

**SHAWCOR LTD.
(TSX: SCL)**

PRESS RELEASE

SHAWCOR LTD. ANNOUNCES THIRD QUARTER 2021 RESULTS

TORONTO, November 9, 2021 – Shawcor Ltd. (“Shawcor” or the “Company”) (TSX: SCL) reported today its operational and financial results for the three and nine months ended September 30, 2021. This press release should be read in conjunction with the Company’s Management Discussion and Analysis (MD&A) and interim consolidated financial statements for the three and nine months ended September 30, 2021, which are available on the Company’s website and at www.sedar.com.

Highlights from the third quarter include:

- Adjusted EBITDA¹ in the third quarter of 2021 was \$31.8 million, 79% higher than the \$17.8 million of Adjusted EBITDA reported in the third quarter of 2020, which included \$17.0 million of COVID-19 related government wage subsidies.
- Order backlog increased by 4% to \$507 million as at September 30, 2021, compared to \$489 million at June 30, 2021.
- The Company has repaid \$130 million of its outstanding Credit Facility debt in the current year. This includes a \$35 million repayment made in the third quarter of 2021 and an additional \$20 million repayment made subsequent to the end of the third quarter.
- Third quarter 2021 consolidated revenue was \$291 million, 9% higher than the \$268 million reported in the third quarter of 2020. Non-oil and gas businesses grew to 40% of total revenue.
- Net Loss² in the third quarter of 2021 was \$8.3 million (or loss per share of \$0.12 diluted) compared with a net loss of \$18.3 million (or \$0.26 loss per share diluted) in the third quarter of 2020.

“The key macro drivers for our businesses continue to evolve favourably, with increasing global investment in critical infrastructure, accelerating demand for premium and electric vehicles, and strengthening commodity price fundamentals which underpin our confidence in a multi-year upcycle for virtually all of Shawcor’s product lines,” said Mike Reeves, President and CEO of Shawcor. “In the immediate term, seasonal cycles, an expected slowdown in pipe coating project activity, and increasingly significant tension in raw material supply chains are expected to yield slightly lower earnings in Q4-2021 and Q1-2022 than were seen in Q1-2021. Despite these near-term effects and the elimination of government subsidies, which enhanced 2021 earnings performance, I am confident that our full year 2022 Adjusted EBITDA¹ will be greater than 2021 with weighting to the second half of the year.”

“During the third quarter we delivered revenue growth from all three segments of our operations compared with the prior year. Shawcor generated Adjusted EBITDA¹ of \$31.8 million on \$291.4 million of revenue reflecting robust demand for many products within our Automotive & Industrial and Composite Systems segments, partially offset by expected lower activity within our Pipeline & Pipe Services segment and increasingly tight supply chain impacts across several business lines,” said Mr. Reeves. “The Company continues to focus on debt repayment, business efficiencies and cost reductions.”

¹ EBITDA and Adjusted EBITDA are Non-GAAP measures. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. See Section 5.0 – Reconciliation of Non-GAAP Measures for further details and a reconciliation of these Non-GAAP measures.

² Net Loss attributable to shareholders of the Company.

Selected Financial Highlights

(in thousands of Canadian dollars, except per share amounts and percentages)	Three Months Ended September 30				Nine Months Ended September 30			
	2021		2020		2021		2020	
	\$	%	\$	%	\$	%	\$	%
Revenue	291,393		267,659		876,619		852,804	
Gross profit	83,894	28.8%	74,321	27.8%	247,508	28.2%	227,402	26.7%
Income (Loss) from Operations^(a)	2,492	0.9%	(19,289)	(7.2%)	8,326	0.9%	(277,272)	(32.5%)
Net Loss for the period^(b)	(8,284)		(18,311)		(21,009)		(289,989)	
Loss per share:								
Basic & Diluted	(0.12)		(0.26)		(0.30)		(4.12)	
Adjusted EBITDA^(c)	31,793	10.9%	17,803	6.7%	85,565	9.8%	28,263	3.3%

(a) Operating income (loss) in the nine months ended September 30, 2021 includes restructuring costs and other, net, of \$7.5 million and \$11.6 million of impairment charges, while 2020 operating loss includes impairment charges of \$206.7 million and restructuring and other costs of \$29.7 million.

