ABC TECHNOLOGIES
INNOVATION IN PLASTICS & LIGHTWEIGHTING

Interim Condensed Consolidated Financial Statements

ABC Technologies Holdings Inc.

For the three and nine months ended March 31, 2023
(unaudited)

ABC Technologies Holdings Inc.

Interim Condensed Consolidated Statement of Financial Position

(Expressed in thousands of United States dollars)

	Notes	March 31, 2023	June 30, 2022[1]
Assets		(unaudited)	
Current assets			
Cash		$ **55,462**	$ 25,400
Trade and other receivables	*3,4,16*	**147,164**	122,192
Inventories	*3,5*	**258,916**	152,461
Prepaid expenses and other		**63,305**	42,094
Assets held for sale	*3,17*	**95,445**	—
Total current assets		**620,292**	342,147
Property, plant and equipment	*3*	**481,591**	425,645
Right-of-use assets		**175,715**	165,679
Intangible assets		**147,826**	156,844
Deferred income taxes		**9,285**	9,445
Investment in joint ventures	*11*	**7,416**	45,556
Derivative financial assets	*16*	**626**	3,996
Goodwill	*3*	**112,365**	112,369
Other long-term assets		**16,711**	16,392
Total non-current assets		**951,535**	935,926
Total assets		$ **1,571,827**	$ 1,278,073
Liabilities and equity			
Current liabilities			
Trade payables	*3*	$ **205,009**	$ 147,981
Accrued liabilities and other payables	*3,16*	**215,762**	98,280
Provisions	*6*	**17,848**	24,132
Current portion of lease liabilities		**13,257**	13,087
Purchase option	*3*	**—**	6,206
Total current liabilities		**451,876**	289,686
Long-term debt	*7*	**528,704**	400,000
Lease liabilities		**186,912**	175,940
Deferred income taxes		**18,825**	33,097
Derivative financial liabilities	*16*	**7,271**	1,453
Other long-term liabilities	*3,16*	**61,413**	2,137
Total non-current liabilities		**803,125**	612,627
Total liabilities		**1,255,001**	902,313
Equity			
Capital stock	*8*	**292,508**	291,960
Other reserves	*8*	**1,176**	3,094
Retained earnings		**19,753**	77,453
Foreign currency translation reserve and other		**(5,207)**	(7,524)
Cash flow hedge reserve, including cost of hedging	*16*	**8,596**	10,777
Total equity		**316,826**	375,760
Total liabilities and equity		$ **1,571,827**	$ 1,278,073

Subsequent event (note 17)

[1.] The Company revised its June 30, 2022 balances to incorporate the measurement period adjustments as a result of the finalization of purchase price allocations. Refer to note 3 for details.

Approved on behalf of the Board of Directors:

(signed)
Terry Campbell
Director
President and Chief Executive Officer

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABC Technologies Holdings Inc.

Interim Condensed Consolidated Statement of Comprehensive Income (Loss)

(Expressed in thousands of United States dollars, except per share figures)

		For the three months ended March 31,		For the nine months ended March 31,	
(unaudited)	Notes	2023	2022	2023	2022
Sales		**$ 373,487**	$ 285,775	**$1,013,352**	$ 652,629
Cost of sales	*5*	**312,399**	248,335	**871,005**	599,163
Gross profit		**61,088**	37,440	**142,347**	53,466
Selling, general and administrative	*9*	**60,810**	28,307	**149,032**	85,496
Gain on disposal of investment in joint ventures	*11*	**(8,772)**	—	**(8,772)**	—
Impairment of investment in joint venture	*11*	**—**	—	**20,797**	—
Loss on disposal and write-down of assets		**72**	632	**896**	737
Gain on derivative financial instruments	*16*	**(222)**	(1,055)	**(3,068)**	(742)
Share of loss (income) of joint ventures		**395**	(57)	**1,559**	349
Operating income (loss)		**8,805**	9,613	**(18,097)**	(32,374)
Interest expense, net	*12*	**13,197**	7,842	**34,453**	23,064
Income (loss) before income tax		**(4,392)**	1,771	**(52,550)**	(55,438)
Income tax expense (recovery)					
Current		**5,671**	4,900	**17,939**	6,755
Deferred		**(8,101)**	3,192	**(22,339)**	(11,260)
Total income tax expense (recovery)		**(2,430)**	8,092	**(4,400)**	(4,505)
Net loss		**$ (1,962)**	$ (6,321)	**$ (48,150)**	$ (50,933)
Other comprehensive income (loss)					
Items that may be recycled subsequently to net earnings (loss):					
Foreign currency translation of foreign operations and other		**541**	(561)	**1,031**	(1,646)
Cash flow hedges, net of taxes	*16*	**2,309**	6,748	**1,856**	4,951
Cash flow hedges recycled to net earnings (loss), net of taxes	*16*	**(1,126)**	426	**(1,889)**	1,382
Other comprehensive income		**$ 1,724**	$ 6,613	**$ 998**	$ 4,687
Total comprehensive income (loss) for the period		**$ (238)**	$ 292	**$ (47,152)**	$ (46,246)
Loss per share - basic and diluted	*15*	**$ (0.02)**	$ (0.07)	**$ (0.42)**	$ (0.80)

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABC Technologies Holdings Inc.

Interim Condensed Consolidated Statement of Changes in Equity

(Expressed in thousands of United States dollars)

(unaudited)	Notes	Capital stock	Other reserves	Retained earnings	Foreign currency translation reserve	Cash flow hedge reserve[1]	Total
June 30, 2021		**$ 2,991**	**$ 972**	**$ 151,936**	**$ 276**	**$ 9,029**	**$ 165,204**
Net loss		—	—	(50,933)	—	—	(50,933)
Share-based compensation expense	*8*	—	2,135	—	—	—	2,135
Other comprehensive income (loss):							
Foreign currency translation of foreign operations and other		—	—	—	(1,646)	—	(1,646)
Cash flow hedges, net of reclassification to net earnings, net of taxes	*16*	—	—	—	—	6,333	6,333
Cash flow hedges recycled to assets, net of taxes	*16*	—	—	—	—	(1,834)	(1,834)
Dividends paid		—	—	(6,516)	—	—	(6,516)
Common shares issued for redemption of restricted share units ("RSUs")	*8*	116	(116)	—	—	—	—
Shares issued upon closing of rights offering, net of issuance cost	*8*	264,696	—	—	—	—	264,696
Shares issued upon closing of private placement, net of issuance cost	*8*	24,157	—	—	—	—	24,157
March 31, 2022		**$ 291,960**	**$ 2,991**	**$ 94,487**	**$ (1,370)**	**$ 13,528**	**$ 401,596**
June 30, 2022		**$ 291,960**	**$ 3,094**	**$ 77,453**	**$ (7,524)**	**$ 10,777**	**$ 375,760**
Net loss		—	—	(48,150)	—	—	(48,150)
Share-based compensation reversal	*8*	—	(1,370)	—	—	—	(1,370)
Other comprehensive income (loss):							
Foreign currency translation of foreign operations and other		—	—	—	1,031	—	1,031
Foreign currency translation reclassified on disposal of investment in joint venture	*11*	—	—	—	1,286	—	1,286
Cash flow hedges, net of reclassification to net earnings, net of taxes	*16*	—	—	—	—	(33)	(33)
Cash flow hedges recycled to assets, net of taxes	*16*	—	—	—	—	(2,148)	(2,148)
Dividends paid		—	—	(9,550)	—	—	(9,550)
Common shares issued for redemption of RSUs	*8*	548	(548)	—	—	—	—
March 31, 2023		**$ 292,508**	**$ 1,176**	**$ 19,753**	**$ (5,207)**	**$ 8,596**	**$ 316,826**

1. Cash flow reserve includes cost of hedging.

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

ABC Technologies Holdings Inc.

