

LINAMAR CORPORATION

Notes to Consolidated Interim Financial Statements

For the three months ended March 31, 2022 and March 31, 2021 (Unaudited)
(in thousands of Canadian dollars, except where otherwise noted)

The Company derives revenue from the transfer of goods and services at a point in time and over time in the following operating segments. These segments best depict how economic factors affect the nature, amount, timing and uncertainty of revenue and cash flows.

	Three Months Ended March 31, 2022		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$
Mobility	1,409,934	9,511	112,626
Industrial	368,155	2,538	21,515
Total	1,778,089	12,049	134,141

	Three Months Ended March 31, 2021		
	Sales to external customers	Inter-segment sales	Operating earnings (loss)
	\$	\$	\$
Mobility	1,433,568	6,352	185,514
Industrial	348,289	2,235	35,722
Total	1,781,857	8,587	221,236

The Company operates in four geographic segments. The sales to external customers in Canada, Rest of North America, Asia Pacific and Europe are as follows:

	Three Months Ended March 31	
	2022	2021
	\$	\$
Canada	892,604	884,843
Rest of North America	223,776	222,626
Asia Pacific	148,947	139,071
Europe	512,762	535,317
Total	1,778,089	1,781,857

14 Business Acquisitions

On March 31, 2022, it was announced that the Company will acquire the remaining 50% interest in the joint venture, GF Linamar LLC, from GF Casting Solutions, a division of Georg Fischer AG on April 1, 2022 thereby assuming 100% ownership and operational control. The ownership change will help secure the Company's long-term growth plan in lightweight structural castings; a critical component in electrified vehicles. The preliminary purchase price is USD \$73 million plus an earn out of up to a maximum of USD \$24 million.

On April 27, 2022, it was announced that the Company will acquire 100% of the issued and outstanding equity of the Salford Group of Companies with an expected close during the second quarter of 2022. The ownership will expand the Company's agricultural portfolio into crop nutrition application and tillage products. The preliminary purchase price is CAD \$260 million.

Due to the timing of the close and complexities associated with these transactions, the determination of the fair value of consideration, assets acquired and liabilities assumed, is subject to further adjustments.