MANAGEMENT’S DISCUSSION AND ANALYSIS

This management’s discussion and analysis of financial condition and results of operations (“MD&A”) for ABC Technologies Holdings Inc. was prepared as of September 7, 2023 and provides information concerning its financial condition and results of operations and is intended to assist readers in understanding the business environment, strategies and performance and risk factors of ABC Technologies Holdings Inc. The MD&A should be read together with ABC Technologies Holdings Inc.'s audited consolidated financial statements for the years ended June 30, 2023 and 2022 (“Financial Statements”). Additional information about ABC Technologies Holdings Inc. can be found on SEDAR+ at https://www.sedarplus.ca/.

Overview

ABC Technologies Holdings Inc. together with its consolidated subsidiaries ("ABC", the "Company", "we", "us" and "our") is a leading manufacturer and supplier of custom, highly engineered, technical plastics and lightweighting innovations to the North American light vehicle industry, serving more than 25 original equipment manufacturer customers globally through a strategically located footprint. ABC Technologies’ integrated service offering includes manufacturing, design, engineering, material compounding, machine, tooling and equipment building that are supported by a worldwide team. The Company offers three product groups: Interior Systems, Exterior Systems and HVAC, Fluids & Other.

Basis of Presentation

All references in this MD&A to "Fiscal 2023" are to the twelve months ended June 30, 2023 and "Fiscal 2022" are to the twelve months ended June 30, 2022. All references in this MD&A to "Q4 Fiscal 2023" are to the three months ended June 30, 2023 and "Q4 Fiscal 2022" are to the three months ended June 30, 2022.

The Company's financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All tabular figures presented in this MD&A are in thousands of U.S. dollars, except earnings per share, number of shares and where otherwise noted.

Recent Developments

Acquisition of WMGT

On March 1, 2023, the Company acquired 100% of the shares of WMG Technologies Holdings Inc. and its subsidiaries (collectively "WMGT") for $192.2 million in cash paid upfront, $13.9 million in estimated holdbacks, and estimated earn-outs of $0.3 million on the acquisition date. Based in Windsor, Ontario, Canada, with facilities across North America, WMGT is a leading tier-1 and tier-2 supplier of exterior products, complex tooling for injection molded exterior and interior parts, and other products to global automotive original equipment manufacturer ("OEM") customers. The acquisition of WMGT strengthens the Company's exterior products offering, expands its injection molding technical expertise, and brings additional value-added tooling in-house. WMGT is included in the North America segment. Refer to the Company's Financial Statements for details.

Acquisition of Etzel and dlhBOWLES

On March 4, 2022, the Company acquired 89.9% of the shares of Karl Etzel GmbH and SAM-GmbH, as well as land and buildings from a party related to the owner of Karl Etzel GmbH (collectively, "Etzel") for EUR 60.9 million ($68.4 million) in cash. Based in Mühlacker, Germany, Etzel is a leading tier-1 and tier-2 supplier to the German luxury automotive market and has expertise in injection molding plastics for automotive interiors and exteriors. The acquisition of Etzel enables the Company to meaningfully expand its scale in Europe while entering the interior products space on the continent with a strong customer base of luxury OEM portfolio. Etzel is included in the Rest of the World segment. On February 2, 2023, the Company exercised its option to purchase the remaining 10.1% interest in Etzel for an exercise price of EUR 6.0 million ($6.0 million).

On March 1, 2022, the Company acquired 100% of the shares of dlhBowles, Inc. ("dlhBOWLES") for $258.7 million in cash. Based in North Canton, Ohio, United States of America, dlhBOWLES is a recognized leader in the North American market for camera and sensor cleaning systems, windshield washer systems, sunroof drains, powertrain, and chassis solutions. The acquisition of dlhBOWLES further solidifies the Company’s position in the washer systems market and strengthens its existing product portfolio. dlhBOWLES is included in the North America segment.

Sale of interests in joint ventures

On February 1, 2023, the Company sold its 50% interest in ABC INOAC Exterior Systems Inc. for $13.0 million and its 50% interest in ABC INOAC Exterior Systems, LLC for $10.0 million, and recorded a gain on disposition of $8.8 million and $nil, respectively in Q3 Fiscal 2023. Both of these companies are spoiler and body molding manufacturers with painting capabilities. ABC INOAC Exterior Systems Inc. is located in Canada and Mexico, whereas ABC INOAC Exterior Systems, LLC is located in the United States. During Q2 Fiscal 2023, the Company noted indicators of impairment for its 50% interest in ABC INOAC Exterior Systems, LLC, such as significant cost increases in recent periods and a change in market conditions. As a result, the Company performed an impairment test and recorded an impairment loss of $20.8 million in Q2 Fiscal 2023 for the amount by which the carrying amount exceeded the recoverable amount.

On May 18, 2023, the Company sold its 50% interest in Ningbo ABC INOAC Huaxiang Automotive Parts Co. Ltd. ("INOAC Huaxiang") for 60.0 million RMB ($8.4 million) and recorded a gain on disposition of $2.3 million. INOAC Huaxiang is a manufacturer of HVAC systems, fluid management systems and flexible products based in Ningbo, China.

On May 31, 2023, the Company sold its 50% interest in ABCOR Filters Inc., for CAD$3.8 million ($2.9 million) and recorded a gain on disposition of $0.9 million. ABCOR Filters Inc. is a manufacturer of filters for air induction systems based in Toronto, Canada.

Termination of proposed acquisition of Continental's Washer Systems product line

On June 28, 2022, the Company entered into a conditional agreement to acquire the Washer Systems product line of Continental Automotive GmbH ("Continental") for approximately EUR 20.5 million ($20.2 million). On January 18, 2023, the Company paid Continental EUR 10.3 million ($11.1 million) to terminate the purchase agreement and proposed transaction.

Change to operating model and work force reduction

During Fiscal 2023, the Company implemented a customer-focused, business excellence operating model. This model removes unnecessary complexity and variability while strengthening subject matter expertise in manufacturing, engineering and process standardization while aligning the technical community around three product groups, a reduction from the previous six. These changes included the addition of several senior leaders with extensive automotive experience to assist in the transformation and establish a framework for future growth. In addition, the reorganization resulted in a head count reduction in excess of 190 to streamline the organization around the new operating model.

Reorganization of Poland operations

During the year ended June 30, 2023, management committed to a plan to sell part of Poland operations. Consequently, part of Poland operations was classified as a disposal group held for sale. Efforts to sell the disposal group have started and a sale is expected in Fiscal 2024. Assets held for sale were not allocated for segment reporting purposes.

Impairment losses of $2.1 million for write-downs of the disposal group to the lower of its carrying amount and its fair value less costs to sell have been recognized. The impairment losses have been applied to reduce the carrying amount of non-current assets within the disposal group. The impairment losses relate to property, plant and equipment, intangible assets, and other long-term assets for the amounts of $0.5 million, $1.3 million and $0.3 million respectively. During the year ended June 30, 2023, the Company also recorded a $2.0 million write-down relating to the tooling inventories and incurred $1.1 million in severance costs. During the year ended June 30, 2022, the Company recorded an impairment charge relating to property, plant and equipment of $8.2 million.

The assets in the disposal group consist of property, plant and equipment, intangible assets, and other long-term assets with fair values less cost to sell of $0.3 million, $0.8 million, and $0.2 respectively.

Financing arrangements

On April 18, 2023, the Company completed a sale and leaseback of all the real estate properties acquired in connection with the acquisition of WMGT and one real estate property of the Company and received gross proceeds of $97.9 million. No gain or loss was recorded in the consolidated statements of comprehensive income (loss) for the disposition of the WMGT real estate properties, as they were recorded at the selling price less selling costs in the measurement of the net assets acquired.

On April 29, 2022, the Company entered into an agreement for the sale and leaseback of all of its real estate properties located in Mühlacker, Germany obtained through the acquisition of Etzel. On August 31, 2022, the Company closed part of the sale and leaseback transaction and received gross proceeds of EUR 37.2 million ($44.5 million) and EUR 1.5 million ($1.4 million) was a holdback in accordance with the terms of agreement. On December 16, 2022, the Company closed the remaining part of the transaction and received gross proceeds of EUR 14.3 million ($14.9 million). EUR 0.2 million ($0.2 million) of the holdback

amount was received during the year ended June 30, 2023 and the remaining EUR 1.3 million ($1.4 million) holdback amount is expected to be received by the end of Q2 Fiscal 2024.

Subsequent Events

On September 05, 2023, the Company announced that it has entered into a definitive arrangement agreement (the "Arrangement Agreement") with AP IX Alpha Holdings (Lux) S.à.r.l. ("Alpha Holdings"), OCM Luxembourg OPPS XI S.à.r.l. ("OPPS XI") and OCM Luxembourg OPPS XB S.à.r.l. ("OPPS XB", and together with OPPS XI, the "Oaktree Funds" and together with Alpha Holdings, the "Purchasers"), pursuant to which the Purchasers, who own approximately 93.4% of the common shares of the Company (the "ABC Shares") in the aggregate intend to acquire all of the ABC Shares not already owned by them, subject to obtaining securityholder and other customary approvals (the "Transaction"). The Company intends to hold a special meeting of securityholders in October 2023, where the Transaction will be considered and voted upon by securityholders of record. Under the terms of the Arrangement Agreement, the Purchasers intend to acquire the ABC Shares that they do not currently own for CAD $6.75 in cash per ABC Share. Upon closing of the Transaction, the Purchasers intend to cause the ABC Shares to cease to be listed on the Toronto Stock Exchange and to cause the Company to submit an application to cease to be a reporting issuer under applicable Canadian securities laws.

On August 23, 2023, the Company announced it has entered into an agreement to acquire an automotive business, ("Plastikon Automotive"), from Plastikon Industries, Inc. for $130.0 million (the "Plastikon Acquisition"). Plastikon Automotive's full-service portfolio ranges from the production of battery module housings, injection molding headliners, door assemblies, center console assemblies and cluster meters. The transaction is expected to close in the first quarter of Fiscal 2024 subject to the satisfaction of customary closing conditions.

On August 17, 2023, to facilitate the financing of Plastikon Acquisition, the Company amended its Credit Agreement to include an additional non-revolving Term Facility of up to $140.0 million. No amendments were made to key terms.

Non-IFRS Measures and Key Indicators

This MD&A uses certain non-IFRS financial measures and ratios. Management uses these non-IFRS financial measures for purposes of comparison to prior periods, to prepare annual operating budgets, and for the development of future projections and earnings growth prospects. This information is also used by management to measure the profitability of ongoing operations and in analyzing our financial condition, business performance and trends. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and therefore may not be comparable to similarly titled measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, they should not be considered in isolation, nor as a substitute, for analysis of our financial information reported under IFRS. We use non-IFRS financial measures including Net Debt, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Free Cash Flow, Trade Working Capital and Net Working Capital to provide supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when using IFRS financial measures. We believe that the presentation of these financial measures enhances an investor's understanding of our financial performance as these measures are widely used by investors, securities analysts and other interested parties.

“Net Debt” means (i) long-term debt less cash plus (ii) proportionate long-term debt held at joint ventures, less proportionate cash held at joint ventures.

“EBITDA” means net earnings (loss) before finance expense, income tax expense (recovery), depreciation of property, plant and equipment, depreciation of right-of-use assets, and amortization of intangible assets.

“Adjusted EBITDA” means EBITDA plus: loss on disposal and write-down of assets, unrealized loss (gain) on derivative financial instruments, transactional, recruitment, and other bonuses, EBITDA from the Poland facility which will be exited, business transformation and related costs (which may include severance and restructuring expenses), impairment of investment in joint venture, Continental payment, and write-down of inventories, less: our share of loss (income) of joint ventures, plus the Company's proportionate share of the EBITDA generated by our joint ventures, gain on disposal of investment in joint ventures, share-based compensation expense (reversal), and government grants and other. We also present Adjusted EBITDA excluding the impact of IFRS 16 by charging the lease payments applicable to those periods to expense as was the case prior to IFRS 16 – Leases (“IFRS 16”).

"Adjusted EBITDA Margin" means Adjusted EBITDA divided by sales adjusted to include the proportional share of joint venture sales attributable to ABC.

