

Matr Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

September 30, 2024

Mattr Corp.

Condensed Interim Consolidated Statements of Income (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
(in thousands of Canadian dollars, except per share amounts)	2024	2023	2024	2023
Revenue				
Sale of products	\$ 223,462	\$ 217,896	\$ 668,232	\$ 677,026
Rendering of services	2,778	3,996	9,314	12,032
	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	—
Operating Income from Continuing Operations	18,345	25,377	49,537	72,376
Finance costs, net (note 5)	(4,873)	(5,589)	(11,514)	(15,737)
Cost associated with repayment of senior note	—	—	(6,750)	—
Income from Continuing Operations before Income Taxes	13,472	19,788	31,273	56,639
Income tax expense (note 6)	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, net of income tax expense (recovery) (note 3)	7,186	55,382	(5,043)	64,364
Net Income	\$ 12,792	\$ 71,974	\$ 9,229	\$ 110,225
Net Income from Continuing Operations Attributable to:				
Shareholders of the Company	\$ 5,606	\$ 16,535	\$ 14,087	\$ 45,845
Non-controlling interests	—	57	185	16
Net Income from Continuing Operations	\$ 5,606	\$ 16,592	\$ 14,272	\$ 45,861
Net Income (Loss) from Discontinued Operations Attributable to:				
Shareholders of the Company	\$ 7,186	\$ 55,382	\$ (5,043)	\$ 64,364
Non-controlling interests	—	—	—	—
Net Income (Loss) from Discontinued Operations	\$ 7,186	\$ 55,382	\$ (5,043)	\$ 64,364
Earnings per Share ("EPS") (note 7)				
Basic	\$ 0.19	\$ 1.04	\$ 0.14	\$ 1.58
Diluted	\$ 0.19	\$ 1.03	\$ 0.14	\$ 1.57
Earnings per Share ("EPS") – Continuing Operations (note 7)				
Basic	\$ 0.09	\$ 0.24	\$ 0.21	\$ 0.66
Diluted	\$ 0.08	\$ 0.24	\$ 0.21	\$ 0.65
Weighted Average Number of Shares Outstanding (000s) (note 7)				
Basic	65,852	69,340	66,175	69,699
Diluted	66,167	69,994	66,609	70,310

Mattr Corp.

Condensed Interim Consolidated Statements of Comprehensive Income (Loss) (Unaudited)

(in thousands of Canadian dollars)	Three months ended September 30, 2024		September 30, 2023	
Net Income	\$ 12,792	\$ 71,974	\$ 9,229	\$ 110,225
Other Comprehensive (Loss) Income to be Reclassified to Net Income (Loss) in Subsequent Periods				
Exchange differences on translation of foreign operations	\$ (1,272)	\$ 10,532	\$ 19,691	\$ (3,173)
Other Comprehensive Income (Loss) not to be Reclassified to Net Income (Loss) in Subsequent Periods				
Actuarial gain (loss) on defined benefit plans	4	(3,385)	6	(3,359)
Income tax expense	(1)	848	(1)	829
Net Other Comprehensive Income (Loss) not to be Reclassified to Net Income (Loss) in Subsequent Periods	3	(2,537)	5	(2,530)
Total Other Comprehensive (Loss) Income, Net of Income Tax	(1,269)	7,995	19,696	(5,703)
Total Comprehensive Income	\$ 11,523	\$ 79,969	\$ 28,925	\$ 104,522
Comprehensive Income Attributable to:				
Shareholders of the Company	\$ 11,519	\$ 79,922	\$ 28,747	\$ 104,406
Non-controlling interests	4	47	178	116
Total Comprehensive Income	\$ 11,523	\$ 79,969	\$ 28,925	\$ 104,522
Comprehensive Income from Continuing Operations				
Attributable to:				
Shareholders of the Company	\$ 5,207	\$ 20,738	\$ 28,311	\$ 43,350
Non-controlling interests	4	47	178	116
Comprehensive Income from Discontinued Operations				
Attributable to:				
Shareholders of the Company	\$ 6,312	\$ 59,184	\$ 436	\$ 61,056
Non-controlling interests	—	—	—	—
Continuing Operations	\$ 5,211	\$ 20,738	\$ 28,489	\$ 43,466
Discontinued Operations	6,312	59,184	436	61,056
Total Comprehensive Income	\$ 11,523	\$ 79,922	\$ 28,925	\$ 104,522

Mattr Corp.

