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 August 8, 2024, is a discussion of the consolidated financial position and results of operations of Mattr Corp. ("Mattr" or the "Company") for the three and six months ended June 30, 2024 and 2023 and should be read together with Mattr's unaudited condensed interim consolidated financial statements ("Interim Financial Statements") and accompanying notes for the same periods and the Company's management's discussion and analysis for the years ended December 31, 2023 and 2022 (the "2023 Annual MD&A") and audited consolidated financial statements for the year ended December 31 2023 (the "Audited Consolidated Financial Statements"). 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 Interim Financial Statements and comparative information have been prepared in accordance with IFRS Accounting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard ("IAS") 34, Interim Financial Reporting, which are also Generally Accepted Accounting Principles ("GAAP") for publicly accountable enterprises in Canada.

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 its shareholders; the Company's goal of and ability to deliver substantial value creation for shareholders; the Company's ability to meet its stated growth, profitability and free-cash-flow conversion objectives over the coming years; the market dynamics during the remainder of 2024; the favourability of underlying business trends for the Company's core businesses; the Company's ability to execute on its business plan and strategies, including the pursuit, execution and integration of potential organic and inorganic growth opportunities, as applicable; the level of financial performance and financial results of the Company, its businesses and reporting segments; Rising revenue in the third quarter of 2024; the favourability of underlying relevant market trends in both the mid and long term; expected timing for commencement of production in the new Flexpipe composite pipe production site in Rockwall, Texas, the new heat-shrink tubing production site in Fairfield, Ohio, and the new wire and cable production site in Vaughan, Ontario; manufacturing equipment population in new production sites; execution of the organic investments to modernize, expand and optimize capacity; the incremental revenue created from modernization, expansion and optimization investments; the timing for the expected level of output of production facilities; spending on MEO activities; MEO cost recognition; demand for the Company's products; booking for the Company's Thermotite business; increased financial performance of the Company's Thermotite business; purchases under the Company's NCIB; increases in production and shipments of Xerxes FRP tanks; increased revenue and Adjusted EBITDA contribution from the Xerxes business; volume of shipments of Flexpipe composite pipe; levels of active drilling rig and hydraulic fracturing fleet counts in North America; overall market activity declines during the third quarter of 2024; Flexpipe market share gains during the third quarter of 2024; international opportunities for delivery of Flexpipe orders during the second half of 2024; expected timing of anticipated customer projects, including the contract award in the Middle East; international Flexpipe revenue generation; revenue in the third quarter of 2024 and Adjusted EBITDA contribution from the Flexpipe business; movements within the Xerxes and Flexpipe businesses; the exit from the Company's Anaheim, California Xerxes facility and the expecting timing for the facility to be fully vacated by year end; lower average production costs, increased total production capacity and growth and margin expansion following 2024 due to MEO activities; MEO costs in the second half of 2024; adequacy of revenues to absorb incremental fixed costs; further production line additions in the Composite Technologies segment following 2024; the Company's monitoring of raw material and labour costs in the Composite Technologies segment; Shawflex wire and cable revenue; expected demand from Canadian distributors for 'stock' products; lower sales into North American infrastructure and nuclear markets; sufficient generation of cash flows; continued access to the Company's Credit Facilities (as defined herein); the Company's focus on maximizing the conversion of operating income into cash; the Company's management of long term debt levels; the Company's strategy of portfolio optimization; investment in organic and inorganic opportunities; increases in activity during the second half of 2024; funding for settlement for decommissioning liabilities; cash outflows over the next five years and thereafter for decommissioning liabilities; and environmental matters.

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 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 acceleration of certain trends such as deglobalization, trade fragmentation and/or protectionism and reactive countermeasures, economic or other sanctions and/or trade barriers; the current Israel-Palestine conflict; uncertainty surrounding the U.S. Presidential election cycle; increased activity levels in the Connection Technologies segment; higher sales of composite pipe products into international markets; increased shipment of Flexpipe® products to support international projects; strengthening demand within the North American industrial and infrastructure markets; seasonal impacts on the Company's FRP tanks business due to North American weather and ground conditions; the changing demand for the Company's FRP tanks and water and stormwater storage and treatment systems; seasonal impacts to the Company's composite pipe business due to spring break-up conditions; the trend of international sales for composite pipe products; expected demand for the Company's products in the Composite Technologies segment, including the ability to grow such demand over the timeline expected to complete the new production of such facilities and achieve desired operational levels; the Company being able to complete the construction and commissioning of these facilities on their expected timeline and budget, as applicable, and its ability to achieve and maintain necessary production and efficiency levels once operational; 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 such time; consistent competitive intensity in the segments in which the Company operates; no significant 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 the remainder of 2024; expectations regarding the Company's ability to continue to manage its supply chain and any future disruptions; the impact of federal stimulus packages in the Connection Technologies 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 its 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; the ability to develop, access or implement some or all of the technology necessary to efficiently and effectively achieve the Company's ESG goals and ambitions, including its greenhouse gas targets; 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 information 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 renewal and enhancement of critical infrastructure.

Mattr is publicly traded on the Toronto Stock Exchange ("TSX") under the symbol "MATR" (prior to June 7, 2023, the Company traded under the symbol "SCL").

1.1 Core Businesses

Mattr provides a broad range of products, which include flexible composite pipe, fiberglass reinforced plastic ("FRP") underground storage tanks, stormwater management solutions, heat-shrinkable polymer tubing products, low-voltage control and instrumentation wire, cable and harness solutions and high-quality offshore pipeline corrosion and thermal protection coating services.

The 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 or the Connection Technologies segments and property, plant and equipment of the retained Pipeline Performance Group ("PPG") entities, including operations in Brazil, and the related operating income. Revenue reported through Financial, Corporate and Other represented 5% of the Company's revenue for the three-months ended June 30, 2024, and 6% of the Company's revenue for the six-months ended June 30, 2024.

Composite Technologies

The Composite Technologies segment consists of the Composite Technologies operating unit (which includes the Flexpipe® and Xerxes® brands) and accounted for 60% of the Company's revenue for the three-months ended June 30, 2024, and 57% of the Company's revenue for the six-months ended June 30, 2024.

Connection Technologies

The Connection Technologies segment consists of the Connection Technologies operating unit (which includes the Shawflex and DSG-Canusa brands) and accounted for 35% of the Company's revenue for the three-months ended June 30, 2024, and 37% of the Company's revenue for the six-months ended June 30, 2024.

2.0 Financial Highlights

2.1 Selected Financial Information

	Three Months Ended		Six Months Ended	
(in thousands of Canadian dollars except per share amounts and percentages)	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Revenue	**253,857**	250,365	**478,318**	489,097
Cost of Goods Sold and Services Rendered	**173,230**	167,294	**332,343**	331,928
Gross Profit	**80,627**	83,071	**145,975**	157,169
Selling, general and administrative expenses	**36,264**	48,963	**76,782**	80,414
Research and development expenses	**2,529**	2,012	**4,922**	4,151
Foreign exchange losses (gains)	**3,075**	(45)	**5,590**	1,165
Depreciation and amortization	**9,822**	9,170	**18,818**	18,191
Restructuring costs and other, net	**325**	—	**3,526**	—
Income from Continuing Operations	**28,612**	22,971	**36,337**	53,248
Finance costs, net	**(4,341)**	(4,974)	**(6,483)**	(9,958)
Cost associated with repayment of senior notes	**(6,750)**	—	**(6,750)**	—
Income before Income Taxes	**17,521**	17,997	**23,104**	43,290
Income tax expense	**5,358**	3,327	**11,175**	7,912
Net Income from Continuing Operations	**12,163**	14,670	**11,929**	35,378
Net (Loss) Income from Discontinued Operations (a)	**(10,087)**	(1,648)	**(15,492)**	2,873
Net Income (Loss)	**2,076**	13,022	**(3,563)**	38,251
Total Net Income (Loss) attributable to:				
Shareholders of the Company	**2,094**	13,063	**(3,748)**	38,292
Non-controlling interests	**(18)**	(41)	**185**	(41)
Net Income (Loss)	**2,076**	13,022	**(3,563)**	38,251
Per Share Information:				
Earnings (Loss) per Share				
Basic	**0.03**	0.19	**(0.05)**	0.55
Diluted	**0.03**	0.19	**(0.05)**	0.54
Total Adjusted EPS (b)				
Basic	**0.32**	0.49	**0.48**	0.85
Diluted	**0.31**	0.48	**0.48**	0.85
Adjusted EBITDA from Continuing Operations (b)	**42,824**	50,763	**72,893**	91,229
Adjusted EBITDA Margin from Continuing Ops (b) **(%)**	**16.9%**	20.3%	**15.2%**	18.7%
Adjusted EBITDA from Discontinued Operations (a)(b)	**—**	16,513	**—**	30,576
Adjusted EBITDA Margin from Discontinued Ops (a)(b) **(%)**	**—**	11.0%	**—**	11.1%
Total Adjusted EBITDA from Operations (b)	**42,824**	67,276	**72,893**	121,805
Total Adjusted EBITDA Margin from Operations (b) **(%)**	**16.9%**	16.8%	**15.2%**	15.9%

(a) Amounts shown under Discontinued Operations represent the results from what was previously known as the Pipeline and Pipe Services ("PPS') segment.