(b) Attributable to shareholders of the Company.

(c) Adjusted EBITDA is a non-GAAP measure. Non-GAAP measures do not have standardized meanings prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See *Section 5.0 – Reconciliation of Non-GAAP Measures* for further details and a reconciliation of these Non-GAAP measures.

1.0 THIRD QUARTER HIGHLIGHTS

Adjusted EBITDA¹ of \$31.8 million in the third quarter reflects continued solid order deliveries of heat shrink products for premium vehicles, steady production of composite tanks, sustained profitability from the execution of pipe coating projects and increased demand for composite pipe products in the upstream oil and gas market. The third quarter continued to show growth in the Company's non-oil and gas businesses which accounted for over 40% of total revenue. SG&A expenses of \$48.4 million were lower than the previously communicated quarterly normalized SG&A run-rate of \$55 million, primarily as a result of lower discretionary spending and a downward incentive-based compensation adjustment.

Since March of 2020, the Company has actioned the controlled shutdown or sale of several girth weld inspection branches and 9 fixed pipe coating facilities to reduce its operating cost base. The Company has continued to focus on cost optimization, including right sizing of its salaried workforce for a total headcount reduction of 28% over the course of the last eighteen months. In the third quarter of 2021, the Company also sold a property in Western Canada and completed decommissioning activities at a cost lower than originally anticipated, triggering a reduction of certain provisions previously recorded. The Company recorded restructuring and other income in the third quarter of \$1.1 million. Based on these actions, the Company expects a further reduction in the quarterly normalized SG&A run-rate to approximately \$53 million for the remainder of the year and into 2022.

¹ EBITDA and Adjusted EBITDA are Non-GAAP measures. Non-GAAP measures do not have standardized meanings under GAAP and are not necessarily comparable to similar measures provided by other companies. See *Section 5.0 – Reconciliation of Non-GAAP Measures* for further details and a reconciliation of these Non-GAAP Measures.

As at September 30, 2021, the Company had cash and cash equivalents totaling \$116.9 million (June 30, 2021 – \$140 million). This decrease is due to the Company’s repayment of an additional \$35 million on its outstanding debt under its Credit Facility in the third quarter of 2021. Subsequent to the quarter, the Company repaid another \$20 million, bringing total debt repayments on a year-to-date basis to \$130 million. Partially offsetting the decrease from these debt repayments, the Company generated positive cash flow from operations of \$17.0 million during the quarter, reflecting improved operating results, an investment of \$11.9 million in working capital excluding the impact of restructuring liabilities and limited capital spending of \$5.9 million. As at September 30, 2021, total long-term debt was \$324.8 million, lower compared to the \$433.4 million at the beginning of the year, reflecting debt repayments during the nine month period. The Company will continue to focus on limiting capital spending and maximizing the conversion of operating income into free cash flow to continue repaying long term debt.

Selected Segment Financial Highlights

(in thousands of Canadian dollars)	Three Months Ended				Nine Months Ended			
	Sept 30,		Sept 30,		Sept 30,		Sept 30,	
	2021		2020		2021		2020	
	(\$)	(%)	(\$)	(%)	(\$)	(%)	(\$)	(%)
Revenue								
Composite Systems	103,196		83,972		271,073		240,472	
Automotive and Industrial	71,370		49,270		201,783		142,283	
Pipeline and Pipe Services	117,757		135,634		404,830		472,426	
Elimination ^(a)	(930)		(1,217)		(1,067)		(2,377)	
Consolidated revenue	291,393		267,659		876,619		852,804	
Operating income (loss)								
Composite Systems	7,573	7.3%	13,058	15.6%	16,391	6.0%	733	0.3%
Automotive and Industrial	11,458	16.1%	6,043	12.3%	32,413	16.1%	13,516	9.5%
Pipeline and Pipe Services	(13,243)	(11.2%)	(36,647)	(27.0%)	(24,944)	(6.2%)	(276,297)	(58.5%)
Financial and Corporate	(3,296)		(1,743)		(15,534)		(15,224)	
Operating income (loss)	2,492	0.9%	(19,289)	(7.2%)	8,326	0.9%	(277,272)	(32.5%)
Adjusted EBITDA^(b)								
Composite Systems	15,571	15.1%	21,596	25.7%	39,968	14.7%	39,718	16.5%
Automotive and Industrial	12,586	17.6%	9,244	18.8%	35,830	17.8%	23,253	16.3%
Pipeline and Pipe Services	6,827	5.8%	(11,885)	(8.8%)	23,867	5.9%	(22,958)	(4.9%)
Financial and Corporate	(3,191)		(1,152)		(14,100)		(11,750)	
Adjusted EBITDA ^(b)	31,793	10.9%	17,803	6.7%	85,565	9.8%	28,263	3.3%