Condensed Interim Consolidated Balance Sheet (Unaudited)

(in thousands of Canadian dollars)	September 30, 2024	December 31, 2023
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 186,015	\$ 334,061
Accounts receivable	196,699	157,689
Contract assets	3,675	10,596
Income taxes receivable	6,459	4,510
Inventory	136,709	122,536
Prepaid expenses	11,656	6,544
Derivative financial instruments (note 2)	—	894
Assets held for sale (note 3)	35,280	—
Total current assets	576,493	636,830
Non-current Assets		
Property, plant and equipment	261,579	203,980
Right-of-use assets	148,564	76,396
Intangible assets	139,173	144,542
Deferred income tax assets	36,589	45,163
Goodwill	163,593	163,143
Other assets	7,100	8,245
Total non-current assets	756,598	641,469
TOTAL ASSETS	\$ 1,333,091	\$ 1,278,299
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 164,442	\$ 178,807
Provisions	14,502	12,157
Income taxes payable	10,249	8,865
Contract liabilities	12,056	39,494
Lease liabilities	10,195	11,330
Other liabilities	21,018	28,656
Liabilities associated with assets held for sale (note 3)	18,503	—
Total current liabilities	250,965	279,309
Non-current Liabilities		
Long-term debt (note 10)	166,178	144,201
Lease liabilities	155,572	76,933
Provisions	11,727	11,903
Contract liabilities	—	1,101
Employee future benefits	6,397	6,145
Deferred income tax liabilities	10,666	19,565
Other liabilities	8,570	9,463
Total non-current liabilities	359,110	269,311
Total liabilities	610,075	548,620
Equity		
Share capital (note 11)	654,027	681,865
Contributed surplus	23,286	23,450
Retained deficit	(91,383)	(92,841)
Non-controlling interests	(303)	(481)
Accumulated other comprehensive income	137,389	117,686
Total equity	723,016	729,679
TOTAL LIABILITIES AND EQUITY	\$ 1,333,091	\$ 1,278,299

Mattr Corp.

Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Deficit	Non- controlling Interests	Accumulated Other Comprehensive Income	Total Equity
Balance – December 31, 2023	\$ 681,865	\$ 23,450	\$ (92,841)	\$ (481)	117,686	\$ 729,679
Net income	—	—	9,044	185	—	9,229
Other comprehensive (loss) income	—	—	—	(7)	19,703	19,696
Comprehensive income	—	—	9,044	178	19,703	28,925
Issued on exercise of stock options	806	—	—	—	—	806
Compensation cost on exercised options	222	(222)	—	—	—	—
Compensation cost on exercised Restricted Share Units	1,572	(1,572)	—	—	—	—
Share-based compensation expense	—	1,630	—	—	—	1,630
Purchase – NCIB (note 11)	(15,137)	—	—	—	—	(15,137)
Share repurchase – ASPP (note 11)	(15,301)	—	—	—	—	(15,301)
Excess of purchase price over stated value of shares	—	—	(7,586)	—	—	(7,586)
Balance – September 30, 2024	\$ 654,027	\$ 23,286	\$ (91,383)	\$ (303)	137,389	\$ 723,016
Balance – December 31, 2022	\$ 707,400	\$ 25,717	\$ (161,212)	275	127,473	\$ 699,653
Net Income	—	—	110,209	16	—	110,225
Other comprehensive income (loss)	—	—	—	100	(5,803)	(5,703)
Comprehensive Income (loss)	—	—	110,209	116	(5,803)	104,522
Purchase of non-controlling interests	—	—	—	(898)	281	(617)
Issued on exercise of stock options	1,343	—	—	—	—	1,343
Compensation cost on exercised options	416	(416)	—	—	—	—
Compensation cost on exercised Restricted Share Units	3,927	(3,927)	—	—	—	—
Share-based compensation expense	—	1,715	—	—	—	1,715
Purchase – NCIB	(16,357)	—	—	—	—	(16,357)
Share repurchase – ASPP	(8,000)	—	—	—	—	(8,000)
Excess of purchase price over stated value of shares	—	—	(6,990)	—	—	(6,990)
Balance – September 30, 2023	\$ 688,729	\$ 23,089	\$ (57,993)	\$ (507)	121,951	\$ 775,269

Mattr Corp.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Operating Activities				
Net income	\$ 5,606	\$ 16,592	\$ 14,272	\$ 45,861
Add (deduct) items not affecting cash				
Depreciation and amortization	10,542	9,577	28,513	27,373
Impairment	—	8,652	—	8,652
Interest expense on lease liabilities (note 5)	2,631	958	6,545	1,580
Share-based compensation and incentive-based compensation (note 8)	(1,425)	(2,414)	7,850	16,211
Deferred income taxes	2,264	(3,414)	243	(3,673)
Gain on disposal of property, plant and equipment	(111)	(236)	(480)	(1,275)
Unrealized (gain) loss on derivative financial instruments	—	(384)	894	1,322
Other	(338)	(861)	12,079	3,821
Change in non-cash working capital and foreign exchange (note 9)	(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
Investing Activities				
Decrease in loan receivable	\$ —	\$ —	\$ 271	\$ —
Purchase of property, plant and equipment	(35,257)	(23,443)	(94,318)	(52,945)
Proceeds on disposal of property, plant and equipment	221	1,889	3,114	4,225
Business acquisition, net of cash acquired	—	464	—	(8,125)
Purchase of non-controlling interests	—	(17)	—	(617)
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)
Financing Activities				
Repayment of senior notes (note 10)	\$ —	\$ (9,000)	\$ (156,750)	\$ (39,000)
Payment of long-term debt finance cost	(95)	—	(5,771)	(88)
Proceeds from issuance of senior notes (note 10)	—	—	175,000	—
Repayment of lease liabilities	(2,861)	(1,123)	(8,092)	(6,592)
Repurchase of shares – Normal Course Issuer Bids (note 11)	(21,872)	(10,116)	(21,872)	(22,629)
Proceeds from stock options exercised	169	234	806	1,343
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 decrease in Cash and Cash Equivalents	(67,617)	(26,557)	(148,046)	(166,013)
Cash and Cash Equivalents – Beginning of Period	253,632	124,534	334,061	263,990
Cash and Cash Equivalents – End of Period	\$ 186,015	\$ 97,977	\$ 186,015	\$ 97,977
Cash	\$ 141,515	\$ 97,977	\$ 141,515	\$ 97,977
Cash Equivalents	44,500	—	44,500	—
Total Cash and Cash Equivalents	\$ 186,015	\$ 97,977	\$ 186,015	\$ 97,977
Supplemental Cash Flow Information				
Interest paid	\$ 725	\$ 835	\$ 5,687	\$ 10,145
Interest received	\$ 2,098	\$ 718	\$ 9,805	\$ 2,552
Income taxes paid	\$ 1,538	\$ 6,826	\$ 15,214	\$ 11,788

