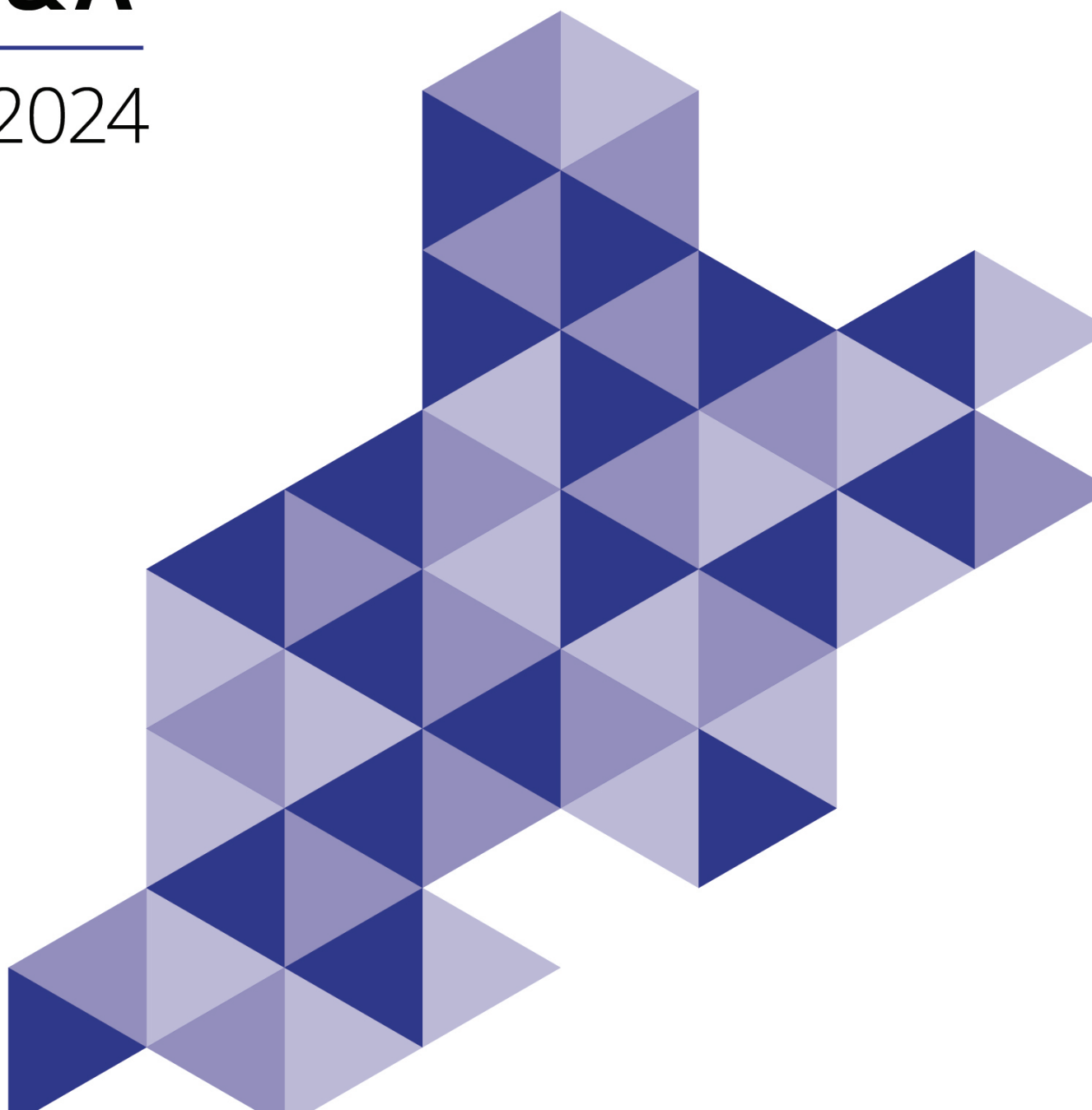




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MD&A

Q3|2024



Management's Discussion and Analysis

November 5, 2024

The following is management's discussion and analysis ("MD&A") of the consolidated results of operations, balance sheets and cash flows of FLINT Corp. ("FLINT" or the "Company") for the three and nine months ended September 30, 2024 and 2023. This MD&A should be read in conjunction with FLINT's unaudited condensed consolidated interim financial statements and the notes thereto for the three and nine months ended September 30, 2024 and 2023 and the audited consolidated financial statements for the years ended December 31, 2023 and 2022.

