FLINT™


# Q3

flintcorp.com

2023

# FLINT Announces Third Quarter 2023 Financial Results

**Reports record quarterly revenues of $187.0 million and Adjusted EBITDAS of $10.8 million**

Calgary, Alberta (November 2, 2023) – FLINT Corp. ("FLINT" or the "Company") (TSX: FLNT) today announced its results for the three and nine months ended September 30, 2023. All amounts are in Canadian dollars and expressed in thousands of dollars unless otherwise noted.

"EBITDAS" and "Adjusted EBITDAS" are not standard measures under IFRS. Please refer to the Advisory regarding Non-GAAP Financial Measures at the end of this press release for a description of these items and limitations of their use.

"Demand for our services remained strong in the third quarter with revenue of $187.0 million, representing a new quarterly record for the Company and an increase of 8.8% from the third quarter of 2022. The increase was due to strong demand for our maintenance, construction and environmental services, which more than offset lower revenues from wear technology overlay services and turnaround projects, which benefited in 2022 from a backlog due to the Covid-19 pandemic," said Barry Card, Chief Executive Officer.

"We continue to progress our organic growth strategy that targets both industrial end market and geographic diversification. We recently opened an operating facility in Winnipeg as we continue to grow with our existing customers and pursue new customers across Canada. The commitment of our employees to deliver our services safely and with the utmost professionalism has been instrumental to our customer retention and attraction strategies," added Mr. Card.

## THIRD QUARTER HIGHLIGHTS

- Revenue for the three months ended September 30, 2023 was $187.0 million, representing an increase of $15.1 million or 8.8% from the same period in 2022 and an increase of $18.5 million or 10.9% from the second quarter of 2023.
- Gross profit for the three months ended September 30, 2023 was $19.7 million, representing a decrease of $0.9 million or 4.3% from the same period in 2022 and an increase of $2.5 million or 14.4% from the second quarter of 2023.
- Gross profit margin for the three months ended September 30, 2023 was 10.6%, as compared to 12.0% in the same period in 2022 and 10.2% in the second quarter of 2023.
- Adjusted EBITDAS for the three months ended September 30, 2023 was $10.8 million, representing a decrease of $1.6 million or 12.8% from the same period in 2022 and an increase of $2.9 million or 36.8% from the second quarter of 2023.
- Adjusted EBITDAS margin was 5.8% for the three months ended September 30, 2023 representing a decrease of 1.4% from the same period in 2022 and an increase of 1.1% from the second quarter of 2023.
- Selling, general and administrative ("SG&A") expenses for the three months ended September 30, 2023 were $9.0 million, representing a decrease of $0.9 million or 9.3% from the same period in 2022 and a decrease of $0.5 million or 5.5% from the second quarter of 2023. As a percentage of revenue, SG&A expenses for the three months ended September 30, 2023 were 4.8%, as compared to 5.8% in the same period in 2022 and 5.7% in the second quarter of 2023.
- Liquidity, including cash and available credit facilities, was $34.4 million at September 30, 2023, as compared to $37.0 million at December 31, 2022.

- New contract awards and renewals totaled approximately $62.6 million for the three months ended September 30, 2023 and $14.6 million for the month of October. Approximately 74% of the work is expected to be completed in 2023.

Maintenance and Construction Services

Revenue for the Maintenance and Construction Services segment was $177.8 million for the three months ended September 30, 2023, compared to $159.3 million for the same period in 2022, representing an increase of $18.5 million or 11.6%. The increase in revenue was due to the results of our organic growth strategy and continued momentum in energy markets which benefited from strong oil prices.

Gross profit margin was 10.5% for the three months ended September 30, 2023 compared to 11.3% for the same period in 2022. The decrease was due to higher margins realized in major projects and turnarounds completed during the third quarter of 2022.

Wear Technology Overlay Services

Revenue for the Wear Technology Overlay Services segment for the three months ended September 30, 2023 was $10.9 million, compared to $14.0 million for the same period in 2022, representing a decrease of $3.1 million or 21.9%. The decrease in revenue related to a delay in orders from a large customer that experienced some operational issues.

Gross profit margin was 9.3% for the three months ended September 30, 2023, compared to 19.1% for the same period in 2022. The decrease was primarily due to a change in the mix of work compared to the same period in 2022.

Environmental Services

We continue to grow and further enhance the technical abilities of our professional services and consulting capabilities to serve our growing customer base in Energy and Industrial markets. We offer full-scope environmental consulting and regulatory services, from the initial planning stage (pre-construction assessments, regulatory licensing and permitting), through the operational stage (amendments or renewal applications, water, air, and soil monitoring, waste management reporting and spill response), to the site abandonment, decommissioning, remediation and reclamation stage (environmental site assessments, remedial excavations, and full site reclamation including required regulatory submissions or notifications).

Corporate

On July 28, 2023, Jennifer Stubbs was appointed as Chief Financial Officer with responsibility for leading the Company's Finance and Information Technology teams, as well as continuous improvement initiatives.

Ms. Stubbs started her career at KPMG in Assurance and went on to hold financial roles with companies involved in engineering, manufacturing, real estate and energy infrastructure. Prior to joining FLINT, Ms. Stubbs was with Pembina Pipeline Corporation for 11 years, where she progressed through various financial roles and most recently held the title of Vice President, Continuous Improvement, where she was responsible for Internal Audit, oversight and reporting of corporate productivity initiatives and capital project governance. Ms. Stubbs is a Chartered Professional Accountant and holds a Bachelor of Commerce from the University of British Columbia.

## THIRD QUARTER FINANCIAL RESULTS

| ($ thousands, except per share amounts) | Three months ended September 30, | | | Nine months ended September 30, | | |
|---|---|---|---|---|---|---|
| | 2023 | 2022 | % Change | 2023 | 2022 | % Change |
| Revenue | | | | | | |
| Maintenance and Construction Services | 177,798 | 159,318 | 11.6 % | 470,067 | 419,019 | 12.2 % |
| Wear Technology Overlay Services | 10,900 | 13,955 | (21.9)% | 37,830 | 40,573 | (6.8)% |
| Eliminations(1) | (1,681) | (1,390) | 20.9 % | (1,834) | (4,665) | (60.7)% |
| Total | 187,017 | 171,883 | 8.8 % | 506,063 | 454,927 | 11.2 % |
| Gross Profit | | | | | | |
| Maintenance and Construction Services | 18,731 | 17,947 | 4.4 % | 45,081 | 38,928 | 15.8 % |
| Wear Technology Overlay Services | 1,009 | 2,670 | (62.2)% | 5,287 | 7,131 | (25.9)% |
| Total | 19,740 | 20,617 | (4.3)% | 50,368 | 46,059 | 9.4 % |
| Gross Profit Margin (% of revenue) | | | | | | |
| Maintenance and Construction Services | 10.5 % | 11.3 % | (0.8)% | 9.6 % | 9.3 % | 0.3 % |
| Wear Technology Overlay Services | 9.3 % | 19.1 % | (9.8)% | 14.0 % | 17.6 % | (3.6)% |
| Total | 10.6 % | 12.0 % | (1.4)% | 10.0 % | 10.1 % | (0.1)% |
| Selling, general and administrative expenses | 9,045 | 9,970 | (9.3)% | 26,785 | 27,821 | (3.7)% |
| % of revenue | 4.8 % | 5.8 % | (1.0)% | 5.3 % | 6.1 % | (0.8)% |
| Adjusted EBITDAS(2) | | | | | | |
| Maintenance and Construction Services | 18,602 | 17,839 | 4.3 % | 44,746 | 38,554 | 16.1 % |
| Wear Technology Overlay Services | 946 | 2,590 | (63.5)% | 5,064 | 6,903 | (26.6)% |
| Corporate | (8,752) | (8,048) | 8.7 % | (25,676) | (22,161) | 15.9 % |
| Total | 10,796 | 12,381 | (12.8)% | 24,134 | 23,296 | 3.6 % |
| % of revenue | 5.8 % | 7.2 % | (1.4)% | 4.8 % | 5.1 % | (0.3)% |
| Income (loss) from continuing operations | 2,789 | 1,174 | 137.6 % | (12,639) | (7,582) | (66.7)% |
| Net income (loss) per share (dollars) from continuing operations - basic and diluted | 0.03 | 0.01 | 200.0 % | (0.11) | (0.07) | (57.1)% |

(1) The eliminations includes eliminations of inter-segment transactions. FLINT accounts for inter-segment sales based on transaction price.

(2) "Adjusted EBITDAS" is not a standard measure under IFRS. Please refer to the Advisory regarding Non-GAAP Financial Measures at the end of this press release for a description of this measure and limitations of its use.

Revenue for the three and nine months ended September 30, 2023 was $187,017 and $506,063 compared to $171,883 and $454,927 for the same periods in 2022, representing an increase of 8.8% and 11.2%, respectively. The increase in quarterly revenue was driven by strong market momentum in the Maintenance and Construction Services segment.

Gross profit for the three and nine months ended September 30, 2023 was $19,740 and $50,368 compared to $20,617 and $46,059 for the same periods in 2022, representing a decrease of 4.3% and an increase of 9.4%, respectively. The decrease in quarterly gross profit for the three month ended September 30, 2023 was primarily due to lower activity levels and a change in the mix of work in the Wear Technology Overlay Services segment. The increase in gross profit for the nine months ended September 30, 2023 was primarily driven by an increase in the volume of work in the Maintenance and Construction Services segment. Gross profit margin for the three and nine months ended September 30, 2023 was 10.6% and 10.0%, compared to 12.0% and 10.1% for the same periods in 2022.

SG&A expenses for the three and nine months ended September 30, 2023 were $9,045 and $26,785, in comparison to $9,970 and $27,821 for the same periods in 2022, representing a decrease of 9.3% and 3.7%, respectively. As a percentage of revenue, SG&A expenses for the three and nine months ended September 30, 2023 were 4.8% and 5.3% compared to 5.8% and 6.1% for the same periods in 2022. The decrease in SG&A expenses as a percentage of revenue is primarily due to the ability to grow the business more efficiently and the non-recurrence of implementation costs for the Company's new enterprise resource planning system that were incurred in 2022.

For the three and nine months ended September 30, 2023, Adjusted EBITDAS was $10,796 and $24,134 compared to $12,381 and $23,296 for the same periods in 2022. As a percentage of revenue, Adjusted EBITDAS was 5.8% and 4.8% for the three and nine months ended September 30, 2023 compared to 7.2% and 5.1% for the same periods in 2022.

Income from continuing operations for the three months ended September 30, 2023 was $2,789 compared to $1,174 for the same period in 2022. The income variance was driven by the lower SG&A expenses, restructuring expenses and long-term incentive plan expenses. This was partially offset by the lower gross profit margin in the Wear Technology Overlay Services segment. Loss from continuing operations for the nine months ended September 30, 2023 was $12,639 compared to $7,582 for the same period in 2022. The loss variance was driven by the impairment of assets of $11,462 that was recorded in the second quarter of 2023 combined with higher interest expense and higher long-term incentive plan expense. This was partially offset by the improvement in gross profit for the Maintenance and Construction Services segment, lower restructuring expenses and lower SG&A expenses.