"Adjusted Free Cash Flow" means net cash flows from (used in) operating activities, less: purchases of property, plant and equipment, additions to intangible assets, lease payments, net impact of hedge monetization, plus: proceeds from disposal of property, plant, and equipment, cash dividends received from joint ventures, and one-time advisory, bonus and other costs.

"Trade Working Capital" means trade and other receivables and inventories, less trade payables.

"Net Working Capital" means trade and other receivables, inventories, prepaid expenses and other, less: trade payables, accrued liabilities and other payables and current portion of provisions.

Summary of Factors Affecting Our Performance

We believe that our performance and future success depend on a number of factors that present significant opportunities for us. These factors are also subject to, and may pose, a number of inherent risks and challenges, including those discussed below.

Macroeconomic Conditions and Auto Industry Fundamentals

Our sales are principally driven by the strength of North American light vehicle production, particularly light trucks which include crossover utility vehicles ("CUVs"), sport utility vehicles ("SUVs") and pick-up trucks, and the level of demand for new light vehicles that are manufactured using our products. In North America, both demand for light vehicles and production of light vehicles are generally positively correlated with GDP. Management also believes that both demand for light vehicles and production of light vehicles are driven by a combination of macroeconomic and certain industry fundamentals which include, among other things, access to credit, used versus new vehicle pricing, average light vehicle age, and fuel prices. Additionally, light vehicle production can be influenced by industry trends. Variations in North American macroeconomic conditions, including, those resulting from the effects of COVID-19 pandemic, and/or certain industry fundamentals that collectively result in a change in new vehicle sales and production by our customers have impacted and will continue to impact our sales.

Inflation and Interest Rates

Central banks have recently adopted a number of interest rate increases in an attempt to rein in increasing global inflationary rates. Since vehicle sales levels are significantly affected by consumer confidence levels, concerns over possible recession resulting from interest rate increases, as well as availability of credit, may affect consumer confidence and reduce future sales levels.

We continue to experience higher prices for raw materials and commodities, particularly resin, glass, rubber, paint and steel and other raw materials, freight and energy costs, as well as wage pressures in some markets, which are expected to continue throughout calendar year 2023. Additionally, we may continue to experience price increases or surcharges from sub-suppliers in connection with the inflationary pressures they face. The inability to offset inflationary price increases through continuous improvement actions, price increases to our customers or modifications to our own products or otherwise, could have an adverse effect on our earnings.

Russian Invasion of Ukraine

The invasion of Ukraine has resulted in significant increases in energy costs in Europe and a reduction in natural gas supplied by Russia with the threat of further reductions. The ongoing conflict continues to create or exacerbate a broad range of risks, including with respect to: global economic growth; global vehicle production volumes; inflationary pressures, including in energy, commodities and transportation/logistics; and supply chain fragility. On July 20, 2022, the European Union ("EU") introduced an emergency natural gas rationing plan to curtail the use of natural gas by businesses and in public buildings in member states through the summer, in order to allow gas reserves to be replenished for the winter. The EU has developed a plan to reduce natural gas imports from Russia significantly in the short term, and phase them out entirely by 2027; it also announced measures to eliminate imports of Russian coal and oil. The inability of European countries to timely establish stable and secure energy supplies to offset Russian energy sources could cause significant economic disruption across Europe, including at our manufacturing facilities. A material deterioration in any of the foregoing could have a material adverse effect on our business and results of operations.

Industry Trends

The North American auto parts industry is subject to secular trends, such as mix shifts towards light trucks and electric vehicles as well as increasing fuel efficiency standards. We believe we are well positioned to respond to evolving consumer preferences and increasing fuel efficiency standards. Our core technologies support large, highly engineered, lightweight parts and advanced material alternatives. Electric vehicles also continue to grow as a percentage of total light vehicle sales and benefit from lightweighting, which enhances battery range. The majority of our products are generally usable in either traditional internal combustion engine vehicles or electric vehicles. In North America, light trucks sales, to which our business is strongly weighted, continue to grow as a percentage of total light vehicle sales. As fuel efficiency standards continue to increase, we believe our lightweight plastic products and solutions will continue to provide the opportunity to realize higher average dollar content per

vehicle ("CPV") for the products we make and continue to develop as they replace traditional products made of heavier materials to improve fuel efficiency.

Organic Sales Growth

Our ability to generate organic sales growth depends on our ability to: increase the breadth and depth of products that we supply to existing customers; win new contracts and renewals or extensions of existing contracts; and, win business with new customers. We believe that executing this strategy will continue to drive our organic sales growth and Adjusted Free Cash Flow generation. We believe our longstanding, collaborative, and deeply integrated customer relationships, extensive technological capabilities and track record of developing innovative solutions positions us well to drive continued business wins.

Sourcing

Our future profitability is dependent on our ability to optimize our sourcing of materials at competitive pricing, including resin, components, equipment, and tooling equipment (molds, fixtures and assembly equipment).

Resins represent a significant portion of our material costs, which is generally the largest component of our cost of sales. Resins, which in many cases are of a specific engineered grade, are subject to price fluctuations, including those arising from supply and demand movements and changes in the prices of natural gas, crude oil and other petrochemical intermediates from which resins are produced, and that have recently exhibited a high level of volatility.

A significant portion of our parts sales are indexed to resin prices or have other commercial means to mitigate the impact of resin price volatility; in some cases, resin indices are used to adjust selling prices on a prospective basis. In some cases the resin price is set by the customer and the supplier and any adjustment for market changes is done between the customer and the supplier without ABC involvement. For the sales that are not indexed, we typically seek to adjust pricing with our customers to recover the impact of any negative long-term fluctuations in resin prices. A significant number of our resin contracts has customer pricing mechanisms or other commercial practices in place that help to insulate us or reduce our exposure to market fluctuations in resin prices.

Components make up a significant portion of our material costs. Often components are assembled or otherwise integrated with the molded parts we make in our manufacturing processes forming a part of our contract requirements. These components are most often engineered for the specific application. The Company generally controls the decision making for sourcing qualified suppliers for components. However, certain components sourcing is directed by customers such that the supplier, the part specifications and the cost of the part to be supplied is negotiated directly by the customer. Customers pay this cost plus a nominal handling fee to manage this sourcing. The most significant component of our customer-directed sourcing business is related to consoles, which we supply to our largest OEM customer. While these customer-directed console components contributed approximately 6.4% of our sales for Fiscal 2023, it had a negligible impact on our profitability. We expect this pass-through content will significantly decline over the next five years.

Every molded part we manufacture is produced from a mold engineered and manufactured to specific part dimensions and many parts are further assembled using various fixtures and assembly equipment, which is often highly automated. Competitive sourcing of molds, fixtures and assembly equipment, collectively referred to as tooling, is an important part of the customer value proposition we provide. Through a vertically integrated subsidiary, the Company manufactures certain of the tooling used in production. The remainder of our tooling used in production is sourced from qualified third-party suppliers.

Foreign Exchange

Our functional currency is the United States dollar ("USD"). The Company also has transactions denominated in Canadian dollar ("CAD") and Mexican pesos (“MXN”) because we sell certain goods into the Canadian and Mexican markets in their local currencies and purchase goods and services from Canada and Mexico. To a lesser extent, we have transactions denominated in Euros, Brazilian real, Japanese yen and Chinese renminbi. As a result, changes in those currencies to USD exchange rates can impact our business, results of operations, and result in foreign currency gains or losses.

The Company manages a portion of its foreign currency risk by using foreign currency derivatives to cover forecast purchase transactions that are expected to occur. When a foreign currency derivative is entered into for this purpose, the Company negotiates the terms of the foreign currency derivative to closely match the maturity dates of the hedged exposure.

Seasonality

Our business for the sale of parts and assemblies to our OEM customers exhibits moderate seasonality that is driven by the production cycle of those customers. Specifically, our largest North American OEM customers typically halt production for approximately two weeks in July/August and late December/early January. However, if retail demand for a vehicle is high

enough, or inventories are low enough, customers may produce certain models through these periods. While certain variable costs can be managed to match seasonal patterns, a portion of our costs are fixed and cannot be adjusted for this limited seasonality impact. For these reasons, our sales and Adjusted EBITDA tend to be lower in our first and second fiscal quarters of each year. Tooling sales are determined by customer timing, which is generally tied to product launch schedules that vary in magnitude and timing.

Competition

We operate in a highly competitive industry. We believe we are well positioned to maintain or grow our sales in our key product groups through collaborative and long-standing relationships with our customers, the ability to develop innovative custom solutions to changing technical requirements and through our product quality, operational flexibility, reliability, timeliness of delivery, geographic location, and price competitiveness.

Dependence upon large-volume customers

Although the Company supplies parts to major OEMs, a significant majority of its sales are to a few customers. While the Company continues seeking opportunities to diversify its business, including its product offerings and programs with existing customers, there is no assurance it will be successful. Shifts in market share away from its top customers or inability to increase its market share with existing customers could have a material adverse effect on the Company's profitability. A loss of any or all of the Company's top customers' business or the termination or discontinuation of such customers' programs without replacement or new business wins would be expected to have a material adverse effect on the Company's business, financial condition and results of operations.

Environmental Matters

Foreign, federal, state, provincial and local regulatory and legislative bodies have proposed various legislative and regulatory measures relating to climate change, regulating greenhouse gas emissions and energy policies, including, without limitation, CAFE standards and California's agreement with major OEMs to increase fuel efficiency. Due to the uncertainty in the regulatory and legislative processes, as well as the scope of such requirements and initiatives, the Company cannot currently determine the effect such legislation and regulation may have on its operations or on the production of, or demand for, vehicles, including light trucks. There is a risk that, as part of their lightweighting initiatives and/or in an effort to respond to the standards set forth or proposed in such climate change related energy legislation and regulations, OEM's may transition the installation of certain automotive components (including products currently supplied by the Company) to after-market or dealer-installed options. Such transition to after-market or dealer installation, should it occur, could have a material adverse effect on the Company's business, financial condition and results of operations.

In addition, the physical occurrence of severe weather conditions or one or more natural disasters, whether due to climate change or naturally occurring, such as, floods, wild fires, tornadoes, hurricanes, severe storms, and earthquakes in the United States, Canada, Mexico or in a country in which the Company operates or in which its suppliers or customers are located could have a material adverse effect on its business, financial condition and results of operations. Such events could result in: (i) physical damage to and complete or partial closure of one or more of the Company's or its customers' manufacturing facilities; (ii) temporary or long-term disruption in the supply of raw materials from the Company's suppliers; (iii) disruptions to the Company's production or ability of the Company's employees to work efficiently; and/or (iv) disruptions or delays in the transport of the Company's products to its customers or their vehicles to their customers.

Capital and Liquidity Risk

The Company's ability to obtain additional financing, in the form of debt or equity, may affect our performance in various ways, including:

- limiting our ability to fund future working capital, capital expenditures, capacity expansion, acquisitions, or other general corporate requirements and increasing our cost of borrowing;
- requiring a portion of our cash flow to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flow available for working capital, capital expenditures, capacity expansion, acquisitions, and other general corporate purposes;
- requiring the net cash proceeds of certain equity offerings to be used to repay our debt as opposed to other purposes;
- exposing us to the risk of increased interest rates as certain of our borrowings have variable rates of interest; and
- limiting our flexibility in planning for and reacting to changes in the industries in which we compete.

Our Credit Agreement contains a number of restrictive covenants that impose operational and financial restrictions on us, including restrictions on our ability to incur certain liens, make investments and acquisitions, incur or guarantee additional

indebtedness, pay dividends or make other distributions, or enter into certain other types of contractual arrangements affecting our subsidiaries or indebtedness.

The Credit Agreement also contains restrictions on the incurrence of additional indebtedness and those restrictions are subject to a number of qualifications and exceptions. We may also seek to amend or refinance one or more of our debt instruments to permit us to finance our growth strategy or improve the terms of our indebtedness. However, there can be no assurances that such debt instruments will be available on competitive or acceptable terms or at all.

