



## NEWS RELEASE

### **Record Results Headlined by a Fourth Quarter 62% increase in Earnings Per Share for Exchange Income Corporation Driven by Strong Foundations and Accelerating Growth**

***EIC Posts Fourth Quarter & Annual Records for all key performance indicators including Annual Revenue of \$3.3 Billion, Annual Adjusted EBITDA<sup>1</sup> of \$754 Million, Annual Adjusted Net Earnings<sup>1</sup> of \$196 million, Annual Free Cash Flow<sup>1</sup> and Annual Free Cash Flow less Maintenance Capital Expenditures<sup>1</sup> including record per share metrics***

**WINNIPEG, Manitoba – February 24, 2026** – Exchange Income Corporation (TSX: EIF) (“EIC” or the “Corporation”) a diversified, acquisition-oriented company focused on opportunities in the Aerospace & Aviation and Manufacturing segments, reported its financial results for the three- and twelve-month periods ended December 31, 2025. All amounts are in Canadian currency.

#### **Q4 2025 Financial Highlights**

- Record Revenue of \$930 million, an increase of \$242 million or 35%.
- Record Adjusted EBITDA of \$216 million, representing growth of \$49 million or 30%.
- Record Net Earnings of \$52 million, compared to \$28 million in the prior period or an increase of 83%. Record Net Earnings per share of \$0.94 or an increase of 62%.
- Record Adjusted Net Earnings of \$58 million, compared to \$39 million in the prior period or an increase of 51%. Record Adjusted Net Earnings per share of \$1.06 or an increase of 33%.
- Record Free Cash Flow of \$165 million, an increase of \$54 million or 49%. Record Free Cash Flow per share of \$3.00 or an increase of 30%.
- Free Cash Flow less Maintenance Capital Expenditures Q4 record of \$68 million, an increase of \$25 million or 58%. Record Free Cash Flow less Maintenance Capital Expenditures per share of \$1.24.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio<sup>1</sup> improved to 58% compared to the prior year of 63%.
- Trailing Twelve Month Adjusted Net Earnings Payout Ratio<sup>1</sup> improved to 72% compared to 85% in the prior year.
- Successful completion of the simplification of the capital structure of the Corporation as the last tranche of convertible debentures was redeemed in December 2025 resulting in proforma leverage at 15-year lows at 2.73.

#### **Highlights subsequent to year end**

- 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 bond rating, subsequent to year end, which provides long-term fixed rate financing options for the future.
- Announced the acquisition of Mach2 and the extension and expansion of the commercial agreement with Air Canada.

<sup>1</sup> Adjusted EBITDA, Adjusted Net Earnings, Free Cash Flow, Free Cash Flow less Maintenance Capital Expenditures, Maintenance and Growth Capital Expenditures, and the corresponding per share amounts and payout ratios are Non-IFRS measures. See Appendix A for more information.



## 2025 Financial Highlights

- Record Revenue of \$3.3 billion, an increase of \$618 million or 23%.
- Record Adjusted EBITDA of \$754 million which represents growth of \$126 million or 20%.
- Record Net Earnings of \$168 million compared to \$121 million in the prior year, an increase of \$46 million or 38%. Record earnings per share of \$3.20 or an increase of 25%.
- Record Adjusted Net Earnings of \$196 million compared to \$147 million. Record Adjusted Net Earnings per share of \$3.74 or an increase of 21%.
- Free Cash Flow record of \$541 million compared to \$409 million, an increase of \$132 million or 32% along with record Free Cash Flow per share of \$10.36 or an increase of 20%.
- Record Free Cash Flow less Maintenance Capital Expenditures of \$239 million compared to \$199 million or an increase of 20% and record Free Cash Flow less Maintenance Capital Expenditures per share of \$4.58 or an increase of 9%.

## CEO Commentary

Mike Pyle, CEO, commented, “2025 was an incredibly successful year on several fronts. Our results continue to demonstrate the strength of our business model as we have a resilient foundation of businesses generating dependable results with an accelerating growth profile. The results generated by our collective businesses show the importance of diversity, the importance of culture and focus on long-term thinking and strategies. Our model and values have not changed since inception, and we are continuing to see those strengths in our record 2025 results.