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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

In November 2023, the Company closed the sale of a substantial part of what was previously referred to as its Pipeline and Pipe Services (“PPS”) segment and it is accounted for as discontinued operations (note 3). Additionally, in September 2024, the Company entered into a definitive agreement to sell Thermotite do Brazil (“Thermotite”); a pipe coating subsidiary based out of Serra, Brazil. This is accounted for as held for sale and discontinued operations as at and for the period ended September 30, 2024 (note 3).

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

Notes to Condensed Interim Consolidated Financial Statements	Page	Description
General Application		
1. Basis of Financial Statement Preparation	6	Summary of financial statement preparation
2. Financial Instruments	7	Summary of financial instruments, including fair values and the management of associated risks
Consolidated Results of Operations Focused		
3. Assets and Liabilities Held for Sale and Discontinued Operations	9	Summary of Assets and Liabilities Held for Sale and Discontinued Operations
4. Segment Information	11	Summary disclosure of segmented information regularly reported to the Chief Operating Decision Maker
5. Finance Costs	13	Summary of items comprising finance costs
6. Income Taxes	14	Summary of the Company’s income tax rate reconciliation
7. Earnings Per Share	14	Summary of numerators and denominators used in calculating per share amounts
8. Share-based and Other Incentive-based Compensation	16	Summary of compensation arising from stock option awards, restricted share units, deferred share units and employee share purchase plan
Consolidated Financial Position Focused		
9. Supplemental Cash Flow information	17	Summary of supplementary items to operating activities in Cash Flow
10. Long-term Debt and Credit Facilities	17	Summary of long-term debt and credit facilities
11. Share Capital	18	Summary of authorized and changes in share capital
12. Subsequent Event	19	Summary of subsequent events

1 Basis of Financial Statement Preparation

Basis of Presentation

a) Statement of Compliance

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

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

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

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

The condensed interim consolidated financial statements and accompanying notes as at and for the three-month and nine-month periods ended September 30, 2024 were authorized for issue by the Company's Board of Directors on November 13, 2024.

b) Use of Estimates and Judgements

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

c) Accounting policies

Except for as described below, the condensed interim consolidated financial statements are based on accounting policies consistent with those described in note 2 of the accounting policies in the Company's Annual Consolidated Financial Statements.

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

2 Financial Instruments

The Company has classified its financial instruments as follows:

(in thousands of Canadian dollars)	September 30, 2024	December 31, 2023
	\$	\$
Financial assets, Measured at Amortized Cost		
Cash and cash equivalents	186,015	334,061
Accounts receivable	196,699	157,689
Contract assets	3,675	10,596
Loans receivable	500	1,067
Deposit guarantee	123	485
Income taxes receivable	6,459	4,510
Fair Value through Profit or Loss		
Derivative financial instruments – assets	—	894
Redemption option derivative asset	3,949	—
Financial Liabilities, Measured at Amortized Cost		
Accounts payable	71,140	54,507
Contract liabilities	12,056	39,494
Lease liabilities	165,767	88,263
Income taxes payable	10,249	8,865
Long-term debt, excluding redemption option derivative asset (note 10)	175,000	150,000

Fair Value

IFRS 13, *Fair Value Measurement*, provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources,

Matr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or liability. These two inputs, which are used to measure fair value, fall into the following three different levels of the fair value hierarchy:

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

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

The following table presents the fair value of financial assets and liabilities in the fair value hierarchy as at September 30, 2024, where the carrying value does not approximate the fair value.

(in thousands of Canadian dollars)	Fair Value	Level 1	Level 2	Level 3
Assets				
Redemption option derivative asset	\$ 3,949	\$ —	\$ 3,949	\$ —
Liabilities				
Long-term debt, excluding derivative asset	\$ 235,082	\$ —	\$ 235,082	\$ —

The redemption option derivative asset (Note 10) associated with the senior secured notes is an embedded derivative separately recognized to reflect the redemption features of the senior secured notes and is classified as fair value through profit and loss with fair value based on models using observable interest rate inputs. Future changes in fair value will be recorded in finance costs.

