance and amendments. While these efforts mitigate economic risks where possible, they cannot eliminate them entirely.

11.2 Litigation and Legal Risks

The Company is subject to litigation and could be subject to future litigation and significant potential financial liability.

From time to time, the Company is a party to litigation and legal proceedings that it considers to be a part of the ordinary course of business. Although none of the litigation or legal proceedings in which the Company is currently involved could reasonably be expected to have a material adverse effect on the Company's projections, business, results of operations or financial condition, the Company may, however, become involved in material legal proceedings in the future. Such proceedings may include, for example, product liability claims and claims relating to the existence or use of hazardous materials on the Company's property or in its operations, claims related to the divestiture of businesses, as well as intellectual property disputes and other material legal proceedings with competitors, customers, employees and governmental entities. These proceedings could arise from the Company's current or former actions and operations or the actions or operations of businesses and entities acquired by the Company prior to acquisition. The Company maintains insurance it believes to be commercially reasonable and customary; however, such coverage may be inadequate for or inapplicable to particular claims.

The Company could be subject to substantial liability claims, which may not be covered by insurance and which could adversely affect its projections, business, results of operations and financial condition.

Some of the Company's products are used in hazardous applications where an accident or a failure of a product could cause personal injury, loss of life, damage to property, equipment or the environment, as well as the suspension of the end-user's operations. If the Company's products were to be involved in any of these difficulties, the Company could face litigation and may be held liable for those losses, which could be substantial.

Extreme weather conditions, natural occurrences, and terrorist activity have strained insurance markets leading to substantial increases in insurance costs and limitations on coverage. Pressure from activists trying to influence insurance underwriters to cease insuring companies whose businesses have involvement with the exploitation and sale of fossil fuels may also lead to challenges in obtaining insurance coverage in the future. Further, the Company may face litigation initiated by third parties relating to the Company's greenhouse gas emissions, its impact on the climate, and/or its disclosure relating to ESG matters. The Company carries prudent levels of insurance to protect it from these events, subject to appropriate deductibles and the availability of coverage. However, in light of the above, the Company's insurance coverage may not be adequate in risk coverage or policy limits to cover all losses or liabilities that it may incur. Moreover, the Company may not be able in the future to maintain insurance at levels of risk coverage or policy limits that management deems adequate on commercially reasonable terms. Any claims made under the Company's policies likely will cause its premiums to increase. Any future damages deemed to be caused by the Company's products or services that are not covered by insurance, or that are in excess of policy limits or subject to substantial deductibles, could have a material adverse effect on the Company's projections, business, results of operations and financial condition.

Litigation and Legal Risk Mitigation

The Company cannot completely mitigate legal risks. However, the Company believes that it maintains adequate operating controls and commercial insurance to substantially mitigate most adverse litigation and legal risks.

11.3 Environmental, Social and Governance (ESG) Risks

The loss or failure to attract, train and retain key personnel could adversely affect the Company's projections, business, and results of operations and/or financial condition.

The Company's success depends in large part on its ability to attract, train and retain key management, engineering, scientific, marketing, and operating personnel as well as skilled laborers for its manufacturing facilities. Recruiting and retaining personnel on a global basis in the industries it serves is a highly competitive and increasingly challenging amidst both changing attitudes towards traditional work culture and norms as well as some of the industries in which the Company operates and types of work required, particularly among younger workers. Added to these challenges are the continued shortages in skilled laborers for manufacturing positions, increased competition for workers generally as well as the rising demand for remote work, evolving and non-uniform legal and regulatory developments in response as well as associated changes in employee attitudes towards traditional office culture and norms. Depending on its ability to adapt and evolve in both the near and long term to these changes, the Company may not be able to continue to attract and retain qualified executive, managerial and technical personnel needed for its business. The failure to attract a sufficient number of workers, train and develop workers given the evolving nature of the workplace or retain qualified personnel could have a material adverse effect on the Company's projections, business, results of operations and financial condition.

The Company may be adversely impacted by labour-related disputes, organizational activities or deteriorations in relationships with non-unionized and unionized employees.

A deterioration in relationships with the Company's employees or in the labour environment could result in work interruptions or other disruptions, or cause management to divert time and resources from other aspects of the Company's business, any of which could have a material adverse effect on the Company's business, results of operations or financial condition. From time to time, labour unions attempt to organize the Company's employees, and these efforts may continue in the future. Certain of the Company's divisions have existing domestic and foreign labour union contracts covering a minimal number of our overall employees. As the Company continues to grow and enter different regions, unions may attempt to organize all or part of the Company's employee base at certain of its facilities. Responding to such organization attempts may distract management and employees and may have a negative financial impact on individual facilities, or on the Company's business as a whole. The maintenance of a productive and efficient labour environment and, in the event of unionization of these employees, the successful negotiation of a collective bargaining agreement, or any closure agreements, cannot be assured. Protracted and extensive work stoppages or labour disruptions, such as strikes or lockouts, could have a material adverse effect on our business, financial condition and results of operations.

The Company could be negatively affected as a result of actions of activist shareholders and some institutional investors may be discouraged from investing in the Company due to its energy exposure.

Activist shareholders could advocate for changes to the Company's corporate governance, operational practices and strategic direction, which could have an adverse effect on the Company's reputation, business and future operations. In recent years, publicly traded companies have been increasingly subject to demands from activist shareholders advocating for changes to corporate governance practices, such as executive compensation practices, social issues, or for certain corporate actions or reorganizations. There can be no assurances that activist shareholders will not publicly advocate for the Company to make certain corporate governance changes or engage in certain corporate actions. Responding to challenges from activist shareholders, such as proxy contests, media campaigns or other activities, could be costly and time consuming and could have an adverse effect on the Company's reputation and divert the attention and resources of management and the Company's Board of Directors, which could have an adverse effect on the Company's business and operational results. Additionally, shareholder activism could create uncertainty about future strategic direction, resulting in loss of future business opportunities, which could adversely affect the Company's business, future operations, profitability and ability to attract and retain qualified personnel.

In addition to risks associated with activist shareholders, some institutional investors are placing an increased emphasis on ESG factors when allocating their capital. These investors may be seeking enhanced ESG disclosures or may implement policies that discourage investment in the hydrocarbon industry. To the extent that certain institutions implement policies that discourage investments in industries that the Company is engaged in, it could have an adverse effect on the Company's financing costs and access to liquidity and capital. Additionally, if the Company's reputation is impacted as a result of the energy related industries in which it operates or services, it could result in increased operation or regulatory costs, lower shareholder confidence or loss of public support for the Company's business.

The Company is subject to Health, Safety and Environmental laws and regulations that expose it to potential financial liability.

The Company's operations are regulated under a number of federal, provincial, state, local and foreign environmental laws and regulations, which govern, among other things, the discharge of hazardous materials into the ground, air and water as well as the handling, storage and disposal of hazardous materials. Compliance with these environmental laws is a major consideration in the manufacturing of the Company's products, as the Company uses, generates, stores and disposes of hazardous substances and wastes in its operations. The Company may be subject to material financial liability for the investigation and clean-up of such hazardous materials and to criminal and civil penalties for violations. In addition, many of the Company's current and former properties are or have been used for industrial purposes. Accordingly, the Company also may be subject to financial liabilities relating to the investigation and remediation of hazardous materials resulting from the actions of previous owners or operators of industrial facilities on those sites. The Company has estimated the cost of remediation of various sites but changes in regulation, cost of remediation or facts could result in material discrepancies which could impact results. Liability in certain instances may be imposed on the Company regardless of the legality of the original actions relating to the hazardous or toxic substances or whether or not the Company knew of, or was responsible for, the presence of those substances. Remediation costs and other damages arising from environmental laws could be substantial and could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company is also subject to various Canadian and U.S. federal, provincial, state and local laws and regulations as well as foreign laws and regulations relating to safety and health conditions in its manufacturing facilities. Those laws and regulations may also subject the Company to material financial penalties or liabilities for non-compliance, as well as potential business disruption if any of its facilities or a portion of any facility is required to be temporarily closed or required to materially change or amend its current operating procedure as a result of a violation of those laws and regulations or material amendment. Any such financial liability or business disruption could have a material adverse effect on the Company's projections, business, results of operations and financial condition.