We set all-time records for every key financial metric for the fiscal year and fourth quarter. Of equal and perhaps greater importance, we achieved several strategic initiatives during the year that sets EIC up for long-term success and prosperity. We spoke in the past about our desire to simplify our capital structure and we accomplished that goal by the end of 2025 with the redemption of the last series of convertible debentures. Furthermore, subsequent to year end, we announced an investment grade credit rating in addition to an increased and enhanced \$3.5 billion dollar credit facility. This means that we will be capable of utilizing fixed rate long-term bonds as part of our capital structure, which provides greater certainty on interest rates along with anticipated reduced borrowing rates over the long-term. We also executed on several strategic acquisitions during the year and subsequent to year end. Specifically, we announced and closed the highly strategic acquisition of Canadian North during 2025 which cemented our spot as the pre-eminent Northern air operator. This acquisition provides ancillary opportunities with our other business lines, whether it be additional lift, capacity and access to 737 jets for our Essential Air Services operators, or access to infrastructure and resources which can benefit our Aerospace business line as it positions itself to provide Arctic surveillance capabilities. Further, the acquisition of Mach2 after year end, along with historical parts data from the Canadian North operations, provides us with the ability to diversify and expand our Aircraft Sales & Leasing cash flows into the narrowbody and widebody commercial jet segment.

We also initiated and executed on several Growth Capital Expenditure initiatives which will lead to increased future profitability. During the year, we announced the building of a second state-of-the-art composite mat plant for our Environmental Access Solutions business line. Deposits have been made on long-lead time equipment, and the location is currently under development in the Southeast United States, specifically in Saltillo, Mississippi. We anticipate that construction and testing will require approximately 18 months and the new plant should start operations in mid-to-late 2027. This plant will capitalize on opportunities as the demand for our System 7XT mat has been robust. The composite market is gaining market share from traditional wooden mat industry segments in the United States. Concurrently, the transmission and distribution segment is undergoing significant expansion due to the electrification of homes, vehicles and navigating electricity demands for data centers and artificial intelligence. During the year, we also completed our second ISR aircraft for the UK Home Office and it started its operations in the fourth quarter. Lastly, by mid-2026 we will have received all twelve of



our new King Air aircraft for the BC medevac contract and the pre-existing aircraft will be redeployed to our other operators, including utilization of aircraft for the Newfoundland and Labrador fixed wing air ambulance services. We have a track record of executing on investments in our existing subsidiaries, resulting in strong returns and increasing their competitive advantages in their markets, thereby increasing our profitability metrics and cash flows.

Our Aerospace & Aviation segment continued its strong performance driven by the highly strategic acquisition of Canadian North and previous Growth Capital Investments which drove significant increases in revenue and profitability for the year. Investments previously made in our fleets are producing returns that were expected when the capital was deployed. Significant progress was made on the integration of Canadian North with the finalization of the Long-Term Air Services contract with the Government of Nunavut along with progress made on the cost structure of the business. Momentum continued throughout the year within our Aircraft Sales & Leasing business line as aircraft were placed on lease and we are continuing to experience robust demand and increasing lease rates for regional aircraft and engines. Lastly, during the fourth quarter the second aircraft commenced operations under the UK Home Office contract, and we are continuing to be very active responding to inquiries from domestic and foreign agencies regarding ISR services.

Our Manufacturing segment had strong performance relative to the prior year especially in the fourth quarter due to strong sales and profitability from improving North American business confidence in the industries in which we operate coupled with customers releasing purchase orders for goods and services which were deferred from earlier in the year. We continue to experience strong quoting activities throughout our various underlying businesses which resulted in a strong closing quarter and provides positive momentum for fiscal 2026. Our Environmental Access Solutions business line's Canadian operations experienced a solid fourth quarter and we expect continued improvement in the latter part of 2026 as long-linear projects are expected to be realized. The demand for our composite matting solutions in the US continues to be robust and we have started on the construction of a new state-of-the-art composite facility in the Southeast US which we anticipate will be operational in mid-to-late 2027. Our Multi-Storey Window Solutions business line continued to manage through project delays and inefficiencies due to delays in bookings experienced in past few years as a result of reduced demand due to developer and economic uncertainty. Lastly, our Precision Manufacturing & Engineering continued to experience strong demand for their products and services throughout 2025, especially during the fourth quarter.

