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 November 13, 2024, is a discussion of the consolidated financial position and results of operations of Mattr Corp. ("Mattr" or the "Company") for the three and nine months ended September 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.

The Company is reporting as Discontinued Operations its last remaining pipe coating subsidiary, Thermotite do Brasil ("Thermotite"), which was previously reported through the Financial, Corporate & Other section of the segment information note in the Financial Statements. As such, certain prior period amounts have been retrospectively revised in the interim financial statements. See section 1.1 Core Business and 1.2 Discontinued Operations for further discussion on revised reporting.

Forward-Looking Information

This document includes certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward-looking information involves estimates, assumptions, judgements and uncertainties. These statements may be identified by the use of forward-looking terminology such as "may", "will", "should", "anticipate", "expect", "believe", "predict", "estimate", "continue", "intend", "plan" and variations of these words or other similar expressions.

Specifically, this document includes forward-looking information in the Outlook section and elsewhere in respect of, among other things: the ability of the Company to deliver higher returns to its shareholders; the Company's delivery of substantial value creation for shareholders; the Company's ability to meet its stated growth, profitability and cash flow 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 timing for closing of the sale of Thermotite to Vallourec; the gross sale proceeds and regulatory approval timing of the Vallourec transaction; 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; the Company's presence in the U.S. engineered wire and cable market; seasonal slowing in the fourth quarter of 2024; the expected use of the Company's credit facilities to fund a portion of the AmerCable acquisition; the expected adjustment of the Company's go-forward capital allocation priorities and anticipated prioritization of debt repayment; production activity in North American onshore oilfield and global automotive production activity; Adjusted EBITDA in the fourth quarter of 2024; rising demand in 2025 across the Company's portfolio; performance in the North American onshore oilfield and global automotive markets; the Company's cash generation profile; expected capital allocation, debt repayment, completion of growth investment, and share repurchases under the Company's NCIB through the remainder of 2024 and in 2025; seasonal impacts on activity levels in the fourth quarter of 2024; the impact of generally unfavourable macro trends on the Company's performance during the remainder of 2024; manufacturing efficiency in the fourth quarter of 2024 in the Continuing Operations reporting segment; the timing of the upgrade activity in the Xerxes business; the impact of transaction expenses associated with the AmerCable acquisition on the Company's financial results in the fourth quarter of 2024; the realization of severance costs relating to workforce adjustments in the fourth quarter of 2024 and the corresponding expected cost savings in the following quarter resulting from such workforce adjustments;

demand for products in support of critical infrastructure renewal and expansion, including broad electrification, industrial growth, fueling station construction and water management; consistency of global oil prices in the coming quarters; lowered automotive production activity in 2025; the timing for closing of the intended acquisition of AmerCable and the subsequent impact of the transaction on the Company's financial results; declines in shipments of Xerxes FRP fuel and water tanks and its impact on the Company's financial results during the fourth quarter of 2024; improvement in the efficiency levels at the Company's newly established production facilities and the resolving of previously observed inefficiencies at certain production facilities by the end of 2024; the volume of shipments of composite pipe; decline in active drilling rig and hydraulic fracturing fleet count; seasonal market activity declines and its impact on Flexpipe market share gains during the fourth quarter of 2024; international opportunities for potential delivery in the Composite Technologies segment; movements within the Xerxes and Flexpipe businesses and the resulting impact on revenue in the Composite Technologies segment; the timing for the realization of efficiencies in the Company's Rockwall, Texas Flexpipe and Blythewood, South Carolina Xerxes production facilities; expected timing for the Anaheim, California Xerxes facility to be fully vacated; MEO costs and the impact of MEO activities on the Composite Technologies segment's financial results; lower automative production activity in the DSG Canusa business; long-cycle infrastructure spending patterns and their impact on the Company's financial results; demand for the Company's automotive products; interest rate trends; the continued increase in quote requests in the Connection Technologies segment in the coming quarters; impact of near-term volume increases on segment average margins; the timing for first production from production sites in Vaughan, Ontario and Fairfield, Ohio in the Connection Technologies segment, the expected revenues and costs of such facilities; the timing of regulatory approval for the sale of Thermotite; the financial performance of the Thermotite business during the remainder of 2024; the anticipated population of new production sites with manufacturing equipment; the execution of the Company's organic investment during the remainder of 2024 to modernize, expand and optimize capacity in targeted geographies; the costs of MEO activities and MEO cost recognition during the fourth quarter of 2024.

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: expectations for demand for the Company's products; sales trends for the Company's products; North American onshore oilfield customer spending; the Company's ability to build proficiency within its manufacturing force at its Xerxes fuel business and the overall effectiveness of such efforts; the Company's cash flow generation and growth outlook; activity levels across the Company's segments; the Company's ability to manage supply chain disruptions and other business impacts caused by, among other things, current or future geopolitical events, conflicts, or disruptions, such as the conflict in Ukraine and related sanctions on Russia; the impact of the Russia and Ukraine conflict on the Company's demand for products and the strength of its and its customers supply chains; the current Israel-Palestine conflict; the impact of the results of the U.S. Presidential election; regular, seasonal impacts on the Company's businesses, including in the FRP tanks business and composite pipe business; expectations regarding the Company's ability to attract new customers and develop and maintain relationships with existing customers; the continued availability of funding required to meet the Company's anticipated operating and capital expenditure requirements over time; consistent competitive intensity in the 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 fourth quarter of 2024 and in 2025; 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 the Company's customers for commodities used by the Company; the availability of personnel resources sufficient for the Company to operate its businesses; the maintenance of operations by the Company in major oil and gas producing regions; the adequacy of the Company's existing accruals in respect of environmental compliance and in respect of litigation and tax matters and other claims generally; the impact of adoption of artificial intelligence and other machine learning on competition in the industries which the Company operates; the Company's ability to meet its financial objectives; the ability of the Company to satisfy all covenants under its Credit Facility (as defined herein) and other debt obligations and having sufficient liquidity to fund its obligations and planned initiatives; 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. Its two business segments: Composite Technologies and Connection Technologies, enable renewal and enhancement of critical infrastructure while lowering risk.

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 and low-voltage control and instrumentation wire, cable and harness solutions.

On September 16, 2024, a definitive agreement for the sale of the Company's subsidiary, Thermotite was entered into with Vallourec Tubular Solutions, a subsidiary of Vallourec S.A. ("Vallourec"). Thermotite will now be reported as Discontinued Operations. Previously, this business was reported in the Financial, Corporate and Other section in the segment information of the financial statements. *See section 1.2 – Discontinued Operations for further details.*

The Financial and Corporate (previously referred to as 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. This section previously included Thermotite which is now being reported as Discontinued Operations and as such prior period information has been retrospectively revised.

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 Continuing Operations revenue for the three and nine-months ended September 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 40% of the Company's Continuing Operations revenue for the three and nine-months ended September 30, 2024.

Subsequent to the third quarter of 2024, the Company (through its subsidiary) entered into a definitive agreement (the "Definitive Agreement") with Nexans USA Inc. ("Nexans") to acquire AmerCable Incorporated ("AmerCable"), a U.S. manufacturer of highly engineered wire and cable solutions. Under the terms of the Definitive Agreement, which is subject to customary closing conditions, including U.S. anti-trust review and approval, Mattr will acquire all of the shares of AmerCable for $280 million USD, or approximately $390 million CAD at October 31, 2024 exchange rates. This transaction is currently expected to close around the 2024 year end and, upon closing, AmerCable will be reported within the Company's Connection Technologies segment. Further details can be found in the Company's press release issued on November 8th, 2024.

1.2 Discontinued Operations

On September 16, 2024, a definitive agreement was entered into to sell the Company's subsidiary Thermotite, its final remaining pipe coating business, to Vallourec. The transaction, under which Vallourec will acquire 100% of the shares of the Thermotite legal entity, is subject to customary closing conditions and Brazilian anti-trust review and approval. Thermotite provides thermal insulation pipe coating services to the offshore oil and gas industry from its plant in Serra, Brazil. The Company will retain all earnings from the business until the transaction closes, and upon closing, the Company expects to receive the gross sale proceeds of approximately $24 million (or US$17.5 million) at October 31, 2024 exchange rates, on a cash-free, debt-free basis, subject to normal working capital adjustments. The regulatory approval for this transaction and subsequent closing is expected to conclude by mid-2025. Thermotite, which was previously accounted for under the Financial and Corporate section (when it was referred to as Financial, Corporate and Other), is accounted as Held for Sale and its financial reporting is reflected as Discontinued Operations.

The assets and liabilities of Thermotite are measured at the lower of their carrying amount and fair value less cost of disposal ("FVLCD"). The Company determined FVLCD based on management's best estimate of future proceeds of purchase price and remaining future cash flows from certain existing contracts, net of estimated selling costs. The Company determined the carrying amount of the net assets of Thermotite to be recoverable as at September 30, 2024. Upon closing, the Company will reassess the determination of FVLCD and any gain or loss on the sale will be recognized in Discontinued Operations in the consolidated statements of income (loss).