Changing expectations of stakeholders and government policies regarding sustainability, ESG, DEI, climate change, and environmental protection practices continue to evolve and diverge, and an inability to meet these requirements and expectations could erode stakeholder trust and confidence, damage our reputation, influence actions or decisions about the Company and industry, and have negative impacts on the Company's business, operations or financial results.

Increasingly, many governments are requiring, and investors and other stakeholders are requesting, further transparency and disclosure related to ESG topics and are requesting that companies develop and implement robust ESG policies and practices. Disclosure frameworks and evaluation criteria are not standardized and continue to evolve, therefore, certainty around compliance actions cannot be guaranteed.

Many governments have established targets related to material ESG topics, such as carbon, other greenhouse gas and chemical emissions. A number of the industry sectors in which the Company operates are facing additional scrutiny regarding regulations in the near term and the Company's ties to these sectors may subject it to the same. New or more stringent regulations could increase the Company's cost structure to meet compliance obligations or impact the ability to maximize production under existing air permits.

On June 20, 2024, the Canadian government implemented amendments to the *Competition Act* (Canada) that created uncertainty as to how Canadian companies may publicly communicate about their environmental and climate performance. The amendments also imposed significant financial penalties for non-compliance. On December 23, 2024, the Canadian Competition Bureau released draft guidance on the greenwashing provisions. However, the impact of the amendments remains uncertain. Any non-compliance with the amendments to the *Competition Act* may have a negative impact on the Company. Mattr continues to monitor the guidance regarding the amendments to the *Competition Act*.

On December 18, 2024, the Canadian Sustainability Standards Board ("**CSSB**") released Canada's inaugural sustainability disclosure standards ("**CSDS**"): CSDS 1, "General Requirements for Disclosure of Sustainability-related Financial Information" and CSDS 2, "Climate-related Disclosures". These standards are derived from the International Sustainability Standards Board framework and aim to set a new benchmark for the disclosure of sustainability-related information to serve the public interest and uphold the quality of sustainability disclosure in Canada. While these standards are currently voluntary, they may form the basis for any future mandatory climate-related disclosures to be introduced by the Canadian Securities Administrators. On December 18, 2024, the Canadian Securities Administrators (the "**CSA**") released a statement stating that the CSA continues to work towards a revised climate-related disclosure rule that will consider the CSSB standards and may include modifications appropriate for the Canadian capital markets. The Company has taken steps to align with CSDS 1 and CSDS 2 and is currently evaluating how the CSDS standards will impact its future disclosure obligations.

The Company may also be impacted by conflicting expectations relating to ESG. While Canadian regulators have increased expectations relating to ESG practices and disclosure, "anti-ESG" sentiment has gained momentum across the U.S. A growing number of U.S. governmental bodies (state and federal) have enacted, proposed or indicated an intent to pursue "anti-ESG" policies and legislation or issued related legal opinions, including in respect of ESG and diversity, equity and inclusion ("DEI") initiatives in the private sector. In addition, in January 2025, the U.S. administration signed a number of executive orders focused on DEI, which indicate continued scrutiny of such initiatives and potential related investigations of certain private entities with respect to DEI initiatives. For example, one such executive order requires, in relevant part, that every federal contract or grant award include a clause that requires the contractor or grant recipient to (1) agree that its compliance with all applicable federal anti-discrimination laws is material to the government's payment decisions on such contract or grant for purposes of the U.S. False Claims Act of 1863, and (2) certify that it does not operate any programs promoting DEI that violate any applicable federal anti-discrimination laws. State governments and regulators have also increased their focus on ESG practices of large U.S. entities conducting business in their states, particularly with respect to climate risk and greenhouse gas emissions. This includes both the climate-related disclosure legislation in states such as California as well as conflicting state level considerations on ESG practices that reflect the political polarization surrounding ESG in the U.S.

Practices and disclosures relating to ESG matters (including but not limited to climate change and emissions, DEI, data security and privacy, ethical sourcing, and water, waste and ecological management) continue to attract increasing scrutiny by stakeholders. In response to potential "anti-ESG" sentiment, it is possible that proponents of ESG measures will become galvanized and increase their efforts to compel or pressure corporations with operations in the U.S. to advance such initiatives. If the Company does not successfully manage expectations across varied stakeholder interests, it could erode trust and impact the Company's reputation. Failure to implement the policies and practices as requested or expected by stakeholders may result in such investors reducing their investment in the Company, or not investing at all. Navigating varying expectations of policymakers and other stakeholders has inherent costs, and any failure to successfully navigate such expectations may expose the Company to negative publicity, shareholder activism, litigation, investigations and enforcement actions or other engagement from both pro- and anti-ESG stakeholders. Addressing changing ESG regulations and practices can involve significant costs and require a significant time commitment from the Board of Directors, Executive Management Team, and employees of the Company. The Company's response to addressing ESG matters and any negative perception thereof can also impact its reputation, business prospects, ability to hire and retain qualified employees, and vulnerability to activist shareholders. Such risks could adversely affect the Company's future business operations and profitability. Further, certain of the Company's customers, suppliers and other stakeholders are also subject to such expectations and risks, which may result in additional or augmented risks to the Company.

ESG Risk Mitigation

The Company has substantially increased its revenue from infrastructure and industrial end markets (formerly described as non-oil and gas revenue) and maintains its focus on investment in growth in these end markets. The Company intends to take a balanced approach to disclosure and in the interest of transparency will continue to provide visibility through its ESG report and progress updates on Company performance; however updates will be limited to disclosure on historical performance where reasonable data is available. The Company will also be making additional ESG disclosures by way of its Supply Chain Transparency Report, the first such report that was filed in 2024 as required by the Modern Slavery Act.

To minimize risks associated with health, safety and environmental matters at its facilities, the Company has implemented a comprehensive audit program and has completed detailed health and safety and environmental audits at manufacturing and service locations across all divisions. The Company has accrued funds to address its environmental liabilities and continues to manage any necessary remediation activities. Additional details regarding environmental matters can be found in "*Section 12.0 – Environmental Matters.*" Furthermore, the Company is committed to be an IIF workplace and continued reduction of its impact on the environment.

Through these efforts, ESG risk is mitigated where possible but is not eliminated.

11.4 Climate Change Risks

Unusual or unfavourable weather conditions relating to climate change may cause supply chain and operational disruptions as well as reduced sales.

The physical impacts of increasingly volatile weather conditions, both acute (event driven) and chronic (long-term) may have an adverse effect on the operations of the Company. These include more frequent and extreme weather events, shifts in temperature ranges and precipitation, natural disasters, such as floods, landslides, wildfires, tornadoes, hurricanes, windstorms, snowstorms, earthquakes and tsunamis, resource shortages, changing sea levels and changing temperatures, some or all of which could cause severe or in some instances, catastrophic impacts to the resources, materials, facilities, labour availability or operations of the Company as well as its customers and suppliers.