During the year we announced our 18<sup>th</sup> increase in our dividend since inception of the Company and payout ratios continued to decline on a Free Cash Flow less Maintenance Capital Expenditures and Adjusted Net Earnings basis consistent with our intent. This was achieved through a disciplined acquisition and organic growth strategy. We are a very efficient investor of capital through our subsidiaries, and we help them grow while retaining the culture that made them so successful prior to their acquisition by EIC. I wanted to say thank you to our management teams and our shareholders. EIC has a solid foundation, and we have achieved several strategic initiatives. These developments set us up with a very solid foundation for future growth and continued success."

Adam Terwin, EIC's Chief Corporate Development Officer, commented "After year end, we announced the successful completion of the Mach2 acquisition. The acquisition of Mach2 will provide our Aircraft Sales & Leasing business line with opportunities to expand into the world's largest aftermarket parts segments, being the commercial narrowbody and widebody jet aircraft types. Aircraft Sales & Leasing's data infrastructure and architecture intellectual property coupled with the historical data from Canadian North and Mach2 will allow the business line to further expand and diversify their cash flows. The management team at Mach2 were known to the Aircraft Sales & Leasing team and are a cultural fit along with the location being very close to our existing operations, which is a significant



advantage. Applying our existing strengths of the business line with the relationships and knowledge of the narrowbody and widebody platforms will enable us to expand our product lines and provide additional growth vectors long into the future.

Our pipeline of acquisition opportunities continues to be active with a number of targets in both operating segments; however, we remain disciplined in ensuring that we acquire companies that meet or exceed our financial metrics, with strong management teams, and with sustainable, strategic business niches. EIC continues to be a success story and we are seeing incremental deals being pitched based on our business model and successful track record.”

### Selected Financial Highlights

(All amounts in thousands except % and share data)

	FY 2025	FY 2024	% Change	Q4 2025	Q4 2024	% Change
Revenue	\$3,277,495	\$2,659,895	23%	\$929,547	\$687,695	35%
Adjusted EBITDA	\$754,372	\$628,064	20%	\$216,431	\$167,054	30%
Net Earnings	\$167,520	\$121,235	38%	\$51,566	\$28,174	83%
per share (basic)	\$3.20	\$2.55	25%	\$0.94	\$0.58	62%
Adjusted Net Earnings	\$195,549	\$147,348	33%	\$58,424	\$38,740	51%
per share (basic)	\$3.74	\$3.10	21%	\$1.06	\$0.80	33%
Trailing Twelve Month Adjusted Net Earnings Payout Ratio (basic)	72%	85%				
Free Cash Flow	\$541,280	\$409,155	32%	\$164,931	\$110,606	49%
per share (basic)	\$10.36	\$8.60	20%	\$3.00	\$2.30	30%
Free Cash Flow less Maintenance Capital Expenditures	\$239,146	\$199,266	20%	\$67,996	\$43,150	58%
per share (basic)	\$4.58	\$4.19	9%	\$1.24	\$0.90	38%
Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio (basic)	58%	63%				
Dividends declared	\$139,868	\$125,888	11%	\$37,686	\$32,039	18%

### Review of 2025 Financial Results

Consolidated revenue for the year was \$3.3 billion, which was an increase of \$618 million or 23% over 2024. Consolidated Adjusted EBITDA for the year was \$754 million, which was an increase of \$126 million or 20% compared to last year.

Revenue in the Aerospace & Aviation segment grew by \$498 million or 30% to \$2.1 billion and Adjusted EBITDA generated by the Aerospace & Aviation segment increased by \$106 million to \$630 million, an increase of 20%. The most significant increases in revenue and profitability were related to the acquisition of Canadian North, strong fire suppression volumes within rotary wing operations, increased passenger traffic throughout our network and strong performance under our various medevac contracts. The Aerospace business line continued to experience high tempo flying amongst various contracts along with the operational deployment of a second aircraft for the UK Home Office during the fourth quarter, partially offset by a planned transition between contracts at our training business and the scope reduction of a performance-based logistics contract to a time and materials



contract. The Aircraft Sales & Leasing business line demonstrated continued strengthening in the leasing business along with strong demand for its parts, aircraft and engines.