2.0 Financial Highlights

2.1 Selected Financial Information

(in thousands of Canadian dollars except per share amounts and percentages)	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Revenue	**226,240**	221,892	**677,546**	689,058
Cost of Goods Sold and Services Rendered	**166,122**	150,264	**480,981**	468,413
Gross Profit	**60,118**	71,628	**196,565**	220,645
Selling, general and administrative expenses	**26,238**	24,813	**100,162**	103,515
Research and development expenses	**3,171**	2,409	**8,093**	6,560
Foreign exchange losses	**1,822**	800	**6,734**	2,169
Depreciation and amortization	**10,542**	9,577	**28,513**	27,373
Impairment	—	8,652	—	8,652
Restructuring costs and other, net	**—**	—	**3,526**	—
Income from Continuing Operations	**18,345**	25,377	**49,537**	72,376
Finance costs, net	**(4,873)**	(5,589)	**(11,514)**	(15,737)
Cost associated with repayment and modification of long-term debt	**—**	—	**(6,750)**	—
Income before Income Taxes	**13,472**	19,788	**31,273**	56,639
Income tax expense	**7,866**	3,196	**17,001**	10,778
Net Income from Continuing Operations	**5,606**	16,592	**14,272**	45,861
Net Income (Loss) from Discontinued Operations	**7,186**	55,382	**(5,043)**	64,364
Net Income	**12,792**	71,974	**9,229**	110,225
Total Net Income attributable to:				
Shareholders of the Company	**12,792**	71,917	**9,044**	110,209
Non-controlling interests	**—**	57	**185**	16
Net Income	**12,792**	71,974	**9,229**	110,225
Per Share Information:				
Earnings per Share				
Basic	**0.19**	1.04	**0.14**	1.58
Diluted	**0.19**	1.03	**0.14**	1.57
Total Adjusted EPS [(a)]				
Basic	**0.23**	1.11	**0.71**	1.96
Diluted	**0.23**	1.10	**0.71**	1.95
Adjusted EBITDA from Continuing Operations [(a)]	**29,283**	40,103	**95,506**	124,892
Adjusted EBITDA Margin from Continuing Ops (%) [(a)]	**12.9%**	18.1%	**14.1%**	18.1%
Adjusted EBITDA from Discontinued Operations [(a)]	**7,460**	88,337	**14,130**	125,351
Adjusted EBITDA Margin from Discontinued Ops (%) [(a)]	**31.6%**	30.2%	**27.9%**	21.2%
Total Adjusted EBITDA from Operations [(a)]	**36,743**	128,440	**109,636**	250,243
Total Adjusted EBITDA Margin from Operations (%) [(a)]	**14.7%**	25.0%	**15.1%**	19.6%

(a) 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 11.0 – 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:

	Three Months Ended		Nine Months Ended	
(in thousands of Canadian dollars)	**September 30, 2024**	September 30, 2023	**September 30, 2024**	September 30, 2023
U.S. dollar	**1.3630**	1.3365	**1.3585**	1.3465
Euro	**1.4914**	1.4517	**1.4743**	1.4575
British Pounds	**1.7714**	1.6906	**1.7338**	1.6759
Brazilian Reals	**0.2435**	0.2759	**0.2597**	0.2690

The following table sets forth the impact on revenue, income from Continuing 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)	**Q3-2024 Versus Q3-2023**	**Q3-2024 YTD Versus Q3-2023 YTD**
Revenue from Continuing Operations	**$ 3,218**	**$ 3,990**
Income from Continuing Operations	**$ (61)**	**$ 42**
Net income (attributable to shareholders of the Company)	**$ (149)**	**$ (39)**

In addition to the translation impact noted above, the Company recorded a foreign exchange loss from Continuing Operations of $1.8 million in the third quarter of 2024, compared to a foreign exchange loss from Continuing Operations of $0.8 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:

	Three Months Ended		Nine Months Ended	
(in thousands of Canadian dollars)	**September 30, 2024**	September 30, 2023	**September 30, 2024**	September 30, 2023
Composite Technologies	**$ 136,367**	$ 140,130	**$ 408,158**	$ 423,060
Connection Technologies	**89,873**	81,762	**269,388**	265,998
Revenue - Continuing Operations	**$ 226,240**	$ 221,892	**$ 677,546**	$ 689,058

Third quarter 2024 versus Third quarter 2023

Revenue in the third quarter of 2024 was $226.2 million, an increase of $4.3 million, or 2.0%, from the $221.9 million in the third quarter of 2023. The increase in revenue reflects an increase of $8.1 million in the Connection Technologies segment, offset by a decrease of $3.8 million in the Composite Technologies segment. See "*Section 3.2 – Segment Information*" for additional disclosure with respect to the change in revenue in each reportable segment.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Revenue in the nine months ended September 30, 2024 was $677.5 million, a decrease of $11.5 million, or 1.7%, from $689.1 million in the nine months ended September 30, 2023. The decrease in revenue reflects a decrease of $14.9 million in the Composite Technologies segment, offset by an increase of $3.4 million in the Connection Technologies 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:

(in thousands of Canadian dollars)	**Three Months Ended**		**Nine Months Ended**	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Gross profit	**$ 60,118**	$ 71,628	**$ 196,565**	$ 220,645
Gross margin	**26.6%**	32.3%	**29.0%**	32.0%
Operating income (a)	**$ 18,345**	$ 25,377	**$ 49,537**	$ 72,376
Operating margin (b)	**8.1%**	11.4%	**7.3%**	10.5%
Adjusted EBITDA (b)	**$ 29,283**	$ 40,103	**$ 95,506**	$ 124,892
Adjusted EBITDA margin (b)	**12.9%**	18.1%	**14.1%**	18.1%

(a) Operating income for the three months ended September 30, 2024 includes no impairment charges; while operating income for the three months ended September 30, 2023 includes impairment charges of $8.7 million. Operating income for the nine months ended September 30, 2024 includes $3.5 million restructuring costs and other, net and no impairment charges; while operating income for the nine months ended September 30, 2023 includes no restructuring costs and other, net and impairment charges of $8.7 million.

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

Third quarter 2024 versus Third quarter 2023

The Company recorded a gross profit of $60.1 million in the third quarter of 2024, which is a decrease of $11.5 million or 16.1% compared to the third quarter of 2023. This was driven by a 5.7 percentage point decrease in gross margin. The decrease in gross profit reflects decreases of $10.6 million in the Composite Technologies segment and $1.0 million in the Connection Technologies segment in the third quarter of 2024 when compared to the corresponding prior year period. The gross margin decrease reflects changes in product and customer mix, higher legacy product warranty costs and lower utilization rates in the Composite Technologies segment manufacturing facilities and the related impact on overhead absorption rates. Additionally, during the third quarter of 2024, the Company incurred non-capitalizable North American production footprint Modernization, Expansion and Optimization ("MEO") costs[2] of $0.4 million, which are included in its reported gross margin, while no MEO costs were incurred in the prior year period.

The Company's selling, general and administrative ("SG&A") expenses of $26.2 million represent an increase of $1.4 million in the third quarter of 2024 compared to the third quarter of 2023. During the third quarter of 2024 the Company incurred non-capitalizable North American production footprint MEO costs of $2.7 million, which are included in its reported SG&A expenses, compared to $0.8 million incurred in the prior year period. The increase in SG&A expenses was primarily driven by the above mentioned MEO costs, a $1.8 million increase in severance costs associated with the organizational changes and rightsizing of the Company's workforce and a share-based incentive compensation recovery of $1.4 million, a $1.0 million change compared to the $2.4 million recovery of share-based incentive compensation recorded in the third quarter of 2023. This was partially offset by a decrease of $2.8 million in short-term incentive-based accruals and $1.4 million in legal & other professional costs.

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.
2. MEO Costs is a supplementary financial measure. Non-GAAP and other financial measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 11.0 – Reconciliation of Non-GAAP Measures*" for further details and a definition of these non-GAAP and other financial measures, and a reconciliation of non-GAAP measures.

Operating income in the third quarter of 2024 was $18.3 million compared to an operating income of $25.4 million in the third quarter of 2023. The $7.0 million decrease was mainly driven by the decline of $11.5 million in gross profit, the increase of $1.4 million in SG&A expenses as described above, an increase of $1.0 million in foreign exchange losses and an increase of $1.0 million in depreciation and amortization, partially offset by the absence of $8.7 million in impairment charges that were related to certain real estate assets in Western Canada incurred in the third quarter of 2023.

Adjusted EBITDA was $29.3 million in the third quarter of 2024 compared to $40.1 million in the third quarter of 2023. See "*Section 11.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

The Company recorded a gross profit of $196.6 million in the nine months ended September 30, 2024, which is a decrease of $24.1 million or 10.9% compared to the nine months ended September 30, 2023. This was primarily driven by the reduction in revenue as detailed above, combined with a 3.0 percentage point decrease in gross margin. The change in gross profit reflects a decrease of $20.2 million in the Composite Technologies segment and a $4.0 million decrease in the Connection Technologies segment. The gross margin decrease reflects a less favourable product and customer mix within the Composite Technologies segment, which included higher sales of products with higher shipping costs and lower utilization rates in the segment's manufacturing facilities and the related impact on overhead absorption rates, together with a less favourable product mix within the Connection Technologies segment. In the first nine months of 2023 the Connection Technologies segment benefited from a significant high margin aerospace order which was absent in 2024. Additionally, during the nine months ended September 30, 2024, the Company incurred non-capitalizable MEO costs of $0.4 million, which are included in its reported gross margin, while no MEO costs were incurred in the prior year period.

The Company's SG&A expenses of $100.2 million in the nine months ended September 30, 2024 represent a decrease of $3.4 million compared to the same period of the prior year. During the current period the Company incurred non-capitalizable MEO costs of $13.4 million, which are included in its reported SG&A expense, while it incurred $0.9 million in the prior year period. The decrease in SG&A expenses was mainly attributable to decreases in share-based incentive compensation costs of $8.4 million, legal and other professional fees of $4.6 million and short-term incentive-based accruals of $2.8 million. This was partially offset by the above mentioned increase in MEO costs incurred in the period and a $2.3 million increase in severance costs, compared to the nine months ended September 30, 2023.

