ATS AUTOMATION TOOLING SYSTEMS INC.

Interim Condensed Consolidated Financial Statements

For the period ended June 27, 2021

(Unaudited)

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Financial Position
(in thousands of Canadian dollars - unaudited)

As at	Note		June 27 2021		March 31 2021
ASSETS					
Current assets	11				
Cash and cash equivalents		**$**	**216,440**	$	187,467
Accounts receivable			**431,906**		285,947
Income tax receivable			**6,005**		8,158
Contract assets	17		**325,620**		272,847
Inventories	5		**143,018**		134,978
Deposits, prepaids and other assets	6		**48,770**		37,807
			1,171,759		927,204
Non-current assets					
Property, plant and equipment			**196,169**		191,169
Right-of-use assets	7		**82,761**		72,570
Other assets	8		**8,215**		5,882
Goodwill			**742,602**		671,057
Intangible assets			**306,834**		264,691
Deferred income tax assets			**10,549**		11,087
Investment tax credit receivable			**46,735**		52,440
			1,393,865		1,268,896
Total assets		**$**	**2,565,624**	$	2,196,100
LIABILITIES AND EQUITY					
Current liabilities					
Bank indebtedness	11	**$**	**952**	$	1,106
Accounts payable and accrued liabilities			**432,637**		367,303
Income tax payable			**34,902**		32,938
Contract liabilities	17		**362,022**		218,290
Provisions	10		**27,516**		29,034
Current portion of lease liabilities	7		**20,422**		15,197
Current portion of long-term debt	11		**2,611**		79
			881,062		663,947
Non-current liabilities					
Employee benefits			**33,618**		34,110
Long-term lease liabilities	7		**62,619**		57,764
Long-term debt	11		**532,338**		430,634
Deferred income tax liabilities			**80,029**		74,437
Other long-term liabilities	8		**27,418**		22,548
			736,022		619,493
Total liabilities		**$**	**1,617,084**	$	1,283,440
Commitments and contingencies	11, 15				
EQUITY					
Share capital	12	**$**	**529,036**	$	526,446
Contributed surplus			**10,914**		11,170
Accumulated other comprehensive income			**59,904**		59,830
Retained earnings			**331,107**		297,818
Equity attributable to shareholders			**930,961**		895,264
Non-controlling interests			**17,579**		17,396
Total equity			**948,540**		912,660
Total liabilities and equity		**$**	**2,565,624**	$	2,196,100

See accompanying notes to the interim condensed consolidated financial statements.

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Income
(in thousands of Canadian dollars, except per share amounts - unaudited)

For the three months ended	Note		**June 27 2021**		June 28 2020
Revenues					
Revenues from construction contracts		**$**	**343,007**	$	213,011
Services rendered			**100,486**		86,629
Sale of goods			**67,122**		25,227
Total revenues	17		**510,615**		324,867
Operating costs and expenses					
Cost of revenues			**366,698**		245,624
Selling, general and administrative			**83,195**		56,498
Stock-based compensation	14		**8,773**		1,636
Earnings from operations			**51,949**		21,109
Net finance costs	18		**7,505**		8,194
Income before income taxes			**44,444**		12,915
Income tax expense	13		**10,564**		3,161
Net income		**$**	**33,880**	$	9,754
Attributable to					
Shareholders		**$**	**33,336**	$	9,699
Non-controlling interests			**544**		55
		$	**33,880**	$	9,754
Earnings per share attributable to shareholders					
Basic and diluted	19	**$**	**0.37**	$	0.11

See accompanying notes to the interim condensed consolidated financial statements.

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Comprehensive Income
(in thousands of Canadian dollars - unaudited)

For the three months ended		**June 27 2021**		June 28 2020
Net income	**$**	**33,880**	$	9,754
Other comprehensive income (loss):				
Items to be reclassified subsequently to net income:				
Currency translation adjustment (net of income taxes of $nil)		**4,004**		(1,359)
Net unrealized gain on derivative financial instruments designated as cash flow hedges		**838**		3,620
Tax impact		**(208)**		(905)
Loss (gain) transferred to net income for derivatives designated as cash flow hedges		**(1,444)**		1,866
Tax impact		**364**		(468)
Cash flow hedge reserve adjustment		**(4,945)**		(8,075)
Tax impact		**1,236**		2,019
Other comprehensive loss		**(155)**		(3,302)
Comprehensive income	**$**	**33,725**	$	6,452
Attributable to				
Shareholders	**$**	**33,410**	$	6,397
Non-controlling interests		**315**		55
	$	**33,725**	$	6,452

See accompanying notes to the interim condensed consolidated financial statements.