(a) Represents the elimination of the inter-segment sales between the Composite Systems segment, the Automotive and Industrial segment and the Pipeline and Pipe Services segment.

(b) Adjusted EBITDA is a non-GAAP measure. Non-GAAP measures do not have a standardized meaning prescribed by GAAP and are not necessarily comparable to similar measures provided by other companies. See Section 5.0 – Reconciliation of Non-GAAP Measures for further details and a reconciliation of these Non-GAAP measures.

The Composite Systems segment experienced increased revenues for retail fuel and water/wastewater fiberglass reinforced plastic (“FRP”) tanks, a portion of which resulted from pricing increases to offset raw material cost inflation. While production levels continued to be constrained by raw material shortages, the Company produced more tanks in the quarter versus the prior quarter. Improved drilling and completion activity in the Permian Basin in the current period along with increased international orders drove increases in composite pipe product sales. Stable demand for tubular management services persisted as Western Canadian well counts rose. Revenue in the third quarter of 2021 increased by \$19.2 million, or 23%, compared to the third quarter of 2020. Adjusted EBITDA¹ in the third quarter of 2021 was \$15.6 million, a 28% decrease compared to \$21.6 million in the third quarter of 2020. This decrease was primarily due to the \$0.8 million repayment of COVID-19 government wage subsidies in the third quarter of 2021, compared to the \$7.7 million receipt of wage subsidies in the third quarter of 2020.

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The Automotive and Industrial segment continued its solid performance, delivering record revenues and Adjusted EBITDA¹ despite some limited interruptions at its facility in Germany as a result of regional flooding. Revenues were \$71.4 million in the third quarter of 2021, a 45% increase over the same period of 2020. Adjusted EBITDA¹ of \$12.6 million in the third quarter of 2021 represents an increase compared to \$9.2 million in the third quarter of 2020, despite a \$2.4 million decrease in COVID-19 government wage subsidies from the prior year. Demand for the Company's automotive products continued to outpace overall automotive production as a result of electronic content growth in premium, hybrid and full electric vehicle markets. In industrial markets, the business benefited from infrastructure spending to build out communication and transportation networks and support nuclear reactor refurbishments. The segment's profitability also benefited from a favourable forward buy of raw materials in the quarter.

The Pipeline and Pipe Services segment delivered consistent performance with all businesses contributing positive Adjusted EBITDA¹. Despite moderate supply chain challenges and customer induced pipe delivery delays, the Company efficiently executed on pipe coating project backlog during the current quarter. The segment's girth weld inspection and engineering services businesses saw improved performance in the quarter versus the prior quarter. The Pipeline and Pipe Services segment generated revenues of \$117.8 million, a decrease of \$17.9 million, or 13%, from \$136 million in the third quarter of 2020. This was primarily due to the absence of \$19.1 million of revenue attributable to the Products business that was sold in late 2020. Adjusted EBITDA¹ in the third quarter of 2021 was \$6.8 million, a significant improvement compared to a negative \$11.9 million in the third quarter of 2020, despite a \$5.3 million decrease in COVID-19 government wage subsidies from the prior year. The improvement reflects higher margin pipe coating activity and a significantly reduced operating cost base.

The order backlog of \$507 million as at September 30, 2021, represents an increase over the \$489 million order backlog as at June 30, 2021. This was mainly attributed to continued backlog growth in the Composite tanks business and higher order activity for the Company's other non-oil and gas offerings. Pipe coating backlog also grew modestly. Outstanding firm bids were over \$910 million as of September 30, 2021, lower than the \$972 million from last quarter as projects moved into backlog. Conditional bids, pending final investment decision, were at \$237 million in revenue at the end of the quarter, an increase over the \$151 million from the prior quarter as a result of several medium-sized conditional pipe coating awards moving into the twelve-month period. Budgetary estimates at the end of the third quarter were over \$1.5 billion, an increase from the \$1 billion as at the end of the previous quarter due to a return of global offshore project planning activity as energy prices rise and potential shortages loom, including numerous projects that had been previously been delayed.

