Q3

Quarterly
REPORT

SAVARIA CORPORATION

Quarterly Report

For the Three-Month and Nine-Month Periods Ended September 30, 2021

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SAVARIA CORPORATION

Management's Discussion & Analysis Report

For the Three-Month and Nine-Month periods Ended September 30, 2021

Contents

1. Basis of Presentation

The following management's discussion and analysis ("MD&A"), dated November 10, 2021, is intended to assist readers to better understand Savaria Corporation, its business context, strategies, risk factors and key financial results. It notably discusses the Corporation's financial position and operating results for the three-month and nine-month periods ended September 30, 2021, in comparison to the corresponding periods of fiscal 2020. Unless otherwise indicated, the terms "Corporation," "Savaria," "we" and "our," refer to Savaria Corporation and its subsidiaries.

Prepared in accordance with National Instrument 51-102 Respecting Continuous Disclosure Obligations, this report should be read in conjunction with the unaudited interim condensed consolidated financial statements for the third quarter of 2021 and accompanying notes, and with the audited consolidated financial statements and accompanying notes for the year ended December 31, 2020, and the MD&A for the same period. Unless otherwise indicated, all amounts are expressed in Canadian dollars. Amounts in certain passages of this MD&A may be expressed in millions of Canadian dollars ("M"); however, all percentage references related to such amounts are calculated based on the thousands of Canadian dollars amount figures contained in the corresponding tables.

The Corporation's financial statements, prepared in accordance with International Financial Reporting Standards ("IFRS"), and MD&A, have been reviewed by Savaria's Audit Committee and approved by its Board of Directors.

Additional information, including the Annual Information Form, is available on SEDAR's website at www.sedar.com.

2. Forward-Looking Statements

This MD&A includes certain statements that are "forward-looking statements" within the meaning of the securities laws of Canada. Any statement in this MD&A that is not a statement of historical fact may be deemed to be a forward-looking statement. When used in this MD&A, the words "believe," "could," "should," "intend," "expect, "estimate," "assume" and other similar expressions are generally intended to identify forward-looking statements. It is important to know that the forward-looking statements in this MD&A describe our expectations as at November 10, 2021, which are not guarantees of the future performance of Savaria or its industry, and involve known and unknown risks and uncertainties that may cause Savaria's or the industry's outlook, actual results or performance to be materially different from any future results or performance expressed or implied by such statements. Our actual results could be materially different from our expectations if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. A change affecting an assumption can also have an impact on other interrelated assumptions, which could increase or diminish the effect of the change. As a result, we cannot guarantee that any forward-looking statement will materialize and, accordingly, the reader is cautioned not to place undue reliance on these forward-looking statements. Forward-looking statements do not take into account the effect that transactions or special items announced or occurring after the statements are made may have on our business. For example, they do not include the effect of sales of assets, monetizations, mergers, acquisitions, other business combinations or transactions, asset write-downs or other charges announced or occurring after forward-looking statements are made.

Unless otherwise required by applicable securities laws, we disclaim any intention or obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

The foregoing risks and uncertainties include the risks set forth under "Risks and Uncertainties" in this report, as well as other risks detailed from time to time in reports filed by Savaria with securities regulators in Canada.

3. Compliance with International Financial Reporting Standards

The Corporation's financial statements are prepared in accordance with IFRS. However, in this MD&A the following non-IFRS measures and non-IFRS ratios are used by the Corporation: EBITDA, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA before head office costs, adjusted EBITDA margin before head office costs, adjusted cost of sales, adjusted operating expenses, adjusted net earnings, adjusted net earnings per share, adjusted net earnings excluding amortization of intangible assets related to acquisitions, adjusted net earnings excluding amortization of intangible assets related to acquisitions per share, and net interest-bearing debt to adjusted EBITDA ratio. Reconciliations to IFRS measures and ratios can be found in section 6 of this MD&A.

The Corporation believes these non-IFRS measures and ratios are useful for investors and analysts to properly assess its financial and operating performance. Although management, investors and analysts use these measures and ratios to evaluate the Corporation's financial and operating performance, they have no standardized definition in accordance with IFRS and should not be regarded as an alternative to financial information prepared in accordance with IFRS. These measures and ratios may therefore not be comparable to similar measures and ratios reported by other entities.

ADJUSTED COST OF SALES

Adjusted cost of sales is defined as cost of sales net of depreciation of fixed assets and right-of-use assets. Adjusted cost of sales is not an IFRS measure and does not have a standardized definition within IFRS.

ADJUSTED OPERATING EXPENSES

Adjusted operating expenses is defined as operating expenses net of depreciation of fixed assets and right-of-use assets, amortization of intangible assets, other expenses and stock-based compensation. Adjusted operating expenses is not an IFRS measure and does not have a standardized definition within IFRS.

EBITDA

EBITDA is defined as earnings before net finance costs, income tax expense and depreciation & amortization. EBITDA is not an IFRS measure and does not have a standardized definition within IFRS. Investors are cautioned that EBITDA should not be considered an alternative to net earnings for the period (as determined in accordance with IFRS) as an indicator of the Corporation's performance, or an alternative to cash flows from operating, investing and financing activities as a measure of liquidity and cash flow. The Corporation's method of calculating EBITDA may differ from the methods used by other issuers and, accordingly, the Corporation's EBITDA may not be comparable to similar measures used by other issuers.

ADJUSTED EBITDA

Adjusted EBITDA is defined as EBITDA before other expenses and stock-based compensation expense. Adjusted EBITDA is not an IFRS measure and does not have a standardized definition within IFRS. Investors are cautioned that adjusted EBITDA should not be considered an alternative to net earnings for the period (as determined in accordance with IFRS) as an indicator of the Corporation's performance, or an alternative to cash flows from operating, investing and financing activities as a measure of liquidity and cash flow. The Corporation's method of calculating adjusted EBITDA may differ from the methods used by other issuers and, accordingly, the Corporation's adjusted EBITDA may not be comparable to similar measures used by other issuers.

ADJUSTED EBITDA MARGIN

Adjusted EBITDA margin is defined as adjusted EBITDA expressed as a percentage of revenue. Adjusted EBITDA margin is not an IFRS measure and does not have a standardized definition within IFRS.

ADJUSTED EBITDA BEFORE HEAD OFFICE COSTS

Adjusted EBITDA before head office costs is defined as adjusted EBITDA excluding head office costs. Head office costs are expenses and salaries related to centralized functions, such as finance and legal, which are not allocated to reportable segments. Adjusted EBITDA before head office costs is not an IFRS measure and does not have a standardized definition within IFRS.

ADJUSTED EBITDA MARGIN BEFORE HEAD OFFICE COSTS

Adjusted EBITDA margin before head office costs is defined as adjusted EBITDA before head office costs expressed as a percentage of revenue. Adjusted EBITDA margin before head office costs is not an IFRS measure and does not have a standardized definition within IFRS.

ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS PER SHARE

Adjusted net earnings is defined as net earnings excluding other expenses and the income tax effects related to these costs. Adjusted net earnings is not an IFRS measure and does not have a standardized definition within IFRS. The Corporation believes these expenses, which are not core operational expenses, should be excluded in understanding the underlying operational financial performance achieved by the Corporation.

Adjusted net earnings per share is calculated using the diluted weighted average number of shares.

ADJUSTED NET EARNINGS EXCLUDING AMORTIZATION OF INTANGIBLE ASSETS RELATED TO ACQUISITIONS AND ADJUSTED NET EARNINGS EXCLUDING AMORTIZATION OF INTANGIBLE ASSETS RELATED TO ACQUISITIONS PER SHARE

Adjusted net earnings excluding amortization of intangible assets related to acquisitions is defined as adjusted net earnings excluding the amortization of backlogs, client lists, maintenance contracts, patents and trademarks accounted for in business combinations and the income tax effects related to this amortization. Adjusted net earnings excluding amortization of intangible assets related to acquisitions is not an IFRS measure and does not have a standardized definition within IFRS. It provides a comparative measure of the Corporation's performance in a context of significant business combinations.

Adjusted net earnings excluding amortization of intangible assets related to acquisitions per share is calculated using the diluted weighted average number of shares.

NET INTEREST-BEARING DEBT TO ADJUSTED EBITDA RATIO

Net interest-bearing debt to adjusted EBITDA ratio is not an IFRS measure and does not have a standardized definition within IFRS. Net interest-bearing debt is defined as interest-bearing long-term debt, including current portions, net of cash. Lease liabilities are not considered as interest bearing-debt. The Corporation uses this ratio as a measure of financial leverage and is calculated on its trailing twelve month adjusted EBITDA.

4. Business Overview

Savaria is a global leader in the accessibility industry, which provides solutions for the elderly and physically challenged to improve their comfort, mobility and independence. The Corporation has one of the most comprehensive product lines in the industry, split into three business segments.

Savaria designs, manufactures, distributes and installs accessibility equipment, such as stairlifts for straight and curved stairs, vertical and inclined wheelchair lifts and elevators for home and commercial use. It also manufactures and markets a comprehensive selection of pressure management products for the medical market, medical beds for the long-term care market, as well as an extensive line of medical equipment and solutions for the safe handling of patients, such as transfer, lifting and repositioning aids. In addition, Savaria converts and adapts a wide variety of motor vehicles to be wheelchair accessible, while also providing vehicle products for people with special needs.

Savaria operates a global manufacturing network with seven plants in Canada, two in the United States, four in Europe, and two in China. The Corporation has direct sales offices in Canada, the United States, seven European countries, Australia and China. It also operates an extensive worldwide dealer network.

As at November 10, 2021, Savaria's workforce amounts to approximately 2,300 employees worldwide.

4.1 ACQUISITION OF HANDICARE GROUP AB ("HANDICARE")

On March 4, 2021, the Corporation acquired 56,118,445 shares of Handicare representing 95.2% of all the issued and outstanding shares of Handicare for SEK 50.00 per share (CAD $7.48). As at September 30, 2021, the Corporation owned 100% of Handicare and has completed the compulsory redemption process to purchase all shares.

