

First Quarter Report

For the three months ended

March 31, 2026

CEO's Message

The first quarter of 2026 is another validation point for EIC and our resilient and stable business model. In a quarter marked by market volatility, heightened geopolitical and trade uncertainty and rapidly rising fuel prices, our business performed exactly as it is built to perform: steady, cash-generative, and resilient. In more volatile environments, our diversified portfolio of essential services businesses provided stability - delivering record Revenue, Adjusted EBITDA, Net Earnings, Adjusted Net Earnings, Free Cash Flow and Free Cash Flow Less Maintenance Capital Expenditures. That consistency comes from disciplined acquisitions and organic Growth Capital Expenditures, durable niche market positions, and the diversification we have built across end-markets and geographies.

During the quarter we advanced key initiatives that further strengthen our balance sheet, including an investment grade corporate credit rating and issuing \$600 million of 4.324% senior unsecured notes. The financing provides long-term fixed rate 5-year capital to support our strategic organic growth and acquisition strategy. The notes issuance in no way changes our conservative view of leverage, however it does provide significant real cash interest savings compared to available swapped interest rates over the same 5-year term. The notes issuance, along with our redemption of all outstanding convertible debt instruments during 2025, has simplified our capital structure as the vast majority of convertible debt instruments outstanding were converted into equity. With the resultant increase in the share capital outstanding and the 5% increase in the dividend in the fourth quarter, we continued to reduce our dividend payout metrics on a Free Cash Flow less Maintenance Capital Expenditure and Adjusted Net Earnings basis, reinforcing the strength of our business model. With more than \$2 billion available liquidity, EIC is well positioned to execute on the next phase of growth.

To implement our strategic priorities, we expanded our executive team and realigned roles and responsibilities which will drive the next growth phase for EIC. Our executive team was bolstered by the announcement of three internal promotions to the executive team including Carmine Lisi, Chief Corporate Risk Officer, Marly Spivak, Chief Taxation Officer, and Garth Waddell, Chief Administrative Officer. Carmine, Marly and Garth have been long-time leaders at EIC and have built out teams and capabilities that align with the culture of EIC. The addition of the three into the executive ranks, along with the existing team of Jake, Adam, Richard, Darwin, Curtis, Steve, Dave and Pam, is a logical extension to allow for future accelerated growth and enhanced capacity at the executive level. In concert with the announcements, Darwin Sparrow will be assuming the critically important role of Chief Integration Officer and Travis Muhr will be taking on the Chief Operating Officer role. I believe we have one of the strongest executive teams assembled and we are collectively excited to usher in a new phase for EIC while retaining the culture and lessons learned from the past. I am a firm believer in the axiom, "Culture is not the most important thing, it is the only thing," and with the expanded executive team and initiatives undertaken throughout 2025 and 2026, EIC is built for long-term success and growth.

Financial Highlights from EIC's First Quarter 2026

- Record first quarter Revenue of \$867 million, an increase of \$198 million or 30% compared to the prior period.
- Record first quarter Adjusted EBITDA of \$166 million, representing growth of \$36 million over the prior period or 28%.
- Record first quarter Free Cash Flow of \$120 million representing growth of 48% compared to the prior period of \$81 million.
- Record Net Earnings of \$28 million compared to the prior period of \$7 million, an increase of 287%, and Net Earnings per share of \$0.50 compared to the prior period of \$0.14 or an increase of 257%.
- Record Adjusted Net Earnings of \$34 million compared to the prior period of \$14 million, an increase of 139%, and Adjusted Net Earnings per share of \$0.61 compared to the prior period of \$0.28 or an increase of 118%.
- Record Free Cash flow less Maintenance Capital Expenditures of \$41 million compared to \$26 million in the prior period or an increase of 61%.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio improved to 57% compared with the prior period of 63% and Trailing Twelve Month Adjusted Net Earnings Payout Ratio was an all-time low 67% compared to the prior period of 84%. The payout ratios significant declines included period over period increases in weighted average number of shares outstanding of 11% along with the 5% increase in dividend announced during the third quarter of fiscal 2025.
- Announced the extension and expansion of the Credit Facility to \$3.5 billion while increasing the flexibility as the facility changed from a secured to unsecured facility.
- Announced an investment grade corporate rating and the issuance of \$600 million of 4.324% senior unsecured notes due March 13, 2031 with the proceeds used to repay existing indebtedness under the Credit Facility.
- Announced the acquisition of Mach2 and the extension and expansion of the commercial agreement with Air Canada.
- Announced the renewal of the Normal Course Issuer Bid for Common Shares.

2026 Guidance Update

- Based on the first quarter results we expect that our Adjusted EBITDA for Fiscal 2026 to be in the range of \$825 million to \$875 million with an updated bias to the upper end of the range.

Revenue generated by the Aerospace & Aviation segment increased by \$226 million or 59% to \$608 million and Adjusted EBITDA increased by \$44 million or 43% to \$146 million over the comparative period. The significant drivers of the revenue and profitability increases relate to the acquisitions of Canadian North and Mach2, continued step-based improvements in our Aircraft Sales & Leasing business line, enhanced profitability related to Growth Capital Expenditures undertaken in fiscal 2025, strong load factors across various jurisdictions, increased tempo of flying on owned ISR aircraft and the impact of the second aircraft for the UK Home Office contract that was added during the fourth quarter of 2025.

Manufacturing segment revenue was \$258 million for the quarter and Adjusted EBITDA was \$37 million. Results were driven by anticipated moderation in the Multi-Storey Window Solutions business line reflecting the timing of project awards in prior years due to cautious developer decision-making at that time. Our Precision Manufacturing and Engineering business line delivered steady performance, albeit slightly below the prior period, with improving momentum through the quarter, supported by increased customer orders late in the period and subsequent to quarter end and accordingly, we expect increased profitability relative to the comparative period in the second quarter. Our Environmental Access Solutions business line was consistent with the prior period. It continued to see strong volumes on mat rentals supporting solid revenue and profitability when compared to the prior period. The first quarter of 2025 benefited from unusually strong operational results related to decommissioning activity; current year results were consistent with expectations and normal seasonality. We continue to see strong quoting activity and a growing order book throughout our business lines, with notable improved business activity as we closed out the quarter.

We are very pleased with these record setting results, and it sets the foundation for the remainder of the fiscal year. We anticipate that our Adjusted EBITDA for fiscal 2026 will be in the range of \$825 million to \$875 million with an updated bias to the upper end of the range. Our first quarter results demonstrated the strength and resiliency of our business model and the essential nature of the underlying businesses. The fundamental, essential nature of our business provides us with confidence in continuing to invest via Growth Capital Expenditures with the intention of compounding the existing returns and strengthening the competitive positions built to date. Consistent with our strategy, we also expect to continue acquiring companies that meet our stringent and disciplined acquisition criteria to enhance existing business lines and further diversify our results. We are extremely proud of the momentum across the organization and are excited about the opportunities ahead as our strategy continues to deliver record results.

Our Essential Air Services business line continued to set records driven by strong demand for scheduled, charter, cargo and medevac services along with the acquisition of Canadian North. We will continue to strengthen our Canadian North business through further investment in maintenance capital expenditures including additional spare parts along with making additional investments in the completion of our Ottawa hangar. We will continue to work with our other air operators and identify opportunities to maximize efficiencies including leveraging Regional One and Mach2 aircraft parts and engine expertise. During the second quarter or shortly thereafter, we anticipate receiving our 12th King Air aircraft to be deployed under the BCEHS contract and retrofitting the prior aircraft to be used and deployed for the Newfoundland and Labrador fixed wing medevac contract which is expected to commence operations in the second half of 2026.

We continue to receive a strong level of inbound interest from governments around the world regarding our world-class ISR capabilities. We continue to advance discussions on additional potential directly sourced ISR agreements. Given the confidential nature of procurement processes, the timing of milestones and awards announcements can vary, and we will provide updates as information becomes available.

Our Aircraft Sales & Leasing business line continues to deploy its aircraft and engines to operators around the globe. The aircraft, engine and parts demand continue to be robust, and management is continuing to identify aircraft acquisition opportunities to both grow our leased fleet and provide future part-out opportunities to serve the market demand. The acquisition of Mach2 will allow for further diversification of cash flow and will provide other growth avenues as the management teams execute on the strategic focuses for the businesses. During the quarter and after quarter end, jet fuel prices moved higher amid supply related uncertainty tied to geopolitical events. While some global air operators have adjusted schedules in response to these dynamics, our Aircraft Sales & Leasing customers have not been materially impacted to date. We continue to see robust demand for aircraft, engines, and parts, and our team is proactively monitoring the market and engaging with customers to manage risk and mitigate potential exposures along with executing on opportunities that may arise for asset and parts acquisitions as a consequence of the dynamic environment.

We expect strong growth in our Environmental Access Solutions business line as we reap the benefits of North America's investment in transmission and distribution, pipeline and oil and gas sectors. We are experiencing very strong demand for Spartan's System 7-XT composite mat and our planned build out of a state-of-the-art composite mat manufacturing facility in Saltillo, Mississippi is progressing on time and on budget. The North American focus on resources, energy independence, critical minerals and transmission and distribution provides significant opportunities for the business line in the medium and long-term.

Our Multi-Storey Window Solutions business line continues to perform in line with expectations as the market works through a softer demand environment driven by project timing and past developer decision making. Our teams proactively optimized our physical footprint and implemented operational efficiencies. We see a strong pipeline of inquiries and expect activity to convert into bookings as the market conditions normalize in the longer-term. We are encouraged by constructive signals from multiple levels of government aimed at reducing development fees and improving approval timelines. The ongoing need for affordable housing across North America continues to support an attractive long-term outlook for this business line. When the inevitable return to normal operations occurs, we anticipate significant operating leverage as the pre-tax profitability gains will flow to the bottom line because of the decisions made to optimize operations and retain skilled staff.

Our Precision Manufacturing & Engineering business line experienced growth towards the end of the quarter and after quarter end. The business line has favorable sector exposures including defence, technology, communications and data farm infrastructure which will drive results throughout this year and into the future and we have noted instances of company specific record bookings after quarter end.

Our businesses and their core competencies lie at the intersection of several global trends. Those trends include Canada's *Defence Industrial Strategy* and global focus on defence and security which provides tailwinds for our Essential Air Services, Aerospace and Precision Manufacturing & Engineering business lines. In Canada's Spring economic update, the government highlighted the importance of Canada's North driven by rising geopolitical pressures and a rapidly warming Arctic. Proposed projects that are critical to strengthening sovereignty, resilience, and long-term economic opportunity in the region provide opportunities for our Essential Air Services, Aerospace, Environmental Access Solutions and Precision Manufacturing & Engineering business lines. Additionally, the global focus on artificial intelligence and data farms is driving significant business for our Precision Manufacturing & Engineering, Environmental Access Solutions and Multi-Storey Window Solutions business lines. While the first quarter got us off to a very strong start to fiscal 2026, we believe that such records are only the start of a very bullish view on EIC's future.

Thank you to our shareholders, our employees, our customers and the communities we serve. We look forward to seeing many of you at our Annual Meeting on May 12, 2026.

Mike Pyle

Chief Executive Officer

Exchange Income Corporation

May 11, 2026

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Management Discussion & Analysis of Operating Results and Financial Position for the three months ended March 31, 2026

PREFACE

This Management's Discussion and Analysis ("MD&A") supplements the unaudited interim condensed consolidated financial statements and related notes for the three months ended March 31, 2026 ("Consolidated Financial Statements") of Exchange Income Corporation ("EIC" or "the Corporation"). All amounts are stated in thousands of Canadian dollars, except per share information and share data, unless otherwise stated.

This MD&A should be read in conjunction with the unaudited interim condensed consolidated financial statements of the Corporation for the three months ended March 31, 2026, and in conjunction with the MD&A and audited consolidated financial statements and related notes for the year ended December 31, 2025. The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") applicable to interim financial statements.

FORWARD-LOOKING STATEMENTS

This report and the documents incorporated by reference herein contain forward-looking statements. All statements other than statements of historical fact contained in this report and the documents incorporated by reference herein are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, completed and potential acquisitions or investments and the potential impact of such completed and/or potential acquisitions or investments on the operations, financial condition, capital resources and business of the Corporation and/or its subsidiaries, the Corporation's policy with respect to the amount and/or frequency of dividends, budgets, litigation, projected costs and plans and objectives of or involving the Corporation or its subsidiaries or any businesses to potentially be acquired by the Corporation. Prospective investors can identify many of these statements by looking for words such as "believes", "expects", "will", "may", "intends", "projects", "anticipates", "plans", "estimates", "continues" and similar words or the negative thereof. Although management believes that the expectations represented in such forward-looking statements are reasonable at the time they are made, there can be no assurance that such expectations will prove to be correct.

Forward-looking statements are necessarily based upon a number of expectations or assumptions that, while considered reasonable by management at the time the statements are made, are inherently subject to significant business, economic and competitive uncertainties and contingencies. There can be no assurance that such expectations or assumptions will prove to be correct. A number of factors could cause actual future results, performance, achievements, and developments of the Corporation and/or its subsidiaries to differ materially from anticipated results, performance, achievements, and developments expressed or implied by such forward-looking statements. Such factors include, but are not limited to: economic and geopolitical conditions; competition; government funding for Indigenous health care; access to capital; market trends and innovation; general uninsured loss; climate; acts of terrorism, armed conflict, labour and/or social unrest; pandemic; level and timing of government spending; government-funded programs; environmental, social and governance; significant contracts and customers; operational performance and growth; laws, regulations and standards; acquisition risk (including receiving any requisite regulatory approvals thereof); concentration and diversification risk; maintenance costs; access to parts and relationships with key suppliers; casualty losses; environmental liability risks; dependence on information systems and technology; cybersecurity; international operations risks; fluctuations in sales prices of aviation related assets; fluctuations in purchase prices of aviation related assets; warranty risk; performance guarantees; global offset risk; intellectual property risk; availability of future financing; income tax matters; commodity risk; foreign exchange; interest rates; credit facility; dividends; unpredictability and volatility of securities pricing; dilution risk; credit risk; indebtedness; reliance on key personnel; employees and labour relations; and conflicts of interest. A further discussion of these risks is included in *Section 11 – Risk Factors*. For each of the foregoing reasons, readers are cautioned not to place undue reliance on forward-looking statements. The information contained or incorporated by reference in this report identifies additional factors that could affect the operating results and performance of the Corporation and its subsidiaries. Assumptions about the performance of the businesses of the Corporation and its subsidiaries are considered in setting the business plan for the Corporation and its subsidiaries and in setting financial targets. Should one or more of the risks materialize or the assumptions prove incorrect, actual results, performance, or achievements of the Corporation and its subsidiaries may vary materially from those described in forward-looking statements.

The forward-looking statements contained herein or contained in a document incorporated by reference herein are expressly qualified in their entirety by this cautionary statement. The forward-looking statements included or incorporated by reference in this report are made as of the date of this report or such other date specified in such statement. Except as required by law, the Corporation disclaims any obligation to update any forward-looking information, estimates or opinions, future events or results, or otherwise.

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EXCHANGE INCOME CORPORATION

The Corporation is a diversified, acquisition-oriented corporation focused on opportunities in the Aerospace & Aviation and Manufacturing segments. The business plan of the Corporation is to invest in profitable, well-established companies with strong cash flows operating in niche markets. The objectives of the Corporation are:

- (i) to provide shareholders with stable and growing dividends;
- (ii) to maximize shareholder value through ongoing active monitoring of and investment in its operating subsidiaries; and
- (iii) to continue to acquire additional businesses or interests therein to expand and diversify the Corporation's investments.

Segment Summary

The Corporation's operating segments are strategic business units that offer different products and services. The Corporation has two operating segments: Aerospace & Aviation and Manufacturing.

All consolidated revenue percentages noted below have been calculated by adjusting revenues for business acquisitions that were completed in fiscal 2025 to reflect a full year contribution.

Aerospace & Aviation Segment

The Aerospace & Aviation segment is comprised of three lines of business: Essential Air Services, Aerospace, and Aircraft Sales & Leasing.

Essential Air Services includes both fixed wing and rotary wing operations. Under various brand names across Canada, our subsidiaries provide essential services to Canada's northern and remote communities, including medevac, passenger, charter, freight services, and auxiliary services. The majority of the communities we serve are not accessible year-round by ground transportation, meaning our airlines provide a vital link into these communities. Our operations span across Canada, and more specifically include operations in Alberta, British Columbia, Manitoba, New Brunswick, Newfoundland and Labrador, Nova Scotia, Nunavut, Northwest Territories, Ontario, and Quebec. The Corporation also operates two flight schools, training pilots both for our own airlines and for airlines around the world.

Essential Air Services accounted for approximately 45% of the Corporation's consolidated revenues in fiscal 2025. Items impacting margins within this business are load factors, weather, fuel prices and, in the current operating environment, the ability to source a full complement of pilots and aircraft mechanics.

Essential Air Services includes the operations of Calm Air International LP, Canadian North, CANLink Aviation Inc. (MFC Training), Carson Air Ltd., Custom Helicopters Ltd., Keewatin Air LP, PAL Airlines Ltd., and Perimeter Aviation LP (including its operating division, Bearskin Airlines).

