

Mattr Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis ("MD&A"), prepared as of August 13, 2025, is a discussion of the consolidated financial position and results of operations of Mattr Corp. ("Mattr" or the "Company") for the three and six months ended June 30, 2025 and 2024 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, 2024 and 2023 (the "2024 Annual MD&A") and audited consolidated financial statements for the year ended December 31, 2024 (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.

The financial information reported herein has been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, in particular IAS 34 "Interim Financial Reporting", which are also Generally Accepted Accounting Principles ("GAAP") for publicly accountable enterprises in Canada.

The Company is reporting as "Continuing Operations" its Connection Technologies and Composite Technologies reporting segments. The results of the Company's pipe coating subsidiary, Thermotite do Brasil ("Thermotite"), are being reported as Discontinued Operations for the period during which the subsidiary remained under its ownership, up to and including June 4, 2025. See Sections 1.1 - Core Business and 1.2 - Discontinued Operations for further discussion on revised reporting.

Forward-Looking Information

This document includes certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward-looking information involves estimates, assumptions, judgements and uncertainties. These statements may be identified by the use of forward-looking terminology such as "may", "will", "should", "anticipate", "expect", "believe", "predict", "estimate", "continue", "intend", "plan" and variations of these words or other similar expressions. Specifically, this document includes forward-looking information in the Outlook Section and elsewhere in respect of, among other things: the ability of the Company to deliver higher returns to all shareholders; the Company's ability to deliver customer and shareholder value expansion; the timing for the finalization of net working capital adjustments for the sale of Thermotite to Vallourec; the impact of tariffs implemented by the U.S. administration; the increased production from the Company's new and upgraded facilities and the value provided by such facilities; the efficient onboarding of AmerCable following its acquisition; revenue and Adjusted EBITDA in the third quarter of the year; Shawflex and AmerCable branded wire and cable revenue in the third quarter of 2025; the level and volatility of copper prices and its impact on gross margins; the effectiveness of the Company's mitigation efforts for the impact of copper price volatility; business profitability in the Shawflex, AmerCable, DSG-Canusa, Flexpipe and Xerxes businesses; anticipated modernization, expansion and optimization ("MEO") expenses and revenue mix; deliveries into mining and energy applications and industrial and infrastructure applications; the favourable evolution of production from the new Shawflex facility in Vaughan over the remaining course of 2025 and into 2026; sales of DSG-Canusa products in the third quarter of 2025; the offset of lower activity from certain automotive customers by new customer capture and new product introduction; continued hiring and training efforts at the Company's recently established DSG-Canusa Ohio site; enhance site performance at the DSG-Canusa Ohio site over the remainder of 2025 and anticipated timing for normalized levels of efficiency at such site; North American Flexpipe customer activity throughout the second half of 2025; the timing for new, large international project activity; sales of Flexpipe products in the third quarter of 2025; improved efficiency at the Flexpipe manufacturing site in Texas; timing for normalized levels of efficiency at the Flexpipe manufacturing site in Texas; sales of Xerxes fuel and water products in the third quarter of 2025; Xerxes customer activity; the impact of favourable ground conditions on Xerxes fuel and water products; the timing for all Xerxes locations to reach normalized levels of efficiency and overhead absorption; the timing to achieve benefits from expected industrial sector commercial synergies in the AmerCable segment; the amount of additional expenses that will be incurred

related to the acquisition of AmerCable; the expectation that the Company will incur no further costs associated with the non-cash inventory fair value adjustment as part of the AmerCable purchase price; the Company's approach to capital allocation and expected capital deployment, including debt repayment and activity under the Company's normal course issuer bid ("NCIB"); the anticipated total full year capital expenditures; the expectation that company will move back below its target ratio following the acquisition of AmerCable; the Company's focus on maximizing the conversion of operating income into cash; the management of long-term debt; and the exploration of organic and inorganic investment opportunities.

Forward-looking information involves known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted by the forward-looking information. Readers are cautioned not to place undue reliance on forward-looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward-looking information. Significant risks facing the Company include but are not limited to the risks and uncertainties described herein under "Risks and Uncertainties" and in the Company's Annual Information Form ("AIF") under "Risk Factors".

These statements of forward-looking information are based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments as well as other factors believed to be reasonable and relevant in the circumstances. These assumptions include those in respect of: the scale and duration of North American trade tariffs; expectations for demand for the Company's products; sales trends for the Company's products; North American onshore oilfield customer spending; the Company's ability to increase efficiency in its newly established manufacturing facilities; the effectiveness of modernization, expansion and optimization efforts; the Company's cash flow generation and growth outlook; activity levels across the Company's business segments; the Company's ability to manage supply chain disruptions and other business impacts caused by, among other things, current or future geopolitical events, conflicts, or disruptions, such as the conflict in Ukraine and related sanctions on Russia; the impact of the Russia and Ukraine conflict on the Company's demand for products and the strength of its and its customers supply chains; the current Israel-Palestine conflict; the impact of changing interest rates and levels of inflation; regular, seasonal impacts on the Company's businesses, including in the fiberglass reinforced plastic ("FRP") tanks business and composite pipe business; expectations regarding the Company's ability to attract new customers and develop and maintain relationships with existing customers; the continued availability of funding required to meet the Company's anticipated operating and capital expenditure requirements over time; consistent competitive intensity in the business in which the Company operates; no significant or unexpected legal or regulatory developments, other shifts in economic conditions, or macro changes in the competitive environment affecting the Company's business activities; key interest rates remaining relatively stable through the remainder of 2025; the accuracy of the forecast data from the Company's North American convenience store customers; the accuracy of market indicators in determining industry health for AmerCable's products, such as commodity prices, housing starts, and GDP; the impact of federal stimulus packages in the Connection Technologies reporting segment; heightened demand for electric and hybrid vehicles and for electronic content within those vehicles particularly in the Asia Pacific, Europe and Africa regions; heightened infrastructure spending in Canada, including in respect of commercial and municipal water projects, nuclear plant refurbishment and upgraded communication and transportation networks, communication networks and nuclear refurbishments; sustained health of oil and gas producers; the continued global need to renew and expand critical infrastructure, including energy generation and distribution, electrification, transportation network enhancement and storm management; the Company's ability to execute projects under contract; the Company's continuing ability to provide new and enhanced product offerings to its customers; that the Company will identify and successfully execute on opportunities for acquisitions or investments; the higher level of investment in working capital by the Company; the easing of supply chain shortages and the continued supply of and stable pricing or the ability to pass on higher prices to the Company's customers for commodities used by the Company; the availability of personnel resources sufficient for the Company to operate its businesses; the maintenance of operations by the Company in major oil and gas producing regions; the adequacy of the Company's existing accruals in respect of environmental compliance and in respect of litigation and tax matters and other claims generally; the impact of adoption of artificial intelligence and other machine learning on competition in the industries which the Company operates; the Company's ability to meet its financial objectives; the ability of the Company to satisfy all covenants under its Credit Facility (as defined herein) and other debt obligations and having sufficient liquidity to fund its obligations and planned initiatives; and the availability, commercial viability and scalability of the Company's greenhouse gas emission reduction strategies and related technology and products,

and the anticipated costs and impacts on the Company's operations and financial results of adopting these technologies or strategies. The Company believes that the expectations reflected in the forward-looking information are based on reasonable assumptions in light of currently available information. However, should one or more risks materialize, or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking information included in this document and the Company can give no assurance that such expectations will be achieved.

When considering the forward-looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not assume the obligation to revise or update forward-looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

To the extent any forward-looking information in this document constitutes future oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks noted above and below.

1.0 Executive Overview

Mattr is a growth-oriented, global materials technology company broadly serving critical infrastructure markets, including transportation, communication, water management, energy and electrification. The Company operates through a network of manufacturing facilities within two business segments: Connection Technologies and Composite Technologies, which enable responsible renewal and enhancement of critical infrastructure.

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

1.1 Core Businesses

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

Connection Technologies

The Connection Technologies reporting segment consists of the Connection Technologies business unit (which includes the Shawflex, DSG-Canusa and AmerCable® brands) and accounted for 55% and 57% of the Continuing Operations revenue for the three and six months ended June 30, 2025, respectively.

Composite Technologies

The Composite Technologies reporting segment consists of the Composite Technologies business unit (which includes the Flexpipe® and Xerxes® brands) and accounted for 45% and 43% of the Continuing Operations revenue for the three and six months ended June 30, 2025, respectively.

Financial and Corporate

The Financial and Corporate 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 Connection Technologies or the Composite Technologies reporting segments.

1.2 Discontinued Operations

Following the sale of a substantial majority of the assets of the Company's pipe coating business to Tenaris S.A. in late 2023, the Company completed the sale of its remaining pipe coating subsidiary, Thermotite, to Vallourec Tubular Solutions Ltda., a subsidiary of Vallourec S.A., on June 4, 2025. The transaction represents the Company's full exit from the pipe coating business. The Company received aggregate proceeds of US\$37.4 million (\$51.0 million CAD at current exchange rates) which include the agreed-upon purchase price of US\$17.5 million (\$23.8 million CAD at current exchange rates) and initial working capital estimates which included cash of US\$17.6 (\$24.2 million CAD at current exchange rates) remaining within the business. The final cash proceeds received by the Company in satisfaction of the contractual purchase price for the sale of Thermotite remains subject to completion of a customary final true up of the estimated working capital calculation as provided in the definitive purchase and sale agreement in respect of the transaction. The Company expects the parties to finalize the net working capital adjustment during the second half of 2025. For financial reporting purposes, Thermotite has been classified as Discontinued Operations in the interim statement of income.

