

Matr Corp.

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(UNAUDITED)

March 31, 2026

Mattr Corp.

Condensed Interim Consolidated Statements of Income (Unaudited)

	Three months ended	
	March 31,	
(in thousands of Canadian dollars, except per share amounts)	2026	2025
Revenue		
Sale of products	\$ 318,296	\$ 316,606
Rendering of services	3,519	3,514
	321,815	320,120
Cost of Goods Sold and Services Rendered	235,262	236,502
Gross Profit	86,553	83,618
Selling, general and administrative expenses	45,684	41,510
Research and development expenses	2,700	2,877
Foreign exchange (gains) losses	(2,407)	3,907
Depreciation and amortization	18,023	16,883
Operating Income from Continuing Operations	22,553	18,441
Finance costs, net (note 4)	(10,168)	(9,230)
Income from Continuing Operations before Income Taxes	12,385	9,211
Income tax expense (recovery) (note 5)	4,989	(38,858)
Net Income from Continuing Operations	7,396	48,069
Net Income from Discontinued Operations, net of income tax expense	—	4,657
Net Income	\$ 7,396	\$ 52,726
Earnings per Share ("EPS") (note 6)		
Basic	\$ 0.12	\$ 0.84
Diluted	\$ 0.12	\$ 0.84
Earnings per Share ("EPS") – Continuing Operations (note 6)		
Basic	\$ 0.12	\$ 0.77
Diluted	\$ 0.12	\$ 0.76
Weighted Average Number of Shares Outstanding (000s) (note 6)		
Basic	61,350	62,760
Diluted	61,474	62,953

Mattr Corp.

Condensed Interim Consolidated Statements of Comprehensive Income (Unaudited)

	Three months ended	
	March 31,	
(in thousands of Canadian dollars)	2026	2025
Net Income	\$ 7,396	\$ 52,726
Other Comprehensive Income to be Reclassified to Net Income (Loss) in Subsequent Periods		
Exchange differences on translation of foreign operations	8,774	9,022
Other Comprehensive Income not to be Reclassified to Net Income (Loss) in Subsequent Periods		
Actuarial gain on defined benefit plans	—	21
Income tax expense	—	(4)
Total Other Comprehensive Income, Net of Income Tax	8,774	9,039
Total Comprehensive Income	\$ 16,170	\$ 61,765
Continuing Operations	\$ 16,170	\$ 54,302
Discontinued Operations	—	7,463
Total Comprehensive Income	\$ 16,170	\$ 61,765

Mattr Corp.

Condensed Interim Consolidated Balance Sheet (Unaudited)

(in thousands of Canadian dollars)	March 31, 2026	December 31, 2025
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 39,179	\$ 65,526
Accounts receivable	209,370	159,931
Income taxes receivable	10,329	12,884
Inventory	227,707	200,641
Prepaid expenses	8,648	8,830
Total current assets	495,233	447,812
Non-current Assets		
Property, plant and equipment	367,144	368,785
Right-of-use assets	135,060	133,275
Goodwill	280,414	278,246
Intangible assets	355,453	357,213
Deferred income tax assets	12,184	12,796
Other assets	5,078	5,163
Total non-current assets	1,155,333	1,155,478
TOTAL ASSETS	\$ 1,650,566	\$ 1,603,290
LIABILITIES AND EQUITY		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 208,638	\$ 204,434
Lease liabilities	16,285	15,961
Provisions	21,872	19,786
Income taxes payable	7,896	7,811
Contract liabilities	18,053	12,552
Other liabilities	12,065	6,917
Total current liabilities	284,809	267,461
Non-current Liabilities		
Long-term debt (note 9)	420,814	408,663
Lease liabilities	139,153	136,210
Provisions	10,192	10,463
Employee future benefits	5,272	5,310
Deferred income tax liabilities	11,695	13,180
Other liabilities	7,592	8,193
Total non-current liabilities	594,718	582,019
Total liabilities	879,527	849,480
Equity		
Share capital (note 10)	630,540	628,346
Contributed surplus	22,378	23,513
Retained deficit	(57,483)	(64,879)
Accumulated other comprehensive income	175,604	166,830
Total equity	771,039	753,810
TOTAL LIABILITIES AND EQUITY	\$ 1,650,566	\$ 1,603,290

Mattr Corp.

Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)

(in thousands of Canadian dollars)	Share Capital	Contributed Surplus	Retained Deficit	Accumulated Other Comprehensive Income	Total Equity
Balance – December 31, 2025	\$ 628,346	\$ 23,513	\$ (64,879)	\$ 166,830	\$ 753,810
Net Income	—	—	7,396	—	7,396
Other Comprehensive Income	—	—	—	8,774	8,774
Comprehensive Income	—	—	7,396	8,774	16,170
Issued on exercise of stock options	100	—	—	—	100
Compensation cost on exercised options	11	(11)	—	—	—
Compensation cost on exercised Restricted Share Units	2,000	(2,000)	—	—	—
Share-based compensation expense	—	876	—	—	876
Change in NCIB tax accrual	83	—	—	—	83
Balance – March 31, 2026	\$ 630,540	\$ 22,378	\$ (57,483)	\$ 175,604	\$ 771,039
Balance – December 31, 2024	\$ 639,408	\$ 22,917	\$ (109,970)	\$ 168,426	\$ 720,781
Net Income	—	—	52,726	—	52,726
Other comprehensive Income	—	—	—	9,039	9,039
Comprehensive Income	—	—	52,726	9,039	61,765
Issued on exercise of stock options	83	—	—	—	83
Compensation cost on exercised Restricted Share Units	1,287	(1,287)	—	—	—
Share-based compensation expense	—	554	—	—	554
Share repurchase – NCIB	(10,090)	—	—	—	(10,090)
Change in ASPP accrual	3,900	—	—	—	3,900
Excess of purchase price over stated value of shares	—	—	(1,092)	—	(1,092)
Balance – March 31, 2025	\$ 634,588	\$ 22,184	\$ (58,336)	\$ 177,465	\$ 775,901

Mattr Corp.

Consolidated Statements of Cash Flows (Unaudited)

(in thousands of Canadian dollars)	Three months ended	
	March 31,	
	2026	2025
Operating Activities		
Net Income from Continuing Operations	\$ 7,396	\$ 48,069
Add (deduct) items not affecting cash		
Depreciation and amortization	18,023	16,883
Interest expense on lease liabilities (note 4)	2,355	2,652
Share-based compensation and incentive-based compensation (note 7)	1,463	(2,192)
Deferred income taxes	(746)	(42,942)
Loss (gain) on disposal of property, plant and equipment	157	(363)
Other	1,962	842
Change in non-cash working capital and foreign exchange (note 8)	(55,555)	(28,862)
Cash Used in Operating Activities from Continuing Operations	(24,945)	(5,913)
Cash Provided by Operating Activities from Discontinued Operations	—	19
Cash Used in Operating Activities	\$ (24,945)	\$ (5,894)
Investing Activities		
Purchase of property, plant and equipment	\$ (8,963)	\$ (24,106)
Proceeds on disposal of property, plant and equipment	—	433
Acquisitions, net of cash acquired	—	(383,264)
Cash Used in Investing Activities from Continuing Operations	(8,963)	(406,937)
Cash Used in Investing Activities from Discontinued Operations	—	(19)
Cash Used in Investing Activities	\$ (8,963)	\$ (406,956)
Financing Activities		
Repayment of credit facilities	\$ (8,362)	\$ (36,737)
Long-term debt issuance cost	(78)	(537)
Proceeds from drawdown of credit facilities	18,324	15,160
Repayment of lease liabilities	(4,419)	(6,957)
Repurchase of shares – Normal Course Issuer Bids	—	(10,809)
Proceeds from stock options exercised (note 10)	100	83
Cash Provided by (Used in) Financing Activities from Continuing Operations	5,565	(39,797)
Cash Provided by (Used in) Financing Activities	\$ 5,565	\$ (39,797)
Effect of Foreign Exchange on Cash and Cash Equivalents	1,996	2,873
Net decrease in Cash, Cash Equivalents, and Restricted Cash	(26,347)	(449,774)
Cash, Cash Equivalents, and Restricted Cash – Beginning of Period	65,526	502,490
Cash and Cash Equivalents – End of Period	\$ 39,179	\$ 52,716
Cash	\$ 36,562	\$ 50,966
Cash Equivalents	2,617	1,750
Total Cash and Cash Equivalents	\$ 39,179	\$ 52,716
Supplemental Cash Flow Information		
Interest paid	\$ 2,009	\$ 2,391
Interest received	\$ 282	\$ 618
Income taxes paid	\$ 2,923	\$ 7,579