(b) Adjusted EBITDA, Adjusted EBITDA Margin and Adjusted EPS 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 10.0 – 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		Six Months Ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
U.S. dollar	**1.3665**	1.3524	**1.3562**	1.3516
Euro	**1.4720**	1.4692	**1.4658**	1.4604
British Pounds	**1.7256**	1.6888	**1.7150**	1.6686
Brazilian Reals	**0.2635**	0.2695	**0.2679**	0.2655

The following table sets forth the impact on revenue, income from operations and net income (attributable to shareholders of the Company), compared with the prior year period, because of foreign exchange fluctuations on the translation of foreign currency operations:

(in thousands of Canadian dollars)	**Q2-2024 Versus Q2-2023**	**Q2-2024 YTD Versus Q2-2023 YTD**
Revenue from continuing operations	**$ 1,134**	**$ 957**
Income from continuing operations	**$ 10**	**$ (23)**
Net income (attributable to shareholders of the Company)	**$ 78**	**$ (142)**

In addition to the translation impact noted above, the Company recorded a foreign exchange loss from continuing operations of $3.1 million in the second quarter of 2024, compared to a small foreign exchange gain from continuing operations of $0.1 million for the comparable period in the prior year, 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 hedging activities.

3.0 Results from Operations

3.1 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		Six Months Ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
Composite Technologies	**$ 152,509**	$ 150,381	**$ 271,791**	$ 282,930
Connection Technologies	**88,758**	89,549	**179,515**	184,236
Financial, Corporate and Other	**12,590**	10,435	**27,012**	21,931
Revenue - Continuing Operations	**$ 253,857**	$ 250,365	**$ 478,318**	$ 489,097

Second quarter 2024 versus second quarter 2023

Revenue in the second quarter of 2024 was $253.9 million, an increase of $3.5 million, or 1.4%, from the $250.4 million in the second quarter of 2023. The change in revenue reflects increases of $2.1 million in the Composite Technologies segment and $2.2 million in the Financial, Corporate and Other segment, offset by a decrease of $0.8 million in the Connection Technologies segment. See "*Section 3.2 – Segment Information*" for additional disclosure with respect to the change in revenue in each reportable segment.

Six months ended June 30, 2024 versus six months ended June 30, 2023

Revenue in the six months ended June 30, 2024 was $478.3 million, a decrease of $10.8 million, or 2.2%, from $489.1 million in the six months ended June 30, 2023. The change in revenue reflects decreases of $11.1 million in the Composite Technologies segment and $4.7 million in the Connection Technologies segment, offset by an increase of $5.1 million in the Financial, Corporate & Other segment. See "*Section 3.2 – 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[1] and Adjusted EBITDA margin[1], from continuing operations, for the following periods:

	Three Months Ended		Six Months Ended	
(in thousands of Canadian dollars)	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
Gross Profit	**$ 80,627**	$ 83,071	**$ 145,975**	$ 157,169
Gross margin	**31.8%**	33.2%	**30.5%**	32.1%
Operating income [(a)]	**$ 28,612**	$ 22,971	**$ 36,337**	$ 53,248
Operating margin [(b)]	**11.3%**	9.2%	**7.6%**	10.9%
Adjusted EBITDA [(b)]	**$ 42,824**	$ 50,763	**$ 72,893**	$ 91,229
Adjusted EBITDA margin [(b)]	**16.9%**	20.3%	**15.2%**	18.7%

(a) Operating income for the three months ended June 30, 2024 includes $0.3 million restructuring costs and other, net; while operating income for the three months ended June 30, 2023 includes no restructuring costs and other, net. Operating income for the six months ended June 30, 2024 includes $3.5 million restructuring costs and other, net; while operating income for the six months ended June 30, 2023 includes no restructuring costs and other, net.

(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 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

In the past several years, the Company has undertaken several strategic initiatives and continues to perform actions to improve shareholder value and has experienced substantial fluctuations in its share price. Consequently, the Company's selling, general and administrative ("SG&A") expenses have been impacted through the movements in share-based incentive compensation accruals, with the value of such incentive awards being directly tied to the Company's share price. The Company recorded an expense of $1.6 million in share-based incentive compensation costs during the second quarter of 2024 ($9.3 million in the six months ended June 30, 2024). Comparatively, in the second quarter of 2023, the Company recorded $18.7 million in costs associated with share-based incentive compensation ($18.6 million in the six months ended June 30, 2023). Share-based incentive compensation costs are an adjusting item in the calculation of Adjusted EBITDA. See *"Section 10.0 – Reconciliation of Non-GAAP Measures"* for further details regarding the calculation of Adjusted EBITDA.

Second quarter 2024 versus second quarter 2023

The Company recorded a gross profit of $80.6 million in the second quarter of 2024, which is a decrease of $2.4 million or 2.9% compared to the second quarter of 2023. This was driven by a 1.4 percentage point decrease in gross margin. The change in gross profit reflects a decrease of $2.6 million in the Connection Technologies segment offset by a slight increase of $0.2 million in the Composite Technologies segment. The gross profit for the Financial, Corporate, and Other reportable segment showed no change between the second quarter of 2024 and the corresponding prior year period. The gross margin decrease reflects a change in product mix, including higher sales of products which incurred higher shipping costs, lower utilization rates in the tank manufacturing facilities and the related impact on overhead absorption rates. Additionally, in the second quarter of 2023 the Connection Technologies segment benefitted from a significant high margin aerospace order and which was absent in the second quarter of 2024. See "*Section 3.2 – Segment Information*" for additional disclosure with respect to the change in gross profit in each reportable segment.

[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 10 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

The Company's SG&A expenses of $36.3 million represents a decrease of $12.7 million in the second quarter of 2024, compared to the second quarter of 2023. During the second quarter of 2024, the Company incurred non-capitalizable North American production footprint Modernization, Expansion and Optimization ("MEO") project costs [2] of $7.9 million (no MEO costs were incurred in the prior year period), which are included in the above-mentioned SG&A expenses. These costs are associated with the establishment of the Company's four new North American production sites. The decrease in SG&A expenses was driven primarily by decreases in share-based incentive compensation costs of $17.0 million and in other employee related expenses of $0.8 million. This was offset by the above mentioned MEO project costs incurred in the period.

Operating income in the second quarter of 2024 was $28.6 million compared to an operating income of $23.0 million in the second quarter of 2023. The $5.6 million increase was driven by a decrease of $12.7 million in SG&A expenses as described above, offset by a reduction of $2.4 million in gross profit, a $3.1 million impact from foreign exchange losses, and increases of $0.7 million in depreciation and amortization, $0.5 million in research and development and $0.3 million in restructuring costs.

Adjusted EBITDA was $42.8 million in the second quarter of 2024 compared to $50.8 million in the second quarter of 2023. See "*Section 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

Six months ended June 30, 2024 versus six months ended June 30, 2023

The Company recorded a gross profit of $146.0 million in the six months ended June 30, 2024, which is a decrease of $11.2 million or 7.1% compared to the six months ended June 30, 2023. This was driven by the reduction in revenue as detailed above together with a 1.6 percentage point decrease in gross margin. The change in gross profit reflects a decrease of $9.6 million in the Composite Technologies segment together with a $3.0 million decrease in the Connection Technologies segment offset by an increase of $1.4 million in Financial, Corporate and Other. The gross margin decrease reflects a change in product mix within the Composite Technologies segment, which included higher sales of products which incurred higher shipping costs and lower utilization rates in the tank manufacturing facilities and the related impact on overhead absorption rates together with a change in product mix within the Connection Technologies segment. Additionally, in the first half of 2023 the Connection Technologies segment benefitted from a significant high margin aerospace order and which was absent in the first half of 2024. See "*Section 3.2 – Segment Information*" for additional disclosure with respect to the change in gross profit in each reportable segment.