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2.0 OUTLOOK

The Company expects a step down in activity levels across all reporting segments in the fourth quarter of the year, as lingering supply chain issues limit production capacity in underground tanks and automotive customers temporarily lower premium vehicle output due to micro-chip shortages. Additionally, a previously noted lull in scheduled pipe coating projects will unfavorably impact the next several quarters. Based on these challenges, the Company expects the Adjusted EBITDA¹ performance for the fourth quarter of 2021 and the first quarter of 2022 to be slightly lower than the \$18.6 million reported in the first quarter of 2021. Looking beyond these near-term headwinds, underlying demand for the Company's products in all reporting segments continues to build, and the Company maintains the expectation that financial performance in 2021 will surpass the 2020 Adjusted EBITDA¹ of \$74.3 million, and further improve in 2022, with 2022 earnings weighted to the second half of the year.

As noted earlier, the Company expects its quarterly normalized SG&A run-rate to be approximately \$53 million in Q4-2021 and throughout 2022. The Company has substantially rationalized its footprint and will continue to focus on maintaining efficient operations with the technical expertise and geographic footprint that provide the best opportunity for the Company to secure work and drive profitability.

Continued backlog growth is expected in the fourth quarter of 2021 and into early 2022 as customers seek to secure orders for the Company's non-oil and gas offerings and delayed pipe coating projects reach final investment decision.

Composite Systems Segment

Demand for underground tanks is expected to remain robust throughout the fourth quarter of 2021 and 2022 as retail fuel service station networks expand, upgrade and replace existing aging tanks. In addition, growth in demand for water and storm-water storage and treatment tanks is expected to continue, supported by projected higher infrastructure spending and commercial and municipal water projects. Despite these favorable market trends, the Company's near-term ability to produce underground tanks is expected to be limited by lingering raw material availability challenges which likely persist throughout Q4-2021 and into the first half of 2022. In addition to qualifying alternative raw material sources, the business continues to manage production schedules and lead times to minimize impacts and price surcharges have been implemented to manage raw material cost increases. Modest improvements in demand for the segment's core pipe products and tubular management services in North America are expected as activity levels in Western Canada and in the Permian Basin continue their gradual rise.

Automotive and Industrial Segment

In line with the standard seasonal profile for the business, activity levels within the segment are expected to be modestly lower in the fourth quarter. Further to these seasonal effects, the Company is anticipating shutdowns at several customer owned automotive manufacturing facilities as recent shortages of premium micro-chips impact the production of higher-end vehicles, which in turn tempers near term demand for the Company's heat shrink products. The Company's heat shrink production facility in China is also expected to experience rolling shutdowns as energy shortages have limited access to power in country.

Longer term, the Company expects to see continued growth in demand for its automotive products, particularly in Asia Pacific and EMAR regions, where electric vehicles adoption rates are highest. In the industrial side of the business, the Company is expecting to benefit from infrastructure spending as new and upgraded communication networks are constructed and nuclear refurbishments continue in Canada, and federal stimulus packages are rolled out, while continuing to effectively manage the volatility of copper raw material costs.

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Pipeline and Pipe Services Segment

The Company is expecting lower levels of pipe coating activity in the fourth quarter of 2021 and into early 2022 based on current project scheduling, before activity rises later in 2022. Demand for the Company's girth weld inspection and engineering services are also expected to trend down over the next two quarters as several larger projects are concluded and seasonal slow periods begin.

Looking further forward, integrity management of an aging North American onshore pipeline infrastructure will continue to require the Company's girth weld inspection and engineering services, while new offshore pipeline installations, both small, mid-size and large in scope, are expected to rise during the second half of 2022 and into the years that follow, driving elevated demand for the Company's market leading pipeline coating technologies.