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Changes in Equity
(in thousands of Canadian dollars - unaudited)

Three months ended June 27, 2021

	Share capital	Contributed surplus	Retained earnings	Currency translation adjustments	Cash flow hedge reserve	Total accumulated other comprehensive income	Non-controlling interests	Total equity
Balance, as at March 31, 2021	**$ 526,446**	**$ 11,170**	**$ 297,818**	**$ 59,559**	**$ 271**	**$ 59,830**	**$ 17,396**	**$ 912,660**
Net income	**—**	**—**	**33,336**	**—**	**—**	**—**	**544**	**33,880**
Other comprehensive income (loss)	**—**	**—**	**—**	**4,233**	**(4,159)**	**74**	**(229)**	**(155)**
Total comprehensive income (loss)	**—**	**—**	**33,336**	**4,233**	**(4,159)**	**74**	**315**	**33,725**
Non-controlling interest	**—**	**—**	**(47)**	**—**	**—**	**—**	**(132)**	**(179)**
Stock-based compensation	**—**	**283**	**—**	**—**	**—**	**—**	**—**	**283**
Exercise of stock options	**2,590**	**(539)**	**—**	**—**	**—**	**—**	**—**	**2,051**
Balance, as at June 27, 2021	**$ 529,036**	**$ 10,914**	**$ 331,107**	**$ 63,792**	**$ (3,888)**	**$ 59,904**	**$ 17,579**	**$ 948,540**

Three months ended June 28, 2020

	Share capital	Contributed surplus	Retained earnings	Currency translation adjustments	Cash flow hedge reserve	Total accumulated other comprehensive income	Non-controlling interests	Total equity
Balance, as at March 31, 2020	$ 521,884	$ 11,680	$ 242,076	$ 81,158	$ 11,427	$ 92,585	$ 788	$ 869,013
Net income	—	—	9,699	—	—	—	55	9,754
Other comprehensive loss	—	—	—	(1,359)	(1,943)	(3,302)	—	(3,302)
Total comprehensive income (loss)	—	—	9,699	(1,359)	(1,943)	(3,302)	55	6,452
Stock-based compensation	—	136	—	—	—	—	—	136
Exercise of stock options	2,621	(352)	—	—	—	—	—	2,269
Balance, as at June 28, 2020	$ 524,505	$ 11,464	$ 251,775	$ 79,799	$ 9,484	$ 89,283	$ 843	$ 877,870

See accompanying notes to the interim condensed consolidated financial statements.

ATS AUTOMATION TOOLING SYSTEMS INC.
Interim Consolidated Statements of Cash Flows
(in thousands of Canadian dollars - unaudited)

Three months ended	Note		June 27 2021		June 28 2020
Operating activities					
Net income		**$**	**33,880**	$	9,754
Items not involving cash					
Depreciation of property, plant and equipment			**5,059**		3,652
Amortization of right-of-use assets	7		**5,276**		4,120
Amortization of intangible assets			**13,473**		10,286
Deferred income taxes	13		**(3,131)**		(1,593)
Other items not involving cash			**5,462**		(668)
Stock-based compensation	14		**283**		1,636
			60,302		27,187
Change in non-cash operating working capital			**(11,889)**		19,802
Cash flows provided by operating activities		**$**	**48,413**	$	46,989
Investing activities					
Acquisition of property, plant and equipment		**$**	**(10,998)**	$	(3,997)
Acquisition of intangible assets			**(3,272)**		(1,741)
Business acquisition, net of cash acquired			**(114,793)**		—
Purchase of non-controlling interest			**(85)**		—
Proceeds from disposal of property, plant and equipment			**94**		2,647
Cash flows used in investing activities		**$**	**(129,054)**	$	(3,091)
Financing activities					
Restricted cash		**$**	**—**	$	(51)
Bank indebtedness			**(147)**		177
Repayment of long-term debt			**(1,209)**		(55,035)
Proceeds from long-term debt			**114,405**		55,080
Proceeds from exercise of stock options			**2,051**		2,269
Principal lease payments			**(5,398)**		(3,771)
Cash flows provided by (used in) financing activities		**$**	**109,702**	$	(1,331)
Effect of exchange rate changes on cash and cash equivalents			**(88)**		(2,655)
Increase in cash and cash equivalents			**28,973**		39,912
Cash and cash equivalents, beginning of period			**187,467**		358,645
Cash and cash equivalents, end of period		**$**	**216,440**	$	398,557
Supplemental information					
Cash income taxes paid		**$**	**4,721**	$	2,886
Cash interest paid		**$**	**10,430**	$	13,689

See accompanying notes to the interim condensed consolidated financial statements.

1. CORPORATE INFORMATION

ATS Automation Tooling Systems Inc. and its subsidiaries (collectively, "ATS" or the "Company") uses its extensive knowledge base and global capabilities in custom automation, repeat automation, automation products and value-added services, including pre-automation and after-sales services, to address the sophisticated manufacturing automation systems and service needs of multinational customers.

The Company is listed on the Toronto Stock Exchange and is incorporated and domiciled in Ontario, Canada. The address of its registered office is 730 Fountain Street North, Cambridge, Ontario, Canada.

The interim condensed consolidated financial statements of the Company for the three months ended June 27, 2021 were authorized for issue by the Board of Directors (the "Board") on August 10, 2021.

2. BASIS OF PREPARATION

These interim condensed consolidated financial statements were prepared on a historical cost basis, except for derivative instruments that have been measured at fair value. The interim condensed consolidated financial statements are presented in Canadian dollars and all values are rounded to the nearest thousand, except where otherwise stated.