## LIQUIDITY AND CAPITAL RESOURCES

The Company has an asset-based revolving credit facility (the "ABL Facility") with a Canadian charted bank providing for maximum borrowings of up to $50.0 million. 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 FLINT and certain of its subsidiaries. The maturity date of the ABL Facility is April 14, 2025.

The Company anticipates that its liquidity (cash on hand and available credit facilities) and cash flow from operations will be sufficient to meet its short-term contractual obligations and maintain compliance with its financial covenants through September 30, 2024. To maintain compliance with its financial covenants through September 30, 2024, the Company may need to continue to satisfy its obligation to pay interest on the Senior Secured Debentures in kind, which requires approval by the holder of the Senior Secured Debentures at their sole discretion.

As at September 30, 2023, the issued and outstanding share capital included 110,001,239 Common Shares, 127,732 Series 1 Preferred Shares, and 40,111 Series 2 Preferred Shares.

The Series 1 Preferred Shares (having an aggregate value of $127.732 million) are convertible at the option of the holder into Common Shares at a price of $0.35/share and the Series 2 Preferred Shares (having an aggregate value of $40.111 million) are convertible into Common Shares at a price of $0.10/share.

The Series 1 and Series 2 Preferred Shares have a 10% fixed cumulative preferential cash dividend payable when the Company has 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 such times as the Company's balance sheet and liquidity position supports the payment. As at September 30, 2023, the accrued and unpaid dividends on the Series 1 and Series 2 shares totaled $89.2 million. 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.

On June 6, 2023, 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 (i) accept the issuance of Senior Secured Debentures on June 30, 2023 with a principal amount of $4,812 in order to satisfy the interest that would otherwise become due and payable on such date (the "Payment in Kind Transaction") and (ii) amend the trust indenture governing the Senior Secured Debentures to, among other things, establish a mechanism by which the Company may request, and the holder of the Senior Secured Debentures may approve (at their sole discretion), the payment of interest owing on the Senior Secured Debentures on future interest payment dates in kind (the "Indenture Amendment"). On June 28, 2023, the Company entered into the Ninth Supplemental Senior Secured Indenture to affect the Payment in Kind Transaction and the Indenture Amendment.

## OUTLOOK

The Bank of Canada continues to maintain interest rates at elevated levels in an effort to bring inflation back to its target level without pushing the economy into a recession. Despite these broad economic concerns, our business has continued to grow as demand for our services from customers in the energy and industrial markets remains positive. We expect activity levels to moderate in the fourth quarter relative to the seasonal peaks experienced in the second and third quarter due to the spring and fall turnaround and construction projects.

For our customers in the energy industry, the Organization of Petroleum Exporting Countries and its allies continue to provide support to world oil markets by curtailing production. The strength in oil prices in 2023 has allowed these customers to generate strong cash flows which they have used to pay down debt, increase returns to shareholders and reinvest in their businesses. Assuming continued strength in oil prices, we expect these customers will modestly increase their spending on both maintenance projects (to enhance operational reliability) and capital projects (to maintain or expand production capacity).

FLINT has a suite of more than 40 service offerings that encompass the full asset lifecycle. Through the extensive regional coverage provided by our 20 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 customer's bring their resources to our world.

## Additional Information

Our unaudited condensed consolidated interim financial statements for the three and nine months ended September 30, 2023 and the related Management's Discussion and Analysis of the operating and financial results can be accessed on our website at www.flintcorp.com and will be available shortly through SEDAR at www.sedar.com.

## About FLINT Corp.

With a legacy of excellence and experience stretching back more than 100 years, FLINT provides solutions for the Energy and Industrial markets including: Oil & Gas (upstream, midstream and downstream), Petrochemical, Mining, Power, Agriculture, Forestry, Infrastructure and Water Treatment. With offices strategically located across Canada and a dedicated workforce, we provide maintenance, construction, wear technology and environmental services that help our customers bring their resources to our world. For more information about FLINT, please visit www.flintcorp.com or contact:

**Barry Card**
Chief Executive Officer
FLINT Corp.
(587) 318-0997
investorrelations@flintcorp.com

**Jennifer Stubbs**
Chief Financial Officer
FLINT Corp.

**Advisory regarding Forward-Looking Information**

Certain information included in this press release 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. This press release contains forward-looking information relating to: our business plans, strategies and objectives; contract renewals and project awards, including the estimated value thereof and the timing of completing the associated work; 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, 2024; the payment of interest owing on the Senior Secured Debentures in kind; our dividend policy; activity levels in the fourth quarter of 2023; the supply/demand fundamentals for oil and natural gas and its impact on the demand for our services; and the spending plans of our customers in the energy industry.

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, future actions by governmental authorities in response to Covid-19 or another pandemic, 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 at www.sedar.com. 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 press release, 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 press release 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 also uses EBITDAS to monitor the performance of FLINT's reportable segments and 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.

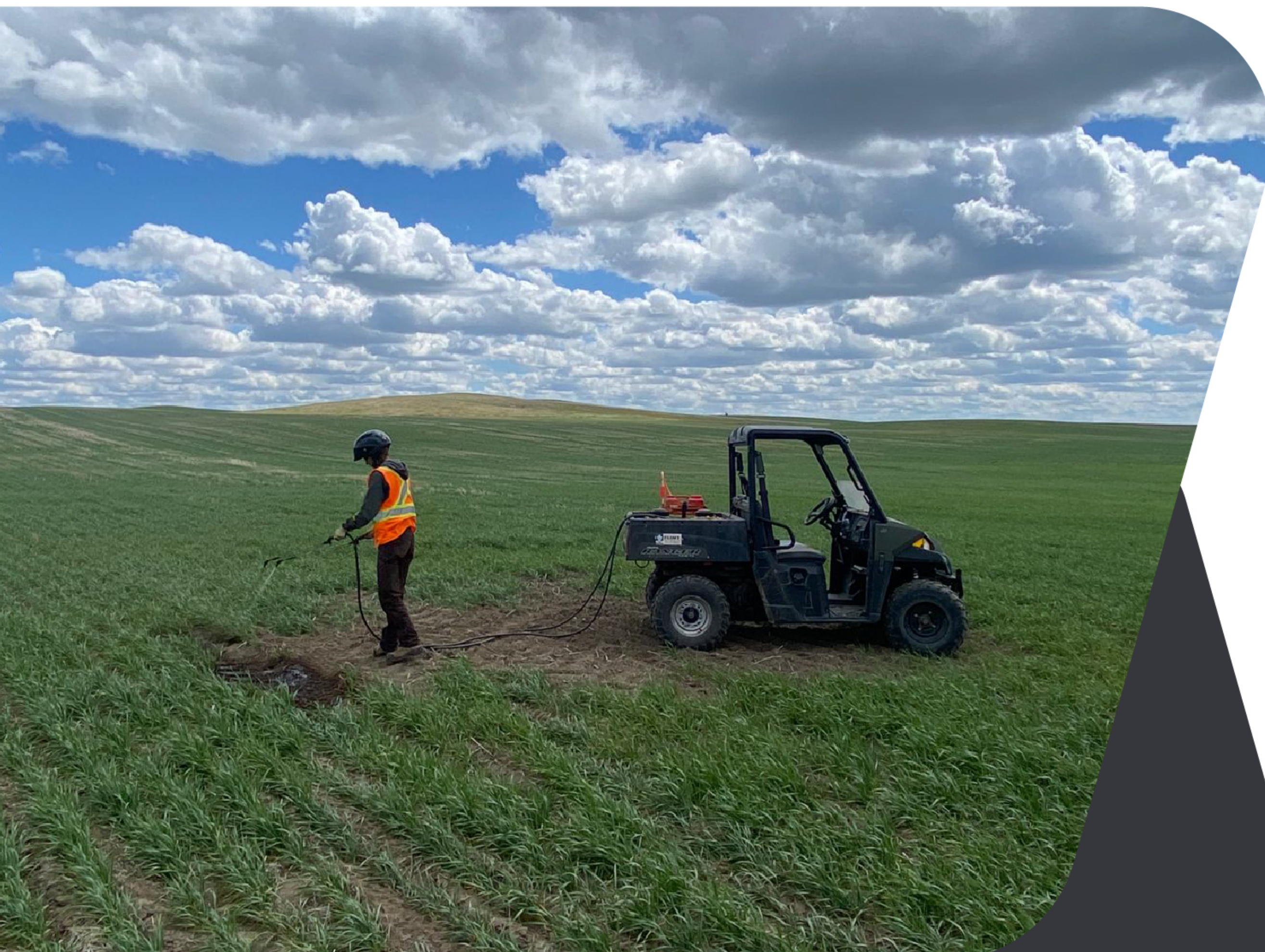
Adjusted EBITDAS refers to EBITDAS excluding impairment of assets, restructuring expense, gain on sale of property, plant and equipment, loss (recovery) of contingent consideration liability and one time incurred expenses. FLINT has used Adjusted EBITDAS as the basis for the analysis of its past operating 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.sedar.com or on FLINT's website at www.flintcorp.com.

| Three months ended September 30, | Maintenance and Construction Services 2023 | Maintenance and Construction Services 2022 | Wear Technology Overlay Services 2023 | Wear Technology Overlay Services 2022 | Corporate 2023 | Corporate 2022 | Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|---|---|
| Income (loss) from continuing operations | $ 16,614 | $ 15,758 | $ 174 | $ 1,805 | $ (13,999) | $ (16,389) | $ 2,789 | $ 1,174 |
| Add: | | | | | | | | |
| Amortization of intangible assets | 14 | 28 | 56 | 115 | — | — | 70 | 143 |
| Depreciation expense | 1,792 | 1,863 | 455 | 650 | 187 | 253 | 2,434 | 2,766 |
| Long-term incentive plan expense | — | — | — | — | 625 | 1,303 | 625 | 1,303 |
| Interest expense | 225 | 236 | 200 | 19 | 4,245 | 4,005 | 4,670 | 4,260 |
| EBITDAS | 18,645 | 17,885 | 885 | 2,589 | (8,942) | (10,828) | 10,588 | 9,646 |
| Add (deduct): | | | | | | | | |
| Gain on sale of property, plant and equipment | (133) | (93) | — | — | — | — | (133) | (93) |
| Restructuring expenses | 90 | 47 | 61 | 1 | 176 | 1,179 | 327 | 1,227 |
| Other income | — | — | — | — | (32) | — | (32) | — |
| One-time incurred expenses | | — | — | — | 46 | 1,681 | 46 | 1,681 |
| Recovery on contingent consideration liability | — | — | — | — | — | (80) | — | (80) |
| Adjusted EBITDAS | $ 18,602 | $ 17,839 | $ 946 | $ 2,590 | $ (8,752) | $ (8,048) | $ 10,796 | $ 12,381 |

| Nine months ended September 30, | Maintenance and Construction Services 2023 | Maintenance and Construction Services 2022 | Wear Technology Overlay Services 2023 | Wear Technology Overlay Services 2022 | Corporate 2023 | Corporate 2022 | Total 2023 | Total 2022 |
|---|---|---|---|---|---|---|---|---|
| Income (loss) from continuing operations | $ 38,965 | $ 32,762 | $ (9,085) | $ 4,483 | $ (42,519) | $ (44,827) | $ (12,639) | $ (7,582) |
| Add: | | | | | | | | |
| Amortization of intangible assets | 46 | 85 | 286 | 345 | — | — | 332 | 430 |
| Depreciation expense | 5,235 | 5,235 | 1,789 | 1,928 | 586 | 757 | 7,610 | 7,920 |
| Long-term incentive plan expense | — | — | — | — | 2,670 | 1,303 | 2,670 | 1,303 |
| Interest expense | 576 | 655 | 449 | 146 | 12,655 | 11,568 | 13,680 | 12,369 |
| EBITDAS | 44,822 | 38,737 | (6,561) | 6,902 | (26,608) | (31,199) | 11,653 | 14,440 |
| Add (deduct): | | | | | | | | |
| Gain on sale of property, plant and equipment | (323) | (231) | — | — | — | — | (323) | (231) |
| Impairment of intangible assets and goodwill | — | — | 7,289 | — | — | — | 7,289 | — |
| Impairment of property, plant and equipment | — | — | 4,173 | — | — | — | 4,173 | — |
| Restructuring expenses | 247 | 48 | 163 | 1 | 695 | 4,004 | 1,105 | 4,053 |
| Other income | — | — | — | — | (142) | — | (142) | — |
| One-time incurred expenses | | — | — | — | 379 | 4,953 | 379 | 4,953 |
| Loss on contingent consideration liability | — | — | — | — | — | 81 | — | 81 |
| Adjusted EBITDAS | $ 44,746 | $ 38,554 | $ 5,064 | $ 6,903 | $ (25,676) | $ (22,161) | $ 24,134 | $ 23,296 |