All amounts in this MD&A are in Canadian dollars and expressed in thousands of dollars unless otherwise noted. The accompanying unaudited condensed consolidated interim financial statements of FLINT have been prepared by and are the responsibility of management. The contents of this MD&A have been approved by the Board of Directors of FLINT on the recommendation of its Audit Committee. This MD&A is dated November 5, 2024 and is current to that date unless otherwise indicated.

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB").

This MD&A makes reference to certain measures that are not defined in IFRS. These measures do not have any standard meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other issuers. This MD&A also contains information that may constitute "forward-looking information" with the meaning of Canadian securities laws. See "Advisory regarding Forward-Looking Information" and "Advisory regarding Non-GAAP Financial Measures".

References to "we", "us", "our" or similar terms, refer to FLINT, unless the context otherwise requires.

OVERVIEW OF OUR BUSINESS

As of January 1, 2024, the level of disaggregation of financial results reported to the Company's chief operating decision makers has been revised in conjunction with an internal reorganization. As a result, the Company has one reportable segment as at September 30, 2024. Previously, the Company had two reportable segments: the Maintenance and Construction Services segment and the Wear Technology Overlay Services segment. This change is reflective of the Company's integration of its fabrication and overlay services with its maintenance, turnaround and construction services in an effort to enhance the value offering for its customers.

FLINT's services include maintenance and turnarounds, facility construction, fabrication, modularization and machining, wear technologies and weld overlays, pipeline installation and integrity, electrical and instrumentation, workforce supply, heavy equipment operators, and environmental services. FLINT is a leading provider of these services to energy and industrial markets, including oil and gas (upstream, midstream and downstream), petrochemical, mining, power, agriculture, forestry, infrastructure and water treatment. Its operations, assets and employees are mainly located in Canada with some activity in the United States.

FLINT utilizes EBITDAS and Adjusted EBITDAS as performance measures to evaluate its results. These measures are considered to be non-GAAP financial measures under IFRS. See "Advisory regarding Non-GAAP Financial Measures".

Advisory regarding Forward-Looking Information

Certain information included in this MD&A may constitute “forward-looking information” within the meaning of Canadian securities laws. In some cases, forward-looking information can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these terms or other similar expressions concerning matters that are not historical facts. Specifically, this MD&A contains forward-looking information relating to: our business plans, strategies and objectives; the sufficiency of our liquidity and cash flow from operations to meet our short-term contractual obligations and maintain compliance with our financial covenants through September 30, 2025; the payment of interest owing on the Senior Secured Debentures in kind; the Company’s approach to dividends; the outlook for oil and natural gas prices and their impact on the demand for our services and impact on our customers in the energy industry; the expectation that activity levels to be moderate in the fourth quarter relative to what the Company experienced in the third quarter; our outlook that near term demand will increase for natural gas from heating, power, and LNG exports; opportunities for growth in our service offerings; that the market for skilled labour in Canada remains tight; and the Company’s focus on its programs to attract, retain and develop its people and to deliver high quality services to its valued customers in a safe and efficient manner.

Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information including, but not limited to, compliance with debt covenants, access to credit facilities and other sources of capital for working capital requirements and capital expenditure needs, availability of labour, dependence on key personnel, economic conditions, commodity prices, interest rates, regulatory change, weather and risks related to the integration of acquired businesses. These factors should not be considered exhaustive. Risks and uncertainties about FLINT’s business are more fully discussed in FLINT’s disclosure materials, including its annual information form and management’s discussion and analysis of the operating and financial results, filed with the securities regulatory authorities in Canada and available on SEDAR+ at www.sedarplus.ca. In formulating the forward-looking information, management has assumed that business and economic conditions affecting FLINT will continue substantially in the ordinary course, including, without limitation, with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of FLINT consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management’s assumptions may prove to be incorrect.