In order to finance the acquisition, the Corporation used cash-on-hand for an amount of $33.4M, withdrew an amount of $232.8M from its revolving facility and issued 12,736,050 shares at a price of $15.00 per share via two concurrent private placements with a syndicate of underwriters and with Caisse de dépôt et placement du Québec, for net proceeds of $181.8M.

Handicare offers solutions to increase the independence of disabled or elderly people, and to facilitate their care by healthcare providers and family. The offering includes a comprehensive range of curved and straight stairlifts, transfer, lifting and repositioning aids, and vehicle adaptations. Handicare is a global company with sales in some 40 countries and is one of the market leaders in this field. Its manufacturing and assembly plants are located at four sites distributed across North America, Asia and Europe.

4.2 REPORTABLE SEGMENTS OF THE CORPORATION

The Corporation manages its operations under three reportable segments, A*ccessibility, Patient Handling* and *Adapted Vehicles.* These segments are structured according to their respective addressable market.

Accessibility

Through the *Accessibility* segment, Savaria designs, manufactures, distributes and installs a wide portfolio of products including straight and curved stairlifts, wheelchair platform lifts for both commercial and residential applications, commercial accessibility elevators and home elevators. With the acquisition of Handicare in 2021, Savaria now operates manufacturing facilities in Canada (Brampton, Ontario, and Surrey, British Columbia), United Kingdom (Kingswinford), the Netherlands (Heerhugowaard) and Italy (Milan). Savaria and Handicare each operate assembly locations in China, which provide partial assembly services for Savaria and Handicare products. Working closely with key Asian suppliers has yielded continuous product improvements and competitive pricing. Savaria and Handicare products are distributed worldwide through a network of over 1,000 dealers as well as 30 direct sales offices, through which the Corporation also provides maintenance services.

Patient Handling

From its facility in Magog, Québec, Savaria designs and builds an innovative ceiling lift product line designed to safely move patients from wheelchair to bed or bath areas using an overhead hoist. Span-America Medical Systems Inc. ("Span") makes medical beds, therapeutic support surfaces and pressure management products used in healthcare facilities such as long-term care and nursing homes. Span operates manufacturing facilities in Greenville, South Carolina (surfaces), and Beamsville, Ontario (beds). It also sells the Savaria Patient Handling product line to home care and institutional sales channels through approximately 35 sales representatives in North America. Silvalea Ltd ("Silvalea"), based in Newton Abbot, UK, manufactures patient transfer slings and accessories. They specialize in the design and development of challenging and complex patient transfer solutions, with an extensive catalog of over 800 sling designs. The acquisition of Handicare added a production facility in the United States (St. Louis, Missouri) and a distribution network across North America for patient transfer, lifting and repositioning aid products. This acquisition largely complements the Savaria product offering and provides additional sales force and distribution channels for the *Patient Handling* segment.

Adapted Vehicles

The Savaria *Adapted Vehicles* segment serves the Canadian marketplace with both personal use and commercial use designs for wheelchair passengers and drivers. Savaria designs and builds lowered-floor wheelchair accessible conversions for popular brands of minivans. Side-entry access vans are built at its Van-Action (2005) Inc. division in Laval, Québec, while rear-entry access vans are completed at Freedom Motors Inc., in Toronto, Ontario. Silver Cross Automotive serves as a retailer of these products, along with other adaptation products in Ontario, Alberta and British Columbia. The Handicare vehicle division serves the Norwegian marketplace and its operations mainly relate to conversion of vehicles for people with mobility challenges, as well as specially adapted vehicles for emergency services including police, fire and rescue, and paramedics.

The following tables provide the information about the reportable segments by region as of September 30th:

in thousands of dollars, except percentages	YTD 2021		YTD 2020	
Canada	**$84,564**	**17.9%**	$58,750	22.3%
United States	**184,665**	**39.2%**	151,538	57.4%
Europe	**127,595**	**27.1%**	42,139	16.0%
United Kingdom and other	**74,630**	**15.8%**	11,468	4.3%
Total	**$471,454**	**100.0%**	$263,895	100.0%

	YTD 2021					
in thousands of dollars, except percentages	Accessibility		Patient Handling		Adapted Vehicles	
Canada	**$42,061**	**12.1%**	**$30,183**	**31.3%**	**$12,320**	**43.9%**
United States	**124,953**	**36.1%**	**59,148**	**61.4%**	**564**	**2.0%**
Europe	**110,858**	**31.9%**	**1,643**	**1.7%**	**15,094**	**53.9%**
United Kingdom and other	**69,137**	**19.9%**	**5,432**	**5.6%**	**61**	**0.2%**
Total	**$347,009**	**100.0%**	**$96,406**	**100.0%**	**$28,039**	**100.0%**

	YTD 2020					
in thousands of dollars, except percentages	Accessibility		Patient Handling		Adapted Vehicles	
Canada	$34,522	18.0%	$11,747	19.7%	$12,481	96.7%
United States	109,789	57.4%	41,350	69.4%	399	3.1%
Europe	39,602	20.7%	2,507	4.2%	30	0.2%
United Kingdom and other	7,458	3.9%	4,010	6.7%	-	0.0%
Total	**$191,371**	**100.0%**	**$59,614**	**100.0%**	**$12,910**	**100.0%**

5. Q3 2021 Financial Highlights

- Revenue for the quarter was $180.8M, up $90.0M or 99.1%, compared to Q3 2020, due mainly to the acquisition of Handicare.
- Gross profit was $58.5M, up $25.9M or 79.6%, compared to Q3 2020, representing 32.4% of revenue compared to 35.9% in Q3 2020.
- Adjusted EBITDA was $26.3M, up $9.4M or 55.6%, compared to Q3 2020.
- Adjusted EBITDA margin stood at 14.6%, compared to 18.6% in Q3 2020.
- Net earnings for the quarter were $9.1M, or $0.15 per share on a diluted basis, compared to $8.1M or $0.16 per share on a diluted basis in Q3 2020.
- Funds available of $138.0M to support working capital, investments and growth opportunities.
- Savaria has now paid for 100% of the shares of Handicare.

	Q3		YTD	
in thousands of dollars	**2021**	2020	**2021**	2020
Revenue	**$180,758**	$90,808	**$471,454**	$263,895
Cost of sales[1]	**122,250**	58,225	**315,742**	171,901
Gross Profit	**$58,508**	$32,583	**$155,712**	$91,994

[1] Cost of sales and selling and administrative expenses of Handicare for periods prior to Q3 2021 have been restated in accordance with Savaria's accounting policies, with a net impact of Nil on earnings before income tax.

	Q3		YTD	
in thousands of dollars, except per-share amounts and % revenue	**2021**	2020	**2021**	2020
Revenue	**$180,758**	$90,808	**$471,454**	$263,895
Adjusted cost of sales*[1]	**118,911**	56,555	**306,783**	166,749
Adjusted operating expenses*[1]	**35,535**	17,339	**93,672**	53,405
Adjusted EBITDA*	**$26,312**	$16,914	**$70,999**	$43,741
Stock-based compensation	**563**	239	**1,183**	947
Other expenses	**683**	140	**6,418**	2,465
EBITDA*	**$25,066**	$16,535	**$63,398**	$40,329
Depreciation of fixed assets and right-of-use assets	**4,459**	2,390	**11,821**	7,112
Amortization of intangible assets	**4,590**	1,861	**12,273**	5,686
Net finance costs	**2,489**	1,527	**9,399**	1,786
Earnings before income tax	**$13,528**	$10,757	**$29,905**	$25,745
Income tax expense	**4,403**	2,630	**8,564**	5,996
Net Earnings	**$9,125**	$8,127	**$21,341**	$19,749
Basic net earnings per share	**$0.15**	$0.16	**$0.36**	$0.39
Diluted net earnings per share	**$0.15**	$0.16	**$0.35**	$0.39

* Non-IFRS measures are described in section 3

[1] Cost of sales and selling and administrative expenses of Handicare for periods prior to Q3 2021 have been restated in accordance with Savaria's accounting policies, with a net impact of Nil on earnings before income tax.

6. Financial Review

6.1 REVENUE

During Q3 2021, the Corporation generated revenue of $180.8M, up $90.0M or 99.1%, compared to the same period in 2020. The growth was mainly due to the acquisition of Handicare. Organic revenue growth was 3.5% in the quarter and was partially offset by a negative foreign currency exchange impact.

For the nine-month period ended September 30, 2021, the Corporation generated revenue of $471.5M, up $207.6M or 78.7%, compared to the same period in 2020. The growth is largely due to the acquisition of Handicare. Organic revenue growth of 3.0% was partially offset by a negative foreign exchange impact.

The following tables provide a summary of quarter and year-to-date variances in revenue both by reportable segment and in total.

	Q3			
in thousands of dollars, except percentages	Accessibility	Patient Handling	Adapted Vehicles	**Total**
Revenue 2021	$135,652	$34,805	$10,301	**$180,758**
Revenue 2020	$68,542	$17,360	$4,906	**$90,808**
Net change %	97.9%	100.5%	110.0%	**99.1%**
Organic Growth (contraction)[1]	2.7%	11.0%	(11.5)%	**3.5%**
Acquisition Growth[1]	97.7%	93.1%	121.5%	**98.1%**
Foreign Currency Impact[2]	(2.5)%	(3.6)%	0.0%	**(2.5)%**
Net change %	97.9%	100.5%	110.0%	**99.1%**

[1] Organic growth (contraction) and acquisition growth are calculated based on local functional currency.
[2] Foreign currency impact represents the foreign exchange impact net of organic and acquisition growth.

	YTD			
in thousands of dollars, except percentages	Accessibility	Patient Handling	Adapted Vehicles	**Total**
Revenue 2021	$347,009	$96,406	$28,039	**$471,454**
Revenue 2020	$191,371	$59,614	$12,910	**$263,895**
Net change %	81.3%	61.7%	117.2%	**78.7%**
Organic Growth[1]	3.5%	1.7%	2.2%	**3.0%**
Acquisition Growth[1]	80.7%	65.1%	115.0%	**78.8%**
Foreign Currency Impact[2]	(2.9)%	(5.1)%	0.0%	**(3.1)%**
Net change %	81.3%	61.7%	117.2%	**78.7%**

[1] Organic growth and acquisition growth are calculated based on local functional currency.
[2] Foreign currency impact represents the foreign exchange impact net of organic and acquisition growth.