2.0 Financial Highlights

2.1 Selected Financial Information

(in thousands of Canadian dollars except per share amounts and percentages)	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenue	\$ 320,957	\$ 241,267	\$ 641,077	\$ 451,306
Cost of Goods Sold and Services Rendered	238,400	164,588	474,902	314,859
Gross Profit	82,557	76,679	166,175	136,447
Selling, general and administrative expenses	43,903	34,744	85,413	73,924
Research and development expenses	2,825	2,529	5,702	4,922
Foreign exchange losses	8,219	2,515	12,126	4,912
Depreciation and amortization	16,478	9,403	33,361	17,971
Loss on sale of land and other	697	—	697	—
Restructuring costs and other, net	—	325	—	3,526
Income from Continuing Operations	10,435	27,163	28,876	31,192
Finance costs, net	(11,485)	(4,415)	(20,715)	(6,641)
Cost associated with repayment and modification of long-term debt	—	(6,750)	—	(6,750)
(Loss) Income before Income Taxes	(1,050)	15,998	8,161	17,801
Income tax expense (recovery)	2,666	5,187	(36,192)	9,135
Net (Loss) Income from Continuing Operations	(3,716)	10,811	44,353	8,666
Net (Loss) Income from Discontinued Operations	(3,269)	(8,735)	1,388	(12,229)
Net (Loss) Income	\$ (6,985)	\$ 2,076	\$ 45,741	\$ (3,563)
Total Net (Loss) Income attributable to:				
Shareholders of the Company	\$ (6,985)	\$ 2,094	\$ 45,741	\$ (3,748)
Non-controlling interests	—	(18)	—	185
Net (Loss) Income	\$ (6,985)	\$ 2,076	\$ 45,741	\$ (3,563)
(Loss) Earnings per Share				
Basic	\$ (0.11)	\$ 0.03	\$ 0.73	\$ (0.06)
Diluted	\$ (0.11)	\$ 0.03	\$ 0.73	\$ (0.06)
Total Adjusted EPS ^(a)				
Basic	\$ 0.12	\$ 0.32	\$ 0.46	\$ 0.48
Diluted	\$ 0.12	\$ 0.31	\$ 0.46	\$ 0.48
Adjusted EBITDA from Continuing Operations ^(a)	\$ 42,452	\$ 40,396	\$ 89,006	\$ 66,223
Adjusted EBITDA Margin from Continuing Ops (%) ^(a)	13.2%	16.7%	13.9%	14.7%
Adjusted EBITDA from Discontinued Operations ^(a)	\$ (3,086)	\$ 2,428	\$ 4,391	\$ 6,670
Adjusted EBITDA Margin from Discontinued Ops (%) ^(a)	-181.9%	19.3%	17.6%	24.7%
Total Adjusted EBITDA from Operations ^(a)	\$ 39,366	\$ 42,824	\$ 93,397	\$ 72,893
Total Adjusted EBITDA Margin from Operations (%) ^(a)	12.2%	16.9%	14.0%	15.2%

(a) Adjusted EBITDA, Adjusted EBITDA margins and Adjusted EPS are non-GAAP measures. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. See “Section 9.0 – 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		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(Canadian dollars)				
U.S. dollar	1.3854	1.3665	1.4154	1.3562
Euro	1.5701	1.4720	1.5397	1.4658
British Pounds	1.8524	1.7256	1.8342	1.7150
Brazilian Reals	0.2449	0.2635	0.2451	0.2679

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

(in thousands of Canadian dollars)	Q2 2025 vs Q2 2024	Q2 YTD 2025 vs Q2 YTD 2024
Revenue from Continuing Operations	\$ 4,954	\$ 22,527
Income from Continuing Operations	\$ 143	\$ 289
Net Income (attributable to shareholders of the Company)	\$ (211)	\$ 1,359

In addition to the translation impact noted above, the Company recorded a foreign exchange loss from Continuing Operations of \$8.2 million in the second quarter of 2025, compared to a foreign exchange loss of \$2.5 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 economic 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		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Connection Technologies	\$ 176,517	\$ 88,758	\$ 363,863	\$ 179,515
Composite Technologies	144,440	152,509	277,214	271,791
Revenue - Continuing Operations	\$ 320,957	\$ 241,267	\$ 641,077	\$ 451,306

Second quarter 2025 versus Second quarter 2024

Revenue in the second quarter of 2025 was \$321.0 million, an increase of \$79.7 million, or 33.0%, from the \$241.3 million in the second quarter of 2024. The increase in revenue reflects an increase of \$87.8 million in the Connection Technologies segment partially offset by a decrease of \$8.1 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.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Revenue in the six months ended June 30, 2025 was \$641.1 million, an increase of \$189.8 million, or 42.0% from the \$451.3 million in the six months ended June 30, 2024. The increase in revenue reflects an increase of \$184.3 million in the Connection Technologies segment and an increase of \$5.4 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.

Income from Continuing Operations (“Operating Income”)

The following table sets forth the gross profit, gross margin, operating income, operating margin, Adjusted EBITDA¹ and Adjusted EBITDA margin¹ from Continuing Operations, for the following periods:

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Gross profit	\$ 82,557	\$ 76,679	\$ 166,175	\$ 136,447
Gross margin	25.7%	31.8%	25.9%	30.2%
Operating income ^(a)	\$ 10,435	\$ 27,163	\$ 28,876	\$ 31,192
Operating margin ^(b)	3.3%	11.3%	4.5%	6.9%
Adjusted EBITDA ^(b)	\$ 42,452	\$ 40,396	\$ 89,006	\$ 66,223
Adjusted EBITDA margin ^(b)	13.2%	16.7%	13.9%	14.7%

- (a) Operating income for the three months ended June 30, 2025, includes no restructuring costs and other, net, while operating income for the three months ended June 30, 2024, includes \$0.3 million restructuring costs and other, net. Operating income for the six months ended June 30, 2025 includes no restructuring costs and other, net, while operating income for the six months ended June 30, 2024 includes \$3.5 million 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 9.0 – Reconciliation of Non-GAAP Measures*” for further details and a reconciliation of these non-GAAP measures.

Second quarter 2025 versus Second quarter 2024

The Company recorded a gross profit of \$82.6 million in the second quarter of 2025, an increase of \$5.9 million or 7.7% compared to the second quarter of 2024. The increase in gross profit reflects an increase of \$16.2 million in the Connection Technologies segment offset by a \$10.4 million decrease in the Composite Technologies segment. The increase was driven by the overall increase in revenue discussed above, driven primarily by the addition of AmerCable and higher sales of Xerxes fuel and water products, partially offset by lower international sales of Flexpipe products and lower shipments of Shawflex wire and cable products during the final relocation of the business's Canadian production footprint, which was completed during the quarter. Gross margin declined during the quarter as a result of a less favorable product mix along with higher levels of under absorption of overheads in certain manufacturing locations. Gross margin in the second quarter of 2025 included non-capitalizable North American production footprint MEO costs² of \$1.3 million, compared to no such impact in the prior year period. Additionally, the gross margin for the second quarter of 2025 included \$2.6 million in costs associated with the non-cash inventory fair value adjustment as part of the AmerCable purchase price allocation accounting.

- 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 9.0 – Reconciliation of Non-GAAP Measures*” for further details and a reconciliation of these non-GAAP measures.
- 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 9.0 – Reconciliation of Non-GAAP Measures*” for further details and a definition of these non-GAAP and other financial measures, and a reconciliation of non-GAAP measures.

The Company's selling, general and administrative ("SG&A") expenses increased by \$9.2 million in the second quarter of 2025 compared to the second quarter of 2024. This increase was primarily driven by an increase in compensation-related expenses of \$7.3 million mainly due to the acquisition of AmerCable and an increase of \$3.0 million in building and equipment costs. The above-mentioned SG&A expenses included \$6.0 million in MEO costs related to the Company's MEO strategy, compared to \$8.0 million of MEO costs in the prior-year period. SG&A expenses for the second quarter of 2025 also included \$0.8 million in costs associated with the AmerCable acquisition which are added back for the calculation of Adjusted EBITDA.

Operating income in the second quarter of 2025 was \$10.4 million, compared to an operating income of \$27.2 million in the second quarter of 2024. The \$16.8 million decrease is mainly driven by the above-mentioned increase of \$9.2 million in SG&A expenses, an increase of \$7.1 million in depreciation and amortization, and an increase of \$5.7 million in foreign exchange losses, partially offset by an increase of \$5.9 million in gross profit as mentioned above.

Adjusted EBITDA was \$42.5 million in the second quarter of 2025 compared to \$40.4 million in the second quarter of 2024. See "*Section 9.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

The Company recorded a gross profit of \$166.2 million in the six months ended June 30, 2025, which is a \$29.7 million increase or 21.8% compared to the six months ended June 30, 2024. The increase in gross profit reflects a \$37.3 million increase in the Connection Technologies segment, partially offset by a decrease of \$7.6 million in the Composite Technologies segment. This was primarily driven by the addition of the AmerCable business at the start of the year, partially offset by a 4.3 percentage point decrease in gross margin. Gross margin declined during the period as a result of a less favorable sales mix along with higher levels of under absorption of overheads in certain manufacturing locations along with higher freight costs associated with US tariff mitigation efforts. During the six months ended June 30, 2025, the Company incurred non-capitalizable MEO project costs of \$2.6 million, which are included in its reported gross margin, while minimal MEO project costs within gross margin were incurred in the prior year period. Additionally, the gross margin for the six months ended June 30, 2025 also included \$6.8 million in costs associated with the non-cash inventory fair value adjustment as part of the AmerCable purchase price accounting.

The Company's SG&A expenses of \$85.4 million in the six months ended June 30, 2025 represent an increase of \$11.5 million compared to the same period of the prior year. This increase is mainly attributable to the inclusion of AmerCable's financial results compared to the prior year and includes an increase of \$15.5 million in compensation-related expenses and \$7.7 million in legal and other professional fees. This was partially offset by a decrease of \$8.2 million in share-based incentive compensation costs. The Company incurred and included in the SG&A expenses mentioned above, non-capitalizable MEO costs of \$7.4 million during the current period while it incurred \$10.7 million in the prior year period. SG&A expenses for the six months ended June 30, 2025 also included \$6.1 million in costs associated with the AmerCable acquisition which are added back for the calculation of Adjusted EBITDA.

Operating income in the six months ended June 30, 2025 was \$28.9 million compared to an operating income of \$31.2 million in the six months ended June 30, 2024. The \$2.3 million decrease was primarily driven by increases of \$15.4 million in depreciation and amortization expenses, \$11.5 million in SG&A as explained above and \$7.2 million in foreign exchange losses, offset by an increase of \$29.7 million in gross profit and the absence of \$3.5 million in restructuring costs and other, net recorded in the same period of 2024.

Adjusted EBITDA was \$89.0 million in the six months ended June 30, 2025 compared to \$66.2 million in the six months ended June 30, 2024. See "*Section 9.0 – Reconciliation of Non-GAAP Measures*" for further details and a reconciliation of this non-GAAP measure.