This forward-looking information is made as of the date of this MD&A, and FLINT does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Forward-looking information is provided for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes.

Advisory regarding Non-GAAP Financial Measures

The terms “EBITDAS” and “Adjusted EBITDAS” (collectively, the “Non-GAAP Financial Measures”) are financial measures used in this MD&A that are not standard measures under IFRS. FLINT’s method of calculating the Non-GAAP Financial Measures may differ from the methods used by other issuers. Therefore, the Non-GAAP Financial Measures, as presented, may not be comparable to similar measures presented by other issuers.

EBITDAS refers to income (loss) from continuing operations in accordance with IFRS, before depreciation and amortization, interest expense, income tax expense (recovery) and long-term incentive plan expenses. EBITDAS is used by management and the directors of FLINT as well as many investors to determine the ability of an issuer to generate cash from operations. Management believes that in addition to income (loss) from continuing operations and cash provided by operating activities, EBITDAS is a useful supplemental measure from which to determine FLINT’s ability to generate cash available for debt service, working capital, capital expenditures and income taxes. FLINT has provided a reconciliation of income (loss) from continuing operations to EBITDAS below.

Adjusted EBITDAS refers to EBITDAS excluding impairment of assets, restructuring expense, gain on sale of property, plant and equipment, other income and one time incurred expenses. FLINT has used Adjusted EBITDAS as the basis for the analysis of its past operating financial performance. Adjusted EBITDAS is a measure that management believes (i) is a useful supplemental measure from which to determine FLINT’s ability to generate cash available for debt service, working capital, capital expenditures, and income taxes, and (ii) facilitates the comparability of the results of historical periods and the analysis of its operating financial performance which may be useful to investors. FLINT has provided a reconciliation of income (loss) from continuing operations to Adjusted EBITDAS below.

Investors are cautioned that the Non-GAAP Financial Measures are not alternatives to measures under IFRS and should not, on their own, be construed as an indicator of performance or cash flows, a measure of liquidity or as a measure of actual return on the shares. These Non-GAAP Financial Measures should only be used with reference to FLINT’s consolidated interim and annual financial statements, which are available on SEDAR+ at www.sedarplus.ca or on FLINT’s website at www.flintcorp.com.

THIRD QUARTER 2024 SUMMARY OF RESULTS – CONTINUING OPERATIONS

(In thousands of Canadian dollars)

	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Revenue	\$ 211,594	\$ 187,017	\$ 522,779	\$ 506,063
Cost of revenue	(187,837)	(167,277)	(468,034)	(455,695)
Gross profit	23,757	19,740	54,745	50,368
Selling, general and administrative expenses	(10,934)	(9,045)	(31,171)	(26,785)
Long-term incentive plan expense	(850)	(625)	(2,225)	(2,670)
Amortization of intangible assets	(66)	(70)	(201)	(332)
Depreciation expense	(2,671)	(2,434)	(8,003)	(7,610)
Income from long-term investments	264	55	408	172
Interest expense	(4,718)	(4,670)	(14,033)	(13,680)
Restructuring expenses	(334)	(327)	(1,310)	(1,105)
Impairment of goodwill and intangible assets	—	—	—	(7,289)
Impairment of property, plant and equipment	—	—	—	(4,173)
Gain on sale of property, plant and equipment	810	133	1,253	323
Other income	47	32	468	142
Income (loss) from continuing operations	5,305	2,789	(69)	(12,639)
Add:				
Amortization of intangible assets	66	70	201	332
Depreciation expense	2,671	2,434	8,003	7,610
Long-term incentive plan expense	850	625	2,225	2,670
Interest expense	4,718	4,670	14,033	13,680
EBITDAS ⁽¹⁾	13,610	10,588	24,393	11,653
Add (deduct):				
Gain on sale of property, plant and equipment	(810)	(133)	(1,253)	(323)
Impairment of goodwill and intangible assets	—	—	—	7,289
Impairment of property, plant and equipment	—	—	—	4,173
Restructuring expenses	334	327	1,310	1,105
Other income	(47)	(32)	(468)	(142)
One-time incurred expenses	346	46	944	379
Adjusted EBITDAS ⁽¹⁾	\$ 13,433	\$ 10,796	\$ 24,926	\$ 24,134