The Company's SG&A expenses of $76.8 million represent a decrease of $3.6 million in the six months ended June 30, 2024 compared to the same period of the prior year. During the period and included in the above-mentioned SG&A expenses are non-capitalizable MEO project costs of $9.7 million (no MEO costs were incurred in the prior year period). These costs are associated with the establishment of the Company's four new North American production sites. The decrease in SG&A expenses was driven primarily by decreases in share-based incentive compensation costs of $9.4 million and in legal and other professional fees of $3.1 million. This was offset by the above mentioned MEO project costs incurred in the period.

Operating income in the six months ended June 30, 2024 was $36.3 million compared to an operating income of $53.3 million in the six months ended June 30, 2023. The $17.0 million decrease was driven by a decrease of $11.2 million in gross profit as described above, an impact of $4.4 million from foreign exchange losses and increases of $3.5 million in restructuring costs, $0.8 million in research and development expenses and $0.6 million in depreciation and amortization. This was offset by a decrease of $3.6 million in SG&A expenses, as explained above.

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[2] MEO Project Costs is a supplementary financial 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 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Adjusted EBITDA was $72.9 million in the six months ended June 30, 2024 compared to $91.2 million in the six months ended June 30, 2023. See "*Section 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

3.2 Segment Information

3.2.1 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		Six Months Ended	
(in thousands of Canadian dollars)	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
North America	**$ 148,065**	$ 149,750	**$ 265,271**	$ 281,866
Europe, Middle East and Africa ("EMEA")	**456**	631	**1,543**	1,035
Asia Pacific	**3,988**	—	**4,977**	29
Total Revenue	**$ 152,509**	$ 150,381	**$ 271,791**	$ 282,930
Operating income [(a)]	**$ 20,456**	$ 25,580	**$ 24,473**	$ 46,302
Operating margin [(b)]	**13.4%**	17.0%	**9.0%**	16.4%
Adjusted EBITDA [(b)]	**$ 27,511**	$ 34,791	**$ 42,519**	$ 61,539
Adjusted EBITDA margin [(b)]	**17.6%**	23.1%	**15.6%**	21.8%

(a) Operating income in the three months ended June 30, 2024 includes $0.3 million restructuring costs and other, net; while operating income in the three months ended June 30, 2023 included no restructuring costs and other, net. Operating income in the six months ended June 30, 2024 includes $3.5 million restructuring costs and other, net while operating income in the six months ended June 30, 2023 includes no restructuring costs and other, net.

(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 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Second quarter 2024 versus second quarter 2023

Revenue in the second quarter of 2024 increased by $2.1 million, or 1.4%, compared to the second quarter of 2023. The increase is primarily attributable to increased international Flexpipe sales. Xerxes revenue in the second quarter of 2024 remained relatively unchanged compared to the same period in 2023.

Gross profit remained relatively flat when compared to the second quarter of 2023 despite the slight increase in revenue. This is mostly driven by a reduction of 0.4 percentage point in gross margin. The decrease in gross margin can be attributed to product mix and a lower utilization rate at the tank manufacturing facilities and the related impact on overhead absorption rates.

SG&A expenses of $19.8 million in the second quarter of 2024 represented an increase of $4.6 million compared to the same period of the prior year. The Company incurred non-capitalizable MEO project costs of $7.3 million (no MEO costs were incurred in the prior year period), which are included in the above-mentioned SG&A expenses. The increase in SG&A expenses was primarily driven by the above mentioned MEO project costs and partially offset by a decrease in share-based incentive compensation costs of $2.3 million.

Operating income in the second quarter of 2024 was $20.5 million compared to $25.6 million in the second quarter of 2023. The $5.1 million decrease was primarily driven by increases of $4.6 million in SG&A expenses and $0.3 million in restructuring costs.

Adjusted EBITDA in the second quarter of 2024 was $27.5 million compared to $34.8 million in the second quarter of 2023. See "*Section 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

Six months ended June 30, 2024 versus six months ended June 30, 2023

Revenue in the six months ended June 30, 2024 decreased by $11.1 million, or 3.9%, compared to the six months ended June 30, 2023. The decrease is primarily attributable to a drop in revenue in North America related to lower production and shipment of FRP tanks because of reduced seasonal market activity observed in the first quarter of 2024 as customers faced unfavourable ground conditions for fuel station construction. This was partially offset by increased international Flexpipe sales.

Gross profit decreased by $9.6 million compared to the six months ended June 30, 2023. This decrease in gross profit was primarily due to the decrease in revenue, as explained above, coupled with a reduction of 2.2 percentage points in gross margin. The decrease in gross margin can be attributed to a different product mix within the segment and lower utilization rates at the tank manufacturing facilities and the related impact on overhead absorption rates.

SG&A expenses increased by $8.4 million compared to the six months ended June 30, 2023. This increase was primarily driven by $9.6 million in non-capitalizable MEO project costs (no MEO costs were incurred in the prior year period), partially offset by a decrease of $1.7 million in legal and other professional fees.

Operating income in the six months ended June 30, 2024 was $24.5 million compared to $46.3 million in the six months ended June 30, 2023. The $21.8 million decrease was primarily due to a $9.6 million decrease in gross profit and increases of $8.4 million in SG&A expenses and $3.5 million in restructuring costs.

Adjusted EBITDA in the six months ended June 30, 2024 was $42.5 million compared to $61.5 million in the six months ended June 30, 2023. See "*Section 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

3.2.2 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:

	Three Months Ended		Six Months Ended	
(in thousands of Canadian dollars)	**June 30, 2024**	June 30, 2023	**June 30, 2024**	June 30, 2023
North America	**$ 61,754**	$ 61,767	**$ 123,131**	$ 127,652
EMEA	**23,055**	23,823	**48,842**	48,622
Asia Pacific	**3,949**	3,959	**7,542**	7,962
Total Revenue	**$ 88,758**	$ 89,549	**$ 179,515**	$ 184,236
Operating income (a)	**$ 14,532**	$ 16,346	**$ 29,075**	$ 33,339
Operating margin (b)	**16.4%**	18.3%	**16.2%**	18.1%
Adjusted EBITDA (b)	**$ 17,232**	$ 19,919	**$ 34,849**	$ 38,271
Adjusted EBITDA margin (b)	**19.4%**	22.2%	**19.4%**	20.8%

(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 second quarter of 2023 and six months ended June 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million and $1.3 million were reflected in operating income for the second quarter of 2023 and 2024, as well as for the six months ended June 30, 2023 and 2024, respectively. See "*Section 10.0 – Reconciliation of Non-GAAP Measures*" for further information regarding the restated Adjusted EBITDA for all quarters of 2023.

(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 10.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Second quarter 2024 versus second quarter 2023

Revenue in the second quarter of 2024 was relatively consistent with the second quarter of 2023. While the segment experienced a decrease in wire and cable product shipments to Canadian industrial market distributors and did not benefit from a large shipment into the aerospace market which had contributed favourably in the same quarter of the prior year, it was able to capitalize on stronger demand in the infrastructure and automotive markets.

Gross profit in the second quarter of 2024 decreased by $2.6 million compared to the second quarter of 2023. The decrease is due to the slight decrease in revenue mentioned above coupled with a reduction of 2.6 percentage points in gross margin. This decrease in gross margin can be attributed to product mix and the absence of the previously discussed high-margin aerospace project which had contributed favourably to the comparative period.

SG&A expenses decreased by $2.1 million compared to the second quarter of 2023 primarily due to a decrease of $2.0 million in long-term share-based incentive compensation. Included in the above-mentioned SG&A expenses are non-capitalizable MEO project costs of $0.6 million incurred in support of the relocation of the segment's North American footprint during the quarter.

Operating income in the second quarter of 2024 was $14.5 million compared to the $16.4 million in the second quarter of 2023. The decrease of $1.9 million in operating income is mainly attributable to decreases in gross profit of $2.6 million and an increase of $1.1 million in depreciation and amortization. These were partially offset by a decrease in SG&A expenses of $2.1 million.

Adjusted EBITDA in the second quarter of 2024 was $17.2 million compared to $19.9 million in the second 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 10.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

Six months ended June 30, 2024 versus six months ended June 30, 2023

Revenue in the six months ended June 30, 2024 decreased by $4.7 million, or 2.6%, compared to the six months ended June 30, 2023 as a result of a decrease in wire and cable product shipments to Canadian industrial market distributors and the absence of a large shipment into the aerospace market that benefitted the comparative prior year period. This was partially offset by a stronger demand in the infrastructure and automotive markets.