Aerospace includes our vertically integrated aerospace offerings that provide customized and integrated special mission aircraft solutions primarily to governments across the globe. These services encompass mission systems design and integration, aircraft modifications, intelligence, surveillance, reconnaissance operations ("ISR"), software development, logistics and in-service support. Most of these services are provided pursuant to long term government contracts. In addition, our subsidiaries deliver training solutions across an array of aviation platforms and have in-depth experience in training pilots and sensor operators on both manned and unmanned aircraft for government agencies.

Aerospace accounted for approximately 9% of the Corporation's consolidated revenues in fiscal 2025. Training solutions typically generate lower margins as there are low capital requirements outside of working capital, whereas ISR flying operations typically have higher margins as the upfront investment in the owned assets to perform the ISR flying operations is reflected as an expense through depreciation.

Aerospace includes the operations of Crew Training International, Inc. and PAL Aerospace Ltd.

Aircraft Sales & Leasing includes aftermarket aircraft, engine and parts sales, aircraft and engine leasing and aircraft management services. Our subsidiaries specialize in commercial aircraft and seek to monetize their portfolio over the full life cycle of the asset. Our subsidiaries are not typical finance lessors; rather, assets are leased for shorter durations to consume the available green time on those assets. Once the green time has been consumed, the assets can then either be overhauled and leased out again or torn down into piece parts and sold to airlines around the world to generate further cash flows. Revenue streams include selling whole aircraft, engines and components of those assets, leasing of aircraft and engines, and fee income earned through the provision of services for third parties such as asset management or consignment sales. Our expertise in understanding the value of each component of an aircraft and the anticipated demand for those

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components, including the next major shop visits and next major overhaul event for each platform we specialize in, provides a competitive advantage on what to buy and what to pay.

Aircraft Sales & Leasing accounted for approximately 14% of the Corporation's consolidated revenues in fiscal 2025. The most significant item impacting margins in this line of business is sales mix. Leasing contributes very high margins and therefore variability in leasing revenue has the largest impact on margins. Within this business line, parts revenue is the most predictable and stable from both sales and margin perspectives; whereas the sales of aircraft and engines varies on a period to period basis, both in volume and in price, but are generally higher dollar and lower margin transactions.

Aircraft Sales & Leasing includes the operations of EIC Aircraft Leasing Limited, MnM Aircraft Component Holdings Inc ("Mach2"), and Regional One, Inc.

Manufacturing Segment

The Manufacturing segment is comprised of three lines of business: Environmental Access Solutions, Multi-Storey Window Solutions, and Precision Manufacturing & Engineering.

Environmental Access Solutions provides matting solutions in both Canada and the United States.

In Canada, Environmental Access Solutions is the largest provider of temporary access solutions, providing a turnkey service which includes planning, consultation, delivery and installation, logistical support, and removal and washing solutions. Our access solutions and related services provide temporary ground protection that allow customers to access job sites or use heavy machinery and equipment on wet, loose, or otherwise unstable or environmentally sensitive ground. Access mats and bridges provide access to remote areas in a much more environmentally friendly manner than the construction of temporary gravel roads and installation of culverts and water-diversion devices, which are difficult to remove and remediate and can cause cross-contamination of soil. As the largest operator in this industry, we provide a one-stop solution for our clients with a vertically integrated platform including in-house mat manufacturing capabilities, a sizable fleet of trucks and equipment, and a portable, patented closed-loop mat washing system.

In the United States, Environmental Access Solutions is one of three manufacturers of composite access mats. While these composite mats are used for the same purposes as the wood mats in Canada, the composite mats are fully recyclable at the end of their useful lives, offering customers a lighter weight, sustainable alternative to traditional wood mats in climates and applications where the composite mats outperform wood mats.

Environmental Access Solutions accounted for approximately 9% of the Corporation's consolidated revenues in fiscal 2025. Rentals generate higher margins than other lines of business within Environmental Access Solutions. Rental activity is influenced by several factors, such as the supply of mats in the marketplace, the availability and pricing of raw materials used in mat production, and weather conditions, including the amount of precipitation and temperature. In addition to rentals, the sale of mats and the overall sales mix in a given period can also have a significant impact on margins. These mat sale transactions are generally higher dollar value and lower margin when compared to rental revenue.

Environmental Access Solutions includes the operations of Northern Mat and Bridge LP, and Spartan Composites Inc.

Multi-Storey Window Solutions includes the design, manufacture and installation of the exteriors of residential and mixed-use high rise buildings which integrate residential, retail, and office spaces. Our subsidiaries manufacture an advanced unitized window wall system, curtain wall, and railing solutions. This business line provides solutions for the entire façade, including the windows, operable elements and opaque areas that surround the exterior envelope of a building. Our vertically integrated offering within Multi-Storey Window Solutions includes installation services in both Canada and in the United States. In the United States, we have the capability to install both our internally manufactured window solutions and those manufactured by others.

Multi-Storey Window Solutions accounted for approximately 11% of the Corporation's consolidated revenues in fiscal 2025. The most significant items impacting margins within this line of business are the cost of raw materials and product mix. Since our subsidiaries both manufacture and install exteriors of residential and mixed-use high-rise buildings, the margins realized in a particular period can vary based on the type of work performed. Installation, particularly on jobs completed with non-Quest/BVGlazing product, generates lower margins than for supply and install projects.

Multi-Storey Window Solutions includes the operations of BVGlazing Systems and Quest Window Systems.

Precision Manufacturing & Engineering provides engineering and precision manufacturing services throughout North America in a wide variety of industries. These services include: wireless and wireline construction and maintenance services; the manufacture of precision parts and components for a variety of industries; the manufacture of portable hydronic climate control equipment; the manufacture of

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specialized stainless steel tanks, vessels, and processing equipment; electrical and control systems integration focused on the agricultural material handling segment; and the manufacture of specialized heavy-duty pressure washing and steam systems, commercial water recycling systems, and custom tanks.

Precision Manufacturing & Engineering accounted for approximately 12% of the Corporation's consolidated revenues in fiscal 2025. Margins in this line of business are typically stable. While there may be margin pressure in times of rapid escalation of prices of raw materials, generally our subsidiaries have the ability to pass on these costs to customers over time due to the specialty nature of the products that are being provided.

Precision Manufacturing & Engineering includes the operations of Ben Machine Products Company Incorporated, DryAir Manufacturing Corp., Hansen Industries Ltd., LV Control Mfg. Ltd., Overlanders Manufacturing LP, Stainless Fabrication, Inc., Water Blast Manufacturing LP, and WesTower Communications Ltd.

Management of the Corporation continuously monitors and provides support to the operating subsidiaries. The operating subsidiaries of the Corporation, however, operate autonomously and maintain their individual business identities.

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1. FINANCIAL HIGHLIGHTS AND SIGNIFICANT EVENTS

The financial highlights for the Corporation for the periods indicated are as follows:

FINANCIAL PERFORMANCE	2026	per share		2025	per share	
		basic	diluted		basic	diluted
<u>For the three months ended March 31</u>						
Revenue	\$ 866,583			\$ 668,276		
Adjusted EBITDA ⁽¹⁾	166,094			130,136		
Net Earnings	27,894	\$ 0.50	\$ 0.49	7,207	\$ 0.14	\$ 0.14
Adjusted Net Earnings ⁽¹⁾	34,104	0.61	0.59	14,295	0.28	0.28
Free Cash Flow ⁽¹⁾	120,246	2.14	2.10	81,484	1.61	1.47
Free Cash Flow less Maintenance Capital Expenditures ⁽¹⁾	41,027	0.73	0.72	25,500	0.50	0.49
Dividends declared	38,816	0.69		33,550	0.66	
<u>For the Trailing Twelve months as at March 31</u>						
Adjusted Net Earnings payout ratio ⁽¹⁾		67%			84%	
Free Cash Flow less Maintenance Capital Expenditures payout ratio ⁽¹⁾		57%			63%	
FINANCIAL POSITION	March 31, 2026			December 31, 2025		
Working capital	\$ 560,291			\$ 568,091		
Capital assets	2,401,156			2,356,976		
Total assets	5,428,544			5,261,677		
Long-term debt and senior unsecured notes	2,257,575			2,174,685		
Equity	1,787,731			1,762,392		
SHARE INFORMATION	March 31, 2026			December 31, 2025		
Common shares outstanding	56,326,169			56,129,898		
	March 31, 2026			March 31, 2025		
Weighted average shares outstanding during the period - basic	56,244,662			50,593,124		

Note 1) As defined in Section 12 – Non-IFRS Financial Measures and Glossary.

SIGNIFICANT EVENTS

Credit Facility Upsize and Extension

On January 26, 2026, the Corporation amended its credit facility. The size of the enhanced credit facility availability increased to \$3.5 billion from approximately \$3.0 billion, and was extended to January 26, 2030. The increased size of the credit facility provides the Corporation with the highest level of available capital in its history, providing capacity to continue to execute on its core strategy of pursuing accretive growth through investment in its operating subsidiaries and through acquisition, and was completed with no change in pricing. The terms and conditions included within the facility are now more flexible than the Corporation's previous credit facility, including moving from a secured facility to an unsecured facility.

Acquisition of MnM Aircraft Component Holdings Inc.

On January 31, 2026, the Corporation acquired MnM Aircraft Component Holdings, Inc ("Mach2") for a purchase price of US \$43 million, including purchase price consideration of US \$9 million in EIC common shares, subject to customary post closing adjustments. Located in Pompano Beach Florida, Mach2 participates in the commercial segment of the global used aircraft serviceable material market. The acquisition accelerates Regional One's presence in the commercial aviation aftermarket.

Investment Grade Corporate Credit Rating

On February 18, 2026, the Corporation received an investment grade corporate credit rating from DBRS. The rating, BBB (low) with a stable outlook, provides the Corporation with the ability to access a new form of fixed rate capital in the corporate bond market to fund its next stage of growth, and lower its overall cost of capital, compared to the use of convertible debentures, which were all redeemed in 2025.

Investment Grade Senior Unsecured Note Offering

On March 13, 2026, the Corporation completed an offering of \$600 million principal amount of senior unsecured notes. The Corporation initially launched an offering at \$400 million and due to significant demand, upsized the offering to \$600 million. The notes bear interest at a rate of 4.324% per annum, payable semi-annually in arrears on March 13th and September 13th each year and mature on March 13, 2031.

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The notes represent the Corporation's inaugural investment-grade offering, with DBRS assigning the notes a final rating of BBB (low) with a stable trend. The notes are senior unsecured, unsubordinated obligations of the Corporation, ranking pari passu with any other present or future unsecured, unsubordinated obligations of the Corporation. The net proceeds from the offering were used to repay indebtedness under the Credit Facility.

Normal Course Issuer Bid ("NCIB")

On March 30, 2026, the Corporation renewed its NCIB for common shares. Under the renewed NCIB for common shares, purchases can be made during the period commencing on April 1, 2026, and ending on March 31, 2027. The Corporation can purchase a maximum of 5,311,716 shares and daily purchases will be limited to 37,145 shares, other than block purchase exemptions. The Corporation renewed its NCIB because it believes that from time to time, the market price of the common shares may not fully reflect the value of the common shares. The Corporation believes that in such circumstances, the purchase of common shares represents an accretive use of capital.

2. RESULTS OF OPERATIONS

The following section analyzes the financial results of the Corporation for the three months ended March 31, 2026, and the comparative 2025 period.

	Three months ended March 31, 2026			
	Aerospace & Aviation	Manufacturing	Head Office ⁽²⁾	Consolidated
Revenue	\$ 608,088	\$ 258,495	\$ -	\$ 866,583
Expenses ⁽¹⁾	462,207	221,536	16,746	700,489
Adjusted EBITDA	145,881	36,959	(16,746)	166,094
Depreciation of capital assets				84,722
Amortization of intangible assets				6,218
Finance costs – interest				27,846
Depreciation of right of use assets				15,519
Interest expense on right of use lease liabilities				2,805
Acquisition costs				1,777
Other				(8,581)
Earnings before income taxes				35,788
Current income tax expense				804
Deferred income tax expense				7,090
Net Earnings				\$ 27,894
Net Earnings per share (basic)				\$ 0.50
Adjusted Net Earnings				\$ 34,104
Adjusted Net Earnings per share (basic)				\$ 0.61

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	Three months ended March 31, 2025			
	Aerospace & Aviation	Manufacturing	Head Office ⁽²⁾	Consolidated
Revenue	\$ 381,957	\$ 286,319	\$ -	\$ 668,276
Expenses ⁽¹⁾	280,110	245,759	12,271	538,140
Adjusted EBITDA	101,847	40,560	(12,271)	130,136
Depreciation of capital assets				66,720
Amortization of intangible assets				6,191
Finance costs – interest				30,636
Depreciation of right of use assets				10,409
Interest expense on right of use lease liabilities				2,063
Acquisition costs				2,674
Earnings before income taxes				11,443
Current income tax expense				7,360
Deferred income tax recovery				(3,124)
Net Earnings				\$ 7,207
Net Earnings per share (basic)				\$ 0.14
Adjusted Net Earnings				\$ 14,295
Adjusted Net Earnings per share (basic)				\$ 0.28

Note 1) Expenses include aerospace & aviation expenses (excluding depreciation and amortization), manufacturing expenses (excluding depreciation and amortization), and general and administrative expenses.

Note 2) Head Office is not a separate reportable segment. It includes expenses incurred at the head office of the Corporation and is presented for reconciliation purposes.

REVENUE AND ADJUSTED EBITDA (Section 12 – Non-IFRS Financial Measures and Glossary)

The Corporation's first quarter is the most seasonally challenging as demand within Essential Air Services and Environmental Access Solutions are seasonally slowest in the first quarter. Within Essential Air Services, winter roads into certain Northern communities lessen demand. Within Environmental Access Solutions, most notably in Canada, colder weather reduces demand for access solutions due to lower potential risk of environmental impact when the ground is frozen. The colder weather also generally results in a seasonal slowdown in large infrastructure projects across North America, impacting certain of the Corporation's other Manufacturing segment subsidiaries.

On a consolidated basis, the Corporation generated revenue of \$867 million, an increase of \$198 million or 30% over the prior period. The Aerospace & Aviation segment increased \$226 million, while the Manufacturing segment decreased \$28 million.

Adjusted EBITDA of \$166 million was generated by the Corporation during the period, an increase of \$36 million or 28% over the prior period. The increase was attributable to the Aerospace & Aviation segment which increased \$44 million over the prior period, while the Manufacturing segment decreased \$4 million from the prior period. Head office costs increased over the prior period primarily due to increased personnel costs, driven by increased share based compensation, and increased investments in cybersecurity.

During the period, the strengthening of the Canadian dollar reduced the translated amount of our US dollar denominated revenues and profitability. This resulted in period over period negative impacts on Revenue and Adjusted EBITDA in all of our business lines with the exception of Essential Air Services.

Aerospace & Aviation Segment

Revenue generated by the Aerospace & Aviation segment increased by \$226 million or 59% to \$608 million.

Revenue within Essential Air Services increased over the prior period. The increase is driven by several factors. First, Newfoundland Helicopters was acquired on May 12, 2025 and Canadian North was acquired on July 1, 2025 with no comparative revenue in the prior period. Included in the increase attributed to Canadian North are significant charter revenues that contributed to the period over period increase. These charter revenues have a lower Adjusted EBITDA margin compared to the rest of the segment as discussed below. Second, medevac operations contributed to the increase over the prior period as a result of improved yields and expanded scope in several locations. Finally, scheduled service volumes, including volume increases related to routes flown on behalf of Air Canada, contributed to the revenue increase over the prior period.

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Revenue within Aircraft Sales & Leasing increased over the prior period. Mach2 was acquired January 31, 2026 with no comparative in the prior period. In addition, the increase is attributable to a continued improvement in leasing activity during the period, an increase in parts demand, and a significant increase in large asset sales. Large asset sales, which are generally higher dollar transactions and lower Adjusted EBITDA margin, can fluctuate quarter to quarter. These large asset sales reflect the monetization of certain investments made over the last several quarters.

Revenue within Aerospace increased over the prior period. The increase is primarily attributed to higher tempo ISR flying on owned ISR aircraft and the addition of the second UK Home Office aircraft which entered service in the fourth quarter of 2025 and for which there is no comparative in the prior period. Increases in training program volumes further contributed to the revenue increase during the period.

Adjusted EBITDA generated by the Aerospace & Aviation segment increased by \$44 million or 43% to \$146 million.

Adjusted EBITDA within Essential Air Services increased over the prior period. Newfoundland Helicopters was acquired on May 12, 2025 and Canadian North was acquired July 1, 2025, with no comparatives in the prior period. Included in the increase attributed to Canadian North are charter revenues which contributed to the Adjusted EBITDA increase over the prior period, however the Adjusted EBITDA margins from this business is below the Adjusted EBITDA margins generated by our passenger and cargo operations within this business line. In addition, the increases in revenue discussed above further contributed to the increase in Adjusted EBITDA. Previous investments made to expand our fleet of fixed wing aircraft are now producing returns that were expected when the capital was deployed.