Statement of compliance
These interim condensed consolidated financial statements are prepared in accordance with International Accounting Standard ("IAS") 34 - *Interim Financial Reporting*. Accordingly, certain information and disclosures normally included in annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), have been omitted or condensed. These interim condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements of the Company for the year ended March 31, 2021. The accounting policies adopted in the preparation of these interim condensed consolidated financial statements are consistent with those followed in the presentation of the Company's annual consolidated financial statements for the year ended March 31, 2021.

3. CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

The preparation of the Company's interim condensed consolidated financial statements requires management to make estimates, judgments and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities at the end of the reporting period. However, uncertainty about these estimates, judgments and assumptions could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year, are consistent with those disclosed in the Company's fiscal 2021 audited consolidated financial statements.

The Company based its estimates, judgments and assumptions on parameters available when the interim condensed consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the estimates when they occur.

COVID-19: There is significant uncertainty regarding the extent and duration of the impact of the COVID-19 pandemic on the Company's operations. The impact of the pandemic on the Company's financial condition, cash flows, operations, credit risk, liquidity and availability of credit is highly uncertain and cannot be predicted.

(in thousands of Canadian dollars, except per share amounts - unaudited)

Management will continue to monitor and assess the impact of the pandemic on its judgements, estimates, accounting policies and amounts recognized in these interim condensed consolidated financial statements.

In response to the COVID-19 pandemic, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") in April 2020. For the three months ended June 27, 2021, the Company received payments of $382 under the CEWS program ($7,499 for the three months ended June 28,2020), of which $306 was included in cost of revenues ($5,620 for the three months ended June 28,2020) and $76 was included in selling, general and administrative expenses ($1,879 for the three months ended June 28,2020) in the interim condensed consolidated financial statements.

4. ACQUISITIONS

(i) On June 1, 2021, the Company announced the successful completion of its acquisition of BioDot, Inc. ("BioDot"), a leading manufacturer of automated fluid dispensing systems. The total purchase price paid in the first quarter of fiscal 2022 was $107,706 ($89,227 U.S.).

Cash used in investing activities was determined as follows:

Cash consideration	$	107,706
Less: cash acquired		(6,918)
	$	100,788

The purchase cost was allocated to the underlying assets acquired and liabilities assumed based upon the estimated fair values at the date of acquisition. The fair value of the assets acquired and the liabilities assumed have been determined on a provisional basis based on information that is currently available to the Company. Final valuations of certain assets including working capital, intangible assets, and property, plant and equipment are not yet complete due to the inherent complexity associated with valuations. Specifically, a third party valuation has not been obtained. The allocation to intangible assets has preliminarily been determined using relative values from comparable transactions. Therefore, the purchase price allocation is preliminary and is subject to adjustment upon completion of the valuation process and analysis of resulting tax effects.

The preliminary allocation of the purchase price at fair value is as follows:

Purchase price allocation		
Cash	$	6,918
Current assets		19,634
Property, plant and equipment		241
Right-of-use assets		1,281
Intangible assets with a definite life		
Technology		26,816
Customer relationships		6,188
Other		8
Intangible assets with an indefinite life		
Brand		12,376
Current liabilities		(19,458)
Deferred tax liability		(9,711)
Other long-term liabilities		(920)
Net identifiable assets	$	43,373
Residual purchase price allocated to goodwill		64,338
Total net identifiable assets acquired	$	107,711
Less: Non-controlling interests		5
Purchase consideration	$	107,706

Current assets include accounts receivable of $10,166, representing the fair value of accounts receivable expected to be collected.

(in thousands of Canadian dollars, except per share amounts - unaudited)

The primary factors that contributed to a residual purchase price that resulted in the recognition of goodwill are: the acquired workforce; access to growth opportunities in new markets and with existing customers; and the combined strategic value to the Company's growth plan. The amounts assigned to goodwill and intangible assets are not expected to be deductible for tax purposes. This acquisition was accounted for as a business combination with the Company as the acquirer of BioDot. The purchase method of accounting was used and the earnings were consolidated from the acquisition date, June 1, 2021. BioDot contributed approximately $8,636 in revenue and $3,989 in net income during the one month ended June 27, 2021. If BioDot had been acquired at the beginning of ATS' fiscal year (April 1, 2021), the Company estimates that revenues and net income of the combined BioDot and ATS entity for the three months ending June 27, 2021 would have been approximately $17,271 and $7,979 higher, respectively.

(ii) On June 2, 2021, the Company announced the acquisition of Control and Information Management Ltd. ("CIM"), an industrial automation system integrator based in Ireland. The total purchase price paid in the first quarter of fiscal 2022 was $19,748 (13,405 Euros).

Cash used in investing activities was determined as follows:

Cash consideration	$	19,748
Less: cash acquired		(5,743)
	$	14,005

The purchase cost was allocated to the underlying assets acquired and liabilities assumed based upon the estimated fair values at the date of acquisition. The fair value of the assets acquired and the liabilities assumed have been determined on a provisional basis based on information that is currently available to the Company. Final valuations of certain assets including working capital, intangible assets, and property, plant and equipment are not yet complete due to the inherent complexity associated with valuations. The allocation to intangible assets has preliminarily been determined using relative values from comparable transactions. Therefore, the purchase price allocation is preliminary and is subject to adjustment upon completion of the valuation process and analysis of resulting tax effects.