# Q3 MD&A 2023



# Management's Discussion and Analysis

November 2, 2023

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, 2023 and 2022. 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, 2023 and 2022 and the audited consolidated financial statements for the years ended December 31, 2022 and 2021.

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 2, 2023 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 and contains forward-looking information. 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. 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.

## Reportable Segments

The two segments listed below represent the reportable segments that the chief operating decision maker considers when reviewing the performance of FLINT and deciding where to allocate resources.

FLINT's operations, assets and employees are mainly located in Canada with some activity in the United States through its Wear Technology Overlay Services segment. FLINT utilizes EBITDAS and Adjusted EBITDAS as performance measures for its segmented results. These measures are considered to be non-GAAP financial measures under IFRS.

| **Segment/Division** | **Business Description** |
|---|---|
| Maintenance and Construction Services | Maintenance, turnaround, construction and environmental services to energy and industrial markets, including oil and gas (upstream, midstream and downstream), petrochemical, mining, power, agricultural, forestry, infrastructure and water treatment. |
| Wear Technology Overlay Services | Custom fabrication services supporting pipeline and infrastructure projects, and patented wear technology overlay services specializing in overlay pipe spools, pipe bends, wear plates and vessels for corrosion and abrasion resistant applications across various end markets. |
| Corporate Division | Provision of typical head office functions, including strategic planning, corporate communications, taxes, legal, marketing, finance, human resources and information technology. |

**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, 2024; the payment of interest owing on the Senior Secured Debentures in kind; our dividend policy; the effect of known claims and litigation on our financial position and results of operations; activity levels in the fourth quarter of 2023; the supply/demand fundamentals for oil and natural gas and its impact on the demand for our services; and the spending plans of our customers in the energy industry.

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, future actions by governmental authorities in response to Covid-19 or another pandemic, 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 at www.sedar.com. 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 also uses EBITDAS to monitor the performance of FLINT’s reportable segments and 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, loss (recovery) of contingent consideration liability 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.sedar.com or on FLINT’s website at www.flintcorp.com.

## THIRD QUARTER 2023 SUMMARY OF RESULTS – CONTINUING OPERATIONS

(In thousands of Canadian dollars)

| | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| Revenue | $ 187,017 | $ 171,883 | $ 506,063 | $ 454,927 |
| Cost of revenue | (167,277) | (151,266) | (455,695) | (408,868) |
| Gross profit | 19,740 | 20,617 | 50,368 | 46,059 |
| Selling, general and administrative expenses | (9,045) | (9,970) | (26,785) | (27,821) |
| Long-term incentive plan expense | (625) | (1,303) | (2,670) | (1,303) |
| Amortization of intangible assets | (70) | (143) | (332) | (430) |
| Depreciation expense | (2,434) | (2,766) | (7,610) | (7,920) |
| Income from long-term investments | 55 | 53 | 172 | 105 |
| Interest expense | (4,670) | (4,260) | (13,680) | (12,369) |
| Restructuring expenses | (327) | (1,227) | (1,105) | (4,053) |
| Impairment of intangible assets and goodwill | — | — | (7,289) | — |
| Impairment of property, plant and equipment | — | — | (4,173) | — |
| Recovery (loss) on contingent consideration liability | — | 80 | — | (81) |
| Gain on sale of property, plant and equipment | 133 | 93 | 323 | 231 |
| Other income | 32 | — | 142 | — |
| Income (loss) from continuing operations | 2,789 | 1,174 | (12,639) | (7,582) |
| Add: | | | | |
| Amortization of intangible assets | 70 | 143 | 332 | 430 |
| Depreciation expense | 2,434 | 2,766 | 7,610 | 7,920 |
| Long-term incentive plan expense | 625 | 1,303 | 2,670 | 1,303 |
| Interest expense | 4,670 | 4,260 | 13,680 | 12,369 |
| EBITDAS (1) | 10,588 | 9,646 | 11,653 | 14,440 |
| Add (deduct): | | | | |
| Gain on sale of property, plant and equipment | (133) | (93) | (323) | (231) |
| Impairment of intangible assets and goodwill | — | — | 7,289 | — |
| Impairment of property, plant and equipment | — | — | 4,173 | — |
| Restructuring expenses | 327 | 1,227 | 1,105 | 4,053 |
| Other income | (32) | — | (142) | — |
| One-time incurred expenses | 46 | 1,681 | 379 | 4,953 |
| (Recovery) loss on contingent consideration liability | — | (80) | — | 81 |
| Adjusted EBITDAS (1) | $ 10,796 | $ 12,381 | $ 24,134 | $ 23,296 |

(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, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| **Basic and diluted:** | | | | |
| Continuing operations | $ 0.03 | $ 0.01 | $ (0.11) | $ (0.07) |
| Net income (loss) | $ 0.03 | $ 0.01 | $ (0.11) | $ (0.07) |

| Selected Balance Sheet Accounts | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Total assets | $ 254,170 | $ 233,978 |
| ABL facility | 13,235 | 9,334 |
| Term loan facility | 40,248 | 40,157 |
| Senior secured debentures | 124,002 | 119,048 |
| Other secured borrowings | 12,886 | 14,143 |
| Shareholders' deficit | $ 54,875 | $ 42,229 |

**THREE MONTHS ENDED**

Revenue for the three months ended September 30, 2023 was $187,017 compared to $171,883 for the same period in 2022, representing an increase of 8.8%. The increase in revenue was driven by strong market momentum in the Maintenance and Construction Services segment.

Gross profit for the three months ended September 30, 2023 was $19,740 compared to $20,617 for the same period in 2022, representing a decrease of 4.3%. Gross profit margin for the three months ended September 30, 2023 was 10.6% compared to 12.0% for the same period in 2022. The decrease in gross profit and gross profit margin was primarily driven by a decrease in the Wear Technology Overlay Services segment.

Selling, general and administrative ("SG&A") expenses for the three months ended September 30, 2023 were $9,045 in comparison to $9,970 for the same period in 2022, representing a decrease of 9.3%. As a percentage of revenue, SG&A expenses for the three months ended September 30, 2023 were 4.8% compared to 5.8% for the same period in 2022. The decrease in SG&A expenses is primarily due to the ability to grow the business more efficiently and the non-recurrence of implementation costs for the Company's new enterprise resource planning system that were incurred in 2022.

Non-cash items that impacted the 2023 results were depreciation and amortization. For the three months ended September 30, 2023, depreciation and amortization expenses were $2,504 compared to $2,909 for the same period in 2022. The decrease in depreciation and amortization expenses is due to the impairment that was recorded in the second quarter of 2023 resulting in lower depreciation and amortization for the third quarter of 2023.

For the three months ended September 30, 2023, interest expenses were $4,670 compared to $4,260 for the same period in 2022, representing an increase of 9.6%. The increase in interest expense was primarily due to the increase in the principal amount of Senior Secured Debentures outstanding due to the payment of interest owing in kind combined with the impact of higher interest rates on our variable interest rate loans.

Income from continuing operations for the three months ended September 30, 2023 was $2,789 in comparison to $1,174 for the same period in 2022. The income variance was driven by the lower SG&A expenses, restructuring expenses and long-term incentive plan expenses. This was partially offset by the lower gross profit margin in the Wear Technology Overlay Services segment.

For the three months ended September 30, 2023, Adjusted EBITDAS was $10,796 compared to $12,381 for the same period in 2022. As a percentage of revenue, Adjusted EBITDAS was 5.8% for the three months ended September 30, 2023 compared to 7.2% for the same period in 2022.

**NINE MONTHS ENDED**

Revenue for the nine months ended September 30, 2023 was $506,063 compared to $454,927 for the same period in 2022, representing an increase of 11.2%. The increase in revenue was driven by strong market momentum in the Maintenance and Construction Services segment.

Gross profit for the nine months ended September 30, 2023 was $50,368 compared to $46,059 for the same period in 2022, representing an increase of 9.4%. Gross profit margin for the nine months ended September 30, 2023 was 10.0% consistent with the same period in 2022 of 10.1%. The increase in gross profit was primarily driven by an increase in the volume of work in the Maintenance and Construction Services segment.

SG&A expenses for the nine months ended September 30, 2023 were $26,785 in comparison to $27,821 for the same period in 2022, representing a decrease of 3.7%. As a percentage of revenue, SG&A expenses for the nine months ended September 30, 2023 were 5.3% compared to 6.1% for the same period in 2022. The decrease in SG&A expenses as a percentage of revenue is due to the ability to grow the business more efficiently and the non-recurrence of implementation costs for the Company's new enterprise resource planning system that were incurred in 2022.

Non-cash items that impacted the 2023 results were depreciation, amortization, asset impairments and interest expense paid in kind. For the nine months ended September 30, 2023, depreciation and amortization expenses were $7,942 compared to $8,350 for the same period in 2022. The decrease was primarily due to the impairment of intangible assets, goodwill, property, plant and equipment of $11,462 recorded in the second quarter of 2023 which resulted in lower depreciation for the third quarter of 2023.

For the nine months ended September 30, 2023, interest expenses were $13,680 compared to $12,369 for the same period in 2022, representing an increase of 10.6%. The increase in interest expense was primarily due to the increase in the principal amount of Senior Secured Debentures outstanding due to the payment of interest owing in kind combined with the impact of higher interest rates on our variable interest rate loans.

Restructuring expenses of $1,105 were recorded during the nine months ended September 30, 2023 compared to $4,053 for the same period in 2022. The restructuring expenses in 2022 and 2023 were primarily related to management changes.