3.0 CONFERENCE CALL AND ADDITIONAL INFORMATION

Shawcor will be hosting a Shareholder and Analyst Conference Call and Webcast on Wednesday, November 10th, 2021 at 9:00 AM ET, which will discuss the Company's Third Quarter 2021 Financial Results. To participate via telephone, please dial 1-877-776-4039 or 1-315-625-6955. Conference Call ID: 2470208. Alternatively, please go to the following website address to participate via webcast: <https://edge.media-server.com/mmc/p/q9etn28u>

About Shawcor

Shawcor Ltd. is a growth-oriented, global material sciences company serving the Infrastructure, Energy, and Transportation markets. The Company operates through a network of fixed and mobile manufacturing and service facilities. Its three business segments, Composite Systems, Automotive & Industrial and Pipeline & Pipe Services enable responsible renewal and enhancement of critical infrastructure while lowering risk and environmental impact.

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4.0 FORWARD-LOOKING INFORMATION

This news release includes certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward-looking information involves estimates, assumptions, judgements and uncertainties. These statements may be identified by the use of forward-looking terminology such as "may", "will", "should", "anticipate", "expect", "believe", "predict", "estimate", "continue", "intend", "plan" and variations of these words or other similar expressions. Specifically, this news release includes forward-looking information in the Outlook Section and elsewhere in respect of, among other things, the level of the Company's overall financial performance in the fourth quarter of 2021 and the first quarter of 2022 and for fiscal years 2021 and 2022; the achievement of quarterly normalized SG&A at anticipated levels; the continuance of certain raw material shortages and supply chain disruptions for the balance of 2021 and their abatement in the second half of 2022; the demand for the Company's products in each of its business segments; the impact of raw material shortages on the Company's Composite Systems segment; the impact of shortages of premium micro-chips on automobile manufacturers and the impact thereof on the Company's Automobile and Industrial segment; the increase in the Company's order backlog; the anticipated increase in drilling and completion related capital spending in North America and an increase in offshore pipeline installations and the impact on the Company's business; the impact on the Company's business of the anticipated increase in infrastructure spending, including in the areas of water management, communication networks and nuclear refurbishment and the impact on the Company's business of increasing adoption rates for electric vehicles; and the impact of electrical power rationing at the Company's automotive facility in China and the Company's ability to transfer production from those facilities if and as required.

Forward-looking information involves known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted by the forward-looking information. We caution readers not to place undue reliance on forward-looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward-looking information. Significant risks facing the Company include, but are not limited to: the duration and impact of the COVID-19 pandemic on the Company, its employees, customers, suppliers, energy and commodity markets and on the global economy; the extent and duration of existing supply chain disruptions and the potential for additional disruptions caused by pandemics, severe weather conditions, natural disasters, labour shortages or other factors and the impact thereof on the Company, its customers and suppliers; the extent and duration of shortages and related price increases in raw materials used by the Company and the impact thereof on the Company, its customers and suppliers; the extent and duration of shortages in semi-conductors and the impact on automotive producers and on demand for the Company's products; the impact on the Company of the continued heightened focus by North American oil and gas operators on capital discipline, the impact on the Company of reduced demand for certain of its products and services, including the delay, suspension or cancellation of existing or anticipated contracts, as a result of lower investment in global oil and gas extraction, infrastructure and transportation activity following the previous declines in the global price of oil and gas; long term changes in global or regional economic activity and changes in energy supply and demand, which with other factors, impact on the level of global pipeline infrastructure construction; exposure to product and other liability claims; compliance with environmental, trade and other laws; political, economic and other risks arising from the Company's international operations; the impact of climate change on the demand for the Company's products and fluctuations in foreign exchange rates, as well as other risks and uncertainties described under "Risks and Uncertainties" in the Company's annual MD&A and in the Company's Annual Information Form under "Risk Factors".

These statements of forward-looking information are based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments as well as other factors believed to be reasonable and relevant in the circumstances. These assumptions include those in respect of the gradual lifting of certain COVID-19 related restrictions or their continuation on a more limited and targeted basis than the basis on which those restrictions were previously imposed and the impact thereof on global economic activity; the Company's ability to manage supply chain disruptions caused by the COVID-19 pandemic, extreme weather, natural disasters, labour shortages or other factors; global oil and gas prices stabilizing at or