Climate change may have similar impacts on the Company's major customers, reducing demand for its products, and may also impact suppliers, which could result in shortages in certain consumables and other products required to maintain the Company's operations. While the Company undertakes ongoing climate change risk assessment and implementation of mitigation strategies to address, where possible, the risks associated with the impacts of extreme weather events, the frequency and severity of such events can vary widely and cannot be predicted. This uncertainty, in turn, could have a material adverse effect on the Company's ability to operate in certain jurisdictions, projections, business, results of operations and financial condition.

Changes in climate conditions, and regulatory regimes could adversely affect the Company's projections, business, results of operations and financial condition.

Many governments are moving to introduce climate change related rules at the international, national, state, provincial and local levels. Where legislation already exists, regulations relating to "greenhouse gases" and other emission levels and energy efficiency are becoming more stringent. Regulatory requirements, however, are not consistent across the regions in which the Company operates. In addition, concerns about climate change have resulted in environmental activists and members of the public increasingly opposing some elements of business in certain of the industries and markets that the Company serves.

Compliance with requirements related to climate change may require significant capital outlays that may cause material changes, delays or disruptions in the Company's intended activities. The direct or indirect costs of compliance may have a material adverse effect on the Company's costs of operations and ability to operate within the parameters of its existing permits. The Company's business could also be indirectly impacted by climate-change related laws and regulations, as well as changes in public sentiment affecting its customers and suppliers.

Climate change and, more generally, the transition to a lower carbon economy entail physical, regulatory and reputational risks. Although the Company is not a large producer of greenhouse gases, a segment of the products and services it provides are related to the transmission and storage of hydrocarbons including oil and natural gas, whose ultimate consumption are major sources of greenhouse gas emissions or other chemicals. Changes in the regulations concerning the release of greenhouse gases or other chemicals into the atmosphere, including the introduction of "carbon taxes" or limitations over the emissions of greenhouse gases or other chemicals, may adversely impact the ability of the Company to maintain production levels within its existing permits, the demand for hydrocarbon related industries and ultimately, the demand for certain of the Company's products and services. Similarly, technological advances and cost declines in alternative energy sources (such as wind, solar, geothermal, tidal, fuel cells and biofuels) may reduce demand for hydrocarbons, which could lead to a lower demand for certain of the Company's products.

An increasing focus on reduction of greenhouse gas as well as chemical emissions and a potential shift to lower carbon intensive energy sources or a shift to a lower carbon economy may depress the overall level of activity in certain markets and industries, impacting the demand for certain of the Company's products and services including spoolable composite pipe, fuel tanks, products for combustion engines and pipe coating. Certain investors may discourage investments into certain of the industries which the Company serves. To the extent that certain institutions implement policies that discourage investments in those industries, it could have an adverse effect on the financing costs and the access to liquidity and capital of certain of the Company's customers, which in turn could lead to a lower demand for certain of the Company's products and services as noted above.

Climate Change Risk Mitigation

The Company has tracked and disclosed its Scope 1 and Scope 2 emissions and emissions intensity since 2008. Greenhouse gas emissions from Mattr's operations are rather limited and the Company will continue to report on its performance and progress in its annual ESG report.

The Company monitors the regulatory landscape around climate change and is implementing best practices to position itself for compliance with potential future regulations.

The Company also continues to optimize its products and solutions and has increased its supply chain diversity so that in most cases it is not reliant on a single source in the event of supply chain interruptions. When evaluating new potential locations for operations, it considers factors such as:

- proximity to customers and suppliers;
- potential and likelihood of severe weather events;
- site topography and flood risk;
- availability of and accessibility to lower carbon energy sources; and
- energy efficiency of the site, operational layout and equipment.

Through these efforts, climate change risk is mitigated where possible but is not eliminated.

11.5 Political and Regulatory Risks

The Company's projections, business, results of operations and financial condition could be adversely affected by actions under Canadian, U.S., European or other trade or tax laws.

The Company is a Canadian-based company with significant operations in the United States and Canada. The Company also owns and operates international manufacturing operations that support its Canadian and U.S. operations and has various facilities that import and export certain products and materials, as well as materials or products necessary for its manufacturing operations from and to the United States and other countries. If actions under Canadian, U.S., European or other trade or tax laws were instituted that increased the cost of or limited the Company's access to the materials or products necessary for the Company's manufacturing operations, the Company's ability to meet its customers' specifications and delivery requirements would be reduced. Any such reduction in the Company's ability to meet its customers' specifications and delivery requirements or its ability to meet them at the Company's previously anticipated costs could have a material adverse effect on the Company's projections, business, results of operations and financial condition. Further, any changes in legislation, regulation, and policies governing international trade or tax laws involving the markets in which the Company operates could impact the competitiveness of the Company's exports or products, including by increasing the costs of the

Company's products and/or affecting its ability to obtain new business from customers, and could have a material adverse effect on the Company's projections, revenues and expenses and, consequently, its business, results of operations, prospects, financial condition, and financial performance.

New tariffs and evolving trade policy between Canada, the United States and other countries, including in Europe, may have an adverse effect on the Company's business and results of operations. There is currently significant uncertainty regarding the extent of general changes in political, legal, regulatory, social, and economic conditions in the markets in which the Company's customers, suppliers and other business partners are located. For example, in February 2025, the United States announced a 25% additional tariff on imports from Canada (other than energy resources, having a lower 10% tariff) and Mexico and a 10% additional tariff on imports from China. Canada announced countermeasures consisting of 25% tariffs on specified goods imported from the United States. Following such announcements, the United States paused the implementation of tariffs on imports from Canada and Mexico for one month prior to implementing certain of these tariffs on March 4, 2025 as well as additional tariffs including an incremental 20% tariff on imports from China (also implemented March 4, 2025), as well as a 25% tariff on steel and aluminum imports into the United States on March 12, 2025. The United States has announced further, additional tariffs on other imported products and other countries, including countries in the European Union, without announcing details as to when or how such further tariffs are to be implemented, furthering the level of uncertainty. At this time, it cannot be known how long tariff measures will remain in effect in their current form and what new legislation, regulation, and/or policies will be adopted, if any, or the effect that any such law, regulation, or policy may have on the Canadian, U.S. or European economies, other global economies, and/or the Company's current or prospective business and product.

There remains an increased risk that the United States and/or Canada could implement new and/or increased tariffs or restrictions on some or all imports, including products or materials originating in markets in which the Company's customers, suppliers and other business partners are located. Such tariffs or restrictions could have an adverse impact on the Canadian, U.S., and/or European economies generally and/or specific industries or sectors in which the Company operates, and such impact may be material.

The Company's international operations and sales may experience interruptions due to political, economic, health, global supply chain, or other risks, which could adversely affect the Company's projections, business, results of operations and financial condition.

The Company continues to derive a portion of its total revenue from sales, and from certain of its facilities, outside Canada, the U.S. and Western Europe. In addition, part of the Company's sales from its locations in Canada and the U.S. were for use in other countries. The Company's operations in certain international locations are subject to various political, economic, health and other conditions existing in those countries that could disrupt operations. These risks include:

- currency fluctuations, devaluations and exchange controls;
- inflation;
- the loss of revenue, property and equipment as a result of expropriation, confiscation, nationalization, contract deprivation and force majeure;
- currency restrictions and limitations on repatriation of profits;
- changes in governmental policies and regulatory requirements or the interpretation or application thereof;
- unanticipated global supply chain disruptions, including due to ongoing and potential conflicts and pandemics;
- challenges in respect of logistics, safety, security and communications;
- corruption, political and economic instability and civil unrest;
- hostile or terrorist activities;

- delays or refusals to sanction oil and gas projects;
- insufficient infrastructure;
- restrictions on foreign operations;
- difficulty in protecting intellectual property rights;
- exposure to epidemics, pandemics and other health crises (including the potential institution of lockdowns and other public health restrictions);
- failure to comply with applicable anti-corruption, anti-bribery, sanctions, and trade laws including existing or future legislation or regulation targeted at the prohibition of forced labour;
- the adoption of new, or the expansion of existing, trade restrictions, tariffs, taxes, embargoes and other trade barriers;
- difficulties, delays, and expenses that may be experienced or incurred in connection with the movement and clearance of personnel and goods through the customs and immigration authorities of multiple jurisdictions; and
- limitations on the Company's ability to repatriate cash, funds, or capital invested or held in jurisdictions outside Canada.