Loss from continuing operations for the nine months ended September 30, 2023 was $12,639 in comparison to $7,582 for the same period in 2022. The loss variance was driven by the impairment of assets of $11,462 that was recorded in the second quarter of 2023 combined with higher interest expense and higher long-term incentive plan expense. This was partially offset by the improvement in gross profit for the Maintenance and Construction Services segment, lower restructuring expenses and lower SG&A expenses.

For the nine months ended September 30, 2023, Adjusted EBITDAS was $24,134 compared to $23,296 for the same period in 2022. As a percentage of revenue, Adjusted EBITDAS was 4.8% for the nine months ended September 30, 2023 compared to 5.1% for the same period in 2022.

# SEGMENT OPERATING RESULTS

## MAINTENANCE AND CONSTRUCTION SERVICES

| | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| Revenue | $ 177,798 | $ 159,318 | $ 470,067 | $ 419,019 |
| Cost of revenue | (159,067) | (141,371) | (424,986) | (380,091) |
| Gross profit | 18,731 | 17,947 | 45,081 | 38,928 |
| Selling, general and administrative expenses | (184) | (161) | (507) | (479) |
| Amortization of intangible assets | (14) | (28) | (46) | (85) |
| Depreciation expense | (1,792) | (1,863) | (5,235) | (5,235) |
| Income from long-term investments | 55 | 53 | 172 | 105 |
| Interest expense | (225) | (236) | (576) | (655) |
| Restructuring expenses | (90) | (47) | (247) | (48) |
| Gain on sale of property, plant and equipment | 133 | 93 | 323 | 231 |
| Income from continuing operations | 16,614 | 15,758 | 38,965 | 32,762 |
| Add: | | | | |
| Amortization of intangible assets | 14 | 28 | 46 | 85 |
| Depreciation expense | 1,792 | 1,863 | 5,235 | 5,235 |
| Interest expense | 225 | 236 | 576 | 655 |
| EBITDAS (1) | 18,645 | 17,885 | 44,822 | 38,737 |
| Add (deduct): | | | | |
| Gain on sale of property, plant and equipment | (133) | (93) | (323) | (231) |
| Restructuring expenses | 90 | 47 | 247 | 48 |
| Adjusted EBITDAS (1) | $ 18,602 | $ 17,839 | $ 44,746 | $ 38,554 |

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

### THREE MONTHS ENDED

#### Revenue

Revenue for the Maintenance and Construction Services segment was $177,798 for the three months ended September 30, 2023, compared to $159,318 for the same period in 2022, representing an increase of 11.6%. The increase in revenues was due to the results of our organic growth strategy and continued momentum in energy markets which benefited from strong oil prices.

#### Gross Profit

Gross profit was $18,731 for the three months ended September 30, 2023, compared to $17,947 for the same periods in 2022, representing an increase of 4.4%. Gross profit margin was 10.5% for the three months ended September 30, 2023 as compared to 11.3% for the same period in 2022. The decrease in gross profit margin was due to higher margins realized in major projects completed during the third quarter of 2022.

## NINE MONTHS ENDED

### Revenue

Revenue for the Maintenance and Construction Services segment was $470,067 for the nine months ended September 30, 2023, compared to $419,019 for the same period in 2022, representing an increase of 12.2%. The increase in revenues was due to the same factors that impact the three months ended.

### Gross Profit

Gross profit was $45,081 for the nine months ended September 30, 2023, compared to $38,928 for the same period in 2022, representing an increase of 15.8%. Gross profit margin was 9.6% for the nine months ended September 30, 2023 as compared to 9.3% for the same period in 2022. The increase in gross profit was due to the increase in the volume of activity related to the market momentum in 2023 and management's focus on cost discipline.

## WEAR TECHNOLOGY OVERLAY SERVICES

| | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| Revenue | $ 10,900 | $ 13,955 | $ 37,830 | $ 40,573 |
| Cost of revenue | (9,891) | (11,285) | (32,543) | (33,442) |
| Gross profit | 1,009 | 2,670 | 5,287 | 7,131 |
| Selling, general and administrative expenses | (63) | (80) | (223) | (228) |
| Amortization of intangible assets | (56) | (115) | (286) | (345) |
| Depreciation expense | (455) | (650) | (1,789) | (1,928) |
| Interest expense | (200) | (19) | (449) | (146) |
| Restructuring expenses | (61) | (1) | (163) | (1) |
| Impairment of intangible assets and goodwill | — | — | (7,289) | — |
| Impairment of property, plant and equipment | — | — | (4,173) | — |
| Income (loss) from continuing operations | 174 | 1,805 | (9,085) | 4,483 |
| Add: | | | | |
| Amortization of intangible assets | 56 | 115 | 286 | 345 |
| Depreciation expense | 455 | 650 | 1,789 | 1,928 |
| Interest expense | 200 | 19 | 449 | 146 |
| EBITDAS (1) | 885 | 2,589 | (6,561) | 6,902 |
| Add (deduct): | | | | |
| Impairment of intangible assets and goodwill | — | — | 7,289 | — |
| Impairment of property, plant and equipment | — | — | 4,173 | — |
| Restructuring expenses | 61 | 1 | 163 | 1 |
| Adjusted EBITDAS (1) | $ 946 | $ 2,590 | $ 5,064 | $ 6,903 |

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

### THREE MONTHS ENDED

#### Revenue

Revenue for the Wear Technology Overlay Services segment was $10,900 for the three months ended September 30, 2023, compared to $13,955 for the same period in 2022, representing a decrease of 21.9%. The decrease in revenue related to a delay in orders from a large customer that experienced some operational issues.

#### Gross Profit

Gross profit was $1,009 for the three months ended September 30, 2023, compared to $2,670 for the same period in 2022, representing a decrease of 62.2%. Gross profit margin was 9.3% for the three months ended September 30, 2023, compared to 19.1% for the same period in 2022. The decrease in gross profit and gross profit margin were primarily due to the mix of work and an increase in material, labour and utility costs.

## NINE MONTHS ENDED

### Revenue

Revenue for the Wear Technology Overlay Services segment was $37,830 for the nine months ended September 30, 2023, compared to $40,573 for the same period in 2022, representing a decrease of 6.8%. The decrease in revenue relates to the same factors that impact the three months ended.

### Gross Profit

Gross profit was $5,287 for the nine months ended September 30, 2023, compared to $7,131 for the same period in 2022, representing a decrease of 25.9%. Gross profit margin was 14.0% for the nine months ended September 30, 2023, compared to 17.6% for the same period in 2022. The decrease in gross profit and gross profit margin relates to the same factors that impact the three months ended.

## CORPORATE

FLINT's head office functions are located in Calgary, Alberta. The Corporate division provides typical head office functions, including strategic planning, corporate communications, taxes, legal, marketing, finance, human resources and information technology, for the entire organization. The tables below reflect the costs of FLINT's corporate function, as well as other corporate overhead expenses.

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Selling, general and administrative expenses | $ (8,798) | $ (9,729) | $ (26,055) | $ (27,114) |
| Long-term incentive plan expense | (625) | (1,303) | (2,670) | (1,303) |
| Depreciation expense | (187) | (253) | (586) | (757) |
| Interest expense | (4,245) | (4,005) | (12,655) | (11,568) |
| Restructuring expenses | (176) | (1,179) | (695) | (4,004) |
| Recovery (loss) on contingent consideration liability | — | 80 | — | (81) |
| Other income | 32 | — | 142 | — |
| Loss from continuing operations | (13,999) | (16,389) | (42,519) | (44,827) |
| Add: | | | | |
| Depreciation expense | 187 | 253 | 586 | 757 |
| Long-term incentive plan expense | 625 | 1,303 | 2,670 | 1,303 |
| Interest expense | 4,245 | 4,005 | 12,655 | 11,568 |
| EBITDAS (1) | (8,942) | (10,828) | (26,608) | (31,199) |
| Add (deduct): | | | | |
| Restructuring expenses | 176 | 1,179 | 695 | 4,004 |
| Other income | (32) | — | (142) | — |
| One-time incurred expenses | 46 | 1,681 | 379 | 4,953 |
| (Recovery) loss on contingent consideration liability | — | (80) | — | 81 |
| Adjusted EBITDAS (1) | $ (8,752) | $ (8,048) | $ (25,676) | $ (22,161) |

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

**THREE MONTHS ENDED**

**Selling, General and Administrative Expenses**

SG&A expenses for the Corporate division were $8,798 for the three months ended September 30, 2023 compared to $9,729 for the same period in 2022. SG&A expenses as a percentage of revenue were 4.7% for the three months ended September 30, 2023 compared to 5.7% for the same period in 2022. The decrease in SG&A expenses is primarily due to the ability to grow the business more efficiently and the non-recurrence of implementation costs for the Company's new enterprise resource planning system that were incurred in 2022.

**NINE MONTHS ENDED**

**Selling, General and Administrative Expenses**

SG&A expenses for the Corporate division were $26,055 for the nine months ended September 30, 2023 compared to $27,114 for the same period in 2022. SG&A expenses as a percentage of revenue were 5.1% for the nine months ended September 30, 2023 compared to 6.0% for the same period in 2022. The decrease in SG&A as a percentage of revenue is due to the same factors that impact the three months ended.

## LIQUIDITY AND CAPITAL RESOURCES

| For nine months ended September 30, | | 2023 | | 2022 |
|---|---|---|---|---|
| Cash flow provided by (used in) operating activities | $ | 3,583 | $ | (16,627) |
| Cash flow (used in) investing activities | | (1,446) | | (876) |
| Cash flow (used in) financing activities | | (4,236) | | (666) |
| Consolidated cash, end of period | $ | 1,035 | $ | 3,511 |

**Operating Activities**

Cash flow provided by operating activities in 2023 is a result of improved operating results in the Maintenance and Construction Services segment.

The Company anticipates that its liquidity (cash on hand and available credit facilities) and cash flow from operations will be sufficient to meet its short-term contractual obligations and maintain compliance with its financial covenants through September 30, 2024. To maintain compliance with its financial covenants through September 30, 2024, the Company may need to continue to satisfy its obligation to pay interest on the Senior Secured Debentures in kind, which requires approval by the holder of the Senior Secured Debentures at their sole discretion.

**Investing Activities**

Cash flow used in investing activities during the three and nine months ended September 30, 2023 consisted of the purchase of property, plant and equipment assets, partially offset by proceeds from the disposal of certain property, plant and equipment assets.

**Financing Activities**

a. ABL Facility

   FLINT has an asset-based revolving credit facility (the "ABL Facility") providing for maximum borrowings up to $50,000 with a Canadian chartered bank (the "Lender"). The ABL Facility matures on April 14, 2025.

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, 2023 was $50,000 (December 31, 2022 - $43,750). 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 2.5% (December 31, 2022 - Lender's prime rate plus 2.5%).

As at September 30, 2023, $13,618 (December 31, 2022 - $9,885) was drawn on the ABL Facility, and there were $2,147 (December 31, 2022 - $2,147) of letters of credit reducing the amount available to be drawn. As at September 30, 2023, the net amount of deferred financing costs were $383 (December 31, 2022 - $551).

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 $10,000 and (ii) any non-financed capital expenditures in an aggregate amount exceeding $4,000.