Interim Condensed Consolidated Statement of Cash Flows

(Expressed in thousands of United States dollars)

(unaudited)	Notes	For the three months ended March 31, 2023	For the three months ended March 31, 2022	For the nine months ended March 31, 2023	For the nine months ended March 31, 2022
Net loss		**$ (1,962)**	$ (6,321)	**$ (48,150)**	$ (50,933)
Adjustments for:					
Depreciation of property, plant and equipment		**17,967**	13,028	**52,153**	36,986
Depreciation of right-of-use assets		**4,477**	3,991	**13,190**	11,307
Amortization of intangible assets		**8,238**	6,154	**23,960**	16,797
Gain on disposal of investment in joint ventures	*11*	**(8,772)**	—	**(8,772)**	—
Impairment of investment in joint venture	*11*	**—**	—	**20,797**	—
Loss on disposal and write-down of assets		**72**	632	**896**	737
Unrealized gain on derivative financial instruments	*16*	**(222)**	(1,058)	**(3,068)**	(841)
Interest expense, net	*12*	**13,197**	7,842	**34,453**	23,064
Share of loss (income) of joint ventures		**395**	(57)	**1,559**	349
Income tax expense (recovery)		**(2,430)**	8,092	**(4,400)**	(4,505)
Share-based compensation expense (reversal)	*8,9*	**66**	826	**(758)**	2,307
Write-down of inventories	*2,5*	**—**	—	**2,030**	—
Changes in:					
Trade and other receivables and prepaid expenses and other		**(5,092)**	(41,282)	**18,721**	(20,857)
Inventories		**(18,277)**	(6,254)	**(32,510)**	(19,173)
Trade payables, accrued liabilities and other payables, and provisions		**45,691**	44,177	**50,570**	36,541
Cash generated from operating activities		**53,348**	29,770	**120,671**	31,779
Interest received		**126**	140	**376**	353
Income taxes recovered (paid)		**(1,176)**	429	**(3,764)**	(548)
Interest paid on leases, net of interest received	*12*	**(3,751)**	(3,479)	**(10,883)**	(10,291)
Interest paid on long-term debt and other		**(7,300)**	(4,354)	**(20,327)**	(13,616)
Net cash flows from operating activities		**41,247**	22,506	**86,073**	7,677
Acquisition of subsidiaries, net of cash acquired	*3*	**(178,797)**	(314,597)	**(178,797)**	(314,597)
Purchases of property, plant and equipment		**(17,386)**	(11,748)	**(55,115)**	(31,253)
Proceeds on disposal of joint ventures		**23,000**	—	**23,000**	—
Dividends received from joint ventures		**1,304**	—	**1,304**	553
Additions to intangible assets		**(4,967)**	(4,147)	**(14,955)**	(14,470)
Net cash flows used in investing activities		**(176,846)**	(330,492)	**(224,563)**	(359,767)
Net drawings (payments) on revolving credit facilities	*7*	**(25,000)**	55,000	**(55,000)**	120,000
Drawings from long-term debt	*7*	**185,000**	—	**185,000**	—
Principal payments of lease liabilities, net of sublease receipts		**(3,211)**	(2,978)	**(9,495)**	(8,176)
Financing costs	*7*	**(1,081)**	(2,026)	**(2,081)**	(2,650)
Proceeds from other financing arrangement	*3*	**—**	—	**59,348**	—
Dividends paid to shareholders		**(3,179)**	(3,420)	**(9,550)**	(6,516)
Proceeds from issuance of shares, net of issuance cost	*8*	**—**	288,853	**—**	288,853
Repayment of acquired loan	*7*	**—**	(21,376)	**—**	(21,376)
Net cash flows from financing activities		**152,529**	314,053	**168,222**	370,135
Net increase in cash		**16,930**	6,067	**29,732**	18,045
Net foreign exchange difference		**33**	(85)	**330**	(429)
Cash, beginning of period		**38,499**	26,546	**25,400**	14,912
Cash, end of period		**$ 55,462**	32,528	**$ 55,462**	$ 32,528

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

1. Corporate information

ABC Technologies Holdings Inc. and its subsidiaries (collectively, “ABC” or the “Company”) is a tier one global automotive parts supplier that designs, engineers, manufactures and sells functional and decorative parts, fluid management solutions, as well as assemblies from injection, blow and polyurethane compression molding processes. The Company is incorporated and domiciled in Canada. The head office is located at 2 Norelco Drive, Toronto, Ontario, Canada, M9L 2X6.

2. Basis of preparation

2.1 Statement of compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), specifically International Accounting Standard ("IAS") 34 — Interim Financial Reporting, as issued by the International Accounting Standards Board ("IASB"). These interim condensed consolidated financial statements have been prepared using the same accounting policies and standards as were used for ABC's annual audited consolidated financial statements for the year ended June 30, 2022, except for new standards adopted during the period as described in note 2.7. These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements, and should be read in conjunction with the Company's annual audited consolidated financial statements, including the notes thereto, for the year ended June 30, 2022.

These interim condensed consolidated financial statements were authorized for issue by the Company's Board of Directors on May 12, 2023.

2.2 Basis of measurement

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for (i) certain financial instruments, which have been measured at fair value, (ii) investment in joint ventures, (iii) deferred taxes and (iv) share-based compensation.

2.3 Presentation currency

The interim condensed consolidated financial statements are presented in United States dollars ("USD"), which is the Company’s presentation currency. All financial information has been rounded to the nearest thousand ($000), except per share amounts or when otherwise indicated.

2.4 Use of estimates and judgments

The timely preparation of financial statements requires that management make estimates and assumptions and use judgment. Accordingly, actual results may differ from estimated amounts as future confirming events occur. Significant estimates and judgments used in the preparation of the interim condensed consolidated financial statements are described in the Company’s annual audited consolidated financial statements for the year ended June 30, 2022.

2.5 COVID-19 impact on the Company's results and business

During the year ended June 30, 2022, demand for the Company’s products was negatively impacted by semiconductor supply related issues as well as labor, material and freight costs associated with the COVID-19 pandemic. The shortage of semiconductors resulted in frequent shutdowns and production delays by nearly all original equipment manufacturer ("OEM") customers. The cascading effect of significantly reduced sales for the Company resulted in inefficient operations and higher costs. During the three and nine months ended March 31, 2023, the impacts of COVID-19 and production call-offs associated with semiconductor shortages began to lessen in severity and production continued to normalize.

The COVID-19 pandemic continues to be an evolving situation and may continue to have adverse implications on our business environment, operations, cash flows and financial position. The extent of the impact will depend on various factors, including its effect on economic conditions, operations and return in demand for vehicles, any future governmental orders or lock-downs due to COVID-19, or any future wave, and the potential for a recession in key markets due to the effect of the pandemic.