Operating income in the nine months ended September 30, 2024 was $49.5 million compared to an operating income of $72.4 million in the nine months ended September 30, 2023. The $23.0 million decrease was primarily driven by a decrease of $24.1 million in gross profit as described above and increases of $4.6 million in foreign exchange losses, $3.5 million in restructuring costs and other, net, $1.5 million in research and development expenses and $1.1 million in depreciation and amortization. This was partially offset by the absence of $8.7 million of impairment charges and a decrease of $3.4 million in SG&A expenses, as explained above.

Adjusted EBITDA was $95.5 million in the nine months ended September 30, 2024 compared to $124.9 million in the nine months ended September 30, 2023. See "*Section 11.0 – 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:

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
North America	**$ 135,714**	139,011	**$ 400,985**	420,877
Europe, Middle East and Africa ("EMEA")	**653**	847	**2,196**	1,882
Asia Pacific	**-**	272	**4,977**	301
Total Revenue	**$ 136,367**	$ 140,130	**$ 408,158**	$ 423,060
Operating income [(a)]	**$ 12,841**	$ 25,483	**$ 37,314**	$ 71,785
Operating margin [(b)]	**9.4%**	18.2%	**9.1%**	17.0%
Adjusted EBITDA [(b)]	**$ 20,287**	$ 32,446	**$ 62,806**	$ 93,985
Adjusted EBITDA margin [(b)]	**14.9%**	23.2%	**15.4%**	22.2%

(a) Operating income in the nine months ended September 30, 2024 includes $3.5 million restructuring costs and other, net while operating income in the nine months ended September 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 11.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Third quarter 2024 versus Third quarter 2023

Revenue in the third quarter of 2024 decreased by $3.8 million, or 2.7%, compared to the third quarter of 2023. The decrease is primarily attributable to a decline in sales of composite pipe for ultimate use by international customers within Flexpipe. International revenue declined year-over-year based on the specific timing of orders and deliveries, with the comparative period elevated by the presence of a substantial delivery into the Middle East. In contrast, North American revenue rose modestly year-over-year, despite a decline in North American onshore drilling rig count of approximately 6% during the same period. This North American market out-performance was primarily driven by ongoing new customer capture and market share gains in recently introduced larger diameter products. The specific shipment terms associated with orders ultimately destined for international customers may cause such sales to be recognized as North American revenue. Overall, Flexpipe revenue was slightly lower than the comparative period in the prior year.

Additionally, Xerxes revenue was relatively flat versus the comparative period in the prior year. Revenue related to sales of FRP tanks into fuel applications was modestly lower than the prior year, driven by a less favourable customer and product mix and some project delays in the Southeastern US following extreme weather events late in the quarter. Sales of FRP tanks and other products into water management applications rose versus the prior year period, reaching a new quarterly record high and entirely offsetting the year-over-year decline in fuel related revenue. Water product revenue during the quarter benefited from continued strong demand for large cooling water storage tanks in the US data center market.

Gross profit decreased by $10.6 million compared to the third quarter of 2023 resulting from the decrease in revenue and a reduction of 6.9 percentage point in gross margin. The decrease in gross margin was primarily the result of a less favourable relative product and customer mix in the Xerxes fuel tank business and less efficient absorption of production facility costs, including the transient start-up impacts associated with two newly established sites and slower production at a legacy FRP tank site which underwent significant upgrades during the quarter.

SG&A expenses of $12.8 million in the third quarter of 2024 represented an increase of $0.9 million compared to the same period of the prior year. This increase was driven by the recognition of non-capitalizable MEO costs within the segment's reported SG&A expenses, which rose to $1.5 million in the current period compared to $0.6 million in the prior year period.

Operating income in the third quarter of 2024 was $12.8 million compared to $25.5 million in the third quarter of 2023. The $12.6 million decrease was primarily driven by the decrease of $10.6 million in gross profit together with increases of $0.9 million in SG&A expenses and $0.9 million in research and development expenses.

Adjusted EBITDA in the third quarter of 2024 was $20.3 million compared to $32.4 million in the third quarter of 2023. See "*Section 11.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Revenue in the nine months ended September 30, 2024 decreased by $14.9 million, or 3.5%, compared to the nine months ended September 30, 2023. The decrease is primarily attributable to lower North American Xerxes fuel tank revenue. The segment ended 2023 with record levels of customer owned tanks (for which revenue had previously been recognized) stored at its properties. During the first half of 2024, many of these tanks were shipped to customer locations in support of rising fuel station construction activity. Consequently, revenue recognition associated with fuel tank shipments during the first nine-months of the current year has been lower than the same period of the prior year. This decline was partially offset by higher sales of Flexpipe, particularly into international applications, and higher sales of Xerxes water products.

Gross profit decreased by $20.2 million compared to the nine months ended September 30, 2023. This decrease in gross profit was primarily due to the decrease in revenue, as explained above, coupled with a reduction of 3.8 percentage points in gross margin. The decrease in gross margin is primarily the result of a less favourable relative customer and product mix in the Xerxes fuel tank business and less efficient absorption of production facility costs.

SG&A expenses increased by $9.3 million compared to the nine months ended September 30, 2023. This increase was driven by the recognition of non-capitalizable MEO costs within the segment's reported SG&A expenses, which rose to $11.2 million in the current period compared to $0.7 million in the prior year period. This was partially offset by a decrease of $1.0 million in legal and other professional fees.

Operating income in the nine months ended September 30, 2024 was $37.3 million compared to $71.8 million in the nine months ended September 30, 2023. The $34.5 million decrease was primarily due to a $20.2 million decrease in gross profit and increases of $9.3 million in SG&A expenses, $1.7 million in research and development expenses and $3.5 million in restructuring costs primarily related to the Anaheim facility closure.

Adjusted EBITDA in the nine months ended September 30, 2024 was $62.8 million compared to $94.0 million in the nine months ended September 30, 2023. See "*Section 11.0 – 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		Nine Months Ended	
(in thousands of Canadian dollars)	**September 30, 2024**	September 30, 2023	**September 30, 2024**	September 30, 2023
North America	**$ 62,093**	56,198	**$ 185,224**	183,850
Europe, Middle East and Africa ("EMEA")	**24,063**	21,476	**72,905**	70,098
Asia Pacific	**3,717**	4,088	**11,259**	12,050
Total Revenue	**$ 89,873**	$ 81,762	**$ 269,388**	$ 265,998
Operating income [(a)]	**$ 9,675**	$ 13,255	**$ 38,750**	$ 46,594
Operating margin [(b)]	**10.8%**	16.2%	**14.4%**	17.5%
Adjusted EBITDA [(b)]	**$ 11,997**	$ 14,564	**$ 46,846**	$ 52,834
Adjusted EBITDA margin [(b)]	**13.3%**	17.8%	**17.4%**	19.9%

(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 third quarter of 2023 and nine months ended September 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million and $2.1 million were reflected in operating income for the third quarter of 2023 and 2024, as well as for the nine months ended September 30, 2023 and 2024, respectively. See "*Section 11.0 – 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 11.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

Third quarter 2024 versus Third quarter 2023

Revenue in the third quarter of 2024 increased by $8.1 million compared to the third quarter of 2023. The increase in revenue was primarily due to higher demand for 'stock' industrial products from Canadian distributors and increased sales into automotive markets in North America and EMEA, reflecting market share gains. This was partially offset by lower sales in U.S. and Canadian infrastructure markets due to specific project timing.

Gross profit in the third quarter of 2024 decreased by $1.0 million compared to the third quarter of 2023. The decrease is a result of a reduction of 3.9 percentage points in gross margin. This reduction in gross margin was primarily the result of a less favourable product mix within the Shawflex business, together with non-capitalizable MEO costs of $0.4 million (no MEO costs were incurred in the prior year period), which are included in the above-mentioned gross margin.

SG&A expenses increased by $1.3 million compared to the third quarter of 2023 primarily due to non-capitalizable MEO costs of $1.2 million incurred in support of the relocation of the segment's North American footprint during the quarter.

Operating income in the third quarter of 2024 was $9.7 million compared to the $13.3 million in the third quarter of 2023. The decrease of $3.6 million in operating income is mainly attributable to decreases in gross profit of $1.0 million and increases of $1.3 million in SG&A expenses and $1.1 million in depreciation and amortization costs.

Adjusted EBITDA in the third quarter of 2024 was $12.0 million compared to $14.6 million in the third 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 11.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Revenue in the nine months ended September 30, 2024 increased by $3.4 million, or 1.3%, compared to the nine months ended September 30, 2023 as a result of stronger demand for the segment's products in its industrial, infrastructure and automotive markets. This was partially offset by the absence of a large shipment into the aerospace market that benefited the comparative prior year period.

Gross profit in the nine months ended September 30, 2024 decreased by $4.0 million compared to the nine months ended September 30, 2023. This is primarily due to a reduction of 1.9 percentage points in gross margin. This decrease in gross margin is primarily the result of a less favourable product mix within the Shawflex business and the presence of a high-margin aerospace project in the comparative period. In addition, non-capitalizable MEO costs of $0.4 million were recognized in reported gross profit during the current period, while no MEO costs were incurred in the prior year period.

SG&A expenses increased by $0.9 compared to the nine months ended September 30, 2023. During the period the segment incurred and included in the above-mentioned SG&A expenses non-capitalizable MEO costs of $2.3 million, compared to MEO costs of $0.2 million incurred in the prior year period. These were partially offset by a decrease of $0.7 million in long-term share-based incentive compensation.

Operating income in the nine months ended September 30, 2024 was $38.8 million compared to $46.6 million in the nine months ended September 30, 2023. The decrease of $7.8 million in operating income is mainly attributable to a decrease of $4.0 million in gross profit, an increase of $2.5 million in depreciation and amortization and an increase of $0.9 million in SG&A expenses.