As at September 30, 2023, 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, 2025.

As at September 30, 2023, $40,500 (December 31, 2022 - $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, 2022 - fixed rate of 8.0%). The net amount of deferred financing costs were $252 as at September 30, 2023 (December 31, 2022 - $343).

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 has monthly principal payments of $75, with the final payment to occur on March 28, 2025. The interest rate on the loan is the BDC Floating Base Rate less 0.5%. Interest accrues and is payable monthly. The Company allocated $85 in deferred financing costs to this loan that will be amortized over the life of the loan.

The loans are 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 loan agreements with BDC require 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, 2023, FLINT was in compliance with all financial covenants under the loan agreements 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.

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 6, 2023, 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 (i) accept the issuance of Senior Secured Debentures on June 30, 2023 with a principal amount of $4,812 in order to satisfy the interest that would otherwise become due and payable on such date (the "Payment in Kind Transaction") and (ii) amend the trust indenture governing the Senior Secured Debentures to, among other things, establish a mechanism by which the Company may request, and the holder of the Senior Secured Debentures may approve (at their sole discretion), the payment of interest owing on the Senior Secured Debentures on future interest payment dates in kind (the "Indenture Amendment"). On June 28, 2023, the Company entered into the Ninth Supplemental Senior Secured Indenture to affect the Payment in Kind Transaction and the Indenture Amendment.

## 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, 2022.

## 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.

## SUMMARY OF QUARTERLY RESULTS

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

| | 2023 Q3 | 2023 Q2 | 2023 Q1 | 2022 Q4 | 2022 Q3 | 2022 Q2 | 2022 Q1 | 2021 Q4 |
|---|---|---|---|---|---|---|---|---|
| Revenue ($) | 187,017 | 168,567 | 150,479 | 149,747 | 171,883 | 173,195 | 109,848 | 101,955 |
| Gross Profit ($) | 19,740 | 17,260 | 13,368 | 17,075 | 20,617 | 15,701 | 9,740 | 9,728 |
| Gross Profit Margin (%) | 10.6% | 10.2% | 8.9% | 11.4% | 12.0% | 9.1% | 8.9% | 9.5% |
| Net income (loss) from continuing operations ($) | 2,789 | (12,103) | (3,325) | (4,848) | 1,174 | (974) | (7,783) | 5 |
| Net income (loss) ($) | 2,786 | (12,107) | (3,325) | (5,379) | 1,172 | (976) | (7,796) | 4 |
| Net income (loss) per share from continuing operations ($) | 0.03 | (0.11) | (0.03) | (0.04) | 0.01 | (0.01) | (0.07) | 0.00 |
| Net income (loss) per share ($) | 0.03 | (0.11) | (0.03) | (0.05) | 0.01 | (0.01) | (0.07) | 0.00 |

FLINT's revenues are somewhat seasonal, in particular for the Maintenance and Construction Services segment. Typically, there are scheduled shutdown turnaround projects in the spring and fall which increase revenues over and above the standard maintenance and operational support services.

## TRANSACTIONS WITH RELATED PARTIES

As at September 30, 2023, directors and officers beneficially owned an aggregate of 7,634,907 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:

| | Preferred Shares | | Common |
|---|---|---|---|
| | Series 1 | Series 2 | Shares |
| Balance as at December 31, 2022 | 127,732 | 40,111 | 110,001,239 |
| Balance as at September 30, 2023 | 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 such time as 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, 2023, the accrued and unpaid dividends on the Series 1 and Series 2 Preferred Shares totaled $89,225 (December 31, 2022 - $76,671). 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 376,972,956 (December 31, 2022 - 319,675,972) Common Shares would be issued, which represents approximately 342.7% (December 31, 2022 - 290.6%) of the Common Shares outstanding as at September 30, 2023.

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, 2023, no Series 1 or Series 2 Preferred Shares were converted into Common Shares (year ended December 31, 2022 - 8,571 Common Shares were issued upon the conversion of three Series 1 Preferred 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, 2022 - 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, 2022 - 696.4%) of the Common Shares outstanding as at September 30, 2023.

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

The Bank of Canada continues to maintain interest rates at elevated levels in an effort to bring inflation back to its target level without pushing the economy into a recession. Despite these broad economic concerns, our business has continued to grow as demand for our services from customers in the energy and industrial markets remains positive. We expect activity levels to moderate in the fourth quarter relative to the seasonal peaks experienced in the second and third quarter due to the spring and fall turnaround and construction projects.

For our customers in the energy industry, the Organization of Petroleum Exporting Countries and its allies continue to provide support to world oil markets by curtailing production. The strength in oil prices in 2023 has allowed these customers to generate strong cash flows which they have used to pay down debt, increase returns to shareholders and reinvest in their businesses. Assuming continued strength in oil prices, we expect these customers will modestly increase their spending on both maintenance projects (to enhance operational reliability) and capital projects (to maintain or expand production capacity).

FLINT has a suite of more than 40 service offerings that encompass the full asset lifecycle. Through the extensive regional coverage provided by our 20 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 customer's 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, 2022.

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, 2022, which is available on the SEDAR website at www.sedar.com.

## DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

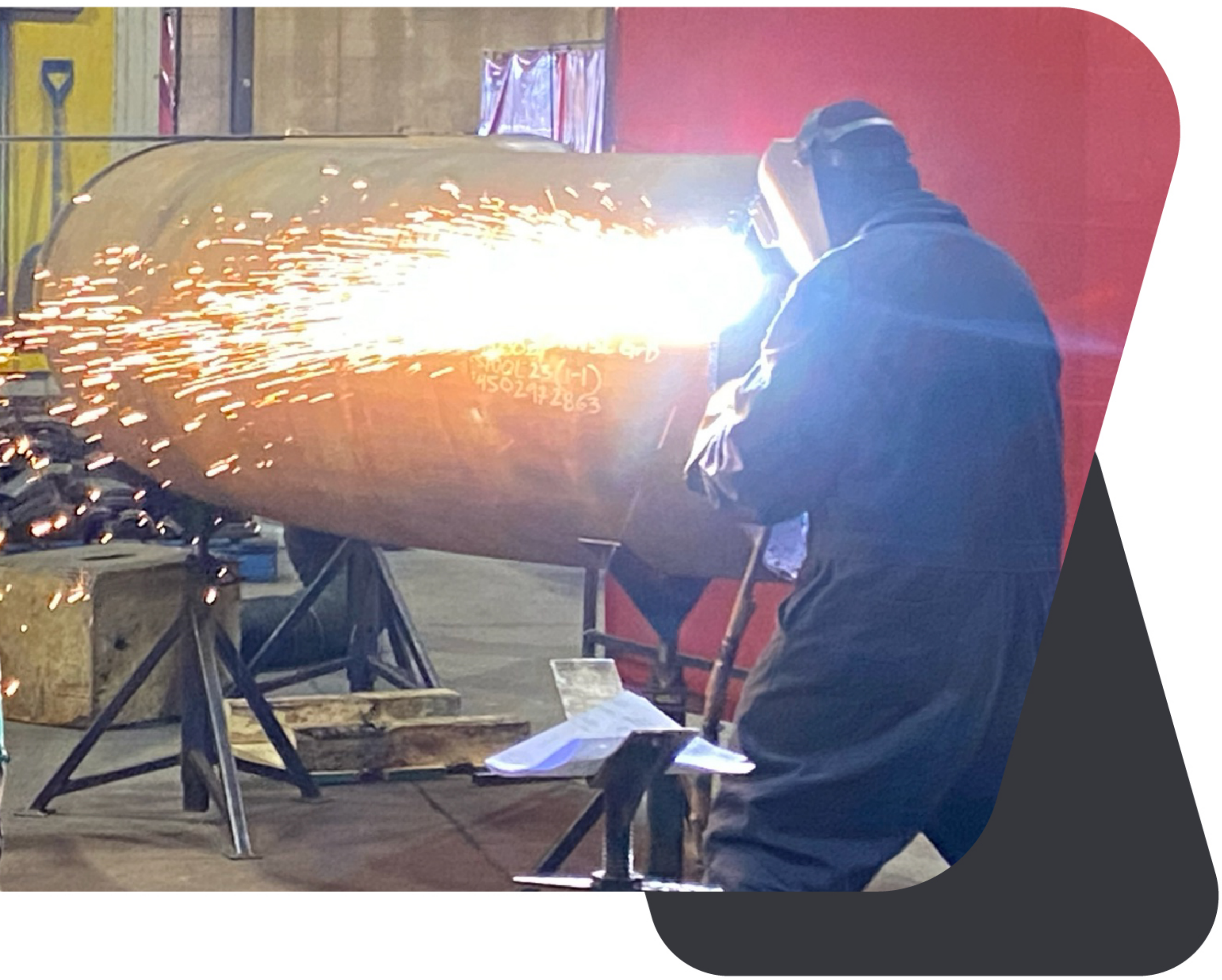
We are required to comply with National Instrument 52-109 "Certification of Disclosure in Issuers' Annual and Interim Filings". This instrument requires us to disclose in our interim MD&A any weaknesses in or changes to our internal control over financial reporting during the period that may have materially 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, 2023.

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.

## ADDITIONAL INFORMATION

Additional information relating to the Company is available in the Company's Annual Information Form for the year ended December 31, 2022.

# Q3 FINANCIAL STATEMENTS 2023



CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS OF

**FLINT CORP.**

FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 AND 2022

(UNAUDITED)

**Consolidated Interim Balance Sheets**

(In thousands of Canadian dollars)

(Unaudited)

| | Notes | September 30, 2023 | December 31, 2022 |
|---|---|---|---|
| **Assets** | | | |
| Cash | 8 | $ 1,035 | $ 3,134 |
| Accounts receivable | 8 | 187,457 | 159,371 |
| Inventories | | 7,124 | 5,729 |
| Prepaid expenses | | 2,590 | 2,441 |
| **Total current assets** | | 198,206 | 170,675 |
| Property, plant and equipment | 2 | 53,799 | 53,689 |
| Goodwill and intangible assets | 3 | 1,524 | 9,145 |
| Long-term investments | | 641 | 469 |
| **Total assets** | | **$ 254,170** | **$ 233,978** |
| **Liabilities and shareholders' deficit** | | | |
| Accounts payable and accrued liabilities | | $ 80,226 | $ 57,893 |
| Current portion of lease liabilities | | 8,725 | 8,447 |
| Current portion of long-term incentive plan liability | | 2,492 | 2,814 |
| Current portion of other secured borrowings | 4 | 1,437 | 1,437 |
| **Total current liabilities** | | 92,880 | 70,591 |
| Long-term incentive plan liability | | 2,342 | 2,487 |
| ABL facility | 4 | 13,235 | 9,334 |
| Term loan facility | 4 | 40,248 | 40,157 |
| Lease liabilities | | 24,889 | 21,884 |
| Other secured borrowings | 4 | 11,449 | 12,706 |
| Senior secured debentures | 4 | 124,002 | 119,048 |
| **Total liabilities** | | 309,045 | 276,207 |
| Common shares | 7 | 462,057 | 462,057 |
| Preferred shares | 7 | 141,930 | 141,930 |
| Contributed surplus | | 20,679 | 20,679 |
| Deficit | | (679,541) | (666,895) |
| **Total shareholders' deficit** | | (54,875) | (42,229) |
| **Total liabilities and shareholders' deficit** | | **$ 254,170** | **$ 233,978** |