6.1.1 Accessibility

Revenue from our *Accessibility* segment was $135.7M in Q3 2021, an increase of $67.1M or 97.9%, compared to the same period in 2020. The increase in revenue was related to the acquisition of Handicare and to organic growth of 2.7% partially offset by a negative foreign exchange impact.

For the nine-month period ended September 30, 2021, revenue from our *Accessibility* segment was $347.0M, an increase of $155.6M, or 81.3%, compared to the same period in 2020. The acquisition growth is attributable to the acquisition of Handicare in Q1 2021. The organic growth of 3.5% was partially offset by a negative foreign exchange impact.

6.1.2 Patient Handling

Revenue from our *Patient Handling* segment was $34.8M for the quarter, an increase of $17.4M or 100.5%, compared to the same period in 2020. The increase in revenue was related to the acquisition of Handicare and to organic growth of 11.0% attributable to the economic recovery from the global pandemic, partially offset by a negative foreign exchange impact.

For the nine-month period ended September 30, 2021, revenue from our *Patient Handling* segment was $96.4M, an increase of $36.8M or 61.7%, when compared to the same period in 2020. Acquisition growth stood at 65.1%, while organic growth was 1.7%. The increase in revenue was related to the acquisition of Handicare.

6.1.3 Adapted Vehicles

Revenue from our *Adapted Vehicles* segment was $10.3M in Q3 2021, an increase of $5.4M or 110.0%, compared to the same period in 2020. The increase in revenue was related to the acquisition of Handicare. The organic contraction of 11.5% is attributable to timing, including vehicle supply issues.

For the nine-month period ended September 30, 2021, revenue from our *Adapted Vehicles* segment was $28.0M, an increase of $15.1M or 117.2% when compared to the same period in 2020. Acquisition growth stood at 115.0% and was attributable to the Handicare acquisition. Organic growth stood at 2.2% for the period.

6.2 GROSS MARGIN AND EXPENSES

	Q3				YTD			
in thousands of dollars and % of revenue	**2021**		2020		**2021**		2020	
Revenue	**$180,758**		$90,808		**$471,454**		$263,895	
Cost of sales[1]	**122,250**	67.6%	58,225	64.1%	**315,742**	67.0%	171,901	65.1%
Gross Profit	**$58,508**	32.4%	**$32,583**	35.9%	**$155,712**	33.0%	**$91,994**	34.9%

[1] Cost of sales and selling and administrative expenses of Handicare for periods prior to Q3 2021 have been restated in accordance with Savaria's accounting policies, with a net impact of Nil on earnings before income tax.

Decreases in gross margin, both for the quarter and year-to-date, when compared to the same periods in 2020, was mainly attributable to additional costs related to the supply chain, including shipping costs, and the reduction of subsidies from the COVID-19 employment retention government of Canada program.

in thousands of dollars, except per-share amounts and % revenue	Q3				YTD			
	2021		2020		**2021**		2020	
Revenue	**$180,758**		$90,808		**$471,454**		$263,895	
Adjusted cost of sales*[1]	**118,911**	65.7%	56,555	62.3%	**306,783**	65.1%	166,749	63.2%
Adjusted operating expenses*[1]	**35,535**	19.7%	17,339	19.1%	**93,672**	19.8%	53,405	20.2%
Adjusted EBITDA*	**$26,312**	14.6%	**$16,914**	18.6%	**$70,999**	15.1%	**$43,741**	16.6%
Stock-based compensation	**563**	0.3%	239	0.3%	**1,183**	0.3%	947	0.4%
Other expenses	**683**	0.4%	140	0.1%	**6,418**	1.4%	2,465	0.9%
EBITDA*	**$25,066**	13.9%	**$16,535**	18.2%	**$63,398**	13.4%	**$40,329**	15.3%
Depreciation of fixed assets and right-of-use assets	**4,459**	2.5%	2,390	2.7%	**11,821**	2.4%	7,112	2.6%
Amortization of intangible assets	**4,590**	2.5%	1,861	2.0%	**12,273**	2.6%	5,686	2.2%
Net finance costs	**2,489**	1.4%	1,527	1.7%	**9,399**	2.0%	1,786	0.7%
Earnings before income tax	**$13,528**	7.5%	**$10,757**	11.8%	**$29,905**	6.4%	**$25,745**	9.8%
Income tax expense	**4,403**	2.4%	2,630	2.9%	**8,564**	1.8%	5,996	2.3%
Net Earnings	**$9,125**	5.0%	**$8,127**	8.9%	**$21,341**	4.5%	**$19,749**	7.5%
Basic net earnings per share	**$0.15**		$0.16		**$0.36**		$0.39	
Diluted net earnings per share	**$0.15**		$0.16		**$0.35**		$0.39	

* Non-IFRS measures are described in section 3

[1] Cost of sales and selling and administrative expenses of Handicare for periods prior to Q3 2021 have been restated in accordance with Savaria's accounting policies, with a net impact of Nil on earnings before income tax.

Adjusted operating expenses, as a percentage of revenue, for Q3 2021 stood at 19.7% comparable to 19.1% and year-to-date stood at 19.8% comparable to 20.2% in the same period in 2020.

In Q3 2021, the Corporation incurred other expenses of $0.7M compared to $0.1M in the same period in 2020 with year-to-date of $6.4M compared to $2.5M in the same period in 2020. For 2021, these expenses consist of business acquisition and integration costs mainly in connection with the acquisition of Handicare completed in Q1 2021, while in 2020 the other expenses consisted of business acquisition and integration costs mainly related to the acquisition of Silvalea, which occurred in Q3 2019. In 2020, it also included a special COVID-19 employee assistance plan payout of $1.5M.

Depreciation of fixed assets and right-of-use assets expense, as a percentage of revenue, were down slightly for Q3 2021 and year-to-date 2021 when compared to the same periods in 2020.

The amortization of intangible assets expense, as a percentage of revenue, increased compared to the same period in 2020 for both Q3 2021 and year-to-date.

6.3 ADJUSTED EBITDA

Adjusted EBITDA and adjusted EBITDA margin, both before head office costs, for the quarter stood at $28.4M and 15.7%, respectively, compared to $17.6M and 19.4% for the same period in 2020. For the nine-month period ended September 30, 2021, adjusted EBITDA and adjusted EBITDA margin, both before head office costs, stood at $75.9M and 16.1%, respectively, compared to $45.5M and 17.2% for the same period ended September 30, 2020. The Corporation's *Accessibility* and *Patient Handling* segments adjusted EBITDA margins decreased versus prior year due to additional costs related to the supply chain, including shipping costs, and also due to reduction of subsidies from the COVID-19 employment retention government of Canada program. These impacts were partially offset by the Handicare acquisition's positive impact and cost containment efforts. Across all segments, increases in absolute dollars reflect the acquisition of Handicare.

Head office costs for the quarter stood at $2.1M with year-to-date at $4.9M, in line with Management's new run-rate expectations considering the addition of the Handicare business in Q1 2021. The increases of $1.4M for the quarter and of $3.2M for year-to-date compared to the same periods in 2020 were mainly due to the acquisition of Handicare. Also, in Q3, a one-time incentive amount was paid following the achievement of predefined objectives.

The following tables provide a summary of quarter and year-to-date variances in adjusted EBITDA, both by reportable segment and in total.

in thousands of dollars, except percentages	Accessibility	Patient Handling	Adapted Vehicles	Total
		Q3 2021		
Revenue	$135,652	$34,805	$10,301	**$180,758**
Adjusted EBITDA*				**$26,312**
Head office costs				**$2,056**
Adjusted EBITDA before head office costs*	$24,685	$3,057	$626	**$28,368**
Adjusted EBITDA Margin before head office costs*	18.2%	8.8%	6.1%	**15.7%**
		Q3 2020		
Revenue	$68,542	$17,360	$4,906	**$90,808**
Adjusted EBITDA*				**$16,914**
Head office costs				**$697**
Adjusted EBITDA before head office costs*	$15,292	$2,032	$287	**$17,611**
Adjusted EBITDA Margin before head office costs*	22.3%	11.7%	5.8%	**19.4%**
		YTD 2021		
Revenue	$347,009	$96,406	$28,039	**$471,454**
Adjusted EBITDA*				**$70,999**
Head office costs				**$4,932**
Adjusted EBITDA before head office costs*	$61,950	$11,421	$2,560	**$75,931**
Adjusted EBITDA Margin before head office costs*	17.9%	11.8%	9.1%	**16.1%**
		YTD 2020		
Revenue	$191,371	$59,614	$12,910	**$263,895**
Adjusted EBITDA*				**$43,741**
Head office costs				**$1,718**
Adjusted EBITDA before head office costs*	$37,916	$7,295	$248	**$45,459**
Adjusted EBITDA Margin before head office costs*	19.8%	12.2%	1.9%	**17.2%**

* Non-IFRS measures are described in section 3

6.3.1 Accessibility

Accessibility adjusted EBITDA and adjusted EBITDA margin, both before head office costs, for Q3 2021 stood at $24.7M and 18.2%, respectively, compared to $15.3M and 22.3% for the same period in 2020. For the nine-month period ended September 30, 2021, the same metrics stood at $62.0M and 17.9%, respectively, compared to $37.9M and 19.8% for the same period in 2020. The improvement in adjusted EBITDA is mainly due to the acquisition of Handicare. For both periods, the reduction in adjusted EBITDA margin is partially due to additional costs related to the supply chain, including shipping costs, and a reduction in the government of Canada's COVID-19 employment retention subsidy, offset by cost containment efforts.