(1) EBITDAS and Adjusted EBITDAS are not standard measures under IFRS and they are defined in the section "Advisory regarding Non-GAAP Financial Measures".

Net income (loss) per share (dollars)	Three months ended September 30,		Nine months ended September 30,	
	2024	2023	2024	2023
Basic & Diluted:				
Continuing operations	\$ 0.05	\$ 0.03	\$ 0.00	\$ (0.11)
Discontinued operations	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Net income (loss)	\$ 0.05	\$ 0.03	\$ 0.00	\$ (0.11)

Selected Balance Sheet Accounts	September 30,		December 31,	
	2024		2023	
Total assets	\$	261,283	\$	216,632
ABL facility		760		—
Term loan facility		40,308		40,278
Senior secured debentures		134,461		129,171
Other secured borrowings		11,251		12,500
Shareholders' deficit	\$	55,521	\$	55,136

THREE MONTHS ENDED

Revenue for the three months ended September 30, 2024 was \$211,594 compared to \$187,017 for the same period in 2023, representing an increase of 13.1%. The increase in revenue was primarily due to the 13 turnarounds that were performed in the third quarter this year, compared to 6 turnarounds that were performed in the same period of 2023.

Gross profit for the three months ended September 30, 2024 was \$23,757 compared to \$19,740 for the same period in 2023, representing an increase of 20.3%. Gross profit margin for the three months ended September 30, 2024 was 11.2% compared to 10.6% for the same period in 2023. The increase in gross profit margin was primarily due to the mix of work compared to the same period of 2023.

Selling, general and administrative ("SG&A") expenses for the three months ended September 30, 2024 were \$10,934 in comparison to \$9,045 for the same period in 2023, representing an increase of 20.9%. As a percentage of revenue, SG&A expenses for the three months ended September 30, 2024 were 5.2% compared to 4.8% for the same period in 2023. The increase in SG&A expenses, both on an absolute basis and as a percentage of revenue, is primarily due to higher personnel costs to support the Company's organic growth strategy and increased professional fees to assist in the ongoing continuous improvements in the business post the implementation of the Company's enterprise resource planning system.

Non-cash items that impacted the 2024 results were depreciation and amortization. For the three months ended September 30, 2024, depreciation and amortization expenses were \$2,737 compared to \$2,504 for the same period in 2023. The increase in depreciation expenses was primarily due to an increase in vehicle lease additions to support ongoing business activity.

For the three months ended September 30, 2024, interest expenses were \$4,718 compared to \$4,670 for the same period in 2023, representing an increase of 1.0%. The increase in interest expense was primarily due to the increase in the principal amount of Senior Secured Debentures outstanding due to the settlement of interest owing in kind.

Income from continuing operations for the three months ended September 30, 2024 was \$5,305 in comparison to \$2,789 for the same period in 2023, representing an increase of 90.2%. The income variance was primarily driven by the increase in turnaround activity partially offset by higher SG&A expenses.



Third Quarter 2024

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For the three months ended September 30, 2024, Adjusted EBITDAS was \$13,433 compared to \$10,796 for the same period in 2023. As a percentage of revenue, Adjusted EBITDAS margin was 6.3% for the three months ended September 30, 2024 compared to 5.8% for the same period in 2023.

NINE MONTHS ENDED

Revenue for the nine months ended September 30, 2024 was \$522,779 compared to \$506,063 for the same period in 2023, representing an increase of 3.3%. The increase in revenue was primarily due to high turnaround activity experienced in the third quarter of the year combined with the increase in revenues coming from environmental services as those services continue to grow.