3.2 Segment Information

3.2.1 Connection Technologies Segment

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
North America	\$ 146,849	\$ 61,754	\$ 304,963	\$ 123,131
Europe, Middle East and Africa (“EMEA”)	25,958	23,055	51,888	48,842
Asia Pacific	3,710	3,949	7,012	7,542
Total Revenue	\$ 176,517	\$ 88,758	\$ 363,863	\$ 179,515
Operating income	\$ 10,530	\$ 14,532	\$ 28,571	\$ 29,075
Operating margin ^(a)	6.0%	16.4%	7.9%	16.2%
Adjusted EBITDA ^(a)	\$ 22,057	\$ 17,232	\$ 52,518	\$ 34,849
Adjusted EBITDA margin ^(a)	12.5%	19.4%	14.4%	19.4%

(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 9.0 – Reconciliation of Non-GAAP Measures” for further details and a reconciliation of these non-GAAP measures.

Second quarter 2025 versus Second quarter 2024

Revenue in the second quarter of 2025 was \$176.5 million, an increase of \$87.8 million compared to the second quarter of 2024. This increase in revenue was primarily due to the inclusion of AmerCable's results in the current period. AmerCable's strong performance across all end markets during the quarter was partially offset by lower sales in Shawflex, which was impacted by temporary disruption during the final relocation of its Canadian manufacturing plant, which is now complete.

Gross profit in the second quarter of 2025 increased by \$16.2 million compared to the second quarter of 2024, mainly driven by the increase in revenue as explained above and partially offset by a 6.1 percentage point decrease in gross margin percentage. The reduction in gross margin percentage was the result of a less favourable product mix and the impact of non-capitalizable MEO costs of \$1.3 million recorded in cost of goods sold, compared to minimal MEO costs in the prior year period. Additionally, the gross margin for the second quarter of 2025 included \$2.6 million in costs associated with the non-cash inventory fair value adjustment as part of the AmerCable purchase price accounting.

SG&A expenses in the second quarter of 2025 were \$23.4 million, an increase of \$13.8 million when compared to \$9.7 million in the second quarter of 2024, primarily driven by a \$7.2 million increase in compensation-related expenses, mainly associated with the inclusion of AmerCable's financial results along with non-capitalizable MEO costs of \$6.0 million attributable to support of the relocation of the segment's North American footprint (MEO costs of \$0.7 million were incurred in the prior year period). SG&A expenses for the second quarter of 2025 included \$0.6 million in costs associated with the AmerCable acquisition which are added back for the calculation of Adjusted EBITDA.

Operating income in the second quarter of 2025 was \$10.5 million compared to \$14.5 million in the second quarter of 2024. This decrease of \$4.0 million in operating income is primarily attributable to the increase of \$13.8 million in SG&A expenses as explained above, along with increases of \$5.0 million in depreciation and amortization primarily driven by the addition of AmerCable. This was partially offset by an increase of \$16.2 million of gross profit as mentioned above.

Adjusted EBITDA in the second quarter of 2025 was \$22.1 million compared to \$17.2 million in the second quarter of 2024. See “*Section 9.0 – Reconciliation of Non-GAAP Measures*” for further details and a reconciliation of this non-GAAP measure.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Revenue in the six months ended June 30, 2025 increased by \$184.3 million, or 102.7%, compared to the six months ended June 30, 2024. This increase in revenue was primarily due to the inclusion of AmerCable's results following its acquisition in January 2025. AmerCable's strong performance across all end markets during the period was partially offset by lower sales in Shawflex, which was impacted by temporary disruption during the final relocation of its Canadian manufacturing plant, which is now complete.

Gross profit in the six months ended June 30, 2025 increased by \$37.3 million compared to the six months ended June 30, 2024. This is primarily due to the revenue increase explained above, and partially offset by a reduction of 5.3 percentage points in gross margin. The decrease in gross margin was primarily driven by a less favourable sales mix and the impact of non-capitalizable MEO costs of \$2.6 million recorded in cost of goods sold, compared to minimal MEO costs in the prior year period. Additionally, the gross margin for the six months ended June 30, 2025 included \$6.8 million in costs associated with the non-cash inventory fair value adjustment as part of the AmerCable purchase price accounting.

SG&A expenses increased by \$24.4 million compared to the six months ended June 30, 2024, primarily driven by a \$16.4 million increase in compensation-related expenses, mainly associated with the inclusion of AmerCable's financial results along with non-capitalizable MEO costs of \$7.4 million attributable to support of the relocation of the segment's North American footprint (MEO costs of \$1.1 million were incurred in the prior year period). SG&A expenses for the second quarter of 2025 included \$1.6 million in costs associated with the AmerCable acquisition which are added back for the calculation of Adjusted EBITDA.

Operating income in the six months ended June 30, 2025 was \$28.6 million, which is relatively flat compared to \$29.1 million in the six months ended June 30, 2024. The increase of \$37.3 million in gross profit was offset by the \$24.4 million increase in SG&A expenses as explained above along with increases of \$10.9 million in depreciation and amortization and \$1.8 million in research and development expenses.

Adjusted EBITDA in the six months ended June 30, 2025 was \$52.5 million compared to \$34.8 million in the six months ended June 30, 2024. See “*Section 9.0 – Reconciliation of Non-GAAP Measures*” for further details and a reconciliation of this non-GAAP measure.

3.2.2 Composite Technologies Segment

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
North America	\$ 143,769	\$ 152,053	\$ 274,487	\$ 270,248
Europe, Middle East and Africa (“EMEA”)	671	456	2,561	1,543
Asia Pacific	—	—	166	—
Total Revenue	\$ 144,440	\$ 152,509	\$ 277,214	\$ 271,791
Operating income ^(a)	\$ 16,157	\$ 20,456	\$ 28,964	\$ 24,473
Operating margin ^(b)	11.2%	13.4%	10.4%	9.0%
Adjusted EBITDA ^(b)	\$ 24,867	\$ 27,511	\$ 45,905	\$ 42,519
Adjusted EBITDA margin ^(b)	17.2%	18.0%	16.6%	15.6%

- (a) Operating income for the three months ended June 30, 2025, includes no restructuring costs and other, net, while operating income for the three months ended June 30, 2024, includes \$0.3 million restructuring costs and other, net. Operating income for the six months ended June 30, 2025, includes no restructuring costs and other, net, while operating income for the six months ended June 30, 2024, includes \$3.5 million 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 9.0 – Reconciliation of Non-GAAP Measures” for further details and a reconciliation of these non-GAAP measures.

Second quarter 2025 versus Second quarter 2024

Revenue in the second quarter of 2025 decreased by \$8.1 million, or 5.3%, compared to the second quarter of 2024. This decrease was primarily attributable to a decline in sales of composite pipe for ultimate use by international customers within Flexpipe. The specific shipment terms associated with orders ultimately destined for international customers may cause such sales to be recognized as North American revenue. This was partially offset by continued new Flexpipe customer capture in North America, including record quarterly sales of large diameter products, and stronger second quarter Xerxes revenue compared to the prior year period, driven by increased sales of Fiberglass Reinforced Plastic (FRP) tanks for retail fuel applications and growing demand for Hydrochain products in stormwater management.

Gross profit decreased by \$10.4 million compared to the second quarter of 2024, driven by the decline in revenue explained above along with a 5.4 percentage point decline in gross margin. The decrease in gross margin reflects a shift in relative sales mix as Xerxes contributed a larger share of segment revenue compared to the prior year and increased under-absorption of manufacturing overhead costs tied to the segment's newly established production sites.

SG&A expenses in the second quarter of 2025 were \$12.7 million, a decrease of \$7.2 million compared to \$19.8 million recorded in the same period of the prior year. The decrease is mainly attributable to a reduction of \$1.2 million in compensation-related expenses and the absence of non-capitalizable MEO costs as the new production facilities for Flexpipe and Xerxes are now operational. The same period of the prior year included \$7.3 million in non-capitalizable MEO costs.

Operating income in the second quarter of 2025 was \$16.2 million compared to an operating income of \$20.5 million in the second quarter of 2024. The \$4.3 million decrease was primarily driven by the \$10.4 million decrease in gross profit discussed above and an increase of \$2.0 million in depreciation and amortization expenses primarily driven by the addition of the new manufacturing facilities. This was partially offset by the \$7.2 million decrease in SG&A expenses explained above.

Adjusted EBITDA in the second quarter of 2025 was \$24.9 million compared to \$27.5 million in the second quarter of 2024. See “*Section 9.0 – Reconciliation of Non-GAAP Measures*” for further details and a reconciliation of this non-GAAP measure.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Revenue in the six months ended June 30, 2025 increased by \$5.4 million, or 2.0% compared to the six months ended June 30, 2024. The increase was primarily driven by stronger US sales of Xerxes fuel products, increased market adoption of Flexpipe’s large-diameter offerings, and higher revenues from Xerxes stormwater management solutions. Compared to the prior year, the segment also benefited - primarily in the first quarter of 2025 - from strategic positioning of finished goods inventory, as customers accelerated purchases in anticipation of potential U.S. tariff implementations. These gains were partially offset by lower sales of composite pipe for ultimate use by international customers within Flexpipe. The specific shipment terms associated with orders ultimately destined for international customers may cause such sales to be recognized as North American revenue.

Gross profit decreased by \$7.6 million compared to the six months ended June 30, 2024. This decrease in gross profit was driven by a reduction of 3.3 percentage points in gross margin, partially offset by the impact of the increase in revenue explained above. The decrease in gross margin reflects a shift in relative sales mix as Xerxes contributed a larger share of segment revenue compared to the prior year. Additionally, the segment was impacted by increased under-absorption of manufacturing overhead costs tied to the segment's newly established production sites and costs associated with the pre-positioning of inventory into the US in anticipation of potential future US tariff implementation.

SG&A expenses decreased by \$12.0 million compared to the six months ended June 30, 2024. This decrease was mainly attributable to a reduction of \$2.3 million in compensation-related expenses, \$2.0 million in long-term share-based incentive compensation and the absence of non-capitalizable MEO costs as the new production facilities for Flexpipe and Xerxes are now operational. The same period of the prior year included \$9.6 million of non-capitalizable MEO costs.