Dependence upon key personnel

The success of the Company is dependent on the services of a number of the members of its senior management. The experience and talents of these individuals will be a significant factor in the Company's continued success and growth. In addition, the Company's continued success depends in part on its ability to recruit, retain and motivate highly skilled sales, manufacturing, tooling and engineering personnel. Competition for persons in the automotive industry is intense, and the Company may not be able to successfully recruit, train or retain qualified personnel. If the Company fails to recruit and retain the necessary personnel, its ability to obtain new customers and retain existing customers, develop new products, operate, maintain and produce equipment and tooling, and provide acceptable levels of customer service could suffer, which could have a material adverse effect on the Company's business, financial condition and results of operations.

The Company has entered into employment agreements with certain of its key personnel. However, it cannot ensure that these individuals will stay with the Company. If any of these persons were to leave the Company, it could be difficult to replace them, and the Company's operations, ability to manage day-to-day aspects of its business and efforts to improve its cost competitiveness may be impaired, which could have a material adverse effect on the Company's business, financial condition and results of operations. The Company does not currently maintain key man insurance.

Technological Change and Product Development

The Company continues to invest in technology and innovation, which it believes will be critical to its long-term growth. Changes in legislative, regulatory or industry requirements or in competitive technologies, including manufacturing processes, may render certain of the Company's products obsolete or less attractive or may result in the Company's operations not being cost-competitive. The Company's ability to anticipate changes in technology and trends and to successfully develop and introduce new and enhanced products and/or manufacturing processes on a timely basis will be a significant factor in the Company's ability to remain competitive. If the Company is unsuccessful or is less successful than its competitors in consistently developing innovative products, processes and/or use of materials, the Company may be placed at a competitive disadvantage, which could have a material adverse effect on the Company's business, financial condition and results of operations. In addition, if there is a shift away from the use of technologies in which the Company is investing, or a change in trends its costs may not be fully recovered. Further, the Company may be placed at a competitive disadvantage if other technologies in which its investment is not as great, or the Company's expertise is not as developed, emerge as the industry-leading technologies. This could have a material adverse effect on the Company's profitability and financial condition.

The Company is also subject to the risks generally associated with new product introductions and applications, including lack of market acceptance of its customers' programs, delays in product development and failure of products to operate properly. If the Company is unable to respond quickly to changes in technology, customer demands or regulatory requirements, it could have a material adverse effect on the Company's business, financial condition and results of operations.

To compete effectively in the automotive supply industry, the Company must be able to launch new products to meet its customers' demands in a timely manner. The Company cannot ensure, however, that it will be able to install and validate the equipment needed to produce products for new customer programs in time for the start of production or that the transitioning of its manufacturing facilities and resources to full production under new product programs will not impact production rates or other operational efficiency measures at its facilities. In addition, the Company cannot ensure that its customers will execute on schedule the launch of their new product programs, for which the Company might supply products. The Company may fail to successfully launch or be affected by its customers' delay in introducing new programs, and its customers may fail to successfully launch new programs, which could have a material adverse effect on the Company's business, financial condition and results of operations.

Acquisition and Expansion

The Company may grow through acquisitions of complementary businesses, products or technologies. In Fiscal 2023, the Company successfully completed an acquisition as part of its growth strategy. Refer to the Recent Developments section above for further details.

Acquisitions or strategic alliances involve numerous risks, including:

- difficulties in the integration of the acquired businesses or incorporating joint ventures;

- the diversion of the Company’s management team’s attention from other business concerns;
- uncertainties in assessing the value, strengths and potential profitability of, and identifying the extent of all weaknesses of, acquisition candidates;
- the assumption of unknown liabilities, including environmental, tax, pension and litigation liabilities, and undisclosed risks impacting the target;
- adverse effects on existing customer and supplier relationships;
- incurrence of substantial indebtedness;
- potentially dilutive issuances of equity securities;
- integration of internal controls;
- entry into markets in which the Company has little or no direct prior experience;
- the potential loss of key customers, management and employees of an acquired business;
- potential integration or restructuring costs;
- the inability to achieve forecast operational and financial synergies; and
- unanticipated changes in business, industry or general economic conditions that affect the assumptions underlying the Company’s rationale for pursuing the acquisition or joint venture.

Dividends

The Company currently does, and anticipates continuing to, pay quarterly cash dividends, subject to the Board’s discretion, applicable laws and the terms of our Credit Agreement. Dividends are and will be declared and paid in arrears. For Fiscal 2023, cash dividends paid per share were CAD$0.15.

Any determination to pay dividends in the future will be at the discretion of the Board and will depend on many factors, including the Company’s financial results, capital requirements, available cash flow, the need for funds to finance ongoing operations, contractual restrictions and covenants, solvency tests imposed by corporate law and other factors that the Board may deem relevant. ABC Technologies Holdings Inc. is a holding company that does not conduct any business operations of its own. As a result, it is dependent upon cash dividends and distributions and other transfers from its subsidiaries to make dividend payments on its common shares. Its subsidiaries are permitted to pay dividends subject to general restrictions imposed on dividend payments under the jurisdiction of incorporation or organization of each subsidiary. In addition, the agreements governing our indebtedness, such as our Credit Agreement, and agreements governing any of our future indebtedness, may contain various covenants that limit our ability, and that of our subsidiaries, to pay dividends.

Selected Quarterly and Annual Consolidated Financial Information

The following tables provide selected consolidated financial data for the periods indicated.

Selected statement of comprehensive income data	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the year ended June 30, 2023	For the year ended June 30, 2022
Sales	**$ 419,342**	$ 319,249	**$ 1,432,694**	$ 971,878
Cost of sales	**356,441**	292,615	**1,227,446**	891,778
Gross profit	**62,901**	26,634	**205,248**	80,100
Selling, general and administrative	**47,082**	43,054	**196,114**	128,550
Gain on disposal of investment in joint ventures	**(3,146)**	—	**(11,918)**	—
Impairment of investment in joint venture	**—**	—	**20,797**	—
Impairment loss on remeasurement of disposal group	**2,116**	—	**2,116**	—
Other expense (income)	**(101)**	7,459	**(2,273)**	7,454
Share of loss (income) of joint ventures	**(382)**	(847)	**1,177**	(498)
Operating income (loss)	**17,332**	(23,032)	**(765)**	(55,406)
Finance expense, net	**17,562**	8,518	**52,015**	31,582
Income (loss) before income tax	**(230)**	(31,550)	**(52,780)**	(86,988)
Income tax expense (recovery)				
Current	**8,042**	3,630	**25,981**	10,385
Deferred	**(9,543)**	(21,573)	**(31,882)**	(32,833)
Total income tax recovery	**(1,501)**	(17,943)	**(5,901)**	(22,448)
Net income (loss)	**$ 1,271**	$ (13,607)	**$ (46,879)**	$ (64,540)
Income (loss) per share - basic and diluted	**$ 0.01**	$ (0.12)	**$ (0.41)**	$ (0.85)
Other financial and operating metrics				
Adjusted EBITDA	**$ 48,620**	$ 15,218	**$ 158,527**	$ 45,651
Adjusted EBITDA margin	**11.5%**	4.3%	**10.4%**	4.2%
Adjusted Free Cash Flow	**$ (12,061)**	$ 616	**$ 9,577**	$ (46,217)

Selected statement of financial position data	June 30, 2023	June 30, 2022[3]
Cash	**$ 32,909**	$ 25,400
Proportionate cash held at joint ventures[1]	**—**	5,436
Cash including proportionate cash held at joint ventures	**$ 32,909**	$ 30,836
Trade working capital	**227,024**	126,672
Net working capital	**48,401**	46,354
Total assets	**1,604,572**	1,278,073
Long-term debt[2]	**428,790**	400,000
Net debt	**395,881**	369,164
Total liabilities	**1,281,257**	902,313
Total shareholders' equity	**323,315**	375,760

1. Represents 50% of cash held at joint ventures, which corresponds to the Company's proportionate share of ownership in the joint ventures. As at June 30, 2023, interest in all joint ventures has been disposed of. Refer to recent developments section.
2. No long-term debt was held at joint ventures at June 30, 2022 or June 30, 2023.
3. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to the Financial Statements for details.

Reconciliation of net loss to Adjusted EBITDA	For the three months ended June 30, 2023	2022	For the year ended June 30, 2023	2022
Net income (loss)	**$ 1,271**	$ (13,607)	**$ (46,879)**	$ (64,540)
Adjustments:				
Income tax recovery	**(1,501)**	(17,943)	**(5,901)**	(22,448)
Finance expense, net	**17,562**	8,518	**52,015**	31,582
Depreciation of property, plant and equipment	**16,697**	16,358	**68,850**	53,344
Depreciation of right-of-use assets	**5,803**	4,263	**18,993**	15,570
Amortization of intangible assets	**8,207**	7,815	**32,167**	24,612
EBITDA	**$ 48,039**	$ 5,404	**$ 119,245**	$ 38,120
Loss on disposal and write-down of assets	**436**	9,242	**1,332**	9,979
Unrealized gain on derivative financial instruments	**(537)**	(1,854)	**(3,605)**	(2,695)
Transactional, recruitment and other bonuses	**—**	—	**1,020**	2,374
EBITDA from Poland facility[1]	**1,112**	—	**2,822**	—
Write-down of inventories[2]	**—**	—	**2,030**	—
Business transformation related costs[3]	**8,632**	7,644	**47,868**	16,967
Share of loss (income) of joint ventures	**(382)**	(847)	**1,177**	(498)
EBITDA from joint ventures[4]	**493**	2,020	**2,559**	3,955
Impairment of investment in joint venture[5]	**—**		**20,797**	
Impairment loss on remeasurement of disposal group[8]	**2,116**	—	**2,116**	—
Share-based compensation expense (reversal)	**213**	269	**(545)**	2,576
Continental payment[6]	**—**	—	**11,076**	—
Gain on disposal of investment in joint ventures[5]	**(3,146)**	—	**(11,918)**	—
Lease payments, net of sublease receipts	**(8,356)**	(6,660)	**(28,734)**	(25,127)
Government grants and other[7]	**—**	—	**(8,713)**	—
Adjusted EBITDA	**$ 48,620**	$ 15,218	**$ 158,527**	$ 45,651

1. Represents net impact on EBITDA from the Poland facility, which has been classified as held for sale. Refer to the recent developments section for details.
2. A write-down relating to Poland tooling inventories was recorded in Q1 Fiscal 2023.
3. Includes $3.7 million (2022: $0.3) and $16.6 million (2022: $0.4 million) of costs incurred in Q4 Fiscal 2023 and Fiscal 2023, respectively, in connection with restructuring activities, which mainly relate to severance and asset relocation expenses. Refer to the recent developments section for details. In addition, $1.0 million (2022: $3.5 million) and $18.6 million (2022: $10.3 million) of costs were incurred in Q3 Fiscal 2023 and Fiscal 2023, respectively, in connection with completed acquisitions as well as ongoing work to evaluate potential acquisition targets and $4.0 million (2022: $3.9 million) and $8.4 million (2022: $7.0 million), respectively, of consulting and legal costs were incurred for business transformation.
4. Represents 50% of joint ventures' EBITDA, which corresponds to the Company's proportionate share of ownership in the ventures. Refer to recent developments section.
5. Refer to the recent developments section for details on the impairment loss recorded in Q2 Fiscal 2023 relating to the Company's investment in ABC INOAC Exterior Systems, LLC and disposal of investment in joint ventures.
6. Refer to the recent development section for details on the Continental payment in Q3 Fiscal 2023.
7. Represents cash receipts for government grants and other expense related concessions.
8. Represents impairment losses for write-downs of the Poland disposal group to the lower of its carrying amount and its fair value less costs to sell. Refer to recent development sections for details.

Calculation of Adjusted EBITDA Margin	For the three months ended June 30, 2023	2022	For the year ended June 30, 2023	2022
Sales	**$ 419,342**	$ 319,249	**$ 1,432,694**	$ 971,878
Proportionate share of joint venture sales[1]	**3,101**	37,899	**91,700**	126,860
Adjusted sales	**$ 422,443**	$ 357,148	**$ 1,524,394**	$ 1,098,738
Adjusted EBITDA	**$ 48,620**	$ 15,218	**$ 158,527**	$ 45,651
Adjusted EBITDA Margin	**11.5 %**	4.3 %	**10.4 %**	4.2 %

1. Represents 50% of joint ventures' sales, which corresponds to the Company's proportionate share of ownership in the joint ventures.