Total long-term debt is comprised of the amounts drawn on Senior Notes, unsecured of \$175 million, excluding the redemption option derivative asset (Note 10). The Senior Notes, unsecured have a fair market value of \$235.1 million which is higher than the carrying amount as the fixed interest rate is higher than the market rate of interest for this grade of Senior Note as at September 30, 2024. The Credit Facility is subject to a variable interest rate and therefore the carrying amount is approximately equal to the fair market value.

Financial Risk Management

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

Market Risk

Foreign Exchange Risk

The majority of the Company's business is transacted outside of Canada through subsidiaries operating in many countries. The net investments in these subsidiaries as well as their revenue, operating expenses and non-operating expenses are denominated in foreign currencies. As a result, the Company's consolidated revenue, expenses and financial position may be impacted by fluctuations in foreign exchange rates as these foreign currency amounts are translated into Canadian dollars. As at September 30, 2024, fluctuations of +/- 5% in the Canadian dollar, relative to those foreign currencies, would impact the Company's consolidated revenue, income from operations, and net income (attributable to shareholders of the Company) for the nine months ended September 30, 2024 by approximately \$22.6 million, \$0.3 million, and \$0.1 million, respectively, prior to foreign exchange forward contract activities. In addition, such fluctuations would impact the Company's consolidated total assets, consolidated total liabilities and consolidated total equity by approximately \$42.3 million, \$10.2 million, and \$32.1 million, respectively, as at September 30, 2024.

The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures associated with the Company's foreign currency denominated cash streams and the resulting variability of the Company's earnings. The Company

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

utilizes foreign exchange forward contracts to manage this foreign exchange risk. The Company does not enter into foreign exchange forward contracts for speculative purposes.

Foreign Exchange Forward Contracts

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

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

(in thousands, except weighted average rate amounts)	September 30, 2024	December 31, 2023
U.S. dollars sold for Euros		
Less than one year	—	U.S.\$13,014
Weighted average rate	—	0.94
Canadian dollars sold for British pounds		
Less than one year	—	Can\$3,734
Weighted average rate	—	0.61

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

As at September 30, 2024, the Company does not have any outstanding foreign exchange forward contracts, therefore the unrealized foreign exchange gain (loss) on these forward contracts is nil (December 31, 2023 – \$20.9 million of foreign exchange forward contracts outstanding and \$0.9 million net unrealized gain from foreign exchange forward contracts).

3 Assets and Liabilities Held for Sale and Discontinued Operations

In the year ended December 31, 2023, through a coordinated plan to dispose of a major line of business, the Company disposed of various operations within what was formerly referred to as the PPS segment. Additionally, in the nine months ended September 30, 2024, the Company entered into a definitive agreement to sell Thermotite do Brazil ("Thermotite"), its subsidiary in Brazil. Thermotite is accounted as held for sale and the related results of its operations and those of the disposed operations are presented as discontinued operations. The comparative consolidated statement of income (loss), statement of comprehensive income (loss) and other relevant notes have been restated to separately show the results from the discontinued operations from the Company's continuing operations.

During the fourth quarter of 2023, the Company completed the sale of a substantial majority of the assets of its pipe coating business to Tenaris S.A. The Company received gross proceeds of \$241.2 million, which included the agreed-upon purchase price of \$225.4 million and an initial working capital estimate. The final net cash proceeds, which were contingent upon a customary final true-up of the working capital calculation as set forth in the definitive purchase and sale agreement, were ultimately determined after an agreement between Mattr and Tenaris was reached subsequent to the second quarter of 2024. The agreed upon total net cash outflow to settle the working capital adjustment was \$47.5 million, of which \$36.6 million was disbursed in June 2024 with the balance disbursed in August 2024. The nine months period ended September 30, 2024 reflects an additional \$14.7 million loss from the sale of the Pipeline Performance Group ("PPG") business in Discontinued Operations, predominantly driven by the final working capital adjustment noted here.

In the nine months period ended September 30, 2024, an agreement for \$0.8 million (or 0.5 million GBP) was reached to settle costs related to the sale of the specialty pipe coating business and related assets in Ellon, Scotland ("Ellon"). The sale of Ellon was completed on May 23, 2023. This agreement and subsequent payment has been recorded as a loss within discontinued operations in the second quarter of 2024.

During the third quarter, the Company entered into a definitive agreement to sell its subsidiary Thermotite, its final remaining pipe coating business to Vallourec Tubular Solutions, a subsidiary of Vallourec S.A. ("Vallourec"). The transaction, under which Vallourec will acquire 100% of the shares of the Thermotite legal entity, is subject to customary closing conditions, including Brazilian anti-trust review and approval, which the Company currently anticipates will be completed within the standard review

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

time. Thermotite provides thermal insulation pipe coating services to the offshore oil and gas industry from its plant in Serra, Brazil. The Company will retain all earnings from the business until the transaction closes, and upon closing, the Company expects to receive the gross sale proceeds of approximately \$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, Corporate and Other section, is accounted as held for sale and financial reporting is now reflected as Discontinued Operations. There is revenue of \$23.6 million and income from operations of \$6.9 million from Thermotite included as discontinued operations in the third quarter of 2024. For the nine months period ended September 30, 2024, revenue of \$50.6 million and income from operations of \$12.0 million from Thermotite is included as discontinued operations.