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

**Consolidated Interim Statements of Income (Loss) and Comprehensive Income (Loss)**

(In thousands of Canadian dollars)

(Unaudited)

| | Notes | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|---|
| Revenue | 5 | $ 187,017 | $ 171,883 | $ 506,063 | $ 454,927 |
| Cost of revenue | | (167,277) | (151,266) | (455,695) | (408,868) |
| **Gross profit** | | 19,740 | 20,617 | 50,368 | 46,059 |
| Selling, general and administrative expenses | 6 | (9,045) | (9,970) | (26,785) | (27,821) |
| Long-term incentive plan expense | | (625) | (1,303) | (2,670) | (1,303) |
| Amortization of intangible assets | | (70) | (143) | (332) | (430) |
| Depreciation expense | 2 | (2,434) | (2,766) | (7,610) | (7,920) |
| Income from long-term investments | | 55 | 53 | 172 | 105 |
| Interest expense | | (4,670) | (4,260) | (13,680) | (12,369) |
| Restructuring expenses | | (327) | (1,227) | (1,105) | (4,053) |
| Impairment of goodwill and intangible assets | 3 | — | — | (7,289) | — |
| Impairment of property, plant and equipment | 2 | — | — | (4,173) | — |
| Recovery (loss) on contingent consideration liability | | — | 80 | — | (81) |
| Gain on sale of property, plant and equipment | | 133 | 93 | 323 | 231 |
| Other income | | 32 | — | 142 | — |
| **Income (loss) from continuing operations** | | 2,789 | 1,174 | (12,639) | (7,582) |
| Loss from discontinued operations (net of income taxes) | | (3) | (2) | (7) | (17) |
| **Net income (loss) and comprehensive income (loss)** | | **$ 2,786** | **$ 1,172** | **$ (12,646)** | **$ (7,599)** |
| **Net income (loss) per share (dollars)** | | | | | |
| Basic and diluted: | | | | | |
| Continuing operations | | $ 0.03 | $ 0.01 | $ (0.11) | $ (0.07) |
| Net income (loss) | | $ 0.03 | $ 0.01 | $ (0.11) | $ (0.07) |

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

**Consolidated Interim Statements of Shareholders' Deficit**

(In thousands of Canadian dollars, except number of shares)

(Unaudited)

| | Notes | Number of Common Shares | Common Shares | Preferred Shares | Contributed Surplus | Deficit | Total Shareholders' Deficit |
|---|---|---|---|---|---|---|---|
| December 31, 2022 | | 110,001,239 | $ 462,057 | $ 141,930 | $ 20,679 | $ (666,895) | $ (42,229) |
| Net loss | | — | — | — | — | (12,646) | (12,646) |
| At September 30, 2023 | | 110,001,239 | $ 462,057 | $ 141,930 | $ 20,679 | $ (679,541) | $ (54,875) |

| | Notes | Number of Common Shares | Common Shares | Preferred Shares | Contributed Surplus | Deficit | Total Shareholders' Deficit |
|---|---|---|---|---|---|---|---|
| December 31, 2021 | | 109,992,668 | $ 462,054 | $ 141,933 | $ 20,679 | $ (653,916) | $ (29,250) |
| Net loss | | — | — | — | — | (7,599) | (7,599) |
| Conversion of preferred shares to common shares | 7 | 8,571 | 3 | (3) | — | — | — |
| At September 30, 2022 | | 110,001,239 | $ 462,057 | $ 141,930 | $ 20,679 | $ (661,515) | $ (36,849) |

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

**Consolidated Interim Statements of Cash Flows**

(In thousands of Canadian dollars)

(Unaudited)

| For nine months ended September 30, | Notes | 2023 | 2022 |
|---|---|---|---|
| **Operating activities:** | | | |
| Net loss | | $ (12,646) | $ (7,599) |
| Adjustments for: | | | |
| Long-term incentive plan expense | | 2,670 | 1,303 |
| Amortization of intangible assets | 3 | 332 | 430 |
| Depreciation expense | 2 | 7,610 | 7,920 |
| Income from long-term investment | | (172) | (105) |
| Accretion expense | | 142 | 143 |
| Non-cash interest expense | 4 | 4,812 | 4,449 |
| Impairment of goodwill and intangible assets | 3 | 7,289 | — |
| Impairment of property, plant and equipment | 2 | 4,173 | — |
| Payment of earn-out | | — | (157) |
| Amortization of deferred financing costs | 4 | 270 | 148 |
| Loss on contingent consideration liability | | — | 81 |
| Gain on sale of property, plant and equipment | | (323) | (231) |
| Other income | | (142) | — |
| Changes in non-cash working capital | | (10,432) | (23,009) |
| **Cash flow provided by (used in) operating activities** | | 3,583 | (16,627) |
| **Investing activities:** | | | |
| Purchase of property, plant and equipment | | (2,667) | (1,328) |
| Net proceeds on disposal of property, plant and equipment | | 1,221 | 535 |
| Proceeds from long-term investments | | — | 350 |
| Payment of deferred consideration | | — | (433) |
| **Cash flow (used in) investing activities** | | (1,446) | (876) |
| **Financing activities:** | | | |
| Increase in restricted cash | | — | (2,300) |
| Repayment of other secured borrowings | | (1,257) | (1,080) |
| Increase in ABL facility | 4 | 3,733 | 9,950 |
| Refinancing fees | | (11) | (979) |
| Repayment of lease liabilities | | (6,701) | (6,257) |
| **Cash flow (used in) financing activities** | | (4,236) | (666) |
| Decrease in cash | | (2,099) | (18,169) |
| Cash, beginning of period | | 3,134 | 21,680 |
| **Cash, end of period** | | $ 1,035 | $ 3,511 |

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

**Notes to Condensed Consolidated Interim Financial Statements**

(In thousands of Canadian dollars)

(Unaudited)

**Reporting entity**

FLINT Corp. ("FLINT" or the "Company") is a corporation formed pursuant to the Business Corporations Act (Alberta). The head office is located at Bow Valley Square 2, Suite 3500, 205 - 5th Avenue S.W., Calgary, Alberta T2P 2V7. FLINT is a leading provider of maintenance, turnaround and construction services to the energy and industrial markets, including oil and gas (upstream, midstream and downstream), petrochemical, mining, power, agriculture, forestry, infrastructure and water treatment. 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.

These unaudited condensed consolidated interim financial statements ("interim financial statements") were authorized for issuance in accordance with a resolution of the Board of Directors of FLINT passed on November 2, 2023.

**1. Significant accounting policies**

a. Basis of presentation

These interim financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). Accordingly, certain information normally disclosed in annual consolidated financial statements has been omitted or condensed. The interim financial statements should be read in conjunction with the Company's audited consolidated financial statements and notes thereto for the year ended December 31, 2022. There have been no significant changes in accounting policies compared to those described in the most recent annual consolidated financial statements.

These interim financial statements have been prepared on an historical cost basis and presented in Canadian dollars rounded to the nearest thousand unless otherwise indicated.

b. Seasonality of operations

FLINT's revenues are somewhat seasonal, in particular for the Maintenance and Construction Services segment. Typically, there are scheduled shutdown turnaround projects in the spring and fall which increase revenues over and above the standard maintenance and operational support services. This typically results in higher activity levels and revenues for FLINT in the second and third quarters of the year.

## 2. Property, plant and equipment

| | Land and buildings | Computer hardware | Furniture, tools and equipment | Leasehold improve-ments | Right-of-use assets | Automotive and heavy equipment | Total |
|---|---|---|---|---|---|---|---|
| **Cost** | | | | | | | |
| As at December 31, 2022 | $ 18,491 | $ 1,880 | $ 15,484 | $ 732 | $ 45,646 | $ 45,509 | $ 127,742 |
| Additions | — | — | 2,082 | 54 | 5,378 | 531 | 8,045 |
| Remeasurement | — | — | — | — | 4,746 | — | 4,746 |
| Disposals | — | — | (7) | — | (155) | (2,472) | (2,634) |
| Asset class transfer | — | — | — | — | (1,717) | 1,717 | — |
| As at September 30, 2023 | $ 18,491 | $ 1,880 | $ 17,559 | $ 786 | $ 53,898 | $ 45,285 | $ 137,899 |
| **Accumulated depreciation and impairment** | | | | | | | |
| As at December 31, 2022 | $ 2,427 | $ 1,285 | $ 11,292 | $ 295 | $ 26,287 | $ 32,467 | $ 74,053 |
| Depreciation | 430 | 137 | 713 | 101 | 4,592 | 1,637 | 7,610 |
| Disposals | — | — | (7) | — | (88) | (1,641) | (1,736) |
| Impairment | — | — | 478 | — | 1,608 | 2,087 | 4,173 |
| Asset class transfer | — | — | — | — | (1,353) | 1,353 | — |
| As at September 30, 2023 | $ 2,857 | $ 1,422 | $ 12,476 | $ 396 | $ 31,046 | $ 35,903 | $ 84,100 |
| **Net book value** | | | | | | | |
| As at December 31, 2022 | $ 16,064 | $ 595 | $ 4,192 | $ 437 | $ 19,359 | $ 13,042 | $ 53,689 |
| As at September 30, 2023 | $ 15,634 | $ 458 | $ 5,083 | $ 390 | $ 22,852 | $ 9,382 | $ 53,799 |

Right-of-use assets consist of the following:

| | Land and buildings | Furniture, tools and equipment | Automotive and heavy equipment | Total |
|---|---|---|---|---|
| **Cost** | | | | |
| As at December 31, 2022 | $ 36,035 | $ 69 | $ 9,542 | $ 45,646 |
| Additions | 1,775 | — | 3,603 | 5,378 |
| Remeasurement | 4,746 | — | — | 4,746 |
| Disposals | — | — | (155) | (155) |
| Asset class transfer | — | — | (1,717) | (1,717) |
| As at September 30, 2023 | $ 42,556 | $ 69 | $ 11,273 | $ 53,898 |
| **Accumulated depreciation and impairment** | | | | |
| As at December 31, 2022 | $ 24,652 | $ 67 | $ 1,568 | $ 26,287 |
| Depreciation | 2,895 | 2 | 1,695 | 4,592 |
| Disposals | — | — | (88) | (88) |
| Impairment | 1,608 | — | — | 1,608 |
| Asset class transfer | — | — | (1,353) | (1,353) |
| As at September 30, 2023 | $ 29,155 | $ 69 | $ 1,822 | $ 31,046 |
| **Net book value** | | | | |
| As at December 31, 2022 | $ 11,383 | $ 2 | $ 7,974 | $ 19,359 |
| As at September 30, 2023 | $ 13,401 | $ — | $ 9,451 | $ 22,852 |

**Remeasurement**

During the second quarter of 2023, the Company exercised an option to extend the term of a building lease for an additional 60 months to April 30, 2030 (original termination date of April 30, 2025). This amendment to the lease agreement represents a lease modification, and therefore the lease liability and right-of-use asset were remeasured during the quarter. This remeasurement resulted in an increase to the lease liability and related right-of-use asset of $4,452, which is included the $4,746 above. The lease extension will impact future cash flows for the extension period, with fixed payments of $109 per month in the first year of the extension, increasing to $112 per month in year five.