Adjusted EBITDA within Aircraft Sales & Leasing increased over the prior period. First, Mach2 was acquired on January 31, 2026 with no comparative in the prior period. The increase in Adjusted EBITDA was further attributed to an increase in leasing activity during the period. The increase in leasing activity has been driven by investments in prior periods and an increase in the overall utilization of the lease portfolio. Margins within this revenue stream are higher than other revenue streams as the capital cost associated with leasing is represented through depreciation, and therefore has an outsized impact on Adjusted EBITDA compared to revenue. Large asset sales, which are typically higher value transactions with lower Adjusted EBITDA margins, increased significantly over the prior period, further contributing to the adjusted EBITDA increase. The material increase in large asset sales at lower Adjusted EBITDA margins resulted in lower margins overall for the business line despite the material increase in high margin lease revenue.

Adjusted EBITDA within Aerospace increased over the prior period. The increase is attributable to the factors discussed in the revenue section above.

Manufacturing Segment

Revenue generated by the Manufacturing segment decreased by \$28 million or 10% to \$258 million.

Revenue within Environmental Access Solutions increased over the prior period. The Corporation continues to experience significant demand for composite matting solutions within the US market which exceeded our expectations and exceeded the metrics off which we purchased the business. Within the Canadian market, revenue volumes were consistent with the prior period.

Revenue within Multi-Storey Window Solutions decreased from the prior period driven by reduced volumes as a result of macroeconomic pressures and project delays. Customer deferrals of certain projects created production gaps in the current period. In addition, lower booking projects in previous periods reduced revenue in the current period. The long lead time between order and build means more recent positive developments on our orderbook have not yet begun to impact our financial results. Additions to our orderbook typically take between 18 and 24 months before revenue is recorded.

Revenue within Precision Manufacturing & Engineering decreased from the prior period. The decrease relates to exceptionally strong wireline and wireless construction in the prior period that normalized in 2026, and project delays by certain customers across the business line. Volumes strengthened towards the end of the period as a result of improved business sentiment within the marketplace and remained strong subsequent to the end of the period.

In the Manufacturing segment, Adjusted EBITDA decreased by \$4 million or 9% to \$37 million.

Adjusted EBITDA within Environmental Access Solutions was consistent with the prior period. The revenue increases discussed above were offset by a change in product mix resulting in Adjusted EBITDA that was consistent with the prior period.

Adjusted EBITDA within Multi-Storey Window Solutions decreased from the prior period. The decrease is attributed to two factors. US tariffs on aluminum negatively impacted Adjusted EBITDA during the period compared to the prior period. While the Corporation has taken steps to mitigate the impact of tariffs, making changes within its supply chain, where possible, will occur over a longer period of time. Second, the project delays discussed above decreased Adjusted EBITDA. As previously communicated, the Corporation's backlog remains strong, however the long lead time between order and build means the impact to Adjusted EBITDA has not yet been realized.

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Adjusted EBITDA in Precision Manufacturing & Engineering was relatively consistent to the prior period. Volumes strengthened towards the end of the period as a result of improved business sentiment within the marketplace and remained strong subsequent to the end of the period.

NET EARNINGS

	Three Months Ended March 31,	2026	2025
Net Earnings		\$ 27,894	\$ 7,207
Net Earnings per share		\$ 0.50	\$ 0.14

Net Earnings were \$28 million, an increase of \$21 million, or 287% over the prior period. This increase is attributed to several factors. First, the Corporation generated higher Adjusted EBITDA compared to the prior period as discussed above, which contributed to the increase in Net Earnings. Second, the Corporation recorded a gain of \$9 million due to the revaluation of contingent consideration. Further details on the revaluation of contingent consideration are provided in *Section 8 – Critical Accounting Estimates and Judgements*. Third, interest expense decreased by \$3 million from the prior period due to the early redemption of the Corporation's convertible debentures which was completed in 2025. Finally, acquisition costs decreased by \$1 million from the prior period. The binding purchase agreement for Canadian North announced in the prior period resulted in higher than normal acquisition costs due to the complexity of the transaction, including the required regulatory approvals.

These increases to Net Earnings were partially offset by the following factors. First, depreciation of capital assets increased by \$18 million over the prior period. The increase is attributed to two factors. The acquisition of Canadian North on July 1, 2025 added additional depreciation of capital assets for which there was no comparative in the prior period, however this increase was expected given the extensive capital assets acquired. In addition, investments in Growth Capital Expenditures in previous periods have resulted in higher depreciation of capital assets in the current period, as expected when these investments were made. Second, depreciation on right of use assets and interest expense on right of use liabilities increased by \$6 million over the prior period. This increase is attributed to the acquisition of Canadian North on July 1, 2025 for which there is no comparative in the prior period. Finally, the decrease in interest expense attributed to the conversion and early redemption of the convertible debentures discussed above was partially offset by higher senior credit facility debt and senior unsecured notes outstanding compared to the prior period.

Income tax expense increased over the prior period and the Corporation's effective tax rate decreased to 22% from 37%. The increase in tax expense corresponds with the increase in pre-tax earnings during the period. The decrease in the Corporation's effective tax rate is attributable to two factors. First, the gain on remeasurement of contingent consideration that occurred during the period, which is not subject to tax, decreased the effective rate of tax compared to the prior period. Second, a higher proportion of non-deductible acquisition costs were incurred during the previous period related to the acquisition of Canadian North.

Net Earnings per share increased by 257% over the prior period to \$0.50. The increase in Net earnings per share was partially offset by the weighted average number of shares increasing by 11% over the prior period. Details around the change in shares outstanding can be found in *Section 6 – Liquidity and Capital Resources*.

ADJUSTED NET EARNINGS (*Section 12 – Non-IFRS Financial Measures and Glossary*)

	Three Months Ended March 31,	2026	2025
Net Earnings		\$ 27,894	\$ 7,207
Acquisition costs (net of tax \$251 and \$226) ⁽¹⁾		1,526	2,448
Amortization of intangible assets (net of tax \$1,648 and \$1,641)		4,570	4,550
Interest accretion on acquisition contingent consideration (net of tax of \$39 and nil)		114	-
Accelerated interest accretion on redeemed debentures (net of tax of nil and \$33)		-	90
Adjusted Net Earnings		\$ 34,104	\$ 14,295
per share – Basic		\$ 0.61	\$ 0.28
per share – Diluted		\$ 0.59	\$ 0.28

Note 1) The tax deductibility of Acquisition Costs is dependent on the nature of the expense and the jurisdiction in which they are incurred.

Adjusted Net Earnings was \$34 million, an increase of \$20 million, or 139% over the prior period. Adjusted Net Earnings includes the add-back of acquisition-related costs, which are comprised of \$5 million in intangible asset amortization, and \$2 million in acquisition costs, both net of tax. Details around the calculation of Adjusted Net Earnings can be found in *Section 12 – Non-IFRS Financial Measures and Glossary*.

Adjusted Net Earnings per share increased 118% over the prior period to \$0.61. The increase in Adjusted Net Earnings per share was

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partially offset by the weighted average number of shares increasing by 11% over the prior period. Details around the change in shares outstanding can be found in *Section 6 – Liquidity and Capital Resources*.

FREE CASH FLOW (*Section 12 – Non-IFRS Financial Measures and Glossary*)

Three Months Ended March 31,	2026	2025
Cash flows from operations	\$ 132,567	\$ 89,383
Change in non-cash working capital	1,392	(115)
Acquisition costs (net of tax \$251 and \$226) ⁽¹⁾	1,526	2,448
Principal payments on right of use lease liabilities	(15,239)	(10,232)
	\$ 120,246	\$ 81,484
per share – Basic	\$ 2.14	\$ 1.61
per share – Diluted	\$ 2.10	\$ 1.47

Note 1) The tax deductibility of Acquisition Costs is dependent on the nature of the expense and the jurisdiction in which they are incurred.

The Free Cash Flow generated by the Corporation during the period was \$120 million, an increase of \$39 million, or 48% over the prior period. The increase in Adjusted EBITDA is the primary reason for the increase in Free Cash Flow for the period, along with a decrease in current taxes and interest. Partially offsetting these factors is an increase in principal payments on right of use lease liabilities primarily attributed to the acquisition of Canadian North. Free Cash Flow is discussed further in *Section 12 – Non-IFRS Financial Measures and Glossary*.

Free Cash Flow per share increased by 33% over the prior period to \$2.14. The increase in Free Cash Flow per share was partially offset by the weighted average number of shares increasing by 11% over the prior period. Details around the increase in shares outstanding can be found in *Section 6 – Liquidity and Capital Resources*.

Changes in non-cash working capital are included in cash flow from operations per the Statement of Cash Flow and are removed in the reconciliation to Free Cash Flow. As a result, it has no impact on the calculation of Free Cash Flow. A detailed discussion of changes in working capital is included in *Section 3 – Investing Activities*.

3. INVESTING ACTIVITIES

Investment through the acquisition of new businesses, the purchase of capital assets, and investment in working capital to maintain and grow our existing portfolio of subsidiaries is a primary objective of the Corporation.

ACQUISITIONS

MnM Aircraft Component Holdings Inc. (“Mach2”)

On January 31, 2026, the Corporation acquired Mach2. Located in Pompano Beach Florida, Mach2 participates in the commercial segment of the global used aircraft serviceable material market. The acquisition materially accelerates Regional One’s presence in the commercial aviation aftermarket by providing Regional One with the necessary commercial expertise, asset knowledge and inventory to jumpstart expansion into this segment of the aircraft parts market.

The components of the consideration paid to acquire Mach2 are outlined in the table below.

Consideration given:		
Cash	\$	45,606
Issuance of 121,147 shares of the Corporation at \$96.27 per share		11,663
Estimated working capital settlement		(1,117)
Total purchase consideration	\$	56,152

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CAPITAL EXPENDITURES (Section 12 – Non-IFRS Financial Measures and Glossary)

CAPITAL EXPENDITURES	Three Months Ended March 31, 2026			
	Aerospace & Aviation	Manufacturing	Head Office	Total
Maintenance Capital Expenditures	\$ 72,310	\$ 6,252	\$ 657	\$ 79,219
Growth Capital Expenditures	41,929	(1,944)	-	39,985
	\$ 114,239	\$ 4,308	\$ 657	\$ 119,204

CAPITAL EXPENDITURES	Three Months Ended March 31, 2025			
	Aerospace & Aviation	Manufacturing	Head Office	Total
Maintenance Capital Expenditures	\$ 48,877	\$ 6,925	\$ 182	\$ 55,984
Growth Capital Expenditures	54,518	1,600	-	56,118
	\$ 103,395	\$ 8,525	\$ 182	\$ 112,102

Maintenance Capital Expenditures for the period ended March 31, 2026, increased by \$23 million or 42% over the prior period. The increase in the Aerospace & Aviation segment was \$23 million over the prior period. The acquisition of Canadian North, for which there is no comparative in the prior period, contributed to the increase in Maintenance Capital Expenditures, and was expected when the Corporation made the acquisition. An increase in assets on lease in Aircraft Sales & Leasing, which drives Maintenance Capital Expenditures in this business line, also contributed to the increase over the prior period. Maintenance Capital Expenditures for the Corporation's Essential Air Services have historically been weighted more towards the first half of the year as heavy checks, overhauls, and engine maintenance events are scheduled at a time when demand is lowest. However, due to maintenance, repair and operations ("MRO") availability, such seasonality may vary year to year. With a larger fleet, we are more easily able to share aircraft across our organization if maintenance events occur during an operationally busier time of year. As the size of our fleet has increased, maintenance schedules have become more equally distributed throughout the entire year than we would have experienced historically.

Maintenance Capital Expenditures for the Manufacturing segment decreased by \$1 million from the prior period. Maintenance Capital Expenditures for the Manufacturing segment can vary from period to period due to the capital required to maintain production equipment, with the exception of Maintenance Capital Expenditures for the Environmental Access Solutions rental portfolio, which is calculated using depreciation as a proxy. Further discussion of future Maintenance Capital Expenditures is included in *Section 5 – Outlook*.

Aerospace & Aviation Segment

Maintenance Capital Expenditures for Essential Air Services increased over the prior period. The increase is primarily attributed to the acquisition of Canadian North, for which there was no comparative in the prior period. In addition, the per event cost has increased due to inflationary pressures and labour costs. Finally, as the Corporation has invested to meet increased demand over the last number of years, our fleet size has increased, necessitating additional Maintenance Capital Expenditures. Growth Capital Expenditures for Essential Air Services were \$45 million. This includes the continued investment in aircraft and infrastructure for the BCEHS medevac contract, investments made for the construction of the Ottawa hangar for Canadian North, as well as investments in our fixed wing fleet.

Maintenance Capital Expenditures for Aerospace increased over the prior period. An increased number of heavy checks and overhauls to support increased levels of flying and higher overhaul costs experienced by the business due to inflationary pressures and labour costs contributed to the increase. There were no Growth Capital Expenditures within this business line during the period.

Maintenance Capital Expenditures for Aircraft Sales & Leasing increased over the prior period. The increase is attributed to the increase in assets on lease, which drives Maintenance Capital Expenditures within this business line. Growth Capital Expenditures were negative \$3 million during the period, which, as noted below, is not expected over the longer term.

Aircraft Sales & Leasing Lease Portfolio	March 31, 2026		December 31, 2025	
	Aircraft	Engines	Aircraft	Engines
Lease portfolio	70 ⁽¹⁾	142	70 ⁽¹⁾	139

Note 1) The aircraft total above includes 28 airframes that are on lease or leasable with engines that belong to the customer (December 31, 2025 – 27 airframes) including 8 (December 31, 2025 – 8 airframes) that will be leased out in conjunction with engines owned by Aero Engines LLC, the joint venture between the Corporation and SkyWest.

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The lease portfolio for Aircraft Sales & Leasing is comprised of several different types of aircraft and engines. The predominant platforms are the Bombardier CRJ aircraft, Embraer ERJ aircraft and the Dash – 8 Q400 aircraft. The predominant engine platforms are the General Electric CF 34 engine series along with the Pratt & Whitney engines. Earnings on the leasing of aircraft and engines are not derived from a financing spread as in the traditional leasing business but rather cash flows are generated from acquiring assets, leasing them out, and once the available green time on the assets is consumed and the aircraft have been retired from the active fleet, the assets are sold or parted out to generate further cash flows. It is important to note that not all the aircraft and engines in the portfolio will be on lease at any given time.

Maintenance Capital Expenditures within the Corporation's Aircraft Sales & Leasing business line reflects a charge based on the utilization of the assets within the aircraft and engine lease portfolio. The Maintenance Capital Expenditures represent the expected future capital expenditures required to maintain the cash flow of the lease portfolio at current levels as a result of current period utilization of those aircraft by lessees.

Growth Capital Expenditures at Aircraft Sales & Leasing represent the difference between net capital assets acquired (assets purchased less assets sold or transferred to inventory) and the amount of Maintenance Capital Expenditures, as defined above. Because the timing between the removal of assets from the lease portfolio and the replacement of those assets can vary from quarter to quarter, it is possible that negative Growth Capital Expenditures may arise in a particular quarter. However, it is not expected that negative Growth Capital Expenditures would consistently occur over a longer period as it is the Corporation's intention to continue to maintain or grow the lease portfolio.

Manufacturing Segment

Maintenance Capital Expenditures in the Precision Manufacturing & Engineering and Multi-Storey Window Solutions business lines primarily relate to the replacement of production equipment, or components of equipment, and can vary significantly from year to year. Certain manufacturing assets have long useful lives and, therefore, can last for many years before requiring replacement or significant repair. Maintenance Capital Expenditures for Environmental Access Solutions primarily relate to the depreciation on mats and bridges, as well as maintenance on or replacement of equipment which, similar to Precision Manufacturing & Engineering and Multi-Storey Window Solutions, can vary based on what assets require repair or replacement.

Maintenance Capital Expenditures for Environmental Access Solutions decreased from the prior period. This decrease is driven primarily from the replacement of rolling stock during the previous period, which did not occur in the current period. Growth Capital Expenditures for this business line were negative \$2 million in the current period as the business line took the opportunity to sell some wooden mats in the fleet to respond to customer demand, which were not replaced during the period.

Maintenance Capital Expenditures for Multi-Storey Window Solutions decreased from the prior period. Growth Capital Expenditures for this business line were less than \$1 million and reflects investment in new equipment to support production efficiencies.

Maintenance Capital Expenditures for Precision Manufacturing & Engineering decreased from the prior period. There were no Growth Capital Expenditures within this business line during the period.

INVESTMENT IN WORKING CAPITAL

During the period ended March 31, 2026, the Corporation invested \$1 million in working capital to support several growth initiatives and increased revenues, as discussed further below.

During the period, the Corporation invested approximately \$40 million in the Aircraft Sales & Leasing business line to drive future growth. This investment was made through approximately \$10 million in deposits for assets that will be purchased in future quarters that will either be sold or added to the lease fleet, with the remaining amount invested in additional inventory to drive increased future parts sales. The increase in inventory will support future parts sales, but due to the shortage of available MRO shop time around the world, we expect there may be delays in completing the tear down of these assets into their component parts for resale. In addition, there are several whole aircraft and engines in inventory that are expected to be monetized in the coming quarters.

The investments in Aircraft Sales & Leasing were offset by working capital management across all lines of business. The Corporation continues to focus on its working capital management. It is expected that the Corporation's second and third quarters will see their normal seasonality with respect to working capital, along with a typical seasonal drawdown in the fourth quarter.

Further details of the investment in working capital are included in Note 16 and the Statement of Cash Flows in the Corporation's interim condensed consolidated financial statements.