In addition, the Company is specifically exposed to risks relating to economic or political developments in developing countries.

The Company's foreign sales and operations may suffer disruptions and the Company may incur losses that would not be covered by insurance. In particular, civil unrest in politically unstable countries may increase the possibility that the Company's sales and operations could be interrupted or adversely affected. The impact of such disruptions could include the Company's inability to ship products in a timely and cost-effective manner, its inability to place contractors and employees in various countries or regions or result in the need for evacuations or similar disruptions.

Any of the foregoing factors, which are outside the Company's control, could materially adversely affect the Company's projections, business, results of operations and financial condition.

The Company is subject to corruption, bribery and trade laws that expose it to potential financial and regulatory liability.

The Company is required to comply with Canadian, U.S. and international laws and regulations regarding anti-corruption, anti-bribery and trade sanctions and compliance. While the Company mandates compliance with all such applicable laws and regulations and has developed policies and procedures to maintain compliance with such laws and regulations, it could be exposed to investigations, claims and other regulatory proceedings for alleged or actual violations related to its operations. The governments of Canada, the United States and other agencies and similar agencies and authorities in other jurisdictions, have a broad range of civil and criminal penalties that they may seek to impose against corporations and individuals for such violations, including among other things, fines, penalties, disgorgement and injunctive relief. If any of these risks materialize, it could have a material adverse effect on the Company's reputation, business, results of operations and financial condition.

The introduction of new supply chain due diligence and reporting requirements could expose the Company to certain risks.

In Canada, Bill S-211, An Act to enact the *Fighting Against Forced Labour and Child Labour in Supply Chains Act* (the "**Act**") came into force on January 1, 2024. Under the provisions of the Act, corporate entities that meet certain criteria will be required to examine their supply chains and file public reports to the Minister of Public Safety and Emergency Preparedness on measures they have taken to identify, address and reduce the risk that forced labour, prison labour and child labour are used in their supply chains. Failure to comply with the Act could have a material adverse effect on the Company's reputation, business, results of operations and financial condition. While the Company is currently unaware of any forced or child labour in any of its supply chains, the increased scrutiny on the supply chains of Canadian companies could uncover the risk or existence of forced or child labour in a supply chain to which the Company has a connection, which could negatively impact the reputation of the Company. Additionally, due to the fact that the reporting requirements are still relatively new and thus there is no existing industry standard, the Company is at risk of inadvertently preparing a report that is insufficient.

Political and Regulatory Risk Mitigation

The Company manages political and regulatory risks by working with government, regulators and other parties to resolve issues, if any. In addition, the Company mandates compliance with the laws and regulations within the jurisdictions where it operates and has developed procedures to maintain compliance. Through these efforts, political and regulatory risks are mitigated where possible but are not eliminated.

11.6 Information Systems and Cyber-security Risks

A disruption of information technology services or a cyber-security breach may adversely affect the Company.

The Company places significant reliance on its information technology ("IT") systems to operate its business and is dependent upon the availability, capacity, reliability, and security of its IT infrastructure and its ability to expand and continually update this infrastructure, to conduct daily operations. In the event that the Company is unable to secure its software and hardware, effectively upgrade systems and network infrastructure and take other steps to maintain or improve its systems, the operation of such systems could be interrupted or result in the loss, corruption or release of confidential data.

These IT systems are subject to a variety of security risks, which are growing in both complexity and frequency and could include potential breakdown, cyber phishing, invasion, virus, cyber-attack, cyber-fraud, cyber extortion or similar compromise, security or data breach, and destruction or interruption of the Company's IT systems by third parties or insiders. Unauthorized access to these systems by employees or third parties could lead to corruption or exposure of confidential, fiduciary or proprietary information, and to interruption of the Company's operations and business activities. In addition, a successful attack on the Company's IT security could result in a loss or theft of its financial resources, critical data and information or could result in a disruption to or a loss of control of the Company's technological infrastructure or financial resources.

Machine Learning Technology and other Artificial Intelligence (AI) technology is being integrated into some of the Company's products, systems or solutions, which could present risks and challenges to the Company's business.

AI and other machine learning technology is being evaluated for purposes of adoption and integration into some of the Company's products, systems or solutions. While AI can present significant benefits, it can also present risks and challenges to the Company's business. Data sourcing, technology, integration and process issues, program bias into decision-making algorithms, security challenges and the protection of personal privacy could impair the adoption and acceptance of AI. If the output from AI in the Company's products, systems or solutions are deemed to be inaccurate or questionable, or if the use of AI does not operate as anticipated or perform as promised, the Company's business and reputation may be harmed. As the adoption of AI quickens, the Company expects competition to intensify and additional companies may enter the Company's markets offering similar products, systems or solutions. The Company may not be able to compete effectively with its competitors and the Company's strategy to integrate AI technology into its products, systems or solutions may also not be accepted by its customers or by other businesses in the marketplace.

Any future integration of AI may also expose the Company to risks regarding intellectual property ownership and license rights, particularly if any copyrighted material is embedded in training models. The use of copyrighted materials in AI technology has not been fully interpreted by federal, state, or international courts and the regulatory framework for AI continues to evolve and remains uncertain. It is possible that new laws and regulations will be adopted in the jurisdictions in which the Company operates, or existing laws and regulations may be interpreted in new ways, that would affect the way in which AI technology is used in the Company's products, systems or solutions. Further, the cost to comply with such laws or regulations, including court decisions, could be significant. The risks and challenges associated with future integration of AI technology into the Company's products, systems and solutions could adversely affect the Company's business, financial condition and results of operations.

Information Systems and Cybersecurity Risks Mitigation

The Company maintains security policies and procedures that include employee protocols with respect to electronic communications and electronic devices, encryption protection of all computers and portable electronic devices and conducts annual cyber-security assessments. The Company applies technical and process controls in line with industry-accepted standards and best practices to protect its information, assets and systems, including a written incident response plan for responding to a cyber-security incident. However, due to the variety, sophistication and frequency of change in technology, these controls may not adequately prevent cyber-security breaches. Disruption of critical information technology services, or breaches of information security, could have a material negative effect on the Company's business, financial condition, and results of operations, as well as on the Company's reputation. Through these efforts, information systems and cybersecurity risks are mitigated where possible but are not eliminated.

12.0 Environmental Matters

As at December 31, 2024, the provisions on the consolidated balance sheet related to environmental matters and included as decommissioning liability obligations were $9.9 million (short term obligations represent $3.4 million and long-term obligations represent $6.5 million) an increase of $0.6 million from December 31, 2023. Excluding the impact of the decommissioning liabilities associated with Discontinued Operations ($0.3 million as of December 31, 2023), the decommissioning liabilities for Continued Operations has increased by $0.3 million. The Company believes these provisions to be sufficient to fully satisfy all liabilities related to known environmental matters.