6.3.2 Patient Handling

Adjusted EBITDA and adjusted EBITDA margin, both before head office costs, stood at $3.1M and 8.8%, respectively, compared to $2.0M and 11.7% for the same period in 2020. For the nine-month period ended September 30, 2021, the same metrics stood at $11.4M and 11.8%, respectively, compared to $7.3M and 12.2% for the same period in 2020. For both periods the increase in adjusted EBITDA was mainly due to the acquisition of Handicare. In Q3 2021 the decrease in adjusted EBITDA margin is partially due to the aforementionned additionnal costs in the supply chain and a reduction in the government of Canada's COVID-19 employment retention subsidy, also offset by cost containment efforts.

6.3.3 Adapted Vehicles

Adjusted EBITDA and adjusted EBITDA margin, both before head office costs, stood at $0.6M and 6.1%, respectively, compared to $0.3M and 5.8% for the same period in 2020. For the nine-month period ended September 30, 2021, the same metrics stood at $2.6M and 9.1%, respectively, compared to $0.2M and 1.9% for the same period in 2020. These increases were mainly due to the Handicare acquisition and the recovery from the economic slowdown caused by the global pandemic, partially offset by a reduction in the government of Canada's COVID-19 employment retention subsidy.

6.4 NET FINANCE COSTS

The Corporation's finance costs relate mainly to interest expenses incurred on credit facilities, general bank charges and realized and unrealized foreign exchange gains or losses pertaining to financial instruments. The Corporation uses its credit facilities to manage working capital, capital expenditures and to finance business acquisitions.

In Q3 2021, net finance costs were $2.5M compared to $1.5M for the same period in 2020. The variance in net finance costs is mainly due to higher interest expenses as a result of additional long-term credit facilities related to the acquisition of Handicare. On a year-to-date basis, net finance costs were $9.4M compared to $1.8M for the same period in 2020. Costs increased mainly due to higher interest expenses, as mentioned above, and to a loss on a foreign exchange contract, offset by a higher gain on foreign currency exchange.

6.5 INCOME TAXES

For Q3 2021, an income tax expense of $4.4M was recorded on earnings before income taxes of $13.5M, representing an effective tax rate of 32.5% compared to an income tax expense of $2.6M and an effective tax rate of 24.4% for the same period in 2020. For the nine-month period ended September 30, 2021, an income tax expense of $8.6M was recorded on earnings before taxes of $29.9M, representing an effective tax rate of 28.6%, whereas the effective tax rate was 23.3% for the same period in 2020. The variance in income tax and in effective tax rates is the result of different profit allocation coming from countries in which the Corporation operates which are taxable at varying rates, non-deductible expenses and to unrecognized losses.

6.6 NET EARNINGS AND NET EARNINGS PER SHARE

In Q3 2021, the Corporation's net earnings were $9.1M or $0.15 per share on a diluted basis, compared to $8.1M or $0.16 per share for the same period in 2020. The increase in net earnings was mainly due to the acquisition of Handicare, offset by the increase in net finance costs and taxes as noted previously. The calculation of net earnings per share was negatively impacted by a higher number of shares outstanding due to the issuance of shares in Q1 2021 in relation to the acquisition of Handicare.

For the nine-month period ended September 30, 2021, the Corporation's net earnings stood at $21.3M, or $0.35 per share on a diluted basis, compared to $19.7M, or $0.39 per share for the same period in 2020. The increase in net earnings and decrease in net earnings per share on a diluted basis were attributable to the same factors as for the quarter.

6.7 RECONCILIATION OF NET EARNINGS, ADJUSTED NET EARNINGS AND ADJUSTED NET EARNINGS EXCLUDING AMORTIZATION OF INTANGIBLE ASSETS RELATED TO ACQUISITIONS

	Q3		YTD	
in thousands of dollars, except number of shares and per-share amounts	**2021**	2020	**2021**	2020
Net earnings	**$9,125**	$8,127	**$21,341**	$19,749
Other expenses	**683**	140	**6,418**	2,465
Income taxes related to other expenses	**(220)**	(26)	**(745)**	(536)
Adjusted net earnings*	**$9,588**	$8,241	**$27,014**	$21,678
Adjusted net earnings per share*	**$0.15**	$0.17	**$0.44**	$0.43
Amortization of intangible assets related to acquisitions	**1,202**	977	**3,601**	3,320
Income taxes related to amortization of intangible assets related to acquisitions	**(422)**	(261)	**(1,031)**	(886)
Adjusted net earnings excluding amortization of intangible assets related to acquisitions*	**$10,368**	$8,957	**$29,584**	$24,112
Adjusted net earnings excluding amortization of intangible assets related to acquisitions per share*	**$0.16**	$0.17	**$0.48**	$0.47
Diluted weighted average number of shares	**64,639,035**	51,075,977	**61,428,909**	50,886,140

* Non-IFRS measures are described in section 3

Adjusted net earnings stood at $9.6M, or $0.15 per share in Q3 2021, compared to $8.2M or $0.17 per share in the same period in 2020. For the nine-month period ended September 30, 2021, the Corporation's adjusted net earnings stood at $27.0M, or $0.44 per share, compared to $21.7M or $0.43 per share, respectively, compared to the same period in 2020.

Q3 2021 adjusted net earnings excluding amortization of intangible assets related to acquisitions stood at $10.4M or $0.16 per share, an increase of $1.4M and a decrease of 5.9% per share, respectively, compared to the same period in 2020. Year-to-date 2021 adjusted net earnings excluding amortization of intangible assets related to acquisitions stood at $29.6M or $0.48 per share, compared to $24.1M or $0.47 per share in the same period in 2020, an increase of $5.5M and 2.1% per share, respectively. These increases were due to the acquisition of Handicare.

7. Summary of Quarterly Results

Selected financial information for the last eight quarters is presented in the following table.

in thousands of dollars, except per-share amounts	Total Trailing 12 months	2021 Q3	2021 Q2	2021 Q 1	2020 Q 4	2020 Q 3	2020 Q 2	2020 Q 1	2019 Q 4
Revenue	$562,055	**$180,758**	$178,621	$112,075	$90,601	$90,808	$84,668	$88,419	$96,437
Gross Margin as a % of revenue [1]	33.1%	**32.4%**	33.5%	33.3%	33.3%	35.9%	34.6%	34.1%	35.3%
Adjusted EBITDA*	$87,048	**$26,312**	$27,394	$17,293	$16,049	$16,914	$14,470	$12,357	$15,225
Net earnings	$28,055	**$9,125**	$6,590	$5,626	$6,714	$8,127	$6,107	$5,515	$8,364
Adjusted net earnings *	$33,865	**$9,588**	$9,492	$7,934	$6,851	$8,241	$6,257	$7,180	$8,834
Net earnings per share - diluted		**$0.15**	$0.10	$0.10	$0.13	$0.16	$0.12	$0.11	$0.17
Adjusted net earnings per share*		**$0.15**	$0.15	$0.14	$0.13	$0.17	$0.12	$0.14	$0.17
Dividend declared per share	$0.482	**$0.122**	$0.120	$0.120	$0.120	$0.117	$0.115	$0.115	$0.115

* Non-IFRS measures are described in section 3

[1] Cost of sales and selling and administrative expenses of Handicare for periods prior to Q3 2021 have been restated in accordance with Savaria's accounting policies, with a net impact of Nil on earnings before income tax.

The Corporation experiences seasonal variations in its business. In terms of revenues, excluding the impact of acquisitions, the first quarter of the fiscal year is typically the Corporation's weakest period while the third quarter is usually its strongest period. However, the global pandemic has impacted the Corporation's seasonal trend.

8. Financial Position

8.1 CAPITAL RESOURCES

in thousands of dollars	September 30, 2021	December 31, 2020
Cash	**$65,117**	$54,180
Available credit facilities [1]	**72,839**	110,000
Available short-term capital resources	**$137,956**	$164,180
Current assets	**$304,657**	$181,670
Current liabilities	**156,740**	68,059
Working capital	**$147,917**	$113,611
Current ratio	**1.94**	2.67

[1] Available cash under credit facilities before deferred financing fees.

The Corporation believes its cash flows from operating activities, combined with its available short-term capital resources, will enable it to support its growth strategy, working capital requirements and planned capital expenditures as well as provide its shareholders with a return on their investment. Following the acquisition of Handicare in Q1 2021, the Corporation was able to secure a new credit facility of which $72.8M is available as of September 30, 2021.

8.2 CREDIT FACILITIES

As at September 30, 2021, the Corporation had in place the following credit facilities:

in thousands of dollars	**September 30, 2021**	December 31, 2020
Term loan	**$50,000**	$50,000
Revolver Facility	**400,000**	110,000
Total	**$450,000**	$160,000

The credit facilities are available for general corporate purposes and for financing business acquisitions. Under these credit facilities, the Corporation is required, among other conditions, to respect certain covenants on a consolidated basis. Management reviews compliance with these covenants in conjunction with quarterly filing requirements under its credit facilities. All covenants were met as at September 30, 2021.

8.3 NET INTEREST-BEARING DEBT TO ADJUSTED EBITDA

in thousands of dollars	**September 30, 2021**	December 31, 2020
Credit facility [1]	**$372,514**	$49,813
Less: Cash	**(65,117)**	(54,180)
Net interest-bearing debt*	**$307,397**	$(4,367)
Trailing twelve months adjusted EBITDA*	**$87,048**	$59,790

*Non-IFRS measures are described in section 3
[1] Net of deferred financing fees.

As at September 30, 2021, the Corporation had a net interest-bearing debt position of $307.4M. Proceeds were used to finance the acquisition of Handicare. The Trailing twelve months adjusted EBITDA includes six months and twenty-seven days of Handicare EBITDA.