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4. DIVIDENDS AND PAYOUT RATIOS

The payment of stable and growing dividends to shareholders is a cornerstone goal of the Corporation which is achieved through the consistent execution of our core strategy of diversification, disciplined investment in our subsidiaries, and disciplined acquisition of companies with defensible and steady cash flows.

Dividends

Month	Record date	2026 Dividends			Record date	2025 Dividends		
		Per Share	Amount	Amount		Per Share	Amount	
January	January 30, 2026	\$ 0.23	\$ 12,915		January 31, 2025	\$ 0.22	\$ 10,983	
February	February 27, 2026	0.23	12,947		February 28, 2025	0.22	11,276	
March	March 31, 2026	0.23	12,954		March 31, 2025	0.22	11,291	
Total		\$ 0.69	\$ 38,816			\$ 0.66	\$ 33,550	

Dividends declared for the three months ended March 31, 2026, increased over the prior period. The increase is attributed to an increase in shares outstanding compared to the prior period and the increase in the dividend per share during the fourth quarter of 2025. The issuance of shares as part of the conversion of convertible debentures in the third and fourth quarters of 2025 increased the number of shares outstanding. In addition, the shares issued for the acquisition of Newfoundland Helicopters in the second quarter of 2025, Canadian North in the third quarter of 2025 and Mach2 during the current period contributed to the increase in shares outstanding over the prior period. Further information on shares outstanding can be found in *Section 6 – Liquidity and Capital Resources*.

The Corporation uses both an earnings-based payout ratio (Adjusted Net Earnings) and a cash flow-based payout ratio (Free Cash Flow less Maintenance Capital Expenditures) to assess its ability to pay dividends to shareholders. Both methods of calculating the payout ratio provide an indication of the Corporation's ability to generate enough funds from its operations to pay dividends. See *Section 12 – Non-IFRS Financial Measures and Glossary* for more information on Non-IFRS measures.

Adjusted Net Earnings exclude acquisition costs, amortization of intangible assets, and unusual one-time items. Amortization of intangible assets results from intangible assets that are recorded when the Corporation completes an acquisition as part of the purchase price allocation for accounting purposes. There are no future capital expenditures associated with maintaining or replacing these intangible assets, therefore intangible asset amortization is not considered when assessing the ability to pay dividends. Acquisition costs are not required to maintain existing cash flows and therefore these costs are not considered in assessing the payment of dividends and include acquisition costs and pre-revenue ramp-up costs for significant expansions. Adjusted Net Earnings includes depreciation on all capital expenditures and is not impacted by the period to period variability in Maintenance Capital Expenditures.

Free Cash Flow less Maintenance Capital Expenditures is a measure that ensures the resulting payout ratio reflects the replacement of capital assets that is necessary to maintain the Corporation's existing revenue streams. Cash outflows associated with acquisitions and capital expenditures that will result in growth are not included in this payout ratio because they will generate future returns in excess of current cash flows.

The Corporation analyzes its payout ratios on a trailing twelve-month basis when assessing its ability to pay and increase dividends. The use of a longer period eliminates the impact of seasonality on the analysis as seasonality exists across a large portion of our operations. Seasonality is discussed further in *Section 5 – Outlook*.

Payout Ratios (Section 12 – Non-IFRS Financial Measures and Glossary)

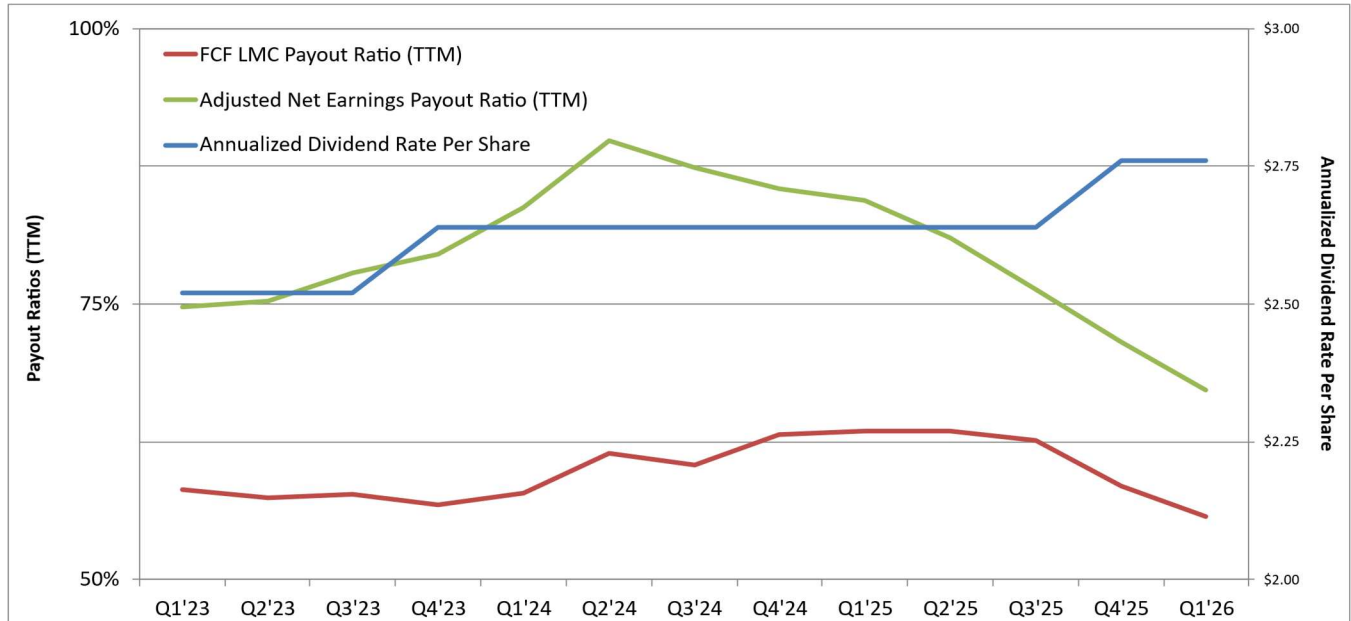
Basic per Share Payout Ratios for the Corporation	2026		2025	
	Periods Ended March 31	Trailing Twelve Months	Trailing Twelve Months	Trailing Twelve Months
Adjusted Net Earnings	113%	67%	236%	84%
Free Cash Flow less Maintenance Capital Expenditures	95%	57%	132%	63%

The trailing twelve month Adjusted Net Earnings payout ratio was 67% at March 31, 2026 compared to 84% at March 31, 2025, due to higher Adjusted Net Earnings which is discussed in detail above in *Section 2 – Results of Operations*. The trailing twelve month Free Cash Flow less Maintenance Capital Expenditures payout ratio was 57% at March 31, 2026 compared to 63% at March 31, 2025 which is due to increased Free Cash Flow less Maintenance Capital Expenditures, which is discussed in detail above in *Section 2 – Results of Operations*. See *Section 3 – Investing Activities* for more information on Maintenance Capital Expenditures. Both payout ratios were impacted in the current period due to the November 2025 dividend increase and the increase in the weighted average number of shares outstanding.

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The nature of Maintenance Capital Expenditures is such that fluctuation can occur from period to period based on the timing of maintenance events, as discussed in *Section 3 – Investing Activities*. The Adjusted Net Earnings payout ratio is not impacted by the timing differences in Maintenance Capital Expenditures.

The following graph shows the Corporation's historical Free Cash Flow less Maintenance Capital Expenditures trailing twelve-month payout ratio and Adjusted Net Earnings trailing twelve-month payout ratio on the left axis. On the right axis, the annualized dividend rate per share is shown.



5. OUTLOOK

The Corporation continues to execute its acquisition strategy while further investing in its subsidiaries, with the intent of diversifying the Corporation's cash flows to provide shareholders with dependable returns, even during times of market or economic disruption or dislocation. By acquiring successful companies with demonstrated and sustainable market niches and exceptional management teams, then providing these companies with additional capital to expand, we have been able to deliver consistent growth for our shareholders on a per share basis throughout our history. Not all our subsidiaries will be performing at peak levels at any given point in time, but the diversification within our portfolio of companies has enabled the overall portfolio of companies to be much more resilient than any one individual business. This means one or more over-performing business line or business can support other subsidiaries that are experiencing challenges without negatively impacting EIC's overall results materially, allowing management to focus on long-term profitability and cash flow, rather than short-term quarter to quarter results. It is this business philosophy and focus on the long-term diversification of cash flows that drives EIC's investment thesis and is the bedrock of the consistent results we have generated since inception.

2026 Outlook

Our record key financial metrics reflect the continued execution of our business model and investment philosophy. Our resilient and diversified business model coupled with the contractual wins recently announced including the extended and expanded Air Canada commercial agreement along with the Mach2 acquisition provides us with confidence that our Adjusted EBITDA for fiscal 2026 is expected to be in the range of \$825 million to \$875 million with an updated bias to the upper end of the range.

Seasonality

We are exposed to certain amounts of seasonality in our operating segments. For purposes of the Outlook, we will provide a high-level summary on the seasonality and its drivers along with qualitative discussions regarding our segment expectations for 2026 and thereafter.

The first quarter is our seasonally slowest quarter. While the majority of our operations experience this seasonality, it is especially impactful in our Essential Air Services and Environmental Access Solutions business lines. The fixed cost nature of scheduled flying coupled with potentially reduced traffic, due to reduced demand, weather effects and the impact of winter roads, as applicable, to transport people and goods results in lower passenger and cargo revenues with a corresponding reduction in Adjusted EBITDA during the first quarter. Our

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Environmental Access Solutions business line also experiences seasonality as the frozen terrain generally experienced in the first quarter does not require the same degree of mat coverage that would be required during the spring, summer and fall periods. The colder weather in the first quarter also generally results in a seasonal slowdown in large infrastructure projects across North America, impacting certain of the Corporation's other Manufacturing segment subsidiaries.

Regarding the remaining quarters, we generally experience the highest level of activity in both our Aerospace & Aviation and Manufacturing segments during the third quarter. An increased level of activity in all businesses typically results in the highest level of profitability during the third quarter. The second quarter and fourth quarters would approximately represent the average of per annum levels of revenue and profitability.

The seasonality above is based on general predictable patterns. Unusual weather patterns or other events can impact individual subsidiaries; however, our geographic diversity helps to mitigate such risk.

Outlook by Segment

Our Aerospace & Aviation segment Revenue and Adjusted EBITDA are expected to increase for the second quarter and the remainder of fiscal 2026 due to the acquisitions of Canadian North and Mach2, previous organic growth investments made in our aviation entities and continued execution on the contract wins.

Our Essential Air Services business line Revenue and profitability will increase for the second quarter and the remainder of 2026 compared to the prior periods due to the impact of the completed acquisition of Canadian North on July 1, 2025, the new long-term Air Services Agreement with the Government of Nunavut which was executed on July 15, 2025, and the expanded and extended commercial agreement with Air Canada announced during the first quarter. We anticipate receiving the last new King Air aircraft in July/August to service the BCEHS medevac contract. We have been actively deploying the existing aircraft throughout our operations, including the Newfoundland and Labrador fixed wing air ambulance contract, which will begin to generate financial returns in the latter half of 2026.

The Aerospace business line Revenue and profitability are expected to increase in the second quarter and for the remainder of 2026 compared to the prior periods due to continued high tempo flying under certain of our ISR contracts coupled with the deployment of the second ISR aircraft under the contract with the UK Home Office which started operations in the fourth quarter of 2025. In 2024, we also announced that we were a member of the successful SkyAlyne consortium on the awarding of the Future Air Crew Training Program. We are continuing to negotiate and finalize the scope of our arrangement with the other program members however we don't anticipate any material contribution from this program in the 2026 results. After quarter end, we provided an update on the Air Greenland maritime surveillance opportunity and the Australian tender. We were informed by the Government of Australia that we were not selected as the successful proponent in the competitive process for the Aerial Surveillance Services to the Australian Border Force. We announced that we were selected by Air Greenland as the missionization partner in its development and delivery of two missionized surveillance DHC-8-200 aircraft and an integrated ground mission environment. The timing of the modifications to the aircraft will be updated as Air Greenland is in the final stages of negotiations with the Government of Denmark.

The Aircraft Sales & Leasing business line Revenue and profitability are expected to increase for the second quarter and for the remainder of fiscal 2026 compared to the prior period due to the acquisition of Mach2 in January 2026 along with the continued leasing and aircraft and part sales momentum from Growth Capital Expenditures and inventory investments made throughout 2025. Leasing revenue continues to increase as we deploy our assets globally coupled with increases in demand and the resultant expansion in rental rates enhancing profitability. During the quarter and after quarter end, jet fuel prices moved higher amid supply-related uncertainty tied to geopolitical events. While some global air operators have adjusted schedules in response to these dynamics, our Aircraft Sales & Leasing customers have not been materially impacted to date. We continue to see robust demand for aircraft, engines, and parts, and our team is proactively monitoring the market and engaging with customers to manage risk and mitigate any potential exposure as well as executing on opportunities.

On a longer-term basis, the outlook for our Aerospace & Aviation segment continues to be bullish. The services we provide to the Northern communities are essential services. We have invested significantly in our fleets and infrastructure over the past number of years, and the result of those investments will continue to drive our financial results. The addition of Canadian North expands on our existing route network, the aircraft are complementary to our current fleet, and the Northern infrastructure complements our capabilities and increases prospects for growth. Access to Boeing 737 jet service for our various Essential Air Services passenger, charter and cargo customers will result in further opportunities to provide value added services to our communities and customers we serve. The Arctic infrastructure owned by EIC's subsidiaries, which includes hangars, ground equipment, bulk fuel storage, housing, and aircraft, will provide further expansion opportunities in the Arctic defence and security realm for our Aerospace business line. Our Aircraft Sales & Leasing business line provides support for the maintenance and growth of the Canadian North fleet. Further tailwinds exist, as Canada's resource economy continues to develop, including the exploration and mining of critical minerals, which will necessitate transportation to remote areas particularly in the North. Additionally,

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the Canadian Government has identified the North as being critical in defending our sovereignty and has announced additional spending commitments to ensure that we secure our Northern territory while at the same time meeting NATO spending targets. This will provide opportunities for our various subsidiaries across our operating segments to provide services to the provincial, territorial and federal governments based on our infrastructure, advanced aerospace solutions, Arctic aviation, in-country defence manufacturing, and networks of partnerships with Indigenous communities. Our capabilities uniquely position EIC to lead and support these critical initiatives for Canada consistent with the recently released Defence Industrial Strategy. Opportunities exist to expand the geographical footprint of our world class medevac capabilities to other regions throughout Canada and the ability to expand our ISR offerings to other geographies around the world. The growing demand for defence and ISR services around the world positions EIC strongly for long-term growth. Lastly, our Aircraft Sales & Leasing business line continues to expand. We have noted continued strong demand for parts, aircraft and engines. Furthermore, air operators are continuing to look for spare engines and repaired parts due to component shortages. These factors are expected to provide tailwinds to Aircraft Sales & Leasing coupled with expansion opportunities into the narrowbody 737 market with the acquisition of Mach2 and leveraging of parts data from the acquisition of Canadian North.

Our Manufacturing segment Revenue and Adjusted EBITDA are expected to increase for the second quarter and the remainder of the year compared to the prior year comparatives. In the latter portion of the quarter and subsequent to quarter end, we noted improvements in business sentiment across several industries which has driven increased quoting and firm fixed sales orders throughout our various Manufacturing businesses.

Our Environmental Access Solutions business line is expected to improve from both a Revenue and profitability perspective during the second quarter and for the remaining periods in 2026 relative to the prior year as long linear projects in Canada are anticipated to come online in the latter part of 2026, which will drive higher-margin mat rentals coupled with expanded rental rates. Our Multi-Storey Window Solutions business line Revenue and profitability are expected to decline for the remainder of the year relative to their comparative periods due to reduced demand in prior periods, driven by developer uncertainty, which had caused delays in booking projects. Margins are expected to continue to be compressed throughout the remainder of fiscal 2026 due to the competitive environment at the time of bookings. Management continues to identify efficiencies and bid on higher margin projects. Our Precision Manufacturing & Engineering business line is expected to increase Revenue and profitability for the second quarter and for the remainder of 2026 compared with the prior year periods. Inquiries at all our Manufacturing businesses remain robust with further increases in activity noted subsequent to quarter end, including individual subsidiary record customer orders for data center projects. We anticipate the conversion of bookings to firm orders to continue to improve relative to 2025. With tax legislation in the US and Canada allowing for accelerated tax depreciation, along with gradually improving business sentiment, we have noted an uptick in conversion of quotes into orders.