Matr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

Matr Corp. is a publicly listed company incorporated in Canada with its common shares publicly traded on the Toronto Stock Exchange under the symbol "MATR". Matr Corp., together with its wholly owned subsidiaries (collectively referred to as the "Company" or "Matr"), is a growth oriented, global materials technology company serving critical infrastructure markets including electrification, transportation, mining, energy, communication, and water management. The Company operates through a network of manufacturing facilities within two operating units. These operating units are reported as two business segments, Connection Technologies and Composite Technologies which enable responsible renewal and enhancement of critical infrastructure. Further information as it pertains to the nature of operations is set out in note 5.

The results of the Company's previously owned pipe coating subsidiary, Thermotite do Brasil ("Thermotite"), are being presented within Discontinued Operations for the period during which the subsidiary remained under its ownership, up to and including the date of sale, June 4, 2025.

The head office, principal address and registered office of the Company is 336 Courtland Avenue, Vaughan, Ontario, L4K 4Y1, Canada.

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1 Basis of Financial Statement Preparation

Basis of Presentation

a) Statement of Compliance

These condensed interim consolidated financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The condensed interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and thus should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended December 31, 2025 ("Annual Consolidated Financial Statements").

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

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

The condensed interim consolidated financial statements comprise the financial statements of the Company and the entities under its control. Adjustments are made, where necessary, to the financial statements of the subsidiaries to ensure consistency with those policies adopted by the Company. All intercompany transactions, balances, income and expenses are eliminated upon consolidation.

The condensed interim consolidated financial statements and accompanying notes as at and for the three months ended March 31, 2026 were authorized for issue by the Company's Board of Directors on May 13, 2026.

b) Use of Estimates and Judgments

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

c) Accounting policies

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

New accounting standards issued and adopted

On May 2024, the IASB has issued amendments to IFRS 9 - Classification and measurement of financial instruments and became effective January 1, 2026. The amendments clarify the timing of derecognition of financial assets and liabilities and in certain circumstances, allow for an exception that would enable a company to derecognize a financial liability before the settlement date. The Company adopted these amendments and determined there to be no material impact on the condensed interim consolidated financial statements.

2 Financial Instruments

The Company has classified its financial instruments as follows:

<u>(in thousands of Canadian dollars)</u>	March 31, 2026	December 31, 2025
Financial Assets, Measured at Amortized Cost		
Cash and cash equivalents	\$ 39,179	\$ 65,526
Accounts receivable	209,370	159,931
Loans receivable	78	152
Deposit guarantee	128	127
Income taxes receivable	10,329	12,884
Fair Value Through Profit or Loss		
Embedded derivative (note 9)	\$ 6,715	\$ 6,715
Financial Liabilities, Measured at Amortized Cost		
Accounts payable	\$ 112,267	\$ 101,746
Contract liabilities	18,053	12,552
Lease liabilities	155,438	152,171
Income taxes payable	7,896	7,811
Long-term debt (note 9)	429,011	417,395

Fair Value

IFRS 13, *Fair Value Measurement*, provides a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs are those that reflect market data obtained from independent sources, while unobservable inputs reflect the Company's assumptions with respect to how market participants would price an asset or

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

liability. These two inputs, which are used to measure fair value, fall into the following three different levels of the fair value hierarchy:

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

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

The following table presents the fair value of financial assets and liabilities in the fair value hierarchy as at March 31, 2026, where the carrying value does not approximate the fair value.