The preliminary allocation of the purchase price at fair value is as follows:

Purchase price allocation		
Cash	$	5,743
Current assets		3,991
Property, plant and equipment		46
Right-of-use assets		78
Intangible assets with a definite life		
Technology		4,317
Brand		1,993
Customer relationships		996
Current liabilities		(3,394)
Deferred tax liability		(913)
Net identifiable assets	$	12,857
Residual purchase price allocated to goodwill		6,891
	$	19,748

Current assets include accounts receivable of $3,976, representing the fair value of accounts receivable expected to be collected.

The primary factors that contributed to a residual purchase price that resulted in the recognition of goodwill are: the acquired workforce; access to growth opportunities in new markets and with existing customers; and the combined strategic value to the Company's growth plan. The amounts assigned to goodwill and intangible assets are not expected to be deductible for tax purposes. This acquisition was accounted for as a business combination with the Company as the acquirer of CIM. The purchase method of accounting was used with an acquisition date of June 2, 2021.

(in thousands of Canadian dollars, except per share amounts - unaudited)

(iii) On March 12, 2021, the Company announced results for the voluntary tender offer to acquire 100% of the outstanding shares and voting rights of CFT S.p.A. ("CFT"). As a result of the tender offer and subsequent shareholder approval, the Company acquired 97% percent of CFT's outstanding shares. CFT is a global supplier of automated processing and packaging equipment to the food and beverage equipment market. The total purchase price paid in the fourth quarter of fiscal 2021 was $127,181 (85,413 Euros).

Cash used in investing activities was determined as follows:

Cash consideration	$	127,181
Less: cash acquired		(61,708)
	$	65,473

The purchase cost was allocated to the underlying assets acquired and liabilities assumed based upon the estimated fair values at the date of acquisition. The fair value of the assets acquired and the liabilities assumed have been determined on a provisional basis based on information that is currently available to the Company. Final valuations of certain assets including working capital, intangible assets, and property, plant and equipment are not yet complete due to the inherent complexity associated with valuations. Specifically, a third party valuation has not been obtained. The allocation to intangible assets has preliminarily been determined using relative values from comparable transactions. Therefore, the purchase price allocation is preliminary and is subject to adjustment upon completion of the valuation process and analysis of resulting tax effects.

The preliminary allocation of the purchase price at fair value is as follows:

Purchase price allocation		
Cash	$	61,708
Current assets		176,294
Property, plant and equipment		62,827
Right-of-use assets		23,123
Intangible assets with a definite life		
Technology		47,648
Customer relationships		11,019
Other		1,619
Intangible assets with an indefinite life		
Brand		22,037
Current liabilities		(182,929)
Debt		(119,120)
Deferred tax liability		(13,122)
Other long-term liabilities		(46,209)
Net identifiable assets	$	44,895
Residual purchase price allocated to goodwill		98,784
Total net identifiable assets acquired	$	143,679
Less: Non-controlling interests		16,498
Purchase consideration	$	127,181

Current assets include accounts receivable of $76,137, representing the fair value of accounts receivable expected to be collected.

The primary factors that contributed to a residual purchase price that resulted in the recognition of goodwill are: the acquired workforce; access to growth opportunities in new markets and with existing customers; and the combined strategic value to the Company's growth plan. The amounts assigned to goodwill and intangible assets are not expected to be deductible for tax purposes. This acquisition was accounted for as a business combination with the Company as the acquirer of CFT. The purchase method of accounting was used and the earnings were consolidated from March 31, 2021. During the three month period ended June 27, 2021, changes to the purchase price allocation resulted in a decrease in working capital of $2,989, an increase in non-controlling interest of $88 and an increase in goodwill of $3,077.

(in thousands of Canadian dollars, except per share amounts - unaudited)

5. INVENTORIES

As at		**June 27 2021**		March 31 2021
Raw materials	**$**	**66,954**	$	58,351
Work in progress		**64,627**		65,080
Finished goods		**11,437**		11,547
	$	**143,018**	$	134,978

The amount charged to net income and included in cost of revenues for the write-down of inventories for valuation issues during the three months ended June 27, 2021 was $326 (June 28, 2020 - $32). The amount of inventories carried at net realizable value as at June 27, 2021 was $92 (March 31, 2021 - $132).