Operating income in the six months ended June 30, 2025 was \$29.0 million compared to \$24.5 million in the six months ended June 30, 2024. The \$4.5 million increase was primarily due to the decrease of \$12.0 million in SG&A expenses as explained above and the absence of \$3.5 million in restructuring costs and other, net during the six months ended June 30, 2024. This was partially offset by a \$7.6 million decrease in gross profit, also discussed above, and an increase of \$4.3 million in depreciation and amortization expenses largely associated with the new production facilities for Flexpipe and Xerxes that are now operational.

Adjusted EBITDA in the six months ended June 30, 2025 was \$45.9 million compared to \$42.5 million in the six months ended June 30, 2024. See “*Section 9.0 – 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 interim financial statements represents operating income, property, plant and equipment, and corporate office costs that are not allocated to the Connection Technologies or Composite Technologies segments. The corporate division of the Company occasionally earns revenue that is considered incidental to the activities of the Company. As a result, it does not meet the definition of a reportable operating segment as defined under IFRS.

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Operating loss	\$ (16,252)	\$ (7,825)	\$ (28,659)	\$ (22,356)
Adjusted EBITDA ^(a)	\$ (4,472)	\$ (4,347)	\$ (9,417)	\$ (11,145)

(a) Adjusted EBITDA is a 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 9.0 – Reconciliation of Non-GAAP Measures" for further details and a reconciliation of these non-GAAP measures.

Second quarter 2025 versus Second quarter 2024

Operating loss in the three months ended June 30, 2025, was \$16.3 million compared to a \$7.8 million operating loss for the three months ended June 30, 2024. The \$8.4 million increase in loss primarily reflects increases of \$5.7 million in foreign exchange losses and \$2.6 million in SG&A expenses. The increase in SG&A expenses in the second quarter of 2025 was primarily due to increases of \$1.8 million in long-term share-based incentive compensation and \$1.2 million in compensation-related expenses. The year-over-year rise in compensation-related expenses were primarily the result of a compensation expense credit in the second quarter of the prior year which did not recur.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Operating loss in the six months ended June 30, 2025 was \$28.7 million compared to a \$22.4 million operating loss for the six months ended June 30, 2024. The \$6.3 million increase in loss reflects an increase of \$7.2 million in foreign exchange losses. SG&A expenses were relatively flat from the same period last year. SG&A expenses reflect an increase of \$5.6 million in legal and other professional fees, an increase of \$1.4 million in compensation-related expenses and a decrease of \$4.5 million in long-term share-based incentive compensation. A total of \$4.5 million of legal and other professional fees were incurred in support of the acquisition of AmerCable and are added back for the calculation of Adjusted EBITDA.

3.3 Other Consolidated Information

Finance costs, Net

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Interest income on short-term deposits	\$ (207)	\$ (3,493)	\$ (595)	\$ (7,094)
Interest expense, other	1,008	2,125	1,827	3,229
Interest expense on long-term debt	8,086	3,228	14,233	6,594
Interest expense on lease liabilities	2,598	2,555	5,250	3,912
Finance costs, net	\$ 11,485	\$ 4,415	\$ 20,715	\$ 6,641

Second quarter 2025 versus Second quarter 2024

For the second quarter of 2025, net finance costs were \$11.5 million, compared to \$4.4 million in the second quarter of 2024. The increase in net finance costs was driven by the servicing of debt incurred to finance the acquisition of AmerCable combined with lower interest income on decreased cash balances.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

For the six months ended June 30, 2025, net finance costs were \$20.7 million, compared to \$6.6 million in the six months ended June 30, 2024. The increase in net finance costs was driven by the servicing of debt incurred to finance the acquisition of AmerCable, combined with interest on new lease liabilities in support of the North American footprint expansion in the Composite Technologies and Connection Technologies segments and lower interest income on decreased cash balances.

Income Taxes

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Income tax expense (recovery) from Continuing Operations	\$ 2,666	\$ 5,187	\$ (36,192)	\$ 9,135

Second quarter 2025 versus Second quarter 2024

The Company recorded an income tax expense from Continuing Operations of \$2.7 million (-254% of loss before income taxes) for the quarter ended June 30, 2025, compared to an income tax expense from Continuing Operations of \$5.2 million (32% of income before income taxes) during the quarter ended June 30, 2024. The effective tax rate for the second quarter of 2025 varied from the Company's statutory income tax rate of 25% primarily due to the unrecognized benefit of losses and the mix of jurisdictions where the income was earned.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

The Company recorded an income tax recovery from Continuing Operations of \$36.2 million (-443% of income before income taxes) for the six months ended June 30, 2025, compared to an income tax expense from Continuing Operations of \$9.1 million (51% of income before income taxes) during the six months ended June 30, 2024. The effective tax rate for the first six months of 2025 varied from the Company's statutory income tax rate of 25% primarily due to recognition of previously unrecognized deferred tax assets due to the AmerCable acquisition, partially offset by the unrecognized benefit of losses and the mix of jurisdictions where the income was earned.

3.4 Discontinued Operations

On June 4, 2025, the Company completed the sale of its remaining pipe coating subsidiary, Thermotite, to Vallourec S.A. Thermotite is presented as Discontinued Operations.

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Latin America	\$ 1,697	\$ 12,590	\$ 24,998	\$ 27,012
Total Revenue	\$ 1,697	\$ 12,590	\$ 24,998	\$ 27,012
Operating (loss) income	\$ (3,092)	\$ 1,449	\$ 4,401	\$ 5,145
Operating margin ^(a)	-182.2%	11.5%	17.6%	19.0%
Adjusted EBITDA ^(a)	\$ (3,086)	\$ 2,428	\$ 4,391	\$ 6,670
Adjusted EBITDA margin ^(a)	-181.9%	19.3%	17.6%	24.7%

(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 9.0 – Reconciliation of Non-GAAP Measures” for further details and a reconciliation of these non-GAAP measures.

Second quarter 2025 versus Second quarter 2024

Total revenue from Discontinued Operations in the second quarter of 2025 was \$1.7 million, a decrease of \$10.9 million compared to the prior period of 2024. This was primarily due to a lower volume of pipe coating projects executed compared to the prior period, as well as the absence of one month of revenue from the Thermotite business which was sold effective June 4, 2025. Gross profit decreased by \$4.6 million when compared to the same period of 2024, primarily attributable to decreased revenue as mentioned above. For the three months ended June 30, 2025, operating loss was \$3.1 million compared to \$1.4 million in income for the three months ended June 30, 2024. Adjusted EBITDA in the second quarter of 2025 was a loss of \$3.1 million compared to \$2.4 million in income in the second quarter of 2024. See “Section 9.0 – Reconciliation of Non-GAAP Measures” for further details and a reconciliation of this non-GAAP measure.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Total revenue from Discontinued Operations for the six months ended June 30, 2025 was \$25.0 million, a decrease of \$2.0 million from \$27.0 million in the prior period of 2024. This was primarily due to lower pipe coating activity during the period and the absence of one month of revenue from the Thermotite business which was sold effective June 4, 2025. Gross profit decreased by \$1.4 million when compared to the same period of 2024, mainly attributable to the lower revenue noted above. The operating income for the six months ended June 30, 2025 was \$4.4 million, compared to \$5.1 million in the same period of 2024. Adjusted EBITDA in the six months ended June 30, 2025 was \$4.4 million compared to \$6.7 million in the six months ended June 30, 2024. See “Section 9.0 – Reconciliation of Non-GAAP Measures” for further details and a reconciliation of this non-GAAP measure.

4.0 Outlook

Subsequent to the quarter, the US government announced a 50% tariff on imports of a range of copper-related products. Copper and copper-derivative products are the single largest material input cost for the Company, primarily within the wire and cable businesses of its Connection Technologies segment. While the Company is exploring various strategies to mitigate the impact of these tariffs, it anticipates these tariffs are likely to increase the Company's input costs and raise the total cost paid by US customers for the Company's wire and cable products.

Possible changes in customer purchasing patterns tied to the cost implications of these newly announced US tariffs are not yet clear.

The Company acknowledges that extreme uncertainty exists regarding the magnitude and duration of tariffs impacting the movement of goods between the US and other countries, and the business and economic consequences arising from such tariffs. The Company currently manufactures products in the US and/or Canada that are sold cross-border in all of its business units and imports raw materials and component parts for the production of its products. The Company also sources raw materials from other countries that are currently subject to or may in the future become subject to tariffs by the United States and/or Canadian governments. The Company continues to diversify its supply chain and has secured sources based in several different countries for a majority of its raw material needs. The Company remains vigilant and prepared to take additional mitigation actions as needed, including raising the selling prices of its products where appropriate. Broad economic uncertainty may also cause customers to pause or cancel investment decisions, which could impact overall near-term demand for the Company's products in certain end markets. See Section 7.0 – Risks and Uncertainties for further information regarding the risks and uncertainties that could affect the Company. The outlook below includes the Company's current visibility of the potential impact of tariffs. Despite near and medium term geopolitical and macroeconomic challenges, the Company remains positive on the long-term outlook and macro drivers for its products.

- The Company has completed its disposition of non-core assets and the Modernization, Expansion and Optimization of its North American production network, resulting in the elimination of MEO costs going forward. Due to the completion of the Company's North American production footprint MEO strategy, the Company intends to discontinue reporting MEO costs in its disclosure beginning with its results from the third quarter of 2025. It continues to ramp production from its new and upgraded facilities towards more normalized levels of operational performance, with a primary focus on delivering value from its restructured operational footprint while also ensuring efficient onboarding of AmerCable following its acquisition.
- The Company currently anticipates Shawflex and AmerCable branded wire and cable revenue in the third quarter of 2025 will be modestly below the second quarter of 2025, although this could vary if changes in copper price or tariffs occur during the period. Business profitability is also expected to be modestly lower sequentially, as the elimination of MEO costs is offset by lower gross margins resulting from a less favorable revenue mix, with lower deliveries into specific mining and energy applications, and newly implemented copper tariff costs, partially offset by higher deliveries into industrial and infrastructure applications. Production from the new Shawflex facility in Vaughan is expected to evolve favorably over the remaining course of 2025 and into 2026. The Company purchases copper and refined copper products in the US and Canada. It is therefore subject to COMEX exchange price volatility, which has increased since the start of the year and is being closely monitored to ensure the impacts arising from any rapid movements are minimized. The Company expects to be impacted by the recently announced US tariffs on certain copper products, which are likely to increase the Company's input costs and raise the total cost paid by US customers for the Company's wire and cable products. Possible changes in customer purchasing patterns tied to the cost implications of these newly announced US tariffs are not yet clear. The Company continues to monitor tariff policies and related impacts, including the potential for reciprocal tariffs levied on certain copper products by the Canadian government, which would also likely have unfavorable impacts on the Company.
- The Company currently anticipates sales of its DSG-Canusa products in the third quarter of 2025 will be similar to the second quarter, as lower activity from certain automotive customers is expected to be offset by new customer capture and new product introduction. Business profitability is expected to improve sequentially, as the impact of MEO costs is eliminated. The business remains focused on hiring and training efforts at its recently established Ohio site, within which workforce proficiency is still being developed. While workforce capabilities and related production efficiencies within this facility progressed slower than anticipated during the second quarter, the Company has taken incremental steps to enhance site performance over the remainder of 2025 and continues to expect it will reach normalized levels of efficiency during 2026.