Gross profit for the nine months ended September 30, 2024 was \$54,745 compared to \$50,368 for the same period in 2023, representing an increase of 8.7%. Gross profit margin for the nine months ended September 30, 2024 was 10.5% compared to 10.0% for the same period in 2023. The increase in gross profit margin relates to the same factors that impact the three months ended.

SG&A expenses for the nine months ended September 30, 2024 were \$31,171 in comparison to \$26,785 for the same period in 2023, representing an increase of 16.4%. As a percentage of revenue, SG&A expenses for the nine months ended September 30, 2024 were 6.0% compared to 5.3% for the same period in 2023. The increase in SG&A expenses, both on an absolute basis and as a percentage of revenue, relates to the same factors that impact the three months ended.

Non-cash items that impacted the 2024 results were depreciation and amortization. For the nine months ended September 30, 2024, depreciation and amortization expenses were \$8,204 compared to \$7,942 for the same period in 2023. The increase in depreciation expenses relates to the same factors that impact the three months ended.

For the nine months ended September 30, 2024, interest expenses were \$14,033 compared to \$13,680 for the same period in 2023, representing an increase of 2.6%. The increase in interest expense relates to the same factors that impact the three months ended.

Loss from continuing operations for the nine months ended September 30, 2024 was \$69 in comparison to \$12,639 for the same period in 2023. The loss variance was driven by the impairment of intangible assets, goodwill and PP&E recognized in the second quarter of 2023.

For the nine months ended September 30, 2024, Adjusted EBITDAS was \$24,926 compared to \$24,134 for the same period in 2023. As a percentage of revenue, Adjusted EBITDAS for the nine months ended September 30, 2024 was 4.8% consistent with the same period in 2023.

LIQUIDITY AND CAPITAL RESOURCES

For nine months ended September 30,	2024	2023
Cash flow (used in) provided by operating activities	\$ (3,146)	\$ 3,583
Cash flow provided by (used in) investing activities	2,336	(1,446)
Cash flow used in financing activities	(7,886)	(4,236)
Cash, end of period	\$ 1,000	\$ 1,035

Operating Activities

Cash flow used in operating activities in 2024 is a result of a build up of working capital due to the increase in revenue recognized in the third quarter of this year.

The Company anticipates that its liquidity (cash on hand and available credit facilities) and cash flows from operations will be sufficient to meet its short-term contractual obligations. To maintain compliance with its financial covenants through September 30, 2025, the Company has the ability to pay interest on the Senior Secured Debentures in kind, which requires approval by the holder of the Senior Secured Debentures at its sole discretion.

Investing Activities

Cash flow provided by investing activities in 2024 consisted of proceeds from the disposal of certain PP&E partially offset by the purchase of PP&E.

Financing Activities

Net cash used in financing activities in 2024 consisted of repayment of lease principal payments and principal payments on other secured borrowings. This was partially offset by an increase in the amount drawn on the ABL facility.

ABL Facility, Term Loan Facility and Other Borrowings**a. ABL Facility**

FLINT has an asset-based revolving credit facility (the "ABL Facility") providing for maximum borrowings of up to \$50,000 with a Canadian chartered bank (the "Lender"). The ABL Facility matures on April 14, 2027.

The amount available under the ABL Facility will vary from time to time based on the borrowing base determined with reference to the accounts receivable of the Company. The ABL Facility borrowing base as at September 30, 2024 was \$50,000 (December 31, 2023 - \$50,000). The obligations under the ABL Facility are secured by, among other things, a first ranking lien on all of the existing and after acquired accounts receivable of the Company and the other guarantors, being certain of the Company's direct subsidiaries. The interest rate on the ABL Facility is the Lender's prime rate plus 1.75% (December 31, 2023 - Lender's prime rate plus 2.5%).

As at September 30, 2024, \$1,097 (December 31, 2023 - nil) was drawn on the ABL Facility, and there were \$450 (December 31, 2023 - \$2,147) of letters of credit reducing the amount available to be drawn. As at September 30, 2024, the net amount of deferred financing costs was \$337 (December 31, 2023 - \$323).