Calculation of Net Debt	June 30, 2023	June 30, 2022
Long-term debt	**$ 428,790**	$ 400,000
Cash and cash equivalents	**(32,909)**	(25,400)
Proportionate cash held at joint ventures[1]	**—**	(5,436)
Net Debt	**$ 395,881**	$ 369,164

1. Represents 50% of cash held at joint ventures, which corresponds to the Company's proportionate share of ownership in the joint ventures. As at June 30, 2023, interest in all joint ventures has been disposed of. Refer to recent developments section.

Calculation of Trade Working Capital	June 30, 2023	June 30, 2022[1]
Trade and other receivables	**$ 155,000**	$ 122,192
Inventories	**255,994**	152,461
Trade payables	**(183,970)**	(147,981)
Trade Working Capital	**$ 227,024**	$ 126,672

1. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to the Financial Statements for details.

Calculation of Net Working Capital	June 30, 2023	June 30, 2022[1]
Trade and other receivables	**$ 155,000**	$ 122,192
Inventories	**255,994**	152,461
Prepaid expenses and other	**55,242**	42,094
Trade payables	**(183,970)**	(147,981)
Accrued liabilities and other payables	**(216,755)**	(98,280)
Provisions	**(17,110)**	(24,132)
Net Working Capital	**$ 48,401**	$ 46,354

1. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to the Financial Statements for details.

Results of operations for Q4 Fiscal 2023 compared with Q4 Fiscal 2022

Sales

Sales were $419.3 million in Q4 Fiscal 2023 compared with $319.2 million for Q4 Fiscal 2022, an increase of $100.1 million or 31.4%. Of this increase, $87.2 million is attributable to WMGT acquisition completed in Q3 Fiscal 2023, accounting for 87.1% of the increase. The Company also enjoyed slightly better than industry average growth due to its product mix relative to the industry and as a result of improved sales to a number of significant customers as they rebuild their inventory to historical levels. According to IHS Markit reports, industry production in North America increased by 5.7% in Q4 Fiscal 2023 compared to Q4 Fiscal 2022.

Cost of sales

Cost of sales was $356.4 million in Q4 Fiscal 2023 compared with $292.6 million for Q4 Fiscal 2022, an increase of $63.8 million or 21.8%, of which $80.3 million is attributable to WMGT acquisition completed in Q3 Fiscal 2023 partially offset by the

reduction in prices for raw materials and commodities particularly resin. Gross profit was $62.9 million in Q4 Fiscal 2023 compared with $26.6 million in Q4 Fiscal 2022, an increase of $36.3 million as a result of higher production volumes, key platforms, and favourable operating performance. Although the prices for raw materials and commodities have reduced in Q4 Fiscal 2023 compared with Q4 Fiscal 2022, they are still higher than historical levels and continue to impact the gross profit.

Selling, general and administrative expenses

Selling, general and administrative expenses were $47.1 million in Q4 Fiscal 2023 compared with $43.1 million for Q4 Fiscal 2022, an increase of $4.0 million or 9.4%. As a percentage of sales, selling, general and administrative expenses were 11.2% in Q4 Fiscal 2023 compared with 13.5% in Q4 Fiscal 2022.

Significant differences quarter over quarter include:

- wages, benefits and professional fees were $26.1 million in Q4 Fiscal 2023 as compared to $19.4 million in Q4 Fiscal 2022, an increase of $6.7 million mainly driven by normalized bonus in Q4 Fiscal 2023.
- A foreign exchange gain of $3.5 million in Q4 Fiscal 2023 compared to a foreign exchange loss of $0.2 million in Q4 Fiscal 2022.

Gain on disposal of investment in joint ventures

Gain on disposal of investment in joint ventures of $3.1 million relates to the Company's sale of its interests in INOAC Huaxiang and ABCOR Filters in Q4 Fiscal 2023. Refer to the recent developments section for details.

Impairment loss on remeasurement of disposal group

An impairment loss of $2.1 million was recorded to write-down the disposal group in Poland to the lower of its carrying amount and fair value less costs to sell. Refer to the recent developments section for details.

Other expense (income)

Other income includes gains or losses on derivative financial instruments and losses on disposal and write-down of assets. Other income was $0.1 million for Q4 Fiscal 2023 compared with other expense of $7.5 million in Q4 Fiscal 2022 primarily due to $8.2 million impairment related to Poland's property, plant and equipment recorded in Q4 Fiscal 2022. Refer to recent developments section for more details.

Share of loss (income) of joint ventures

Share of income of joint ventures was $0.4 million in Q4 Fiscal 2023 compared with income of $0.8 million in Q4 Fiscal 2022, a decrease of $0.4 million primarily as a result of the Company selling its interests in joint ventures. Refer to recent developments section for more details.

Finance expense (net)

Finance expense (net) was $17.6 million in Q4 Fiscal 2023 compared with $8.5 million in Q4 Fiscal 2022, an increase of $9.1 million primarily due to higher interest rates and a higher debt balance in Q4 Fiscal 2023 compared to Q4 Fiscal 2022.

Total income tax recovery

Total income tax recovery was $1.5 million in Q4 Fiscal 2023 compared with income tax recovery of $17.9 million in Q4 Fiscal 2022 due to the change in the mix of earnings between jurisdictions and much lower expenses incurred in Q4 Fiscal 2023 that were not deductible.

Net income (loss)

Net income was $1.3 million in Q4 Fiscal 2023 compared with a net loss of $13.6 million in Q4 Fiscal 2022, an improvement of $14.9 million or 109.3%. Primary contributors to the change between periods are a $40.4 million increase in operating income for Q4 Fiscal 2023 due to the reasons noted above partially offset by lower tax recovery of $16.4 and a $9.0 million increase in finance expense for Q4 Fiscal 2023 .

Adjusted EBITDA

Adjusted EBITDA was $48.6 million in Q4 Fiscal 2023 compared with $15.2 million in Q4 Fiscal 2022, an increase of $33.4 million or 219.5%, primarily due to higher sales and gross profit from both existing operations as well as recently acquired companies.

Results of Operations for Fiscal 2023 compared with Fiscal 2022

Sales

Sales were $1,432.7 million in Fiscal 2023 compared with $971.9 million in Fiscal 2022, an increase of $460.8 million or 47.4%. Of this increase, $332.4 million is attributable to the acquisitions of dlhBOWLES and Etzel which only had four months of results in the prior year, and the WMGT acquisition completed in Q4 Fiscal 2023, accounting for 72.1% of the increase. The Company also enjoyed better than industry average growth as a result of improved sales to a number of significant customers due to its product mix relative to the industry as the customers rebuild their inventory to historical levels. According to IHS Markit reports, industry production in North America increased by 13.5% Fiscal 2023 compared to Fiscal 2022. Additionally, the Company recovered amounts from certain of its customers during Fiscal 2023 to alleviate the inflationary pressures it had been experiencing due to the current economic conditions.

Cost of sales

Cost of sales was $1,227.4 million in Fiscal 2023 compared with $891.8 million in Fiscal 2022, an increase of $335.6 million or 37.6%, of which $283.6 million or 84.5% is attributable to the acquisitions of dlhBOWLES and Etzel which only had four months of results in the prior year, and the WMGT acquisition completed in Q4 Fiscal 2023. Gross profit was $205.2 million in Fiscal 2023 compared with $80.1 million in Fiscal 2022, an increase of $125.1 million as a result of higher production volumes, key platforms, commercial recoveries and favourable operating performance. Although gross profit was higher in Fiscal 2023, it continued to be affected by higher labor and freight costs, and increased raw material costs, primarily resin, glass, rubber, paint and steel, which the Company attributes to inflationary trends seen throughout both the industry and general economy. Gross profit Fiscal 2023 was also higher due to recoveries received from customers in Fiscal 2023 that were recognized in sales.

Selling, general and administrative expenses

Selling, general and administrative expenses were $196.1 million in Fiscal 2023 compared with $128.6 million in Fiscal 2022, an increase of $67.5 million or 52.5%. As a percentage of sales, selling, general and administrative expenses were 13.7% in Fiscal 2023 compared with 13.2% in Fiscal 2022.

Significant differences period over period include:

- business transformation related costs were $47.9 in Fiscal 2023 as compared to $17.0 million in Fiscal 2022, an increase of $30.9 million mainly driven by higher restructuring and acquisition related costs.
- wages, benefits and professional fees were $80.1 million in Fiscal 2023 as compared to $59.2 million in Fiscal 2022, an increase of $20.9 million mainly driven by normalized bonus and higher salaries and benefits in Fiscal 2023 due to the acquisitions.
- payment of $11.1 million in Fiscal 2023 to terminate the proposed Continental acquisition. Refer to the recent developments section for details.
- depreciation and amortization expense was $35.5 million in Fiscal 2023 as compared to $27.8 million in Fiscal 2022, an increase of $7.7 million mainly due to the acquisitions of dlhBOWLES and Etzel which were included in Fiscal 2023 for the full period.

Gain on disposal of investment in joint ventures

Gain on disposal of investment in joint ventures of $11.9 million relates to the Company's sale of its interests in ABC INOAC Exterior Systems Inc. in Q3 Fiscal 2023 and INOAC Huaxiang and ABCOR Filters in Q4 Fiscal 2023. Refer to the recent developments section for details.

Impairment of investment in joint venture

Impairment of investment in joint venture relates to an impairment loss of $20.8 million recorded by the Company in Q2 Fiscal 2023 relating to its investment in ABC INOAC Exterior Systems, LLC prior to its disposal in Q3 Fiscal 2023. Refer to the recent developments section for details.

Impairment loss on remeasurement of disposal group

An impairment loss of $2.1 million was recorded to write-down the disposal group in Poland to the lower of its carrying amount and fair value less costs to sell. Refer to the recent developments section for details.

Other expense (income)

Other income includes gains or losses on derivative financial instruments, and losses on disposal and write-down of assets. Other income was $2.3 million in Fiscal 2023 compared with other expense of $7.5 million in Fiscal 2022 primarily due to $8.2 million impairment related to Poland's property, plant and equipment recorded in Fiscal 2022 and a gain on derivative financial instruments in Fiscal 2023 of $3.6 million as compared to $2.5 million in Fiscal 2022.

Share of loss (income) of joint ventures

Share of loss of joint ventures was $1.2 million in Fiscal 2023 compared with an income of $0.5 million in Fiscal 2022, an increase in loss of $1.7 million primarily as a result of higher costs in Fiscal 2023 as well as the Company selling its interests in joint ventures in Fiscal 2023. Refer to recent developments section for more details.

Finance expense (net)

Finance expense (net) was $52.0 million in Fiscal 2023 compared with $31.6 million in Fiscal 2022, an increase of $20.4 million primarily due to higher interest rates and a higher debt balance in Fiscal 2023 compared to Fiscal 2022.

Total income tax recovery

Total income tax recovery was $5.9 million in Fiscal 2023 compared with a recovery of $22.4 million in Fiscal 2022. The effective rate in Fiscal 2023 was 11.2% compared with 25.8% in Fiscal 2022. The difference in the effective tax rate was primarily due to the change in the mix of earnings between jurisdictions and slightly lower non-deductible expenses in Fiscal 2023.

Net loss

Net loss was $46.9 million in Fiscal 2023 compared with $64.5 million in Fiscal 2022, a decrease of $17.7 million or 27.4%. Primary contributors to the change between periods are a decrease of $54.6 million in operating loss, partially offset by higher finance expense of $20.4 million and lower tax recovery of $16.5 million.

Adjusted EBITDA

Adjusted EBITDA was $158.5 million in Fiscal 2023 compared with $45.7 million in Fiscal 2022, an increase of $112.8 million primarily due to higher sales and gross profit from both existing operations as well as recently acquired companies.