On a longer-term basis, business fundamentals and North American trends support our positive outlook for the Manufacturing segment business lines. Our Environmental Access Solutions business line sees opportunities to further expand our customer base in the US as the composite mat manufacturing capabilities continue to increase our overall diversification within the business line. On a macro basis, with the ongoing expansion of the electrical grid, including expanded transmission and distribution, and opportunities in the resource sector, including new long-linear projects, the utilization of matting and Canadian operation's bridge solutions will be vital to protect ecologically sensitive areas. The increase in US composite matting market share along with strong customer feedback and demand for our composite matting solutions has resulted in the construction of a second plant in Saltillo, Mississippi which will significantly increase capacity and is expected to be operational in the latter half of 2027. The long-term macroeconomic trends associated with the shortage in affordable housing and rentals across North America provide significant medium and long-term upside to our Multi-Storey Window Solutions business line. The number of apartment rental projects, as opposed to condominiums in certain markets is increasing, along with re-skinning projects to convert commercial properties into residential buildings. From a capacity and capabilities standpoint, our Multi-Storey Window Solutions business line is agnostic to the type of project as our subsidiaries have significant experience in all subsectors. We are continuing to see strong levels of inquiry, however conversion to bookings continues to be lower than historical levels as a consequence of the relatively higher interest and mortgage rate environment, oversupply of investor focused condominiums in certain markets and developer uncertainty. Lastly, our Precision Manufacturing & Engineering business line is poised for further growth based on the anticipated increased demand as customers are reshoring manufacturing capabilities to North America coupled with execution of opportunities that are expected to materialize as the business sentiment continues to improve due to demand in the telecommunications, datacenter and defence industries.

Head Office is not a separate operating segment, but rather represents expenses incurred at the corporate level in support of the various segments. Expenses are anticipated to increase when compared to comparative periods to support continued investment in people including additional head count to support the operation segments and corollary compensation expense increases, additional investments related to Indigenous Reconciliation programs such as the Atik Mason Pilot Pathway Program and additional costs related to investments in IT infrastructure and cybersecurity.

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Tariffs and Geopolitical Uncertainty

Our Aerospace & Aviation segment is not directly impacted by tariffs, however, it may be temporarily exposed to secondary risks associated with tariffs and protectionist policies. Our Essential Air Services and Aerospace business lines may be impacted by short-term fluctuations in foreign exchange rates, raw material escalations due to steel and aluminum tariffs and risks associated with countervailing tariffs should they be enacted. Furthermore, fuel price increases from geopolitical uncertainty can have a short-term impact as contract and ticket prices are adjusted on a daily, weekly and monthly basis. These are, however, ultimately recovered as fuel prices normalize in the longer term. Additionally, certain contracts contain flow-through pricing mechanisms which fully mitigate fuel commodity exposure. Ultimately, the majority of revenues and expenditures within those business lines would not be impacted, owing to the fact the services they provide are essential in nature and inflationary escalators within certain contracts which offsets the cost increases. Our Aircraft Sales & Leasing business may be a beneficiary of geopolitical uncertainty as aircraft acquisitions may be deferred by airline operators around the world, which would increase demand for parts, leased aircraft and engine assets. To date, we have not experienced any significant negative impact on the Aerospace & Aviation segment resulting from the enacted tariffs.

Our Manufacturing segment may be temporarily exposed to secondary risks associated with tariffs and protectionist policies. Our Environmental Access Solutions and Precision Manufacturing & Engineering business lines do not have significant cross border activities except for the operations of DryAir which are an immaterial component of the overall Manufacturing segment but whose products are Canada-United States-Mexico Agreement compliant. Our Multi-Storey Window Solutions business line has the capability to manufacture goods either in Canada or the US and therefore can mitigate certain of the risks in the medium term. Our Multi-Storey Window Solutions business line has been impacted by aluminum tariffs during fiscal 2025 and continuing into 2026 including recent amendments which result in tariffs based on the entire value of the aluminum window when imported to the US. While we continue to look for alternative suppliers in the US, to date we have been unable to re-orient our supply chain and have shifted manufacturing capabilities to minimize the impact in the shorter term. We have not experienced any significant negative impacts elsewhere in the Manufacturing segment, as our products are generally compliant with the Canada-United States-Mexico Agreement, however uncertainty associated with the renewal and extension of the Canada-United States-Mexico Agreement could have impacts on our Manufacturing segment should the agreement not be renewed or be significantly altered. We have noted some increases in input costs for steel and aluminum products; however increases are mitigated through various strategic activities.

Overall, we have taken several strategic initiatives throughout our operations to mitigate known exposures, however unintended consequences from political decisions and protectionist policies may exist and may not be reliably measurable or mitigated.

Capital Expenditures

Maintenance Capital Expenditures are undertaken to maintain the earning power of the business. The vast majority of our Maintenance Capital Expenditures are related to the Aerospace & Aviation segment, and these are driven by required maintenance intervals generally based on flight hours. With the expanded fleet size, along with the acquisition of Canadian North, contract wins, inflation related to parts and maintenance, repair and overhaul labour costs, we generally anticipate increases in our Maintenance Capital Expenditures in our Essential Air Services and Aerospace business lines in line with Adjusted EBITDA due to the growth factors previously discussed. The Maintenance Capital Expenditures within our Essential Air Services operations are expected to increase for the second quarter and for the remainder of the fiscal year compared to the prior periods. The Maintenance Capital Expenditures at Canadian North are expected to be higher, on a relative basis, than our other Essential Air Services operations in the next three to six months due to the timing of maintenance events coupled with anticipated increased investment in spares and component parts for the fleet. The Maintenance Capital Expenditures at Canadian North thereafter are expected to moderate as we integrate Canadian North with our air operators and include Canadian North in our agreements with maintenance, repair and overhaul partners, including utilization of parts sourced by our Aircraft Sales & Leasing business line. The Maintenance Capital Expenditure on our Aircraft Sales & Leasing business line is expected to increase in line with our anticipated increase in Adjusted EBITDA due the increased utilization within leased aircraft portfolio. Lastly, we anticipate increases in Maintenance Capital Expenditures on our Aerospace business line due to the deployment of the second aircraft to the UK Home Office in the fourth quarter of 2025 along with anticipated increases in the tempo of flying under existing contracts. Maintenance Capital Expenditures for the Manufacturing segment are expected to increase during the second quarter and for the remainder of the fiscal year compared to the prior periods due to the deferral of the timing of acquisition of replacement equipment.

Growth Capital Expenditures will be primarily driven by the contract wins announced within the Aerospace & Aviation segment along with expenditures associated with the build-out of the new composite mat plant within the Manufacturing segment. The Growth Capital Expenditures in the Essential Air Services business line primarily relates to the acquisition of the last remaining new King Air aircraft in July/August 2026 and related interior modifications that are required for the British Columbia medevac contract along with the planned redeployment of pre-existing aircraft to service the Newfoundland and Labrador medevac contract which will require some additional

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investment in airframes and aircraft interiors. Growth Capital Expenditures are also anticipated related to the completion of Canadian North's Ottawa hangar along with investments required for the extended and expanded Air Canada commercial agreement with PAL Airlines. As the Aircraft Sales & Leasing business line is an opportunistic acquirer, Growth Capital Expenditures may be undertaken if opportunities are identified, and returns are commensurate with management's expectations. Based on current opportunities and demand signals, it is expected that we will continue to see further investment in the lease fleet. These opportunistic purchases are held to the same level of diligence and discipline as an acquisition and will only be executed if appropriate financial metrics and risk mitigation exist. Growth Capital Expenditures in our Manufacturing segment are expected to be higher than the prior year due to capital expenditures related to the new composite mat plant in the Southeastern US for the Environmental Access Solutions business line. Furthermore, our Environmental Access Solutions business line constantly monitors the market and may right-size its rental bridge and mat fleet and based on anticipated demand over the medium and longer-term would anticipate Growth Capital Expenditures to its mat fleet.

6. LIQUIDITY AND CAPITAL RESOURCES

The Corporation's working capital position, Free Cash Flow, and capital resources remain strong. The Corporation completed several capital transactions in 2025 and the current period that strengthened its balance sheet as the Corporation prepares for future growth. These transactions position EIC with access to capital to make acquisitions and invest in its operating subsidiaries, all while providing the ability to weather times of economic uncertainty. During the period, the Corporation completed its inaugural investment-grade senior unsecured note offering. The Corporation offered \$600 million principal of the senior unsecured notes, bearing interest at a rate of 4.324% per annum and maturing on March 13, 2031. The notes provide the Corporation additional liquidity at a fixed rate and the net proceeds were used to repay a portion of the Corporation's credit facility.

On January 26, 2026, the Corporation amended and restated its credit facility, increasing it from approximately \$3.0 billion to approximately \$3.5 billion, extending the maturity to January 26, 2030 with no change in pricing. The terms and conditions included within the facility are now more flexible than the Corporation's previous credit facility, including moving from a secured facility to an unsecured facility. The increased size of the credit facility provides the Corporation with the highest level of available capital in its history, providing capacity to continue to execute on its core strategy of pursuing accretive growth through investment in its operating subsidiaries and through acquisition.

With the extension of its credit facility, and the completion of the inaugural senior unsecured note offering, the nearest term debt maturity as of the date of this report is the credit facility on January 26, 2030, followed by the senior unsecured notes on March 13, 2031. The structured timing of debt maturities provides additional financial flexibility, and provides the ability to weather economic downturns in the future. The upside of the credit facility and inaugural note offering do not change our conservative view on leverage. Our total leverage ratio has remained consistent since our inception, and even with the increased access to capital, our intention is to maintain our historical leverage profile going forward.

Liquidity is a foundational pillar of our long term strategy. As a disciplined, acquisition oriented organization, the Corporation's ability to consistently deploy capital into high quality, cash generating businesses is directly dependent on maintaining substantial financial flexibility. Strong liquidity ensures that EIC can act decisively when attractive opportunities arise, while continuing to support its operating subsidiaries, meet ongoing financial obligations, and return capital to shareholders, as applicable. Increasing available capital during the first quarter through these capital market transactions speaks to the quality of opportunities management is seeing, both organically and through acquisition.

While maintaining this level of additional liquidity results in standby charges paid on the Corporation's credit facility, maintaining significant liquidity provides several strategic advantages. It allows the Corporation to pursue acquisitions in competitive processes without being constrained by market conditions or execution risk, to fund growth investments within existing businesses, and to absorb near term volatility without compromising long term objectives. Our approach to liquidity management reflects a long standing commitment to conservatism, diversification, and optionality. The Corporation is also regularly not the highest bidder in competitive processes for acquisitions, and having ample liquidity provides the vendors of the companies the comfort that EIC will have the capital available to close the transaction. By proactively managing its capital structure and liquidity profile, the Corporation positions itself to execute on its core strategy of sustainable, accretive growth while maintaining balance sheet strength and protecting shareholder value.

As at March 31, 2026, the Corporation's key financial covenant for its credit facility is its total leverage ratio, of which the facility allows for a maximum of 4.0x. The Corporation's current total leverage ratio is 2.76x, with the modest increase compared to year end attributable to Growth Capital Expenditures and the acquisition of Mach2. As the Corporation receives the benefit of full year contribution from Growth Capital Expenditures already made, this will add downward momentum to the Corporation's aggregate leverage ratio.

Consistent with EIC's historical balance sheet management, the Corporation has been proactive in managing its liquidity such that should an opportunity present itself, EIC has the capability and financial resources to execute. As at March 31, 2026, the Corporation has liquidity

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of approximately \$2.3 billion through cash on hand, its credit facility, and the credit facility accordion feature, which when combined with strong Free Cash Flow, maintains the Corporation's very strong liquidity position. As discussed above, the Corporation added an additional \$500 million in additional liquidity during the period with the upsized credit facility, and \$600 million through its inaugural bond offering.

As at March 31, 2026, the Corporation had a cash position of \$121 million (December 31, 2025 - \$146 million) and a net working capital position of \$560 million (December 31, 2025 - \$568 million) which represents a current ratio of 1.64 to 1 (December 31, 2025 – 1.71 to 1). The current ratio is calculated by dividing current assets by current liabilities, as presented on the Statement of Financial Position.

Overview of Capital Structure

The Corporation's capital structure is summarized below.

	March 31 2026	December 31 2025
Credit facility (principal value)	\$ 1,666,924	\$ 2,178,907
Senior unsecured notes (par value)	600,000	-
Common shares	1,752,232	1,733,521
Total capital	\$ 4,019,156	\$ 3,912,428

Credit Facility

On January 26, 2026, the Corporation completed the upside and extension of its credit facility. The enhanced credit facility increased to \$3.5 billion from approximately \$3.0 billion, its term was extended to January 26, 2030, and was completed with no change in pricing. The credit facility also moved from a secured facility to an unsecured one, providing the Corporation with additional financial flexibility. The credit facility includes \$2,857 million allocated to the Corporation's Canadian Head Office and US \$460 million allocated to EIFF Management USA, Inc. The amount allocated to the Corporation's Canadian Head Office includes the continuation of the previously announced \$200 million social loan tranche, which is being used to fund the purchase of new King Air aircraft for the long-term medevac contract with the Province of British Columbia. The \$200 million social loan tranche permits the Corporation to draw on that portion of the facility as the new aircraft are delivered and modified for medical purposes. As part of the transaction, ISS Corporate provided an independent Second Party Opinion that concluded the loan is in alignment with the Social Loan Principles as issued by the Loan Market Association.

As at March 31, 2026, the Corporation had drawn \$375 million and US \$927 million (December 31, 2025 - \$387 million and US \$1,307 million).

The Corporation's long-term debt, net of cash, decreased by \$489 million since December 31, 2025. During the period, the Corporation completed its inaugural senior unsecured note offering, with net proceeds used to repay indebtedness under the Credit Facility. The decrease in long-term debt from this repayment was partially offset by investments in Growth Capital Expenditures and the acquisition of Mach2 on January 31, 2026.

During the period, the Corporation used derivatives through several cross-currency basis swaps ("swap") with a member of the Corporation's lending syndicate. The swap requires that funds are exchanged back in one month at the same terms unless both parties agree to extend the swap for an additional month. By entering into the swap, the Corporation can take advantage of lower interest rates. The swap mitigates the risk of changes in the value of the US dollar borrowings as it will be exchanged for the same Canadian equivalent in one month. As at March 31, 2026, US \$416 million (December 31, 2025 – US \$817 million) of the Corporation's US denominated borrowings are hedged with these swaps.

During the period, the Corporation continued the use of interest rate swaps with certain members of its syndicate. The effect of these transactions results in approximately \$540 million of the Corporation's credit facility debt being subject to a fixed rate with varying maturity dates. These swaps matured subsequent to the end of the period.

Senior Unsecured Notes

The following summarizes the senior unsecured notes outstanding as at March 31, 2026:

Series - Year of Issuance	Maturity	Interest Rate	Rating	Principal Value
Senior Unsecured Notes - March 2026	March 13, 2031	4.324%	BBB (low)	\$ 600,000

On March 13, 2026, the Corporation completed an offering of \$600 million principal amount of senior unsecured notes. The notes bear interest at a rate of 4.324% per annum, payable semi-annually in arrears on March 13 and September 13 of each year, and mature on March 13, 2031. The notes represent the Corporation's inaugural investment-grade offering, with DBRS assigning the notes with a final rating of BBB (low), with a stable trend.

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Share Capital

The following summarizes the changes in the shares outstanding of the Corporation during the three months ended March 31, 2026:

	Date issued	Number of shares
Shares outstanding, beginning of period		56,129,898
Issued under dividend reinvestment plan (DRIP)	various	56,528
Issued under employee share purchase plan	various	18,596
Issued to Mach2 vendor on closing	January 31, 2026	121,147
Shares outstanding, end of period		56,326,169

The Corporation issued 56,528 shares under its dividend reinvestment plan during the period and received \$5 million for those shares in accordance with the dividend reinvestment plan. Subsequent to the end of the period, the Corporation announced that, beginning with the April 2026 dividend, the discount provided to dividend reinvestment plan participants will be 1%, a decrease from 3% previously.

The Corporation issued 18,596 shares under its Employee Share Purchase Plan during the period and received \$2 million for those shares in accordance with the Employee Share Purchase Plan.

The Corporation issued shares to the vendors of Mach2 as part of the consideration paid on completion of the acquisition. In total, 121,147 shares were issued, representing purchase price consideration of \$12 million.

The weighted average shares outstanding during the three months ended March 31, 2026, increased by 11% compared to the prior period. The increase is primarily attributable to shares issued in connection with the conversion of convertible debentures throughout 2025, Corporation's dividend reinvestment plan, and shares issued as part of the acquisition of Mach2, Newfoundland Helicopters and Canadian North.

Normal Course Issuer Bid

On March 30, 2026, the Corporation renewed its NCIB for common shares. Under the renewed NCIB for common shares, purchases can be made during the period commencing on April 1, 2026, and ending on March 31, 2027. The Corporation can purchase a maximum of 5,311,716 shares and daily purchases will be limited to 37,145 shares, other than block purchase exemptions. The Corporation renewed its NCIB because it believes that from time to time, the market price of the common shares may not fully reflect the value of the common shares. The Corporation believes that in such circumstances, the purchase of common shares represents an accretive use of capital.

During the three months ended March 31, 2026, the Corporation did not make any purchases under its NCIB and therefore still has the full amounts detailed above available for repurchase.

7. RELATED PARTY TRANSACTIONS

The nature of related party transactions that the Corporation entered during the three months ended March 31, 2026, are consistent with those described in the Corporation's MD&A for the year ended December 31, 2025.

8. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

The Corporation's liabilities for contingent consideration associated with its acquisitions are reassessed each period end subsequent to the related acquisition. The carrying value of the liability is based on an estimate of both the amount of the potential payment and probability that the earn out will be paid. During the period, the estimated liability for additional purchase consideration associated with Canadian North was remeasured, resulting in a recovery of \$9 million and is included within "Other" in the Statement of Income.

Aside from the remeasurement of contingent consideration discussed above, there were no further changes to the Corporation's critical accounting estimates and judgments from those described in the MD&A of the Corporation for the year ended December 31, 2025.