The financial covenants applicable under the ABL Facility are as follows:

- The Company must maintain a fixed charge coverage ratio equal to or greater than 1.00:1.00 for each twelve month period calculated and tested as of the last day of each fiscal quarter; and
- For each fiscal year, the Company must not expend or become obligated for (i) any capital expenditures in an aggregate amount exceeding \$20,000 and (ii) any non-financed capital expenditures in an aggregate amount exceeding \$8,000.

As at September 30, 2024, FLINT was in compliance with all financial covenants under the ABL Facility.

b. Term Loan Facility

FLINT has a term loan facility providing for maximum borrowings of up to \$40,500 (the "Term Loan Facility") with Canso Investment Counsel Ltd., in its capacity as portfolio manager for and on behalf of certain accounts that it manages ("Canso"). The Term Loan Facility matures on the earlier of (a) the date that is 180 days following the maturity date of the ABL Facility and (b) October 14, 2027.

As at September 30, 2024, \$40,500 (December 31, 2023 - \$40,500) was outstanding under the Term Loan Facility. The Term Loan Facility is required to be used for specific purposes and cannot be redrawn once repaid. The interest rate on the Term Loan Facility is a fixed rate of 8.0% (December 31, 2023 - fixed rate of 8.0%). The net amount of deferred financing costs was \$192 as at September 30, 2024 (December 31, 2023 - \$222).

c. Other Secured Borrowings

On June 26, 2019, the Company received \$19,000 from two secured loans with the Business Development Bank of Canada ("BDC") as a partial source of funds for the acquisition of certain assets of the production services division of AECOM Production Services Ltd. (the "AECOM PSD Business").

The \$13,500 loan has monthly principal payments of \$45, with the final payment to occur on October 2, 2045. The interest rate on the loan is the BDC Floating Base Rate less 1.0%. Interest accrues and is payable monthly. The Company allocated \$195 in deferred financing costs to this loan that will be amortized over the life of the loan.

The \$5,500 loan had monthly principal payments of \$75. The interest rate on the loan was the BDC Floating Base Rate less 0.5%. Interest accrued and was payable monthly. The Company allocated \$85 in deferred financing costs to this loan that were amortized over the life of the loan. The final payment for this loan occurred on June 6, 2024.

The \$13,500 loan is secured by a first security interest on the real property and equipment acquired through the acquisition of the AECOM PSD Business and a security interest in all other present and future property, subject to the priorities granted to existing lenders under the ABL Facility, the Term Loan Facility, the senior secured debentures and other existing commitments.

The \$13,500 loan agreement with BDC requires the Company to maintain a fixed charge coverage ratio equal to or greater than 1.00:1.00 for each twelve month period calculated and tested as of the last day of each fiscal year.

As at September 30, 2024, FLINT was in compliance with all financial covenants under the \$13,500 loan agreement with BDC.

d. Senior Secured Debentures

On March 23, 2016, the Company issued 8.0% senior secured debentures due March 23, 2026 (the "Senior Secured Debentures") pursuant to a trust indenture between FLINT, as issuer, and BNY Trust Company of Canada, as debenture trustee, as amended and supplemented (the "Senior Secured Indenture"), on a private placement basis to Canso. On June 2, 2020, the debenture trustee was changed to Computershare Trust Company of Canada. On May 31, 2024, the maturity date of the Senior Secured Debentures was extended to October 14, 2027.

The Senior Secured Debentures bear interest at an annual rate of 8.0% payable in arrears on June 30 and December 31 of each year. The Senior Secured Debentures are redeemable at the option of the Company and, in certain circumstances, are mandatorily redeemable. The Senior Secured Debentures are secured by first-ranking liens over all of the property of the Company and its guarantor subsidiaries, other than certain limited classes of collateral over which the Company has granted a prior-ranking lien in favour of the ABL Facility, the Term Loan Facility and the other secured loans.