- The Company currently anticipates North American Flexpipe customer activity will decelerate throughout the second half of 2025 amid tariff uncertainty and lower commodity prices, with large international project activity likely to remain limited until 2026. As a result, the Company currently expects sales of its Flexpipe products in the third quarter of 2025 will be lower than the second quarter of 2025, with a corresponding sequential reduction in business profitability. The recent addition of a second manufacturing site in Texas, which enables increased production of larger diameter products, has caused the business to carry incremental manufacturing under-absorption during the first half of 2025. This inefficiency is expected to evolve favorably over the next several quarters, as workforce proficiency continues to rise, ultimately reaching normalized levels during 2026 as originally anticipated.
- The Company currently anticipates sales of its Xerxes fuel and water products in the third quarter of 2025 will be similar to the second quarter of 2025, as customer activity remains high and ground conditions remain favorable. Business profitability is also expected to be sequentially similar. The Xerxes business has required Mattr's most significant 2025 workforce expansion, including the need to staff its newly established South Carolina site while also rebuilding the workforce across its entire production network following right-sizing activities in prior years, which were taken in response to customer permitting challenges. While workforce proficiency and related production efficiency across Xerxes progressed slower than anticipated during the second quarter, the Company has taken incremental steps to further enhance recruitment, training and competency development across all manufacturing sites, and anticipates gradual performance improvement over the remainder of 2025. The Company continues to expect all locations, including the new facility in South Carolina, will reach normalized levels of efficiency and overhead absorption during 2026.
- The Company has successfully leveraged Shawflex resources to secure early confirmation of US and Canadian customer appetite to utilize AmerCable's medium voltage products in specific industrial applications and continues to anticipate initial, modest benefits from these expected industrial sector commercial synergies during the second half of 2025. Key AmerCable related factors impacting Connection Technologies segment results to date, and going forward, include:
 - The Company incurred approximately \$0.8 million of expenses related to the acquisition of AmerCable in the second quarter, and expects additional expenses of \$1-2 million over the remainder of 2025. These costs are added back for the calculation of Adjusted EBITDA.
 - No further costs associated with the non-cash inventory fair value adjustment as part of AmerCable purchase price accounting are expected. These costs had been added back for the calculation of Adjusted EBITDA in the first and second quarters of 2025.
 - The recognition of intangible assets, including goodwill, customer relationships and trade names as part of the AmerCable purchase price accounting and the corresponding amortization of these assets will impact reported earnings. However, these are non-cash expenses and do not impact the Company's underlying operational performance or cash flow.
- Given the factors discussed above, the Company currently anticipates revenue and Adjusted EBITDA from Continuing Operations in the third quarter of the year will be modestly below the second quarter of 2025.
- While the Company expects to maintain its "all of the above" approach to capital allocation, with the acquisition of AmerCable and its large organic MEO projects completed, the Company's capital deployment in the second half of 2025 is expected to focus more heavily on debt repayment and activity under its NCIB. The Company continues to anticipate total full year capital expenditures will be \$60-\$70 million, with approximately \$15 million of such amount allocated to maintenance capital, and the remaining amounts allocated to growth, including the now-completed MEO projects. Given the elevated geopolitical uncertainty, the Company continues to evaluate market conditions and remains prepared to adjust its capital program and spend as needed.

- The Company has moved above its normal net-debt-to-Adjusted EBITDA ratio target of 2.0 times, including leases, as a result of its acquisition of AmerCable. Through prioritization of debt repayment and cash generation, the Company currently expects to move back below its normal target ratio in 2026.

5.0 Liquidity and Capitalization

Capital Resources

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

As at June 30, 2025, the Company had cash and cash equivalents totaling \$52.9 million (December 31, 2024 – \$502.5 million including restricted cash) and had unutilized lines of credit available for use of \$313.2 million, subject to covenant limitations (December 31, 2024 – \$291.2 million). The cash balance as at June 30, 2025, reflects the payment of \$383.3 million for the acquisition of the AmerCable business, the net repayment of \$36.1 million on its credit facility, investments of \$35.4 million in cash capital expenditures to support planned business expansion initiatives, \$17.5 million of share repurchases and \$12.5 million in repayment of lease liabilities.

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

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

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Net (Loss) Income from Continuing Operations	\$ (3,716)	\$ 10,811	\$ 44,353	\$ 8,666
Depreciation and amortization	16,478	9,403	33,361	17,971
Other non-cash items	4,069	1,919	(38,776)	11,693
Other	(466)	8,989	376	12,417
Net change in non-cash working capital and foreign exchange	(5,725)	(37,660)	(34,587)	(45,600)
Cash provided by (used in) operating activities from Continuing Operations	10,640	(6,538)	4,727	5,147
Cash provided by operating activities from Discontinued Operations	13,417	52	13,436	178
Cash provided by (used in) operating activities	\$ 24,057	\$ (6,486)	\$ 18,163	\$ 5,325
Cash used in investing activities from Continuing Operations	\$ (11,220)	\$ (27,503)	\$ (418,157)	\$ (55,897)
Cash provided by (used in) investing activities from Discontinued Operations	19,528	(37,479)	19,509	(37,605)
Cash provided by (used in) investing activities	\$ 8,308	\$ (64,982)	\$ (398,648)	\$ (93,502)
Cash (used in) provided by financing activities from Continuing Operations	\$ (26,763)	\$ 8,006	\$ (66,560)	\$ 4,066
Cash (used in) provided by financing activities	\$ (26,763)	\$ 8,006	\$ (66,560)	\$ 4,066
Effect of Foreign Exchange on Cash and Cash Equivalents	(5,447)	1,108	(2,574)	3,682
Net Change in Cash and Cash Equivalents	155	(62,354)	(449,619)	(80,429)
Cash, Cash Equivalents and Restricted Cash at Beginning of Period	52,716	315,986	502,490	334,061
Cash and Cash Equivalents at End of Period	\$ 52,871	\$ 253,632	\$ 52,871	\$ 253,632

5.1 Cash Provided by (Used in) Operating Activities

Second quarter 2025 versus Second quarter 2024

Cash provided by operating activities was \$24.1 million in the second quarter of 2025, a change of \$30.5 million compared to the \$6.5 million used in operating activities for the second quarter of 2024. Excluding the impact of Discontinued Operations, the change in cash provided by Continuing Operations is \$17.2 million primarily driven by favorable working capital management and the positive impact from the results of the recently acquired AmerCable business.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Cash provided by operating activities was \$18.2 million for the six months ended June 30, 2025, an increase of \$12.8 million compared to the \$5.3 million provided by operating activities for the six months ended June 30, 2024. Excluding the impact of Discontinued Operations, cash provided by Continuing Operations was relatively flat despite investments in working capital as the Company implemented strategic initiatives during the first quarter in preparation of potential tariffs being implemented by the US and partially offset by the positive impact from the results of the recently acquired AmerCable business.

5.2 Cash Provided by (Used in) Investing Activities

Second quarter 2025 versus Second quarter 2024

Cash provided by investing activities was \$8.3 million in the second quarter of 2025, a change of \$73.3 million compared to the \$65.0 million used in investing activities in the second quarter of 2024. Excluding the impact of cash provided by investing activities for Discontinued Operations, the decrease in cash used in investing activities was \$16.3 million and driven primarily by a reduction of \$17.3 million in property, plant and equipment investments.

Capital Expenditures

As noted above, the Company's purchases of property, plant and equipment for Continuing Operations decreased by \$17.3 million from \$28.6 million for the second quarter of 2024, to \$11.3 million for the second quarter of 2025 as the Company completed its MEO projects. Of the total spend, \$8.5 million was directed to growth capital expenditures, largely related to investments in the new operating facilities to increase production capacity and efficiency for the Connection Technologies segment.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Cash used in investing activities was \$398.6 million for the six months ended June 30, 2025, a change of \$305.1 million compared to the \$93.5 million used in investing activities for the six months ended June 30, 2024. Excluding the impact of cash provided by investing activities for Discontinued Operations, the increase in cash used in investing activities was \$362.3 million. This was primarily driven by the \$383.3 million purchase consideration paid for the AmerCable business and partially offset by a \$23.7 million reduction on investments in property, plant and equipment as the Company completed its MEO projects.

Capital Expenditures

As noted above, the Company's purchases of property, plant and equipment for Continuing Operations decreased by \$23.7 million from \$59.1 million for the six months ended June 30, 2024, to \$35.4 million for the six months ended June 30, 2025. Of the total spend, \$26.5 million was directed to growth capital expenditures, largely related to investments in the new operating facilities to increase production capacity and efficiency for the Connection Technologies segment.

5.3 Cash (Used in) Provided by Financing Activities

Second quarter 2025 versus Second quarter 2024

Cash used in financing activities was \$26.8 million in the second quarter of 2025, a change of \$34.8 million compared to the \$8.0 million cash provided by financing activities in the second quarter of 2024. This change was primarily driven by net repayment of \$14.5 million of long-term debt in the second quarter of 2025 compared to net proceeds of \$18.3 million from borrowings in the second quarter of 2024, along with an increase of \$6.6 million in the Company's NCIB share repurchase program. This was partially offset by a decrease of \$5.6 million in long-term debts finance costs.