9. Liquidity

	Q3		YTD	
in thousands of dollars	**2021**	2020	**2021**	2020
Cash flows related to operating activities before net changes in non-cash operating items	**$20,287**	$12,511	**$52,224**	$32,856
Net changes in non-cash operating items	**(12,552)**	3,754	**(2,163)**	883
Cash flows related to operating activities	**7,735**	16,265	**50,061**	33,739
Cash flows related to investing activities	**(23,900)**	(2,523)	**(393,215)**	(5,295)
Cash flows related to financing activities	**(5,866)**	(5,824)	**357,550**	(19,927)
Unrealized foreign exchange gain (loss) on cash held in foreign currencies	**(639)**	(145)	**(3,459)**	1,110
Net change in cash	**$(22,670)**	$7,773	**$10,937**	$9,627

9.1 OPERATING ACTIVITIES

Cash flows related to operating activities before net changes in non-cash operating items reached $20.3M in Q3 2021, versus $12.5M in Q3 2020. The increase reflects the higher EBITDA of the Corporation. For the three-month period ended September 30, 2021, net changes in non-cash operating items reduced liquidity by $12.6M, compared to an increase of $3.8M a year earlier. This variation was mainly due to the ramp-up in inventories and the increases in receivables and other current assets. As a result, cash generated from operating activities in Q3 2021 stood at $7.7M, compared to $16.3M in the same period in 2020.

For the nine month period of 2021, cash flows related to operating activities before net changes in non-cash operating items stood at $52.2M in Q3 2021, versus $32.9M in Q3 2020. The increases reflect the higher EBITDA of the Corporation partially offset by higher income tax paid. For the same nine-month period, net changes in non-cash operating items reduced liquidity by $2.2M, versus an increase of $0.9M for the corresponding period in 2020. As a result, cash generated from operating activities stood at $50.1M, compared to $33.7M for the same period in 2020.

9.2 INVESTING ACTIVITIES

For Q3 2021, cash used in investing activities was $23.9M, mainly related to the final payment for the acquisition of the remaining shares of Handicare of $19.3M, and also to the additions to fixed assets of $1.9M and increase in intangible assets of $2.8M.

For the nine-month period of 2021, cash used in investing activities amounted to $393.2M, compared to $5.3M for the same period in 2020. The variation is mostly attributable to the acquisition of Handicare as well as larger increases in fixed and intangible assets.

9.3 FINANCING ACTIVITIES

In Q3 2021, cash used in financing activities was $5.9M compared to $5.8M for the same period in 2020. The slight increase is mainly related to higher interests paid of $4.6M and higher dividends of $1.9M partially offset by inflow from the credit facility for $6.3M.

For the nine-month period ended September 30, 2021, cash infusion from financing activities was $357.6M, compared to cash used of $19.9M for the same period in 2020. The cash infusion was related mainly to new financing facility net of long-term debt repayment which generated $211.6M, as well as the issuance of common shares which generated net proceeds of $181.8M. The cash generated was partially offset by higher dividends paid for $4.0M and $4.2M of debt financing costs.

9.4 DIVIDENDS

The aggregate monthly dividends declared in the third quarter and year-to-date 2021 totaled $7.8M and $22.1M, respectively, compared to $5.9M and $17.6M for the same period in 2020. As at September 30, 2021, 64,210,154 shares were issued and outstanding, compared to 50,945,608 as at September 30, 2020. Dividends paid in Q3 2021 amounted to $7.7M compared to $5.8M for the same period in 2020. The issuance of 12,736,050 shares in March 2021 related to the acquisition of Handicare and the increases in the dividend rate from $0.0383 to $0.04, effective September 2020, mainly caused the increase in dividends paid in Q3 2021 versus Q3 2020. The increase in the dividend rate from $0.04 to $0.0417, effective September 2021, also contributed to the increase in dividends declared in Q3 2021.

9.5 STOCK OPTIONS

As at November 10, 2021, 2,262,175 stock options were outstanding at exercise prices ranging from $5.17 to $22.05.

10. Governance

In compliance with the Canadian Securities Administrators' Regulation 52-109, the Corporation has filed certifications signed by the President and Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") that, among other things, report on disclosure controls and procedures ("DC&P") and the design of internal controls over financial reporting ("ICFR").

Disclosure controls and procedures (DC&P) are designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the President and Chief Executive Officer and the Chief Financial Officer, on a timely basis to ensure appropriate decisions can be made regarding public disclosure.

Internal controls over financial reporting (ICFR) are processes designed to provide reasonable assurance regarding the reliability of financial reporting and compliance with GAAP of the Corporation's consolidated financial statements.

The Corporation has limited the scope of its disclosure controls and procedures and internal controls over financial reporting to exclude controls, policies, and procedures of Handicare, acquired not more than 365 days before the last day of the period covered by the interim filing. The Corporation elected to exclude it from the scope of certification as allowed by NI 52-109. The Corporation intends to evaluate the situation within one year of the date of acquisition of Handicare. As of September 30th, 2021, Handicare represents revenues of $208.0M for net earnings of $12.8M and assets of $633.4M.

There have been no significant changes in our internal control over financial reporting (ICFR) during the period covered by this MD&A that have materially affected, or are reasonably likely to materially affect, the Corporation's ICFR.

11. Significant Accounting Policies and Estimates

ACCOUNTING ESTIMATES

The preparation of the consolidated financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, revenue and expenses. Assumptions and estimate uncertainties that have a significant risk of resulting in a material adjustment are the measurement of the identifiable assets acquired during business combinations, the warranty provisions, the inventory obsolescence provisions, the measurement of lease liabilities, the deferred tax assets, the valuation of defined benefit pension plan obligations, the provisions for uncertain tax treatments and evaluation of the worldwide deferred income tax balances and income tax expense because of judgements, such as interpretations of laws, treaties and regulations in each jurisdiction are also required by management in determining the deferred income tax balances and income tax expense.

Important judgements made by management when applying accounting policies which have the most significant impact on amounts recognized in the consolidated financial statements are the determination of cash-generating units, the identification of reportable segments and the determination of foreign operations' functional currency.

The uncertainties around the global pandemic required the use of judgements and estimates which resulted in no material impacts for the period ended September 30, 2021. The future impact of COVID-19 uncertainties could generate, in future reporting periods, a risk of material adjustment to the following: revenue recognition, deferred tax assets, goodwill impairment, business combinations and provisions for uncertain tax treatments.

These estimates are based on management's knowledge of current events and on the measures the Corporation could take in the future. Actual results may differ from these estimates.

12. Risks and Uncertainties

Savaria is engaged in an industry exposed to various risks and uncertainties. The Corporation's operating results and financial position could be adversely affected by each of the risks and uncertainties described in its 2020 annual Management Discussion and Analysis Report, which are incorporated herein by reference:

- Economic Conditions
- Operating Results
- Financing
- Acquisitions
- Currency Fluctuations
- Market and Competition
- Catastrophic events, natural disasters, severe weather and disease
- Health care Reimbursement
- Property Rights
- Credit Risk
- Interest Rates Fluctuations
- Price Variation
- Dependence on Key Personnel
- Dependence on Key Distributors
- Dependence on Key Suppliers
- Laws and Regulations
- Product Liability
- Litigation
- Information Systems & Cybersecurity

13. Outlook

The uncertainty around the future impact of the ongoing global pandemic makes it difficult to predict future performance, however, considering its financial performance year-to-date, coupled with current backlog levels, and the Corporation's confidence in the strategic integration plan with Handicare which is underway, Savaria remains optimistic it will achieve its previously stated goal of generating an Adjusted EBITDA in excess of $100M during fiscal 2021.

This outlook is based on the following assumptions:

- On a pro forma and consolidated basis, Savaria and Handicare generated Adjusted EBITDA of $97M in fiscal 2020.
- Savaria and Handicare are expected to generate higher Adjusted EBITDA in fiscal 2021 compared with fiscal 2020. Considering the acquisition date, Handicare will be consolidated for a period of nearly 10 months in fiscal 2021.
- In 2020, Handicare completed the "Lift Up" program which contributed an additional ~$6M of savings in 2021 when compared to 2020.
- The integration and anticipated synergies of Handicare (~$12M run-rate within 24 months from the acquisition date) are progressing in-line with management's plan.
- Management's ability to continue to effectively manage supply chain challenges, including higher freight costs and availability, as well as overall inflation costs.
- The COVID-19 pandemic will not have any further impacts on the demand for the Corporation's products.
- This outlook excludes the financial contribution from any new acquisition.

The above-mentioned outlook is a "forward-looking statement" within the meaning of the securities laws of Canada and subject to the Corporation's disclosure statement.

2021

SAVARIA CORPORATION

Interim Condensed Consolidated Financial Statements

As at September 30, 2021

(Unaudited and not reviewed by the Corporation's independent auditors)

savaria

SAVARIA CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(in thousands of Canadian dollars - Unaudited)

	Note	**September 30, 2021**	December 31, 2020
Assets			
Current assets			
Cash		**$ 65,117**	$ 54,180
Trade and other receivables		**95,717**	44,217
Income taxes receivable		**4,355**	3,612
Derivative financial instruments	*12*	**1,835**	1,070
Inventories		**121,566**	75,301
Prepaid expenses and other current assets		**16,067**	3,290
Total current assets		**304,657**	181,670
Non-current assets			
Derivative financial instruments	*12*	**1,740**	3,099
Fixed assets		**51,501**	44,490
Right-of-use assets	*7*	**51,339**	26,572
Intangible assets and goodwill	*5*	**639,672**	188,322
Other long-term assets		**1,277**	1,547
Deferred tax assets		**13,921**	7,608
Total non-current assets		**759,450**	271,638
Total assets		**$ 1,064,107**	$ 453,308
Liabilities			
Current liabilities			
Trade and other payables		**$ 99,489**	$ 34,131
Dividend payable		**2,678**	2,039
Income taxes payable		**5,419**	1,307
Deferred revenues		**35,954**	24,122
Current portion of long-term debt	*6*	**1,060**	1,072
Current portion of lease liabilities	*7*	**9,518**	3,774
Warranty provisions		**2,622**	1,614
Total current liabilities		**156,740**	68,059
Non-current liabilities			
Long-term debt	*6*	**372,516**	49,825
Lease liabilities	*7*	**43,375**	23,375
Long-term warranty provisions		**3,908**	1,757
Other long-term liabilities		**12,745**	12,667
Income taxes payable		**356**	455
Derivative financial instruments	*12*	**1,732**	4,026
Deferred tax liabilities		**19,894**	13,417
Total non-current liabilities		**454,526**	105,522
Total liabilities		**611,266**	173,581
Equity			
Share capital	*8*	**452,955**	255,340
Contributed surplus		**6,442**	6,402
Accumulated other comprehensive income (loss)		**(18,767)**	(1,842)
Retained earnings		**12,211**	19,827
Total equity		**452,841**	279,727
Total liabilities and equity		**$ 1,064,107**	$ 453,308