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

The Net Income (Loss) from discontinued operations for the three and nine months ended September 30 are as follows:

	Three months ended		Nine months ended	
	September 30, 2024	2023	September 30, 2024	2023
(in thousands of Canadian dollars)				
Revenue - External	\$ 23,606	\$ 292,091	\$ 50,618	\$ 589,962
Operating expenses ^(a)	16,146	202,858	36,488	465,741
Research and development expenses	—	398	—	1,108
Foreign exchange gain	193	1,462	871	(2,801)
Depreciation and amortization	390	6,688	1,237	28,152
Income from Discontinued Operations	6,877	80,685	12,022	97,762
Loss on sale of operating unit	—	(2,089)	(15,492)	(5,827)
Finance Costs	69	(155)	227	(679)
Net Income (Loss) before Income Tax	6,946	78,441	(3,243)	91,256
Income tax (recovery) expense from discontinued operations	(240)	23,059	1,800	26,892
Net Income (Loss) from Discontinued Operations	\$ 7,186	\$ 55,382	\$ (5,043)	\$ 64,364

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

The table below sets forth, by geographical region, revenue for the three and nine months ended September 30 for the discontinued operations.

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(in thousands of Canadian dollars)				
North America	\$ —	\$ 20,085	\$ —	\$ 85,481
Latin America	23,606	201,557	50,618	304,943
EMEA ^(a)	—	29,138	—	70,388
Asia Pacific	—	41,311	—	129,150
Total revenue from discontinuing operations	\$ 23,606	\$ 292,091	\$ 50,618	\$ 589,962

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

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

The assets and liabilities of Thermotite included in the held for sale categories as at September 30, 2024 are summarized below:

(in thousands of Canadian dollars)	September 30, 2024
Assets	
Accounts receivable	\$ 3,316
Contract assets	10,732
Income taxes receivable	2,520
Inventory	9,691
Prepaid expenses	270
Property, plant and equipment, net	7,056
Right-of-use assets	78
Deferred income tax assets	1,617
Total assets held for sale	\$ 35,280
Liabilities	
Accounts payable and accrued liabilities	\$ 6,549
Provisions	356
Contract liabilities	11,573
Lease liabilities	25
Total liabilities associated with assets held for sale	\$ 18,503

4 Segment Information

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

Inter-segment transactions, if any, among Composite Technologies, and Connection Technologies are accounted for at negotiated transfer prices. Financial and Corporate (previously referred to as Financial, Corporate and Other) represents operating income, property, plant and equipment, and Corporate office costs that are not allocated to the Composite Technologies or Connection Technologies Segment. This section previously included Thermotite which is now being reported as Discontinued Operations and as such prior period information has been retrospectively revised.

Segment

The following table sets forth information by segment for the three months ended September 30:

(in thousands of Canadian dollars)	2024						
	Composite Technologies	Connection Technologies	Financial and Corporate	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations	Total Continuing and Discontinued Operations
External Revenue	\$ 136,367	\$ 89,873	\$ —	\$ —	\$ 226,240	\$ 23,606	\$ 249,846
Total Revenue	136,367	89,873	—	—	226,240	23,606	249,846
Income (Loss) from Operations	12,841	9,675	(4,171)	—	18,345	6,877	25,222
Additions to property, plant and equipment, net of disposals ^(a)	10,654	15,220	(158)	—	25,716	(364)	25,352

(a) In the third quarter of 2024, the Company made purchases of property, plant and equipment of \$25.8 million largely related to investments in the new operating facilities in the Composite Technologies and Connection Technologies segments. The Company also reflected \$2.0 million in new ROU assets and \$3.0 million in new lease liabilities in support of these strategic expansions of its operations for both Connection Technologies and Composite Technologies segments.

Matt Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

2023							
(in thousands of Canadian dollars)	Composite Technologies	Connection Technologies	Financial and Corporate ^(b)	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations ^(b)	Total Continuing and Discontinued Operations
	\$	\$	\$	\$	\$	\$	\$
External Revenue	140,130	81,762	—	—	221,892	292,091	513,983
Total Revenue	140,130	81,762	—	—	221,892	292,091	513,983
Income (Loss) from Operations ^(a)	25,483	13,255	(13,361)	—	25,377	80,685	106,062
Additions to property, plant and equipment, net of disposals ^(a)	22,475	1,834	82	—	24,391	14,473	38,864

(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 have been retrospectively restated to reflect this allocation. Corporate administrative costs of \$0.7 million were reflected in Income (Loss) from Operations for the third quarter of 2023.