Segment Performance

Results of Operations for Q4 Fiscal 2023 compared with Q4 Fiscal 2022

For the three months ended June 30, 2023	North America	Rest of World	Joint Ventures[1,3]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers	$ 381,648	$ 37,694	$ 3,101	$ 422,443	$ (3,101)	$ 419,342
Inter-segment revenues	2,368	(435)	728	2,661	(2,661)	—
Total revenue	**$ 384,016**	**$ 37,259**	**$ 3,829**	**$ 425,104**	**$ (5,762)**	**$ 419,342**
Operating income (loss)[3]	$ 20,244	$ (4,164)	$ 3,599	$ 19,679	$ (2,347)	$ 17,332
Adjusted EBITDA	47,346	781	493	48,620	—	48,620

For the three months ended June 30, 2022	North America	Rest of World	Joint Ventures[1]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers	$ 283,775	$ 35,474	$ 37,899	$ 357,148	$ (37,899)	$ 319,249
Inter-segment revenues	3,599	182	1,998	5,779	(5,779)	—
Total revenue	**$ 287,374**	**$ 35,656**	**$ 39,897**	**$ 362,927**	**$ (43,678)**	**319,249**
Operating income (loss)	$ (13,062)	$ (10,818)	$ 1,031	$ (22,849)	$ (183)	$ (23,032)
Adjusted EBITDA	13,463	(265)	2,020	15,218	—	15,218

1. The joint venture segment is presented on a 50% basis, which corresponds to the Company's proportionate share of ownership in the joint ventures.
2. The adjustments and eliminations include the reversal of the joint ventures at 50%.
3. Q4 Fiscal 2023 operating income includes an $3.1 million gain on the Company's disposal of its investment in joint ventures. Refer to the recent developments section for details.

North America

North America external customer revenue was $381.6 million in Q4 Fiscal 2023 compared with $283.8 million in Q4 Fiscal 2022, an increase of $97.8 million or 34.5%. The shortage of semiconductors in Q4 Fiscal 2022 that forced OEMs to significantly reduce the production of vehicles cascaded to the Company in reduced orders in that period. In Q4 Fiscal 2023, industry production improved and was 5.7% higher than the corresponding prior year quarter according to IHS Markit. Q4 Fiscal 2023 included sales of $87.2 million from the WMGT business that was acquired during Q3 Fiscal 2023.

North America Adjusted EBITDA was $47.3 million in Q4 Fiscal 2023 compared with $13.5 million in Q4 Fiscal 2022, an increase of $33.8 million or 250.4%. Adjusted EBITDA in Q4 Fiscal 2023 was better than Q4 Fiscal 2022 primarily due to higher sales volumes and improved efficiencies as the market recovered from a semiconductor shortage in Q4 Fiscal 2023.

Rest of World

Rest of World external customer revenue was $37.7 million in Q4 Fiscal 2023 compared with $35.5 million in Q4 Fiscal 2022, an increase of $2.2 million or 6.3%. The increase is primarily due to the results from the Etzel business.

Rest of World Adjusted EBITDA was $0.8 million in Q4 Fiscal 2023 compared with $(0.3) million in Q4 Fiscal 2022, a increase of $1.1 million. The increase is primarily due to slightly higher sales and the results from the Etzel business.

Joint Ventures

ABC's proportionate external customer revenue from joint ventures was $3.1 million in Q4 Fiscal 2023 compared with $37.9 million in Q4 Fiscal 2022, a decrease of $34.8 million or 91.8% primarily due to the Company selling its 50% interests in ABC INOAC Exterior Systems Inc., ABC INOAC Exterior Systems, LLC in Q3 of Fiscal 2023, and INOAC Huaxiang and ABCOR filters in Q4 of Fiscal 2023. Refer to the recent developments section for details.

ABC's proportionate Adjusted EBITDA from joint ventures was $0.5 million in Q4 Fiscal 2023 compared with $2.0 million in Q4 Fiscal 2022, a decrease of $1.5 million or 75.6%. The decrease is primarily due to the Company selling its 50% interests in ABC INOAC Exterior Systems Inc. and ABC INOAC Exterior Systems, LLC in Q3 Fiscal 2023, and INOAC Huaxiang and ABCOR filters in Q4 Fiscal 2023. Refer to the recent developments section for details.

Results of Operations for Fiscal 2023 compared with Fiscal 2022

For the year ended June 30, 2023	North America	Rest of World	Joint Ventures[1,3]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers	$1,279,654	$ 153,040	$ 91,700	$ 1,524,394	$ (91,700)	$ 1,432,694
Inter-segment revenues	6,016	—	6,671	12,687	(12,687)	—
Total revenue	**$1,285,670**	**$ 153,040**	**$ 98,371**	**$ 1,537,081**	**$ (104,387)**	**$ 1,432,694**
Operating income (loss)[3]	$ 14,174	$ (2,607)	$ (8,899)	$ 2,668	$ (3,433)	$ (765)
Adjusted EBITDA	141,594	14,374	2,559	158,527	—	158,527

For the year ended June 30, 2022	North America	Rest of World	Joint Ventures[1]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers	$ 895,686	$ 76,192	$ 126,860	$ 1,098,738	$ (126,860)	$ 971,878
Inter-segment revenues	12,148	858	7,870	20,876	(20,876)	—
Total revenue	**$ 907,834**	**$ 77,050**	**$ 134,730**	**$ 1,119,614**	**$ (147,736)**	**$ 971,878**
Operating loss	$ (41,622)	$ (14,282)	$ 875	$ (55,029)	$ (377)	$ (55,406)
Adjusted EBITDA	42,436	(740)	3,955	45,651	—	45,651

1. The joint venture segment is presented on a 50% basis, which corresponds to the Company's proportionate share of ownership in the joint ventures. As at June 30, 2023, all interest in JV's were disposed of. Refer to recent developments section for details.
2. The adjustments and eliminations include the reversal of the joint ventures at 50%.
3. Fiscal 2023 operating loss includes an impairment loss of $20.8 million and an $11.9 million gain on the Company's disposal of its investment in joint ventures. Refer to the recent developments section for details.

North America

North America external customer revenue was $1,279.7 million for Fiscal 2023 compared with $895.7 million for Fiscal 2022, an increase of $384.0 million or 42.9%. The shortage of semiconductors in Fiscal 2022 that forced OEMs to significantly reduce the production of vehicles cascaded to the Company in reduced orders in that period. Fiscal 2023 industry production improved and was 13.5% higher than the corresponding prior year period according to IHS Markit. Fiscal 2023 included higher sales from the acquisitions, including dlhBOWLES and WMGT which were acquired during Q3 Fiscal 2022 and Q3 Fiscal 2023, respectively. Additionally, the Company recovered amounts from certain of its customers during Fiscal 2023 to alleviate the inflationary pressures it has been experiencing due to the current economic conditions.

North America Adjusted EBITDA was $141.6 million for Fiscal 2023 compared with $42.4 million for Fiscal 2022, an increase of $99.2 million. Adjusted EBITDA in Fiscal 2023 was better than Fiscal 2022 primarily due to higher sales volumes and higher gross margins. Fiscal 2022 results were negatively affected by higher raw material input costs and inefficiencies resulting from the short-notice plant closures of OEMs. In Fiscal 2023, production call-offs due to supply shortages were significantly reduced compared to the same period last year. Adjusted EBITDA was also higher Fiscal 2023 due to the recoveries received from customers in Fiscal 2023.

Rest of World

Rest of World external customer revenue was $153.0 million for Fiscal 2023 compared with $76.2 million for Fiscal 2022, an increase of $76.8 million or 100.9%. The increase is primarily due to the inclusion of results from the Etzel business that was acquired during Q3 Fiscal 2022 for the full period in Fiscal 2023.

Rest of World Adjusted EBITDA was $14.4 million for Fiscal 2023 compared with a negative EBITDA of $0.7 million for Fiscal 2022, an improvement of $15.1 million. The increase is primarily due to the inclusion of results from the Etzel business that was acquired during Q3 Fiscal 2022 for the full period in Fiscal 2023.

Joint Ventures

ABC's proportionate external customer revenue from joint ventures was $91.7 million for Fiscal 2023 compared with $126.9 million for Fiscal 2022, a decrease of $35.2 million or 27.7% due primarily due to the Company selling its 50% interest in ABC INOAC Exterior Systems Inc. and ABC INOAC Exterior Systems, LLC in Q3 Fiscal 2023, and INOAC Huaxiang and ABCOR filters in Q4 Fiscal 2023. Refer to the recent developments section for details.

ABC's proportionate Adjusted EBITDA from joint ventures was $2.6 million for Fiscal 2023 compared with $4.0 million for Fiscal 2022, a decrease of $1.4 million or 35.3%. The decrease is due to sale of all interests in joint ventures during Fiscal 2023.

Quarterly Results

The following table summarizes the results of ABC's operations for the eight most-recently completed fiscal quarters. This quarterly information has been prepared in accordance with IFRS, with the exception of EBITDA and Adjusted EBITDA.

	Fiscal 2023				Fiscal 2022			
Quarterly results	**Q4**	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Sales	$ 419,342	$ 373,487	$ 321,001	$ 318,864	$ 319,249	$ 285,775	$ 203,439	$ 163,415
Net income (loss)	1,271	(1,962)	(22,739)	(23,449)	(13,607)	(6,321)	(16,426)	(28,186)
EBITDA	$ 48,039	$ 39,487	$ 17,969	$ 13,750	$ 5,404	$ 32,786	$ 8,438	$ (8,508)
Adjusted EBITDA	48,620	44,255	41,732	23,920	15,218	30,252	11,496	(11,315)

Liquidity and Capital Resources

Overview

The Company's primary sources of liquidity and capital resources are cash generated from operating activities, as well as borrowings and amounts available to be drawn under its credit facilities. The principal uses of funds are operating expenses, working capital and capital expenditures (together, the "Funding Requirements").

As at June 30, 2023, the Company's Trade Working Capital and Net Working Capital were $227.0 million and $48.4 million, respectively, with cash on hand of $32.9 million. The Company actively manages its working capital and believes it is prudent practice to keep its Net Working Capital low or even negative. As such, it manages its trade and other receivables very closely and has low amounts past due and low levels of bad debt. The Company also actively manages its inventory levels, in order to keep low levels of inventory for parts so as to reduce the risk of part obsolescence, and this practice contributes to the Company's Net Working Capital levels. Improvement in Working Capital related to the acquisitions will be one of Company's objectives in the future periods. The Company expects that its current resources, including funds available to be drawn under its credit facilities, and ability to sell a portion of its receivables will be sufficient to fund the Company's operations and capital expenditures for at least the next 12 months.

We believe that our current sources of liquidity and capital will be sufficient to finance our continued operations and our growth strategy. There can be no assurance, however, that our business will generate sufficient cash flows from operating activities or that future borrowings will be available under our credit facilities or otherwise to enable us to service our indebtedness or to make capital expenditures in the future. Our future operating performance and our ability to service or

extend our indebtedness will be subject to future economic conditions and to financial, business and other factors, many of which are beyond our control.

Credit Agreement

On February 24, 2022, to facilitate the financing for its recent acquisitions, the Company amended its Credit Agreement with syndicate of lenders to increase the size of its Credit Facilities to $550.0 million, inclusive of two swingline facilities in the aggregate amount of $23.0 million, and a Revolving Facility B amounting to $50.0 million. As at June 30, 2022, no amount was drawn on Revolving Facility B. The Company also extended the maturity of its Credit Agreement to February 2027 for all facilities except Revolving Facility B, which was available until February 2023. As part of the amendment, the Company also changed its interest rate benchmark from London Interbank Offered Rate ("LIBOR") to Secured Overnight Financing Rate ("SOFR").

During the fiscal year ended June 30, 2022, the Company acquired a loan of $21.4 million as part of its acquisition of Etzel. The loan was repaid by the Company immediately after the close of the transaction.

On December 5, 2022, to facilitate the financing of the acquisition of WMGT, the Company amended its Credit Agreement with syndicate of lenders to include a non-revolving Term Facility, under which the Company withdrew the maximum amount of $185.0 million upon the closing of WMGT acquisition. Concurrently, the Company merged Revolving Facility A and Revolving Facility B into a combined Revolving Facility within the amendment, inclusive of two swingline facilities in the aggregate amount of $550.0 million. Both the Term Facility and Revolving Facility mature in February 2027.