Adjusted EBITDA in the nine months ended September 30, 2024 was $46.8 million compared to $52.8 million in the nine months ended September 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 11.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

3.2.3 Financial and Corporate

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

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

	Three Months Ended		**Nine Months Ended**	
(in thousands of Canadian dollars)	**September 30, 2024**	September 30, 2023	**September 30, 2024**	September 30, 2023
Operating loss [(a)]	**$ (4,171)**	$ (13,361)	**$ (26,527)**	$ (46,003)
Adjusted EBITDA [(b)]	**$ (3,001)**	$ (6,907)	**$ (14,146)**	$ (21,927)

(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 third quarter of 2023 and nine months ended September 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 third quarter of 2023 and 2024, as well as for the nine months ended September 30, 2023 and 2024, respectively. See *"Section 11.0 – 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 11.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of these non-GAAP measures.

Third quarter 2024 versus Third quarter 2023

Operating loss in the three months ended September 30, 2024, was $4.2 million compared to a $13.4 million operating loss for the three months ended September 30, 2023. The $9.2 million decrease in loss primarily reflects the absence of an $8.7 million impairment charge incurred in the third quarter of 2023 and a decrease of $0.8 million in SG&A expenses partially offset by an increase of $1.0 million in foreign exchange losses.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Operating loss in the nine months ended September 30, 2024, was $26.5 million compared to a $46.0 million operating loss for the nine months ended September 30, 2023. The $19.5 million decrease in loss reflects a $13.5 million decrease in SG&A expenses, the absence of an $8.7 million impairment charge incurred in the third quarter of 2023, a decrease of $1.1 million in depreciation and amortization and a decrease of $0.7 million in research and development expenses. This was partially offset by an increase of $4.6 million in foreign exchange losses. The decrease in SG&A expenses was primarily driven by a decrease of $7.8 million in long term incentive-based compensation, a $3.6 million decrease in legal and other professional fees and a decrease of $2.1 million in short-term incentive-based accruals.

3.3 Other Consolidated Information

Finance costs, Net

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

	Three Months Ended		Nine Months Ended	
(in thousands of Canadian dollars)	**September 30, 2024**	September 30, 2023	**September 30, 2024**	September 30, 2023
Interest income	**$ (2,384)**	$ (249)	**$ (9,477)**	$ (999)
Interest expense on long-term debt	**3,198**	3,965	**9,791**	12,300
Interest expense, other	**1,428**	915	**4,655**	2,856
Interest expense on lease liabilities	**2,631**	958	**6,545**	1,580
Finance costs, net	**$ 4,873**	$ 5,589	**$ 11,514**	$ 15,737

Third quarter 2024 versus Third quarter 2023

For the third quarter of 2024, net finance costs were $4.9 million, compared to $5.6 million in the third quarter of 2023. The decrease in net finance costs was driven by additional interest income earned on larger cash balances along with lower interest rates on refinanced long-term debt, partially offset by increased imputed interest on new lease liabilities required for the MEO projects in both the Composite Technologies and Connection Technologies segments.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

For the nine months ended September 30, 2024, net finance costs were $11.5 million, compared to $15.7 million in the nine months ended September 30, 2023. The decrease in net finance costs was driven by additional interest income earned on larger cash balances along with lower interest rates on refinanced long-term debt, partially offset by increased imputed 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		Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Income tax expense from Continuing Operations	**$ 7,866**	$ 3,196	**$ 17,001**	$ 10,778

Third quarter 2024 versus Third quarter 2023

The Company recorded an income tax expense of $7.9 million (58% of income before income taxes) for the quarter ended September 30, 2024, compared to an income tax expense of $3.2 million (16% of income before income taxes) during the quarter ended September 30, 2023. The effective tax rate for the third quarter of 2024 was higher than the Company's statutory income tax rate of 24% primarily due to the unrecognized benefit of losses, changes in uncertain tax positions and the mix of jurisdictions where the income was earned.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

The Company recorded an income tax expense of $17.0 million (54% of income before income taxes) for the nine months ended September 30, 2024, compared to an income tax expense of $10.8 million (19% of income before income taxes) during the nine months ended September 30, 2023. The effective tax rate for the first nine months 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 changes in uncertain tax positions and the reversal of recognition of a deferred tax liability on foreign unremitted earnings.

4.0 Discontinued Operations

During the third quarter of 2024, a definitive agreement for the sale of the Company's subsidiary, Thermotite was entered into with Vallourec. Thermotite is now reported as Discontinued Operations. Previously, this business was reported in the Financial and Corporate section in the segment information of the financial statements.

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

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
North America	**$ —**	20,085	**$ —**	85,481
Latin America	**23,606**	201,557	**50,618**	304,943
Europe, Middle East and Africa ("EMEA")	**—**	29,138	**—**	70,388
Asia Pacific	**—**	41,311	**—**	129,150
Total Revenue	**$ 23,606**	$ 292,091	**$ 50,618**	$ 589,962
Operating income	**$ 6,877**	$ 80,685	**$ 12,022**	$ 97,762
Operating margin [(a)]	**29.1%**	27.6%	**23.8%**	16.6%
Adjusted EBITDA [(a)]	**$ 7,460**	$ 88,337	**$ 14,130**	$ 125,351
Adjusted EBITDA margin [(a)]	**31.6%**	30.2%	**27.9%**	21.2%

(a) Operating margin, Adjusted EBITDA and Adjusted EBITDA Margin are non-GAAP measures. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See "*Section 11.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of these non-GAAP measures.

Third quarter 2024 versus Third quarter 2023

Total revenue from Discontinued Operations in the third quarter of 2024 was $23.6 million, a decrease of $268.5 million from $292.1 million in the prior period of 2023, mainly due to the absence of revenue from the PPS segment sold to Tenaris S.A. in the fourth quarter of 2023. Gross profit decreased by $115.9 million when compared to the same period of 2023, primarily attributable to the absence of activity from the aforementioned segment that was sold. For the three months ended September 30, 2024, the operating income was $6.9 million compared to $80.7 million for the three months ended September 30, 2023. Adjusted EBITDA in the third quarter of 2024 was $7.5 million compared to $88.3 million in the third quarter of 2023. See "*Section 11.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Total revenue from Discontinued Operations for the nine months ended September 30, 2024 was $50.6 million, a decrease of $539.3 million from $590.0 million in the prior period of 2023, primarily due to the absence of revenue from the PPS segment sold to Tenaris S.A. in the fourth quarter of 2023. Gross profit decreased by $198.3 million when compared to the same period of 2023, mainly attributable to the absence of activity from the aforementioned segment that was sold. For the nine months ended September 30, 2024, the operating income was $12.0 million compared to $97.8 million for the nine months ended September 30, 2023, mainly attributable to the PPS segment sale completed in the fourth quarter of 2023. Adjusted EBITDA in the nine months ended September 30, 2024 was $14.1 million compared to $125.4 million in the nine months ended September 30, 2023. See "*Section 11.0 – Reconciliation of Non-GAAP Measures"* for further details and a reconciliation of this non-GAAP measure.

5.0 Outlook

The Company currently anticipates typical seasonal slowing of activity levels during the fourth quarter of 2024. This seasonal slowing pattern is normal and typically impacts the Company's Xerxes business (as ground conditions in parts of North America become less favourable for underground tank installation), its Shawflex business (as Canadian wire and cable distributors manage year-end inventory balances) and both DSG-Canusa and Flexpipe as customers slow operations over the holiday period. Despite opportunities to continue recent market share capture trends in the North American onshore oilfield and global automotive markets, the Company currently expects generally unfavourable macro trends to exacerbate normal year-end slowing patterns in both markets this year and that such macro trends will likely continue into 2025.

The Company expects Continuing Operations manufacturing efficiency in the fourth quarter of 2024 to be modestly favourable to the third quarter of 2024, as its new sites gradually build workforce proficiency and elevate output, while the significant upgrade activity at a legacy Xerxes site is scheduled to conclude around the end of 2024. Despite this improvement, Continuing Operations Adjusted EBITDA in the fourth quarter of 2024 is expected to decline sequentially, driven primarily by the effects of seasonally lower revenue levels, a less favourable revenue mix, higher MEO costs of $5-6 million in the Connection Technologies segment and recognition of $8-9 million of transaction expenses associated with the AmerCable acquisition within the Corporate and Finance reporting section. Additionally, severance costs of $6-8 million related to workforce adjustments across the organization are expected to be incurred in the fourth quarter. Once complete, these workforce adjustments are expected to yield approximately $20 million of annualized cost savings, appropriately sizing the Company's fixed cost base in response to anticipated activity levels within its North American onshore oilfield and global automotive markets in the coming quarters.

In management's view, the overall underlying near-, mid- and long-term macro trends impacting Mattr's core industrial and infrastructure businesses remain favourable. Despite interest rates which remain above recent historical levels and ongoing geopolitical uncertainty, demand for products in support of critical infrastructure renewal and expansion, including broad electrification, industrial growth, fueling station construction and water management, is expected to remain robust.

Management currently anticipates global oil prices will likely remain towards the lower end of recent trading ranges for multiple quarters, driven by a transient imbalance in global supply versus demand. Management also anticipates automotive production activity, particularly in North America and Europe, is likely to be modestly lower in 2025 than during 2024, as several large customers work to address profitability challenges, including those surrounding electric vehicles.