9. ACCOUNTING POLICIES

The accounting policies of the Corporation used in the determination of the results for the interim condensed consolidated financial statements for the three months ended March 31, 2026, that are discussed and analyzed in this report are described in detail in Note 3 of the Corporation's 2025 annual consolidated financial statements and Note 3 of the Corporation's interim condensed consolidated financial

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statements for the three months ended March 31, 2026.

10. CONTROLS AND PROCEDURES

Internal Controls over Financial Reporting

Management is responsible for establishing and maintaining internal controls over financial reporting to provide reasonable assurance with regard to the reliability of financial reporting and preparation of financial statements in accordance with IFRS, as defined under National Instrument 52-109 issued by the Canadian Securities Administrators. Consistent with the concept of reasonable assurance, the Corporation recognizes that all systems of internal controls, no matter how well designed, have inherent limitations. As such, the Corporation's internal controls over financial reporting can only provide reasonable, and not absolute, assurance that the objectives of such controls are met.

An assessment of internal controls over financial reporting was conducted by the Corporation's management, under supervision by the Chief Executive Officer and Chief Financial Officer. Management has used the 2013 Internal Control – Integrated Framework to evaluate the Corporation's internal controls over financial reporting, which is recognized as a suitable framework developed by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO").

Management has evaluated the design of the Corporation's internal controls over financial reporting as at March 31, 2026, and has concluded that the design of internal controls over financial reporting is effective.

Bradley Air Services Limited, operating as Canadian North, was acquired on July 1, 2025 and Mach2 was acquired on January 31, 2026. In accordance with section 3.3(1)(b) of National Instrument 52-109, management has limited the scope of its design of internal controls over financial reporting to exclude the controls at each of these entities as management has not completed its review of internal controls over financial reporting for these newly acquired companies. These entities had revenue of \$137 million included in the consolidated results of the Corporation for the period ended March 31, 2026. As at March 31, 2026, these entities had current assets of \$132 million, non-current assets of \$409 million, current liabilities of \$166 million, and non-current liabilities of \$107 million.

There have been no material changes to the Corporation's internal controls during the 2026 period that would have materially affected, or are likely to materially affect, the internal controls over financial reporting.

Disclosure Controls and Procedures

Management has established and maintained disclosure controls and procedures to provide reasonable assurance that material information relating to the Corporation is made known to management in a timely manner and that information required to be disclosed by the Corporation is reported within the time periods prescribed by applicable securities legislation. Management has concluded that the design of disclosure controls and procedures were effective as at March 31, 2026.

11. RISK FACTORS

The Corporation and its subsidiaries are subject to several business risks. These risks relate to the structure of the Corporation and the operations at the subsidiary entities. There were no changes to the Corporation's principal risks and uncertainties from those reported in the Corporation's MD&A for the year ended December 31, 2025, except as updated in the subsequently filed Annual Information Form with respect to the credit rating applicable to bond proceeds.

12. NON-IFRS FINANCIAL MEASURES AND GLOSSARY

Adjusted EBITDA, Adjusted Net Earnings, Free Cash Flow, and Maintenance and Growth Capital Expenditures are not recognized measures under IFRS and are, therefore, defined below.

Adjusted EBITDA: is defined as earnings before interest, income taxes, depreciation, amortization, other non-cash items such as gains or losses recognized on the fair value of contingent consideration items, asset impairment, and restructuring costs, and any unusual non-operating one-time items such as acquisition costs. It is used by management to assess its consolidated results and the results of its operating segments. Adjusted EBITDA is a performance measure utilized by many investors to analyze the cash available for distribution from operations before allowance for debt service, capital expenditures, and income taxes. The most comparable IFRS measure, presented in the Corporation's Statements of Income as an additional IFRS measure, is Earnings before Depreciation, Amortization, Finance Costs, Taxes, and Other.

Adjusted Net Earnings: is defined as Net Earnings adjusted for acquisition costs, amortization of intangible assets, interest accretion on acquisition contingent consideration, accelerated interest accretion on convertible debentures, and non-recurring items, such as restructuring costs. Adjusted Net Earnings is a performance measure, along with Free Cash Flow less Maintenance Capital

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Expenditures, which the Corporation uses to assess cash flow available for distribution to shareholders. The most comparable IFRS measure is Net Earnings. Interest accretion on contingent consideration is recorded in the period subsequent to an acquisition after the expected payment to the vendors is discounted. The value recorded on acquisition is accreted to the expected payment over the earn out period. Accelerated interest accretion on convertible debentures reflects the additional interest accretion recorded in a period that, but for the action to early redeem the debenture series, would have been recorded over the remaining term to maturity. This interest reflects the difference in the book value of the convertible debentures and the par value outstanding.

The Corporation presents Adjusted Net Earnings per share, which is calculated by dividing Adjusted Net Earnings, as defined above, by the weighted average number of shares outstanding during the period, as presented in the Corporation's Financial Statements and Notes.

The Corporation presents an Adjusted Net Earnings payout ratio, which is calculated by dividing dividends declared during a period, as presented in the Corporation's Financial Statements and Notes, by Adjusted Net Earnings, as defined above. The Corporation uses this metric to assess cash flow available for distribution to shareholders.

Free Cash Flow: for the year is equal to cash flow from operating activities as defined by IFRS, adjusted for changes in non-cash working capital, acquisition costs, principal payments on right of use lease liabilities, and any non-recurring items, such as restructuring costs. Free Cash Flow is a performance measure used by management and investors to analyze the cash generated from operations before the seasonal impact of changes in working capital items or other unusual items. The most comparable IFRS measure is Cash Flow from Operating Activities. Adjustments made to Cash Flow from Operating Activities in the calculation of Free Cash Flow include other IFRS measures, including adjusting the impact of changes in working capital and deducting principal payments on right of use lease liabilities.

The Corporation presents Free Cash Flow per share, which is calculated by dividing Free Cash Flow, as defined above, by the weighted average number of shares outstanding during the period, as presented in the Corporation's Financial Statements and Notes.

Free Cash Flow less Maintenance Capital Expenditures: for the year is equal to Free Cash Flow, as defined above, less Maintenance Capital Expenditures, as defined below.

The Corporation presents Free Cash Flow less Maintenance Capital Expenditures per share, which is calculated by dividing Free Cash Flow less Maintenance Capital Expenditures, as defined above, by the weighted average number of shares outstanding during the period, as presented in the Corporation's Financial Statements and Notes.

The Corporation presents a Free Cash Flow less Maintenance Capital Expenditures payout ratio, which is calculated by dividing dividends declared during a period, as presented in the Corporation's Financial Statements and Notes, by Free Cash Flow less Maintenance Capital Expenditures, as defined above. The Corporation uses this metric to assess cash flow available for distribution to shareholders.

Maintenance and Growth Capital Expenditures: Maintenance Capital Expenditures is defined as the capital expenditures made by the Corporation to maintain the operations of the Corporation at its current level. Other capital expenditures are classified as Growth Capital Expenditures as they will generate new cash flows and are not considered by management in determining the cash flows required to sustain the current operations of the Corporation. While there is no comparable IFRS measure for Maintenance Capital Expenditures or Growth Capital Expenditures, the total of Maintenance Capital Expenditures and Growth Capital Expenditures is equivalent to the total of capital asset and intangible asset purchases, net of disposals, on the Statement of Cash Flows.

The Corporation's Maintenance Capital Expenditures include aircraft engine overhauls and airframe heavy checks that are recognized when these events occur and can be significant. Each aircraft type has different requirements for its major components according to manufacturer standards and the timing of the event can be dependent on the extent that the aircraft is utilized. As a result, the extent and timing of these Maintenance Capital Expenditure events can vary significantly from period to period, both within the year and when analyzing to the comparative period in the prior year.

Aircraft Sales & Leasing purchases of operating aircraft and engines within its lease portfolio are capital expenditures and, the process used to categorize expenditures as either growth or maintenance was based on the utilization of that portfolio. Since aircraft that are leased to third parties are being consumed over time, reinvestment is necessary to maintain the ability to generate future cash flows at existing levels. This depletion of the remaining green time of these aircraft, and therefore Maintenance Capital Expenditures, is represented through a charge based on utilization of the underlying assets. Only net capital expenditures more than this charge are classified as Growth Capital Expenditures. If there were no purchases of capital assets during the period by Aircraft Sales & Leasing, Maintenance Capital Expenditures would still be equal to utilization charge on its leased assets and Growth Capital Expenditures would be negative, representing the depletion of potential future earnings and cash flows. The aggregate of Maintenance and Growth Capital

Management Discussion & Analysis

of Operating Results and Financial Position for the three months ended March 31, 2026

Expenditures always equals the actual cash spent on capital assets during the period. This ensures that the payout ratio reflects the necessary replacement of Aircraft Sales & Leasing's leased assets.

Environmental Access Solutions has a portfolio of access mats and bridges that it rents to third parties. The utility of those assets is consumed over the useful life of the assets, represented by depreciation, and therefore depreciation on these assets reflects the reinvestment required to maintain Free Cash Flow at current levels. Any capital expenditures in the access mat and bridge rental portfolio in excess of the depreciation, which represents Maintenance Capital Expenditures, will result in Growth Capital Expenditures as this increased investment will generate additional cash flows in the future. It is possible to have negative Growth Capital Expenditures during a given period where total reinvestment is less than depreciation recorded on its rental portfolio.

Purchases of inventory are not reflected in either Growth or Maintenance Capital Expenditures. Aircraft purchased for part out or resale or access mats constructed for resale are recorded as inventory and are not capital expenditures. If a decision is made to take an asset out of either lease portfolio and either sell it or part it out, the net book value is transferred from capital assets to inventory. For Aircraft Sales & Leasing, capital assets on the balance sheet include operating aircraft and engines that are either on lease or are available for lease. Individual parts are recorded within inventory and capital assets that become scheduled for part out or access mats that intended to be sold to a third party have been transferred to inventory as at the balance sheet date.

Investors are cautioned that Adjusted EBITDA, Adjusted Net Earnings, Free Cash Flow, and Maintenance Capital Expenditures and Growth Capital Expenditures should not be viewed as an alternative to measures that are recognized under IFRS such as Net Earnings or cash flow from operating activities. The Corporation's method of calculating Adjusted EBITDA, Adjusted Net Earnings, Free Cash Flow, and Maintenance Capital Expenditures and Growth Capital Expenditures may differ from that of other entities and therefore may not be comparable to measures utilized by them.

Management Discussion & Analysis
of Operating Results and Financial Position for the three months ended March 31, 2026

13. QUARTERLY INFORMATION

The following summary reflects quarterly results of the Corporation:

	2026	2025				2024			
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	\$ 866,583	\$ 929,547	\$ 959,744	\$ 719,928	\$ 668,276	\$ 687,695	\$ 709,856	660,575	601,769
Adjusted EBITDA	166,094	216,431	230,569	177,236	130,136	167,054	192,914	157,045	111,051
Net Earnings	27,894	51,566	68,737	40,010	7,207	28,174	55,885	32,648	4,528
Basic	0.50	0.94	1.32	0.78	0.14	0.58	1.18	0.69	0.10
Diluted	0.49	0.92	1.24	0.75	0.14	0.57	1.08	0.67	0.09
Adjusted Net Earnings	34,104	58,424	75,674	47,156	14,295	38,740	61,372	37,662	9,574
Basic	0.61	1.06	1.46	0.92	0.28	0.80	1.29	0.80	0.20
Diluted	0.59	1.04	1.36	0.88	0.28	0.78	1.18	0.77	0.20
Free Cash Flow ("FCF")	120,246	164,931	171,441	123,424	81,484	110,606	136,116	100,502	61,931
Basic	2.14	3.00	3.30	2.40	1.61	2.30	2.86	2.13	1.31
Diluted	2.10	2.90	3.04	2.22	1.47	2.03	2.50	1.88	1.19
FCF less Maintenance Capital Expenditures	41,027	67,996	88,163	57,487	25,500	43,150	81,201	52,322	22,593
Basic	0.73	1.24	1.70	1.12	0.50	0.90	1.71	1.11	0.48
Diluted	0.72	1.20	1.58	1.06	0.50	0.84	1.53	1.02	0.47
Maintenance Capital Expenditures	79,219	96,935	83,278	65,937	55,984	67,456	54,915	48,180	39,338
Growth Capital Expenditures	39,985	134,017	127,752	4,543	56,118	42,995	93,180	44,800	39,326

ADDITIONAL INFORMATION

Additional information relating to the Corporation is on SEDAR+ at www.sedarplus.ca.

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited, in thousands of Canadian dollars)

As at	March 31 2026	December 31 2025
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 121,217	\$ 145,773
Accounts receivable	592,159	601,739
Amounts due from customers on construction contracts	64,532	53,165
Inventories	570,205	511,161
Prepaid expenses and deposits	70,477	60,636
Income taxes receivable	11,372	586
	1,429,962	1,373,060
OTHER ASSETS (Note 7)	137,553	110,591
CAPITAL ASSETS	2,401,156	2,356,976
RIGHT OF USE ASSETS	245,584	247,400
INTANGIBLE ASSETS	344,118	348,206
GOODWILL	870,171	825,444
	\$ 5,428,544	\$ 5,261,677
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	\$ 623,251	\$ 577,091
Deferred revenue	131,189	123,074
Amounts due to customers on construction contracts	56,029	48,217
Current portion of right of use lease liability	59,202	56,587
	869,671	804,969
OTHER LONG-TERM LIABILITIES	34,362	45,595
LONG-TERM DEBT (Note 8)	1,660,779	2,174,685
SENIOR UNSECURED NOTES (Note 9)	596,796	-
LONG-TERM RIGHT OF USE LEASE LIABILITY	197,496	201,579
DEFERRED INCOME TAX LIABILITY	281,709	272,457
	3,640,813	3,499,285
EQUITY		
SHARE CAPITAL (Note 10)	1,752,232	1,733,521
CONTRIBUTED SURPLUS	17,871	17,871
DEFERRED SHARE PLAN	20,829	20,286
NON-CONTROLLING INTERESTS	5,000	5,000
RETAINED EARNINGS		
Cumulative Earnings	1,116,837	1,088,943
Cumulative Dividends	(1,178,952)	(1,140,136)
Cumulative impact of share cancellation under the NCIB	(26,122)	(26,122)
	1,707,695	1,699,363
ACCUMULATED OTHER COMPREHENSIVE INCOME	80,036	63,029
	1,787,731	1,762,392
	\$ 5,428,544	\$ 5,261,677

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

Approved on behalf of the directors by:

Duncan Jessiman, Director

Signed

Donald Streuber, Director

Signed

Exchange Income Corporation
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(unaudited, in thousands of Canadian dollars)

For the periods ended March 31	2026	2025
REVENUE		
Aerospace & Aviation	\$ 608,088	\$ 381,957
Manufacturing	258,495	286,319
	866,583	668,276
EXPENSES		
Aerospace & Aviation expenses - excluding depreciation and amortization	391,323	231,210
Manufacturing expenses - excluding depreciation and amortization	182,877	206,990
General and administrative	126,289	99,940
	700,489	538,140
EARNINGS BEFORE DEPRECIATION, AMORTIZATION, FINANCE COSTS, TAXES, AND OTHER (Note 4)	166,094	130,136
Depreciation of capital assets	84,722	66,720
Amortization of intangible assets	6,218	6,191
Finance costs - interest	27,846	30,636
Depreciation of right of use assets	15,519	10,409
Interest expense on right of use lease liabilities	2,805	2,063
Acquisition costs	1,777	2,674
Other (Note 5)	(8,581)	-
EARNINGS BEFORE INCOME TAXES	35,788	11,443
INCOME TAX EXPENSE (RECOVERY)		
Current	804	7,360
Deferred	7,090	(3,124)
	7,894	4,236
NET EARNINGS	\$ 27,894	\$ 7,207
NET EARNINGS PER SHARE (Note 13)		
Basic	\$ 0.50	\$ 0.14
Diluted	\$ 0.49	\$ 0.14

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

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands of Canadian dollars)

Attributable to common shareholders		
For the periods ended March 31	2026	2025
NET EARNINGS	\$ 27,894	\$ 7,207
OTHER COMPREHENSIVE INCOME (LOSS)		
Items that are or may be reclassified to the Statement of Income		
Cumulative translation adjustment, net of tax expense of nil and nil, respectively.	16,833	187
Net loss on hedge of net investment in foreign operations, net of tax expense of nil and nil, respectively.	(4,875)	(377)
Net gain (loss) on hedge of restricted share plan, net of tax expense (recovery) of \$1,476 and (\$983), respectively.	4,392	(2,727)
Net gain (loss) on interest rate swap, net of tax expense (recovery) of \$237 and (\$450), respectively.	657	(1,247)
	17,007	(4,164)
COMPREHENSIVE INCOME	\$ 44,901	\$ 3,043

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

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

(unaudited, in thousands of Canadian dollars)