On April 25, 2023, the Company amended its Credit Agreement with syndicate to add a $10.0 million swingline facility under the Revolving Facility, bringing the total aggregate amount of the swingline facilities to $33.0 million. The total size of Credit Facilities, however, remain at $550.0 million.

The Company incurred $2.6 million of financing fees for the revolving credit facilities during the Fiscal 2022 and $0.8 million during Fiscal 2023 which were capitalized as deferred financing costs and included in other long-term assets. The Company also incurred $1.3 million of financing fees for the term debt facility during Fiscal 2023 which were capitalized as deferred financing costs and offset against the long-term debt balance.

As at June 30, 2023, the Company had aggregate amounts outstanding under the Credit Facilities of $430.0 million, maturing February 24, 2027.

Borrowings under the Credit Facilities bear interest at short-term floating rates plus a fixed spread, which varies in accordance with the Company's Total Net Debt to EBITDA Ratio (as defined in the Credit Agreement). The Company has hedged a portion of this interest rate position. As at June 30, 2023, the average interest rate on the Credit Facilities was 8.26% (June 30, 2022: 3.89%) and $1.6 million (June 30, 2022: $2.0 million) of letters of credit were issued against the Credit Facilities.

The Credit Facilities require the Company to maintain certain financial covenants and contain other covenants that, subject to certain exceptions, restrict the ability of the Company and its subsidiaries to create security interests, incur additional indebtedness or dispose of all or substantially all of its assets. As at June 30, 2023, the Company was in compliance with its covenants.

The Credit Facilities are collateralized by a security agreement over the property and assets of a majority of the wholly-owned subsidiaries of the Company.

As at June 30, 2023, the Company had cash balances of $32.9 million (June 30, 2022: $25.4 million) and $118.4 million available on its Credit Facilities subject to covenant limitations (June 30, 2022: $148.0 million). The Company had total liquidity of $151.3 million as at June 30, 2023 (June 30, 2022: $173.4 million).
As at June 30, 2023, the Company had interest rate swap agreements with a total notional amount of $225.0 million (June 30, 2022: $225.0 million) whereby the Company pays a weighted average fixed interest rate of 3.90% (June 30, 2022: 1.48%) until maturity in February 2027, and receives interest at a floating rate equal to 1-month Term SOFR on the total notional amount. During the fiscal year ended June 30, 2022, the Company amended the interest rate benchmark of the interest rate swaps from LIBOR to SOFR.

Cash Flows

The following tables and discussion show the significant cash transactions impacting the cash flows of the Company for the three months and year ended June 30, 2023 and 2022.

Summary cash flow statements	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the year ended June 30, 2023	For the year ended June 30, 2022
Net cash flows from operating activities	$ **14,629**	$ 19,128	$ **100,702**	$ 26,805
Net cash flows used in investing activities	**(22,451)**	(18,882)	**(247,014)**	(378,649)
Net cash flows from (used in) financing activities	**(14,727)**	(6,729)	**153,495**	363,406
Net increase in cash	**(22,549)**	(6,483)	**7,183**	11,562
Net foreign exchange difference	**(4)**	(645)	**326**	(1,074)
Cash, beginning of period	**55,462**	32,528	**25,400**	14,912
Cash, end of period	$ **32,909**	$ 25,400	$ **32,909**	$ 25,400

Reconciliation of net loss to net cash flows from operating activities

The table below provides a reconciliation of the adjusting items to reconcile net loss to net cash flows from operating activities for the three months and year ended June 30, 2023 and 2022.

Reconciliation of net loss to net cash flows from operating activities	For the three months ended June 30, 2023	For the three months ended June 30, 2022	For the year ended June 30, 2023	For the year ended June 30, 2022
Net loss	$ **1,271**	$ (13,607)	$ **(46,879)**	$ (64,540)
Adjustments for:				
Depreciation of property, plant and equipment	**16,697**	16,358	**68,850**	53,344
Depreciation of right-of-use assets	**5,803**	4,263	**18,993**	15,570
Amortization of intangible assets	**8,207**	7,815	**32,167**	24,612
Gain on disposal of investment in joint ventures	**(3,146)**	—	**(11,918)**	—
Impairment of investment in joint venture	**—**	—	**20,797**	—
Loss on disposal and write-down of assets	**436**	9,242	**1,332**	9,979
Unrealized gain on derivative financial instruments	**(537)**	(1,854)	**(3,605)**	(2,695)
Finance expense, net	**17,562**	8,518	**52,015**	31,582
Share of loss (income) of joint ventures	**(382)**	(847)	**1,177**	(498)
Income tax recovery	**(1,501)**	(17,943)	**(5,901)**	(22,448)
Share-based compensation expense (reversal)	**213**	269	**(545)**	2,576
Write-down of inventories	**—**	—	**2,030**	—
Impairment on measurement of disposal group	**2,116**	—	**2,116**	—
Changes in:				
Trade and other receivables and prepaid expenses and other	**(1,551)**	10,715	**17,170**	(10,142)
Inventories	**(5,358)**	3,922	**(37,868)**	(15,251)
Trade payables, accrued liabilities and other payables, and provisions	**(3,163)**	1,928	**47,407**	38,469
Cash generated from operating activities	**36,667**	28,779	**157,338**	60,558
Interest received	**142**	92	**518**	445
Income taxes paid	**(4,531)**	(1,440)	**(8,295)**	(1,988)
Interest paid on leases, net of interest received	**(6,739)**	(3,338)	**(17,622)**	(13,629)
Financing paid on long-term debt and other	**(10,910)**	(4,965)	**(31,237)**	(18,581)
Net cash flows from operating activities	**14,629**	19,128	**100,702**	26,805

Net cash flows from operating activities for Q4 Fiscal 2023 were $14.6 million compared with $19.1 million for Q4 Fiscal 2022, a decrease of $4.5 million or 23.5%. The decrease is primarily due to higher financing paid on long-term debt and higher taxes paid in Q4 Fiscal 2023 compared with Q4 Fiscal 2022.

Net cash flows from operating activities for Fiscal 2023 were $100.7 million compared with $26.8 million for Fiscal 2022, an increase of $73.9 million. The increase is primarily due to higher Adjusted EBITDA Fiscal 2023 compared with Fiscal 2022 partially offset by higher financing paid on long-term debt and higher taxes paid.

Net cash flows used in investing activities

	For the three months ended June 30,		For the year ended June 30,	
	2023	**2022**	**2023**	**2022**
Acquisition of subsidiaries, net of cash acquired	**—**	—	**(178,797)**	(314,597)
Purchases of property, plant and equipment	**(26,761)**	(12,865)	**(81,876)**	(44,118)
Proceeds on disposal of joint ventures	**11,330**	—	**34,330**	—
Dividends received from joint ventures	**—**	1,331	**1,304**	1,884
Additions to intangible assets	**(7,020)**	(7,348)	**(21,975)**	(21,818)
Net cash flows used in investing activities	**(22,451)**	(18,882)	**(247,014)**	(378,649)

Net cash flows used in investing activities were $22.5 million for Q4 Fiscal 2023 compared with $18.9 million for Q4 Fiscal 2022. The increase is due to spending on property, plant and equipment. This was offset by proceeds of $11.3 million from disposal of the Company's interest in INOAC Huaxiang and ABCOR Filters during Q4 Fiscal 2023. Refer to the recent developments section for details on acquisitions and disposal of joint ventures.

Net cash flows used in investing activities were $247.0 million for Fiscal 2023 compared with $378.6 million for Fiscal 2022. The decrease is primarily attributable to the acquisition of WMGT and exercise of option to purchase 10.1% interest in Etzel in Q4 Fiscal 2023 compared with the acquisitions of dlhBOWLES and 89.9% interest in Etzel in Q4 Fiscal 2022. The Company also received proceeds of $34.3 million from the disposal of its interests in ABC INOAC Exterior Systems Inc., ABC INOAC Exterior Systems, LLC, INOAC Huaxiang and ABCOR Filters joint ventures in Fiscal 2023. Refer to the recent developments section for details on acquisitions and disposal of joint ventures. This was partially offset by greater purchases of property, plant and equipment in Fiscal 2023 compared with Fiscal 2022.

The increase in spending on property, plant and equipment in Q4 Fiscal 2023 over Q4 Fiscal 2022 and YTD Fiscal 2023 over YTD Fiscal 2022 is not considered to be significant, as expenditures can vary from period to period depending on the timing of requirements to fulfill programs.

Net cash flows from (used in) financing activities

	For the three months ended June 30,		For the year ended June 30,	
	2023	**2022**	**2023**	**2022**
Net drawings (payments) on revolving credit facilities	**(100,000)**	—	**(155,000)**	120,000
Drawings from long-term debt	**—**	—	**185,000**	—
Principal payments of lease liabilities, net of sublease receipts	**(1,617)**	(3,322)	**(11,112)**	(11,498)
Financing costs	**—**	20	**(2,081)**	(2,630)
Proceeds from other financing arrangement	**90,085**	—	**149,433**	—
Dividends paid to shareholders	**(3,195)**	(3,427)	**(12,745)**	(9,943)
Proceeds from issuance of shares, net of issuance cost	**—**	—	**—**	288,853
Repayment of acquired loan	**—**	—	**—**	(21,376)
Net cash flows from (used in) financing activities	**(14,727)**	(6,729)	**153,495**	363,406

Net cash flows used in financing activities for Q4 Fiscal 2023 were $14.7 million compared with $6.7 million for Q4 Fiscal 2022, an increase of $8.0 million. The increase primarily relates to $100.0 million net payments on the Credit Facilities in Q4 Fiscal 2023 compared with Q4 Fiscal 2022. This is offset by $90.1 million proceeds from the sale leaseback of WMGT real estate properties in Q4 Fiscal 2023.

Net cash flows from financing activities for Fiscal 2023 were $153.5 million compared with $363.4 million for Fiscal 2022, a decrease of $209.9 million. The decrease primarily relates to $289.9 million of proceeds from issuance of shares in Fiscal 2022 and $90.0 million lower net drawings on long-term debt and revolving credit facilities in Fiscal 2023 partially offset by $149.4 million proceeds from the financing arrangement related to Etzel real estate properties and sale leaseback of WMGT real estate properties in Fiscal 2023 compared to Fiscal 2022 and $21.3 million repayment of acquired loan.

Reconciliation of net cash flows from operating activities to Adjusted Free Cash Flow	For the three months ended June 30,		For the year ended June 30,	
	2023	2022	2023	2022
Net cash flows from operating activities	**$ 14,629**	$ 19,128	**$ 100,702**	$ 26,805
Purchases of property, plant and equipment	**(26,761)**	(12,865)	**(81,876)**	(44,118)
Additions to intangible assets[1]	**(7,020)**	(7,348)	**(21,975)**	(21,818)
Principal payments of lease liabilities, net of sublease receipts	**(1,617)**	(3,322)	**(11,112)**	(11,498)
Dividends received from joint ventures	**—**	1,331	**1,304**	1,884
One-time advisory, bonus and other costs	**10,409**	2,798	**31,063**	10,046
Net impact of hedge monetization	**(1,701)**	894	**(8,529)**	(7,518)
Adjusted Free Cash Flow	**$ (12,061)**	$ 616	**$ 9,577**	$ (46,217)

1. Represents capitalized development costs under IAS 38 Intangible Assets.

Adjusted Free Cash Flow was $12.7 million lower for Q4 Fiscal 2023 compared with Q4 Fiscal 2022 primarily due to higher purchases of property, plant and equipment.

Adjusted Free Cash Flow was $55.8 million higher for Fiscal 2023 compared with Fiscal 2022 primarily due to higher cash flows from operating activities, partially offset by higher purchases of property plant and equipment.

Contractual obligations

Our contractual obligations consist of principal repayments on long-term debt, financing on long-term debt, and leases for certain facilities, office equipment and vehicles. Our contractual obligations and commitments as of June 30, 2023 are shown in the following table.