6. DEPOSITS, PREPAIDS AND OTHER ASSETS

As at		**June 27 2021**		March 31 2021
Prepaid assets	**$**	**20,216**	$	16,248
Supplier deposits		**24,667**		16,777
Forward foreign exchange contracts		**3,887**		4,782
	$	**48,770**	$	37,807

7. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

Changes in the net balance of right-of-use assets during the three months ended June 27, 2021 were as follows:

	Note	**Buildings**	**Vehicles and equipment**	**Total**
Balance, at March 31, 2021		$ 61,017	$ 11,553	$ 72,570
Additions		13,737	1,533	15,270
Amortization		(3,682)	(1,594)	(5,276)
Acquisition of subsidiaries	4	1,271	88	1,359
Exchange and other adjustments		(1,140)	(22)	(1,162)
Balance, at June 27, 2021		**$ 71,203**	**$ 11,558**	**$ 82,761**

Changes in the balance of lease liabilities during the three months ended June 27, 2021 were as follows:

	Note	
Balance, at March 31, 2021		$ 72,961
Additions		15,270
Interest		801
Payments		(6,199)
Acquisition of subsidiaries	4	1,311
Exchange and other adjustments		(1,103)
Balance, at June 27, 2021		**$ 83,041**
Less: current portion		20,422
		$ 62,619

The right-of-use assets and lease liabilities relate to leases of real estate properties, automobiles and other equipment. For the three months ended June 27, 2021, the Company recognized expense related to short-term, and low-value leases of $408 in cost of revenues (June 28, 2020 - $834), and $519 in selling, general and administrative expenses (June 28, 2020 - $323) in the interim consolidated statements of income.

(in thousands of Canadian dollars, except per share amounts - unaudited)

8. OTHER ASSETS AND LIABILITIES

Other assets consist of the following:

As at		June 27 2021		March 31 2021
Cross-currency interest rate swap instrument (i)	**$**	**7,491**	$	5,135
Other		**724**		747
Total	**$**	**8,215**	$	5,882

Other liabilities consist of the following:

As at		June 27 2021		March 31 2021
Cross-currency interest rate swap instrument (i)	**$**	**6,423**	$	1,478
Put option liabilities (ii)		**20,995**		21,070
Total	**$**	**27,418**	$	22,548

(i) On January 13, 2021, the Company entered into a cross-currency interest rate swap instrument to swap U.S. $175,000 into Canadian dollars to hedge a portion of its foreign exchange risk related to its U.S. dollar-denominated Senior Notes. The Company receives interest of 4.125% U.S. per annum and pays interest of 4.257% Canadian. The Company also entered into a cross-currency interest rate swap instrument to swap 143,855 Euros into Canadian dollars to hedge a portion of the foreign exchange risk related to its Euro-denominated net investment. The Company will receive interest of 4.257% Canadian per annum and pay interest of 3.145% Euros. The terms of the hedging relationship will end on December 15, 2025.

(ii) The Company has put options which were issued to a minority shareholder of a CFT subsidiary. The amount represents the fair value of the exercise value of the option.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

During the three months ended June 27, 2021 and the year ended March 31, 2021, there were no changes in the classification of financial assets as a result of a change in the purpose or use of those assets.

During the three months ended June 27, 2021 and the year ended March 31, 2021, there were no transfers of financial instruments between Level 1 and Level 2 fair value measurements, and no transfers into or out of Level 3 fair value measurements.

Instruments not subject to hedge accounting
As part of the Company's risk management strategy, forward contract derivative financial instruments are used to manage foreign currency exposure related to the translation of foreign currency net assets to the subsidiary's functional currency. As these instruments have not been designated as hedges, the change in fair value is recorded in selling, general and administrative expenses in the interim consolidated statements of income.

For the three months ended June 27, 2021, the Company recorded risk management gains of $3,593 (gains of $1,872 for the three months ended June 28, 2020), on foreign currency risk management forward contracts in the interim consolidated statements of income. Included in these amounts, during the three months ended June 27, 2021, were unrealized gains of $1,705 (losses of $457 during the three months ended June 28, 2020), representing the change in fair value. In addition, during the three months ended June 27, 2021, the Company realized foreign exchange gains of $1,888 (gains of $2,329 during the three months ended June 28, 2020), which were settled.

(in thousands of Canadian dollars, except per share amounts - unaudited)

10. PROVISIONS

	Warranty	Restructuring	Other	Total
Balance, at March 31, 2021	$ 13,721	$ 14,470	$ 843	$ 29,034
Provisions made	949	—	1,448	2,397
Acquisition of subsidiaries	122	—	—	122
Provisions reversed	—	—	(65)	(65)
Provisions used	(504)	(1,874)	(1,429)	(3,807)
Exchange adjustments	(72)	(29)	(64)	(165)
Balance, at June 27, 2021	**$ 14,216**	**$ 12,567**	**$ 733**	**$ 27,516**

Warranty provisions
Warranty provisions are related to sales of products and are based on experience reflecting statistical trends of warranty costs.

Restructuring
Restructuring charges are recognized in the period incurred and when the criteria for provisions are fulfilled. Termination benefits are recognized as a liability and an expense when the Company is demonstrably committed through a formal restructuring plan.

Other provisions
Other provisions are related to medical insurance expenses that have been incurred during the period but are not yet paid and other miscellaneous provisions.