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

SAVARIA CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF EARNINGS

(in thousands of Canadian dollars, except per share amounts and number of shares - Unaudited)

	Note	Three months ended September 30, 2021	2020	Nine months ended September 30, 2021	2020
Revenue	13	**$ 180,758**	$ 90,808	**$ 471,454**	$ 263,895
Cost of sales [1]		**122,250**	58,225	**315,742**	171,901
Gross profit		**58,508**	32,583	**155,712**	91,994
Operating expenses					
Selling and administrative expenses [1]		**41,808**	20,159	**109,990**	61,998
Other expenses	9	**683**	140	**6,418**	2,465
Total operating expenses		**42,491**	20,299	**116,408**	64,463
Net Finance costs	10	**2,489**	1,527	**9,399**	1,786
Earnings before income tax		**13,528**	10,757	**29,905**	25,745
Income tax expense		**4,403**	2,630	**8,564**	5,996
Net Earnings		**$ 9,125**	$ 8,127	**$ 21,341**	$ 19,749
Earnings per share					
Basic		**$ 0.15**	$ 0.16	**$ 0.36**	$ 0.39
Diluted		**$ 0.15**	$ 0.16	**$ 0.35**	$ 0.39
Basic weighted average number of shares		**64,087,599**	50,797,108	**61,029,235**	50,685,256
Diluted weighted average number of shares		**64,639,035**	51,075,977	**61,428,909**	50,886,140

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

[1] Recast - see Note 4. Business acquisition

SAVARIA CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(in thousands of Canadian dollars - Unaudited)

	Three months ended September 30, **2021**	2020	Nine months ended September 30, **2021**	2020
Net Earnings	**$ 9,125**	$ 8,127	**$ 21,341**	$ 19,749
Items that are or may be reclassified subsequently to net earnings:				
Net change in fair value of derivative financial instruments designated as cash flow hedges, net of tax	**(860)**	1,478	**410**	43
Net change on translation of financial statements of foreign operations	**558**	554	**(18,205)**	13,007
Costs of hedging reserve on change in fair value of cross-currency swaps, net of tax	**(15)**	(7)	**(242)**	641
Net change in net investment hedges, net of tax	**(1,599)**	(2,002)	**1,112**	(8,946)
Other comprehensive income (loss)	**(1,916)**	23	**(16,925)**	4,745
Total comprehensive income	**$ 7,209**	$ 8,150	**$ 4,416**	$ 24,494

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

SAVARIA CORPORATION

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Periods of nine months ended September 30, 2021 and 2020

(in thousands of Canadian dollars - Unaudited)

	2021					
	Share capital		Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total equity
	Number	Amount				
Balance at January 1, 2021	**51,043,941**	**$ 255,340**	**$ 6,402**	**$ (1,842)**	**$ 19,827**	**$ 279,727**
Net earnings	-	-	-	-	**21,341**	**21,341**
Shares issued in relation to a private placement (Note 8)	12,736,050	191,041	-	-	-	**191,041**
Share issue costs, net of tax (Note 8)	-	-	-	-	(6,834)	**(6,834)**
Stock-based compensation	-	-	1,183	-	-	**1,183**
Exercise of stock options (Note 8)	430,163	6,574	(1,143)	-	-	**5,431**
Dividends on common shares (Note 8)	-	-	-	-	(22,123)	**(22,123)**
Total transactions with shareholders	**13,166,213**	**197,615**	**40**	**-**	**(28,957)**	**168,698**
Other comprehensive income (loss)	**-**	**-**	**-**	**(16,925)**	**-**	**(16,925)**
Balance at September 30, 2021	**64,210,154**	**$ 452,955**	**$ 6,442**	**$ (18,767)**	**$ 12,211**	**$ 452,841**

	2020					
	Share capital		Contributed surplus	Accumulated other comprehensive income (loss)	Retained earnings	Total equity
	Number	Amount				
Balance at January 1, 2020	**50,600,443**	**$ 252,152**	**$ 5,913**	**$ (5,066)**	**$ 17,057**	**$ 270,056**
Net earnings	-	-	-	-	**19,749**	**19,749**
Stock-based compensation	-	-	947	-	-	**947**
Exercise of stock options (Note 8)	345,165	2,685	(470)	-	-	**2,215**
Dividends on common shares (Note 8)	-	-	-	-	(17,572)	**(17,572)**
Total transactions with shareholders	**345,165**	**2,685**	**477**	**-**	**(17,572)**	**(14,410)**
Other comprehensive income (loss)	**-**	**-**	**-**	**4,745**	**-**	**4,745**
Balance at September 30, 2020	**50,945,608**	**$ 254,837**	**$ 6,390**	**$ (321)**	**$ 19,234**	**$ 280,140**

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

SAVARIA CORPORATION

INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS

(in thousands of Canadian dollars - Unaudited)

	Note	Three months ended September 30, 2021	2020	Nine months ended September 30, 2021	2020
Cash flows related to operating activities					
Net Earnings		**$ 9,125**	$ 8,127	**$ 21,341**	$ 19,749
Adjustments for:					
Depreciation of fixed assets		**1,905**	1,340	**5,230**	4,030
Depreciation of right-of-use assets	*7*	**2,554**	1,050	**6,591**	3,082
Amortization of intangible assets	*5*	**4,590**	1,861	**12,273**	5,686
Income tax expense		**4,403**	2,630	**8,564**	5,996
Stock-based compensation		**563**	239	**1,183**	947
Loss on foreign exchange contracts	*10*	**-**	-	**1,815**	-
Loss (gain) on the sale and write-off of fixed assets		**(221)**	(20)	**(86)**	(63)
Unrealized foreign exchange (gains)/losses		**(1,967)**	181	**(2,078)**	(314)
Interest on long-term debt and lease liabilities	*10*	**2,980**	811	**8,679**	2,240
Income tax paid		**(2,904)**	(3,750)	**(11,288)**	(8,508)
Others		**(741)**	42	**-**	11
		20,287	12,511	**52,224**	32,856
Net changes in non-cash operating items	*11*	**(12,552)**	3,754	**(2,163)**	883
Net cash related to operating activities		**7,735**	16,265	**50,061**	33,739
Cash flows related to investing activities					
Business acquisitions		**(19,347)**	(708)	**(381,544)**	(708)
Proceeds from sale of fixed assets		**75**	48	**91**	228
Additions to fixed assets		**(1,863)**	(942)	**(4,055)**	(2,159)
Increase in intangible assets		**(2,765)**	(921)	**(7,707)**	(2,656)
Net cash related to investing activities		**(23,900)**	(2,523)	**(393,215)**	(5,295)
Cash flows related to financing activities					
Net repayment of long-term debt	*6*	**-**	-	**(115,539)**	-
Lease payments	*7*	**(2,843)**	(2,212)	**(7,842)**	(3,518)
Net change in the revolving credit facility		**6,296**	-	**327,161**	-
Interest paid		**(4,027)**	589	**(7,817)**	(1,153)
Transaction costs related to a long-term debt		**629**	-	**(4,165)**	-
Proceeds from the issuance of common shares in relation to a placement, net of transaction fees	*8*	**(101)**	-	**181,805**	-
Proceeds from exercise of stock options	*8*	**1,867**	1,635	**5,431**	2,215
Dividends paid on common shares	*8*	**(7,687)**	(5,836)	**(21,484)**	(17,471)
Net cash related to financing activities		**(5,866)**	(5,824)	**357,550**	(19,927)
Unrealized foreign exchange gain (loss) on cash held in foreign currencies		**(639)**	(145)	**(3,459)**	1,110
Net change in cash		**(22,670)**	7,773	**10,937**	9,627
Cash - Beginning of period		**87,787**	41,550	**54,180**	39,696
Cash - End of period		**$ 65,117**	$ 49,323	**$ 65,117**	$ 49,323

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

1 . Reporting Entity

Savaria Corporation is domiciled in Canada. The interim condensed consolidated financial statements of the Corporation as at and for the periods ended September 30, 2021 and 2020 comprise the accounts of Savaria Corporation and its wholly owned subsidiaries (together referred to as the "Corporation" or as "Savaria"). Savaria is a global leader in the accessibility industry. It provides accessibility solutions for the elderly and physically challenged to increase their comfort, their mobility and their independence. The activities of the Corporation are divided into three reportable segments: *Accessibility, Patient Handling* and *Adapted Vehicles* as described in Note 13 "Reportable segments".

The common shares of the Corporation are listed under the trading symbol “SIS” on the Toronto stock exchange.

2 . Basis of Presentation

Statement of Compliance

These interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including IAS 34.

These interim condensed consolidated financial statements do not include all of the information required for full annual financial statements and should be read in conjunction with the audited annual consolidated financial statements of the Corporation and the notes thereto for the year ended on December 31, 2020. These interim condensed consolidated financial statements have not been the subject of a review or an audit by the Corporation's auditors; they were approved by the Board of Directors on November 10, 2021.

3 . Significant Accounting Policies

The interim condensed consolidated financial statements have been prepared following the same accounting policies used in the audited annual consolidated financial statements for the year ended December 31, 2020.

The accounting policies have been applied consistently by the Corporation's entities and to all periods presented in these interim condensed consolidated financial statements, unless otherwise indicated.

Use of Judgements and Estimates

The uncertainties related to the global COVID-19 pandemic, required the use of judgements and estimates which resulted in no material impacts for the period ended September 30, 2021. The future impact of COVID-19 uncertainties could generate, in future reporting periods, a risk of material adjustment to the carrying amounts of the following: revenue recognition, deferred tax assets, goodwill impairment, business combinations and provisions for uncertain tax treatments.