Contractual obligations	Within one year	1 - 3 years	4 - 5 years	Thereafter	Total
Long-term debt	$ —	$ —	$ 428,790	$ —	$ 428,790
Financing on long-term debt	35,519	71,038	23,258	—	129,815
Lease payments	36,604	70,424	71,003	563,694	741,725

The Company has committed to purchase, within the next 12 months, machinery and equipment for $52.9 million. The Company also has an existing commitment to pay holdbacks and earn-outs with respect to the acquisition of WMGT, subject to finalization of amounts. Refer to the recent developments section for details. These commitments will be funded with cash flow from operating activities and/or from existing credit facilities.

Off balance sheet arrangements

As at June 30, 2023, the Company had letters of credit in place, which were issued under our Credit Facilities, amounting to $1.6 million (June 30, 2022: $2.0 million).

Risks and Uncertainties

The Company has a risk management program in place, as approved by the Board, which seeks to limit the impact of these risks on the financial performance of the Company and it is the Company's policy to manage these risks in a non-speculative manner.

The Company has exposure to the following risks from its use of financial instruments:

- Market risk
- Interest rate risk and sensitivity
- Foreign currency risk and sensitivity

- Commodity price risk and sensitivity
- Credit risk
- Liquidity risk
- Concentration risk

The sections below present information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing the risk.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument or an asset will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, foreign currency risk and other price risk, such as commodity risk. Financial instruments and assets affected by market risk include cash, trade and other receivables, inventories, trade payables, accrued liabilities and other payables, long-term debt, and derivative financial instruments.

Interest rate risk and sensitivity

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligation with floating interest rates. The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years. The Company manages its interest rate risk by having a balanced portfolio of fixed and floating rate loans and borrowings. To manage this, the Company entered into interest rate swaps, in which it agreed to exchange, at specified intervals, the difference between fixed and floating rate interest amounts calculated by reference to an agreed-upon notional principal amount.

At June 30, 2023, after taking into account the effect of interest rate swaps, approximately 53% (June 30, 2022: 56%) of the Company's borrowings were at a fixed rate of interest. With all other variables held constant, an increase in interest rate of 50 basis points would have a negative impact on income (loss) before income tax for the three months and year ended June 30, 2023 of of $0.2 million (2022: $0.2 million) and $1.0 million (2022: $0.6 million), respectively, on a hedged basis.

Foreign currency risk and sensitivity

Our functional currency is the USD. The Company also has transactions denominated in CAD and MXN because we sell into the Canadian and Mexican markets and purchase goods and services from Canada and Mexico. To a lesser extent we also have transactions denominated in Brazilian real, Polish zloty, euros, Japanese yen and Chinese renminbi. As a result, changes in those currencies to USD exchange rates can impact our business, results of operations, and result in foreign currency gains or losses. The Company manages its foreign currency risk by using foreign currency derivatives to cover forecast purchase transactions that are expected to occur. When a foreign currency derivative is entered into for this purpose, the Company ensures the terms of the foreign currency derivative closely match the maturity dates of the hedged exposure.

Excluding the impact of hedge accounting, a 5% strengthening of the CAD against the USD would have decreased income (loss) before income tax for the three months and year ended June 30, 2023 by approximately $0.1 million (2022: $0.2 million) and $0.2 million (2022: $1.2 million), respectively. A 5% strengthening of the MXN against the USD would have decreased income (loss) before income tax for the three months and year ended June 30, 2023 by approximately $0.5 million (2022: $0.4 million) and $2.2 million (2022: $1.8 million), respectively. A weakening would have had the equal but opposite effect, on the basis that all other variables remain constant. The Company's exposure to foreign currency changes for all other currencies is not material.

Commodity price risk and sensitivity

Management has developed and enacted a risk management strategy for commodity price risk and its mitigation. The Company's operations require the ongoing purchase and manufacture of resin and are affected by the price volatility of resin and its inputs.

A 5% increase in the price of resin (all other variables held constant) would have a negative impact on income (loss) before income tax for the three months and year ended June 30, 2023 of $3.3 million (2022: $3.9 million) and $15.1 million (2022: $10.7 million), respectively, and vice versa.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables), from its deposits with banks and financial institutions and derivative financial instruments.

Trade receivables

	Total	Current and <30 days	30–60 days	61–90 days	>90 days[2]
As at June 30, 2023	**$ 155,000**	**$ 132,416**	**$ 15,301**	**$ 1,009**	**$ 6,274**
As at June 30, 2022[1]	122,192	114,611	1,691	1,161	4,729

1. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to the Financial Statements for details.
2. Includes certain tooling related receivables that the Company will not receive until specific conditions are met. This is in normal course of business and there are no indications that these balances are not collectible.

Customer credit risk is subject to the Company's established policies, procedures and controls relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard, and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored for collectability.

An impairment analysis is performed at each reporting date on an individual basis for each customer. The calculation is based on actual incurred historical data and forward-looking information available. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets. The Company is exposed to concentration of risk with respect to trade receivables. As at June 30, 2023, the Company's three largest customers accounted for 14.1%, 14.0% and 5.4%, respectively, of all receivables owing (June 30, 2022: 20.2%, 5.9% and 5.6%, respectively).

Deposits with banks and financial institutions

Cash and derivative financial instruments are primarily held with large financial institutions with investment-grade credit ratings. The Company's maximum exposure to credit risk for deposits with banks and financial institutions and derivative financial instruments is their carrying amounts.

Liquidity risk

The Company is exposed to liquidity risk related to its ability to fund its Funding Requirements, including its obligations as they become due. The Company has access to cash and the Credit Facilities, and has the ability to sell a portion of its receivables. The Company monitors its cash balances daily. The Company's objective is to ensure that sufficient liquidity is on hand to meet its Funding Requirements, including its obligations as they fall due while minimizing finance expense.

Concentration risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry. In order to avoid excessive concentrations of risk, the Company's policies and procedures include specific guidelines to focus on the maintenance of a diversified portfolio. Identified concentrations of credit risks are controlled and managed accordingly.

Disclosure of Outstanding Shares

As at September 7, 2023, there were 115,670,303 shares, 149,717 stock options, 91,926 restricted share units ("RSUs"), and 300,750 deferred share units ("DSUs") outstanding. Once vested, each option becomes exercisable for one share at an exercise price of CAD $10.00 per share.

Transactions with Related Parties

Joint Ventures

The following table provides the total amount of transactions that have been entered into with the joint ventures ("JVs"):

	For the three months ended June 30, 2023		For the year ended June 30, 2023		As at June 30, 2023	
Joint venture in which the Company is a venturer:	**Purchases from JVs**	**Sales to JVs**	**Purchases from JVs**	**Sales to JVs**	**Trade payables to JVs**	**Trade receivables from JVs**
ABC INOAC Exterior Systems Inc.[1]	$ —	$ —	$ 4,420	$ 7,450	$ —	$ —
ABC INOAC Exterior Systems, LLC[1]	—	—	1,256	11,791	—	—
ABCOR Filters	1,456	—	7,666	—	—	—
INOAC Huaxiang	—	—	—	18	—	—

1. The Company disposed of its interest in ABC INOAC Exterior Systems Inc. and ABC INOAC Exterior Systems, LLC on February 1, 2023, interest in INOAC Huaxiang on May 18, 2023 and ABCOR Filters on May 30, 2023. Accordingly, the purchases from JVs and sales to JVs above only include amounts until the respective dates of disposition.

	For the three months ended June 30, 2022		For the year ended June 30, 2022		As at June 30, 2022	
Joint venture in which the Company is a venturer:	**Purchases from JVs**	**Sales to JVs**	**Purchases from JVs**	**Sales to JVs**	**Trade payables to JVs**	**Trade receivables from JVs**
ABC INOAC Exterior Systems Inc.	$ 1,705	$ 5,527	$ 7,497	$ 16,113	$ 1,305	$ 4,619
ABC INOAC Exterior Systems, LLC	220	1,442	431	9,330	128	5,147
ABCOR Filters	2,070	—	7,812	8	1,035	81
INOAC Huaxiang	—	4	—	108	—	126

Receivables from joint ventures are non-interest bearing. During the year ended June 30, 2023, the Company received dividends from ABCOR Filters and INOAC Huaxiang in the amounts of $nil and $1,304, respectively (2022: $552, and $1,332, respectively).

Compensation of key management personnel of the Company

Key management personnel include senior executives and officers of the Company that are primarily responsible for planning, directing and controlling the Company's business activities.

The compensation expense associated with key management personnel are as follows:

	2023	2022
Compensation and short-term benefits	**$ 6.5**	$ 3.7
Share-based payments	**0.7**	1.1
Total	**$ 7.2**	$ 4.8

The amounts disclosed above were recognized as an expense during the reporting period related to key management personnel.

Critical Accounting Estimates

The preparation of the Company's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a significant adjustment to the carrying amount of an asset or a liability affected in future periods. The following discussion sets forth management's most critical estimates and assumptions in determining the value of assets and liabilities and most critical judgments in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next year.

Provisions

The determination of provisions is a complex process that involves judgments about the outcome of future events, the interpretation of laws and regulations, and estimates on the timing and amount of expected future cash flows and discount rates. Changes to these estimates due to factors including, but not limited to, manufacturing process improvements, sales volumes, sales prices, scrap levels, performance period, and required expenditures to fulfill contracts may have a material impact on the amounts presented.

Income taxes

The Company is subject to income taxes in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the period in which such determination is made.

Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary difference or tax loss carry-forwards can be utilized. The recognition of temporary differences and tax loss carry-forwards is based on the Company's estimates of future taxable profits in different tax jurisdictions against which the temporary differences and loss carry-forwards may be utilized.

Fair value of derivatives, hedging, and other financial instruments

The fair value of a financial instrument is determined, whenever possible, based on observable market data. If not available, the Company uses its judgment to select a variety of methods and make assumptions that are primarily based on market conditions existing at the end of each reporting period. The Company uses directly and indirectly observable inputs in measuring the value of financial instruments that are not traded in active markets, including interest rate yield curves and foreign exchange rates.

Impairment of non-financial assets

Management applies judgment in assessing the existence of impairment indicators based on internal and external factors. The recoverable amount of a CGU or an individual asset has been determined as the higher of the CGU's or the asset's fair value less costs of disposal and its value in use. The key estimates the Company applies in determining the value in use include expected future sales, future operating costs, tax rates, discount rates, and terminal growth rate. Management may also be required to make judgments regarding the likelihood of occurrence of a future event. These estimates and assumptions are subject to change as new information becomes available. Changes in assumptions used in determining the recoverable amount could affect the carrying value of the related assets and CGUs.

Development costs

The recognition of development costs as intangible assets involves judgment to assess the division of activities between research and development, types of costs eligible for capitalization, technical feasibility, and future economic benefits.

Leases

The Company is required to measure the present value of lease liabilities using its weighted-average incremental borrowing rate. The estimation of weighted-average incremental borrowing rate is an inherently complex process and involves the exercise of professional judgment. Changes to the estimates and assumptions used to derive the weighted-average incremental borrowing rate could materially affect the balance of lease liabilities, right-of-use assets, depreciation of right-of-use assets, and finance expense.

Share-based compensation

Share-based compensation in the form of RSUs, DSUs, and stock options, have been provided to certain of our employees, directors, and others. Share-based compensation expense recognized in respect of these plans is based on the fair value of the

awards. Generally, the share-based compensation expense is recognized on a straight-line basis over the vesting of the award subject to continued service with the Company through to the vesting date.

Share-based compensation expense related to stock option awards is recognized and measured based on the grant date fair value, which is determined using the Black-Scholes-Merton option pricing model. Some of the inputs in the Black-Scholes-Merton model are subjective, including the expected volatility of the price of the Company's common shares, the expected term of the options, expected dividend yield, and expected forfeiture rates. These estimates involve inherent uncertainties and are based on management judgment.

Tooling inventory

Management applies judgment in determining the appropriateness of costs included in tooling inventory.