The Company continues to closely monitor the timing of large, project driven orders for its products, particularly for international orders. 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 maintains an "all of the above" approach to capital allocation. From the beginning of 2021 and through the period ending September 2024, the Company has lowered its gross debt by over $267.2 million, has deployed over $202.6 million in organic growth capital and has deployed over $92.4 million to repurchase and retire its own shares. Subsequent to quarter end, the Company announced its proposed acquisition of AmerCable for a gross purchase price of $280 million USD or approximately $390 million CAD at October 31, 2024 exchange rates, with this transaction expected to close around year end 2024. Upon closing of this acquisition, the Company expects to adjust its near-term relative prioritization of capital allocation, returning focus to lowering net debt while completing its existing MEO organic growth initiatives and continuing to remain active under its NCIB.

Composite Technologies Segment

Within the Composite Technologies segment, the Company expects sequential declines in shipments of Xerxes FRP fuel and water tanks during the fourth quarter of 2024 as ground conditions at customer installation sites start to become less favourable. These reduced shipment volumes lead the Company to believe that revenue and Adjusted EBITDA contributions from the Xerxes business will be lower in the fourth quarter of 2024 than the third quarter of 2024. In spite of these seasonal declines, the Company expects to see improvement in the efficiency levels at its newly established production facilities and anticipates that the inefficiencies observed at its recently upgraded legacy tank facility will be fully resolved by the end of 2024.

Shipments of Flexpipe composite pipe are expected to be sequentially lower during the fourth quarter of 2024, driven by the expectation of modestly lower sales in North America and limited scheduled international projects. Within North America, the Company currently expects the gradual decline in active onshore drilling rig and hydraulic fracturing fleet count observed year-to-date to persist during the fourth quarter, driven primarily by customer consolidation and budget exhaustion. 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 out-pace continued Flexpipe market share gains during the fourth quarter. The Company has taken swift action to adjust its workforce to align with the current market dynamics and remains well positioned to navigate the uncertainty in oil and gas market outlook that is expected to persist into 2025.

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 benefited from delivery of several significant orders during the first half of 2024. Additional international opportunities for potential delivery during the fourth quarter of 2024 and beyond are being pursued, however, due to the variable nature of international project scheduling and subsequent order and delivery timing, some quarter-to-quarter variability is expected.

In consolidation, expected movements within the Xerxes and Flexpipe businesses cause the Company to currently anticipate Composite Technologies segment revenue and Adjusted EBITDA in the fourth quarter of 2024 will be lower than the third quarter of 2024. The segment expects to incur severance costs of $3-4 million in the fourth quarter of 2024 as it adjusts its workforce to adapt to less favourable macro conditions in the North American onshore oilfield market.

The segment initiated commercial production at its two new US manufacturing sites during the third quarter, establishing both its Rockwall, Texas Flexpipe and Blythewood, South Carolina Xerxes facilities on-time and on-budget. Production from these facilities continues to gradually rise; however, the sites are not expected to reach full efficiency until the middle of 2025. Both new facilities have sufficient physical space to enable further organic growth through production line additions in future years. The segment also 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 the end of 2024, 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 fourth quarter of the year as the Anaheim exit nears completion. 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 Connection Technologies segment, the Company expects usual fourth quarter seasonal slowing to occur as demand tempers through the holiday period. Recently observed global automotive production softness could exaggerate these declines, though the Company continues to pursue opportunities to gain automotive market share and to expand revenue within infrastructure and industrial applications.

Within Shawflex, during the fourth quarter of 2024 the Company expects to experience modest seasonal declines in sequential "stock" product demand from Canadian distributors, partially offset by a slight sequential uptick in nuclear activity, driven by project timing. MEO costs within the business are expected to rise versus the prior quarter, as equipment relocation activity picks up.

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 lower automotive production activity, particularly in EMEA, and by increased MEO cost recognition. Additionally, the segment expects to incur severance costs of $3-4 million in the fourth quarter of 2024 as it adapts to less favourable macro conditions in the global automotive market.

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 29% of the Connection Technologies segment's revenue in the third quarter of 2024. The second half of 2024 has seen some softening in global automotive production, particularly in Europe, with demand for the Company's automotive products expected to continue outpacing 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 decreased its overnight policy interest rate by 50 basis points on October 23, 2024, its fourth rate cut since June. The US Federal Reserve also initiated rate cuts, reducing interest rates by 50 basis points in September of 2024. These recent movements and subsequent sentiments and commentary from Canadian and US central banks appear to imply that further modest downward interest rate movements are likely to occur in the coming quarters. The Company continues to monitor for any such decreases and believes such actions would generally be favourable to demand for its industrial and infrastructure products. During the second half of 2024, the Connection Technologies segment has seen an increase in quote requests across its industrial customer base when compared to the first half of 2024, including from its Canadian distributor customers who had historically low inventories of "stock" products at mid-year. This increase in quoting translated into higher revenue generation during the third quarter of 2024, which is broadly expected to continue in coming quarters. After multiple quarters of lower 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 industrial 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 the end of 2024. The Company expects that there will be sufficient revenues from these new facilities to absorb the majority of incremental fixed costs during the ramp up periods, and both new facilities have sufficient physical space to enable further organic growth through 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.

Discontinued Operations (Thermotite)

During the third quarter, the Company announced the execution of a definitive agreement to divest of its Brazilian pipe coating business, Thermotite, formerly part of the Pipeline Performance Group ("PPG") business. The Company currently anticipates that regulatory approval will be granted and the transaction will close by mid-2025. The Thermotite business remains fully booked for the remainder of 2024 and into 2025, and the Company continues to expect it will deliver increased full year 2024 financial performance when compared to 2023.

Modernization, Expansion and Optimization (MEO) Actions

During the second quarter of 2023, the Company detailed several planned capital investments into high-return growth and efficiency improvement opportunities in both segments. These investments, and other MEO activities, 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 is expected to be completed in the fourth quarter of 2024;
    - a new Xerxes FRP tank production site in Blythewood, South Carolina which commenced operation in the third 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 in the third 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 late in 2024 and will accelerate output over the following two quarters; 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 occupying approximately 50% of available floor space. The Company retains the option of adding further production equipment to each site in a phased manner in future years.

The Company expects to continue the execution of its previously communicated organic investments throughout the balance of 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 margins comparable to those realized in its Composite Technologies and Connection Technologies segments. These levels of output are expected to be realized as the facilities reach efficient utilization levels in accordance with their currently expected timelines, but the Company notes these timelines may be impacted by changes in underlying market demand for specific products.

With both new Composite Technologies facilities now online and largely complete, the Company anticipates MEO costs within this segment during the fourth quarter 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 rise in the fourth quarter of 2024.

6.0 Liquidity and Capitalization

As at September 30, 2024, the Company had cash and cash equivalents totaling $186.0 million (December 31, 2023 – $334.1 million) and had unutilized lines of credit available to use of $480.1 million, subject to covenant limitations (December 31, 2023 – $445.9 million). The decrease in cash compared to year-end 2023 was largely attributable to investments of $94.3 million in capital expenditures, primarily related to the Company's ongoing MEO strategy, together with a $47.5 million payment to Tenaris for the net working capital adjustment in respect of the Q4 2023 sale of the PPG business and $21.9 million of share buy backs under the Company's NCIB program. These decreases were partially offset by net proceeds of $12.7 million received from the Company's offering of the senior unsecured notes in the second quarter of 2024 (after funding the redemption of prior outstanding senior unsecured notes and paying related fees and transaction expenses), as well as the cash generated from operating activities of $6.0 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 third quarter of 2024, the Company had an outflow of cash of $67.6 million driven by its investment of $35.3 million in capital expenditures to support planned MEO business expansion initiatives, $21.9 million of share repurchases and the final settlement payment of the net working capital adjustment agreed with Tenaris, in the amount of $10.8 million.

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. With confidence in its cash generation profile and the expected use of its credit facilities to fund a portion of the pending AmerCable purchase, the Company expects to adjust its go-forward capital allocation priorities to emphasize debt repayment, to complete existing growth investments (including its MEO projects), and to continue share repurchases.

(in thousands of Canadian dollars)	Three Months Ended September 30, 2024	Three Months Ended September 30, 2023	Nine Months Ended September 30, 2024	Nine Months Ended September 30, 2023
Net Income from Continuing Operations	**$ 5,606**	$ 16,592	**$ 14,272**	$ 45,861
Depreciation and amortization	**10,542**	9,577	**28,513**	27,373
Other non-cash items	**3,359**	3,162	**15,052**	22,817
Other	**(338)**	(861)	**12,079**	3,821
Net change in non-cash working capital and foreign exchange	**(14,633)**	(13,882)	**(64,147)**	(27,175)
Cash provided by operating activities from Continuing Operations	**4,536**	14,588	**5,769**	72,697
Cash provided by (used in) operating activities from Discontinued Operations	**23**	9,719	**201**	(49,499)
Cash provided by operating activities	**4,559**	24,307	**5,970**	23,198
Cash used in investing activities from Continuing Operations	**(35,036)**	(21,107)	**(90,933)**	(57,462)
Cash used in investing activities from Discontinued Operations	**(10,797)**	(5,600)	**(48,402)**	(47,812)
Cash used in investing activities	**(45,833)**	(26,707)	**(139,335)**	(105,274)
Cash used in financing activities from Continuing Operations	**(24,659)**	(20,005)	**(16,679)**	(66,966)
Cash used in financing activities from Discontinued Operations	**—**	(6,106)	**—**	(16,250)
Cash used in financing activities	**(24,659)**	(26,111)	**(16,679)**	(83,216)
Effect of Foreign Exchange on Cash and Cash Equivalents	**(1,684)**	1,954	**1,998**	(721)
Net Change in Cash and Cash Equivalents	**(67,617)**	(26,557)	**(148,046)**	(166,013)
Cash and Cash Equivalents at Beginning of Period	**253,632**	124,534	**334,061**	263,990
Cash and Cash Equivalents at End of Period	**$ 186,015**	$ 97,977	**$ 186,015**	$ 97,977

6.1 Cash Provided by Operating Activities

Third quarter 2024 versus Third quarter 2023

Cash generated by operating activities was $4.6 million in the third quarter of 2024, a decline of $19.7 million compared to $24.3 million of cash generated by operating activities in the third quarter of 2023. Excluding Discontinued Operations, which had no impact in the third quarter of 2024, compared to an impact of $9.7 million in the third quarter of 2023, the decrease was $10.1 million. This was primarily attributable to a decline in operational results in the Continuing Operations and a slightly higher investment in working capital.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Cash generated by operating activities was $6.0 million in the nine months ended September 30, 2024, a decline of $17.2 million compared to $23.2 million of cash generated by operating activities in the nine months ended September 30, 2023. Excluding Discontinued Operations, which generated $0.2 million of cash in the nine months ended September 30, 2024 and used $49.5 million of cash in the nine months ended September 30, 2023, the reduction was $66.9 million. This was primarily attributable to a decline in operational results in the Continuing Operations and a higher investment in working capital.