4 . Business Acquisition

Handicare Group AB

On March 4, 2021, the Corporation acquired 56,118,445 shares of Handicare Group AB (Handicare) representing 95.2% of all the issued and outstanding shares of Handicare for SEK 50.00 per share (CAD $7.48). As at September 30, 2021, the Corporation owned 100% of Handicare and has completed the compulsory redemption process to purchase all shares.

The total consideration was $447,999,000 (SEK 2,946,950,000). The Corporation financed the consideration paid out of a combination of:

- Cash-on-hand for an amount of $33,383,000;
- An amount drawn from the revolving credit facility of $232,811,000; and
- The net proceeds from two concurrent private placements with a syndicate of underwriters and with Caisse de dépôt et placement du Québec of subscription receipts for common shares of the Corporation for $181,805,000 (Note 8).

The acquisition costs of $3,366,000, and integration costs of $2,980,000 incurred since the acquisition date were expensed and recorded in Other Expenses (Note 9).

The acquisition of Handicare has been accounted for using the acquisition method. Handicare has been consolidated from the Acquisition date. The preliminary purchase price allocation and the total cash consideration paid are presented in the table below. Management's preliminary measurement of the fair values of assets acquired and liabilities assumed are based on best estimates considering all relevant information available. Because the Corporation recently acquired Handicare, it is not reasonably practical to definitively allocate the purchase price as at September 30, 2021. The accounting for the business combination is expected to be completed as soon as management has gathered all the relevant information available and considered necessary in order to finalize this allocation, no later than 12 months after the Acquisition date. The process may result in transferring amounts to or from assets acquired, liabilities assumed and goodwill. Any adjustment to preliminary amounts will be retrospectively recognized as at the Acquisition date to reflect information obtained about facts and circumstances that existed and, if known, would have affected the measurement of the amounts recognized as at the Acquisition date.

The acquisition of Handicare gave rise to goodwill because the consideration paid effectively included amounts in relation to the benefit of expected synergies, revenue growth, future market development and the existing workforce.

The purchased assets are mainly cash, accounts receivables, inventories, fixed assets, intangible assets and goodwill. The goodwill will be allocated to the *Accessibility, Patient Handling* and *Adapted Vehicles* reportable segments as applicable and will be non-deductible for tax purposes.

As at September 30, 2021 although the measurement process has begun, the Corporation had not yet finalized the fair value measurement of the following main items: equipment, intangible assets, right-of-use assets, lease liabilities and determination of deferred income taxes.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

4 . Business Acquisition (continued)

Handicare Group AB (continued)

The measurement process for these assets will continue over the next months. The final purchase price allocation could differ significantly from the amounts presented below and could also give rise to favorable or unfavorable impacts, among other things, on the currently recorded amounts of cost of sales, amortization and depreciation and income tax expenses, which would be recognized retrospectively as at the Acquisition date.

The following table presents the preliminary value of the assets acquired and liabilities assumed at the acquisition date:

		Handicare
Assets acquired		
Current assets	$	159,477
Fixed assets		8,645
Right-of-use assets		25,494
Intangible assets and goodwill		472,055
Other long-term assets		142
Deferred tax assets		2,651
	$	668,464
Liabilities assumed		
Current liabilities		75,279
Long-term debt including current portion		115,706
Leases liabilities including current portion		26,621
Other long-term liabilities		2,859
	$	220,465
Fair value of net assets acquired	$	447,999
Less: Cash in acquired business		(64,990)
Net assets acquired	$	383,009
Net consideration paid at the exchange rate of the acquisition date	$	447,999

The following table provides the revenue and net income contributions of the business acquisition that has taken place in 2021, from the date of acquisition and those estimated as if the acquisition had occurred on January 1, 2021. These estimates were prepared using historical information obtained from the acquiree and do not reflect the acquisition costs nor the benefits of integration activities, synergies and changes to historical transactions that may have resulted had the acquisition actually occurred on January 1, 2021. Estimated amounts are not necessarily indicative of the results of operations of the acquired business that would have resulted had the acquisition actually occurred on January 1, 2021, nor the results that may be obtained in the future.

	Since the date of acquisition		Since January 1st	
	Revenue	Net earnings	Revenue	Net earnings
Handicare	$ 207,974	$ 12,776	$ 266,512	$ 15,958

Cost of sales and selling and administrative expenses of Handicare for periods prior to Q3 2021 have been restated in accordance with Savaria's accounting policies, with a net impact of Nil on earnings before income tax.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

5 . Intangible assets and goodwill

	Intangible Assets	Goodwill	2021 Total
Balance at January 1	$ 67,541	$ 120,781	$ 188,322
Intangible assets and goodwill from acquisitions (Note 4)			472,055
Amortization			(12,273)
Effect of movements in exchange rate			(8,432)
Balance at September 30			$ 639,672

6 . Long-term debt

Term Loan Facility

The Corporation has a term loan in the amount of $50,000,000. Only interest is payable on a monthly basis, at a rate which varies according to certain ratios of the Corporation. This term Loan Facility comes to maturity on April 3, 2024.

Revolving Credit Facility

On March 4, 2021, the Corporation amended and restated its existing credit facility as follows:

. The amount available was increased from $110,000,000 to $400,000,000;
. The term remains the same, April 3, 2025;
. Interest is payable on a monthly basis, at a rate which varies according to certain ratios of the Corporation.

As at September 30, 2021, the Corporation has drawn $326,890,000 from this facility and it has mainly used the funds to finance the acquisition of Handicare.

Reconciliation of movements of long-term debt to cash flows arising from financing activities:

	2021
Balance at January 1	$ 50,897
Net change in the revolving credit facility	326,890
Increase through business combinations (Note 4)	115,706
Reclassification of deferred financing costs previously recorded as a long-term asset	(463)
Repayment of other long-term debts	(115,539)
Amortization of capitalized deferred financing costs	729
Deferred financing costs related to the amended credit agreement	(4,459)
Impact of the change in foreign exchange rates	(185)
	$ 373,576
Less: Current portion	1,060
Balance at September 30	$ 372,516

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

7 . Right-of-use assets and lease liabilities

Reconciliation of movements of right-of-use assets:

		2021
Balance at January 1	**$**	**26,572**
Additions		**7,597**
Increase through business combinations (Note 4)		**25,494**
Modifications/terminations		**(1,001)**
Depreciation expense		**(6,591)**
Impact of the change in foreign exchange rates		**(732)**
Balance at September 30	**$**	**51,339**

Reconciliation of movements of lease liabilities:

		2021
Balance at January 1	**$**	**27,149**
New leases		**7,496**
Increase through business combinations (Note 4)		**26,621**
Modifications/terminations		**(1,020)**
Repayment of lease obligations		**(7,842)**
Interest on lease liabilities (Note 10)		**1,214**
Impact of the change in foreign exchange rates		**(725)**
	$	**52,893**
Less: Current portion		**9,518**
Balance at September 30	**$**	**43,375**

8 . Share Capital

During the first nine months of 2021, the Corporation issued 430,163 common shares (2020-345,165) at an average price of $15.28 per share (2020-$7.78) following the exercise of stock options. These exercises resulted in an increase in share capital of $6,574,000 (2020-$2,685,000) and a decrease in contributed surplus of $1,143,000 (2020-$470,000). The average closing price on the exercise dates was $19.57 (2020-$14.58). At September 30, 2021, 2,264,175 options are outstanding (2020-2,120,337) at a weighted average exercise price of $15.89 per share (2020-$13.24).

On March 5, 2021, the Corporation issued 12,736,050 common shares at a price of $15.00 per share via two concurrent private placements with a syndicate of underwriters and with Caisse de dépôt et placement du Québec, for an aggregate gross proceeds of $191,041,000. Net proceeds after transaction costs of $9,236,000 were $181,805,000. Transaction fees after tax amounted to $6,834,000.

The following dividends were declared and paid by the Corporation:

	Nine months ended September 30,			
		2021		**2020**
Dividends declared	**$**	**22,123**	$	17,572
Amount declared per share in cents		**0.36**		0.35
Dividends paid	**$**	**21,484**	$	17,471
Amount paid per share in cents		**0.36**		0.35

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

9 . Other Expenses

Other expenses encompass items of financial performance which the Corporation believes should be separately identified on the face of the interim consolidated statement of earnings to assist in understanding its operating financial performance. Business acquisition costs pertain to transaction costs incurred related to business purchases (successful or not). Business integration costs pertain to transaction costs incurred to integrate newly acquired businesses.

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Business acquisition costs	**$ -**	$ -	**$ 3,366**	$ 266
Business integration costs	**683**	140	**3,052**	665
COVID-19 employee assistance plan	**-**	-	**-**	1,534
	$ 683	**$ 140**	**$ 6,418**	**$ 2,465**

10 . Net Finance Costs

	Three months ended September 30,		Nine months ended September 30,	
	2021	**2020**	**2021**	**2020**
Interest on long-term debt	**$ 2,538**	$ 563	**$ 7,465**	$ 1,493
Interest on lease liabilities	**442**	248	**1,214**	747
Loss on foreign exchange contract	**-**	-	**1,815**	-
Other interests and bank charges	**49**	108	**156**	360
Amortization of deferred financing costs	**(298)**	91	**729**	274
Interest income	**(24)**	(90)	**(87)**	(287)
Net (gain) loss on foreign currency exchange	**(218)**	607	**(1,893)**	(801)
	$ 2,489	**$ 1,527**	**$ 9,399**	**$ 1,786**

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

11 . Net Changes in Non-cash Operating Items

	Three months ended September 30, 2021	Three months ended September 30, 2020	Nine months ended September 30, 2021	Nine months ended September 30, 2020
Trade and other receivables	**$ (6,146)**	$ 1,759	**$ (1,793)**	$ 5,657
Inventories	**(6,130)**	57	**(6,955)**	(4,997)
Prepaid expenses and other current assets	**(7,133)**	2,223	**(9,358)**	258
Trade and other payables	**5,453**	(901)	**8,218**	(940)
Deferred revenues	**1,923**	647	**7,669**	872
Warranty provisions	**10**	56	**(26)**	(10)
Other long-term liabilities	**(529)**	(87)	**82**	43
	$ (12,552)	**$ 3,754**	**$ (2,163)**	**$ 883**

12 . Derivative Financial Instruments

The table below indicates the presentation of the derivative financial instruments in the Statement of Financial Position.