2.6 Reorganization of Poland operations

On October 25, 2022, the Board of Directors approved a plan to exit the Company's facility in Poland. For the Company, the plant in Poland is a small operation that was not able to overcome the dramatic increase in costs for utilities, freight, material and labor experienced in that market. The Company is proactively working with its customers to assist them with securing alternative production sources within and/or outside the Company's operations. The Company recorded an impairment charge relating to property, plant and equipment of $8,185 during the year ended June 30, 2022. During the nine months ended March 31, 2023, the Company recorded a $2,030 write-down relating to the tooling inventories and incurred $1,098 in severance costs.

2.7 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.

The amendments did not have a material impact on the interim condensed consolidated financial statements.

2.8 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 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.

The Company is currently assessing the impact, if any, on its interim condensed consolidated financial statements.

3. Business combinations

3.1 Acquisition of dlhBOWLES

On March 1, 2022, the Company acquired 100% of the shares of MPE Flow House, Inc., which owned 100% of the shares of dlhBowles, Inc. (collectively, "dlhBOWLES") for $258,661 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.

3.2 Acquisition of Etzel

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 Euro ("EUR") 60,943 in cash, equivalent to $68,372. 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 OEMs portfolio. Etzel is included in the Rest of the World segment.

The Etzel purchase agreement included options for both the Company and minority shareholders whereby either party could exercise its option to require the transfer of the remaining 10.1% interest in Etzel to the Company at an exercise price determined based on the results of operations. On the acquisition date, the Company did not record non-controlling interest in its interim condensed consolidated financial statements, as it determined that it had access to the returns associated with its underlying ownership interests in Etzel. The EUR 5,870 ($6,586) fair value of purchase option included in the purchase price represented the present value of the Company's probability weighted estimate of the exercise price on the acquisition date that reflected management's estimate of the timing of option exercise and expected results of operations of Etzel. On February 2, 2023, the Company exercised its option to purchase the remaining 10.1% interest in Etzel for an exercise price of EUR 6,000 ($6,003). The purchase had no impact on the Company's interim condensed consolidated statement of comprehensive income (loss) for the nine months ended March 31, 2023, as no non-controlling interest was recorded at the acquisition date.

3.3 Acquisition of WMGT

On March 1, 2023, the Company acquired 100% of the shares of WMG Technologies Holdings Inc. and its subsidiaries (collectively "WMGT"). 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 OEMs. 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.

The acquisition of WMGT was settled in cash paid upfront of $192,196. The sale and purchase agreement includes additional adjustments to the purchase price for working capital and other items ("holdbacks"), as well as earn-out payments ranging from $nil to $26,461 that may become payable upon the achievement of certain profitability targets within 24 months after the acquisition date.

The $19,400 estimated fair value of earn-outs was valued using a discounted cash flow analysis based on internal forecast projected using a Monte Carlo simulation model, and a weighted average cost of capital adjusted to account for revenue risk derived as at the acquisition date. Significant increases (decreases) in the volatility of revenue levels or in any of the probabilities of achievement of specified milestones, or decreases (increases) in the discount rate would result in a significantly higher (lower) fair value, respectively, and commensurate changes to the fair value of the earn-outs. The fair value of earn-outs is reassessed and adjusted to fair value at each reporting date through selling, general and administrative expenses. No change in the fair value of earn-outs was recorded for the three or nine months ended March 31, 2023.

All three acquisitions are accounted for using the acquisition method, and the results of operations since the respective dates of acquisition are included in the interim condensed consolidated statement of comprehensive income (loss). Details of the business combinations as at the date of the acquisitions are as follows:

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

	2023		2022			
		WMGT		dlhBOWLES		Etzel[1]
Fair value of consideration transferred						
Amount settled in cash	$	192,196	$	258,661	$	68,372
Holdbacks		17,241		—		—
Earn-outs		19,400		—		—
Fair value of purchase option		—		—		6,586
Total consideration transferred	**$**	**228,837**	**$**	**258,661**	**$**	**74,958**
Recognized amounts of identifiable net assets						
Cash and cash equivalents	$	19,402	$	4,720	$	7,148
Trade and other receivables		37,921		23,864		17,205
Inventories		76,045		36,059		20,953
Prepaid expenses and other assets		23,066		3,973		764
Assets held for sale[3]		92,991		—		—
Total current assets	**$**	**249,425**	**$**	**68,616**	**$**	**46,070**
Property, plant and equipment		52,439		44,523		73,262
Intangible assets		—		86,500		—
Right-of-use assets		286		19,688		5,473
Deferred income taxes		2,426		1,091		—
Other long-term assets		—		24		—
Total non-current assets	**$**	**55,151**	**$**	**151,826**	**$**	**78,735**
Trade payables		36,982		7,835		7,335
Accrued liabilities and other payables		24,237		2,301		4,379
Provisions		815		2,140		4,564
Current portion of lease liabilities		75		1,803		136
Current portion of loan[2]		—		—		21,376
Total current liabilities	**$**	**62,109**	**$**	**14,079**	**$**	**37,790**
Deferred income taxes		13,419		23,082		7,102
Lease liabilities		211		17,685		5,338
Total non-current liabilities	**$**	**13,630**	**$**	**40,767**	**$**	**12,440**
Identifiable net assets	**$**	**228,837**	**$**	**165,596**	**$**	**74,575**
Goodwill on acquisition	**$**	**—**	**$**	**93,065**	**$**	**383**
Consideration transferred settled in cash		192,196		258,661		68,372
Cash and cash equivalents acquired		(19,402)		(4,720)		(7,148)
Net cash outflow on acquisitions	**$**	**172,794**	**$**	**253,941**	**$**	**61,224**

1. The Etzel acquisition was a Euro denominated purchase. The total consideration noted is the USD equivalent of Euro as at the acquisition date.
2. The acquired loan was repaid by the Company immediately after the close of the transaction.
3. The Company subsequently completed a sale leaseback transaction for all real estate properties acquired in connection with the acquisition of WMGT. This reflects the selling price for the real estate properties, less selling costs. Refer to note 17 for details.

Goodwill

Goodwill of $93,065 for dlhBOWLES and $383 for Etzel is comprised of the excess fair value of the consideration paid over the fair value of the net assets acquired. Goodwill is attributable to the anticipated improvement in operations of the acquired companies, synergies with existing operations, and other intangible assets that do not qualify for separate recognition, such as assembled workforce. dlhBOWLES and Etzel goodwill have been allocated to the North America and the Rest of the World segments, respectively. Goodwill is not expected to be deductible for tax purposes.

Identifiable net assets

As of the acquisition date, the fair value of acquired trade and other receivables for dlhBOWLES, Etzel and WMGT amounted to $23,864, $17,205, and $37,921 respectively, with gross contractual amounts of $25,557, $18,216 and $37,931, respectively. The Company's best estimate of the contractual cash flow not expected to be collected amounted to $2,714.

During the three months ended September 30, 2022, the Company finalized its purchase price allocations for dlhBOWLES and Etzel acquisitions that took place in fiscal 2022 and were previously accounted for on a preliminary basis. The final adjustments primarily related to changes in the valuation of trade and other receivables and inventories of $1,237 and $2,200, respectively. All measurement period adjustments were offset against the goodwill of dlhBOWLES and Etzel and resulted in a net increase of $2,998 and $240, respectively.