	Retained Earnings									
	Share Capital	Convertible Debentures - Equity Component	Contributed Surplus - Matured Debentures	Deferred Share Plan	Non- Controlling Interests	Cumulative Earnings	Cumulative Dividends	Cumulative impact of share repurchases under NCIB	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2025	\$ 1,377,171	\$ 10,140	\$ 17,150	\$ 18,215	\$ -	\$ 921,423	\$ (1,000,268)	\$ (26,122)	\$ 91,960	\$ 1,409,669
Convertible debentures										
Converted into shares	79,728	(2,268)	-	-	-	-	-	-	-	77,460
Matured/Redeemed	-	(219)	219	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan (Note 10)	4,632	-	-	-	-	-	-	-	-	4,632
Deferred share plan vesting (Note 14)	-	-	-	465	-	-	-	-	-	465
Shares issued under ESPP	1,520	-	-	-	-	-	-	-	-	1,520
Comprehensive income (loss)	-	-	-	-	-	7,207	-	-	(4,164)	3,043
Dividends declared (Note 11)	-	-	-	-	-	-	(33,550)	-	-	(33,550)
Balance, March 31, 2025	\$ 1,463,051	\$ 7,653	\$ 17,369	\$ 18,680	\$ -	\$ 928,630	\$ (1,033,818)	\$ (26,122)	\$ 87,796	\$ 1,463,239
Balance, January 1, 2026	\$ 1,733,521	\$ -	\$ 17,871	\$ 20,286	\$ 5,000	\$ 1,088,943	\$ (1,140,136)	\$ (26,122)	\$ 63,029	\$ 1,762,392
Shares issued to acquisition vendors (Note 6)	11,663	-	-	-	-	-	-	-	-	11,663
Shares issued under dividend reinvestment plan (Note 10)	5,198	-	-	-	-	-	-	-	-	5,198
Deferred share plan vesting (Note 14)	-	-	-	543	-	-	-	-	-	543
Shares issued under ESPP (Note 10)	1,850	-	-	-	-	-	-	-	-	1,850
Comprehensive income (loss)	-	-	-	-	-	27,894	-	-	17,007	44,901
Dividends declared (Note 11)	-	-	-	-	-	-	(38,816)	-	-	(38,816)
Balance, March 31, 2026	\$ 1,752,232	\$ -	\$ 17,871	\$ 20,829	\$ 5,000	\$ 1,116,837	\$ (1,178,952)	\$ (26,122)	\$ 80,036	\$ 1,787,731

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

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

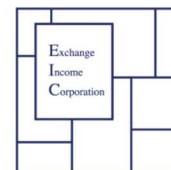
(unaudited, in thousands of Canadian Dollars)

For the periods ended March 31	2026	2025
OPERATING ACTIVITIES		
Net earnings for the period	\$ 27,894	\$ 7,207
Items not affecting cash:		
Depreciation of capital assets	84,722	66,720
Amortization of intangible assets	6,218	6,191
Depreciation of right of use assets	15,519	10,409
Accretion of interest	624	1,477
Gain on disposal of capital assets	(70)	(77)
Deferred income tax expense (recovery)	7,090	(3,124)
Deferred share program share-based vesting	543	465
Other (Note 5)	(8,581)	-
	133,959	89,268
Changes in non-cash current and long-term working capital (Note 16)	(1,392)	115
	132,567	89,383
FINANCING ACTIVITIES		
Proceeds from long-term debt, net of issuance costs (Note 8)	122,767	79,153
Repayment of long-term debt (Note 8)	(668,388)	(28,915)
Proceeds from issuance of senior unsecured notes, net of issuance costs (Note 9)	596,764	-
Redemption of convertible debentures	-	(7,574)
Principal payments on right of use lease liabilities	(15,239)	(10,232)
Issuance of shares, net of issuance costs	7,048	6,152
Cash dividends (Note 11)	(38,816)	(33,550)
	4,136	5,034
INVESTING ACTIVITIES		
Purchase of capital assets	(148,815)	(121,263)
Proceeds from disposal of capital assets	30,287	9,574
Purchase of intangible assets	(676)	(413)
Return from other assets	552	10,416
Cash outflow for acquisitions, net of cash acquired	(44,916)	-
Payment of deferred acquisition consideration and prior period working capital settlements	-	(11,012)
	(163,568)	(112,698)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(26,865)	(18,281)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	145,773	71,797
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	2,309	650
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 121,217	\$ 54,166
Supplementary cash flow information		
Interest paid	\$ 26,699	\$ 33,857
Income taxes paid	\$ 11,559	\$ 17,710

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

Exchange Income Corporation

Notes to the Interim Condensed Consolidated Financial Statements For the three months ended March 31, 2026



(unaudited, in thousands of Canadian dollars, unless otherwise noted, except per share information and share data)

1. ORGANIZATION

Exchange Income Corporation ("EIC" or the "Corporation") is a diversified, acquisition-oriented corporation focused on opportunities in the Aerospace & Aviation and Manufacturing segments. The business plan of the Corporation is to invest in profitable, well-established companies with strong cash flows operating in niche markets. The Corporation is incorporated in Canada and the address of the registered office is 101 – 990 Lorimer Boulevard, Winnipeg, Manitoba, Canada R3P 0Z9. Through the Corporation's subsidiaries, products and services are provided in two business segments: Aerospace & Aviation and Manufacturing.

The Corporation's results are impacted by seasonality factors. The Aerospace & Aviation segment revenues have historically been the strongest in the second and third quarters when demand tends to be highest, relatively modest in the fourth quarter and the lowest in the first quarter due to weather impacts, and as certain communities serviced by certain of the airlines are less isolated with the use of winter roads for transportation during the winter. Northern Mat and Spartan's businesses are also subject to seasonal variability, where the second and third quarters have the highest demand, the fourth quarter is slower and the first quarter is the slowest. Certain of the Corporation's other Manufacturing segment subsidiaries also experience seasonal variability with the first quarter being the seasonally slowest.

2. BASIS OF PREPARATION

The Corporation prepares its interim condensed consolidated financial statements in accordance with Canadian generally accepted accounting principles ("Canadian GAAP") – Part I as set out in the CPA Canada Handbook – Accounting ("CPA Handbook"). Part I of the CPA Handbook incorporates International Financial Reporting Standards ("IFRS Accounting Standards") as issued by the International Accounting Standards Board ("IASB") applicable to interim financial statements, including IAS 34, Interim Financial Reporting. These interim condensed consolidated financial statements are presented in thousands of Canadian dollars, except per share information and share data.

In accordance with IFRS Accounting Standards, these financial statements do not include all the financial statement disclosures required for annual financial statements and should be read in conjunction with the Corporation's annual consolidated financial statements for the year ended December 31, 2025. In management's opinion, the financial statements reflect all adjustments that are necessary for a fair presentation of the results for the interim period presented.

These interim condensed consolidated financial statements were approved by the Board of Directors of the Corporation for issue on May 11, 2026.

3. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies and methods of computation used in the preparation of these interim condensed consolidated financial statements are the same as those followed in the most recent annual financial statements. Note 3 of the Corporation's 2025 audited financial statements includes a comprehensive listing of the Corporation's significant accounting policies, except as noted below.

In May 2024, the IASB issued narrow scope amendments to IFRS 7 – Financial Instruments: Disclosures and IFRS 9 – Financial Instruments. These amendments address matters identified during the post-implementation review of IFRS 9, specifically with respect to classification and measurement. The amendments clarify the requirements for the timing of the recognition and derecognition of certain financial assets and liabilities. The amendments are effective for annual reporting periods beginning on or after January 1, 2026. The Corporation has adopted the amendments as of January 1, 2026 with no material impact to its interim condensed consolidated financial statements. The amendments were applied prospectively, and comparative information was not restated.

In April 2024, the IASB issued IFRS 18 – Presentation and Disclosure in Financial Statements, which will replace IAS 1 – Presentation of Financial Statements and will be accompanied by narrow scope amendments to IAS 7 – Statement of Cash Flows. IFRS 18 will introduce a defined structure for the statement of profit or loss and add disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. The standard will be effective for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The Corporation plans to adopt the standard on its effective date January 1, 2027 retrospectively with a restatement of the comparative period. IFRS 18 modifies the presentation of the Consolidated Statements of Income, with presentation of revenue and expenses within three categories – operating, investing and financing. The Corporation is continuing to evaluate the impact adoption of IFRS 18 will have on its consolidated financial statements.

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

4. EARNINGS BEFORE DEPRECIATION, AMORTIZATION, FINANCE COSTS, TAXES, AND OTHER

The Corporation presents, as an additional IFRS Accounting Standards measure, earnings before depreciation, amortization, finance costs, taxes, and other in the interim condensed consolidated statement of income to assist users in assessing financial performance. The Corporation's management and the Board use this measure to evaluate consolidated operating results and assess the ability of the Corporation to incur and service debt. In addition, this measure is used to make operating decisions as it is an indicator of the performance of the business and how much cash is being generated by the Corporation and assists in determining the need for additional cost reductions, evaluation of personnel, and resource allocation decisions. Earnings before depreciation, amortization, finance costs, taxes, and other is referred to as an additional IFRS Accounting Standards measure and may not be comparable to similar measures presented by other companies.

5. CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of financial statements requires management to use judgment in applying its accounting policies and estimates and assumptions about the future. Estimates and other judgments are continuously evaluated and are based on management's experience and other factors, including expectations about future events that are believed to be reasonable under the circumstances.

The Corporation's liabilities for contingent consideration associated with its acquisitions are reassessed each period end subsequent to the related acquisition. The carrying value of the liability is based on an estimate of both the amount of the potential payment and probability that the earn out will be paid. During the period, the estimated liability for additional purchase consideration associated with Canadian North was remeasured, resulting in a recovery of \$8,581 and is included within "Other" in the Statement of Income.

Aside from the remeasurement of contingent consideration discussed above, there were no changes to the Corporation's critical accounting estimates and judgments from those described in the most recent annual financial statements.

6. ACQUISITIONS

MnM Aircraft Component Holdings Inc. ("Mach2")

On January 31, 2026, the Corporation acquired Mach2. Located in Pompano Beach Florida, Mach2 participates in the commercial segment of the global used serviceable material market.

The components of the consideration paid to acquire Mach2 are outlined in the table below.

Consideration given:		
Cash	\$	45,606
Issuance of 121,147 shares of the Corporation at \$96.27 per share		11,663
Estimated working capital settlement		(1,117)
Total purchase consideration	\$	56,152

The purchase price included an initial payment of cash and the issuance of common shares to the vendors, net of formal closing adjustments. The preliminary purchase price allocation is expected to be finalized in 2026 when the final settlement of working capital and other post-closing adjustments occur. The preliminary allocation of the purchase price included net working capital of \$17,101, capital assets of \$199 and preliminary goodwill of \$39,633.

7. OTHER ASSETS

The other assets of the Corporation consist of the following:

	March 31 2026	December 31 2025
Long-term prepaid expenses and security deposits	\$ 6,193	\$ 5,388
Contract assets and long-term receivables	4,668	4,791
Equity method investments	78,526	78,760
Other investments - Fair value through OCI (Note 15)	7,543	8,043
Derivative financial instruments - Fair value through profit and loss (Note 15)	40,623	13,609
Total other assets	\$ 137,553	\$ 110,591

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

8. LONG-TERM DEBT

The following summarizes the Corporation's long-term debt as at March 31, 2026, and December 31, 2025:

	March 31 2026	December 31 2025
Revolving term facility:		
Canadian dollar amounts drawn	\$ 374,500	\$ 387,200
United States dollar amounts drawn (US\$927,200 and US\$1,307,243 respectively)	1,292,424	1,791,707
Total credit facility debt outstanding, principal value	1,666,924	2,178,907
less: unamortized transaction costs	(6,145)	(4,222)
Long-term debt	\$ 1,660,779	\$ 2,174,685

The Corporation's credit facility is unsecured, subject to customary terms, conditions, covenants, and other provisions, and includes both financial and negative covenants. The Corporation is in compliance with all financial and negative covenants as at March 31, 2026.

Interest expense recorded by the Corporation during the three months ended March 31, 2026 for long-term debt was \$26,545 (2025 – \$25,786).

On January 26, 2026, the Corporation amended its credit facility. The enhanced credit facility increased to \$3.5 billion and its term was extended to January 26, 2030. The credit facility includes \$2,857 million allocated to the Corporation's Canadian Head Office and US \$460 million allocated to EIIIF Management USA, Inc. The amount allocated to the Corporation's Canadian Head Office includes the continuation of the previously announced \$200 million social loan tranche, which will be used to fund the purchase of new King Air aircraft at Carson Air for the long-term medevac contract with the Province of British Columbia. The \$200 million social loan tranche permits the Corporation to draw on that portion of the facility as the new aircraft are delivered and modified for medical purposes.

Credit Facility

The following is the continuity of long-term debt for the three months ended March 31, 2026:

	Three months ended March 31, 2026				
	Opening	Withdrawals	Repayments	Exchange Differences	Ending
Credit facility amounts drawn					
Canadian dollar amounts	\$ 387,200	\$ 37,500	\$ (50,200)	\$ -	\$ 374,500
United States dollar amounts	1,791,707	97,721	(628,144)	31,140	1,292,424
	\$ 2,178,907			\$	1,666,924

In the table above, withdrawals and repayments include the impact of entering into cross currency swaps with members of the Corporation's lending syndicate whereby an exchange of Canadian and US denominated debt occurs. However for cash flow presentation purposes, such amounts are netted as they are part of an effective hedging relationship. More information on the cross currency swaps can be found in Note 15.

9. SENIOR UNSECURED NOTES

Series - Year of Issuance	Maturity	Interest Rate	Rating	Principal Value
Senior Unsecured Notes - March 2026	March 13, 2031	4.324%	BBB (low)	\$ 600,000

The following summarizes the Corporation's senior unsecured notes as at March 31, 2026.

	March 31 2026	December 31 2025
Senior unsecured notes - March 2026 Issue	600,000	
Total senior unsecured notes outstanding (par value)	600,000	-
less: unamortized transaction costs	(3,204)	-
Senior unsecured notes	\$ 596,796	\$ -

Notes to the Interim Condensed Consolidated Financial Statements

(unaudited, amounts in thousands of Canadian dollars unless otherwise noted, except per share information and share data)

On March 13, 2026, the Corporation completed an offering of \$600,000 principal amount of senior unsecured notes. The notes bear interest at a rate of 4.324% per annum, payable semi-annually in arrears on March 13 and September 13 of each year, and mature on March 13, 2031.

Interest expense recorded by the Corporation during the three months ended March 31, 2026 for senior unsecured notes was \$1,301 (2025 - \$nil).

10. SHARE CAPITAL

Changes in the shares issued and outstanding during the three months ended March 31, 2026, are as follows:

	Number of Shares	2026 Amount
Share capital, beginning of period	56,129,898	\$ 1,733,521
Issued under dividend reinvestment plan	56,528	5,198
Issued under employee share purchase plan	18,596	1,850
Shares issued to Mach2 vendors on closing (Note 6)	121,147	11,663
Share capital, end of period	56,326,169	\$ 1,752,232

On March 30, 2026, the Corporation received approval from the TSX for the renewal of its NCIB to purchase up to an aggregate of 5,311,716 Common Shares, representing 10% of the issued and outstanding shares at March 23, 2026. Purchases of shares pursuant to the renewed NCIB can be made through the facilities of the TSX during the period commencing on April 1, 2026 and ending on March 31, 2027. The maximum number of shares that can be purchased by the Corporation daily is limited to 37,145 shares, other than block purchase exemptions.

During the three months ended March 31, 2026, the Corporation did not make any purchases under its common share NCIB and therefore has the full 5,311,716 shares available for repurchase.

11. DIVIDENDS DECLARED

The Corporation pays cash dividends on or about the 15th of each month to shareholders of record on the last business day of the previous month. The Corporation's Board of Directors regularly examines the dividends paid to shareholders.

The amounts and record dates of the dividends during the three months ended March 31, 2026, and the comparative 2025 period are as follows:

Month	Record date	Per Share	2026 Dividends		Record date	Per Share	2025 Dividends	
				Amount				Amount
January	January 30, 2026	\$ 0.23	\$	12,915	January 31, 2025	\$ 0.22	\$	10,983
February	February 27, 2026	0.23		12,947	February 28, 2025	0.22		11,276
March	March 31, 2026	0.23		12,954	March 31, 2025	0.22		11,291
Total		\$ 0.69	\$	38,816		\$ 0.66	\$	33,550

After March 31, 2026, and before these interim condensed consolidated financial statements were authorized, the Corporation declared a monthly dividend of \$0.23 per share for April 2026. The Corporation also announced that, beginning with the April 2026 dividend, the discount provided to dividend reinvestment plan participants will be 1%, a decrease from 3% previously.

12. SEGMENTED AND SUPPLEMENTAL INFORMATION

Operating segments are reported in a manner that is consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing the performance of the operating segments, has been identified as the Chief Executive Officer.

The Corporation's operating business segments include strategic business units that offer different products and services. The Corporation has two operating business segments: Aerospace & Aviation and Manufacturing. The Aerospace & Aviation segment provides essential airline services to communities across Canada and also sells aircraft, engines, and aftermarket parts to airline operators around the world. In addition, the segment designs, modifies, maintains, and operates custom sensor-equipped aircraft. The Corporation's two flight schools provide pilot training services. Finally, our businesses deliver training solutions for governments across an array of aviation platforms and have in-depth experience in training pilots and sensor operators on both manned and unmanned aircraft. The Manufacturing segment

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consists of niche and specialty manufacturers in markets throughout Canada and the United States including engineering and precision metal manufacturing services, and the design, manufacture and installation of the exteriors of residential and mixed use high rises. In addition, the segment has in-house composite and wood access mat manufacturing capabilities and rents and sells these access solutions to customers.