Gross profit in the six months ended June 30, 2024 decreased by $3.0 million compared to the six months ended June 30, 2023. This is primarily due to the decrease in revenue as mentioned above coupled with a reduction of 0.8 percentage points in gross margin. This decrease in gross margin can be attributed to product mix and the absence of a high-margin aerospace project from the comparative period.

SG&A expenses were relatively flat compared to the six months ended June 30, 2023. During the period the segment incurred non-capitalizable MEO projects costs of $1.0 million in support of the relocation of the segment's North American footprint. However, these costs were partially offset by a decrease of $0.7 million in long-term share-based incentive compensation.

Operating income in the six months ended June 30, 2024 was $29.1 million compared to $33.4 million in the six months ended June 30, 2023. The decrease of $4.3 million in operating income is mainly attributable to a decrease in gross profit of $3.0 million and an increase in depreciation and amortization of $1 million, partially offset by a decrease of $0.5 million in SG&A expenses.

Adjusted EBITDA in the six months ended June 30, 2024 was $34.9 million compared to $38.3 million in the six months ended June 30, 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 10.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

3.2.3 Financial, Corporate and Other

The Financial, Corporate and Other segment represents operating income, property, plant and equipment, and corporate office costs that are not allocated to the Composite Technologies or Connection Technologies segments and operating income related to the property, plant and equipment not sold from what was previously the PPS segment. 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.

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

(in thousands of Canadian dollars)	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
Total Revenue	**$ 12,590**	$ 10,435	**$ 27,012**	$ 21,931
Operating loss [a]	**$ (6,376)**	$ (18,955)	**$ (17,211)**	$ (26,393)
Adjusted EBITDA [b]	**$ (1,919)**	$ (3,944)	**$ (4,475)**	$ (8,579)

(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 second quarter of 2023 and six months ended June 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million and $1.3 million were reflected in operating income for the second quarter of 2023 and 2024, as well as for the six months ended June 30, 2023 and 2024, respectively. See *"Section 10.0 – Reconciliation of Non-GAAP Measures"* for further information regarding the restated Adjusted EBITDA for all quarters of 2023.

(b) 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 10.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

Second quarter 2024 versus second quarter 2023

Total revenue for Financial, Corporate and Other increased from the comparative period by $2.2 million while the gross profit remained relatively flat, as projects in Brazil continued to be executed. For the three months ended June 30, 2024, the operating loss was $6.4 million compared to a $19.0 million operating loss for the three months ended June 30, 2023. The $12.6 million decrease in loss reflects a $15.2 million decrease in SG&A expenses partially offset by an increase of $3.1 million in foreign exchange losses. The decrease in SG&A was primarily driven by a decrease of $12.8 million in long term incentive-based compensation and a $1.5 million decrease in employee related expenses.

Six months ended June 30, 2024 versus six months ended June 30, 2023

Total revenue for Financial, Corporate and Other increased from the comparative period by $5.1 million while the gross profit increased by $1.4 million, as projects in Brazil continued to be executed. For the six months ended June 30, 2024, the operating loss was $17.2 million compared to a $26.4 million operating loss for the six months ended June 30, 2023. The $9.2 million decrease in loss reflects an $11.5 million decrease in SG&A expenses and a $1.4 million increase in gross profit, partially offset by an increase of $4.4 million in foreign exchange losses. The decrease in SG&A expenses was primarily driven by a decrease of $8.5 million in long term incentive-based compensation and a $1.5 million decrease in legal and other professional fees.

3.3 Other Consolidated Information

Finance costs, Net

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

(in thousands of Canadian dollars)	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
Interest income	**$ (3,577)**	$ (450)	**$ (7,271)**	$ (945)
Interest expense on long-term debt	**3,228**	4,146	**6,594**	8,335
Interest expense, other	**2,134**	926	**3,246**	1,946
Interest expense on lease liabilities	**2,556**	352	**3,914**	622
Finance costs, net	**$ 4,341**	$ 4,974	**$ 6,483**	$ 9,958

Second quarter 2024 versus second quarter 2023

For the second quarter of 2024, net finance costs were $4.3 million, compared to $5.0 million in the second quarter of 2023. The decrease in net finance costs was driven by additional interest income earned on larger cash balances, partially offset by increased interest on new lease liabilities required for the MEO projects in both the Composite Technologies and Connection Technologies segments.

Six months ended June 30, 2024 versus six months ended June 30, 2023

For the six months ended June 30, 2024, net finance costs were $6.5 million, compared to $10.0 million in the six months ended June 30, 2023. The decrease in net finance costs was driven by additional interest income earned on larger cash balances, partially offset by increased interest on new lease liabilities required for 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:

(in thousands of Canadian dollars)	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
Income tax expense from Continuing Operations	**$ 5,358**	$ 3,327	**$ 11,175**	$ 7,912

Second quarter 2024 versus second quarter 2023

The Company recorded an income tax expense of $5.4 million (31% of income before income taxes) for the quarter ended June 30, 2024, compared to an income tax expense of $3.3 million (18% of income before income taxes) during the quarter ended June 30, 2023. The effective tax rate for the second quarter of 2024 was higher than the Company’s statutory income tax rate of 24% primarily due to the unrecognized benefit of losses and the mix of jurisdictions where the income was earned, partially offset by a decrease and settlement of uncertain tax positions in Malaysia and the reversal of recognition of a deferred tax liability on foreign unremitted earnings.

Six months ended June 30, 2024 versus six months ended June 30, 2023

The Company recorded an income tax expense of $11.2 million (48% of income before income taxes) for the six months ended June 30, 2024, compared to an income tax expense of $7.9 million (18% of income before income taxes) during the six months ended June 30, 2023. The effective tax rate for the first half of 2024 was higher than the Company's statutory income tax rate of 24% primarily due to the unrecognized benefit of losses and the mix of jurisdictions where the income was earned, partially offset by a decrease and settlement of uncertain tax positions in Malaysia and the reversal of recognition of a deferred tax liability on foreign unremitted earnings.

3.4 Discontinued Operations

The Discontinued Operations reportable segment includes what was previously known as the PPS reportable segment, which included the PPG operating unit until the sale of the majority of the assets of the operating unit, and the Shaw Pipeline Services operating unit, until its sale in June 2023.

During the fourth quarter of 2023, the Company completed the sale of a substantial majority of the assets of its PPG 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 outlined 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 $47.5 million, of which $36.6 million was disbursed in June 2024 with the balance disbursed in August 2024. The second quarter of 2024 reflects an additional $9.3 million loss from the sale of the PPG business in Discontinued Operations, predominantly driven by the final working capital adjustment item noted here.

4.0 Outlook

The Company currently expects third quarter 2024 revenue to reflect a modest sequential rise, driven primarily by increases within the Connection Technologies segment. Adjusted EBITDA in the third quarter of 2024 is currently expected to be below the second quarter of 2024, with contributions from both the Composite Technologies and Connection Technologies segments sequentially lower. The Company's current outlook for third quarter Adjusted EBITDA is lower than previously expected, primarily due to changes in the expected revenue mix in both segments, and the timing of Flexpipe international shipments. Despite these changes, management continues to view the underlying mid- and long-term market trends for all of Mattr's core businesses as favourable. Additional details of the Company's expectations for the third quarter of 2024 are provided within the segment outlook commentary below.

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, which are currently progressing on time and on budget, include:

- The addition of two new manufacturing facilities and the elimination of one aging manufacturing facility within the Composite Technologies network, namely:
  - the shut-down and exit of a Xerxes FRP tank production site in Anaheim, California that was largely completed during the first half of 2024;
  - a new Xerxes FRP tank production site in Blythewood, South Carolina which commenced operation subsequent to the second quarter of 2024 and will accelerate output over the coming four quarters; and
  - a new Flexpipe composite pipe production site in Rockwall, Texas which commenced operation subsequent to the second quarter of 2024 and will accelerate output over the coming four quarters.

Co-located within this facility is a fully automated HydroChain™ stormwater infiltration chamber production line, which is expected to commence production around year end.

- 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 that is expected to commence production by the end of 2024; and
  - a new wire and cable production site in Vaughan, Ontario that is expected to commence production around year end and be completed in mid-2025.

On average, these four new production sites are expected to initially be populated with manufacturing equipment consuming 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.

The Company expects to continue the execution of its previously communicated organic investments throughout 2024 to modernize, expand and optimize capacity in targeted geographies and improve efficiency within its North American production network. 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 comparable margins 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.

With both new Composite Technologies facilities now online and largely complete, the Company anticipates MEO spend within this segment during the second half of 2024 to be limited. In contrast, as activity to establish the two new production facilities within Connection Technologies accelerates, the Company anticipates MEO cost recognition within this segment to step-up in the third quarter and peak in the fourth quarter of 2024, with these costs primarily impacting the DSG-Canusa business line.