11. BANK INDEBTEDNESS AND LONG-TERM DEBT

On July 29, 2020, the Company amended its senior secured credit facility (the "Credit Facility") and extended its maturity to August 29, 2022. The Credit Facility provides a committed revolving credit facility of $750,000. The Credit Facility is secured by the Company's assets, including a pledge of shares of certain of the Company's subsidiaries. Certain of the Company's subsidiaries also provide guarantees under the Credit Facility. At June 27, 2021, the Company had utilized $113,294 under the Credit Facility, of which $113,214 was classified as long-term debt (March 31, 2021 - $nil) and $80 by way of letters of credit (March 31, 2021 - $2,232).

The Credit Facility is available in Canadian dollars by way of prime rate advances and/or bankers' acceptances, in U.S. dollars by way of base rate advances and/or LIBOR advances, in Swiss francs, Euros and British pounds sterling by way of LIBOR advances and by way of letters of credit for certain purposes in Canadian dollars, U.S. dollars and Euros. The interest rates applicable to the Credit Facility are determined based on a net debt-to-EBITDA ratio as defined in the Credit Facility. For prime rate advances and base rate advances, the interest rate is equal to the bank's prime rate or the bank's U.S. dollar base rate in Canada, respectively, plus a margin ranging from 0.95% to 2.50%. For bankers' acceptances and LIBOR advances, the interest rate is equal to the bankers' acceptance fee or LIBOR, respectively, plus a margin that varies from 1.95% to 3.50%. The Company pays a fee for usage of financial letters of credit that ranges from 1.95% to 3.50%, and a fee for usage of non-financial letters of credit that ranges from 1.30% to 2.33%. The Company pays a standby fee on the unadvanced portions of the amounts available for advance or draw-down under the Credit Facility at rates ranging from 0.39% to 0.79%.

The Credit Facility is subject to financial covenants including a net debt-to-EBITDA test and an interest coverage test. Under the terms of the Credit Facility, the Company is restricted from encumbering any assets with certain permitted exceptions. The Credit Facility also limits advances to subsidiaries and partially restricts the Company from repurchasing its common shares and paying dividends. At June 27, 2021, all of the covenants were met.

The Company has additional credit facilities available of $29,016 (10,054 Euros, $10,000 U.S., 50,000 Thai Baht and 392 Czech Koruna). The total amount outstanding on these facilities at June 27, 2021 was $1,055, of which $952 was classified as bank indebtedness (March 31, 2021 - $1,106) and $103 was classified as long-term debt (March 31, 2021 - $120). The interest rates applicable to the credit facilities range from 1.75% to 6.25% per annum. A portion of the long-term debt is secured by certain assets of the Company.

(in thousands of Canadian dollars, except per share amounts - unaudited)

The Company's U.S. $350,000 aggregate principal amount of senior notes ("the Senior Notes") were issued at par, bear interest at a rate of 4.125% per annum and mature on December 15, 2028. The Company may redeem the Senior Notes, in whole at any time or in part from time to time, at specified redemption prices and subject to certain conditions required by the Senior Notes. If the Company experiences a change of control, the Company may be required to repurchase the Senior Notes, in whole or in part, at a purchase price equal to 101% of the aggregate principal amount of the Senior Notes, plus accrued and unpaid interest, if any, to, but not including, the redemption date. The Senior Notes contain customary covenants that restrict, subject to certain exceptions and thresholds, some of the activities of the Company and its subsidiaries, including the Company's ability to dispose of assets, incur additional debt, pay dividends, create liens, make investments, and engage in specified transactions with affiliates. Subject to certain exceptions, the Senior Notes are guaranteed by each of the subsidiaries of the Company that is a borrower or has guaranteed obligations under the Credit Facility. Transaction fees of $8,100 were deferred and will be amortized over the term of the Senior Notes. The Company uses a cross-currency interest rate swap instrument to hedge a portion of its U.S.-dollar-denominated Senior Notes (see note 8).

(i) Bank indebtedness

As at	**June 27 2021**	March 31 2021
Other facilities	**$ 952**	$ 1,106

(ii) Long-term debt

As at	**June 27 2021**	March 31 2021
Credit Facility	**$ 113,214**	$ —
Senior Notes	**430,360**	439,810
Other facilities	**103**	120
Issuance costs	**(8,728)**	(9,217)
	534,949	430,713
Less: current portion	**2,611**	79
	$ 532,338	$ 430,634

Scheduled principal repayments and interest payments on long-term debt as at June 27, 2021 are as follows:

	Principal	**Interest**
Less than one year	$ 2,611	$ 17,752
One – two years	110,706	17,752
Two – three years	—	17,752
Three – four years	—	17,752
Four – five years	—	17,752
Thereafter	430,360	44,383
	$ 543,677	$ 133,143

12. SHARE CAPITAL

Authorized share capital of the Company consists of an unlimited number of common shares, without par value, for unlimited consideration.

On December 21, 2020, the Company announced that the Toronto Stock Exchange ("TSX") had accepted a notice filed by the Company of its intention to make a normal course issuer bid ("NCIB"). Under the NCIB, ATS may purchase for cancellation up to a maximum of 7,351,834 common shares of the Company during the 12-month period ending December 22, 2021.