6.2 Cash Used in Investing Activities

Third quarter 2024 versus Third quarter 2023

Cash used in investing activities was $45.8 million in the third quarter of 2024, an increase of $19.1 million compared to the $26.7 million cash used in investing activities in the third quarter of 2023. Excluding the increase of $5.2 million in cash used in investing activities from Discontinued Operations, the $13.9 million increase in cash used was primarily due to a $12.0 million increase in purchases of property, plant and equipment together with a decrease in proceeds from the disposal of property, plant and equipment of $1.7 million.

Capital Expenditures

As mentioned above, the Company's purchases of property, plant and equipment for Continuing Operations increased by $12.0 million from $23.4 million in the third quarter of 2023 to $35.3 million in the third quarter of 2024. The above mentioned total spend was primarily 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.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Cash used in investing activities was $139.3 million in the nine months ended September 30, 2024, an increase of $34.1 million compared to the $105.3 million cash used in investing activities in the nine months ended September 30, 2023. Excluding the increase of $0.6 million in cash used in investing activities from Discontinued Operations, the increase in cash used of $33.5 million was primarily due to a $41.4 million increase in purchases of property, plant and equipment coupled with a decrease in proceeds from the disposal of property, plant and equipment of $1.1 million, partially offset by the absence of an $8.6 million investment in the acquisition of Triton Stormwater Solutions which occurred 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 $41.4 million from $52.9 million in the nine months ended September 30, 2023 to $94.3 million in the nine months ended September 30, 2024. Of the above mentioned total spend, $90.4 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.

6.3 Cash Used in Financing Activities

Third quarter 2024 versus Third quarter 2023

Cash used in financing activities was $24.7 million in the third quarter of 2024, a decrease of $1.5 million compared to the $26.1 million cash used in financing activities in the third quarter of 2023. Excluding the impact of the $6.1 million in cash used in financing activities by Discontinued Operations in the third quarter of 2023, the Company had an increase of $4.7 million which was driven by the increase of $11.8 million in repurchases of shares under the Company's NCIB together with an increase of $1.8 million in repayment of lease liabilities and offset by the absence of $9.0 million in long-term debt repayments which occurred in the third quarter of 2023.

Nine months ended September 30, 2024 versus Nine months ended September 30, 2023

Cash used in financing activities was $16.7 million in the nine months ended September 30, 2024, a decrease of $66.5 million compared to the $83.2 million cash used in financing activities in the nine months ended September 30, 2023. Excluding the impact of the $16.3 million in cash used in financing activities by Discontinued Operations in the nine months ended September 30, 2023, the decrease of $50.3 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 $39.0 million in long-term debt repayments and offset slightly by an increase of $1.5 million in repayment of lease liabilities.

6.4 Working Capital

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

(in thousands of Canadian dollars)		**September 30, 2024**		December 31, 2023
Accounts receivable	**$**	**196,699**	$	157,689
Inventory	**$**	**136,709**	$	122,536
Accounts payable and accrued liabilities	**$**	**164,442**	$	178,807

Accounts receivable increased by $39.0 million, or 24.7%, as at September 30, 2024 compared to December 31, 2023. The increase is related to the timing of billings and collections across all segments along with a slight increase in international receivables.

Inventories increased by $14.2 million, or 11.6%, as at September 30, 2024 compared to December 31, 2023. The increase is related to the timing of raw materials and upcoming production schedules and in preparation for the relocation of the Connection Technologies segment manufacturing activities to new locations.

Accounts payable and accrued liabilities decreased by $14.4 million, or 8.0%, as at September 30, 2024 compared to December 31, 2023. This decrease is related to the timing of purchases and payments.

6.5 Long-term Debt and Credit Facilities

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

(in thousands of Canadian dollars)		**September 30, 2024**		December 31, 2023
Senior Notes, unsecured [a]		**178,949**		150,000
Redemption option derivative asset		**(3,949)**		—
Deferred transaction costs		**(8,822)**		(5,799)
Total Long-term Debt	**$**	**166,178**	$	144,201
Total Net debt-to-Adjusted EBITDA [b]		**0.59**		(0.26)
Total Interest Coverage Ratio [b]		**15.08**		18.02

(a) The Senior Notes includes initial redemption option of $3.9 million as of September 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 11.0 – Reconciliation of Non-GAAP Measures*".

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

Credit Facilities

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

(in thousands of Canadian dollars)		**September 30, 2024**		December 31, 2023
Standard letters of credit for financial guarantees, performance and bid bonds		**34,754**		57,728
Total utilized credit facilities	**$**	**34,754**	$	57,728
Total available credit facilities [a][b]		**514,892**		503,594
Unutilized Credit Facilities [b]	**$**	**480,138**	$	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 Canada 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 September 30, 2024.

6.6 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 September 30, 2024 relating to Continuing Operations:

(in thousands of Canadian dollars)	2024	2025	2026	2027	2028	2029	Thereafter	Total
	$	$	$	$	$	$	$	$
Purchase commitments	72,394	13,228	3,870	1,492	1,609	1,662	9,808	104,063
Accounts payable	70,921	219	—	—	—	—	—	71,140
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)	3,172	12,688	12,688	12,688	12,688	12,688	19,031	85,643
Obligations under leases	4,571	15,609	13,690	12,622	12,735	12,702	240,972	312,901
Common area maintenance	564	1,938	1,594	1,520	1,513	1,513	4,221	12,863
Total contractual obligations	**151,622**	**43,682**	**31,842**	**28,322**	**28,545**	**28,565**	**449,032**	**761,610**

Purchase Commitments relating to Continuing Operations

The Company has $63.8 million of future commitments with suppliers to purchase raw materials to be used in production and has agreements with miscellaneous vendors to perform services, acquire supplies, and rent equipment of $6.0 million. Additionally, the Company has entered into $18.1 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 and Connection Technologies segments.

6.7 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.

6.8 Outstanding Share Capital

As at November 10, 2024, the Company had 64,373,187 common shares outstanding and stock options and share units outstanding to purchase up to 1,720,846 common shares.

Normal Course Issuer Bid ("NCIB")

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 was approved by the TSX and was implemented effective June 28, 2024.

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

Since the commencement of the Company's NCIB on June 28, 2024 until September 30, 2024, the Company repurchased for cancellation approximately 1.5 million of its common shares for an aggregate repurchase price of approximately $22.7 million at a weighted average price of approximately $15.4 per common share. In the aggregate, since the launch of the Company's initial NCIB on September 26, 2022 until September 30, 2024, the Company repurchased for cancellation approximately 6.4 million of its common shares for an aggregate repurchase price of approximately $92.4 million at a weighted average price of approximately $14.3703 per common share.

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

6.9 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 controls over financial reporting during the three-month period ended September 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 September 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.

6.10 Transactions with Related Parties

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

7.0 Summary of Quarterly Results

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

(in thousands of Canadian dollars, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Revenue					
2024	210,039	241,267	**226,240**		
2023	227,234	239,932	221,892	191,471	880,529
2022	183,890	213,866	228,928	215,289	841,973
Income (Loss) from Operations					
2024	4,029	27,163	**18,345**		
2023	27,060	19,939	25,377	(4,262)	68,114
2022	13,565	52,217	30,096	9,159	105,037
Net Income (Loss) from Continuing Operations [(a)]					
2024	(2,348)	10,829	**5,606**		
2023	18,233	11,077	16,535	(3,512)	42,333
2022	9,541	39,682	28,518	7,856	85,597
Net Income (Loss) from Discontinued Operations [(a)]					
2024	(3,494)	(8,735)	**7,186**		
2023	7,006	1,976	55,382	(19,510)	44,854
2022	(16,483)	(19,329)	(5,503)	(74,270)	(115,586)
Net Income (Loss) per share from Continuing Operations					
Basic					
2024	(0.03)	0.16	**0.09**		
2023	0.26	0.16	0.24	(0.05)	0.61
2022	0.13	0.56	0.40	0.11	1.21
Diluted					
2024	(0.03)	0.16	**0.08**		
2023	0.26	0.16	0.24	(0.05)	0.61
2022	0.13	0.56	0.40	0.11	1.20
Net Income (Loss) per share from Discontinued Operations					
Basic					
2024	(0.05)	(0.13)	**0.11**		
2023	0.10	0.03	0.80	(0.28)	0.65
2022	(0.23)	(0.27)	(0.08)	(1.06)	(1.65)
Diluted					
2024	(0.05)	(0.13)	**0.11**		
2023	0.10	0.03	0.79	(0.28)	0.64
2022	(0.23)	(0.27)	(0.08)	(1.05)	(1.64)

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

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

- The Company's business includes a diverse portfolio of products and services. As such, each operating unit's quarterly results are impacted by different market factors which could result in varying degrees of demand at times. 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 Continuing Operations in 2022 and 78% of the Company's revenue from Continuing 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 reported the majority of the PPS segment under Discontinued Operations. During the third quarter of 2024 the Company reported its remaining pipe coating business, Thermotite, as Discontinued Operations after entering into a definitive agreement on September 16, 2024 to sell Thermotite to Vallourec. All comparative periods have been restated as such.