Revenue in the Manufacturing segment increased by \$120 million or 12% to \$1.1 billion and Adjusted EBITDA increased by \$31 million or 21% to \$184 million. The increases in revenue and Adjusted EBITDA were primarily driven by the acquisition of Spartan in November 2024, with robust demand for our composite mat solutions. The Canadian Environmental Access Solutions experienced a deferral of mat rental and operational activity to the fourth quarter of 2025 and experienced strong demand for new mat sales in the latter part of 2025. Revenues and profitability within Multi-Storey Windows Solutions business line decreased relative to the prior year due to project delays and inefficiencies resulting from delays in customer bookings in late 2023 and 2024 as a result of reduced demand due to developer and economic uncertainty. Furthermore, US tariffs on aluminum and the strategic decision to retain experienced staff to meet anticipated future demands negatively impacted profitability during 2025. Our Precision Manufacturing & Engineering business line revenues and Adjusted EBITDA increased relative to the prior year due strong demand for the business line's product and services coupled with changes in sales mix which positively impacted profitability.

EIC recorded Net Earnings of \$168 million compared to \$121 million in the prior year. Furthermore, EIC recorded Adjusted Net Earnings of \$196 million compared to \$147 million in the prior year.

The Corporation generated Free Cash Flow of \$541 million, a \$132 million increase, over \$409 million in the prior year primarily due to the higher Adjusted EBITDA coupled with a decrease in interest expense due to the redemption of the convertible debentures during the year. Free Cash Flow less Maintenance Capital Expenditures was \$239 million compared to \$199 million in 2024. The increase in Adjusted EBITDA was partially offset by an increase in Maintenance Capital Expenditures, due to the acquisition of Canadian North, the increase in fleet size, hours flown and inflationary effects on maintenance events. The Corporation's Trailing Twelve-Month Free Cash Flow less Maintenance Capital Expenditures payout ratio is 58% for the year compared to the prior year of 63%.

Richard Wowryk, CFO commented, "During 2025, we completed our strategic initiative to simplify our capital structure. We redeemed all our convertible debentures with the vast majority converting into equity resulted in our lowest proforma leverage in 15 years. After year-end, we announced the extension and expansion of our credit facility to \$3.5 billion along with additional flexibility by converting the facility from a secured facility to an unsecured facility. We previously indicated that we desired to use more conventional forms of financing to fund our future growth and after year end we also announced an investment grade corporate credit rating. This is a significant achievement for the Corporation and is recognition of the stability of our business model. The rating will allow us to access a new form of capital in the future and will provide long-term fixed interest rate exposure at reduced rates. The proceeds from any potential bond offering would be used to repay the credit facility, increasing the amount of liquidity available. This liquidity would allow us to execute on strategic acquisitions and Growth Capital Expenditures well into the future. To be clear, this does not mean that we are changing our attitude on debt and leverage. Maintaining a strong balance sheet and having capital that is readily deployable has always been and will continue to be a cornerstone of our business strategy. Simplifying our capital structure in the timeline that we accomplished was an incredible accomplishment.



Our proforma leverage is at 15-year lows and our per share metrics continue to set records even with the additional shares issued as a result of the convertible debentures conversion to equity and a lower leverage profile. This is a confirmation of our business model as investments made in the past are positively impacting our profitability and cash flow on an absolute and per share basis. Overall, this year was a massive success from all perspectives whether it be related to key performance indicators, capital structure and cash flow generation, including working capital.”

## **Review of Q4 Financial Results**

Revenue generated by the Corporation during the fourth quarter was \$930 million, an increase of \$242 million or 35% over the comparative period. Revenue in the Aerospace & Aviation segment increased by \$209 million while revenue in the Manufacturing segment increased by \$32 million. The reasons for the increases during the quarter are largely consistent with the drivers for the annual increases.

Adjusted EBITDA generated by the Corporation during the fourth quarter was \$216 million compared to \$167 million in the fourth quarter of 2024, an increase of \$49 million or 30%. Adjusted EBITDA in the Aerospace & Aviation segment was up \$38 million to \$179 million compared to the prior period while Adjusted EBITDA in the Manufacturing segment increased by \$15 million to \$54 million. The drivers of the increase in the Adjusted EBITDA for the Aerospace & Aviation segment were largely consistent with the drivers for the annual increases being the acquisition of Canadian North, the addition of a second aircraft for the UK Home Office and the impact associated with prior investments in fleet and improvements in passenger traffic. The Adjusted EBITDA increase associated with the Manufacturing segment pertained to changes in product mix within the various business lines due to improved mat rentals and new mat sales, contributions from Spartan for a full quarter in 2025, strong demand for the products and services at our Precision Manufacturing & Engineering business line partially offset by reductions in revenue and profitability at Multi-Storey Window Solutions business line which was previously discussed.