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

The following table sets forth information by segment for the nine months ended September 30:

2024							
(in thousands of Canadian dollars)	Composite Technologies	Connection Technologies	Financial and Corporate ^(b)	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations ^(b)	Total Continuing and Discontinued Operations
	\$	\$	\$	\$	\$	\$	\$
External Revenue	408,158	269,388	—	—	677,546	50,618	728,164
Total Revenue	408,158	269,388	—	—	677,546	50,618	728,164
Income (Loss) from Operations	37,314	38,750	(26,527)	—	49,537	12,022	61,559
Additions to property, plant and equipment, net of disposals ^(a)	49,360	27,689	(139)	—	76,910	151	77,061
As at September 30, 2024							
Goodwill	145,804	17,789	—	—	163,593	—	163,593
Total assets	695,628	352,460	212,700	37,023	1,297,811	35,280	1,333,091
Total liabilities	190,101	191,092	206,489	3,890	591,572	18,503	610,075

(a) In the first nine months of 2024, the Company made purchases of property, plant and equipment of \$79.8 million largely related to investments in the new operating facilities for the Composite Technologies and Connection Technologies segments. The Company also reflected \$81.0 million in new ROU assets and \$82.6 million in new lease liabilities for both Connection Technologies and Composite Technologies segments.

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

2023							
(in thousands of Canadian dollars)	Composite Technologies	Connection Technologies	Financial and Corporate ^(b)	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations ^(b)	Total Continuing and Discontinued Operations
	\$	\$	\$	\$	\$	\$	\$
External Revenue	423,060	265,998	—	—	689,058	589,962	1,279,020
Total Revenue	423,060	265,998	—	—	689,058	589,962	1,279,020
Income (Loss) from Operations ^(a)	71,785	46,594	(46,003)	—	72,376	97,762	170,138
Additions to property, plant and equipment, net of disposals	48,161	7,989	667	—	56,817	66,649	123,466
As at December 31, 2023							
Goodwill	145,889	17,254	—	—	163,143	—	163,143
Total assets	611,457	227,104	417,213	22,525	1,278,299	—	1,278,299
Total liabilities	182,270	101,241	260,981	4,128	548,620	—	548,620

(a) 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 nine months ended September 30, 2023 have been retrospectively restated to reflect this allocation. Corporate administrative costs of \$2.0 million were reflected in Income (Loss) from Operations for the nine months ended September 30, 2023.

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

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

Geographical Segment Revenue Information

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

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(in thousands of Canadian dollars)				
North America	\$ 135,714	\$ 139,011	\$ 400,985	\$ 420,877
EMEA ^(a)	653	847	2,196	1,882
Asia Pacific	—	272	4,977	301
Total revenue	\$ 136,367	\$ 140,130	\$ 408,158	\$ 423,060

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

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

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(in thousands of Canadian dollars)				
North America	\$ 62,093	\$ 56,198	\$ 185,224	\$ 183,850
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

5 Finance Costs

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

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
(in thousands of Canadian dollars)				
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

Matr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

6 Income Taxes

The following table sets forth a reconciliation of the Company's effective income tax for the nine months ended September 30:

(in thousands of Canadian dollars)	Nine months ended September 30,	
	2024	2023
Expected income tax expense based on statutory rate	\$ 7,648	\$ 13,651
Income tax rate differential on earnings of foreign subsidiaries	940	1,608
Benefit of previously unrecognized deferred tax assets	(172)	(16,901)
Deferred tax not recognized	11,218	640
Adjustment to prior year provision	(145)	(92)
Non-deductible (non-taxable) amounts	767	5,714
Withholding taxes	385	751
Recognition of previously unrecognized temporary difference on investment in subsidiary	(1,274)	4,495
Movement in uncertain tax positions	(2,335)	119
State tax and other	(31)	793
Income Tax Expense	\$ 17,001	\$ 10,778

On June 19, 2024, the Government of Canada substantively enacted legislation implementing the Global Minimum Tax Act (“GMTA”), which includes the introduction of a 15% global minimum tax (“top-up tax”) that applies to large multinational enterprise groups with global consolidated revenues over €750 million, similar to previously enacted Pillar Two legislation in other jurisdictions in which the Company operates. As a result, the Company will be subject to the top-up tax rules for its financial year beginning January 1, 2024. The GMTA did not have a material impact on the Company for the nine months ended September 30, 2024, as none of our current jurisdictions were subject to any material top up tax amount. In accordance with the amendments to IAS 12 “Income Taxes” issued by the IASB on May 23, 2023, the Company has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when incurred.

7 Earnings Per Share

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

(in thousands of Canadian dollars, except share and per share amounts)	Three months ended September 30, 2024		
	Continuing Operations	Discontinued Operations	Total
Net income (attributable to shareholders of the Company) for the period	\$ 5,606	\$ 7,186	\$ 12,792
Weighted average number of shares outstanding – basic (000s)	65,852	65,852	65,852
Basic EPS	\$ 0.09	\$ 0.11	\$ 0.19
Net income (attributable to shareholders of the Company) for the period	\$ 5,606	\$ 7,186	\$ 12,792
Weighted average number of shares outstanding – diluted (000s)	66,167	66,167	66,167
Diluted EPS	\$ 0.08	\$ 0.11	\$ 0.19