Six months ended June 30, 2025 versus Six months ended June 30, 2024

Cash used in financing activities was \$66.6 million for the six months ended June 30, 2025, a change of \$70.6 million compared to the \$4.1 million cash provided by financing activities for the six months ended June 30, 2024. This change was primarily driven by the net repayment of \$36.1 million of long-term debt in the six months ended June 30, 2025 compared to net proceeds of \$18.3 million received from long-term debt in the same period of the prior year, along with increases of \$17.5 million in the Company's NCIB share repurchase program and \$3.4 million in repayments on its lease liabilities. This was partially offset by a decrease of \$5.1 million in long-term debts finance costs.

5.4 Working Capital

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

(in thousands of Canadian dollars)	June 30, 2025	December 31, 2024
Accounts receivable	\$ 199,226	\$ 146,454
Inventory	\$ 208,368	\$ 142,871
Accounts payable and accrued liabilities	\$ 202,172	\$ 172,326

Accounts receivable from Continuing Operations increased by \$52.8 million, or 36.0%, as at June 30, 2025 compared to December 31, 2024. The increase is primarily the result of the acquisition of AmerCable.

Inventories from Continuing Operations increased by \$65.5 million, or 45.8%, as at June 30, 2025 compared to December 31, 2024. The increase is primarily the result of the acquisition of AmerCable.

Accounts payable and accrued liabilities from Continuing Operations increased by \$29.8 million, or 17.3%, as at June 30, 2025 compared to December 31, 2024. The increase is primarily attributable to the acquisition of AmerCable together with timing of purchases and related payments.

5.5 Long-term Debt and Credit Facilities

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

(in thousands of Canadian dollars except ratios)	June 30, 2025	December 31 2024
Credit Facility	\$ 136,431	\$ 179,900
Senior Notes, unsecured ^(a)	308,151	308,348
Redemption option derivative asset	(6,004)	(6,004)
Deferred transaction costs	(9,952)	(11,006)
Total Long-term Debt	\$ 428,626	\$ 471,238
Total Net debt-to-Adjusted EBITDA ^(b)	3.53	1.01
Total Interest Coverage Ratio ^(b)	4.87	7.63

(a) The Senior Notes includes redemption option with a fair value of \$6.0 million and \$2.1 million premium.

(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 measures provided by other companies. See "Section 9.0 – Reconciliation of Non-GAAP Measures".

The Company was in full compliance with financial covenants on both long-term debt and credit facilities as at June 30, 2025.

Credit Facilities

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

(in thousands of Canadian dollars)	June 30, 2025	December 31 2024
Borrowings on Credit Facility	\$ 136,431	\$ 179,900
Standard letters of credit for financial guarantees, performance and bid bonds	28,537	34,213
Total utilized credit facilities	\$ 164,968	\$ 214,113
Total available credit facilities ^{(a)(b)}	478,183	505,302
Unutilized Credit Facilities ^(b)	\$ 313,215	\$ 291,189

(a) The Company guarantees the bank credit facilities of its subsidiaries.

(b) Subject to covenant restrictions.

Credit Facility

On April 19, 2024, the Company entered into a Sixth Amended and Restated Credit Facility with Toronto-Dominion Bank and National Bank Financial as co-lead arrangers and Royal Bank of Canada, JP Morgan Chase Bank, Export Development Bank and ATB Financial as lenders to further extend the maturity date to April 19, 2028. Under the amendment, the Company is required to maintain an Interest Coverage Ratio of not less than 2.50:1.00 and a Secured Net Debt to Adjusted EBITDA covenant of not greater than 3.00:1.00. The Company will pay a floating interest rate on this Credit Facility that is a function of the Company's Net Debt to EBITDA and other adjustments. For calculating the Secured Leverage Ratio, Secured Net Debt excludes the Senior Notes and the first \$100 million of performance and bid bond letters of credit and all standard letters of credit that are guaranteed by Export Development Canada. The Company incurred fees and expenses of \$1.1 million to implement this renewal. As at June 30, 2025, the credit facility has \$136.4 million in borrowings (December 31, 2024 - \$179.9 million).

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 due 2031 (the "2031 Senior Notes"). The 2031 Senior Notes were issued at a price of \$1,000 per \$1,000 principal amount of 2024 Senior Notes. The Company utilized proceeds of the 2024 Notes Offering to fund the redemption of its outstanding 9.00% senior unsecured notes due 2026 (the "2021 Senior Notes"), and to pay related fees and expenses and for general corporate purposes.

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

The 2031 Senior Notes include a redemption feature that constitutes an embedded derivative which was separately recognized at its fair value and recorded in other assets. The Company incurred \$7.0 million of fees and expenses on issuing the 2031 Senior Notes and \$6.8 million costs associated with redemption of its 2021 Senior Notes.

The 2031 Senior Notes are subject to customary terms, conditions and covenants. The Company is in compliance with these covenants at June 30, 2025.

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

The following are the contractual maturities of the Company's purchase commitments and financial liabilities as at June 30, 2025 relating to Continuing Operations:

(in thousands of Canadian dollars)	2025	2026	2027	2028	2029	2030	Thereafter	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Purchase commitments	97,125	4,595	663	283	501	721	14,076	117,964
Accounts payable	102,805	—	—	—	—	—	—	102,805
Long-term debt	—	—	—	136,431	—	—	300,000	436,431
Interest obligations on long-term debt	11,529	21,750	21,750	21,750	21,750	21,750	10,875	131,154
Obligations under leases	7,891	16,414	15,095	14,313	14,263	13,195	229,767	310,938
Common area maintenance obligations under leases	937	1,770	1,696	1,565	1,532	1,142	3,168	11,810
Total contractual obligations	220,287	44,529	39,204	174,342	38,046	36,808	557,886	1,111,102

Purchase Commitments relating to Continuing Operations

The Company has \$86.1 million of future commitments with suppliers to purchase raw materials to be used in production. The Company also has agreements with miscellaneous vendors to perform services, acquire supplies, and rent equipment of \$5.8 million. Additionally, the Company has entered into contracts to purchase property, plant and equipment of \$9.8 million, the majority of which relates to investments in high return potential growth opportunities for the Connection Technologies segment and the Composite Technologies segment including the new production facility in Vaughan, Ontario, which opened this year.

5.7 Financial Instruments and Other Instruments

Financial Risk Management

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

5.8 Outstanding Share Capital

As at August 11, 2025, the Company had 61,504,807 Common Shares outstanding and stock options and share units outstanding to purchase up to 1,755,740 Common Shares.

Share Repurchase under Normal Course Issuer Bid ("NCIB")

On June 26, 2025, 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 "Common Shares"). The renewed NCIB commenced on June 30, 2025 and will terminate one year after its commencement, or earlier if the maximum allowable number of shares are repurchased or the NCIB is terminated earlier at the option of the Company. The previous NCIB terminated on June 4, 2025, the date the maximum purchase limit had been reached.

Pursuant to the NCIB, the Company may purchase for cancellation up to 4,991,584 Common Shares, representing approximately 10% of the Company's public float as at June 16, 2025.

The Company believes that using the NCIB to return capital to its shareholders will increase shareholder value and further the returns of the Company.

Purchases will be made through the TSX or other permitted means (including through alternative trading systems in Canada), at prevailing market prices or as otherwise permitted. The NCIB will be funded by existing cash or available credit 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 68,375 Common Shares, which represents approximately 25% of the average daily trading volume of 273,500 Common Shares of the Company for the six calendar months preceding May 31, 2025.

The actual number of Common Shares which may be purchased pursuant to the NCIB and the timing of any such purchases will be determined by the Company, subject to applicable law and the rules of the TSX and/or the rules of the Other Exchanges, if eligible, to the extent made through such facilities.

In connection with the NCIB, the Company entered into an Automatic Share Purchase Plan ("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 30, 2025.

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 blackout 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. The Company recorded a net \$4.5 million liability to account for the maximum contractual obligation as dictated by the ASPP as at June 30, 2025.

Since the commencement of the Company's current NCIB on June 30, 2025 until July 31, 2025, the Company repurchased for cancellation approximately 0.2 million of its common shares for an aggregate repurchase price of approximately \$1.9 million at a weighted average price of \$12.42 per common share. In the aggregate, since the launch of the Company's initial NCIB on September 26, 2022 until June 30, 2025, the Company repurchased for cancellation approximately 9.9 million of its common shares for an aggregate repurchase price of approximately \$134.5 million at a weighted average price of approximately \$13.55 per common share.

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

5.9 Internal Controls Over Financial Reporting

Management is responsible for establishing and maintaining adequate disclosure controls and procedures and internal control over financial reporting as defined in National Instrument 52-109 Certification of Disclosure in Issuers' Annual and Interim Filings. Internal control, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives and due to its inherent limitations, may not prevent or detect all misrepresentations.

In the first quarter of 2025, the Company successfully transitioned its financial consolidation and reporting process to the OneStream platform as part of ongoing efforts to support growth, enhance efficiency and improve reporting processes. This did not have an impact on the Company's accounting policies or reported results and internal controls were updated to reflect the improved process. For the quarter ended June 30, 2025, the Chief Executive Officer and the Chief Financial Officer concluded that Matt'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 IAS 34, Interim Financial Reporting.

The Company continues its process of aligning AmerCable's Internal Controls over Financial Reporting with its existing control framework. While this integration is ongoing, management remains committed to maintaining a robust internal control environment and will implement any necessary adjustments in future periods as the alignment progresses.

5.10 Transactions with Related Parties

The Company had no material transactions with related parties during the period ended June 30, 2025. All related party transactions were in the normal course of business.