**Impairment**

As at September 30, 2023, the Company did not identify any changes in the indicators of impairment or any new indicators of impairment and determined that no further impairment testing was required.

During the second quarter of 2023, FLINT identified indicators of impairment for the Wear Technology Overlay Services ("WTO") cash-generating unit ("CGU") as a result of an increase in market competition resulting in more competitive pricing and increased cost for both materials and labour due to higher rates of inflation. These factors have a significant negative impact on operating profit for WTO. In addition, certain of FLINT's customers' capital spending budgets have been reduced in the near-term and there is significant uncertainty as to the scale and duration of these developments.

As a result, management performed an impairment test as at June 30, 2023 for the WTO CGU. Based on the results of this test, the Company concluded that the recoverable amount of the WTO CGU was $18.0 million which exceeded its carrying amount by $11.5 million. The impairment was allocated to goodwill, and then to the intangible and long-lived assets within the WTO CGU. The carrying amount of the WTO CGU prior to the impairment was $29.5 million.

**Valuation technique**

The recoverable amount of the WTO CGU was calculated based on fair value less costs of disposal, which is considered to be a level 3 fair value measurement. The fair value less costs of disposal is determined through a discounted cash flow ("DCF") approach which involves projecting cash flows and converting them into a present value equivalent through discounting. The discounting process uses a rate of return that is commensurate with the risk associated with the business or asset and the time value of money. This approach requires assumptions about earnings before interest, taxes, depreciation and amortization ("EBITDA"), capital expenditures, growth rates, working capital and discount rates.

**Projected EBITDA and capital expenditures**

Projected EBITDA and capital expenditures are based on FLINT's internal forecasts for the remainder of the year and take into consideration current year performance relative to budget, economic trends and market/industry trends at the time the forecast is developed. The annual budget is developed during the fourth quarter of the previous year and is updated quarterly by senior management based on actual results. Anticipated future cash flows are updated to reflect any subsequent changes in expected demand for products and services.

Decreased demand can lead to a decline in EBITDA. A decrease in EBITDA by 10% would result in a further impairment in the WTO CGU. As at June 30, 2023, projected EBITDA decreased by approximately 30% from the approved budget developed in the fourth quarter of 2022 resulting in an impairment.

**Growth rate and terminal value**

FLINT used projected EBITDA and capital expenditures as noted above and applied a perpetual long-term growth rate of 3% in years 2 through 5 and a terminal growth rate of 2% thereafter for the WTO CGU. The perpetual growth rates are management's estimate of long-term inflation and productivity growth in the industry and geographic locations in which it operates.

Management does not believe that a reasonably possible change in the perpetual long-term growth rate for the WTO CGU would result in a further impairment.

**Discount rate**

FLINT assumed post-tax discount rates of 19.75% in order to calculate the present value of projected future cash flows. The discount rates represent a weighted average cost of capital ("WACC"), which is an estimate of the overall required rate of return on an investment for both debt and equity owners. The WACC serves as the basis for developing an appropriate discount rate, adjusted for risks specific to each CGU.

Management does not believe that a reasonably possible change in the post-tax discount rate for the WTO CGU would result in a further impairment.

The following table summarizes the impairment losses for the nine months ended September 30, 2023:

| **Impairment by asset class allocated to** | Property, plant and equipment | Right-of-use assets | Goodwill and intangibles (1) | Total |
|---|---|---|---|---|
| Wear Technology Overlay Services | 2,565 | 1,608 | 7,289 | 11,462 |

*(1) See Note 3 Goodwill and intangible assets.*

### 3. Goodwill and intangible assets

| | Goodwill | Customer relationships | Computer software | Brands | Intangible Total | Total |
|---|---|---|---|---|---|---|
| **Cost** | | | | | | |
| As at December 31, 2022 | $ 100,681 | $ 33,245 | $ 3,377 | $ 16,487 | $ 53,109 | $ 153,790 |
| As at September 30, 2023 | $ 100,681 | $ 33,245 | $ 3,377 | $ 16,487 | $ 53,109 | $ 153,790 |
| **Amortization and impairment** | | | | | | |
| As at December 31, 2022 | $ 96,384 | $ 30,341 | $ 3,247 | $ 14,673 | $ 48,261 | $ 144,645 |
| Amortization | — | 260 | 57 | 15 | 332 | 332 |
| Impairment | 4,297 | 1,238 | — | 1,754 | 2,992 | 7,289 |
| As at September 30, 2023 | $ 100,681 | $ 31,839 | $ 3,304 | $ 16,442 | $ 51,585 | $ 152,266 |
| **Net book value** | | | | | | |
| As at December 31, 2022 | $ 4,297 | $ 2,904 | $ 130 | $ 1,814 | $ 4,848 | $ 9,145 |
| As at September 30, 2023 | $ — | $ 1,406 | $ 73 | $ 45 | $ 1,524 | $ 1,524 |

As at September 30, 2023, the WTO CGU had indefinite life intangible assets of nil (December 31, 2022 - $1,574) and goodwill of nil (December 31, 2022 - $4,297).

In the second quarter of 2023, FLINT identified indicators of impairment for the WTO CGU and performed an impairment test which resulted in an impairment of the goodwill and intangible assets of the CGU to reduce the carrying amount to its recoverable amount. See Note 2 for additional details.

### 4. ABL facility, term loan facility and other borrowings

a. ABL Facility

On April 14, 2022, the Company completed the refinancing of a new $25,000 asset-based revolving credit facility with a three-year term to replace its existing $15,000 Revolving Facility that was to mature on April 14, 2022. Pursuant to an amending agreement dated June 23, 2022, the ABL Facility was amended to increase the maximum borrowings available thereunder to $30,000 during the period commencing on June 23, 2022 and ending on November 30, 2022. Pursuant to a second amending agreement dated October 5, 2022, the ABL Facility was further amended to increase the maximum borrowings available thereunder to $50,000 through maturity on April 14, 2025.

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, 2023 was $50,000 (December 31, 2022 - $43,750). 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 2.5% (December 31, 2022 - Lender's prime rate plus 2.5%).

As at September 30, 2023, $13,618 (December 31, 2022 - $9,885) was drawn on the ABL Facility, and there were $2,147 (December 31, 2022 - $2,147) of letters of credit reducing the amount available to be drawn. As at September 30, 2023, the net amount of deferred financing costs were $383 (December 31, 2022 - $551).

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 $10,000 and (ii) any non-financed capital expenditures in an aggregate amount exceeding $4,000.

As at September 30, 2023, 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, 2025.

As at September 30, 2023, $40,500 (December 31, 2022 - $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, 2022 - fixed rate of 8.0%). The net amount of deferred financing costs were $252 as at September 30, 2023 (December 31, 2022 - $343).

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 has monthly principal payments of $75, with the final payment to occur on March 28, 2025. The interest rate on the loan is the BDC Floating Base Rate less 0.5%. Interest accrues and is payable monthly. The Company allocated $85 in deferred financing costs to this loan that will be amortized over the life of the loan.

The loans are 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 loan agreements with BDC require 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, 2023, FLINT was in compliance with all financial covenants under the loan agreements with BDC.

d. Senior Secured Debentures

| | | |
|---|---|---|
| Balance as at December 31, 2021 | $ | 109,744 |
| Accretion | | 227 |
| Debentures issued to settle interest | | 9,077 |
| Balance as at December 31, 2022 | $ | 119,048 |
| Accretion | | 142 |
| Debentures issued to settle interest | | 4,812 |
| Balance as at September 30, 2023 | $ | 124,002 |

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.

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 6, 2023, 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 (i) accept the issuance of Senior Secured Debentures on June 30, 2023 with a principal amount of $4,812 in order to satisfy the interest that would otherwise become due and payable on such date (the "Payment in Kind Transaction") and (ii) amend the trust indenture governing the Senior Secured Debentures to, among other things, establish a mechanism by which the Company may request, and the holder of the Senior Secured Debentures may approve (at their sole discretion), the payment of interest owing on the Senior Secured Debentures on future interest payment dates in kind (the "Indenture Amendment"). On June 28, 2023, the Company entered into the Ninth Supplemental Senior Secured Indenture to affect the Payment in Kind Transaction and the Indenture Amendment.

## 5. Revenue

The following are amounts for each significant category of revenue recognized:

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|---|---|---|---|
| | 2023 | 2022 | 2023 | 2022 |
| Rendering of services | $ 168,495 | $ 152,986 | $ 457,297 | $ 402,997 |
| Sales of goods | 18,522 | 18,897 | 48,766 | 51,930 |
| Total | $ 187,017 | $ 171,883 | $ 506,063 | $ 454,927 |

### 6. Selling, general and administrative expenses

| | Three months ended September 30, 2023 | Three months ended September 30, 2022 | Nine months ended September 30, 2023 | Nine months ended September 30, 2022 |
|---|---|---|---|---|
| Salaries and benefits | $ 6,224 | $ 6,723 | $ 18,079 | $ 17,979 |
| Occupancy and office costs | 1,259 | 793 | 3,387 | 2,321 |
| Professional fees | 518 | 1,594 | 2,234 | 5,074 |
| Travel and advertising | 547 | 395 | 1,548 | 1,212 |
| Insurance | 497 | 454 | 1,537 | 1,200 |
| Other | — | 11 | — | 35 |
| Total | $ 9,045 | $ 9,970 | $ 26,785 | $ 27,821 |

### 7. Share capital and loss per share

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 Series 1 | Preferred Shares Series 2 | Common Shares |
|---|---|---|---|
| Balance as at December 31, 2022 | 127,732 | 40,111 | 110,001,239 |
| Balance as at September 30, 2023 | 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 such time as 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, 2023, the accrued and unpaid dividends on the Series 1 and Series 2 Preferred Shares totaled $89,225 (December 31, 2022 - $76,671). 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 376,972,956 (December 31, 2022 - 319,675,972) Common Shares would be issued, which represents approximately 342.7% (December 31, 2022 - 290.6%) of the Common Shares outstanding as at September 30, 2023.

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, 2023, no Series 1 or Series 2 Preferred Shares were converted into Common Shares (year ended December 31, 2022 - 8,571 Common Shares were issued upon the conversion of three Series 1 Preferred 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, 2022 - 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, 2022 - 696.4%) of the Common Shares outstanding as at September 30, 2023.

The only potentially dilutive securities as at September 30, 2023 were the Preferred Shares. All potentially dilutive securities were anti-dilutive for the three and nine months ended September 30, 2023, and therefore were not included in the calculation of diluted earnings per share.

**8. Financial instruments and risk management**

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities, the ABL Facility, the Term Loan Facility, the Senior Secured Debentures and other secured borrowings.

a. Risk management

FLINT's Board of Directors has overall responsibility for the establishment and oversight of FLINT's risk management framework. FLINT has exposure to credit risk, interest rate risk, customer concentration risk, and liquidity risk.