(in thousands of Canadian dollars)	Fair Value	Level 1	Level 2	Level 3
Liabilities				
Long-term debt	\$ 445,354	\$ —	\$ 445,354	\$ —

The redemption option derivative asset (Note 9) associated with the senior secured notes is an embedded derivative separately recognized to reflect the redemption features of the senior secured notes and is classified as fair value through profit and loss with fair value based on models using observable interest rate inputs. Changes in the fair value are recorded in finance costs.

Total long-term debt is comprised of Senior Notes, unsecured of \$300 million and amounts drawn on Credit Facility of \$127.9 million. The Senior Notes, unsecured have a fair market value of \$317.5 million (\$317.2 million as at December 31, 2025) which is higher than the carrying amount as the fixed interest rate is higher than the market rate of interest for this grade of Senior Note as at March 31, 2026. The Credit Facility is subject to a variable interest rate and therefore the carrying amount is approximately equal to the fair market value as at March 31, 2026.

Financial Risk Management

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

Market Risk

Foreign Exchange Risk

The majority of the Company's business is transacted outside of Canada through subsidiaries operating in several countries. The net investments in these subsidiaries as well as their revenue, operating expenses and non-operating expenses are denominated in foreign currencies. As a result, the Company's consolidated revenue, expenses and financial position may be impacted by fluctuations in foreign exchange rates as these foreign currency items are translated into Canadian dollars. As at March 31, 2026, fluctuations of +/- 5% in the Canadian dollar, relative to those foreign currencies, would impact the Company's consolidated revenue, income from operations, and net income (attributable to shareholders of the Company) for continuing operations, as well as its impacts on Company's consolidated total assets, consolidated total liabilities and consolidated total equity, are summarized as followed:

(in thousands of Canadian dollars)	Revenue	Income from operations	Net Income	Total assets	Total liabilities	Total equity
Denominated in						
U.S. dollar	\$ 11,385	\$ 536	\$ 242	\$ 58,466	\$ 10,785	\$ 47,682
Euro	1,380	327	244	5,336	1,086	4,250
Other currencies	206	19	12	1,020	450	569
Total impacts	\$ 12,971	\$ 882	\$ 498	\$ 64,822	\$ 12,321	\$ 52,501

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The objective of the Company's foreign exchange risk management activities is to minimize transaction exposures associated with the Company's foreign currency denominated cash streams and the resulting variability of the Company's earnings. The Company utilizes foreign exchange forward contracts to manage this foreign exchange risk. The Company does not enter into foreign exchange forward contracts for speculative purposes.

3 Segment Information

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

Inter-segment transactions, if any, among Connection Technologies and Composite Technologies are accounted for at negotiated transfer prices which approximate third-party rates and are eliminated in consolidation. Financial and Corporate represents operating income, property, plant and equipment, and Corporate office costs that are not allocated to the Connection Technologies or Composite Technologies Segments.

Connection Technologies

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

Composite Technologies

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

The reportable segments are supported by the Financial and Corporate structure which does not meet the definition of a reportable operating segment as defined under IFRS Accounting Standards and 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.