The Company also recognized a measurement period adjustment relating to the reclassification of real estate properties (refer to 3.4 below) from assets held for sale to property, plant and equipment. All measurement period adjustments were recognized retrospectively and the comparative information was revised as if the purchase price allocations for the business combinations were finalized at the date of acquisitions.

Due to the complexity and timing of the WMGT acquisition, the Company is in the process of determining and finalizing the estimated purchase price and fair values of net assets acquired. The amounts determined on a provisional basis primarily relate to the fair values of the earn-outs, net asset assessments, and measurement of the assumed liabilities, including acquired intangible assets, inventories, trade and other receivables, contract liabilities, and taxes. The provisional purchase price allocations may differ from the final purchase price allocations, and these differences may be material. Revisions to the allocations will occur as additional information about the fair values of assets and liabilities become available but no later than 12 months from the date of the acquisition.

Contribution to the Company results

During the three and nine months ended March 31, 2023, dlhBOWLES contributed revenues of $33,221 and $91,322, respectively, and net income of $7,830 and $12,063, respectively; Etzel contributed revenues of $24,581 and $73,115, respectively, and net income of $1,756 and $2,898, respectively, to the Company. During both the three and nine months ended March 31, 2023, WMGT contributed revenues of $25,434 and net loss of $509 to the Company.

If the acquisition of WMGT had occurred on July 1, 2022, consolidated pro-forma revenue and net income would have been $425,190 and $2,872, respectively, for the three months ended March 31, 2023. Consolidated pro-forma revenue and net loss would have been $1,220,165 and $28,815, respectively, for the nine months ended March 31, 2023. These amounts have been calculated using WMGT's results, adjusted for: (i) intercompany sales and purchases between the Company and WMGT; (ii) acquisition costs incurred by the Company and WMGT; (iii) interest cost on old debt of WMGT; (iv) additional interest cost on the loan drawn by the Company to fund the acquisition; and (v) consequential tax effects of all the above-listed adjustments.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

3.4 Financing arrangement for Etzel

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 37,239 ($44,469) and EUR 1,461 ($1,432) 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 14,300 ($14,879). EUR 200 ($212) of the holdback amount was received during the three months ended March 31, 2023 and the remaining EUR 1,261 ($1,367) holdback amount is expected to be received by the end of the second quarter of fiscal year 2024.

The transaction was not recognized as a sale of assets as under the terms of the lease, the Company did not relinquish control of the properties for the purposes of IFRS 15 “Revenue from Contracts with Customers”. Instead, the proceeds from the transaction were recognized as a financial liability. As at March 31, 2023, $910 (2022: $nil) of financial liability was recorded in accrued liabilities and other payables and $54,621 (2022: $nil) of financial liability was recorded in other long-term liabilities. The Company incurred $1,309 of transaction fees relating to the transaction which have been capitalized and netted against the related financial liability.

3.5 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 20,500 ($20,227).

On January 12, 2023, the Company entered into a settlement agreement with Continental, whereby the parties agreed to terminate the purchase agreement and the proposed transaction effective upon the payment of EUR 10,250 by the Company to Continental, which occurred on January 18, 2023. The $11,076 USD equivalent of this payment was recorded within selling, general and administrative expenses and was partially offset by a $981 gain on foreign currency hedging.

4. Trade and other receivables

	Notes	March 31, 2023	June 30, 2022[1]
Trade receivables		**$ 147,061**	$ 112,219
Receivables from joint ventures	*11*	**103**	9,973
Total trade and other receivables		**$ 147,164**	$ 122,192

1. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to note 3 for details.

Refer to note 16 for the aging analysis of trade receivables. Refer to note 11 for details on disposals of investments in joint ventures.

5. Inventories

	March 31, 2023	June 30, 2022[1]
Raw materials and components	**$ 72,259**	$ 49,721
Finished goods and work in progress	**44,359**	40,178
Tooling	**142,298**	62,562
Total inventories	**$ 258,916**	$ 152,461

1. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to note 3 for details.

During the three and nine months ended March 31, 2023, the Company recorded a write-down of $nil and $2,030, respectively, relating to tooling inventory within cost of sales. Refer to note 2.6 above for details.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

6. Provisions

The following table provides a continuity of the provision balances for the nine months ended March 31, 2023 and the year ended June 30, 2022:

	Notes	Provisions
June 30, 2021		$ 16,063
Additions during the year		11,252
Utilized		(2,389)
Reversals		(7,197)
Acquired through business combinations	*3*	6,704
Exchange differences		(301)
June 30, 2022		**$ 24,132**
Additions during the period		5,566
Utilized		(5,525)
Reversals		(7,133)
Acquired through business combinations	*3*	815
Exchange differences		(7)
March 31, 2023		**$ 17,848**

As at March 31, 2023 and June 30, 2022, provisions include estimated amounts owed as a result of modifications to contractual terms of customer contracts, warranties, and onerous contract provisions relating to certain tooling contracts.

7. Long-term debt

	Maturity	March 31, 2023	June 30, 2022
Revolving credit facilities	February 24, 2027	345,000	400,000
Term debt facility	February 24, 2027	185,000	—
Unamortized deferred financing costs on term debt facility		(1,296)	—
Total long-term debt		**$ 528,704**	$ 400,000

On February 24, 2022, to facilitate the financing of the acquisitions of dlhBOWLES and Etzel, the Company amended its Credit Agreement to increase the size of its Credit Facilities to $550,000, inclusive of two swingline facilities in the aggregate amount of $23,000 and a Revolving Facility B amounting to $50,000. 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 year ended June 30, 2022, the Company acquired a loan of $21,376 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 to include a non-revolving Term Facility, under which the Company withdrew the maximum amount of $185,000 upon the closing of WMGT acquisition. The Company also merged Revolving Facility A and Revolving Facility B into a combined Revolving Facility, inclusive of two swingline facilities in the aggregate amount of $550,000. Both the Term Facility and Revolving Facility mature in February 2027.

On April 25, 2023, the Company amended its Credit Agreement to add a $10,000 swingline facility under the Revolving Facility, bringing the total aggregate amount of the swingline facilities to $33,000.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

For the revolving credit facilities, the Company incurred $2,630 and $756 of financing fees during the the year ended June 30, 2022 and the nine months ended March 31, 2023, respectively, which were capitalized as deferred financing costs and included in other long-term assets. The unamortized deferred financing costs related to the revolving credit facilities are amortized straight-line over the term of the underlying Credit Agreement. As at March 31, 2023, the unamortized deferred financing costs related to the revolving credit facilities were $2,660 (June 30, 2022: $2,363).

For the term debt facility, the Company incurred $1,325 of financing fees during the nine months ended March 31, 2023 (2022: $nil), which were capitalized as deferred financing costs, offsetting the term debt balance and amortized using the effective interest method over the term of the underlying Credit Agreement.

As at March 31, 2023, the Company had aggregate amounts outstanding under the Credit Facilities of $530,000, maturing February 24, 2027. As at March 31, 2023, the Company had $18,367 available on its Credit Facilities subject to covenant limitations.

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 (refer to note 16). As at March 31, 2023, the average interest rate on the Credit Facilities was 8.75% (June 30, 2022: 3.89%) and $1,633 (June 30, 2022: $1,965) 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 March 31, 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.