The Senior Secured Debentures provide for certain events of default and covenants of the Company, including financial and reporting covenants and restrictive covenants limiting the ability of the Company and its subsidiaries to make certain distributions and dispositions, incur indebtedness, grant liens and limitations with respect to acquisitions, mergers, investments, non-arm's length transactions, reorganizations and hedging arrangements (subject to certain exceptions).

On June 30, 2024, Canso, in its capacity as portfolio manager for and on behalf of certain accounts that it manages and sole holder of the Senior Secured Debentures, agreed to accept the issuance of Senior Secured Debentures on June 30, 2024 with a principal amount of \$5,205 in order to satisfy the interest that would otherwise have become due and payable on such date.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

FLINT prepares its consolidated financial statements in accordance with IFRS. The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities, and the reported amounts of revenues and expenses for the period of the consolidated financial statements. Based on the current environment, significant market uncertainty exists that could impact the estimates and assumptions made by FLINT. Significant accounting policies and methods used in the preparation of the consolidated financial statements, including use of estimates and judgments, are described in note 1 of the annual consolidated financial statements for the year ended December 31, 2023.

CONTINGENCIES

Contingencies are provided for when they are likely to occur and can be reasonably estimated. FLINT is subject to claims and litigation proceedings arising in the normal course of operations. The known claims and litigation proceedings are not expected to materially affect the Company's financial position or reported results of operations.

TRANSACTIONS WITH RELATED PARTIES

As at September 30, 2024, directors and officers beneficially owned an aggregate of 7,611,907 Common Shares, representing approximately 6.9% of the issued and outstanding Common Shares.

SHARE CAPITAL

The authorized share capital of the Company consists of: (i) an unlimited number of Common Shares, and (ii) Preferred Shares issuable in series to be limited in number to an amount equal to not more than one half of the issued and outstanding Common Shares at the time of issuance of such Preferred Shares.

The following table summarizes the number of Preferred and Common Shares outstanding:

	Preferred Shares		Common Shares
	Series 1	Series 2	
Balance as at December 31, 2023	127,732	40,111	110,001,239
Balance as at September 30, 2024	127,732	40,111	110,001,239

The Series 1 and Series 2 Preferred Shares have a 10.0% fixed cumulative preferential cash dividend payable when the Company shall have sufficient monies to be able to do so, including under the provisions of applicable law and contracts affecting the Company. The Board of Directors of the Company does not intend to declare or pay any cash dividends until the Company's balance sheet and liquidity position supports the payment. Any accrued and unpaid dividends are convertible in certain circumstances at the option of the holder into additional Series 1 and Series 2 Preferred Shares.

As at September 30, 2024, the accrued and unpaid dividends on the Series 1 and Series 2 Preferred Shares totaled \$106,021 (December 31, 2023 - \$93,456). Assuming that the holders of the Preferred Shares exercise the right to convert such accrued and unpaid dividends into additional Preferred Shares and then convert such Preferred Shares into Common Shares, approximately 453,631,569 (December 31, 2023 - 396,281,829) Common Shares would be issued, which represents approximately 412.4% (December 31, 2023 - 360.3%) of the Common Shares outstanding as at September 30, 2024.

In addition, holders of the Series 1 and Series 2 Preferred Shares have the right, at their option, to convert their Preferred Shares into Common Shares at a price of \$0.35 and \$0.10 per Common Share, respectively, subject to adjustment in certain circumstances. During the nine months ended September 30, 2024, no Series 1 or Series 2 Preferred Shares were converted into Common Shares (year ended December 31, 2023 - no Series 1 or Series 2 Preferred Shares were converted into Common Shares).

The Series 1 and Series 2 Preferred Shares are redeemable by the Company for cash at 110% of the purchase price for such shares, plus accrued but unpaid dividends, once all of the outstanding Senior Secured Debentures have been repaid and are subject to repayment in the event of certain change of control transactions.

