Laurentide Composites Inc.

Annual Report 2025 — Excerpt: Management's Discussion and Analysis and selected notes

Fiscal year ended 31 December 2025. All amounts in Canadian dollars. This excerpt is provided to Nordvale Capital Partners for internal valuation work.

1. Overview of the business

Laurentide Composites Inc. designs and manufactures engineered composite panels and sandwich structures for the building envelope, transportation and industrial markets. The Company operates four plants in Québec and Ontario and one in Michigan, employs approximately 1,920 people and sells to roughly 640 active customers in Canada, the United States and Western Europe. Its shares trade on the Toronto Stock Exchange.

2. Results of operations

Revenue increased 7.7% to $572.0 million, driven by volume growth in Architectural Panels and price increases implemented in the second quarter. EBITDA reached $90.4 million (15.8% of revenue) compared with $81.8 million (15.4%) in 2024, reflecting operating leverage and the resin cost pass-through programme. Depreciation and amortisation amounted to $31.5 million. Net income was $33.5 million ($0.69 per share).

3. Segment information

Segment	Revenue ($000)	% of revenue	Segment EBITDA ($000)	Segment margin
Architectural Panels	263,120	46%	47,625	18.1%
Transportation & Mobility	188,760	33%	31,712	16.8%
Industrial & Energy	120,120	21%	17,239	14.4%
Corporate costs			(6,200)	
Consolidated	572,000	100%	90,376	15.8%

4. Liquidity, capital resources and outlook

Cash flows from operating activities were $56.9 million. Capital expenditures of $31.5 million (5.5% of revenue) were directed to the Trois-Rivières press line and automation. Management expects capital expenditures of between 5 % and 6 % of revenue over the next three years, including maintenance capital of approximately 3 % of revenue. The Company's senior notes due 2031 bear interest at 6.20 % and the revolving facility was drawn at $25.0 million at year-end. The Board declared dividends of $0.24 per share. Management targets mid-single-digit revenue growth over the medium term, with EBITDA margin expansion toward 16.5 % as the Michigan plant reaches full utilisation.

Note 14 — Leases

The Company leases two of its plants, its head office and part of its vehicle fleet. Lease liabilities at 31 December 2025 amounted to $61.8 million (current $9.5 million; non-current $52.3 million), with a weighted average incremental borrowing rate of 4.5 %. Right-of-use assets amounted to $83.6 million. Lease payments are presented as financing (principal) and interest within finance costs; depreciation of right-of-use

assets is included in depreciation and amortisation.

Note 18 — Provisions and contingencies

Provision recognised. During 2025 the Company recorded a provision of $4.8 million for warranty remediation of a batch of architectural panels supplied in 2023, representing management's best estimate of the cost to settle; the amount is presented in non-current liabilities.

Contingent liability not recognised. In November 2025, Northshore Marine Builders Ltd. filed a claim against the Company before the Superior Court of Québec seeking damages of $22.0 million for alleged delamination of hull panels supplied in 2022–2024. The Company disputes the claim and, on the advice of external counsel, considers an outflow possible but not probable; accordingly, no provision has been recognised. The maximum exposure, before any insurance recovery, is $22.0 million.

Forward-looking statements in this excerpt are subject to risks and uncertainties. This document is a fictional excerpt prepared for the Nordvale data room.