During the three months ended June 27, 2021, the Company purchased nil common shares under the NCIB program. At June 27, 2021, a total of 7,351,834 common shares remained available for repurchase under the NCIB. All purchases are made in accordance with the bid at prevalent market prices plus brokerage fees, or such other prices that may be permitted by the TSX, with consideration allocated to share capital up to the average carrying amount of the shares, and any excess allocated to retained earnings.

(in thousands of Canadian dollars, except per share amounts - unaudited)

The changes in the common shares issued and outstanding during the period presented were as follows:

	Number of common shares		**Share capital**
Balance, at March 31, 2021	92,077,103	$	526,446
Exercise of stock options	128,296		2,590
Balance, at June 27, 2021	**92,205,399**	**$**	**529,036**

13. TAXATION

(i) Reconciliation of income taxes: Income tax expense differs from the amounts that would be obtained by applying the combined Canadian basic federal and provincial income tax rate to income before income taxes. These differences result from the following items:

For the three months ended		**June 27 2021**		June 28 2020
Income before income taxes and non-controlling interest	**$**	**44,444**	$	12,915
Combined Canadian basic federal and provincial income tax rate		**26.50%**		26.50%
Income tax expense based on combined Canadian basic federal and provincial income tax rate	**$**	**11,778**	$	3,422
Increase (decrease) in income taxes resulting from:				
Adjustments in respect to current income tax of previous periods		**(186)**		(90)
Non-taxable income (loss) net of non-deductible expenses		**755**		(264)
Unrecognized assets		**330**		1,797
Income taxed at different rates and statutory rate changes		**(1,550)**		(1,053)
Manufacturing and processing allowance and all other items		**(563)**		(651)
At the effective income tax rate of 24% (June 28, 2020 – 24%)	**$**	**10,564**	$	3,161
Income tax expense (recovery) reported in the interim consolidated statements of income:				
Current tax expense	**$**	**13,695**	$	4,754
Deferred tax recovery		**(3,131)**		(1,593)
	$	**10,564**	$	3,161
Deferred tax related to items charged or credited to equity and goodwill:				
Gain on revaluation of cash flow hedges	**$**	**1,392**	$	646
Opening deferred tax of acquired companies		**(10,624)**		—
Other items recognized through equity		**37**		235
Income tax charged directly to equity	**$**	**(9,195)**	$	881

14. STOCK-BASED COMPENSATION

In the calculation of the stock-based compensation expense in the interim consolidated statements of income, the fair value of the Company's stock option grants were estimated using the Black-Scholes option pricing model for time vesting stock. During the three months ended June 27, 2021, the Company granted 195,560 time vesting stock options (nil in the three months ended June 28, 2020). The stock options granted vest over four years and expire on the seventh anniversary from the date of issue.

(in thousands of Canadian dollars, except per share amounts - unaudited)

For the three months ended			**June 27 2021**			June 28 2020
	Number of stock options		**Weighted average exercise price**	Number of stock options		Weighted average exercise price
Stock options outstanding, beginning of period	**896,958**	**$**	**17.93**	1,162,149	$	15.71
Granted	**195,560**		**30.07**	—		—
Exercised (i)	**(128,296)**		**15.96**	(181,384)		12.51
Forfeited	**(11,489)**		**20.45**	(40,014)		18.98
Stock options outstanding, end of period	**952,733**	**$**	**20.66**	940,751	$	16.19
Stock options exercisable, end of period, time-vested options	**396,752**	**$**	**16.49**	692,465	$	15.31

(i) For the three months ended June 27, 2021, the weighted average share price at the date of exercise was $32.43 (June 28, 2020 - $19.40).

For the three months ended		June 27 2021
Weighted average risk-free interest rate		0.84%
Dividend yield		0%
Weighted average expected volatility		32%
Weighted average expected life		4.75 years
Number of stock options granted:		
Time-vested		195,560
Weighted average exercise price per option	$	30.07
Weighted average value per option:		
Time-vested	$	8.69

Restricted Share Unit Plan

During the three months ended June 27, 2021, the Company granted 165,263 time-vesting restricted share units ("RSUs") (nil in the three months ended June 28, 2020). The RSUs give the employee the right to receive a cash payment equal to the market value of a common share of the Company. During the three months ended June 27, 2021, the Company granted 113,037 performance-based RSUs (nil in the three months ended June 28, 2020). The performance-based RSUs vest upon successful achievement of certain operational and share price targets. The performance-based RSUs give the employee the right to receive a cash payment based on the market value of a common share of the Company. The weighted average remaining vesting period for the time-vesting RSUs and performance-based RSUs is 1.8 years. The RSU liability is recognized quarterly based on the expired portion of the vesting period and the change in the Company's stock price. At June 27, 2021 the value of the outstanding liability related to the RSU plan was $14,371 (March 31, 2021 - $8,892). The RSU liability is included in accounts payable and accrued liabilities on the interim consolidated statements of financial position.

Deferred Stock Unit Plan

During the three months ended June 27, 2021, the Company granted 33,189 units (three months ended June 28, 2020 – nil). The DSU liability is revalued at each reporting date based on the change in the Company's stock price. The change in the value of the DSU liability is included in the interim consolidated statements of income in the period of the change. As at June 27, 2021, the value of the outstanding liability related to the DSUs was $11,837 (March 31, 2021 - $8,732). The DSU liability is included in accounts payable and accrued liabilities on the interim consolidated statements of financial position.