- In the second half of 2023, the Company began incurring non-capitalizable project costs in support of its North American production footprint MEO strategy which it expects will continue through the first half of 2025.

- The comparability of the quarterly financial results has been impacted by 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.

8.0 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.

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

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

Subsequent to the third quarter of 2024, the Company announced the proposed acquisition of AmerCable. Acquisitions, including the proposed acquisition of AmerCable, may require substantial capital and negotiations of potential acquisitions and the integration of acquired operations could disrupt the Company's business by diverting management, and employees' attention, away from day-to-day operations. The Company's ability to realize the benefits of its growth strategy is based on our management of growth and the integration of acquisitions and requires the Company to continue to build its operational, financial and management controls, human resource policies, and reporting systems and procedures. The difficulties of integration may be increased by the necessity of coordinating geographically diverse organizations, integrating personnel with disparate backgrounds and combining different corporate cultures. Although the Company makes every effort to successfully integrate new operations, there can be no assurance that the Company will recognize the anticipated revenues, synergies or other intended benefits associated with any acquisitions that are completed. At times, acquisition candidates, including AmerCable, may have liabilities or adverse operating issues that the Company fails to discover through due diligence prior to the acquisition, including the assumption of risks related to regulatory compliance, pricing, supply chain, environmental, litigation, labour relations, information technology, tax, pensions or warranties. While due diligence is intended to identify and mitigate such risks, these efforts may not always be sufficient in identifying and mitigating all risks and liabilities related to an acquisition. The Company may lack sufficient knowledge of the acquisition candidate's technology and market position to enable an effective evaluation of the acquisition economics or integration challenges. If the Company consummates any future acquisitions, the Company's business, capitalization, financial condition and results of operations may change significantly. Acquisitions or investments may require the Company to expend significant amounts of cash, resulting in the Company's inability to use these funds for other business purposes. The potential impairment or complete write-off of goodwill and other tangible and intangible assets related to any such acquisition may reduce the Company's overall earnings and could negatively affect the Company's balance sheet. The occurrence of any of the foregoing could have a material adverse effect on the Company's projections, business, and results of operations and/or financial condition.

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

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

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

A deterioration in relationships with the Company's employees or in the labour environment could result in work interruptions or other disruptions, or cause management to divert time and resources from other aspects of the Company's business, any of which could have a material adverse effect on the Company's business, results of operations or financial condition.

From time to time, labour unions attempt to organize the Company's employees, and these efforts may continue in the future. Certain of the Company's divisions have existing domestic and foreign labour union contracts covering a minimal number of our overall employees.

As the Company continues to grow and enter different regions, unions may attempt to organize all or part of the Company's employee base at certain of its facilities. Responding to such organization attempts may distract management and employees and may have a negative financial impact on individual facilities, or on the Company's business as a whole. The maintenance of a productive and efficient labour environment and, in the event of unionization of these employees, the successful negotiation of a collective bargaining agreement, or any closure agreements, cannot be assured. Protracted and extensive work stoppages or labour disruptions, such as strikes or lockouts, could have a material adverse effect on our business, financial condition and results of operations.

9.0 Environmental Matters

As at September 30, 2024, the provisions on the consolidated balance sheet related to environmental matters and included as decommissioning liability obligations were $9.2 million (short term obligations represent $0.7 million and long-term obligations represent $8.5 million). This amount remained unchanged 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 $10.8 million as at September 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)		September 30, 2024
2024	$	**671**
2025		**3,287**
2026		**2,335**
2027		**—**
2028		**—**
Thereafter		**4,521**
	$	**10,814**

10.0 Critical Accounting Judgements, Estimates and Accounting Policy Developments

10.1 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.

11.0 Reconciliation of Non-GAAP Measures

The Company reports on certain non-GAAP and other financial 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 and other financial 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 September 30, 2024	September 30, 2023	Nine Months Ended September 30, 2024	September 30, 2023
Net Income from Continuing Operations	**$ 5,606**	$ 16,592	**$ 14,272**	$ 45,861
Add:				
Income tax expense	**7,866**	3,196	**17,001**	10,778
Finance costs, net	**4,873**	5,589	**11,514**	15,737
Amortization of property, plant, equipment, intangible and ROU assets	**10,542**	9,577	**28,513**	27,373
EBITDA from Continuing Operations	**28,887**	34,954	**71,300**	99,749
Share-based incentive compensation (recovery) cost	**(1,426)**	(2,414)	**7,849**	16,211
Foreign exchange loss	**1,822**	800	**6,734**	2,169
Curtailment of defined benefit plan	**—**	(1,889)	**—**	(1,889)
Impairment	**—**	8,652	**—**	8,652
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Income from shares tender trust refund	**—**	—	**(653)**	—
Restructuring costs and other, net	**—**	—	**3,526**	—
Adjusted EBITDA from Continuing Operations	**$ 29,283**	$ 40,103	**$ 95,506**	$ 124,892

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	June 30, 2024
Net (Loss) Income from Continuing Operations	$ (2,145)	$ 10,811
Add:		
Income tax expense	3,948	5,187
Finance costs, net	2,226	4,415
Amortization of property, plant, equipment, intangible and ROU assets	8,568	9,403
EBITDA from Continuing Operations	12,597	29,816
Share-based incentive compensation cost	7,632	1,643
Foreign exchange loss	2,397	2,515
Cost associated with repayment and modification of long-term debt	—	6,750
Income from shares tender trust refund	—	(653)
Restructuring costs and other, net	3,201	325
Adjusted EBITDA from Continuing Operations	$ 25,827	$ 40,396

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net Income (Loss) from Continuing Operations	$ 18,222	$ 11,047	$ 16,592	$ (3,496)
Add:				
Income tax expense (recovery)	3,826	3,756	3,196	(5,860)
Finance costs, net	5,011	5,137	5,589	5,094
Amortization of property, plant, equipment, intangible and ROU assets	8,827	8,969	9,577	8,444
EBITDA from Continuing Operations	35,886	28,909	34,954	4,182
Share-based incentive compensation (recovery) cost	(42)	18,667	(2,414)	2,096
Foreign exchange loss	1,304	65	800	254
Gain on sale of land and other	—	—	—	(1,655)
Curtailment of defined benefit plan	—	—	(1,889)	—
Impairment	—	—	8,652	18,544
Restructuring costs and other, net	—	—	—	2,474
Adjusted EBITDA from Continuing Operations	$ 37,148	$ 47,641	$ 40,103	$ 25,895

Composite Technologies Segment

(in thousands of Canadian dollars)	Three Months Ended **September 30, 2024**	September 30, 2023	Nine Months Ended **September 30, 2024**	September 30, 2023
Operating Income	**$ 12,841**	$ 25,483	**$ 37,314**	$ 71,785
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**7,566**	7,398	**20,471**	20,787
EBITDA	**20,407**	32,881	**57,785**	92,572
Share-based incentive compensation (recovery) cost	**(122)**	(435)	**1,527**	1,413
Restructuring costs and other, net	**2**	—	**3,494**	—
Adjusted EBITDA	**$ 20,287**	$ 32,446	**$ 62,806**	$ 93,985

Connection Technologies Segment

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Operating Income [(a)]	**$ 9,675**	$ 13,255	**$ 38,750**	$ 46,594
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	**2,414**	1,357	**6,569**	4,038
EBITDA	**12,089**	14,612	**45,319**	50,632
Share-based incentive compensation (recovery) cost	**(92)**	(48)	**1,493**	2,202
Restructuring costs and other, net	**—**	—	**34**	—
Adjusted EBITDA	**$ 11,997**	$ 14,564	**$ 46,846**	$ 52,834

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 third quarter of 2023 and nine months ended September 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million were included in third quarter of 2024 and 2023, as well as, $2.2 million and $2.0 million were reflected in the nine months ended September 30, 2024 and 2023, respectively.

Financial and Corporate

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Operating Loss [(a)]	**$ (4,171)**	$ (13,361)	**$ (26,527)**	$ (46,003)
Add:				
Cost associated with repayment and modification of long-term debt	**—**	—	**(6,750)**	—
Amortization of property, plant, equipment, intangible and ROU assets	**562**	822	**1,473**	2,548
EBITDA	**(3,609)**	(12,539)	**(31,804)**	(43,455)
Share-based incentive compensation (recovery) cost	**(1,212)**	(1,931)	**4,829**	12,596
Foreign exchange loss	**1,822**	800	**6,734**	2,169
Curtailment of defined benefit plan	**—**	(1,889)	**—**	(1,889)
Impairment	**—**	8,652	**—**	8,652
Income from shares tender trust refund	**—**	—	**(653)**	—
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Restructuring costs and other, net (recovery)	**(2)**	—	**(2)**	—
Adjusted EBITDA	**$ (3,001)**	$ (6,907)	**$ (14,146)**	$ (21,927)

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 third quarter of 2023 and nine months ended September 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of $0.7 million were included in third quarter of 2024 and 2023, as well as, $2.2 million and $2.0 million were reflected in the nine months ended September 30, 2024 and 2023, respectively.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2024	Three Months Ended June 30, 2024
Operating Loss [(a)]	$ (14,531)	$ (7,825)
Add:		
Cost associated with repayment and modification of long-term debt	—	(6,750)
Amortization of property, plant, equipment, intangible and ROU assets	475	436
EBITDA	(14,056)	(14,139)
Share-based incentive compensation cost	4,861	1,180
Foreign exchange loss	2,397	2,515
Income from shares tender trust refund	—	(653)
Cost associated with repayment and modification of long-term debt	—	6,750
Adjusted EBITDA	$ (6,798)	$ (4,347)

a) As of the first quarter of 2024, the Company began allocating corporate administrative costs to the Connection Technologies segment. This aligns with the Company's historical practice of allocating corporate administrative costs to the Composite Technologies segment.