The total undiscounted cash flows estimated to settle all decommissioning liabilities were $11.8 million as at December 31, 2024. The current pre-tax risk-free rates at which the estimated cash flows have been discounted range between 2% and 15%. Settlement for all decommissioning liabilities is expected to be funded by future cash flows from the Company's operations.

The Company expects the following cash outflows over the next five years and thereafter for decommissioning liabilities:

(in thousands of Canadian dollars)		December 31, 2024
2025	$	**3,164**
2026		**2,486**
2027		**—**
2028		**—**
Thereafter		**6,127**
	$	**11,777**

13.0 Disclosure Controls and Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings. Internal control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and due to its inherent limitations, may not prevent or detect all misrepresentations.

The President and Chief Executive Officer and the Senior Vice President, Finance and Chief Financial Officer, together with the management of the Company, have evaluated the effectiveness of the Company's Disclosure

Controls and Procedures ("DC&Ps") (as defined in the rules of the Canadian Securities Administrators) and the effectiveness of Internal Controls Over Financial Reporting ("ICFR"). Based on that evaluation, they have concluded that the DC&Ps were effective as at December 31, 2024. Furthermore, they have concluded that the Company's ICFR was effective as at December 31, 2024. There were no changes in the Company's ICFR during 2024 that had or are reasonably likely to have a material impact on the Company's ICFR.

14.0 Critical Accounting Judgements, Estimates and Accounting Policy Developments

14.1 Critical judgements

The following are critical judgements management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

Determination of Reportable Operating Segments

Management has exercised judgement in evaluating the defined aspects of its operating segments, aggregation criteria, and quantitative thresholds that form the reportable operating segments of the Company. Operating segments are reported in a manner consistent with the internal reporting provided to the Company's Chief Operating Decision Maker ("CODM"). The CODM is responsible for allocating resources and assessing the performance of the operating segments.

Determination of Cash Generating Unit ("CGU")

Management has exercised judgement in identifying the CGUs of the Company. In performing impairment assessments of long-lived assets, assets that cannot be assessed individually are grouped together into the smallest group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Determination of CGUs is also required for impairment testing of goodwill.

Provisions and Contingent Liabilities

As at December 31, 2024, the Company had $28.6 million of provisions; of this amount $18.7 million was included in current liabilities and $9.9 million was included in non-current liabilities. Provisions and liabilities for legal and other contingent matters are recognized in the period when it becomes probable that there will be a future outflow of economic benefits resulting from past operations or events and the amount of the cash outflow can be reliably measured. The timing of recognition and measurement of the provision requires the application of judgement to existing facts and circumstances, which can be subject to change. The carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take into account changing facts and circumstances.

The Company is required to determine whether a loss is probable based on judgement and interpretation of laws and regulations and whether the loss can be reliably measured. When a loss is determined, it is charged to the consolidated statements of loss. The Company must continually monitor known and potential contingent matters and make appropriate provisions by charges to income when warranted by circumstances.

Income Taxes

The calculation of income taxes requires judgement in interpreting tax rules and regulations. There are transactions and calculations for which the ultimate tax determination is uncertain. The tax filings also are subject to audits, the outcome of which could change the amount of current and deferred income tax assets and liabilities. Management believes that it has sufficient amounts accrued for outstanding tax matters based on information that is currently available.

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Management judgement is used to determine the amounts of deferred income tax assets and liabilities to be recognized, based upon the likely timing and the level of future taxable profit together with future tax planning strategies. In particular, judgement is required when assessing the timing of the reversal of temporary differences to which future income tax rates are applied.

14.2 Critical Accounting Estimates

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts of assets, liabilities and contingencies at the date of the financial statements, and the reported amounts of revenue and expenses during the period. These estimates and assumptions are made with management's best judgement given the information available at the time; however, actual results could differ from the estimates.

Long-lived Assets and Goodwill

As at December 31, 2024, the Company had $750.0 million of long-lived assets and goodwill. The Company evaluates the carrying values of the CGU or group of CGUs goodwill and indefinite life intangible assets on an annual basis in the fourth quarter of each year to determine whether or not impairment of these assets has occurred and whether impairments of the value of these assets are required. Similarly, the Company evaluates the carrying values of CGUs for long-lived assets whenever circumstances arise that could indicate impairment or reversal of impairment, and at each reporting date. These impairment tests require the determination of recoverable amounts which include certain assumptions regarding discount rates and future cash flows generated by these assets in determining the value-in-use and fair value less costs of disposal calculations. Actual results could differ from these assumptions and estimates.

Employee Future Benefit Obligations

As at December 31, 2024, the Company had $5.4 million of employee future benefit obligations. The Company provides future benefits to its employees under a number of defined benefit arrangements. The calculation of the defined benefit obligation recognized in the consolidated financial statements includes a number of assumptions regarding discount rates, rates of employee compensation increase, rates of inflation, and life expectancies. The outcome of any of these factors could differ from the estimates used in the calculations and have an impact on operating expenses, non-current assets and non-current liabilities.

Income Taxes

The recording of income tax expense includes certain estimations related to the impact in the current year of future events. Differences between the estimated and actual impact of these events could impact tax expense, current taxes payable or deferred taxes. In particular, income and losses in foreign jurisdictions may be taxed at rates different from those expected in Canada. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the losses can be utilized.

Given the wide range of international business relationships and the complexity and duration of contracts, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to taxable income and tax expense already recorded. The Company establishes liabilities, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such liabilities is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences in interpretation may arise for a wide variety of issues, depending on the conditions prevailing in the domicile of the respective entity.

15.0 Reconciliation of Non-GAAP Measures

The Company reports on certain non-GAAP measures that are used to evaluate its performance and segments, as well as to determine compliance with debt covenants and to manage its capital structure. These non-GAAP measures do not have standardized meanings under IFRS and are not necessarily comparable to similar measures provided by other companies. The Company discloses these measures because it believes that they provide further information and assist readers in understanding the results of the Company's operations and financial position. These measures should not be considered in isolation or used in substitution for other measures of performance prepared in accordance with GAAP. The following is a reconciliation of the non-GAAP measures reported by the Company.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is also a non-GAAP measure defined as EBITDA adjusted for items which do not impact day to day operations. Adjusted EBITDA is calculated by adding back to EBITDA the sum of impairments, costs associated with refinancing of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, gain on sale of operating unit, acquisition costs, restructuring costs, share-based incentive compensation cost, foreign exchange (gain) loss and other, net and hyperinflationary adjustments and the impact of transactions that are outside the Company's normal course of business or day to day operations. The Company believes that EBITDA and Adjusted EBITDA are useful supplemental measures that provide a meaningful indication of the Company's results from principal business activities prior to the consideration of how these activities are financed or the tax impacts in various jurisdictions and for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures. The Company presents Adjusted EBITDA as a measure of EBITDA that excludes the effect of transactions that fall outside the Company's ordinary course of business or routine operations. Adjusted EBITDA is used by many analysts as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations. It is also considered important by lenders to the Company and is included in the financial covenants of the Credit Facility.