In management's view, the underlying mid- and long-term market trends for all of Mattr's core businesses remain favourable. Despite elevated interest rates and ongoing geopolitical uncertainty, demand for products in support of critical infrastructure renewal and expansion is expected to remain robust. More broadly, management expects that demand for its differentiated products designed to withstand harsh environments will continue to rise in the coming years as a result of the global need to renew and expand critical infrastructure, including energy generation and distribution, electrification, transportation network enhancement and storm water management, but remains alert to lingering softness within some portions of its industrial, energy and automotive markets as a result of elevated interest rates and uncertainty around the 2024 U.S. Presidential election cycle. The Company continues to closely monitor the timing of large, project driven orders for its products. It also continues to closely monitor raw material and labour costs and, accordingly, will continue to ensure its pricing appropriately reflects the value of its products and its cost inputs.

The Company continues to explore options to divest of its Brazilian pipe coating operations ("Thermotite"), formerly part of the PPG operating unit. The Company currently anticipates that the Thermotite business will remain fully booked throughout 2024 and continues to expect it will deliver increased full year 2024 financial performance when compared to 2023.

The Company continues to take an "all of the above" approach to capital allocation, skewed towards investment in organic and inorganic acquisition and investment opportunities viewed as having the highest risk-adjusted return on investment potential. With substantial capacity to deploy capital and the expectation to deploy available capital over the next several quarters, the Company maintains an elevated focus on inorganic opportunities, including opportunities of meaningful scale, particularly related to differentiated wire & cable sectors and water products. The Company remains focused on ensuring any capital investments provide superior returns (both near and long-term) to shareholders in light of all available options, including the return of capital to shareholders. As such, the Company expects to continue to repurchase its common shares on an opportunistic basis, through its NCIB. Additional opportunities exist to further enhance the Company's organic growth trajectory.

Composite Technologies Segment

Within the Composite Technologies segment, the Company expects sequential increases in production and shipments of Xerxes FRP tanks during the third quarter as customer construction activity continues to rise and the Company elevates tank production activity, including initial output from its newly completed facility in Blythewood, South Carolina.

The combination of increased production volumes, early-stage benefits resulting from efficiency projects executed during the first half of 2024, and lower MEO expenses are expected to drive Q3 Adjusted EBITDA contribution from the Xerxes business higher sequentially, on revenue levels similar to the second quarter of 2024.

Shipments of Flexpipe composite pipe are expected to be sequentially lower during the third quarter, driven in part by the expectation of modestly lower sales in North America, but more significantly by a step down in international sales. Within North America, the Company currently expects the recently observed gradual decline in active drilling rig and hydraulic fracturing fleet count to persist during the third quarter, driven primarily by customer consolidation and broad uncertainty ahead of the 2024 U.S. Presidential election. While Flexpipe's development and introduction of new products, including larger diameter products, coupled with strong technical and operational support capabilities has enabled the business to onboard new US and Canadian customers over the past year, the Company currently believes seasonal market activity declines are likely to slightly out-pace continued Flexpipe market share gains during the third quarter.

In recent quarters the Company has been successful in securing multiple Flexpipe orders, including larger diameter product orders, for delivery into international projects. The Company benefitted from delivery of these orders throughout the first half of 2024. Additional international opportunities for potential delivery during the second half of 2024 and beyond are being pursued, however, due to the somewhat unpredictable nature of international project order placement and subsequent delivery timing, some variability in schedules may exist and movements in the schedule could occur. The Company has recently noted adjustments in the expected timing of a number of anticipated customer projects, including the deferral of a specific large contract award in the Middle East.

The combination of anticipated modestly lower sequential North American revenue and significantly lower sequential international revenue during the third quarter, partially offset by lower MEO expenses, is expected to drive Q3 2024 revenue and Adjusted EBITDA contribution from the Flexpipe business below Q2 2024.

In consolidation, expected movements within the Xerxes and Flexpipe businesses cause the Company to currently anticipate Composite Technologies segment revenue and Adjusted EBITDA in Q3 2024 will be modestly below Q2 2024.

Subsequent to the second quarter, the segment initiated commercial production at its two new US facilities sites, with both its Rockwall, Texas Flexpipe and Blythewood, South Carolina Xerxes facilities coming online, on-time and on-budget. In addition, the segment continues to progress remaining elements of the exit from its aging Anaheim, California Xerxes facility. Tank production at this site ceased early in the first quarter of 2024 and the facility is expected to be fully vacated by year end, further lowering the Company's fixed cost and operating risk base.

In combination, the actions taken to modernize, expand and optimize the segment's North American production footprint are expected to lower average production costs, increase total production capacity and position the segment to deliver meaningful growth and margin expansion in subsequent years. The Company expects limited MEO costs within the segment during the second half of the year as the new facilities finalize establishment and the Anaheim exit nears completion. The Company expects that there will be sufficient revenue from these new facilities to absorb incremental fixed costs during the ramp up periods, and both new facilities have sufficient physical space to enable further production line additions in future years. The segment continues to monitor the timing of large project driven orders for its products. It also continues to closely monitor raw material and labour costs and, accordingly, will continue to ensure its pricing appropriately reflects the value of its products and its cost inputs.

Connection Technologies Segment

Within the Connections Technologies segment, anticipated commercial and operational movements impacting the Shawflex and DSG-Canusa businesses cause the Company to currently anticipate the segment's third quarter revenue will moderately increase on a sequential basis while Adjusted EBITDA is expected to decrease sequentially from Q2-2024.

Within Shawflex, during the third quarter the Company expects to experience a rise in 'stock' product demand from Canadian distributors and slightly lower nuclear and infrastructure activity driven by project timing. Within DSG-Canusa, continued anticipated market share gain in the industrial and infrastructure sectors of North America and EMEA is expected to be offset by modestly lower automotive production activity by Western manufacturers in China and by increased MEO cost recognition.

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.

Automotive end markets represented approximately 28% of the Connection Technologies segment's revenue in the second quarter of 2024. Market data in the first half of 2024 has suggested some softening in consumer demand for electric vehicles in North America, however, the Company does not currently anticipate any material impact from this trend but cannot rule out potential future impacts. Demand for the Company's automotive products is expected to continue to outpace overall automotive production as a result of electronic content growth in premium, hybrid and full electric vehicle markets.

Reported inflation in the US and Canada has moved gradually lower over the past 12 months as The Bank of Canada has decreased its overnight policy interest rate by 25 basis points twice, once on June 5, 2024 and again on July 24, 2024. These recent movements in Canada and signaling from US central banks imply that modest downward interest rate movements are likely to occur in the coming quarters. The Company continues to monitor for any potential further decreases. In parallel, the Connection Technologies segment has seen an increase in quote requests across its industrial customer base, including from its Canadian distributor customers who have historically low inventories of 'stock' products. This increase in quoting is expected to translate into higher revenue generation during the second half of 2024, although it is important to note that after multiple quarters of declining demand in the 'stock' sub-sector, manufacturer pricing leverage has been heavily eroded and near-term volume increases are likely to weigh on segment average margins. The Company remains strategic in its pursuit of such opportunities but generally considers the rise in quoting activity to be a favourable indicator of mid and longer-term demand for its products.

The Connection Technologies segment continues to execute on the establishment of two new production sites, with its Vaughan, Ontario and Fairfield, Ohio facilities progressing on-time and on-budget. First production from both sites is expected around year end 2024. The Company expects that there will be sufficient revenues from these new facilities to absorb incremental fixed costs during the ramp up periods, and both new facilities have sufficient physical space to enable further production line additions in future years. The segment continues to closely monitor the timing of substantial, project driven, orders for its products. It also continues to closely monitor raw material and labour costs and, accordingly, will continue to ensure its pricing appropriately reflects the value of its products and its cost inputs.

5.0 Liquidity and Capitalization

As at June 30, 2024, the Company had cash and cash equivalents totaling $253.6 million (December 31, 2023 – $334.1 million) and had unutilized lines of credit available to use of $493.1 million, subject to covenant limitations (December 31, 2023 – $445.9 million).

The Company continues to have 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 and working capital required to support the Company's businesses. During the second quarter of 2024, the Company had an outflow of cash of $62.4 million driven by its investment of $28.6 million in capital expenditures to support planned MEO business expansion initiatives and the partial settlement of the net working capital adjustment agreed with Tenaris, in the amount of $36.6 million. These cash outflows were partially offset by net proceeds of $12.7 million received from the offering of the senior unsecured notes after funding the redemption of prior outstanding senior unsecured notes and paying related fees.