The Corporation evaluates each segment's performance based on Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA"). The Corporation's method of calculating Adjusted EBITDA may differ from that of other corporations and therefore may not be comparable to measures utilized by them. The Corporation's method of calculating Adjusted EBITDA is consistent with the Corporation's Earnings before Depreciation, Amortization, Finance Costs, Taxes, and Other presented in the interim condensed consolidated Statement of Income. All inter-segment and intra-segment transactions are eliminated, and all segment revenues presented in the tables below are from external customers.

"Head Office" used in the following segment tables is not a separate segment and is only presented to reconcile to the Corporation's total Adjusted EBITDA, certain statement of financial position amounts, and capital asset additions. It includes expenses incurred at the head office of the Corporation.

	Three months ended March 31, 2026			
	Aerospace & Aviation	Manufacturing	Head Office	Consolidated
Revenue	\$ 608,088	\$ 258,495	\$ -	\$ 866,583
Expenses	462,207	221,536	16,746	700,489
Adjusted EBITDA	145,881	36,959	(16,746)	166,094
Depreciation of capital assets				84,722
Amortization of intangible assets				6,218
Finance costs - interest				27,846
Depreciation of right of use assets				15,519
Interest expense on right of use lease liabilities				2,805
Acquisition costs				1,777
Other (Note 5)				(8,581)
Earnings before income taxes				35,788
Current income tax expense				804
Deferred income tax expense				7,090
Net Earnings				\$ 27,894

	Three months ended March 31, 2025			
	Aerospace & Aviation	Manufacturing	Head Office	Consolidated
Revenue	\$ 381,957	\$ 286,319	\$ -	\$ 668,276
Expenses	280,110	245,759	12,271	538,140
Adjusted EBITDA	101,847	40,560	(12,271)	130,136
Depreciation of capital assets				66,720
Amortization of intangible assets				6,191
Finance costs - interest				30,636
Depreciation of right of use assets				10,409
Interest expense on right of use lease liabilities				2,063
Acquisition costs				2,674
Earnings before income taxes				11,443
Current income tax expense				7,360
Deferred income tax recovery				(3,124)
Net Earnings				\$ 7,207

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	For the period ended March 31, 2026			
	Aerospace & Aviation	Manufacturing	Head Office ⁽¹⁾	Consolidated
Total assets	\$ 3,773,265	\$ 1,523,522	\$ 131,757	\$ 5,428,544
Net capital asset additions	114,039	3,997	492	118,528

	For the year ended December 31, 2025			
	Aerospace & Aviation	Manufacturing	Head Office ⁽¹⁾	Consolidated
Total assets	\$ 3,627,292	\$ 1,524,670	\$ 109,715	\$ 5,261,677
Net capital asset additions	588,811	33,613	283	622,707

Note 1) Includes corporate assets not directly attributable to operating segments. Such unallocated assets include corporate cash that is part of the Corporation's mirror banking arrangements.

Revenues

The following table provides disaggregated information about revenue from contracts with customers. Management believes that disaggregation by type of sale is most appropriate. The purpose of this disclosure is to provide information about the nature of the Corporation's contracts and the timing, amount, and uncertainties associated with customer contracts.

Revenue Streams	March 31 2026	March 31 2025
Aerospace & Aviation Segment		
Sale and lease of goods - point in time	\$ 155,813	\$ 88,760
Sale of services - point in time	413,298	255,650
Sale of services - over time	38,977	37,547
Manufacturing Segment		
Sale and lease of goods - point in time	105,209	102,406
Sale of services - point in time	11,919	14,089
Sale of goods and services - over time	141,367	169,824
Total revenue	\$ 866,583	\$ 668,276

13. EARNINGS PER SHARE

Basic earnings per share for the Corporation is calculated by dividing the Net Earnings by the weighted average number of common shares outstanding during the period.

Diluted Net Earnings per share is calculated by adjusting the weighted average number of common shares outstanding to assume the conversion of all dilutive securities to common shares. The Corporation has one category of dilutive potential common shares; deferred shares under the Corporation's Deferred Share Plan. In the prior period, the Corporation had two categories of dilutive potential common shares: deferred shares under the Corporation's Deferred Share Plan and convertible debentures. For the convertible debentures, the convertible debt is assumed to have been converted into common shares and Net Earnings is adjusted to eliminate the interest expense from the convertible debt less the tax effect.

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The computation for basic and diluted earnings per share for the three months ended March 31, 2026 and 2025 are as follows:

Three Months Ended March 31	2026	2025
Net earnings	\$ 27,894	\$ 7,207
Effect of dilutive securities		
Convertible debenture interest	-	-
Diluted Net Earnings	\$ 27,894	\$ 7,207
Basic weighted average number of shares	56,244,662	50,593,124
Effect of dilutive securities		
Deferred Shares	1,118,410	1,030,047
Convertible debentures	-	-
Diluted basis weighted average number of shares	57,363,072	51,623,171
Net Earnings per share:		
Basic	\$ 0.50	\$ 0.14
Diluted	\$ 0.49	\$ 0.14

14. EMPLOYEE BENEFITS

Deferred Share Plan

During the three months ended March 31, 2026, the Corporation granted 49,737 (2025 – 41,136) deferred shares to certain personnel. The fair value of the deferred shares granted was \$4,956 (2025 – \$2,180) at the time of the grant and was based on the market price of the Corporation's shares at that time. During three months ended March 31, 2026, the Corporation recorded a compensation expense of \$543 (2025 – \$465), for the Corporation's Deferred Share Plan within the general and administrative expenses of Head Office.

Restricted Share Plan

During the three months ended March 31, 2026, the Corporation granted 143,928 (2025 – 167,067) restricted shares to certain personnel. The fair value of the restricted share units granted was \$11,731 (2025 – \$9,354) at the time of the grant and was based on the market price of the Corporation's shares at that time. During the three months ended March 31, 2026, the Corporation recorded compensation expense of \$4,494 (2025 – \$2,285), for the Corporation's Restricted Share Plan within the general and administrative expenses of Head Office net of its restricted share plan hedge, with a corresponding liability recorded in Accounts Payable and Accrued Expenses.

Employee Share Purchase Plan

Certain employees of the Corporation participate in an Employee Share Purchase Plan ("ESPP"). Under the ESPP, employees make contributions of up to 5% of their base salaries to purchase Corporation shares out of treasury, and upon the employees remaining employed with the Corporation or its subsidiaries during an 18-month vesting period, they are entitled to receive an additional number of shares ("additional shares") equal to 33.3% of the number of shares they purchased and dividends declared on those additional shares over the vesting period. The cost of the award is recognized in Head Office expenses of the Corporation over the 18-month vesting period.

At the decision of the employee, any dividends paid on the additional shares over the vesting period are either paid to the employee in cash upon the shares vesting or shares are purchased using these dividend funds.

During the three months ended March 31, 2026, employees acquired 18,596 (2025 - 30,647) shares from treasury at a weighted average price of \$99.46 (2025 - \$49.59) per share. The grant date fair value of the shares that will be awarded upon the vesting conditions of the plan being attained is estimated at \$616 based on the share price and monthly dividend rate at that time.

15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's activities expose it to a variety of financial risks: market risk (primarily currency, interest rate risk, and other price risk), credit risk, and liquidity risk. Senior management is responsible for setting acceptable levels of risk and reviewing risk management activities

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as necessary. The following describes the risk management areas that have significantly changed from those described in the December 31, 2025, audited consolidated financial statements.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency, interest rate, and other price risk.

Currency Risk

The Corporation has US \$927,200 or \$1,292,424 (December 31, 2025 – US \$1,307,243 or \$1,791,707) outstanding on its credit facility. The outstanding funds in US dollars result in currency risk that the future cash flows will fluctuate with the changes in market currency rates. The exposure for the US dollar portion of its credit facility outstanding is offset by the cash generated through the operations of its US based subsidiaries. Of the total US dollar credit facility drawn, US \$321,600 (December 31, 2025 – US \$279,043) is drawn by EIIIF Management USA, Inc., an entity that uses US dollars as its functional currency. Therefore, the currency risk on this balance is recognized in other comprehensive income.

The Corporation's investment in those subsidiaries with US dollar functional currencies are hedged partially by US \$189,700 (December 31, 2025 – US \$211,000) of credit facility draws, which mitigates the foreign currency translation risk arising from the subsidiary's net assets. The loan is designated as a net investment hedge and no ineffectiveness was recognized from the net investment hedge.

During the period, the Corporation continued the use of derivatives through several cross-currency basis swaps ("swap") with a member of the Corporation's lending syndicate. The swap requires that funds are exchanged back in one month at the same terms unless both parties agree to extend the swap for an additional month. By borrowing in US dollars, the Corporation is able to take advantage of lower interest rates. The swap mitigates the risk of changes in the value of the Corporation's US dollar borrowings as they will be exchanged for the same Canadian equivalent in one month. The swap is designated as a hedge of the underlying debt instrument and no ineffectiveness was recognized. The fair value of the swaps at March 31, 2026, was a financial asset of \$13,623 (December 31, 2025 – financial liability of \$4,346). At March 31, 2026, the notional value of the swaps outstanding is US \$415,900 (December 31, 2025 – US \$817,200). Hedging gains and losses are reclassified from other comprehensive income to the interim condensed consolidated statement of income to the extent effective. Accordingly, \$13,623 was reclassified from other comprehensive income in 2026 (2025 – (\$4,346)). No hedge ineffectiveness was recorded during 2026 or 2025.

Interest Rates

The Corporation is subject to the risk that future cash flows associated with the credit facility outstanding (Note 8) will fluctuate due to fluctuations in interest rates. The Corporation manages this risk and seeks financing terms in individual arrangements that are most advantageous.

The terms of the credit facility allow for the Corporation to choose the base interest rate between Prime, Canadian Overnight Repo Rate Average ("CORRA"), or the Secured Overnight Financing Rate ("SOFR"). At March 31, 2026:

- US \$927,200 (December 31, 2025 – US \$1,300,100) was outstanding under SOFR;
- Nil (December 31, 2025 – US \$7,143) was outstanding under US Prime; and
- \$374,500 (December 31, 2025 – \$387,200) was outstanding under CORRA.

The interest rate of the senior unsecured notes (Note 9) is fixed at 4.324% per annum.

The Corporation has multiple interest rate swaps transactions in place with members of its lending syndicate. These swaps fix the underlying interest rate on the Corporation's credit facility debt. A summary of outstanding swaps are as follows:

- \$350,000, maturing April 17, 2026, and
- US \$140,000, maturing on April 27, 2026.

These derivative financial instruments hedge the exposure to variability in cash flow associated with the future payment of interest on CORRA or SOFR debt that would impact profit or loss and therefore qualify as a cash flow hedges. The fair value of interest rate swaps are recorded within other long-term financial liability of \$294 (December 31, 2025 – other long-term financial liability of \$1,187) and are recorded as a separate line within other comprehensive income.

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Other Price Risk

The Corporation's Restricted Share Plan is a cash settled plan. Participants are awarded restricted shares and the payment to the participants at the end of the vesting period fluctuates based on the change in the Corporation's share price from the grant date to the vesting date.

To mitigate the income statement impact of a change in the Corporation's share price, the Corporation entered into derivative instruments for each of the 2024, 2025 and 2026 Restricted Share Plan grants, which fixes the cost of the plan for the Corporation. Any changes in fair value will either be paid to the counterparty or be paid to the Corporation by the counterparty at the vesting date. These derivative instruments fix the cost to the Corporation and do not impact the variability of the award received by the participant. The derivative financial instruments hedge the exposure to variability in cash flow associated with the future settlement of restricted shares issued under the Restricted Share Plan that would impact profit or loss and therefore qualify as cash flow hedges. On a combined basis, the initial grant date fair value for the 2024, 2025 and 2026 programs was \$35,322. The fair value of the instruments are recorded in long-term financial asset of \$27,000 (December 31, 2025 – long-term financial asset of \$13,609) and are recorded as a separate line within other comprehensive income.

Fair Value of Financial Instruments

The following table provides fair value information about financial assets and liabilities in the consolidated balance sheet and categorized by level according to the significance of the inputs used in making the measurements and their related classifications:

	Carrying Value March 31, 2026	Fair Value		
		Quoted prices in an active market Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Recurring fair value measurements				
Financial Assets				
Other long-term assets - Cross currency basis swap - Financial asset at fair value through profit and loss (Note 7)	\$ 13,623	\$ -	\$ 13,623	\$ -
Other long-term assets - Restricted Share Plan Hedge - Financial asset at fair value through profit and loss (Note 7)	27,000	-	27,000	-
Other long-term assets - Fair value through OCI (Note 7)	7,543	-	-	7,543
Financial Liabilities				
Consideration liabilities - Financial liability at fair value through profit and loss	(5,718)	-	-	(5,718)
Other long-term liabilities - Interest Rate Swap - Financial liability at fair value through OCI	(294)	-	(294)	-
Fair Value Disclosures				
Other assets - Amortized cost	8,953	-	4,328	4,625
Long-term debt - Amortized cost	(1,660,779)	-	-	(1,666,924)
Senior Unsecured Notes- Amortized cost	(596,796)	-	-	(600,000)

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	Carrying Value December 31, 2025	Fair Value		
		Quoted prices in an active market Level 1	Significant other observable inputs Level 2	Significant unobservable inputs Level 3
Recurring fair value measurements				
Financial Assets				
Other long-term assets - Restricted Share Plan Hedge - Financial asset at fair value through profit and loss (Note 7)	13,609	-	13,609	-
Other long-term assets - Fair value through OCI (Note 7)	8,043	-	-	8,043
Financial Liabilities				
Consideration liabilities - Financial liability at fair value through profit and loss	(14,146)	-	-	(14,146)
Other long-term liabilities - Cross-currency basis swap - Financial liability at fair value through profit and loss	(4,346)	-	(4,346)	-
Other long-term liabilities - Interest Rate Swap - Financial liability at fair value through OCI	(1,187)	-	(1,187)	-
Fair Value Disclosures				
Other assets - Amortized cost	8,708	-	3,708	5,000
Long-term debt - Amortized cost	(2,174,685)	-	-	(2,178,907)

The Corporation valued the level 3 consideration liabilities based on the present value of estimated cash outflows using probability weighted calculations, discount rates, and the observable fair market value of its equity, as applicable.

The following table summarizes the changes in the consideration liabilities recorded on the acquisitions of BVGlazing, Duhamel, and Canadian North including any changes for settlements, changes in fair value, and changes due to foreign currency fluctuations:

Consideration Liability Summary	March 31		December 31	
	2026		2025	
For the periods ended				
Opening balance	\$	14,146	\$	17,729
Accretion		153		402
Change in estimate (Note 5)		(8,581)		-
Acquisition of Canadian North		-		8,275
Settled during the period		-		(11,452)
Foreign exchange (gain) and other		-		(808)
Ending balance	\$	5,718	\$	14,146

The liabilities for contingent consideration recorded as part of the acquisitions are included in Other Long-Term Liabilities in the Statement of Financial Position unless they are expected to be settled within a year. The remaining consideration liabilities, primarily consisting of estimated working capital settlements, are recorded within Accounts Payable and Accrued Expenses in the interim condensed consolidated Statement of Financial Position. The fair value of each earn out liability is determined at the time of the acquisition and uses several estimates. At the end of each reporting period, the Corporation reviews these estimates for reasonableness and makes any required adjustments to the carrying value of the liability.

During the period, the estimated liability for additional purchase consideration associated with Canadian North was remeasured, resulting in a recovery of \$8,581 and is included within "Other" in the Statement of Income.

Financial Instrument Fair Value Disclosures

The fair values of cash and cash equivalents, accounts receivable, deposits, accounts payable, and accrued expenses approximate their carrying values due to their short-term nature.

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As at March 31, 2026, management had determined that the fair value of its long-term debt and senior unsecured notes approximate their carrying value. The fair value of long-term debt and senior unsecured notes have been calculated by discounting the expected future cash flows using a range of discount rates between 4.3% - 4.7%. The discount rate range is determined by using a risk-free benchmark bond yield for instruments of similar maturity adjusted for the Corporation's specific credit risk. In determining the adjustment for credit risk, the Corporation considers market conditions, the underlying value of assets secured by the associated instrument, and other indicators of the Corporation's creditworthiness.

The Corporation's policy is to recognize transfers in and out of the fair value hierarchy as of the date of the event or change in circumstances that caused the transfer. There were no such transfers during the current period.

16. CHANGES IN WORKING CAPITAL

The changes in non-cash operating working capital during the three months ended March 31, 2026, and the comparative period in 2025 are as follows:

Three months ended March 31	2026	2025
Accounts receivable, including long-term portion	\$ 23,938	\$ 16,527
Amounts due from customers on construction contracts	(11,166)	(15,668)
Inventories	(39,916)	(2,677)
Prepaid expenses and deposits, including long-term portion	(9,954)	(13,046)
Accounts payable and accrued expenses, including long-term portion	30,989	21,910
Income taxes receivable/payable	(10,958)	(10,410)
Deferred revenue, including long-term portion	8,081	5,966
Amounts due to customers on construction contracts	7,594	(2,487)
Net change in working capital	\$ (1,392)	\$ 115