	Three Months Ended		**Year Ended**	
(in thousands of Canadian dollars)	**December 31, 2024**	December 31, 2023	**December 31, 2024**	December 31, 2023
Net (Loss) Income from Continuing Operations	**$ (20,289)**	$ (3,496)	**$ (6,017)**	$ 42,365
Add:				
Income tax expense (recovery)	**4,848**	(5,860)	**21,849**	4,918
Finance costs, net	**6,025**	5,094	**17,539**	20,831
Amortization of property, plant, equipment, intangible and ROU assets	**11,922**	8,444	**40,435**	35,817
EBITDA from Continuing Operations	**2,506**	4,182	**73,806**	103,931
Share-based incentive compensation (recovery) cost	**(2,248)**	2,096	**5,601**	18,307
Foreign exchange loss	**3,640**	253	**10,374**	2,423
Gain on sale of land and other	**—**	(1,655)	**—**	(1,655)
Non-recurring pension related costs (recovery)	**2,245**	—	**2,245**	(1,889)
Impairment	**—**	18,544	**—**	27,196
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Income from shares tender trust refund	**—**	—	**(653)**	—
Restructuring costs and other, net	**4,887**	2,474	**8,413**	2,474
Cost associated with Acquisition [(a)]	**1,688**	—	**1,688**	—
Adjusted EBITDA from Continuing Operations	**$ 12,718**	$ 25,894	**$ 108,224**	$ 150,787

a) Cost associated with Acquisition related to acquisition of AmerCable Incorporated.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Net (Loss) Income from Continuing Operations	**$** (2,145)	$ 10,811	$ 5,606	$ (20,289)
Add:				
Income tax expense	3,948	5,187	7,866	4,848
Finance costs, net	2,226	4,415	4,873	6,025
Amortization of property, plant, equipment, intangible and ROU assets	8,568	9,403	10,542	11,922
EBITDA from Continuing Operations	12,597	29,816	28,887	2,506
Share-based incentive compensation cost (recovery)	7,632	1,643	(1,426)	(2,248)
Foreign exchange loss	2,397	2,515	1,822	3,640
Non-recurring pension related costs	—	—	—	2,245
Cost associated with repayment and modification of long-term debt	—	6,750	—	—
Income from shares tender trust refund	—	(653)	—	—
Restructuring costs and other, net	3,201	325	—	4,887
Cost associated with Acquisition [a]	—	—	—	1,688
Adjusted EBITDA from Continuing Operations	$ 25,827	$ 40,396	$ 29,283	$ 12,718

a) Cost associated with Acquisition related to acquisition of AmerCable Incorporated.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net Income (Loss) from Continuing Operations	$ 18,223	$ 11,046	$ 16,592	$ (3,496)
Add:				
Income tax expense (recovery)	3,826	3,756	3,196	(5,860)
Finance costs, net	5,011	5,137	5,589	5,094
Amortization of property, plant, equipment, intangible and ROU assets	8,827	8,969	9,577	8,444
EBITDA from Continuing Operations	35,887	28,908	34,954	4,182
Share-based incentive compensation (recovery) cost	(41)	18,666	(2,414)	2,096
Foreign exchange loss	1,304	65	801	253
Gain on sale of land and other	—	—	—	(1,655)
Pension related non-recurring (recovery) costs	—	—	(1,889)	—
Impairment	—	—	8,652	18,544
Restructuring costs and other, net	—	—	—	2,474
Adjusted EBITDA from Continuing Operations	$ 37,150	$ 47,639	$ 40,104	$ 25,894

Composite Technologies Segment

(in thousands of Canadian dollars)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating (Loss) Income	**$ (499)**	$ (4,369)	**$ 36,815**	$ 67,416
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**8,934**	6,257	**29,405**	27,044
EBITDA	**8,435**	1,888	**66,220**	94,460
Share-based incentive compensation (recovery) cost	**(110)**	399	**1,417**	1,812
Gain on sale of land and other	—	(1,995)	—	(1,995)
Impairment	—	18,544	—	18,544
Restructuring costs and other, net	**1,077**	—	**4,571**	—
Adjusted EBITDA	**$ 9,402**	$ 18,836	**$ 72,208**	$ 112,821

Connection Technologies Segment

(in thousands of Canadian dollars)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating Income [(a)]	**$ 3,808**	$ 11,133	**$ 42,558**	$ 57,727
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**2,429**	1,714	**8,998**	5,752
EBITDA	**6,237**	12,847	**51,556**	63,479
Share-based incentive compensation (recovery) cost	**(74)**	447	**1,419**	2,649
Restructuring costs and other, net	**3,810**	747	**3,844**	747
Adjusted EBITDA	**$ 9,973**	$ 14,041	**$ 56,819**	$ 66,875

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for the fourth quarter of 2023 and year ended December 31, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million were included in fourth quarter of 2024 and 2023, as well as, $2.9 million and $2.7 million were reflected in the year ended December 31, 2024 and 2023, respectively.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Operating Income [(a)]	$ 14,543	$ 14,532	$ 9,675	$ 3,808
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	1,722	2,433	2,414	2,429
EBITDA	16,265	16,965	12,089	6,237
Share-based incentive compensation cost (recovery)	1,319	266	(92)	(74)
Restructuring costs and other, net	33	1	—	3,810
Adjusted EBITDA	$ 17,617	$ 17,232	$ 11,997	$ 9,973

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Operating Income[(a)]	$ 16,993	$ 16,346	$ 13,255	$ 11,133
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	1,333	1,349	1,356	1,714
EBITDA	18,326	17,695	14,611	12,847
Share-based incentive compensation cost (recovery)	26	2,224	(48)	447
Restructuring costs and other, net	—	—	—	747
Adjusted EBITDA	$ 18,352	$ 19,919	$ 14,563	$ 14,041

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for all four quarters of 2023 have been retrospectively restated to reflect this allocation.

Financial and Corporate

(in thousands of Canadian dollars)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Operating Loss [(a)]	**$ (12,725)**	$ (11,026)	**$ (39,252)**	$ (57,029)
Add:				
Cost associated with repayment and modification of long-term debt	**—**	—	**(6,750)**	—
Amortization of property, plant, equipment, intangible and ROU assets	**559**	472	**2,032**	3,021
EBITDA	**(12,166)**	(10,554)	**(43,970)**	(54,008)
Share-based incentive compensation (recovery) cost	**(2,064)**	1,250	**2,765**	13,846
Foreign exchange loss	**3,640**	253	**10,374**	2,423
Gain on sale of land and other	**—**	340	**—**	340
Non-recurring pension related costs (recovery)	**2,245**	(0)	**2,245**	(1,889)
Impairment	**—**	—	**—**	8,652
Income from shares tender trust refund	**—**	—	**(653)**	—
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Restructuring costs and other, net (recovery)	**—**	1,727	**(2)**	**1,727**
Cost associated with Acquisition [(b)]	**1,688**	—	**1,688**	—
Adjusted EBITDA	**$ (6,657)**	$ (6,984)	**$ (20,803)**	$ (28,909)

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative allocations to the Composite Technologies segment. As a result, the comparative figures for the fourth quarter of 2023 and year ended December 31, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative allocations of $0.7 million were included in fourth quarter of 2024 and 2023, as well as, $2.9 million and $2.7 million were reflected in the year ended December 31, 2024 and 2023, respectively.

b) Cost associated with Acquisition related to acquisition of AmerCable Incorporated.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Operating Loss [(a)]	$ (14,531)	$ (7,825)	$ (4,171)	$ (12,725)
Add:				
Cost associated with repayment and modification of long-term debt	—	(6,750)	—	—
Amortization of property, plant, equipment, intangible and ROU assets	475	436	562	559
EBITDA	(14,056)	(14,139)	(3,609)	(12,166)
Share-based incentive compensation cost (recovery)	4,861	1,180	(1,212)	(2,064)
Foreign exchange loss	2,397	2,515	1,822	3,640
Non-recurring pension related costs	—	—	—	2,245
Income from shares tender trust refund	—	(653)	—	—
Cost associated with repayment and modification of long-term debt	—	6,750	—	—
Restructuring costs and other, net	—	—	(2)	—
Cost associated with Acquisition [(b)]	—	—	—	1,688
Adjusted EBITDA	$ (6,798)	$ (4,347)	$ (3,001)	$ (6,657)

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment.

b) Cost associated with Acquisition related to acquisition of AmerCable Incorporated.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Operating Loss [(a)]	$ (10,655)	$ (21,985)	$ (13,363)	$ (11,026)
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	869	854	826	472
EBITDA	(9,786)	(21,131)	(12,537)	(10,554)
Share-based incentive compensation cost (recovery)	534	13,993	(1,931)	1,250
Foreign exchange loss	1,304	65	801	253
Gain on sale of land and other	—	—	—	340
Pension related non-recurring (recovery) costs	—	—	(1,889)	—
Impairment	—	—	8,652	—
Restructuring costs and other, net	—	—	—	1,727
Adjusted EBITDA	$ (7,948)	$ (7,073)	$ (6,904)	$ (6,984)

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment. As a result, the comparative figures for all four quarters of 2023 have been retrospectively restated to reflect these allocations.