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 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 long term debt levels, support its strategy of portfolio optimization including MEO related initiatives and invest in organic and inorganic opportunities.

(in thousands of Canadian dollars)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net Income from Continuing Operations	**$ 12,163**	$ 14,670	**$ 11,929**	$ 35,378
Depreciation and amortization	**9,822**	9,170	**18,818**	18,191
Other non-cash items	**1,366**	9,018	**11,904**	18,646
Other	**8,995**	(1,645)	**12,476**	4,683
Net change in non-cash working capital and foreign exchange	**(41,388)**	36,123	**(53,716)**	(16,115)
Cash (used in) provided by operating activities from Continuing Operations	**(9,042)**	67,336	**1,411**	60,783
Cash (used in) operating activities from Discontinued Operations [a]	**—**	(36,820)	**—**	(61,892)
Cash (used in) provided by operating activities	**(9,042)**	30,516	**1,411**	(1,109)
Cash (used in) investing activities from Continuing Operations	**(27,572)**	(23,319)	**(56,092)**	(39,028)
Cash (used in) investing activities from Discontinued Operations [a]	**(37,410)**	(24,840)	**(37,410)**	(39,539)
Cash (used in) investing activities	**(64,982)**	(48,159)	**(93,502)**	(78,567)
Cash provided by (used in) financing activities from Continuing Operations	**10,562**	(12,279)	**7,980**	(46,961)
Cash (used in) financing activities from Discontinued Operations [a]	**—**	(4,985)	**—**	(10,144)
Cash provided by (used in) financing activities	**10,562**	(17,264)	**7,980**	(57,105)
Effect of Foreign Exchange on Cash and Cash Equivalents	**1,108**	(2,568)	**3,682**	(2,675)
Net Change in Cash and Cash Equivalents	**(62,354)**	(37,475)	**(80,429)**	(139,456)
Cash and Cash Equivalents at Beginning of Period	**315,986**	162,009	**334,061**	263,990
Cash and Cash Equivalents at End of Period	**$ 253,632**	$ 124,534	**$ 253,632**	$ 124,534

(a) Amounts shown under Discontinued Operations represent the results from what was previously referred to as the PPS segment.

5.1 Cash Used in/Provided by Operating Activities

Second quarter 2024 versus second quarter 2023

Cash used in operating activities was $9.0 million in the second quarter of 2024, a change of $39.5 million compared to $30.5 million cash generated by operating activities in the second quarter of 2023. Excluding the impact of $36.8 million of cash used by Discontinued Operations during the second quarter of 2023, the change was $76.3 million. This was partially attributable to prepayments received for contracts awarded in Brazil in the second quarter of 2023. Execution of these projects has since begun and the revenue associated with these projects is being recognized through the profit and loss statement. The remainder is attributable to movements in accounts receivables, accounts payables, taxes and other accruals.

Six months ended June 30, 2024 versus six months ended June 30, 2023

Cash generated by operating activities was $1.4 million in the six months ended June 30, 2024, a change of $2.5 million compared to $1.1 million cash used in operating activities in the six months ended June 30, 2023. Excluding the impact of $61.9 million cash used by Discontinued Operations during the six months ended June 30, 2023, the change was $59.4 million. This was partially attributable to prepayments received for contracts awarded in Brazil in the second quarter of 2023. Execution of these projects has since began and the revenue associated with these projects is being recognized through the profit and loss statement. The remainder is attributable to movements in accounts receivables, accounts payables, taxes and other accruals. Additionally, the Company reported a lower Net Income from Continuing Operations.

5.2 Cash Used in by Investing Activities

Second quarter 2024 versus second quarter 2023

Cash used in investing activities was $65.0 million in the second quarter of 2024, an increase of $16.8 million compared to the $48.2 million cash used in investing activities in the second quarter of 2023. Excluding the increase of $12.6 million in cash used in investing activities from Discontinued Operations, the increase in cash used of $4.2 million was primarily due to a $4.4 million increase in purchases of property, plant and equipment.

Capital Expenditures

As mentioned above, the Company's purchases of property, plant and equipment for Continuing Operations increased by $4.3 million from $24.3 million in the second quarter of 2023 to $28.6 million in the second quarter of 2024. Of the total spend, $26.9 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.

Six months ended June 30, 2024 versus six months ended June 30, 2023

Cash used in investing activities was $93.5 million in the six months ended June 30, 2024, an increase of $14.9 million compared to the $78.6 million cash used in investing activities in the six months ended June 30, 2023. Excluding the decrease of $2.1 million in cash used in investing activities from Discontinued Operations, the increase in cash used of $17.0 million was primarily due to a $27.1 million increase in purchases of property, plant and equipment offset by the absence of an $8.6 million investment in the acquisition of Triton Stormwater Solutions during the first quarter of 2023.

Capital Expenditures

As mentioned above, the Company's purchases of property, plant and equipment for Continuing Operations increased by $27.1 million from $32.2 million in the six months ended June 30, 2023 to $59.3 million in the six months ended June 30, 2024. Of the total spend, $55.4 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.

5.3 Cash Provided by/Used in Financing Activities

Second quarter 2024 versus second quarter 2023

Cash provided by financing activities was $10.6 million in the second quarter of 2024, an increase of $27.9 million compared to the $17.3 million cash used in financing activities in the second quarter of 2023. Excluding the impact of the $5.0 million in cash used in financing activities by Discontinued Operations in the second quarter of 2023, the increase of $22.8 million was driven by the net proceeds received from the upsized offering of the senior unsecured notes (after funding the redemption of prior outstanding senior unsecured notes and paying related fees) which generated a net cash inflow of $12.7 million together with the absence of $5.0 million in long-term debt repayments and $5.5 million used to repurchase shares under the Company's NCIB in the second quarter of 2023.

Six months ended June 30, 2024 versus six months ended June 30, 2023

Cash provided by financing activities was $8.0 million in the six months ended June 30, 2024, an increase of $65.1 million compared to the $57.1 million cash used in financing activities in the six months ended June 30, 2023. Excluding the impact of the $10.1 million in cash used in financing activities by Discontinued Operations in the six months ended June 30, 2023, the increase of $55.0 million was driven by the net proceeds received from the upsized offering of the senior unsecured notes (after funding the redemption of prior outstanding senior unsecured notes and paying related fees) which generated a net cash inflow of $12.7 million together with the absence of $30.0 million in long-term debt repayments and $12.5 million used to repurchase shares under the Company's normal course issuer bid in the six months ended June 30, 2023.

5.4 Working Capital

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

(in thousands of Canadian dollars)		**June 30, 2024**		December 31, 2023
Accounts receivable	**$**	**199,323**	$	157,689
Inventory	**$**	**136,166**	$	122,536
Accounts payable and accrued liabilities	**$**	**184,803**	$	178,807

Accounts receivable increased by $41.6 million, or 26.4 %, as at June 30, 2024 compared to December 31, 2023. The increase is related to the increased revenue in the second quarter of 2024 in comparison to the fourth quarter of 2023 and the timing of billings and collections across all segments.

Inventories increased by $13.6 million, or 11.1%, as at June 30, 2024 compared to December 31, 2023. The increase is related to an increase in finished goods, across all segments, in anticipation of expected activity during the second half of 2024 and in preparation for the relocation of the Connection Technologies segment manufacturing activities to new locations.

Accounts payable and accrued liabilities increased by $6.0 million, or 3.4%, as at June 30, 2024 compared to December 31, 2023. This increase is related to the timing of purchases and payments and the increased activity around the Company's growth initiatives.

5.5 Long-term Debt and Credit Facilities

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

(in thousands of Canadian dollars)		**June 30, 2024**		December 31, 2023
Senior Notes, unsecured[a]		**178,949**		150,000
Redemption option derivative asset		**(3,949)**		–
Deferred transaction costs		**(9,209)**		(5,799)
Total Long-term Debt	**$**	**165,791**	$	144,201
Total Net debt-to-Adjusted EBITDA[b]		**0.23**		(0.26)
Total Interest Coverage Ratio[b]		**19.55**		18.02

(a) The Senior Notes includes initial redemption option of $3.9 million as of June 30, 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 10.0 – Reconciliation of Non-GAAP Measures*".

The Company was in full compliance with financial covenants as at June 30, 2024.