The following table provides a continuity of the long-term debt balances:

	Notes		Long-term debt
June 30, 2021		**$**	**280,000**
Net drawings on revolving credit facilities			120,000
Loan acquired on Etzel acquisition	*3*		21,376
Repayment of acquired loan	*3*		(21,376)
June 30, 2022		**$**	**400,000**
Net payments on revolving credit facilities			(55,000)
Drawings on term facility			185,000
Increase in deferred financing costs			(1,325)
Amortization of deferred financing costs			29
March 31, 2023		**$**	**528,704**

8. Capital stock

8.1. Share Capital

The Company's authorized share capital consists of an unlimited number of common shares without nominal or par value.

On January 11, 2022, the Company closed a private placement with certain investment funds managed by affiliates of Apollo Global Management, Inc. ("Apollo") and Oaktree. An aggregate of 5,253,642 common shares of the Company were issued at a price per common share of the USD equivalent of CAD$5.83. The Company raised gross proceeds of $24,157 from the private placement.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

On January 12, 2022, the Company launched a rights offering, pursuant to which each holder of common shares as at January 19, 2022 received one right to purchase one common share (a “Rights Share”) at a subscription price of CAD$5.83 per Rights Share. The Company closed the rights offering on February 15, 2022, and an aggregate of 57,790,064 common shares of the Company were issued at the close. The Company raised gross proceeds of $265,184 from the rights offering. The Company incurred issuance costs of $488 for the private placement and rights offering.

	Common Shares		
	Number of shares		$
As at June 30, 2021	52,522,392	$	2,991
Shares issued upon closing of rights offering, net of issuance cost	57,790,064		264,696
Shares issued upon closing of private placement, net of issuance cost	5,253,642		24,157
Shares issued upon redemption of RSUs	14,030		116
As at June 30, 2022	115,580,128	$	291,960
Shares issued upon redemption of RSUs	84,019		548
As at March 31, 2023	**115,664,147**	**$**	**292,508**

8.2. Stock Options and RSUs

Subsequent to the closing of its initial public offering ("IPO"), the Company established the Omnibus Plan to attract, retain and motivate key employees and consultants, align the interest of such individuals with Company's shareholders and encourage ownership of the Company's common shares by such individuals. The total number of common shares that can be issued upon the exercise of stock options and redemption of restricted share units ("RSUs") will not exceed 6,040,075.

Stock Options

The number and the timing of the stock options granted to employees is determined by the Board of Directors. The exercise price per share with respect to each stock option is also determined by the Board of Directors but cannot be less than the closing price on the day immediately preceding the day on which the stock option is granted. Stock options vest over a period of three years. Stock options granted under the plan may be exercised during a period not exceeding ten years from the grant date subject to earlier termination due to employment termination, death or disability.

Changes in the number of share options with their weighted average exercise price per options are summarized below:

	Options		Weighted Average exercise price (CAD$)
Share options outstanding as at June 30, 2021	1,094,698		10.00
Granted	10,282		10.00
Forfeited	(220,688)		10.00
Share options outstanding as at June 30, 2022	884,292	$	10.00
Forfeited	(662,792)		10.00
Share options outstanding as at March 31, 2023	**221,500**	**$**	**10.00**
Vested share options as at March 31, 2023	138,983	$	10.00

During the three and nine months ended March 31, 2023, the Company recorded a reversal of $104 (2022: expense of $332) and $727 (2022: expense of $1,023), respectively, related to stock options as share-based compensation within selling, general and administrative expenses.

Restricted share units

RSUs are issued by the Board of Directors pursuant to the Omnibus Plan and are generally equity-settled. RSUs vest over a three-year period subject to the participant's continued employment. The initial fair value of the RSUs is measured as the number of units granted multiplied by the share price on grant date and is subsequently recognized as share-based compensation expense over the vesting period.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

Changes in the number of RSUs are summarized below:

	Units
RSUs outstanding as at June 30, 2021	605,022
Granted	8,675
Forfeited	(103,112)
Redeemed as share capital or paid in cash	(38,903)
RSUs outstanding as at June 30, 2022	471,682
Forfeited	(273,663)
Redeemed as share capital	(84,019)
RSUs outstanding as at March 31, 2023	**114,000**
Vested RSUs as at March 31, 2023	9,409

During the three and nine months ended March 31, 2023, the Company recorded a reversal of $117 (2022: expense of $351) and $643 (2022: expense of $1,112), respectively, related to RSUs as share-based compensation within selling, general and administrative expenses.

8.3. Deferred share units ("DSUs")

Effective February 22, 2021, a directors' deferred share unit plan was adopted by the Board of Directors, allowing non-employee directors to receive a portion of their remuneration in the form of DSUs. The DSUs vest immediately at the time of the grant and are entitled to be paid in cash upon the director's departure from service.

Changes in the number of DSUs are summarized below:

	Units
DSUs outstanding as at June 30, 2021	124,254
Granted	107,765
Redeemed	(102,529)
DSUs outstanding as at June 30, 2022	129,490
Granted	148,141
Redeemed	(28,108)
DSUs outstanding as at March 31, 2023	**249,523**

During the three and nine months ended March 31, 2023, the Company recorded an expense of $287 (2022: reversal of $143) and $612 (2022: $172), respectively, related to DSUs as share-based compensation within selling, general and administrative expenses.

8.4. ABC Group Canada LP Equity Incentive Plan

ABC LP has an equity structure comprised of Class A interests, owned by an investment fund managed by Cerberus, and Class P interests, held by certain directors and officers of the Company and others. The Class P interests are entitled to receive a proportionate share of distributable profits of ABC LP after the Class A interest holders have received distributions ("ABC LP Equity Incentive Plan"), in aggregate, equal to (a) the capital contributions represented by the Class A interests and (b) 10% per annum compounded rate of return in respect of (a). Although the ABC LP Equity Incentive Plan is considered a group-based payment plan, the Company does not have obligations to either participants or to ABC LP under the plan. Therefore, no amounts related to the ABC LP Plan have been recorded in the Company's interim condensed consolidated financial statements as at March 31, 2023. ABC LP is no longer affiliated with the Company as of November 10, 2021.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

8.5. Value Creation Plan

The Company has a Value Creation Plan ("VCP") to motivate and retain certain individuals to contribute to the attainment of the long-term performance goals of the Company and ABC LP. Pursuant to the terms of the VCP, eligible participants may be issued units ("Participant Units") to receive certain cash distributions from a designated pool (the "VCP Pool") based on net cash distributions from ABC LP Plan over an established threshold amount. The Participant Units are non-voting and are not convertible into any equity or voting securities. During the three and nine months ended March 31, 2023, no distributions (2022: $2,363) were made from the VCP Pool. As at March 31, 2023, the VCP Pool has a balance of $nil (June 30, 2022: $nil).