Based upon the conversion rights of the Series 1 and Series 2 Preferred Shares there could be significant dilution to the current holders of Common Shares. Up to approximately 766,059,000 (December 31, 2023 - 766,059,000) additional Common Shares would be issuable upon conversion of the face amount of the Preferred Shares into Common Shares, representing approximately 696.4% (December 31, 2023 - 696.4%) of the Common Shares outstanding as at September 30, 2024.

As the terms of the Preferred Shares do not create an unavoidable obligation to pay cash, the Preferred Shares are accounted for within shareholders' deficit, net of transaction costs.

OUTLOOK

We continue to execute our organic growth strategy that targets both industrial end market and geographic diversification. We are seeing the results of this strategy with renewed and expanded scopes with existing customers and the addition of new customers. We recognized another record this quarter with \$212 million of revenues generated as a result of 13 turnarounds performed. We expect activity levels to be moderate in the fourth quarter relative to what we experienced in the third quarter, which is typical for our business.

For our customers in the energy industry, the dichotomy between oil and natural gas pricing continues. Natural gas prices have remained depressed throughout 2024, however there is optimism that demand will increase in 2025 for natural gas from heating, power, and LNG exports. For oil, near term pricing has declined due to weakened global demand, which has led to extended voluntary production cuts by OPEC+. While our customers continue to manage through this pricing uncertainty, we see opportunities for growth in our service offerings.

The market for skilled labour in Canada remains tight. We remain focused on our programs to attract, retain and develop our people and to deliver high quality services to our valued customers in a safe and efficient manner.

FLINT has a suite of more than 40 service offerings that encompass the full asset lifecycle. Through the extensive regional coverage provided by our 19 operating facilities, we believe that FLINT is well-positioned to further consolidate the services required at various operating sites while generating efficiencies and cost reductions for our customers. We are also continually working to improve our service delivery to help our customers bring their resources to our world.

RISK FACTORS

The Company's risk factors have not changed materially from those disclosed in the "Risk Factors" section of the MD&A for the year ended December 31, 2023.

For additional information regarding the risks that the Company is exposed to, see the disclosure provided under the heading "Risk Factors" in the Company's Annual Information Form for the year ended December 31, 2023, which is available on the SEDAR+ website at www.sedarplus.ca.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

We are required to comply with National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings". This instrument requires us to disclose in our interim MD&A any weaknesses in or changes to our internal control over financial reporting during the period that may have materially affected, or are reasonably likely to materially affect, our internal controls over financial reporting. We confirm that no such weaknesses were identified in, or changes were made to, internal controls over financial reporting during the nine months ended September 30, 2024.

Internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

SELECTED QUARTERLY INFORMATION

(In thousands of Canadian dollars, except per share amount)

	2024 Q3	2024 Q2	2024 Q1	2023 Q4	2023 Q3	2023 Q2	2023 Q1	2022 Q4
Revenue (\$)	211,594	164,922	146,263	149,682	187,017	168,567	150,479	149,747
Gross Profit (\$)	23,757	17,978	13,010	17,145	19,740	17,260	13,368	17,075
Gross Profit Margin (%)	11.2	10.9	8.9	11.5	10.6	10.2	8.9	11.4
Adjusted EBITDAS	13,433	8,305	3,188	8,868	10,796	7,894	5,444	8,758
Net income (loss) from continuing operations (\$)	5,305	(588)	(4,786)	(255)	2,789	(12,103)	(3,325)	(4,848)
Net income (loss) income (\$)	5,233	(606)	(5,012)	(261)	2,786	(12,107)	(3,325)	(5,379)
Net income (loss) per share from continuing operations (\$)	0.05	0.00	(0.05)	(0.01)	0.03	(0.11)	(0.03)	(0.04)
Net income (loss) income per share (\$)	0.05	0.00	(0.05)	(0.01)	0.03	(0.11)	(0.03)	(0.05)

FLINT's revenues are somewhat seasonal as there are scheduled shutdown turnaround projects in the spring and fall which increase revenues over and above the standard maintenance and operational support services.

ADDITIONAL INFORMATION

Additional information relating to the Company is available in the Company's Annual Information Form for the year ended December 31, 2023.