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Operating Loss [(a)]	$ (10,657)	$ (21,985)	$ (13,361)	$ (11,027)
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	872	854	822	472
EBITDA	(9,785)	(21,131)	(12,539)	(10,555)
Share-based incentive compensation cost (recovery)	534	13,993	(1,931)	1,249
Foreign exchange loss	1,304	65	800	253
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	$ (7,947)	$ (7,073)	$ (6,907)	$ (6,986)

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.

Discontinued Operations

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	September 30, 2024	September 30, 2023	**September 30, 2024**	September 30, 2023
Net Income (Loss) from Discontinued Operations	**$ 7,186**	$ 55,382	**$ (5,043)**	$ 64,364
Add:				
Income tax (recovery) expense	**(240)**	23,059	**1,800**	26,892
Finance costs, net (recovery)	**(69)**	155	**(227)**	679
Amortization of property, plant, equipment, intangible and ROU assets	**390**	6,688	**1,237**	28,152
EBITDA from Discontinued Operations	**7,267**	85,284	**(2,233)**	120,087
Share-based incentive compensation (recovery) cost	**—**	(498)	**—**	2,238
Foreign exchange loss (gain)	**193**	1,462	**871**	(2,801)
Loss on sale of operating unit and subsidiary	**—**	2,089	**15,492**	5,827
Adjusted EBITDA from Discontinued Operations	**$ 7,460**	$ 88,337	**$ 14,130**	$ 125,351

(in thousands of Canadian dollars)	Three Months Ended	
	March 31, 2024	June 30, 2024
Net Loss from Discontinued Operations	$ (3,494)	$ (8,735)
Add:		
Income tax expense	1,869	171
Finance costs, net (recovery)	(84)	(74)
Amortization of property, plant, equipment, intangible and ROU assets	428	419
EBITDA from Discontinued Operations	(1,281)	(8,219)
Foreign exchange loss	118	560
Loss on sale of operating unit and subsidiary	5,405	10,087
Adjusted EBITDA from Discontinued Operations	$ 4,242	$ 2,428

(in thousands of Canadian dollars)	Three Months Ended March 31, 2023	June 30, 2023	September 30, 2023	December 31, 2023
Net Income (Loss) from Discontinued Operations	$ 7,006	$ 1,976	$ 55,382	$ (19,510)
Add:				
Income tax expense	1,431	2,402	23,059	26,251
Finance costs, net	133	391	155	19
Amortization of property, plant, equipment, intangible and ROU assets	10,403	11,061	6,688	416
EBITDA from Discontinued Operations	18,973	15,830	85,284	7,176
Share-based incentive compensation (recovery) cost	(561)	3,296	(498)	(2,002)
Foreign exchange (gain) loss	(1,033)	(3,230)	1,462	9
Loss on sale of operating unit and subsidiary	—	3,738	2,089	105,177
Restructuring costs and other, net	—	—	—	1,465
Adjusted EBITDA from Discontinued Operations	$ 17,379	$ 19,634	$ 88,337	$ 111,825

Total Consolidated Mattr (Continuing and Discontinued Operations)

(in thousands of Canadian dollars)	Three Months Ended **September 30, 2024**	September 30, 2023	Nine Months Ended **September 30, 2024**	September 30, 2023
Net Income	**$ 12,792**	$ 71,974	**$ 9,229**	$ 110,225
Add:				
Income tax expense	**7,626**	26,255	**18,801**	37,670
Finance costs, net	**4,804**	5,744	**11,287**	16,416
Amortization of property, plant, equipment, intangible and ROU assets	**10,932**	16,265	**29,750**	55,525
EBITDA	**36,154**	120,238	**69,067**	219,836
Share-based incentive compensation (recovery) cost	**(1,426)**	(2,912)	**7,849**	18,449
Foreign exchange loss (gain)	**2,015**	2,262	**7,605**	(632)
Loss on sale of operating unit and subsidiary	**—**	2,089	**15,492**	5,827
Curtailment of defined benefit plan	**—**	(1,889)	**—**	(1,889)
Impairment	**—**	8,652	**—**	8,652
Cost associated with repayment and modification of long-term debt	**—**	—	**6,750**	—
Income from shares tender trust refund	**—**	—	**(653)**	—
Restructuring costs and other, net	**—**	—	**3,526**	—
Adjusted EBITDA	**$ 36,743**	$ 128,440	**$ 109,636**	$ 250,243

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)	Nine Months Ended					
	September 30, 2024			**September 30, 2023**		
		Earnings Per Share			**Earnings Per Share**	
		Basic	**Diluted**		**Basic**	**Diluted**
Total Consolidated Mattr Net [a]	**$ 9,044**	**0.14**	**0.14**	$ 110,209	1.58	1.57
Adjustments (before tax):						
Share-based incentive compensation cost	**7,849**			18,449		
Foreign exchange loss (gain)	**7,605**			(632)		
Loss on sale of operating unit and subsidiary	**15,492**			5,827		
Curtailment of defined benefit plan	**—**			(1,889)		
Impairment	**—**			8,652		
Cost associated with repayment and modification of long-term debt	**6,750**			—		
Income from shares tender trust refund	**(653)**			—		
Restructuring costs and other, net	**3,526**			—		
Tax effect of above adjustments	**(2,343)**			(3,837)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) [a]	**$ 47,270**	**0.71**	**0.71**	$ 136,779	1.96	1.95

(a) attributable to Shareholders of the Company.

(in thousands of Canadian dollars except for per share amounts)	Three Months Ended					
	September 30, 2024			**September 30, 2023**		
		Earnings Per Share			**Earnings Per Share**	
		Basic	**Diluted**		**Basic**	**Diluted**
Total Consolidated Mattr Net [a]	**$ 12,792**	**0.19**	**0.19**	$ 71,917	1.04	1.03
Adjustments (before tax):						
Share-based incentive compensation recovery	**(1,426)**			(2,912)		
Foreign exchange loss	**2,015**			2,262		
Loss on sale of operating unit and subsidiary	**—**			2,089		
Curtailment of defined benefit plan	**—**			(1,889)		
Impairment	**—**			8,652		
Tax effect of above adjustments	**2,011**			(3,074)		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) (a)	**$ 15,392**	**0.23**	**0.23**	$ 77,045	1.11	1.10

(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)	**September 30, 2024**	December 31, 2023
Long-term debt	**$ 166,178**	$ 144,201
Lease Liabilities	**165,767**	88,263
Cash and cash equivalents	**(186,015)**	(334,061)
Total Net Debt	**145,930**	(101,597)
Q1 2023 Adjusted EBITDA	**—**	54,528
Q2 2023 Adjusted EBITDA	**—**	67,274
Q3 2023 Adjusted EBITDA	**—**	128,440
Q4 2023 Adjusted EBITDA	**137,721**	137,721
Q1 2024 Adjusted EBITDA	**30,069**	—
Q2 2024 Adjusted EBITDA	**42,824**	—
Q3 2024 Adjusted EBITDA	**36,743**	—
Trailing twelve-month Adjusted EBITDA	**$ 247,357**	$ 387,962
Total Net debt-to-Adjusted EBITDA	**0.59**	(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)		**September 30, 2024**		December 31, 2023
Q1 2023 Adjusted EBITDA	**$**	**—**	$	54,528
Q2 2023 Adjusted EBITDA		**—**		67,274
Q3 2023 Adjusted EBITDA		**—**		128,440
Q4 2023 Adjusted EBITDA		**137,721**		137,721
Q1 2024 Adjusted EBITDA		**30,069**		—
Q2 2024 Adjusted EBITDA		**42,824**		—
Q3 2024 Adjusted EBITDA		**36,743**		—
Trailing twelve-month Adjusted EBITDA	**$**	**247,357**	$	387,962
Q1 2023 Finance cost, net	**$**	**—**	$	5,144
Q2 2023 Finance cost, net		**—**		5,528
Q3 2023 Finance cost, net		**—**		5,744
Q4 2023 Finance cost, net		**5,113**		5,113
Q1 2024 Finance cost, net		**2,142**		—
Q2 2024 Finance cost, net		**4,341**		—
Q3 2024 Finance cost, net		**4,804**		—
Trailing twelve-month finance cost, net	**$**	**16,400**	$	21,529
Total Interest Coverage Ratio		**15.08**		18.02

Modernization, Expansion and Optimization ("MEO") Costs

MEO costs is a supplementary financial measure. MEO costs not eligible for capitalization are reported as selling, general and administrative expenses or as cost of goods sold and incurred in support of the Company's certain specific, planned capital investments into high-return growth and efficiency improvement opportunities. These include the following:

- The addition of two new manufacturing facilities and the elimination of aging manufacturing facilities within the Composite Technologies network, namely:
    - o the shut-down and exit of aging production capabilities in the Xerxes FRP tank production site footprint;
    - o a new Xerxes FRP tank production site in Blythewood, South Carolina; and
    - o 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:
    - o a new heat-shrink tubing production site in Fairfield, Ohio; and
    - o 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.

12.0 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: November 13, 2024