## **Outlook**

Mr. Pyle concluded by saying, “2025 was a remarkable year for EIC. We have a resilient foundation of subsidiaries generating dependable results with accelerating growth prospects into the future. 2026 is off to an incredible start with the addition of Mach2, the extension and expansion of the commercial agreement with Air Canada, along with the announcement of our investment grade credit rating. Our capital structure has been strategically structured to allow us the ability to grow through Growth Capital Expenditures or by acquisition long into the future. Those Growth Capital Expenditures and acquisitions have been a driving force in our underlying record financial metrics in 2025 and our operating prospects have never been stronger. These results are the continuation of our strategy developed over 20 years ago and it continues to serve as the foundation for EIC.

We confirm our guidance for 2026 with an Adjusted EBITDA range of \$825 million to \$875 million with a current bias to the mid to upper end of the range due to the announcements of the Mach2 acquisition and expansion and extension of the Air Canada commercial agreement after year end.”

EIC’s complete annual financial statements and management’s discussion and analysis for the three and twelve month period ended December 31, 2025 can be found at [www.ExchangeIncomeCorp.ca](http://www.ExchangeIncomeCorp.ca) or at [www.sedarplus.ca](http://www.sedarplus.ca).



### **Conference Call Notice**

Management will hold a conference call to discuss its 2025 fourth quarter and annual financial results on Wednesday, February 25, 2026, at 8:30 am ET. To join the conference call, dial 1-800-717-1738 or 1-646-307-1865 (International). Please dial-in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until March 4, 2026 at midnight. To access the archived conference call, please dial 1-888-660-6264 or 1-646-517-3975 (International) and enter the encore code 22382#.

A live audio webcast of the conference call will be available at [www.ExchangeIncomeCorp.ca](http://www.ExchangeIncomeCorp.ca). Please connect at least 15 minutes prior to the conference call to ensure adequate time for any software download that may be required to join the webcast. An archived replay of the webcast will be available for 90 days.

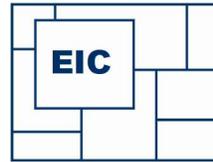
### **About Exchange Income Corporation**

Exchange Income Corporation is a diversified acquisition-oriented company, focused in two segments: Aerospace & Aviation and Manufacturing. The Corporation uses a disciplined acquisition strategy to identify already profitable, well-established companies that have strong management teams, generate steady cash flow, operate in niche markets and have opportunities for organic growth. For more information on the Corporation, please visit [www.ExchangeIncomeCorp.ca](http://www.ExchangeIncomeCorp.ca). Additional information relating to the Corporation, including all public filings, is available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).

#### Caution concerning forward-looking statements

The statements contained in this news release that are forward-looking are based on current expectations and are subject to a number of uncertainties and risks, and actual results may differ materially. Many of these forward-looking statements may be identified by looking for words such as “believes”, “expects”, “will”, “may”, “intends”, “projects”, “anticipates”, “plans”, “estimates”, “continues” and similar words or the negative thereof. These uncertainties and risks include, but are not limited to, external risks, operational risks, financial risks and human capital risks. External risks include, but are not limited to, risks associated with 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 and environmental, social and governance. Operational risks include, but are not limited to, significant contracts and customers, operational performance and growth, laws, regulations and standards, acquisitions, concentration and diversification, maintenance costs, access to parts and relationships with key suppliers, casualty losses, environmental liability, dependence on information systems and technology, cybersecurity, international operations, fluctuations in sales prices of aviation related assets, fluctuations in purchase prices of aviation related assets, warranty, performance guarantees, global offset and intellectual property risks. Financial risks include, but are not limited to, availability of future financing, income tax matters, commodity risk, foreign exchange, interest rates, credit facility, dividends, unpredictability and volatility of securities pricing, dilution, credit and credit rating risks. Human capital risks include, but are not limited to, reliance on key personnel, employees and labour relations and conflicts of interest.

Except as required by Canadian Securities Law, Exchange Income Corporation does not undertake to update any forward-looking statements; such statements speak only as of the date made. Further information about these and other risks and uncertainties can be found in the disclosure documents filed by Exchange Income Corporation with the securities regulatory authorities, available at [www.sedarplus.ca](http://www.sedarplus.ca).



**Exchange  
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Corporation**

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## Appendix A

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.