Segment

The following table sets forth information by segment for the three months ended March 31:

	2026							
(in thousands of Canadian dollars)	Connection Technologies	Composite Technologies	Financial and Corporate	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations	Total Continuing and Discontinued Operations	
Revenue	\$ 186,997	\$ 134,818	\$ —	\$ —	\$ 321,815	\$ —	\$ 321,815	
Income (Loss) from Operations for CODM	\$ 16,525	\$ 14,528	\$ (8,500)	\$ —	\$ 22,553	\$ —	\$ 22,553	
Additions to property, plant and equipment, net of disposals	\$ 1,949	\$ 1,322	\$ (4)	\$ —	\$ 3,267	\$ —	\$ 3,267	
As at March 31, 2026								
Goodwill	\$ 134,066	\$ 146,348	\$ —	\$ —	\$ 280,414	\$ —	\$ 280,414	
Total assets	\$ 887,031	\$ 692,811	\$ 72,395	\$ (1,671)	\$ 1,650,566	\$ —	\$ 1,650,566	
Total liabilities	\$ 306,666	\$ 198,081	\$ 372,961	\$ 1,819	\$ 879,527	\$ —	\$ 879,527	

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

2025								
(in thousands of Canadian dollars)	Connection Technologies	Composite Technologies	Financial and Corporate	Eliminations and Adjustments	Total Continuing Operations	Discontinued Operations	Total Continuing and Discontinued Operations	
Revenue	\$ 187,346	\$ 132,774	\$ —	\$ —	\$ 320,120	\$ 23,301	\$ 343,421	
Income (Loss) from Operations for CODM	\$ 18,041	\$ 12,807	\$ (12,407)	\$ —	\$ 18,441	\$ 7,493	\$ 25,934	
Additions to property, plant and equipment, net of disposals	\$ 4,044	\$ 7,420	\$ —	\$ —	\$ 11,464	\$ 19	\$ 11,483	
As at December 31, 2025								
Goodwill	\$ 132,327	\$ 145,919	\$ —	\$ —	\$ 278,246	\$ —	\$ 278,246	
Total assets	\$ 934,857	\$ 665,513	\$ 11,288	\$ (8,368)	\$ 1,603,290	\$ —	\$ 1,603,290	
Total liabilities	\$ 310,766	\$ 182,897	\$ 357,328	\$ (1,511)	\$ 849,480	\$ —	\$ 849,480	

Geographical Segment Revenue Information

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

(in thousands of Canadian dollars)	Three months ended	
	March 31, 2026	March 31, 2025
North America	\$ 156,066	\$ 158,114
EMEA ^(a)	27,361	25,930
Asia Pacific	3,570	3,302
Total revenue	\$ 186,997	\$ 187,346

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

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

(in thousands of Canadian dollars)	Three months ended	
	March 31, 2026	March 31, 2025
North America	\$ 134,048	\$ 130,718
EMEA	770	1,890
Asia Pacific	—	166
Total revenue	\$ 134,818	\$ 132,774

4 Finance Costs

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

(in thousands of Canadian dollars)	Three months ended	
	March 31, 2026	2025
Interest income	\$ (282)	\$ (389)
Interest expense on long-term debt	7,023	6,147
Interest expense, other	1,072	820
Interest expense on lease liabilities	2,355	2,652
Finance Costs – Net from continuing operations	\$ 10,168	\$ 9,230
Finance Income – Net from discontinued operations	\$ —	\$ (162)

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

5 Income Taxes

The following table sets forth a reconciliation of the Company's effective income tax for the three months ended March 31:

(in thousands of Canadian dollars)	Three months ended	
	March 31, 2026	2025
Expected income tax expense based on statutory rate	\$ 3,055	\$ 2,253
Income tax rate differential on earnings of foreign subsidiaries	265	542
Benefit of previously unrecognized deferred tax assets	(248)	(43,037)
Deferred tax not recognized	611	733
Change in estimates related to prior years	91	(169)
Non-deductible amounts	571	758
Withholding taxes	331	(76)
Recognition of previously unrecognized temporary difference on investment in subsidiary	38	(13)
Movement in uncertain tax positions	—	18
State tax and other	275	133
Income Tax Expense (Recovery)	\$ 4,989	\$ (38,858)

Global minimum top-up tax

The Company operates in certain jurisdictions that have enacted or substantively enacted Pillar Two legislation and is subject to a global minimum top-up tax that applies to large multinational enterprise groups with global consolidated revenues over €750 million. Based on Management's analysis, the global minimum top-up tax did not have a material impact on the Company for the three months ended March 31, 2026, as none of our current jurisdictions were subject to any material top-up tax amount. Therefore, there is no top-up tax accrual included in the current income tax expense. The Company has applied a temporary mandatory exception from deferred tax accounting for the impacts of the top-up tax and will account for it as a current tax when incurred.