(i) Credit risk

The Company has exposure to credit risk, which is the risk of financial loss to FLINT if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from FLINT's accounts receivable. The following table outlines FLINT's maximum exposure to credit risk:

| | September 30, 2023 | December 31, 2022 |
|---|---|---|
| Cash | $ 1,035 | $ 3,134 |
| Accounts receivable | 187,457 | 159,371 |
| Total | $ 188,492 | $ 162,505 |

Cash is held at Canadian Schedule A Banks and is therefore considered low credit risk.

FLINT has a credit policy under which each new customer is analyzed individually for creditworthiness before standard payment terms and conditions are offered. FLINT's exposure to credit risk with its customers is influenced mainly by the individual characteristics of each customer. When available, FLINT reviews credit bureau ratings, bank accounts and financial information for each new customer. FLINT's customers are primarily Canadian companies operating in energy and industrial markets, all of which have strong creditworthiness.

Of the total balance of accounts receivable at September 30, 2023, $130,341 (December 31, 2022 - $87,505) related to trade receivables and $57,116 (December 31, 2022 - $71,866) related to accrued revenue and other (i.e., for work performed but not yet invoiced).

Trade receivables are non-interest bearing and are generally due on 30-90 day terms. As at September 30, 2023, approximately $14,930 of FLINT's trade receivables had been outstanding longer than 90 days (December 31, 2022 - $15,630). Management has fully evaluated the outstanding receivables as at September 30, 2023 and has determined that the lifetime expected credit losses of the trade receivables is immaterial at this time.

(ii) Interest rate risk

Interest rate risk arises from the possibility of the future cash flows of a financial instrument fluctuating as a result of changes in the market rates of interest. FLINT is subject to interest rate risk on its ABL Facility and other secured borrowings. The required cash flow to service certain credit facilities will fluctuate as a result of changes in market rates.

There are no material changes to interest rate risk for the three and nine months ended September 30, 2023.

(iii) Customer concentration risk

There are no material changes to customer concentration for the three and nine months ended September 30, 2023.

(iv) Liquidity risk

Liquidity risk is the risk that FLINT will not be able to meet its financial obligations as they come due. FLINT's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to its reputation.

FLINT's strategy is that long-term debt should always form part of its capital structure, assuming an appropriate cost. As existing debt approaches maturity, FLINT will replace it with new debt, convert it into equity or refinance or restructure, depending on the state of the capital markets at the time.

FLINT manages its liquidity risk by continuously monitoring forecast and actual gross profit and cash flows from operations. 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 and to maintain compliance with its financial covenants through September 30, 2024. To maintain compliance with its financial covenants through September 30, 2024, the Company may need to continue to satisfy its obligation to pay interest on the Senior Secured Debentures in kind, which requires approval by the holder of the Senior Secured Debentures at their sole discretion (refer to Note 4d).

**9. Segment information**

The Company has organized the business around differences in products and services provided to customers. All or substantially all of FLINT's operations, assets and employees are located in Canada.

FLINT has four operating segments (December 31, 2022 - five), which are aggregated into two reportable segments, as follows:

- The Maintenance and Construction Services segment provides maintenance, turnaround, construction and environmental services to energy and industrial markets, including oil and gas (upstream, midstream and downstream), petrochemical, mining, power, agricultural, forestry, infrastructure and water treatment. The Maintenance and Construction reportable segment consists of the Union and Non-union operating segments as well as the Environmental operating segment on the basis of the similarities in their service offerings, customers and business environment.

- The Wear Technology Overlay Services segment provides custom fabrication services supporting pipeline and infrastructure projects, and patented wear technology overlay services specializing in overlay pipe spools, pipe bends, wear plates and vessels for corrosion and abrasion resistant applications across various end markets.

In addition to the reportable operating segments, the Corporate division is a standard head office function, which deals with strategic planning, corporate communications, taxes, legal, marketing, finance, financing (including interest expense), human resources and information technology for the entire organization. These costs are managed on a group basis and therefore are not allocated to operating segments.

The eliminations column includes eliminations of inter-segment transactions. FLINT accounts for inter-segment sales based on transaction price.

| For the three months ended September 30, 2023 | Maintenance and Construction Services | Wear Technology Overlay Services | Corporate | Eliminations | Total |
|---|---|---|---|---|---|
| Revenue | $ 177,798 | $ 10,900 | $ — | $ (1,681) | $ 187,017 |
| Cost of revenue | (159,067) | (9,891) | — | 1,681 | (167,277) |
| Gross profit | 18,731 | 1,009 | — | — | 19,740 |
| Selling, general and administrative expenses | (184) | (63) | (8,798) | — | (9,045) |
| Long-term incentive plan expense | — | — | (625) | — | (625) |
| Amortization of intangible assets | (14) | (56) | — | — | (70) |
| Depreciation expense | (1,792) | (455) | (187) | — | (2,434) |
| Income from long-term investments | 55 | — | — | — | 55 |
| Interest expense | (225) | (200) | (4,245) | — | (4,670) |
| Restructuring expenses | (90) | (61) | (176) | — | (327) |
| Gain on sale of property, plant and equipment | 133 | — | — | — | 133 |
| Other income | — | — | 32 | — | 32 |
| Income (loss) from continuing operations | $ 16,614 | $ 174 | $ (13,999) | $ — | $ 2,789 |

| For the three months ended September 30, 2022 | Maintenance and Construction Services | Wear Technology Overlay Services | Corporate | Eliminations | Total |
|---|---|---|---|---|---|
| Revenue | $ 159,318 | $ 13,955 | $ — | $ (1,390) | $ 171,883 |
| Cost of revenue | (141,371) | (11,285) | — | 1,390 | (151,266) |
| Gross profit | 17,947 | 2,670 | — | — | 20,617 |
| Selling, general and administrative expenses | (161) | (80) | (9,729) | — | (9,970) |
| Long-term incentive plan expense | — | — | (1,303) | — | (1,303) |
| Amortization of intangible assets | (28) | (115) | — | — | (143) |
| Depreciation expense | (1,863) | (650) | (253) | — | (2,766) |
| Income from long-term investments | 53 | — | — | — | 53 |
| Interest expense | (236) | (19) | (4,005) | — | (4,260) |
| Restructuring expenses | (47) | (1) | (1,179) | — | (1,227) |
| Recovery on contingent consideration liability | — | — | 80 | — | 80 |
| Gain on sale of property, plant and equipment | 93 | — | — | — | 93 |
| Income (loss) from continuing operations | $ 15,758 | $ 1,805 | $ (16,389) | $ — | $ 1,174 |

| For the nine months ended September 30, 2023 | Maintenance and Construction Services | Wear Technology Overlay Services | Corporate | Eliminations | Total |
|---|---|---|---|---|---|
| Revenue | $ 470,067 | $ 37,830 | $ — | $ (1,834) | $ 506,063 |
| Cost of revenue | (424,986) | (32,543) | — | 1,834 | (455,695) |
| Gross profit | 45,081 | 5,287 | — | — | 50,368 |
| Selling, general and administrative expenses | (507) | (223) | (26,055) | — | (26,785) |
| Long-term incentive plan expense | — | — | (2,670) | — | (2,670) |
| Amortization of intangible assets | (46) | (286) | — | — | (332) |
| Depreciation expense | (5,235) | (1,789) | (586) | — | (7,610) |
| Income from long-term investments | 172 | — | — | — | 172 |
| Interest expense | (576) | (449) | (12,655) | — | (13,680) |
| Restructuring expenses | (247) | (163) | (695) | — | (1,105) |
| Impairment of intangible assets and goodwill | — | (7,289) | — | — | (7,289) |
| Impairment of property, plant and equipment | — | (4,173) | — | — | (4,173) |
| Gain on sale of property, plant and equipment | 323 | — | — | — | 323 |
| Other income | — | — | 142 | — | 142 |
| Income (loss) from continuing operations | $ 38,965 | $ (9,085) | $ (42,519) | $ — | $ (12,639) |

| For the nine months ended September 30, 2022 | Maintenance and Construction Services | Wear Technology Overlay Services | Corporate | Eliminations | Total |
|---|---|---|---|---|---|
| Revenue | $ 419,019 | $ 40,573 | $ — | $ (4,665) | $ 454,927 |
| Cost of revenue | (380,091) | (33,442) | — | 4,665 | (408,868) |
| Gross profit | 38,928 | 7,131 | — | — | 46,059 |
| Selling, general and administrative expenses | (479) | (228) | (27,114) | — | (27,821) |
| Long-term incentive plan expense | — | — | (1,303) | — | (1,303) |
| Amortization of intangible assets | (85) | (345) | — | — | (430) |
| Depreciation expense | (5,235) | (1,928) | (757) | — | (7,920) |
| Income from long-term investments | 105 | — | — | — | 105 |
| Interest expense | (655) | (146) | (11,568) | — | (12,369) |
| Restructuring expenses | (48) | (1) | (4,004) | — | (4,053) |
| Loss on contingent consideration liability | — | — | (81) | — | (81) |
| Gain on sale property, plant and equipment | 231 | — | — | — | 231 |
| Income (loss) from continuing operations | $ 32,762 | $ 4,483 | $ (44,827) | $ — | $ (7,582) |

# CORPORATE INFORMATION

BOARD OF DIRECTORS

*Sean McMaster* (1) (2)
Chair of the Board

*Jordan Bitove* (2) (3)
Director

*H. Fraser Clarke* (1) (2)
Director

*Katrisha Gibson* (1) (3)
Director

*Karl Johannson* (1) (2) (3)
Director

*Dean MacDonald* (3)
Director

Notes:
(1) Member of the Audit Committee
(2) Member of the Corporate Governance and Compensation Committee
(3) Member of the Health, Safety and Environment Committee

HEAD OFFICE

FLINT Corp.
Bow Valley Square 2
3500, 205 – 5th Avenue S.W.
Calgary, Alberta T2P 2V7
T: 587-318-0997
F: 587-475-2181
www.flintcorp.com

OFFICERS

*Barry Card*
Chief Executive Officer

*Jennifer Stubbs*
Chief Financial Officer

*Neil Wotton*
Chief Operating Officer

*Murray Desrosiers*
Senior Vice President, Legal and Corporate Development

*James Healey*
Vice President, Finance and Corporate Controlling

*Deloris Hetherington*
Vice President, Human Resources

*Brad Naeth*
Vice President, Wear and Environmental Services

*Herb Thomas*
Vice President, Operations

*Angela Thompson*
Vice President, Corporate Services

*Clint Tisnic*
Vice President, Operational Finance

BANKER
TD Canada Trust

AUDITORS
Ernst & Young LLP

LEGAL COUNSEL
Blake, Cassels & Graydon LLP
McCarthy Tetrault LLP

TRANSFER AGENT
Computershare Investor Services Inc.

EXCHANGE LISTING
Toronto Stock Exchange
Symbol: FLNT

Helping customers bring their resources to our world. We will be the service company of choice for our stakeholders.

# Corporate Office

flintcorp.com
InvestorRelations@flintcorp.com
587-318-0997

Suite 3500
Bow Valley Square 2
205 - 5th Avenue SW
Calgary, AB T2P 2V7