	Three Months December 31, 2025	Three Months, December 31, 2024	Year Ended, December 31, 2025	Year Ended, December 31, 2024
Adjusted EBITDA	\$ 216,431	\$ 167,054	\$ 754,372	\$ 628,064
Depreciation of capital assets	88,838	66,040	310,899	247,846
Amortization of intangible assets	6,395	5,801	24,739	22,510
Finance costs - interest	30,060	34,005	121,677	129,748
Depreciation of right of use assets	15,205	10,390	49,279	40,059
Interest expense on right of use liabilities	2,942	2,037	9,905	8,113
Acquisition costs	1,980	2,762	9,703	6,860
Restructuring	-	4,944	-	4,944
Earnings before taxes	\$ 71,011	\$ 41,075	\$ 228,170	\$ 167,984

**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 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 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.

Adjusted Net Earnings	Year Ended December 31,	
	2025	2024
<b>Net Earnings</b>	\$ 167,520	\$ 121,235
Acquisition costs (net of tax of \$675 and \$1,092)	9,028	5,768
Amortization of intangible assets (net of tax of \$6,556 and \$5,965)	18,183	16,545
Restructuring (net of tax of \$nil and \$1,335)	-	3,609
Accelerated interest accretion on redeemed debentures (net of tax of \$193 and \$71)	520	191
Interest accretion on acquisition contingent consideration (net of tax of \$103 and \$nil)	298	-
	\$ 195,549	\$ 147,348



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<b>Adjusted Net Earnings</b>	Three Months Ended December 31,	2025	2024
<b>Net Earnings</b>		\$ 51,566	\$ 28,174
Acquisition costs (net of tax \$244 and \$260)		1,736	2,502
Amortization of intangible assets (net of tax \$1,695 and \$1,537)		4,700	4,264
Restructuring (net of tax, \$nil and \$1,335)		-	3,609
Accelerated interest accretion on redeemed debentures (net of tax of \$86 and \$71)		232	191
Interest accretion on acquisition contingent consideration (net of tax of \$64 and \$nil)		190	-
		\$ 58,424	\$ 38,740

**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.

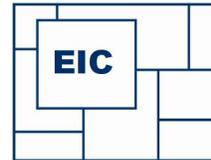
<b>FREE CASH FLOW</b>	Year Ended December 31,	2025	2024
Cash flows from operations		\$ 647,944	\$ 357,008
Change in non-cash working capital		(65,559)	81,787
Acquisition costs (net of tax of \$675 and \$1,092)		9,028	5,768
Principal payments on right of use lease liabilities		(50,133)	(39,017)
Restructuring (net of tax of \$nil and \$1,335)		-	3,609
		\$ 541,280	\$ 409,155

<b>FREE CASH FLOW</b>	Three Months Ended December 31	2025	2024
Cash flows from operations		\$ 280,396	\$ 140,531
Change in non-cash working capital items		(102,594)	(25,720)
Acquisition costs (net of tax of \$244 and \$260)		1,736	2,502
Principal payments on right of use lease liabilities		(14,607)	(10,316)
Restructuring (net of tax, \$nil and \$1,335)		-	3,609
		\$ 164,931	\$ 110,606

**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, and, prior to the onset of COVID-19, depreciation recorded on assets in the Corporation's aircraft leasing pool. 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



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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.

	Year Ended December 31, 2025			
	Aerospace & Aviation	Manufacturing	Head Office	Total
<b>CAPITAL EXPENDITURES</b>				
Maintenance Capital Expenditures	\$ 269,887	\$ 31,375	\$ 872	\$ 302,134
Growth Capital Expenditures	319,558	2,872	-	322,430
Total Net Capital Asset and Intangible Purchases, per Statement of Cash Flows	\$ 589,445	\$ 34,247	\$ 872	\$ 624,564

	Year Ended December 31, 2024			
	Aerospace & Aviation	Manufacturing	Head Office	Total
<b>CAPITAL EXPENDITURES</b>				
Maintenance Capital Expenditures	\$ 182,114	\$ 27,230	\$ 545	\$ 209,889
Growth Capital Expenditures	218,494	1,075	732	220,301
Total Net Capital Asset and Intangible Purchases, per Statement of Cash Flows	\$ 400,608	\$ 28,305	\$ 1,277	\$ 430,190

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 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. For additional information on the Corporation's Non-IFRS measures, refer to Section – Dividends and Payout Ratios and Section 12 – Non-IFRS Financial Measures and Glossary of the Corporation's MD&A, which is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).