15. COMMITMENTS AND CONTINGENCIES

The minimum purchase obligations are as follows as at June 27, 2021:

Less than one year	$	362,701
One – two years		4,330
Two – three years		1,290
Three – four years		236
	$	368,557

(in thousands of Canadian dollars, except per share amounts - unaudited)

The Company's off-balance sheet arrangements consist of purchase obligations which consist primarily of commitments for material purchases, which have been entered into in the normal course of business.

In accordance with industry practice, the Company is liable to customers for obligations relating to contract completion and timely delivery. In the normal conduct of its operations, the Company may provide letters of credit as security for advances received from customers pending delivery and contract performance. In addition, the Company provides letters of credit for post-retirement obligations and may provide letters of credit as security on equipment under lease and on order. As at June 27, 2021, the total value of outstanding letters of credit was approximately $155,400 (March 31, 2021 - $154,030).

In the normal course of operations, the Company is party to a number of lawsuits, claims and contingencies. Although it is possible that liabilities may be incurred in instances for which no accruals have been made, the Company does not believe that the ultimate outcome of these matters will have a material impact on its interim consolidated statements of financial position.

16. SEGMENTED DISCLOSURE

The Company's operations are reported as one operating segment, Automation Systems, which plans, allocates resources, builds capabilities and implements best practices on a global basis.

Geographic segmentation of revenues is determined based on revenues by customer location. Non-current assets represent property, plant and equipment, right-of-use assets and intangible assets that are attributable to individual geographic segments, based on the location of the respective operations.

As at			**June 27, 2021**
	Right-of-use assets	**Property, plant and equipment**	**Intangible assets**
Canada	**$ 7,385**	**$ 55,622**	**$ 26,624**
United States	**7,001**	**38,818**	**54,157**
Germany	**24,888**	**33,841**	**57,234**
Italy	**31,602**	**48,450**	**140,607**
Other Europe	**7,213**	**18,585**	**28,124**
Other	**4,672**	**853**	**88**
Total Company	**$ 82,761**	**$ 196,169**	**$ 306,834**

As at			March 31, 2021
	Right-of-use assets	Property, plant and equipment	Intangible assets
Canada	$ 7,594	$ 55,793	$ 26,504
United States	778	31,541	9,442
Germany	25,653	34,240	61,230
Italy	27,258	49,791	145,128
Other Europe	6,800	18,880	22,282
Other	4,487	924	105
Total Company	$ 72,570	$ 191,169	$ 264,691

Revenues from external customers for the three months ended	**June 27 2021**	June 28 2020
Canada	**$ 35,452**	$ 24,472
United States	**200,653**	134,243
Germany	**63,702**	63,569
Italy	**28,543**	2,914
Other Europe	**98,122**	70,616
Other	**84,143**	29,053
Total Company	**$ 510,615**	$ 324,867

(in thousands of Canadian dollars, except per share amounts - unaudited)

17. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue from contracts with customers:

Revenues by market for the three months ended		June 27 2021		June 28 2020
Life sciences	$	230,636	$	181,514
Food & beverage		114,053		7,093
Transportation		75,072		67,110
Consumer products		61,478		41,068
Energy		29,376		28,082
Total Company	$	510,615	$	324,867

Timing of revenue recognition based on transfer of control for the three months ended		June 27 2021		June 28 2020
Goods and services transferred at a point in time	$	67,122	$	25,227
Goods and services transferred over time		443,493		299,640
Total Company	$	510,615	$	324,867

(b) Contract balances

As at		June 27 2021		March 31 2021
Trade receivables	$	412,970	$	265,467
Contract assets		325,620		272,847
Contract liabilities		(362,022)		(218,290)
Unearned revenue [i]		(37,829)		(34,289)
Net contract balances	$	338,739	$	285,735

(i) The unearned revenue liability is included in accounts payable and accrued liabilities on the interim consolidated statement of financial position.

As at		June 27 2021		March 31 2021
Contracts in progress:				
Costs incurred	$	2,142,452	$	2,039,017
Estimated earnings		767,479		745,068
		2,909,931		2,784,085
Progress billings		(2,946,333)		(2,729,528)
Net contract assets & liabilities	$	(36,402)	$	54,557

18. NET FINANCE COSTS

For the three months ended		June 27 2021		June 28 2020
Interest expense	$	6,802	$	7,991
Interest on lease liabilities		801		729
Interest income		(98)		(526)
	$	7,505	$	8,194

19. EARNINGS PER SHARE

For the three months ended	June 27 2021	June 28 2020
Weighted average number of common shares outstanding	92,098,472	92,154,894
Dilutive effect of stock option conversion	312,661	228,752
Diluted weighted average number of common shares outstanding	92,411,133	92,383,646

For the three months ended June 27, 2021, stock options to purchase 195,560 common shares are excluded from the weighted average number of common shares in the calculation of diluted earnings per share as they are anti-dilutive (329,658 common shares were excluded for the three months ended June 28, 2020).