9. Selling, general and administrative expense

	Notes	For the three months ended March 31, 2023	For the three months ended March 31, 2022	For the nine months ended March 31, 2023	For the nine months ended March 31, 2022
Wages and benefits		**$ 15,233**	$ 12,422	**$ 47,734**	$ 34,548
Professional fees		**1,883**	2,149	**6,312**	5,276
Depreciation and amortization		**9,170**	6,909	**26,458**	19,035
Business transformation related costs		**16,869**	2,439	**39,236**	9,323
Information technology		**1,746**	1,371	**5,622**	4,374
Foreign exchange gain		**(688)**	(739)	**(260)**	(347)
Travel expense		**545**	224	**1,706**	677
Bank and payroll service charges		**604**	441	**1,461**	1,075
Directors' and officers' insurance expense		**565**	770	**2,404**	1,869
Transactional, recruitment, and other bonuses		**240**	—	**1,020**	2,374
Continental payment	*3*	**11,076**	—	**11,076**	—
Share-based compensation expense (reversal)		**66**	826	**(758)**	2,307
Other		**3,501**	1,495	**7,021**	4,985
Total selling, general, and administrative expense		**$ 60,810**	$ 28,307	**$ 149,032**	$ 85,496

During the three and nine months ended March 31, 2023, $2,938 (2022: $20) and $12,881 (2022: $173), respectively, of the business transformation related costs were incurred by the Company in relation to severance and asset relocation expenses, which were driven by the restructuring activities undertaken by the Company during the periods. In addition, during the three and nine months ended March 31, 2023, $8,471 (2022: $1,545) and $17,653 (2022: $6,785), respectively, of business transformation related costs were incurred in connection with the ongoing work to evaluate potential acquisition targets and $1,035 (2022: $2,272) and $4,370 (2022: $3,052), respectively, of consulting costs were incurred for business transformation.

10. Government grants

In response to COVID-19, many governments around the world provided various subsidy programs to assist companies during the pandemic. The Company has received government assistance in regions where such assistance is available and where the Company is eligible for the subsidy programs.

During both the three and nine months ended March 31, 2023, the Company qualified for and received financial assistance of $6,598 (2022: $nil) under the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") in the United States, which was intended to provide direct financial assistance to businesses for the continuation of payments of employees' wages, salaries and benefits through the Employee Retention Tax Credit. This benefit was recorded as a deduction to the related expenses under selling, general and administrative expenses.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

11. Investment in joint ventures

During the three months ended December 31, 2022, the Company noted indicators of impairment for its 50% interest in ABC INOAC Exterior Systems, LLC, a spoiler and body molding manufacturer with painting capabilities located in the United States. In light of significant cost increases in recent periods and a change in market conditions, an impairment test of its investment in the joint venture was performed in accordance with IAS 36 - Impairment of Assets. As a result, the Company recorded an impairment loss of $20,797 in the interim condensed consolidated statement of comprehensive income (loss) for the amount by which the carrying amount exceeded the recoverable amount. On January 18, 2023, the Company entered into a definitive agreement to sell its 50% interest in ABC INOAC Exterior Systems, LLC for $10,000. The transaction closed on February 1, 2023 and no gain or loss was recorded on disposition.

On January 18, 2023, the Company also entered into a definitive agreement to sell its 50% interest in ABC INOAC Exterior Systems Inc., a spoiler and body molding manufacturer with painting capabilities located in Canada and Mexico, for $13,000. The transaction closed on February 1, 2023 and a gain on disposition of $8,772 was recorded in the interim condensed consolidated statement of comprehensive income (loss).

12. Interest expense

	For the three months ended March 31,		For the nine months ended March 31,	
	2023	2022	**2023**	2022
Interest on long-term debt	**$ 7,306**	$ 3,955	**$ 17,831**	$ 11,803
Trade receivables factoring charges	**1,754**	455	**4,762**	1,174
Amortization of deferred financing costs[1]	**207**	67	**487**	110
Interest on lease liability, net of interest income on subleases[2]	**3,751**	3,479	**10,883**	10,291
Other interest expense (income)	**179**	(114)	**490**	(314)
Total interest expense	**$ 13,197**	$ 7,842	**$ 34,453**	$ 23,064

1. The corresponding financing fees are capitalized as deferred financing costs included in other long-term assets for the revolving credit facilities and long-term debt for the term debt facility.
2. Interest income on subleases for the three and nine months ended March 31, 2023 was $165 (2022: $180) and $511 (2022: $180), respectively.

13. Segmented information

The Company's sales depend primarily upon light vehicle production in the North American market and the rest of the world. OEM production volumes in each of these regions may be impacted by a number of geographic factors, including general economic conditions, interest rates, consumer credit availability, fuel prices and availability, supply of component parts and assemblies, infrastructure, legislative changes, environmental emission and safety issues, and labor and/or trade relations.

Given the differences between the regions in which the Company operates, the Company's segments are segregated on a geographic basis between North America and Rest of World, which is how the Chief Executive Officer, who is the Company's chief operating decision maker ("CODM"), reviews results to assess performance and make decisions about resource allocation. The Rest of World segment includes operating segments that are not individually reportable. In addition, given that the CODM regularly reviews the operating results and performance of the equity-accounted joint ventures and is responsible for making resource allocation decisions to the joint ventures, the Company has also identified its joint ventures as a segment.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

The following financial information is presented by segment from the interim consolidated financial statements:

For the three months ended March 31, 2023	North America	Rest of World	Joint Ventures[1,4]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers[3]	$ 334,882	$ 38,605	$ 14,523	$ 388,010	$ (14,523)	$ 373,487
Inter-segment revenues	716	148	1,292	2,156	(2,156)	—
Total revenue	**$ 335,598**	**$ 38,753**	**$ 15,815**	**$ 390,166**	**$ (16,679)**	**$ 373,487**
Capital additions	$ 15,254	$ 443	$ 600	$ 16,297	$ (600)	$ 15,697
Operating income (loss)[4]	(2,952)	3,379	8,437	8,864	(59)	8,805

For the nine months ended March 31, 2023	North America	Rest of World	Joint Ventures[1,4]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers[3]	$ 898,006	$ 115,346	$ 88,599	$ 1,101,951	$ (88,599)	$ 1,013,352
Inter-segment revenues	3,648	435	5,943	10,026	(10,026)	—
Total revenue	**$ 901,654**	**$ 115,781**	**$ 94,542**	**$ 1,111,977**	**$ (98,625)**	**$ 1,013,352**
Capital additions	$ 53,486	$ 2,853	$ 1,814	$ 58,153	$ (1,814)	$ 56,339
Operating income (loss)[4]	(6,070)	1,557	(12,498)	(17,011)	(1,086)	(18,097)

As at March 31, 2023	North America	Rest of World	Joint Ventures[1,4]	Total	Adjustments[2]	Total Reportable Segments
Total assets	$ 1,440,996	$ 178,523	$ 15,337	$ 1,634,856	$ (63,029)	$ 1,571,827
Total liabilities	1,171,927	138,182	7,921	1,318,030	(63,029)	1,255,001

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. The Company disposed of its 50% interest in two joint ventures on February 1, 2023. Refer to note 11 for details.
2. The adjustments and eliminations include the reversal of the joint ventures at 50%.
3. For the three and nine months ended March 31, 2023, external customer revenues include tooling revenues of $15,282 and $47,624, respectively, for the Company, excluding the joint ventures.
4. For the three and nine months ended March 31, 2023, operating income (loss) includes a gain on the Company's disposal of its investment in joint ventures. For the nine months ended March 31, 2023, operating loss includes an impairment loss of $20,797 on the Company's investment in joint venture. Refer to note 11 for details.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

For the three months ended March 31, 2022	North America	Rest of World	Joint Ventures[1]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers[3]	$ 265,733	$ 20,042	$ 32,569	$ 318,344	$ (32,569)	$ 285,775
Inter-segment revenues	3,218	269	2,326	5,813	(5,813)	—
Total revenue	**$ 268,951**	**$ 20,311**	**$ 34,895**	**$ 324,157**	**$ (38,382)**	**$ 285,775**
Capital additions	$ 9,774	$ 804	$ 584	$ 11,162	$ (584)	$ 10,578
Operating income (loss)	8,879	678	140	9,697	(84)	9,613