Discontinued Operations

(in thousands of Canadian dollars)	Three Months Ended December 31, 2024	Three Months Ended December 31, 2023	Year Ended December 31, 2024	Year Ended December 31, 2023
Net Income (Loss) from Discontinued Operations	**$ 7,512**	$ (19,510)	**$ 2,469**	$ 44,854
Add:				
Income tax (recovery) expense	**(1,933)**	26,251	**(133)**	53,143
Finance costs, net (recovery)	**(179)**	19	**(406)**	698
Amortization of property, plant, equipment, intangible and ROU assets	—	416	**1,237**	28,568
EBITDA from Discontinued Operations	**5,400**	7,176	**3,167**	127,263
Share-based incentive compensation (recovery) cost	—	(2,002)	—	236
Foreign exchange loss (gain)	**99**	10	**970**	(2,792)
Loss on sale of operating unit and subsidiary	**2,843**	105,177	**18,335**	111,004
Restructuring costs and other, net	—	1,465	—	1,465
Adjusted EBITDA from Discontinued Operations	**$ 8,342**	$ 111,826	**$ 22,472**	$ 237,176

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	June 30, 2024	September 30, 2024	December 31, 2024
Net (Loss) Income from Discontinued Operations	$ (3,494)	$ (8,735)	$ 7,186	$ 7,512
Add:				
Income tax expense (recovery)	1,869	171	(240)	(1,933)
Finance costs, net (recovery)	(84)	(74)	(69)	(179)
Amortization of property, plant, equipment, intangible and ROU assets	428	419	390	—
EBITDA from Discontinued Operations	(1,281)	(8,219)	7,267	5,400
Foreign exchange loss	118	560	193	99
Loss on sale of operating unit and subsidiary	5,405	10,087	—	2,843
Adjusted EBITDA from Discontinued Operations	$ 4,242	$ 2,428	$ 7,460	$ 8,342

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net Income (Loss) from Discontinued Operations	$ 7,006	$ 1,976	$ 55,382	$ (19,510)
Add:				
Income tax expense	1,431	2,402	23,059	26,251
Finance costs, net	133	391	155	19
Amortization of property, plant, equipment, intangible and ROU assets	10,403	11,061	6,688	416
EBITDA from Discontinued Operations	18,973	15,830	85,284	7,176
Share-based incentive compensation (recovery) cost	(561)	3,297	(498)	(2,002)
Foreign exchange (gain) loss	(1,033)	(3,230)	1,461	10
Loss on sale of operating unit and subsidiary	—	3,738	2,089	105,177
Restructuring costs and other, net	—	—	—	1,465
Adjusted EBITDA from Discontinued Operations	$ 17,379	$ 19,635	$ 88,336	$ 111,826

Total Consolidated Mattr (Continuing and Discontinued Operations)

(in thousands of Canadian dollars)	Three Months Ended		Year Ended	
	December 31, 2024	December 31, 2023	**December 31, 2024**	December 31, 2023
Net (Loss) Income	**$ (12,777)**	$ (23,006)	**$ (3,548)**	$ 87,219
Add:				
Income tax expense	**2,915**	20,391	**21,716**	58,061
Finance costs, net	**5,846**	5,113	**17,133**	21,529
Amortization of property, plant, equipment, intangible and ROU assets	**11,922**	8,860	**41,672**	64,385
EBITDA	**7,906**	11,358	**76,973**	231,194
Share-based incentive compensation (recovery) cost	**(2,248)**	93	**5,601**	18,543
Foreign exchange loss (gain)	**3,739**	263	**11,344**	(369)
Gain on sale of land and other	**—**	(1,655)	**—**	(1,655)
Loss on sale of operating unit and subsidiary	**2,843**	105,177	**18,335**	111,004
Non-recurring pension related costs (recovery)	**2,245**	—	**2,245**	(1,889)
Impairment	**—**	18,544	**—**	27,196
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Income from shares tender trust refund	**—**	—	**(653)**	—
Restructuring costs and other, net	**4,887**	3,939	**8,413**	3,939
Cost associated with Acquisition [(a)]	**1,688**	—	**1,688**	—
Adjusted EBITDA	**$ 21,060**	$ 137,719	**$ 130,696**	$ 387,963

a) Cost associated with Acquisition related to acquisition of AmerCable Incorporated.

Adjusted EBITDA Margin

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue and is a non-GAAP measure. The Company believes that Adjusted EBITDA margin is a useful supplemental measure that provides meaningful assessment of the business results of the Company and its Operating Segments from principal business activities excluding the impact of transactions that are outside of the Company's normal course of business.

See reconciliation above for the changes in composition of Adjusted EBITDA, as a result of which the applicable tables reflect restated figures for the prior year quarter to align with current presentation.

Operating Margin

Operating margin is defined as operating (loss) income divided by revenue and is a non-GAAP measure. The Company believes that operating margin is a useful supplemental measure that provides meaningful assessment of the business performance of the Company and its Operating Segments. The Company uses this measure as a key indicator of financial performance, operating efficiency and cost control based on volume of business generated.

Adjusted Net Income (attributable to shareholders)

Adjusted Net Income (attributable to shareholders) is a non-GAAP measure defined as Net Income (attributable to shareholders) adjusted for items which do not impact day to day operations. Adjusted Net Income (attributable to shareholders) is calculated by adding back to Net Income (attributable to shareholders) the after tax impact of the sum of impairments, costs associated with repayment of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, gain on sale of operating unit, acquisition costs, restructuring costs, share-based incentive compensation cost, foreign exchange (gain) loss and other, net and hyperinflationary adjustments. The Company believes that Adjusted Net Income (attributable to shareholders) is a useful supplemental measure that provides a meaningful indication of the Company's results from principal business activities for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures.

Adjusted Earnings Per Share ("Adjusted EPS")

Adjusted EPS (basic) is a non-GAAP measure defined as Adjusted Net Income (attributable to shareholders) divided by the number of common shares outstanding. Adjusted EPS (diluted) is a non-GAAP measure defined as Adjusted Net Income (attributable to shareholders) divided by the number of common shares outstanding, further adjusted for potential dilutive impacts of outstanding securities which are convertible to common shares. The Company presents Adjusted EPS as a measure of Earning Per Share ("EPS") that excludes the impact of transactions that are outside the Company's normal course of business or day to day operations. Adjusted EPS indicates the amount of Adjusted Net Income the Company makes for each share of its stock and is used by many analysts as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations.