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

(in thousands of Canadian dollars, except share and per share amounts)	Three months ended September 30, 2023		
	Continuing Operations	Discontinued Operations	Total
Net income (attributable to shareholders of the Company) for the period	\$ 16,535	\$ 55,382	\$ 71,917
Weighted average number of shares outstanding – basic (000s)	69,340	69,340	69,340
Basic EPS	\$ 0.24	\$ 0.80	\$ 1.04
Net income (attributable to shareholders of the Company) for the period	\$ 16,535	\$ 55,382	\$ 71,917
Weighted average number of shares outstanding – diluted (000s)	69,994	69,994	69,994
Diluted EPS	\$ 0.24	\$ 0.79	\$ 1.03

(in thousands of Canadian dollars, except share and per share amounts)	For the nine months ended September 30, 2024		
	Continuing Operations	Discontinued Operations	Total
Net income (loss) (attributable to shareholders of the Company) for the period	\$ 14,087	\$ (5,043)	\$ 9,044
Weighted average number of shares outstanding – basic (000s)	66,175	66,175	66,175
Basic EPS	\$ 0.21	\$ (0.08)	\$ 0.14
Net income (loss) (attributable to shareholders of the Company) for the period	\$ 14,087	\$ (5,043)	\$ 9,044
Weighted average number of shares outstanding – diluted (000s)	66,609	66,175	66,609
Diluted EPS ^(a)	\$ 0.21	\$ (0.08)	\$ 0.14

(a) The potentially dilutive instruments for discontinued operations is anti-dilutive and therefore not included in the calculation of EPS.

(in thousands of Canadian dollars, except share and per share amounts)	For the nine months ended September 30, 2023		
	Continuing Operations	Discontinued Operations	Total
Net income (attributable to shareholders of the Company) for the period	\$ 45,845	\$ 64,364	\$ 110,209
Weighted average number of shares outstanding – basic (000s)	69,699	69,699	69,699
Basic EPS	\$ 0.66	\$ 0.92	\$ 1.58
Net income (attributable to shareholders of the Company) for the period	\$ 45,845	\$ 64,364	\$ 110,209
Weighted average number of shares outstanding – diluted (000s)	70,310	70,310	70,310
Diluted EPS	\$ 0.65	\$ 0.92	\$ 1.57

Matr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

8 Share-based and Other Incentive-based Compensation

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

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

(in thousands of Canadian dollars)	Three months ended		Nine months ended	
	September 30,		September 30,	
	2024	2023	2024	2023
Stock option expense	\$ 54	\$ 107	\$ 193	\$ 376
DSU (recovery) expense	(1,412)	(1,795)	217	2,755
RSU expense	392	424	1,437	1,339
SARs expense	200	(569)	635	1,176
CPSU (recovery) expense	(659)	(581)	5,368	10,724
Other plans recovery	—	—	—	(159)
Total Share-based and Other Incentive-based Compensation (Recovery) Expense – Continuing Operations	\$ (1,425)	\$ (2,414)	\$ 7,850	\$ 16,211
CPSU expense	\$ —	\$ (498)	\$ —	\$ 2,238
Total Share-based and Other Incentive-based Compensation Expense – Discontinued Operations	\$ —	\$ (498)	\$ —	\$ 2,238

	Nine months ended September 30, 2024							
	Stock Options without Tandem Share Appreciation Rights (“SARs”)		Stock Options with Tandem Share Appreciation Rights		Restricted Share Units (“RSU”)		Deferred Stock Units (“DSU”)	
	Total Shares	Weighted Average Share Price	Total Shares	Weighted Average Share Price ^(a)	Total Shares	Weighted Average Share Price ^(b)	Total Shares	Weighted Average Share Price ^(b)
Balance Outstanding – Beginning of Period	1,282,198	\$ 19.21	600,345	\$ 3.91	551,377	\$ 9.76	665,787	\$ 14.44
Granted	—	—	—	—	136,846	15.17	57,089	16.02
Exercised	(76,418)	7.56	(35,089)	6.48	(160,696)	9.82	(26,659)	16.53
Cancelled/Forfeited	(219,135)	10.70	(63,274)	8.72	(83,117)	6.72	—	—
Expired	—	—	(80,800)	24.59	(291)	40.48	—	—
Balance Outstanding – End of Period	986,645	\$ 22.00	421,182	\$ 7.50	444,119	\$ 11.95	696,217	\$ 14.49
Exercisable	899,731	\$ 23.55	273,759	\$ 5.97	63,930	\$ 14.25	363,063	\$ 7.64

(a) The weighted average share price refers to the fair value of the underlying shares of the Company on the grant date of the SARs.

(b) RSU and DSU awards do not have an exercise price; their weighted average Share Price is the weighted average trading price of the common shares over the five trading days preceding the grant date.

The fair value of options granted will be amortized to compensation expense over the five-year vesting period of the options. The compensation cost from the amortization of stock options for the nine months ended September 30, 2024 included in selling, general and administrative expenses was \$0.2 million (nine months ended September 30, 2023 – \$0.3 million).

The mark-to-market liability for the stock options with SARs as at September 30, 2024 is \$3.2 million (December 31, 2023 – \$2.5 million), all of which is included in current other liabilities on the condensed interim consolidated balance sheets.