6 Earnings Per Share

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

(in thousands of Canadian dollars, except share and per share amounts)	Three months ended March 31, 2026		
	Continuing Operations	Discontinued Operations	Total
Net Income for the period	\$ 7,396	\$ —	\$ 7,396
Weighted average number of shares outstanding – basic (000s)	61,350	—	61,350
Basic EPS	\$ 0.12	\$ —	\$ 0.12
Net Income for the period	\$ 7,396	\$ —	\$ 7,396
Weighted average number of shares outstanding – diluted (000s)	61,474	—	61,474
Diluted EPS	\$ 0.12	\$ —	\$ 0.12

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

(in thousands of Canadian dollars, except share and per share amounts)	Three months ended March 31, 2025		
	Continuing Operations	Discontinued Operations	Total
Net Income for the period	\$ 48,069	\$ 4,657	\$ 52,726
Weighted average number of shares outstanding – basic and diluted (000s)	62,760	62,760	62,760
Basic EPS	\$ 0.77	\$ 0.07	\$ 0.84
Net Income for the period	\$ 48,069	\$ 4,657	\$ 52,726
Weighted average number of shares outstanding – diluted (000s)	62,953	62,953	62,953
Diluted EPS	\$ 0.76	\$ 0.07	\$ 0.84

7 Share-based and Other Incentive-based Compensation

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

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

(in thousands of Canadian dollars)	Three months ended March 31,	
	2026	2025
Stock option expense	\$ 13	\$ 40
DSU expense (recovery)	898	(1,198)
RSU expense	863	515
SARs expense (recovery)	188	(496)
CPSU recovery	(499)	(1,053)
Total Share-based and Other Incentive-based Compensation expense (recovery)	\$ 1,463	\$ (2,192)

	Three months ended March 31, 2026							
	Stock Options without SARs ^(a)		Stock Options with SARs ^(a)		RSU		DSU	
	Total Shares	Weighted Average Share Price	Total Shares	Weighted Average Share Price ^(b)	Total Shares	Weighted Average Share Price ^(c)	Total Shares	Weighted Average Share Price ^(c)
Balance Outstanding – Beginning of Period	812,555	\$ 20.80	273,287	\$ 5.43	522,143	\$ 12.04	485,584	\$ 14.53
Granted	—	—	—	—	539,386	8.00	38,950	8.95
Exercised	(3,660)	4.91	(16,795)	4.91	(175,426)	11.36	—	—
Cancelled/Forfeited	—	—	—	—	(8,414)	11.53	—	—
Expired	(17,459)	23.42	—	—	—	—	—	—
Balance Outstanding – End of Period	791,436	\$ 20.82	256,492	\$ 6.52	877,689	\$ 9.70	524,534	\$ 14.11
Exercisable	781,932	\$ 21.01	225,102	\$ 4.51	86,887	\$ 11.34	—	\$ —

(a) The Company has discontinued the usage of options in its compensation program and has not awarded stock options since January 2022.

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

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

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Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

On March 3, 2010, the Board approved the amended 2001 Employee stock option Plan (the "Amended 2001 Employee Plan"). The fair value of options granted under the Amended 2001 Employee Plan will be amortized to compensation expense over the vesting period of the options. The compensation cost from the amortization of stock options for the three months ended March 31, 2026 included in selling, general and administrative expenses was \$0.1 million (three months ended March 31, 2025 – \$0.1 million expense).