6.0 Summary of Quarterly Results

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

(in thousands of Canadian dollars, except per share amounts)	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Full Year
Revenue					
2025	320,120	320,957	—	—	—
2024	210,039	241,267	226,240	207,771	885,317
2023	227,234	239,932	221,892	191,471	880,529
Income (Loss) from Operations					
2025	18,441	10,435	—	—	—
2024	4,029	27,163	18,345	(9,416)	40,121
2023	27,060	19,939	25,377	(4,262)	68,114
Net Income (Loss) from Continuing Operations ^(a)					
2025	48,069	(3,716)	—	—	—
2024	(2,348)	10,829	5,606	(20,289)	(6,202)
2023	18,233	11,077	16,535	(3,512)	42,333
Net Income (Loss) from Discontinued Operations ^(a)					
2025	4,657	(3,269)	—	—	—
2024	(3,494)	(8,735)	7,186	7,512	2,469
2023	7,006	1,976	55,382	(19,510)	44,854
Net Income (Loss) per share from Continuing Operations					
Basic					
2025	0.77	(0.06)	—	—	—
2024	(0.04)	0.16	0.09	(0.32)	(0.09)
2023	0.26	0.16	0.24	(0.05)	0.61
Diluted					
2025	0.76	(0.06)	—	—	—
2024	(0.04)	0.16	0.08	(0.32)	(0.09)
2023	0.26	0.16	0.24	(0.05)	0.61
Net Income (Loss) per share from Discontinued Operations					
Basic					
2025	0.07	(0.05)	—	—	—
2024	(0.05)	(0.13)	0.11	0.12	0.04
2023	0.10	0.03	0.80	(0.28)	0.65
Diluted					
2025	0.07	(0.05)	—	—	—
2024	(0.05)	(0.13)	0.11	0.12	0.04
2023	0.10	0.03	0.79	(0.28)	0.64

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

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

- The Company's business includes a diverse portfolio of products and services. As such, each operating unit's quarterly results are impacted by different market factors which could result in varying degrees of demand at times. The Company also has a portion of its business, representing 18% of Continuing Operations revenue in the three-month period ended June 30, 2025, tied to the oil and gas industry which experiences volatility based on commodity price fluctuations and operators' capital spending budgets. In addition, certain of the Company's operations in both segments are subject to a degree of seasonality.
- Approximately 76% of the Company's revenue from Continuing Operations in 2024 and 87% of the revenue from Continuing Operations year-to-date in 2025 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 its former Pipeline and Pipe Services (PPS) segment and subsequently classified it as Discontinued Operations. In the third quarter of 2024, the Company reclassified its remaining pipe coating business, Thermotite, as Discontinued Operations, following the signing of a definitive agreement on September 16, 2024, to sell Thermotite to Vallourec S.A. On June 4, 2025, the Company completed the sale of Thermotite. The results of the sold businesses are reported as Discontinued Operations for the period during which the subsidiary remained under the Company's ownership, up to and including the date of the sale. All comparative periods have been restated to reflect this classification.
- 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 was completed in the second quarter of 2025.
- In the first quarter of 2025, the Company completed the acquisition of AmerCable. Effective January 2, 2025, AmerCable's results have been consolidated into Mattr's financial statements, which has contributed to an increase in the financial performance of the Company compared to previous quarters.
- The comparability of the quarterly financial results has been impacted by impairment charges and gain on sale of assets recorded in the various periods. See "*Section 3.0 – Results from Operations*" for further details regarding the impairments and sale of assets recorded.

7.0 Risks and Uncertainties

Operating in an international environment, selling across international borders, and 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 11.0 - Risks and Uncertainties*" in the Company's 2024 Annual MD&A and "*Section 4.16 - Risk Factors*" in the AIF has not materially changed since their respective dates of publication.

8.0 Critical Accounting Judgements, Estimates and Accounting Policy Developments

8.1 Critical judgements

The preparation of the Interim Financial Statements in conformity with IAS 34, Interim Financial Reporting 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 2024 Annual MD&A has not materially changed since its date of publication.

Business combinations are accounted for using the acquisition method of accounting. The allocation of the purchase price requires estimates as to the fair value of acquired assets and liabilities. For material acquisitions, the Company

engages independent appraisers to assist with the determination of the fair value of assets acquired, liabilities assumed, and goodwill, if any, based on recognized business valuation methodologies. The information necessary to measure the fair values as at the acquisition date of assets acquired and liabilities assumed requires management to make certain judgements and estimates, including but not limited to the most appropriate valuation methodology, forecasted sales, cost to produce, royalty rates, tax rates, capital spending, discount rates, and attrition rates.

Changes to the preliminary measurements of assets and liabilities acquired may be retrospectively adjusted when new information is obtained until the final measurements are determined within one year of the acquisition date. The Company determined that the acquisition of AmerCable Incorporated met the requirements to be accounted for as a business combination.

9.0 Reconciliation of Non-GAAP Measures

The Company reports on certain non-GAAP measures that are used to evaluate its performance and segments, as well as to determine compliance with debt covenants and to manage its capital structure. These non-GAAP measures do not have standardized meanings under IFRS and are not necessarily comparable to similar measures provided by other companies. The Company discloses these measures because it believes that they provide further information and assist readers in understanding the results of the Company's operations and financial position. These measures should not be considered in isolation or used in substitution for other measures of performance prepared in accordance with GAAP. The following is a reconciliation of the non-GAAP measures reported by the Company.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is also a non-GAAP measure defined as EBITDA adjusted for items which do not impact day to day operations. Adjusted EBITDA is calculated by adding back to EBITDA the sum of impairments, costs associated with refinancing of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, (gain)/loss on sale of operating unit, acquisition costs, restructuring costs, share-based incentive compensation cost, foreign exchange (gain)/loss and other, net and hyperinflationary adjustments and the impact of transactions that are outside the Company's normal course of business or day to day operations. The Company believes that EBITDA and Adjusted EBITDA are useful supplemental measures that provide a meaningful indication of the Company's results from principal business activities prior to the consideration of how these activities are financed or the tax impacts in various jurisdictions and for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures. The Company presents Adjusted EBITDA as a measure of EBITDA that excludes the effect of transactions that fall outside the Company's ordinary course of business or routine operations. Adjusted EBITDA is used by many analysts as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations. It is also considered important by lenders to the Company and is included in the financial covenants of the Credit Facility.

Continuing Operations

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Net (Loss) Income from Continuing Operations	\$ (3,716)	\$ 10,811	\$ 44,353	\$ 8,666
Add:				
Income tax expense (recovery)	2,666	5,187	(36,192)	9,135
Finance costs, net	11,485	4,415	20,715	6,641
Amortization of property, plant and equipment, intangible assets and ROU assets	16,478	9,403	33,361	17,971
EBITDA from Continuing Operations	26,913	29,816	62,237	42,413
Share-based incentive compensation cost	3,240	1,643	1,048	9,275
Foreign exchange loss	8,219	2,515	12,126	4,912
Loss on sale of land and other	697	—	697	—
Cost associated with repayment and modification of long-term debt	—	6,750	—	6,750
Income from shares tender trust refund	—	(653)	—	(653)
Restructuring costs and other, net	—	325	—	3,526
Cost associated with acquisition ^(a)	768	—	6,088	—
Non-cash impact from inventory fair value adjustment ^(b)	2,615	—	6,810	—
Adjusted EBITDA from Continuing Operations	\$ 42,452	\$ 40,396	\$ 89,006	\$ 66,223

a) Costs associated with the acquisition of AmerCable Incorporated.

b) Cost of goods sold impact from purchase price allocation accounting adjustment on acquired inventory from AmerCable acquisition.

Connection Technologies Segment

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Operating Income	\$ 10,530	\$ 14,532	\$ 28,571	\$ 29,075
Add:				
Amortization of property, plant and equipment, intangible assets and ROU assets	7,475	2,433	15,094	4,155
EBITDA	18,005	16,965	43,665	33,230
Share-based incentive compensation cost (recovery)	147	266	(221)	1,585
Loss on sale of land and other	697	—	697	—
Restructuring costs and other, net	—	1	—	34
Cost associated with acquisition ^(a)	593	—	1,567	—
Non-cash impact from inventory fair value adjustment ^(b)	2,615	—	6,810	—
Adjusted EBITDA	\$ 22,057	\$ 17,232	\$ 52,518	\$ 34,849

a) Costs associated with the acquisition of AmerCable Incorporated.

b) Cost of goods sold impact from purchase price allocation accounting adjustment on acquired inventory from AmerCable acquisition.

Composite Technologies Segment

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Operating Income	\$ 16,157	\$ 20,456	\$ 28,964	\$ 24,473
Add:				
Amortization of property, plant and equipment, intangible assets and ROU assets	8,580	6,534	17,247	12,905
EBITDA	24,737	26,990	46,211	37,378
Share-based incentive compensation cost (recovery)	130	197	(306)	1,649
Restructuring costs and other, net	—	324	—	3,492
Adjusted EBITDA	\$ 24,867	\$ 27,511	\$ 45,905	\$ 42,519

Financial and Corporate

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Operating Loss	\$ (16,252)	\$ (7,825)	\$ (28,659)	\$ (22,356)
Add:				
Cost associated with repayment and modification of long-term debt	—	(6,750)	—	(6,750)
Amortization of property, plant and equipment, intangible assets and ROU assets	423	436	1,020	911
EBITDA	(15,829)	(14,139)	(27,639)	(28,195)
Share-based incentive compensation cost	2,963	1,180	1,575	6,041
Foreign exchange loss	8,219	2,515	12,126	4,912
Income from shares tender trust refund	—	(653)	—	(653)
Cost associated with repayment and modification of long-term debt	—	6,750	—	6,750
Cost associated with acquisition ^(a)	175	—	4,521	—
Adjusted EBITDA	\$ (4,472)	\$ (4,347)	\$ (9,417)	\$ (11,145)

a) Costs associated with the acquisition of AmerCable Incorporated.

Discontinued Operations

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Net (Loss) Income from Discontinued Operations	\$ (3,269)	\$ (8,735)	\$ 1,388	\$ (12,229)
Add:				
Income tax (recovery) expense	(1,282)	171	1,716	2,040
Finance costs, net recovery	(147)	(74)	(309)	(158)
Amortization of property, plant and equipment, intangible assets and ROU assets	—	419	—	847
EBITDA from Discontinued Operations	(4,698)	(8,219)	2,795	(9,500)
Foreign exchange loss (gain)	6	560	(10)	678
Loss on sale of operating unit and subsidiary ^(a)	1,606	10,087	1,606	15,492
Adjusted EBITDA from Discontinued Operations	\$ (3,086)	\$ 2,428	\$ 4,391	\$ 6,670

a) The loss reflected for the three and six months ended June 30, 2025 relates to the sale of Thermotite. While the loss reflected in the three and six months ended June 30, 2024 represents the initial estimate to settle the working capital adjustment from the sale of the Pipeline Performance Group.