Business combinations

At initial recognition, all identifiable assets and liabilities acquired in a business acquisition are measured at fair value at the date of acquisition. Estimates and assumptions are used to calculate the fair values of these assets and liabilities and fair value of consideration transferred. Changes to assumptions could significantly impact the fair values of certain assets, such as intangible assets like customer relationships, development intangibles, and trade name. The Company’s significant assumptions used in determining the acquisition date fair values of intangible assets include forecast revenue and cash flows attributable to acquired intangible assets, customer attrition rates, discount rates, and royalty rates. These estimates are inherently uncertain and are based on management's past experience and future expectations.

Accounting Standards Changes

Recently adopted accounting standards and policies

- *Amendments to IAS 37, Provisions, Contingent Liabilities and Contingent Assets - Onerous Contracts*, specifying costs an entity should include in determining the "cost of fulfilling" a potential onerous contract. The amendments are effective for annual periods beginning on or after January 1, 2022, and apply to contracts existing at the date when the amendments are first applied.
- *Amendments to IFRS 3, Business Combinations - Updating a Reference to the Conceptual Framework*, updating a reference to the Conceptual Framework. The amendments are effective for annual periods beginning on or after January 1, 2022.

These amendments did not have a material impact on the consolidated financial statements.

Standards issued but not yet effective

The IASB has issued the following new standards and amendments to existing standards that will become effective in future years:

- *Amendments to IAS 1, Presentation of Financial Statements - Disclosure of Accounting Policies*, requiring entities to disclose material, instead of significant, accounting policy information. The amendments are effective for annual periods beginning on or after January 1, 2023.
- *Amendments to IAS 8, Accounting Policies - Changes in Accounting Estimates and Errors*, clarifying the definition of "accounting policies" and "accounting estimates". The amendments are effective for annual periods beginning on or after January 1, 2023.
- *Amendments to IAS 12, Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction*, narrowing the scope of the initial recognition exemption so that it does not apply to transactions that give rise to equal and offsetting temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2023.
- *Amendments to IAS 1, Presentation of Financial Statements - Classification of Liabilities as Current or Noncurrent*, clarifying requirements for the classification of liabilities as non-current. The amendments are effective for annual periods beginning on or after January 1, 2024.
- *Amendments to IFRS 16, Leases,* specifying the requirements that a seller-lessee should use in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. The amendments also clarifies how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. Amendments need to be applied retrospectively and are effective for annual periods beginning on or after January 1, 2024.

- *Amendments to IFRS 10, Consolidated Financial Statements, and IAS 28, Investments in Joint Venture and Associates,* clarifying the recognition of full gain or loss when the assets transferred meet the definition of business under IFRS 3, Business Combinations, and the recognition of partial gain or loss when the assets transferred do not meet the definition of business under IFRS 3, Business Combinations. The effective date for these amendments have been deferred indefinitely.

For the amendments that are effective for annual periods beginning on or after January 1, 2023, the Company does not expect these amendments to have a material impact on its financial statements. For the amendments that are effective for annual periods on or after January 1, 2024, the Company is currently assessing the impact, if any, on its consolidated financial statements.

Disclosure Controls and Procedures and Internal Controls over Financial Reporting

Disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in the reports that the Company publicly files is recorded, processed, summarized and reported within a timely manner and that such information is accumulated and communicated to the Company's management, including its Chief Executive office ("CEO") and Chief Financial Officer ("CFO"), as appropriate, to allow timely decisions regarding disclosure. An evaluation of the design of the Company's disclosure controls and procedures, as defined under National Instrument 52-109 - Certification of Disclosure in issuers' Annual and Interim Filings ("NI 52-109"), was carried out under the supervision of the CEO and CFO and with the participation of the Company's management. Based on that evaluation, the CEO and CFO have concluded that the design and implementation of these controls were effective as of June 30, 2023.

Company also maintains a system of internal controls over financial reporting designed under the supervision of the Company's CEO and CFO to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. As required by NI 52-109, the CEO and the CFO have caused the effectiveness of the internal controls over financial reporting to be evaluated using the framework (2013) established by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on that evaluation, the CEO and the CFO have concluded that the design and implementation of the Company's internal controls over financial reporting, as defined by NI 52-109, were effective as at June 30, 2023.

During Q3 of Fiscal 2023, the Company acquired WMGT. Management is in the process of evaluating the existing financial reporting controls and procedures of WMGT and integrating it into the Company's internal controls over financial reporting. The financial information for this acquisition is included in this MD&A and in Note 4 of the Financial Statements. This scope limitation is in accordance with section 3.3(1)(b) of National Instrument 52-109, which allows an issuer to limit its design of disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies and procedures of a business that the issuer acquired not more than 365 days prior to the end of the fiscal period.

Forward-Looking Statements

Some of the information contained in this MD&A may constitute forward-looking information or contain statements expressing such forward-looking information ("forward-looking statements" and collectively with the forward-looking information expressed thereby, "forward-looking information"). We use words such as "may", "would", "could", "should", "will", "unlikely", "expect", "anticipate", "believe", "intend", "planning", "forecast", "outlook", "projection", "estimate", "target" and similar expressions suggesting future outcomes or events to identify forward-looking information.

Forward-looking information contained herein is based on management’s reasonable assumptions and beliefs in light of the information currently available to us and is presented as of the date of this MD&A. Such forward-looking information is intended to provide information about management's current expectations and plans, and may not be appropriate for other purposes. While we believe we have a reasonable basis for presenting such forward-looking information, any forward-looking statements expressing it are not a guarantee of future performance or outcomes. Whether actual results and developments conform to our expectations and predictions is subject to a number of factors, risks, assumptions and uncertainties, many of which are beyond our control, and the effects of which can be difficult to predict, including, but not limited to:

- the light vehicle industry, including expectations regarding industry trends, growth opportunities, market demand, industry forecasts, overall market growth rates and our growth rates and strategies in light vehicle industry and in light vehicles, both in North America and globally;
- other risks related to automotive industry such as: economic cyclicality regional production volume declines, intense competition; potential restrictions on free trade; trade disputes/tariffs;
- our research and development, innovation, product categories, ongoing development, and our future platforms and programs;

- our OEM customers, including future relationships with our OEM customers and new OEM customers;
- the continuing global semi-conductor shortage;
- the impact and duration of the conflict in Ukraine and the related economic sanctions on Russia, and retaliatory measures taken by Russia, including disruption in supply, or raising prices, of commodities or energy for the member states of the EU and globally;
- other risks related to customer and suppliers, including: OEM consolidation and cooperation; shifts in market shares among vehicles or vehicle segments; shifts in demand for products offered by our OEM customers; dependence on outsourcing; quarterly sales fluctuations; potential loss of any material purchase orders; a deterioration in the financial condition of our supply base, including as a result of the increased financial pressure related to effects of past or future pandemics and outbreaks of contagious disease, including the effect of measures taken by local governments to counter such pandemics and outbreaks of contagious diseases on the local and global economy, including OEM and supplier bankruptcies related to disruption to supply chain and labor markets caused by such outbreaks of contagious diseases and pandemics; effects of ongoing or future global conflicts on supply chain, raw material costs and costs of logistics
- our assessments of, and outlook for Fiscal 2024, including expected sales, Adjusted EBITDA, and Adjusted Free Cash Flow for Fiscal 2024;
- our business plans and strategies, including our expected sales growth, ability to benefit from our business model and capitalize on our acquisitions;
- our competitive position in our industry;
- expansion of our presence in the European market through the acquisitions completed by the Company in Fiscal 2023;
- prices of raw materials, commodities and other supplies necessary for the Company to conduct its business, including any changes to prices and availability of supply components related to the effects of past outbreaks and risks of new outbreaks of global pandemics, Russia’s invasion of Ukraine and related international economic sanctions, related disruption of supply of, and increase in prices of energy, commodities and logistical services for the member states of the EU and globally, and other actual or potential ongoing geopolitical conflicts;
- labor disruptions or labor shortages in our facilities, or those of our customers and suppliers, including but not limited those occurring in the context of strikes called by the labor unions and including those related to effects of past or potential future outbreaks of global pandemics and their effects; supply disruptions and costs of supply disruption mitigation initiatives; attraction/retention of skilled labor including changes to the labor market sustained during the past or potential future global pandemics and outbreaks of contagious diseases and other social, political and economic factors;
- effects of ongoing global conflicts and economic sanctions associated with them on logistics and cost of raw materials and components and supply chains;
- increasing inflation and/or rising interest rates;
- climate change risks;
- risks associated with private or public investment in technology companies;
- changes in governmental regulations or laws including any changes to trade;
- risks of conducting business in foreign countries, including China, Japan, Mexico, member states of the EU, Brazil and other markets;
- cybersecurity threats;
- our dividend policy; and
- the potential volatility of the Company’s share price.

Forward-looking information in this document includes, but are not limited to, statements relating to: any of the Company’s actions made in response to or in connection with the COVID-19 pandemic and other global pandemics and outbreaks of contagious diseases, including with respect to: employee health and safety; potential adjustments to our production plans to align with our customers' production plans, governmental orders and legal requirements; the ability to attract and retain the workforce required to maintain or grow the Company's operations in the context of the prevailing labor markets , or any further changes to the labor markets as a result of potential future outbreaks of global pandemics and contagious diseases or any effects of prevailing or future inflationary pressures may have on the local and global labor markets; the timing of program launches, the growth of the Company and pursuit of, and belief in, its strategies and development and implementation of new product and business; continued investments in its business and technologies, any plans to acquire additional business or grow existing business, the ability to finance future capital expenditures, and ability to fund anticipated working capital needs, debt obligations and other commitments; the Company’s views on its liquidity and operating cash flow and ability to deal with present or future economic conditions; the potential for fluctuation of operating results; and the payment of any dividends as well as other forward-looking statements.

In evaluating forward-looking statements or forward-looking information, we caution readers not to place undue reliance on any forward-looking statement or forward-looking information expressed herein, and readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements, including the risk factors listed above as well as these and other risks and uncertainties as may be described in greater detail in the Company's public filings made with the Canadian Securities Administrators and publicly available on the Company's profile at https://www.sedarplus.ca, or other factors that may fall outside any list of risks and uncertainties. We do not undertake to update any forward-looking information whether as a result of new information, future events or otherwise, or to update the reasons why actual results could differ from those reflected in the forward-looking statements except as required under applicable securities laws in Canada.

Outlook

We compete in the light vehicle segment of the global auto parts industry with a principal focus on North America, including Canada, the United States and Mexico. The North American automotive industry experienced multiple headwinds related to supply shortages during Fiscal 2022, with North American light vehicle production 8.9% lower than Fiscal 2021, the most significant reductions occurring in Q1 and Q2 Fiscal 2022. The industry saw improvements in Q3 and Q4 Fiscal 2022 that carried into Fiscal 2023, with greater stability in North American vehicle production resulting from improvements in industry supply chains.

Despite progress made in reorganizing the business into a more efficient, customer focused operation, the Company continues to face a number of headwinds. Although recent automobile production has increased from previous year, increased interest rates are expected to affect end users' ability to purchase vehicles, and inflationary pressures impact costs, with the timing and quantum of any additional relief from customers uncertain. The Company continues to explore and implement cost saving opportunities and drive for greater efficiency throughout its business.

We believe we are well positioned to continue driving sales growth, profitability and Adjusted Free Cash Flow over the next five years. We expect:

- our sales growth to continue outperforming industry volumes
- to target improvement in Adjusted EBITDA Margin from pre-COVID-19 historical levels;
- to benefit from a capital efficient business model through improvements in capital expenditures versus historical levels and continued working capital initiatives; and
- to opportunistically execute on strategic and accretive acquisitions.

The first two quarters of ABC's Fiscal 2022 provided a cycle of unprecedented volume declines and unpredictable production schedules at our OEM customers, brought on by recurring shortages of semiconductor chips. The third and fourth quarters of Fiscal 2022 presented a return to more normal operating conditions in the industry, with a significant reduction in OEM plant closures compared to the earlier quarters. This carried through Fiscal 2023 as well. Despite the recent improvements in production volumes on a relative basis resulting in less sporadic closures of OEM plants and an expectation of stability in vehicle production in Fiscal 2024 based on IHS forecasts, management believes at this time, it is not currently practical to provide guidance. ABC will continually monitor the production schedules of our customers and provide guidance in the future when these factors can be quantified appropriately.