The mark-to-market liability for the stock options with SARs as at March 31, 2026 is \$1.7 million (December 31, 2025 – \$1.5 million), all of which is included in current other liabilities on the condensed interim consolidated balance sheets.

The mark-to-market liability for the DSUs as at March 31, 2026 is \$4.8 million (December 31, 2025 – \$3.9 million), all of which is included in current other liabilities on the condensed interim consolidated balance sheet.

The CPSU liability as at March 31, 2026 is \$1.4 million (December 31, 2025 – \$2.8 million), of which \$0.3 million is included in current other liabilities and \$1.1 million in non-current other liabilities on the condensed interim consolidated balance sheet.

8 Supplemental Cash Flow Information

The following table sets forth the supplemental cash flow information on net change in non-cash working capital and foreign exchange for the three months ended March 31:

(in thousands of Canadian dollars)	Three months ended	
	March 31, 2026	2025
Accounts receivable	\$ (49,439)	\$ (29,180)
Inventories	(27,066)	(31,914)
Prepaid expenses	182	(1,740)
Contract assets	—	(108)
Contract liabilities	5,501	(2,425)
Accounts payable and accrued liabilities, income taxes, and other liabilities	11,992	14,818
Foreign exchange losses and other	3,275	21,687
Total change in non-cash working capital from continuing operations	\$ (55,555)	\$ (28,862)

9 Long-term Debt and Credit Facilities

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

(in thousands of Canadian dollars)	March 31,	December 31,
	2026	2025
Credit Facility	\$ 127,855	\$ 116,147
Senior Notes, unsecured ^(a)	307,871	307,963
Redemption option derivative asset	(6,715)	(6,715)
Deferred transaction costs	(8,197)	(8,732)
Total Long-term Debt	\$ 420,814	\$ 408,663

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

Mattr Corp.

Notes to the Condensed Interim Consolidated Financial Statements (Unaudited)

Credit Facilities

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

(in thousands of Canadian dollars)	March 31, 2026	December 31, 2025
Borrowings on Credit Facility	\$ 127,855	\$ 116,147
Standard letters of credit for financial guarantees, performance and bid bonds	13,058	13,490
Total utilized credit facilities	\$ 140,913	\$ 129,637
Total available credit facilities ^{(a) (b)}	488,967	481,548
Unutilized Credit Facilities ^(b)	\$ 348,054	\$ 351,911

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

(b) Subject to covenant restrictions

The Company was in full compliance with financial covenants on both long-term debt and credit facilities as at March 31, 2026.

Credit Facility Renewal

Subsequent to the end of the quarter, On April 2, 2026, the Company amended its Credit Facility to further extend the maturity date from April 19, 2028 to October 2, 2030 and to enhance flexibility while maintaining the existing lender group, outstanding borrowings, secured revolving structure, amounts of available credit and the existing currency of drawings. Under the amended agreement, 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, which temporarily increases to 3.50:1.00 for up to four quarters following a material acquisition. The Company will pay a floating interest rate on this Credit Facility, which is a function of the Company's Net Debt to EBITDA ratio 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 is in compliance with the covenants on the Credit Facility as at March 31, 2026. The Company incurred fees and expenses of \$0.9 million to implement this renewal.

As at March 31, 2026, \$127.9 million (December 31, 2025 - \$116.1 million) has been borrowed under the credit facility.

10 Share capital

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

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

(all dollar amounts in thousands of Canadian dollars)	March 31, 2026
Number of shares	
Balance – December 31, 2025	61,183,849
Issued on exercise of stock options	20,455
Issued on exercise of RSUs	175,426
Balance – March 31, 2026	61,379,730
Stated value	
Balance – December 31, 2025	\$ 628,346
Issued – stock options	100
Compensation cost on exercised options	11
Compensation cost on exercised RSUs	2,000
Change in NCIB tax accrual	83
Balance – March 31, 2026	\$ 630,540