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

The mark-to-market liability for the DSUs as at September 30, 2024 is \$9.9 million (December 31, 2023 – \$10.1 million), all of which is included in current other liabilities on the condensed interim consolidated balance sheet.

The CPSU liability as at September 30, 2024 is \$10.7 million (December 31, 2023 – \$19.9 million), of which \$7.4 million is included in current other liabilities and \$3.3 million in non-current other liabilities on the condensed interim consolidated balance sheet.

9 Supplemental Cash Flow Information

The following table sets forth the supplemental cash flow information on net change in non-cash working capital and foreign exchange for the three and nine months ended September 30:

	Three months ended		Nine months ended	
	September 30, 2024	September 30, 2023	September 30, 2024	September 30, 2023
<i>(in thousands of Canadian dollars)</i>				
Accounts receivable	\$ (1,611)	\$ 1,097	\$ (48,197)	\$ (22,034)
Inventories	(8,789)	2,648	(17,869)	(24,771)
Prepaid expenses	(2,018)	(1,911)	(5,670)	(5,672)
Contract assets	(444)	(277)	(1,346)	(13)
Contract liabilities	(987)	(693)	(1,347)	(428)
Accounts payable and accrued liabilities, income taxes, and other liabilities	(2,478)	3,874	15,024	16,444
Foreign exchange losses and other	1,694	(18,620)	(4,742)	9,299
Total change in non-cash working capital from continuing operations	\$ (14,633)	\$ (13,882)	\$ (64,147)	\$ (27,175)

10 Long-term Debt and Credit Facilities

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

	September 30, 2024	December 31, 2023
<i>(in thousands of Canadian dollars)</i>		
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

(a) The Senior Notes includes initial redemption option of \$3.9 million

Credit Facilities

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

	September 30, 2024	December 31, 2023
<i>(in thousands of Canadian dollars)</i>		
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

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

The Company was in full compliance with financial covenants on both long-term debt and credit facilities as at September 30, 2024.

Credit Facility Renewal

On April 22, 2024, the Company renewed the Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and HSBC Bank Canada, JP Morgan Chase Bank, ATB Financial and Export Development Bank as lenders to further extend the maturity date to April 19, 2028. Under the amendment, the Company is required to maintain an Interest Coverage Ratio of not less than 2.50:1.00 and a Secured Net Debt to Adjusted EBITDA covenant of not greater than 3.00:1.00. The Company will pay a floating interest rate on this Credit Facility that is a function of the Company's Net Debt to EBITDA and other adjustments. For calculating the Secured Leverage Ratio, Secured Net Debt excludes the Senior Notes and the first \$100 million of performance and bid bond letters of credit and all standard letters of credit that are guaranteed by Export Development Canada ("EDC"). The Company incurred fees and expenses of \$1.1 million to implement this renewal.

Senior Notes

On April 2, 2024, the Company closed its private offering (the "2024 Notes Offering") of \$175 million aggregate principal amount of 7.25% senior unsecured notes (the "2024 Senior Notes") due 2031. The 2024 Senior Notes were issued at a price of \$1,000 per \$1,000 principal amount of 2024 Senior Notes. The Company utilized proceeds of the 2024 Notes Offering to fund the redemption of its outstanding 2021 Senior Notes, and to pay related fees and expenses and for general corporate purposes. The 2024 Notes Offering was underwritten by a syndicate led by National Bank Financial and TD Securities. The Company incurred and paid \$4.5 million fees and expenses on issuing the 2024 Senior Notes and \$6.8 million cost associated with redemption of its 2021 Senior Notes.

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

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

<u>Date</u>	<u>Percentage</u>
April 2, 2027	103.625%
April 2, 2028	101.813%
April 2, 2029 and thereafter	100.00%

The redemption features described above constitute an embedded derivative which was separately recognized at its fair value of \$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.

11 Share capital

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

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

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

In the first nine months of 2024, the Company repurchased for cancellation a total of 1.5 million of its common shares for an aggregated repurchase price of approximately \$22.7 million (including \$7.6 million par value adjustment) at a weighted average price of approximately \$15.44 per common share. A portion of these repurchases was settled subsequent to the quarter. On September 30, 2024 the Company initiated the application of an automatic repurchase plan ("ASPP") applicable between October 3 and November 14, 2024, which represents a potential maximum obligation of \$15.3 million. The Company has recorded this obligation and the corresponding reduction in share capital.

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

(all dollar amounts in thousands of Canadian dollars)

Number of shares

Balance – December 31, 2023	66,230,182
Issued on exercise of stock options	111,507
Issued on exercise of RSUs	160,696
Purchase – NCIB	(1,470,698)
Balance – September 30, 2024	65,031,687

Stated value

Balance – December 31, 2023	\$	681,865
Issued – stock options		806
Compensation cost on exercised options		222
Compensation cost on exercised RSUs		1,572
Purchase - NCIB		(15,137)
Share repurchase – ASPP		(15,301)
Balance – September 30, 2024	\$	654,027

12 Subsequent Event

Subsequent to the quarter, the Company (through a 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 100% 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.