Credit Facilities

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

(in thousands of Canadian dollars)		**June 30, 2024**		December 31, 2023
Standard letters of credit for financial guarantees, performance and bid bonds		**28,653**		57,728
Total utilized credit facilities	**$**	**28,653**	$	57,728
Total available credit facilities [a] [b]		**521,713**		503,594
Unutilized Credit Facilities [b]	**$**	**493,060**	$	445,866

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

Credit Facility

On January 13, 2022, the Company amended its Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and HSBC Bank Canada, JP Morgan Chase Bank and Export Development Bank as lenders (the "Credit Facility"). The amended Credit Facility, which was in place as of March 31, 2024, provided for a US$300 million, four-year senior secured revolving facility maturing January 13, 2026. The Company paid a floating interest rate on this Credit Facility plus an applicable margin that was a function of the Company's Net Debt to EBITDA, and before foreign exchange gains or losses and non-recurring and one-time items. The Company was required to maintain an Interest Coverage Ratio of not less than 2.50:1.00 and a Secured Net Debt to Adjusted EBITDA covenant (the "Secured Leverage Ratio") of not greater than 2.75:1.00. For calculating the Secured Leverage Ratio, Secured Net Debt excluded the Senior Notes (detailed in the following section), all standard letters of credit that were guaranteed by Export Development Canada and up to US$100 million of performance and bid bonds. The Company incurred fees and expenses of $1.9 million to implement this amendment.

On April 19, 2024, the Company amended the Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and HSBC Bank Canada, JP Morgan Chase Bank, ATB Financial and Export Development Bank as lenders, which provides for an aggregate principal amount of US$300 million, 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.

Senior Notes

On December 10, 2021, the Company closed a private placement offering through a syndicate of underwriters led by National Bank Financial and TD Securities, of $150 million principal amount of 9.00% senior unsecured notes due 2026 (the "2021 Senior Notes"). The Senior Notes were issued at a price of $1,000 per $1,000 principal amount of Senior Notes. The 2021 Senior Notes were subject to customary terms, conditions and covenants.

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. The 2024 Senior Notes are subject to customary terms, conditions and covenants.

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	100.000%

The redemption features described above constitute an embedded derivative which was separately recognized at its fair value of $3.9 million on initial recognition of the 2024 Senior Notes and 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 June 30, 2024.

5.6 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 June 30, 2024 relating to Continuing Operations:

(in thousands of Canadian dollars)	2024	2025	2026	2027	2028	2029	Thereafter	Total
	$	$	$	$	$	$	$	$
Purchase commitments	96,574	4,672	3,793	1,512	1,631	1,684	9,938	119,804
Accounts payable	79,907	–	–	–	–	–	–	79,907
Long-term debt (New Senior Notes issued April 2024)	–	–	–	–	–	–	175,000	175,000
Interest obligations on long-term debt (on New Senior Notes issued April 2024)	6,344	12,688	12,688	12,688	12,688	12,688	19,031	88,815
Obligations under leases	9,036	15,077	13,281	12,342	12,270	12,458	242,140	316,604
Common area maintenance	1,153	1,948	1,604	1,529	1,523	1,523	4,271	13,551
Total contractual obligations	**193,014**	**34,385**	**31,366**	**28,071**	**28,112**	**28,353**	**450,380**	**793,681**

Purchase Commitments relating to Continuing Operations

The Company has $88.6 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 $4.4 million. Additionally, the Company has entered into $10.4 million of contracts to purchase property, plant and equipment, the majority of which relates to investments in high return potential growth opportunities including the new facilities for the Composite Technologies segment and the Connection Technologies segment.

5.7 Financial Instruments and Other Instruments

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. More information regarding the financial instruments and the related financial risk factors can be found in the Audited Consolidated Financial Statements and MD&A for the year ended December 31, 2023. There have been no material changes in respect of the Company's financial instruments and the related financial risk factors from that disclosed in the Company's MD&A for the year ended December 31, 2023.

5.8 Outstanding Share Capital

As at August 5, 2024, the Company had 66,160,987 common shares outstanding and stock options and share units outstanding to purchase up to 1,851,946 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 the maximum purchase limit had been reached.

Pursuant to the NCIB, the Company may purchase for cancellation 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 available 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 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.

In the aggregate, since the launch of the Company's NCIB on September 26, 2022 and until June 30, 2024, the Company repurchased for cancellation approximately 4.99 million of its common shares for an aggregate repurchase price of approximately $70.2 million at a weighted average price of approximately $14.0698 per common share.

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

5.9 Internal Control 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.

There have been no changes in the Company's internal control over financial reporting during the three-month period ended June 30, 2024, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting. For the quarter ended June 30, 2024, the Chief Executive Officer and the Chief Financial Officer concluded that Mattr's disclosure controls and procedures, and internal control over financial reporting are designed to provide reasonable assurance regarding the reliability of information disclosed in its filings, including its interim financial statements prepared in accordance with IFRS.

5.10 Transactions with Related Parties

The Company had no material transactions with related parties during the quarter ended June 30, 2024. All related party transactions were in the normal course of business.

6.0 Summary of Quarterly Results

The following is a summary of selected financial information for the ten 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	224,461	**253,857**	–	–	–
2023	238,732	250,363	225,408	210,767	925,271
2022	186,058	215,750	234,227	225,751	861,786
Income from Operations					
2024	7,725	**28,612**	–	–	–
2023	30,277	22,971	25,975	2,319	81,542
2022	14,214	53,569	30,805	12,383	110,971
Net (loss) Income from Continuing Operations [(a)]					
2024	(437)	**12,181**	–	–	–
2023	20,715	14,701	18,088	2,323	55,827
2022	10,191	41,034	29,222	13,536	93,984
Net (loss) Income from Discontinued Operations					
2024	(5,405)	**(10,087)**	–	–	–
2023	4,521	(1,648)	53,829	(25,342)	31,360
2022	(17,133)	(20,682)	(6,208)	(79,949)	(123,973)
Net (loss) Income per share from Continuing Operations					
Basic					
2024	(0.01)	**0.18**	–	–	–
2023	0.30	0.21	0.26	0.03	0.81
2022	0.14	0.58	0.41	0.19	1.33
Diluted					
2024	(0.01)	**0.18**	—	—	—
2023	0.29	0.21	0.26	0.03	0.80
2022	0.14	0.58	0.41	0.19	1.33
Net (loss) Income per share from Discontinued Operations					
Basic					
2024	(0.08)	**(0.15)**	–	–	–
2023	0.06	(0.02)	0.78	(0.37)	0.45
2022	(0.24)	(0.29)	(0.09)	(1.14)	(1.76)
Diluted					
2024	(0.08)	**(0.15)**	–	–	–
2023	0.06	(0.04)	0.77	(0.37)	0.45
2022	(0.24)	(0.29)	(0.09)	(1.13)	(1.76)

(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. In addition, certain of the Company's operations in both segments are subject to a degree of seasonality.

- Approximately 67% of the Company's revenue from Continued Operations in 2022 and 78% of the Company's revenue from Continued Operations in 2023 and year-to-date 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 moved to Discontinued Operations.

- 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 2024.

- The comparability of the quarterly financial results has been impacted by restructuring costs, impairment charges and gain on sale of assets recorded in the various periods. See "*Section 3.0 – Results from Operations*" for further details regarding the impairments and sale of assets recorded.

7.0 Risks and Uncertainties

Operating in an international environment, servicing industrial, automotive and oil and gas industries, Mattr 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. Other than as set out herein, the information presented in *"Section 12.0 - Risks and Uncertainties"* in the Company's 2023 Annual MD&A and *"Section 4.16 - Risk Factors"* in the AIF has not materially changed since their respective dates of publication.

8.0 Environmental Matters

As at June 30, 2024, the provisions on the consolidated balance sheet related to environmental matters and included as decommissioning liability obligations were $9.3 million (short term obligations represent $0.6 million and long-term obligations represent $8.7 million) an increase of $0.1 million from December 31, 2023. 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 $10.4 million as at June 30, 2024. The current pre-tax risk-free rates at which the estimated cash flows have been discounted range between 2% and 12%. 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)		**June 30, 2024**
2024	**$**	**664**
2025		–
2026		–
2027		–
2028		–
Thereafter		**9,770**
	$	**10,434**

9.0 Critical Accounting Judgements, Estimates and Accounting Policy Developments

9.1 Critical judgements

The preparation of the Interim Financial Statements in conformity with IFRS requires management to make critical judgements when applying accounting policies. Management is also responsible for making estimates and assumptions that affect the amounts of assets, liabilities and contingencies at the date of the Interim Financial Statements and the reported amounts of revenue and expenses during the period. The information presented in the section "Critical Accounting Judgements, Estimates and Accounting Policy Developments" in the Company's 2023 Annual MD&A has not materially changed since its date of publication.

10.0 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. 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 impact of transactions that are outside the Company's normal course of business or day to day 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.