increasing from current levels; the likelihood of projects tied to securing long-term domestic energy supply or drilling rights being sanctioned in the near term; the recommencement of increased capital expenditures in the global offshore oil and gas segment; the continuing recovery of the global economy; a gradual recovery of oil and gas markets in North America, the continued improved demand in the automotive and industrial markets, particularly in North America and Europe and the heightened demand for hybrid and fully electric vehicles, particularly in the Asia Pacific and EMAR regions, tempered somewhat by automobile production delays arising from a global shortage of semi-conductors; sustained solid demand in the retail fuel market and stable demand in the industrial markets with storage tank demand supported by higher infrastructure spending and commercial and municipal water projects; heightened infrastructure spending in Canada on communication networks and nuclear refurbishments; the Company's ability to execute projects under contract, the Company's continuing ability to provide new and enhanced product offerings to its customers, the continued supply of and the stabilizing in the near term of pricing for commodities used by the Company and the ability of the Company to pass on price increases in respect thereof; the Company's ability to maintain a normalized SG&A run rate at anticipated levels through to the end of 2022; the availability of personnel resources sufficient for the Company to operate its businesses, the Company's ability to optimize its operational footprint while maintaining its competitive position in major oil and gas producing regions; the adequacy of the Company's existing accruals in respect of environmental compliance and in respect of litigation and tax matters and other claims generally; the level of payments under the Company's performance, bid and surety bonds; the ability of the Company to satisfy all covenants under the Credit Facility; and having sufficient liquidity to fund its obligations and planned initiatives. The Company believes that the expectations reflected in the forward-looking information are based on reasonable assumptions in light of currently available information. However, should one or more risks materialize, or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking information included in this document and the Company can give no assurance that such expectations will be achieved.

When considering the forward-looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not assume the obligation to revise or update forward-looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

To the extent any forward-looking information in this document constitutes future oriented financial information or financial outlooks, within the meaning of securities laws, such information is being provided to demonstrate the potential of the Company and readers are cautioned that this information may not be appropriate for any other purpose. Future oriented financial information and financial outlooks, as with forward-looking information generally, are based on the assumptions and subject to the risks noted above.

5.0 RECONCILIATION OF NON-GAAP MEASURES

The Company reports on certain non-GAAP measures that are used to evaluate its performance and segments, as well as to determine compliance with debt covenants and to manage its capital structure. These non-GAAP measures do not have standardized meanings under IFRS and are not necessarily comparable to similar measures provided by other companies. The Company discloses these measures because it believes that they provide further information and assist readers in understanding the results of the Company's operations and financial position. These measures should not be considered in isolation or used in substitution for other measures of performance prepared in accordance with GAAP. The following is a reconciliation of the non-GAAP measures reported by the Company.

EBITDA and Adjusted EBITDA

EBITDA is a non-GAAP measure defined as earnings before interest, income taxes, depreciation and amortization. Adjusted EBITDA is also a non-GAAP measure defined as EBITDA adjusted for items which do not impact day to day operations. Adjusted EBITDA is calculated by adding back to EBITDA the sum of impairments, costs associated with repayment of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, gain on sale of operating unit, acquisition costs, restructuring costs and other, net and hyperinflationary adjustments. The Company believes that EBITDA and Adjusted EBITDA are useful supplemental measures that provide a meaningful indication of the Company's results from principal business activities prior to the consideration of how these activities are financed or the tax impacts in various jurisdictions and for comparing its operating performance with the performance of other companies that have different financing, capital or tax structures. The Company presents Adjusted EBITDA as a measure of EBITDA that excludes the impact of transactions that are outside the Company's normal course of business or day to day operations. Adjusted EBITDA is used by many analysts in the oil and gas industry as one of several important analytical tools to evaluate financial performance and is a key metric in business valuations. It is also considered important by lenders to the Company and is included in the financial covenants of the Company's Credit Facility.