For the nine months ended March 31, 2022	North America	Rest of World	Joint Ventures[1]	Total	Adjustments[2]	Total Reportable Segments
Revenue						
External customers[3]	$ 611,911	$ 40,718	$ 88,961	$ 741,590	$ (88,961)	$ 652,629
Inter-segment revenues	8,549	676	5,872	15,097	(15,097)	—
Total revenue	**$ 620,460**	**$ 41,394**	**$ 94,833**	**$ 756,687**	**$ (104,058)**	**$ 652,629**
Capital additions	$ 26,395	$ 1,694	$ 2,913	$ 31,002	$ (2,913)	$ 28,089
Operating loss	(28,560)	(3,464)	(156)	(32,180)	(194)	(32,374)

As at June 30, 2022[4]	North America	Rest of World	Joint Ventures[1]	Total	Adjustments[2]	Total Reportable Segments
Total assets	$ 1,111,656	$ 161,013	$ 97,828	$ 1,370,497	$ (92,424)	$ 1,278,073
Total liabilities	860,938	81,527	52,272	994,737	(92,424)	902,313

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. For the three and nine months ended March 31, 2022, external customer revenues include tooling revenues of $15,867 and $49,046, respectively, for the Company, excluding the joint ventures.
4. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to note 3 for details.

The Company operates in the following main geographical areas:

Revenue[1] for the three months ended	Canada	United States	Mexico	Rest of World	Consolidated
March 31, 2023	$ 83,034	$ 154,369	$ 97,479	$ 38,605	$ 373,487
March 31, 2022	79,007	101,643	85,083	20,042	285,775

Revenue[1] for the nine months ended	Canada	United States	Mexico	Rest of World	Consolidated
March 31, 2023	$ 210,272	$ 424,246	$ 263,488	$ 115,346	$ 1,013,352
March 31, 2022	188,662	237,360	185,889	40,718	652,629

Non-current assets[2] as at	Canada	United States	Mexico	Rest of World	Consolidated
March 31, 2023	$ 219,498	$ 401,572	$ 204,652	$ 91,775	$ 917,497
June 30, 2022[3]	218,179	400,647	149,539	92,172	860,537

1. Revenue is allocated based on the country in which the order is received.
2. Non-current assets include property, plant, and equipment, right-of-use assets, intangible assets, and goodwill.
3. Amounts as at June 30, 2022 were revised as a result of the finalization of purchase price allocations. Refer to note 3 for details.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

14. Related party transactions

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

	For the three months ended March 31, 2023		For the nine months ended March 31, 2023		As at March 31, 2023	
	Purchases from JVs	**Sales to JVs**	**Purchases from JVs**	**Sales to JVs**	**Trade payables to JVs**	**Trade receivables from JVs**
Joint venture in which the Company is a venturer:						
ABC INOAC Exterior Systems Inc.[1]	$ 386	$ 1,253	$ 4,420	$ 7,450	$ —	$ —
ABC INOAC Exterior Systems, LLC[1]	83	3,759	1,256	11,791	—	—
ABCOR Filters	2,115	—	6,210	—	1,045	27
INOAC Huaxiang	—	—	—	18	—	76

	For the three months ended March 31, 2022		For the nine months ended March 31, 2022		As at June 30, 2022	
	Purchases from JVs	**Sales to JVs**	**Purchases from JVs**	**Sales to JVs**	**Trade payables to JVs**	**Trade receivables from JVs**
Joint venture in which the Company is a venturer:						
ABC INOAC Exterior Systems Inc.	$ 2,418	$ 4,094	$ 5,792	$ 10,586	$ 1,305	$ 4,619
ABC INOAC Exterior Systems, LLC	173	3,498	209	7,888	128	5,147
ABCOR Filters	2,061	—	5,742	8	1,035	81
INOAC Huaxiang	—	44	—	104	—	126

1. The Company disposed of its interest in ABC INOAC Exterior Systems Inc. and ABC INOAC Exterior Systems, LLC on February 1, 2023. Accordingly, the purchases from JVs and sales to JVs above only include amounts until February 1, 2023. Refer to note 11 for details.

Receivables from joint ventures are non-interest bearing. During the three and nine months ended March 31, 2023, the Company received dividends from its joint ventures in the amounts of $1,304 (2022: $nil) and $1,304 (2022: $553), respectively.

15. Loss per share

Basic and diluted loss per share are calculated by dividing the net loss attributable to the shareholders of the Company by the weighted average number of ordinary shares outstanding during the period. The impact of the options and RSUs outstanding were not considered in the calculation of diluted loss per share for the three and nine months ended March 31, 2023 and March 31, 2022, as they were anti-dilutive.

	For the three months ended March 31,		For the nine months ended March 31,	
	2023	**2022**	**2023**	**2022**
Net loss	**$ (1,962)**	$ (6,321)	**$ (48,150)**	$ (50,933)
Weighted average number of ordinary shares	**115,664,147**	85,400,872	**115,635,639**	63,329,061
Loss per share - basic and diluted	**$ (0.02)**	$ (0.07)	**$ (0.42)**	$ (0.80)

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

16. Financial instruments

16.1 Fair values

Management assessed that the fair values of cash, trade and other receivables, trade payables, and other payables approximate their carrying values largely due to the short-term maturities of these instruments.

The Company measures its derivative financial instruments at fair value. The following table provides the fair value, determined as at March 31, 2023 and June 30, 2022, and fair value measurement hierarchy of these derivative financial instruments as defined in the Company's annual consolidated financial statements:

	March 31, 2023	June 30, 2022	Fair value hierarchy
Derivative assets (liabilities)			
Derivatives designated as cash flow hedging instruments:			
Interest rate swaps – USD SOFR	**$ (2,220)**	$ 2,630	Level 2
Foreign exchange forward contracts – CAD	**(6,788)**	(3,255)	Level 2
Foreign exchange forward contracts and collars – Mexican Peso ("MXN")	**3,565**	5,619	Level 2
Derivatives not designated as hedging instruments:			
Barrier currency options – CAD	**(405)**	(567)	Level 2
Foreign exchange forward contracts – EUR	**—**	3,946	Level 2
Total derivative assets (liabilities), net	**$ (5,848)**	$ 8,373	
Earn-outs[2]	**$ 19,400**	$ —	Level 3
Total current derivative assets, net[1]	**$ 797**	$ 5,830	
Total non-current derivative assets (liabilities), net	**$ (6,645)**	$ 2,543	
Current portion of earn-outs[2]	**$ 15,400**	$ —	
Non-current portion of earn-outs[2]	**$ 4,000**	$ —	

1. Current derivative assets are included in prepaid expenses and other. Current derivative liabilities are included in accrued liabilities and other payables.
2. The current portion of earn-outs are included in accrued payables and other liabilities. The non-current portion of earn-outs are included in other long-term liabilities. Refer to note 3 for details on the earn-outs.

The Company enters into derivative financial instruments with large Canadian financial institutions that have investment grade credit ratings. Interest rate swaps, foreign exchange forward contracts and collars are valued using techniques that employ the use of market observable inputs. The most frequently applied valuation techniques include forward pricing and swap models using present value calculations. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the respective currencies, currency basis spreads between the respective currencies and interest rate curves. Changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and the fair value recognized on derivative financial instruments.