Total Consolidated Mattr Adjusted EPS (Continuing and Discontinued Operations)

(in thousands of Canadian dollars except for per share amounts)	Year Ended December 31, 2024			Year Ended December 31, 2023		
		Earnings Per Share			Earnings Per Share	
		Basic	**Diluted**		**Basic**	**Diluted**
Total Consolidated Mattr Net [a]	**$ (3,733)**	**(0.06)**	**(0.06)**	$ 87,187	1.26	1.25
Adjustments (before tax):						
Share-based incentive compensation cost	**5,601**			18,543		
Foreign exchange loss (gain)	**11,344**			(369)		
Gain on sale of land and other	**—**			(1,655)		
Loss on sale of operating unit and subsidiary	**18,335**			111,004		
Non-recurring pension related costs (recovery)	**2,245**			(1,889)		
Impairment	**—**			27,196		
Cost associated with repayment and modification of long-term debt	**6,750**			—		
Income from shares tender trust refund	**(653)**			—		
Restructuring costs and other, net	**8,413**			3,939		
Cost associated with Acquisition [b]	**1,688**			—		
Tax effect of above adjustments	**(4,117)**			(4,301)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) [a]	**$ 45,873**	**0.70**	**0.69**	$ 239,655	3.46	3.43

(a) Attributable to Shareholders of the Company
(b) Cost associated with Acquisition related to acquisition of AmerCable Incorporated.

(in thousands of Canadian dollars except for per share amounts)	Three Months Ended December 31, 2024			Three Months Ended December 31, 2023		
		Earnings Per Share			Earnings Per Share	
		Basic	**Diluted**		**Basic**	**Diluted**
Total Consolidated Mattr Net [a]	**$ (12,777)**	**(0.20)**	**(0.20)**	$ (23,022)	(0.33)	(0.33)
Adjustments (before tax):						
Share-based incentive compensation (recovery) cost	**(2,248)**			93		
Foreign exchange loss	**3,739**			263		
Gain on sale of land and other	**—**			(1,655)		
Loss on sale of operating unit and subsidiary	**2,843**			105,177		
Non-recurring pension related costs	**2,245**			—		
Impairment	**—**			18,544		
Restructuring costs and other, net	**4,887**			3,939		
Cost associated with Acquisition [b]	**1,688**			—		
Tax effect of above adjustments	**(1,775)**			(464)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) [a]	**$ (1,398)**	**(0.02)**	**(0.02)**	$ 102,875	1.49	1.47

(a) Attributable to Shareholders of the Company
(b) Cost associated with Acquisition related to acquisition of AmerCable Incorporated.

Total Net debt-to-Adjusted EBITDA

Total Net debt-to-Adjusted EBITDA is a non-GAAP measure defined as the sum of long-term debt, current lease liabilities and long-term lease liabilities, less cash and cash equivalents, divided by the Consolidated (Continuing and Discontinued Operations) Adjusted EBITDA, as defined above, for the trailing twelve-month period. The Company believes Total Net debt-to-Adjusted EBITDA is a useful supplementary measure to assess the borrowing capacity of the Company. Total Net debt-to-Adjusted EBITDA is used by many analysts as one of several important analytical tools to evaluate how long a company would need to operate at its current level to pay of all its debt. It is also considered important by credit rating agencies to determine the probability of a company defaulting on its debt.

See discussion above for the changes into the composition of Adjusted EBITDA. The table below reflects restated figures for the prior year quarters to align with current presentation.

(in thousands of Canadian dollars except Net debt-to-EBITDA ratio)	**December 31, 2024**	December 31, 2023
Long-term debt	**$ 471,238**	$ 144,201
Lease Liabilities	**163,127**	88,263
Cash and cash equivalents (including restricted cash)	**(502,490)**	(334,061)
Total Net Debt	**131,875**	(101,597)
Q1 2023 Adjusted EBITDA	—	54,528
Q2 2023 Adjusted EBITDA	—	67,275
Q3 2023 Adjusted EBITDA	—	128,441
Q4 2023 Adjusted EBITDA	—	137,719
Q1 2024 Adjusted EBITDA	**30,069**	—
Q2 2024 Adjusted EBITDA	**42,824**	—
Q3 2024 Adjusted EBITDA	**36,743**	—
Q4 2024 Adjusted EBITDA	**21,060**	—
Trailing twelve-month Adjusted EBITDA	**$ 130,696**	$ 387,963
Total Net debt-to-Adjusted EBITDA	**1.01**	(0.26)

Total Interest Coverage Ratio

Total Interest Coverage Ratio is a non-GAAP measure defined as Consolidated Adjusted EBITDA (Continuing and Discontinued Operations), as defined above, for the trailing twelve-month period, divided by finance costs, net, for the trailing twelve-month period. The Company believes Total Interest Coverage Ratio is a useful supplementary measure to assess the Company's ability to honor its debt payments. Total Interest Coverage Ratio is used by many analysts as one of several important analytical tools to judge a company's ability to pay interest on its outstanding debt. It is also considered important by credit rating agencies to determine a company's riskiness relative to its current debt or for future borrowing.

(in thousands of Canadian dollars except Net debt-to-EBITDA ratio)		**December 31, 2024**		December 31, 2023
Q1 2023 Adjusted EBITDA	**$**	**—**	$	54,528
Q2 2023 Adjusted EBITDA		**—**		67,275
Q3 2023 Adjusted EBITDA		**—**		128,441
Q4 2023 Adjusted EBITDA		**—**		137,719
Q1 2024 Adjusted EBITDA		**30,069**		—
Q2 2024 Adjusted EBITDA		**42,824**		—
Q3 2024 Adjusted EBITDA		**36,743**		—
Q4 2024 Adjusted EBITDA		**21,060**		—
Trailing twelve-month Adjusted EBITDA	**$**	**130,696**	$	387,963
Q1 2023 Finance cost, net	**$**	**—**	$	5,144
Q2 2023 Finance cost, net		**—**		5,528
Q3 2023 Finance cost, net		**—**		5,744
Q4 2023 Finance cost, net		**—**		5,113
Q1 2024 Finance cost, net		**2,142**		—
Q2 2024 Finance cost, net		**4,341**		—
Q3 2024 Finance cost, net		**4,804**		—
Q4 2024 Finance cost, net		**5,846**		—
Trailing twelve-month finance cost, net	**$**	**17,133**	$	21,529
Total Interest Coverage Ratio		**7.63**		18.02

Modernization, Expansion and Optimization ("MEO") Costs

MEO costs is a supplementary financial measure. MEO costs not eligible for capitalization are reported as selling, general and administrative expenses or as cost of goods sold and incurred in support of the Company's certain specific, planned capital investments into high-return growth and efficiency improvement opportunities. These include the following:

- The addition of two new manufacturing facilities and the elimination of aging manufacturing facilities within the Composite Technologies network, namely:
    - the shut-down and exit of aging production capabilities in the Xerxes FRP tank production site footprint;
    - a new Xerxes FRP tank production site in Blythewood, South Carolina; and
    - a new Flexpipe composite pipe production site in Rockwall, Texas along with the co-located HydroChain™ stormwater infiltration chamber production line;
- The replacement of the Company's Rexdale facility in Toronto, Ontario and the expansion of its Connection Technologies segment's North American manufacturing footprint through:
    - a new heat-shrink tubing production site in Fairfield, Ohio; and
    - a new wire and cable production site in Vaughan, Ontario.

The Company considers these costs incremental to its normal operating base and would not have been incurred if these projects were not ongoing.

16.0 Additional Information

Additional information relating to the Company, including its AIF, is available on SEDAR+ at www.sedarplus.com and on the "Investors Centre" page of the Company's website at: https://investors.Mattr.com/Investor-Center/default.aspx.

Dated: March 13, 2025