	Three Months Ended		Nine Months Ended	
	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
(in thousands of Canadian dollars)				
Net Loss	\$ (8,437)	\$ (18,405)	\$ (21,637)	\$ (290,373)
Add:				
Income tax expense	5,919	136	9,249	1,963
Finance costs, net	5,128	6,673	17,926	18,068
Amortization of property, plant, equipment, intangible and ROU assets	19,198	22,343	58,656	70,275
EBITDA	\$ 21,808	\$ 10,747	\$ 64,194	\$ (200,067)
Hyperinflation adjustment for Argentina	1,315	446	4,105	1,336
Impairment	11,609	3,623	11,609	206,707
Gain on redemption of investment in associate	(1,834)	(8,249)	(1,834)	(8,249)
Gain on sale of land	—	(1,213)	—	(1,213)
Restructuring costs and other, net	(1,105)	12,449	7,491	29,749
Adjusted EBITDA^(a)	\$ 31,793	\$ 17,803	\$ 85,565	\$ 28,263

(a) Adjusted EBITDA includes COVID-19 related government wage subsidies of \$(0.6) million and \$17.0 million in the third quarter of 2021 and 2020, and \$4.8 million and \$24.5 million in the first nine months of 2021 and 2020 respectively.

(in thousands of Canadian dollars)	Three Months Ended	Year Ended
	March 31, 2021	December 31, 2020
Net Loss	\$ (15,792)	\$ (234,555)
Add:		
Income tax expense	2,847	8,625
Finance costs, net	7,033	25,078
Amortization of property, plant, equipment, intangible and ROU assets	19,971	92,532
EBITDA	\$ 14,059	\$ (108,320)
Hyperinflation adjustment for Argentina	1,112	2,107
Gain on sale of land and other	—	(2,246)
Gain on sale of operating unit	—	(52,118)
Gain on redemption of investment in associate	—	(10,374)
Impairment	—	212,612
Restructuring costs and other, net	3,395	32,596
Adjusted EBITDA^(a)	\$ 18,566	\$ 74,257

(a) Adjusted EBITDA includes COVID-19 related government wage subsidies of \$2.4 million in the first quarter of 2021 and \$30.5 million in the year of 2020.

Composite Systems Segment

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Operating Income	\$ 7,573	\$ 13,058	\$ 16,391	\$ 733
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	7,581	8,128	23,136	24,911
EBITDA	\$ 15,154	\$ 21,186	\$ 39,527	\$ 25,644
Impairment	—	—	—	9,828
Restructuring costs and other	417	410	441	4,246
Adjusted EBITDA^(a)	\$ 15,571	\$ 21,596	\$ 39,968	\$ 39,718

(a) Adjusted EBITDA includes COVID-19 related government wage subsidies of \$(0.8) million and \$7.7 million in the third quarter of 2021 and 2020, and \$2.1 million and \$10.5 million in the first nine months of 2021 and 2020 respectively.

Automotive and Industrial Segment

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Operating Income	\$ 11,458	\$ 6,043	\$ 32,413	\$ 13,516
Add:				
Amortization of property, plant, equipment, intangible and ROU assets	1,097	1,174	3,308	3,482
EBITDA	\$ 12,555	\$ 7,217	\$ 35,721	\$ 16,998
Restructuring costs and other	31	2,027	109	6,255
Adjusted EBITDA^(a)	\$ 12,586	\$ 9,244	\$ 35,830	\$ 23,253

(a) Adjusted EBITDA includes COVID-19 related government wage subsidies of \$2.4 million in the third quarter of 2020, and \$0.9 million and \$3.2 million in the first nine months of 2021 and 2020 respectively.

Pipeline and Pipe Services Segment

(in thousands of Canadian dollars)	Three Months Ended		Nine Months Ended	
	Sept 30, 2021	Sept 30, 2020	Sept 30, 2021	Sept 30, 2020
Operating Loss	\$ (13,243)	\$ (36,647)	\$ (24,944)	\$ (276,297)
Add: Amortization of property, plant, equipment, intangible and ROU assets	9,971	12,426	30,410	39,814
EBITDA	\$ (3,272)	\$ (24,221)	\$ 5,466	\$ (236,483)
Hyperinflation adjustment for Argentina	52	(80)	80	(160)
Impairment	11,609	3,623	11,609	196,879
Gain on sale of land	—	(1,213)	—	(1,213)
Restructuring costs and other, net	(1,562)	10,006	6,712	18,019
Adjusted EBITDA^(a)	\$ 6,827	\$ (11,885)	\$ 23,867	\$ (22,958)

(a) Adjusted EBITDA includes COVID-19 related government wage subsidies of \$0.1 million and \$5.4 million in the third quarter of 2021 and 2020, and \$1.0 million and \$7.5 million in the first nine months of 2021 and 2020 respectively.