(in thousands of Canadian dollars)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Net Income from Continuing Operations	**$ 12,163**	$ 14,670	**$ 11,929**	$ 35,378
Add:				
Income tax expense	**5,358**	3,327	**11,175**	7,912
Finance costs, net	**4,341**	4,974	**6,483**	9,958
Amortization of property, plant, equipment, intangible and ROU assets	**9,822**	9,170	**18,818**	18,191
EBITDA from Continuing Operations	**31,684**	32,141	**48,405**	71,439
Share-based incentive compensation cost	**1,643**	18,667	**9,275**	18,625
Foreign exchange loss (gain)	**3,075**	(45)	**5,590**	1,165
Cost associated with repayment of senior notes	**6,750**	—	**6,750**	—
Income from shares tender trust refund	**(653)**	—	**(653)**	—
Restructuring costs and other, net	**325**	—	**3,526**	—
Adjusted EBITDA from Continuing Operations	**$ 42,824**	$ 50,763	**$ 72,893**	$ 91,229

Composite Technologies Segment

(in thousands of Canadian dollars)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating Income	**$ 20,456**	$ 25,580	**$ 24,473**	$ 46,302
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**6,534**	6,762	**12,905**	13,389
EBITDA	**26,990**	32,342	**37,378**	59,691
Share-based incentive compensation cost	**197**	2,449	**1,649**	1,848
Restructuring costs and other, net	**324**	—	**3,492**	—
Adjusted EBITDA	**$ 27,511**	$ 34,791	**$ 42,519**	$ 61,539

Connection Technologies Segment

(in thousands of Canadian dollars)	Three Months Ended		Six Months Ended	
	June 30, 2024	June 30, 2023	**June 30, 2024**	June 30, 2023
Operating Income[a]	**$ 14,532**	$ 16,346	**$ 29,075**	$ 33,339
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**2,433**	1,349	**4,155**	2,682
EBITDA	**16,965**	17,695	**33,230**	36,021
Share-based incentive compensation cost	**266**	2,224	**1,585**	2,250
Restructuring costs and other, net	**1**	—	**34**	—
Adjusted EBITDA	**$ 17,232**	$ 19,919	**$ 34,849**	$ 38,271

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 second quarter of 2023 and six months ended June 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million and $1.3 million were reflected in operating income for the second quarter of 2023 and 2024, as well as for the six months ended June 30, 2023 and 2024, respectively.

(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, figures for all four quarters of 2023 have been retrospectively restated to reflect this allocation.

Financial, Corporate and Other

(in thousands of Canadian dollars)	Three Months Ended June 30, 2024	Three Months Ended June 30, 2023	Six Months Ended June 30, 2024	Six Months Ended June 30, 2023
Operating (Loss) [(a)]	**$ (6,376)**	$ (18,955)	**$ (17,211)**	$ (26,393)
Add:				
Cost associated with repayment of senior notes	**(6,750)**	—	**(6,750)**	—
Amortization of property, plant, equipment, intangible and ROU assets	**855**	1,059	**1,758**	2,120
EBITDA	**(12,271)**	(17,896)	**(22,203)**	(24,273)
Share-based incentive compensation cost	**1,180**	13,994	**6,041**	14,526
Foreign exchange loss (gain)	**3,075**	(45)	**5,590**	1,166
Income from shares tender trust refund	**(653)**	—	**(653)**	—
Cost associated with repayment of senior notes	**6,750**	—	**6,750**	—
Adjusted EBITDA	**$ (1,919)**	$ (3,947)	**$ (4,475)**	$ (8,581)

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 second quarter of 2023 and six months ended June 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million and $1.3 million were reflected in operating income for the second quarter of 2023 and 2024, as well as for the six months ended June 30, 2023 and 2024, respectively.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	Three Months Ended June 30, 2023	Three Months Ended September 30, 2023	Three Months Ended December 31, 2023
Operating (Loss) [(a)]	$ (7,438)	$ (18,955)	$ (12,763)	$ (4,445)
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	1,061	1,059	1,031	913
EBITDA	(6,377)	(17,896)	(11,732)	(3,532)
Share-based incentive compensation cost (recovery)	532	13,994	(1,932)	1,250
Foreign exchange loss (gain)	1,211	(45)	952	125
Gain on sale of land and other	—	—	—	340
Curtailment of defined benefit plan	—	—	(1,889)	—
Impairment	—	—	8,652	—
Restructuring costs and other, net	—	—	—	1,727
Adjusted EBITDA	$ (4,634)	$ (3,947)	$ (5,949)	$ (90)

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, figures for all four quarters of 2023 have been retrospectively restated to reflect this allocation.

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 reportable 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)	**Six Months Ended**					
	June 30, 2024			**June 30, 2023**		
		Earnings Per Share			**Earnings Per Share**	
		Basic	**Diluted**		**Basic**	**Diluted**
Total Consolidated Mattr Net (Loss) Income [(a)]	(3,748)	(0.05)	(0.05)	38,292	0.55	0.54
Adjustments (before tax):						
Share-based incentive compensation cost	9,275			21,361		
Foreign exchange loss (gain)	5,590			(2,895)		
Loss on sale of Subsidiaries	15,492			3,738		
Cost associated with repayment of senior notes	6,750			—		
TSX trust refund	(653)			—		
Restructuring costs and other, net	3,526			—		
Tax effect of above adjustments	(4,353)			(763)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) [(a)]	**31,879**	**0.48**	**0.48**	**59,733**	**0.85**	**0.85**

(a) attributable to Shareholders of the Company.

(in thousands of Canadian dollars except for per share amounts)	**Three Months Ended**					
	June 30, 2024			**June 30, 2023**		
		Earnings Per Share			**Earnings Per Share**	
		Basic	**Diluted**		**Basic**	**Diluted**
Total Consolidated Mattr Net Income [(a)]	2,094	0.03	0.03	13,063	0.19	0.19
Adjustments (before tax):						
Share-based incentive compensation cost	1,643			21,964		
Foreign exchange loss (gain)	3,075			(3,166)		
Loss on sale of Subsidiaries	10,087			3,738		
Cost associated with repayment of senior notes	6,750			—		
TSX trust refund	(653)			—		
Restructuring costs and other, net	325			—		
Tax effect of above adjustments	(2,288)			(1,756)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) [(a)]	**21,033**	**0.32**	**0.31**	**33,843**	**0.49**	**0.48**

(a) attributable to Shareholders of the Company.

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)	**June 30, 2024**	December 31, 2023
Long-term debt	**$ 165,791**	$ 144,201
Lease Liabilities	**166,559**	88,263
Cash and cash equivalents	**(253,632)**	(334,061)
Total Net Debt	**78,718**	(101,597)
Q1 2023 Adjusted EBITDA	**—**	54,528
Q2 2023 Adjusted EBITDA	**—**	67,274
Q3 2023 Adjusted EBITDA	**128,440**	128,440
Q4 2023 Adjusted EBITDA	**137,721**	137,721
Q1 2024 Adjusted EBITDA	**30,069**	—
Q2 2024 Adjusted EBITDA	**42,824**	—
Trailing twelve-month Adjusted EBITDA	**$ 339,054**	$ 387,963
Total Net debt-to-Adjusted EBITDA	**0.23**	(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)	**June 30, 2024**	December 31, 2023
Q1 2023 Adjusted EBITDA	$ —	$ 54,528
Q2 2023 Adjusted EBITDA	—	67,274
Q3 2023 Adjusted EBITDA	**128,440**	128,440
Q4 2023 Adjusted EBITDA	**137,721**	137,721
Q1 2024 Adjusted EBITDA	**30,069**	—
Q2 2024 Adjusted EBITDA	**42,824**	—
Trailing twelve-month Adjusted EBITDA	**$ 339,054**	$ 387,963
Q1 2023 Finance costs, net	—	5,144
Q2 2023 Finance costs, net	—	5,528
Q3 2023 Finance costs, net	**5,744**	5,744
Q4 2023 Finance costs, net	**5,113**	5,113
Q1 2024 Finance costs, net	**2,142**	—
Q2 2024 Finance costs, net	**4,341**	—
Trailing twelve-month finance cost, net	**$ 17,340**	$ 21,529
Total Interest Coverage Ratio	**19.55**	18.02

Modernization, Expansion and Optimization ("MEO") Costs

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;
  - 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.

11.0 Additional Information

Additional information relating to the Company, including its AIF, is available on SEDAR+ at www.sedarplus.ca and on the "Investor Relations" page of the Company's website at: https//investors.mattr.com/overview/default.aspx.

Dated: August 8, 2024