	September 30, 2021	December 31, 2020
Current assets		
Foreign exchange derivatives	**$ 1,835**	$ 1,070
Non-current assets		
Foreign exchange derivatives	**$ 1,641**	$ 3,099
Cross-currency swaps	**99**	-
	$ 1,740	**$ 3,099**
Non-current liabilities		
Cross-currency swaps	**$ -**	$ 1,037
Interest rate derivatives	**1,732**	2,989
	$ 1,732	**$ 4,026**

All of these derivative financial instruments are Level 2. The fair value of forward exchange contracts is estimated by discounting the difference between the contractual forward price and the current forward price for the residual maturity of the contract using a risk-free interest rate (based on government bonds). The fair value of interest rate swap arrangements is estimated by discounting the difference between the contractual interest rate and market rates over the value of the loans. The fair value of cross-currency swaps is determined based on market data (primarily yield curves, exchange rates and interest rates) to calculate the present value of all estimated flows. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Corporation's subsidiary or counterparty when appropriate.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

13 . Reportable Segments

Information about the reportable segments

For the purpose of financial reporting, the business is structured into three reporting segments based on the markets they serve. The *Accessibility* segment includes designing, manufacturing, distributing and installing a wide portfolio of products including stairlifts for both straight and curved stairs, vertical and inclined wheelchair platform lifts for both commercial and residential applications, commercial accessibility elevators and home elevators. The *Patient Handling* segment includes the manufacturing and distribution of a comprehensive line of therapeutic support surfaces and other pressure management products for the medical market, medical beds for the long-term care market as well as an extensive line of medical equipment and solutions for the safe handling of patients. The *Adapted Vehicles* segment consists of converting, adapting and distributing vehicles for people with mobility challenges, for personal or commercial use.

The Corporation's management assesses the performance of the reportable segments based on revenue and adjusted EBITDA before Head office costs. Adjusted EBITDA is defined as earnings before net finance costs (income), taxes, depreciation and amortization, net of other expenses and stock-based compensation expense. Adjusted EBITDA before Head office costs excludes Head office costs, which the Corporation believes should not be considered when assessing the underlying performance of the reportable segments. Head office costs pertain to salaries and costs related to centralized functions, such as finance and legal, which are not allocated to segments.

Sales between segments are eliminated upon consolidation.

	Three months ended September 30,			
	Accessibility	**Patient Handling**	**Adapted Vehicles**	**Total**
2021				
Revenue	**$ 135,652**	**$ 34,805**	**$ 10,301**	**$ 180,758**
Adjusted EBITDA before head office costs [1]	**$ 24,685**	**$ 3,057**	**$ 626**	**$ 28,368**
Head office costs				**2,056**
Adjusted EBITDA [1]				**$ 26,312**
Stock-based compensation				**563**
Other expenses				**683**
Depreciation and amortization expense				**9,049**
Net finance costs				**2,489**
Earnings before income tax expense				**$ 13,528**

[1] Includes approximately $0.1 million recognized against salary expense, attributable to the Canada Emergency Wage Subsidy program.

	Accessibility	Patient Handling	Adapted Vehicles	Total
2020				
Revenue	$ 68,542	$ 17,360	$ 4,906	**$ 90,808**
Adjusted EBITDA before head office costs [2]	$ 15,292	$ 2,032	$ 287	**$ 17,611**
Head office costs				**697**
Adjusted EBITDA [2]				**$ 16,914**
Stock-based compensation				**239**
Other expenses				**140**
Depreciation and amortization expense				**4,251**
Net finance costs				**1,527**
Earnings before income tax expense				**$ 10,757**

[2] Includes approximately $2.5 million recognized against salary expense, attributable to the Canada Emergency Wage Subsidy program.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

13 . Reportable Segments (continued)

Information about the reportable segments (continued)

Nine months ended September 30,	Accessibility	Patient Handling	Adapted Vehicles	Total
2021				
Revenue	**$ 347,009**	**$ 96,406**	**$ 28,039**	**$ 471,454**
Adjusted EBITDA before head office costs [1]	**$ 61,950**	**$ 11,421**	**$ 2,560**	**$ 75,931**
Head office costs				**4,932**
Adjusted EBITDA [1]				**$ 70,999**
Stock-based compensation				**1,183**
Other expenses				**6,418**
Depreciation and amortization expense				**24,094**
Net finance costs				**9,399**
Earnings before income tax expense				**$ 29,905**

[1] Includes approximately $2.6 million recognized against salary expense and lease expense, attributable to the Canada Emergency Wage Subsidy program and to the Canada Emergency Rent Subsidy.

2020				
Revenue	$ 191,371	$ 59,614	$ 12,910	**$ 263,895**
Adjusted EBITDA before head office costs [2]	$ 37,916	$ 7,295	$ 248	**$ 45,459**
Head office costs				**1,718**
Adjusted EBITDA [2]				**$ 43,741**
Stock-based compensation				**947**
Other expenses				**2,465**
Depreciation and amortization expense				**12,798**
Net finance costs				**1,786**
Earnings before income tax expense				**$ 25,745**

[2] Includes approximately $4.5 million recognized against salary expense, attributable to the Canada Emergency Wage Subsidy program.

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

13 . Reportable Segments (continued)

Desegregation of Revenue

	Three months ended September 30,			
	Accessibility	**Patient Handling**	**Adapted Vehicles**	**Total**
2021				
Revenue by region				
Canada	**$ 14,825**	**$ 10,589**	**$ 4,080**	**$ 29,494**
United States	**45,973**	**21,353**	**200**	**67,526**
Europe	**44,683**	**603**	**6,021**	**51,307**
United Kingdom and other	**30,171**	**2,260**	**-**	**32,431**
	$ 135,652	**$ 34,805**	**$ 10,301**	**$ 180,758**
Major categories of revenue				
Accessibility equipment	**$ 135,652**	**$ -**	**$ -**	**$ 135,652**
Patient handling products	**-**	**34,805**	**-**	**34,805**
Vehicle conversion and adaptation	**-**	**-**	**10,301**	**10,301**
	$ 135,652	**$ 34,805**	**$ 10,301**	**$ 180,758**
Timing of revenue recognition				
Goods transferred at a point in time	**$ 117,670**	**$ 34,805**	**$ 10,301**	**$ 162,776**
Services provided over time	**17,982**	**-**	**-**	**17,982**
	$ 135,652	**$ 34,805**	**$ 10,301**	**$ 180,758**
2020				
Revenue by region				
Canada	$ 12,709	$ 2,705	$ 4,724	**$ 20,138**
United States	38,258	12,748	155	**51,161**
Europe	14,725	610	27	**15,362**
United Kingdom and other	2,850	1,297	-	**4,147**
	$ 68,542	**$ 17,360**	**$ 4,906**	**$ 90,808**
Major categories of revenue				
Accessibility equipment	$ 68,542	$ -	$ -	**$ 68,542**
Patient handling products	-	17,360	-	**17,360**
Vehicle conversion and adaptation	-	-	4,906	**4,906**
	$ 68,542	**$ 17,360**	**$ 4,906**	**$ 90,808**
Timing of revenue recognition				
Goods transferred at a point in time	$ 56,623	$ 17,360	$ 4,906	**$ 78,889**
Services provided over time	11,919	-	-	**11,919**
	$ 68,542	**$ 17,360**	**$ 4,906**	**$ 90,808**

(Tabular amounts are expressed in thousands of Canadian dollars, except share data - Unaudited)

13 . Reportable Segments (continued)

Desegregation of Revenue (continued)

	Nine months ended September 30,			
	Accessibility	**Patient Handling**	**Adapted Vehicles**	**Total**
2021				
Revenue by region				
Canada	**$ 42,061**	**$ 30,183**	**$ 12,320**	**$ 84,564**
United States	**124,953**	**59,148**	**564**	**184,665**
Europe	**110,858**	**1,643**	**15,094**	**127,595**
United Kingdom and other	**69,137**	**5,432**	**61**	**74,630**
	$ 347,009	**$ 96,406**	**$ 28,039**	**$ 471,454**
Major categories of revenue				
Accessibility equipment	**$ 347,009**	**$ -**	**$ -**	**$ 347,009**
Patient handling products	**-**	**96,406**	**-**	**96,406**
Vehicle conversion and adaptation	**-**	**-**	**28,039**	**28,039**
	$ 347,009	**$ 96,406**	**$ 28,039**	**$ 471,454**
Timing of revenue recognition				
Goods transferred at a point in time	**$ 298,029**	**$ 96,406**	**$ 28,039**	**$ 422,474**
Services provided over time	**48,980**	**-**	**-**	**48,980**
	$ 347,009	**$ 96,406**	**$ 28,039**	**$ 471,454**
2020				
Revenue by region				
Canada	$ 34,522	$ 11,747	$ 12,481	**$ 58,750**
United States	109,789	41,350	399	**151,538**
Europe	39,602	2,507	30	**42,139**
United Kingdom and other	7,458	4,010	-	**11,468**
	$ 191,371	**$ 59,614**	**$ 12,910**	**$ 263,895**
Major categories of revenue				
Accessibility equipment	$ 191,371	$ -	$ -	**$ 191,371**
Patient handling products	-	59,614	-	**59,614**
Vehicle conversion and adaptation	-	-	12,910	**12,910**
	$ 191,371	**$ 59,614**	**$ 12,910**	**$ 263,895**
Timing of revenue recognition				
Goods transferred at a point in time	$ 158,507	$ 59,614	$ 12,910	**$ 231,031**
Services provided over time	32,864	-	-	**32,864**
	$ 191,371	**$ 59,614**	**$ 12,910**	**$ 263,895**

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