Total Consolidated Mattrr (Continuing and Discontinued Operations)

	Three Months Ended		Six Months Ended	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
(in thousands of Canadian dollars)				
Net (Loss) Income	\$ (6,985)	\$ 2,076	\$ 45,741	\$ (3,563)
Add:				
Income tax expense (recovery)	1,384	5,358	(34,476)	11,175
Finance costs, net	11,338	4,341	20,406	6,483
Amortization of property, plant and equipment, intangible assets and ROU assets	16,478	9,822	33,361	18,818
EBITDA	22,215	21,597	65,032	32,913
Share-based incentive compensation cost	3,240	1,643	1,048	9,275
Foreign exchange loss	8,225	3,075	12,116	5,590
Loss on sale of land and other	697	—	697	—
Loss on sale of operating unit and subsidiary ^(a)	1,606	10,087	1,606	15,492
Cost associated with repayment and modification of long-term debt	—	6,750	—	6,750
Income from shares tender trust refund	—	(653)	—	(653)
Restructuring costs and other, net	—	325	—	3,526
Cost associated with acquisition ^(b)	768	—	6,088	—
Non-cash impact from inventory fair value adjustment ^(c)	2,615	—	6,810	—
Adjusted EBITDA	\$ 39,366	\$ 42,824	\$ 93,397	\$ 72,893

a) The loss reflected for the three and six months ended June 30, 2025 relates to the sale of Thermotite. While the loss reflected in the three and six months ended June 30, 2024 represents the initial estimate to settle the working capital adjustment from the sale of the Pipeline Performance Group.

b) Costs associated with the acquisition of AmerCable Incorporated.

c) Cost of goods sold impact from purchase price allocation accounting adjustment on acquired inventory from AmerCable acquisition.

Adjusted EBITDA Margin

Adjusted EBITDA margin is defined as Adjusted EBITDA divided by revenue and is a non-GAAP measure. The Company believes that Adjusted EBITDA margin is a useful supplemental measure that provides meaningful assessment of the business results of the Company and its Operating Segments from principal business activities excluding the impact of transactions that are outside of the Company's normal course of business.

See reconciliation above for the changes in composition of Adjusted EBITDA, as a result of which the applicable tables reflect restated figures for the prior year quarter to align with current presentation.

Operating Margin

Operating margin is defined as operating (loss) income divided by revenue and is a non-GAAP measure. The Company believes that operating margin is a useful supplemental measure that provides meaningful assessment of the business performance of the Company and its Operating Segments. The Company uses this measure as a key indicator of financial performance, operating efficiency and cost control based on volume of business generated.

Adjusted Net Income (attributable to shareholders)

Adjusted Net Income (attributable to shareholders) is a non-GAAP measure defined as Net Income (attributable to shareholders) adjusted for items which do not impact day to day operations. Adjusted Net Income (attributable to shareholders) is calculated by adding back to Net Income (attributable to shareholders) the after tax impact of the sum of impairments, costs associated with repayment of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, gain on sale of operating unit, acquisition costs, restructuring costs, share-based incentive compensation cost, foreign exchange (gain) loss and other, net and hyperinflationary adjustments. The Company believes that Adjusted Net Income (attributable to shareholders) is a useful supplemental measure that provides a meaningful indication of the Company's results from principal business activities for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures.

Adjusted Earnings Per Share ("Adjusted EPS")

Adjusted EPS (basic) is a non-GAAP measure defined as Adjusted Net Income (attributable to shareholders) divided by the number of common shares outstanding. Adjusted EPS (diluted) is a non-GAAP measure defined as Adjusted Net Income (attributable to shareholders) divided by the number of common shares outstanding, further adjusted for potential dilutive impacts of outstanding securities which are convertible to common shares. The Company presents Adjusted EPS as a measure of Earning Per Share ("EPS") that excludes the impact of transactions that are outside the Company's normal course of business or day to day operations. Adjusted EPS indicates the amount of Adjusted Net Income the Company makes for each share of its stock and is used by many analysts as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations.

Total Consolidated Mattr Adjusted EPS (Continuing and Discontinued Operations)

(in thousands of Canadian dollars except for per share amounts)	Three Months Ended					
	June 30, 2025			June 30, 2024		
	Earnings Per Share			Earnings Per Share		
	Basic	Diluted		Basic	Diluted	
Total Consolidated Mattr Net (Loss) Income ^(a)	\$ (6,985)	(0.11)	(0.11)	\$ 2,094	0.03	0.03
Adjustments (before tax):						
Share-based incentive compensation cost	3,240			1,643		
Foreign exchange loss	8,225			3,075		
Loss on sale of land and other	697			—		
Loss on sale of operating unit and subsidiary ^(b)	1,606			10,087		
Cost associated with repayment and modification of long-term debt	—			6,750		
Income from shares tender trust refund	—			(653)		
Restructuring costs and other, net	—			325		
Cost associated with Acquisition ^(c)	768			—		
Non-cash impact from inventory fair value adjustment ^(d)	2,615			—		
Tax effect of above adjustments	(3,046)			(2,288)		
Tax impact of the AmerCable acquisition	—			—		
Total Consolidated Mattr Adjusted Net Income (non-GAAP)^(a)	\$ 7,120	0.12	0.12	\$ 21,033	0.32	0.31

(a) Attributable to Shareholders of the Company.

(b) The loss reflected for the three and six months ended June 30, 2025 relates to the sale of Thermotite. While the loss reflected in the three and six months ended June 30, 2024 represents the initial estimate to settle the working capital adjustment from the sale of the Pipeline Performance Group.

(c) Costs associated with the acquisition of AmerCable Incorporated.

(d) Cost of goods sold impact from purchase price allocation accounting adjustment on acquired inventory from AmerCable acquisition.

(in thousands of Canadian dollars except for per share amounts)	Six Months Ended					
	June 30, 2025			June 30, 2024		
	Earnings Per Share			Earnings Per Share		
	Basic	Diluted		Basic	Diluted	
Total Consolidated Mattr Net Income (Loss) ^(a)	\$ 45,741	0.73	0.73	\$ (3,748)	(0.06)	(0.06)
Adjustments (before tax):						
Share-based incentive compensation cost	1,048			9,275		
Foreign exchange loss	12,116			5,590		
Loss on sale of land and other	697			—		
Loss on sale of operating unit and subsidiary ^(b)	1,606			15,492		
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		
Cost associated with Acquisition ^(c)	6,088			—		
Non-cash impact from inventory fair value adjustment ^(d)	6,810			—		
Tax effect of above adjustments	(4,545)			(4,354)		
Tax impact of the AmerCable acquisition	(40,819)			—		
Total Consolidated Mattr Adjusted Net Income (non-GAAP) ^(a)	\$ 28,742	0.46	0.46	\$ 31,878	0.48	0.48

(a) Attributable to Shareholders of the Company.

(b) The loss reflected for the three and six months ended June 30, 2025 relates to the sale of Thermotite. While the loss reflected in the three and six months ended June 30, 2024 represents the initial estimate to settle the working capital adjustment from the sale of the Pipeline Performance Group.

(c) Costs associated with the acquisition of AmerCable Incorporated.

(d) Cost of goods sold impact from purchase price allocation accounting adjustment on acquired inventory from AmerCable acquisition.

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.

	June 30, 2025	December 31, 2024
(in thousands of Canadian dollars except Net debt-to-EBITDA ratio)		
Long-term debt	\$ 428,626	\$ 471,238
Lease Liabilities	158,567	163,127
Cash, cash equivalents and restricted cash	(52,871)	(502,490)
Total Net Debt	534,322	131,875
Q1 2024 Adjusted EBITDA	—	30,069
Q2 2024 Adjusted EBITDA	—	42,824
Q3 2024 Adjusted EBITDA	36,743	36,743
Q4 2024 Adjusted EBITDA	21,060	21,060
Q1 2025 Adjusted EBITDA	54,031	—
Q2 2025 Adjusted EBITDA	39,366	—
Trailing twelve-month Adjusted EBITDA	\$ 151,200	\$ 130,696
Total Net debt-to-Adjusted EBITDA	3.53	1.01

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.

	June 30, 2025	December 31, 2024
(in thousands of Canadian dollars except Net debt-to-EBITDA ratio)		
Q1 2024 Adjusted EBITDA	\$ —	\$ 30,069
Q2 2024 Adjusted EBITDA	—	42,824
Q3 2024 Adjusted EBITDA	36,743	36,743
Q4 2024 Adjusted EBITDA	21,060	21,060
Q1 2025 Adjusted EBITDA	54,031	—
Q2 2025 Adjusted EBITDA	39,366	—
Trailing twelve-month Adjusted EBITDA	\$ 151,200	\$ 130,696
Q1 2024 Finance cost, net	—	2,142
Q2 2024 Finance cost, net	—	4,341
Q3 2024 Finance cost, net	4,804	4,804
Q4 2024 Finance cost, net	5,846	5,846
Q1 2025 Finance cost, net	9,068	—
Q2 2025 Finance cost, net	11,338	—
Trailing twelve-month finance cost, net	\$ 31,056	\$ 17,133
Total Interest Coverage Ratio	4.87	7.63

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 replacement of the Company’s Rexdale facility in Toronto, Ontario and the expansion of its Connection Technologies segment’s North American manufacturing footprint through:
 - a new heat-shrink tubing production site in Fairfield, Ohio; and
 - a new wire and cable production site in Vaughan, Ontario.
- The addition of two new manufacturing facilities and the elimination of aging manufacturing facilities within the Composite Technologies network, namely:
 - the shut-down and exit of aging production capabilities in the Xerxes FRP tank production site footprint;
 - a new Xerxes FRP tank production site in Blythewood, South Carolina; and
 - a new Flexpipe composite pipe production site in Rockwall, Texas along with the co-located HydroChain™ stormwater infiltration chamber production line.

The Company considers these costs incremental to its normal operating base and would not have been incurred if these projects were not ongoing.

10.0 Additional Information

Additional information relating to the Company, including its AIF, is available on SEDAR+ at www.sedarplus.ca and on the “Investor Center” page of the Company’s website at: <https://investors.Mattr.com/Investor-Center/default.aspx>.

Dated: August 13, 2025