16.2 Hedging activities and derivatives

Foreign currency contracts

The Company uses revenue denominated in foreign currency and foreign exchange forward contracts and collars to manage some of its exposure on foreign currency denominated transactions. The foreign exchange forward contracts and collars are entered into for periods consistent with foreign currency exposure of the underlying transactions. The Company applies a hedge ratio of 1:1.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

The notional amounts and maturities of the derivative financial instruments as at March 31, 2023 are detailed below.

	Maturity			
	Less than 3 months	**3–12 months**	**1–5 years**	**Total**
Derivatives designated as hedging instruments:				
Foreign currency forwards				
CAD	$ 16,563	$ 61,173	$ 142,417	**$ 220,153**
Average USD-CAD exchange rate	1.28	1.28	1.31	
Foreign currency forwards				
MXN	$ 5,448	$ 19,934	$ 44,114	**$ 69,496**
Average USD-MXN exchange rate	22.85	20.32	20.61	

The Company designates certain of its USD-CAD foreign currency forwards as cash flow hedges. During the three and nine months ended March 31, 2023, these hedges were assessed to be effective. The Company recorded the following gains and losses relating to these hedges:

	For the three months ended March 31,		For the nine months ended March 31,	
	2023	**2022**	**2023**	**2022**
Unrealized gain (loss) in OCI	**$ 335**	$ 2,345	**$ (6,044)**	$ (2,057)
Realized gain (loss) recognized in profit or loss	**(1,094)**	379	**(3,596)**	1,126
Gain (loss) recycled from OCI to profit or loss	**(67)**	272	**(21)**	677
Gain (loss) recycled from OCI to inventories	**(377)**	70	**32**	598

The Company monetized certain of its USD-CAD foreign currency contracts and reentered at the market rate during the year ended June 30, 2022 and received net proceeds of $8,568 as a result of the monetization. There were no monetizations during the three or nine months ended March 31, 2023. As the forecast transactions related to the monetized hedges are still probable, the gain deferred in OCI will be released when the original hedged transactions impact earnings. During the three and nine months ended March 31, 2023, the Company recycled a gain of $587 (2022: $285) and $3,428 (2022: $635), respectively, from OCI to inventories. During the three and nine months ended March 31, 2023, the Company recycled a gain of $nil (2022: $429) and $nil (2022: $416), respectively, from OCI to profit or loss.

The Company designates certain of its USD-MXN foreign currency forwards and collars as cash flow hedges. During the three and nine months ended March 31, 2023, these hedges were assessed to be effective. The Company recorded the following gains and losses relating to these hedges:

	For the three months ended March 31,		For the nine months ended March 31,	
	2023	**2022**	**2023**	**2022**
Unrealized gain in OCI	**$ 5,727**	$ 3,912	**$ 10,808**	$ 5,002
Realized gain recognized in profit or loss	**1,104**	646	**2,225**	1,828
Gain recycled from OCI to inventories	**1,262**	643	**2,787**	1,870

The Company monetized certain of its USD-MXN foreign currency contracts and reentered at the market rate. During the three and nine months ended March 31, 2023, the Company received net proceeds of $5,829 (2022: $nil) and $10,818 (2022: $1,493), respectively, as a result of the monetization. As the forecast transactions related to the monetized hedges are still probable, the gain deferred in OCI will be released when the original hedged transactions impact earnings. During the three and nine months ended March 31, 2023, the Company recycled a gain of $158 (2022: $360) and $562 (2022: $598), respectively, from OCI to inventories.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

Interest rate swaps

The Company uses interest rate swaps to hedge some of its exposure to floating interest rates. To maximize hedge effectiveness, the Company only hedges the risk in respect of benchmark interest rates and the credit risk spread on the hedged item is excluded. The Company applies a hedge ratio of 1:1.

As at March 31, 2023, the Company had interest rate swap agreements with a total notional amount of $225,000 (June 30, 2022: $225,000) whereby the Company pays a weighted average fixed interest rate of 1.48% (June 30, 2022: 1.48%) until May 2023 and 3.90% from May 2023 until maturity in February 2027. In return, the Company receives interest at a floating rate equal to 1-month USD SOFR on the total notional amount. During the year ended June 30, 2022, the Company amended the benchmark for the interest rates from LIBOR to SOFR.

The Company's interest rate swaps were designated as cash flow hedges and assessed to be effective. The following gains or losses were recorded in the Company's interim condensed consolidated financial statements related to these swaps:

	For the three months ended March 31,		For the nine months ended March 31,	
	2023	**2022**	**2023**	**2022**
Unrealized gain (loss) in OCI	**$ (2,984)**	$ 2,742	**$ (2,290)**	$ 3,657
Gain (loss) recycled from OCI to profit or loss	**1,601**	(819)	**2,601**	(2,499)

16.3 Other risks

Trade receivables

The aging analysis of trade receivables, based on days past due, is as follows:

	Total	Current and <30 days	30–60 days	61–90 days	>90 days[2]
As at March 31, 2023	**$ 147,164**	**$ 128,084**	**$ 11,816**	**$ 1,162**	**$ 6,102**
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 note 3 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.

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 March 31, 2023, the Company's three largest customers accounted for 17.7%, 9.6% and 3.8%, respectively, of all receivables owing (June 30, 2022: 20.0%, 6.0% and 5.7%, respectively).

Master netting and similar agreements

The Company enters into derivative transactions under International Swap and Derivatives Association ("ISDA") master netting agreements. In general, under such agreements, the amounts owed by each counterparty on a single day in respect of all transactions outstanding in the same currency are aggregated into a single net amount that is payable by one party to the other. In certain circumstances – e.g. when a credit event such as a default occurs – all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions.

The ISDA agreements do not meet the criteria for offsetting in the consolidated statement of financial position. This is because the Company does not have any currently legally enforceable right to offset recognized amounts, because the right to offset is enforceable only on the occurrence of future events such as a default or other credit events.

(Expressed in thousands of United States dollars, except per share figures or when otherwise indicated)

The carrying amounts of recognized financial instruments that are subject to the above agreements have been measured in the consolidated statement of financial position at fair value, as follows:

March 31, 2023	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**
Interest rate swaps – USD SOFR	$ 1,992	$ —	$ —	$ 4,212
Foreign exchange forward contracts and collars – MXN	2,957	626	—	18
Foreign exchange forward contracts – CAD	—	—	3,747	3,041
Barrier currency options - CAD	—	—	405	—

June 30, 2022	**Current assets**	**Non-current assets**	**Current liabilities**	**Non-current liabilities**
Interest rate swaps – USD SOFR	$ 2,630	$ —	$ —	$ —
Foreign exchange forward contracts and collars – MXN	1,623	3,996	—	—
Foreign exchange forward contracts – CAD	37	—	1,839	1,453
Foreign exchange forward contracts – EUR	3,946	—	—	—
Barrier currency options - CAD	—	—	567	—

17. Subsequent events

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 $97,930.

On May 1, 2023, the Company entered into a definitive agreement to sell its 50% interest in INOAC Huaxiang for 60,000 RMB ($8,737). INOAC Huaxiang is a manufacturer of HVAC systems, fluid management systems and flexible products based in Ningbo, China.