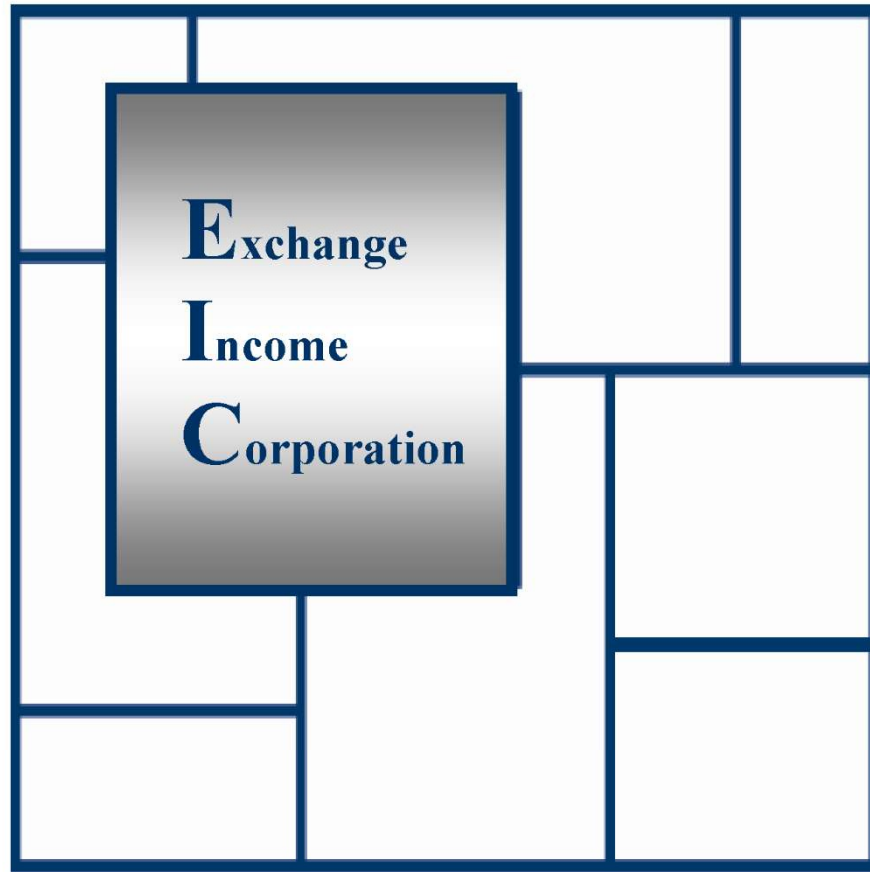




Third Quarter Report

For the nine months ended

September 30, 2025

CEO's Message

EIC is uniquely equipped to respond to the renewed focus on nation building in Canada. Our businesses sit at the intersection of several strong tailwinds as Canada looks to drive investment and spur job creation. Our businesses have positive exposures to defence, Arctic sovereignty, critical minerals and resource development, transmission and distribution modernization and Indigenous people's economic development. Each of our teams has been very busy fielding inquiries from prospective customers, partners and governments and I couldn't be more excited about our future.

Before I focus on the future I wanted to look back at this past quarter and year to date. Highlights from EIC's 2025 Third Quarter Financial Performance include:

- All time quarterly record set with Revenue of \$960 million, an increase of \$250 million.
- Adjusted EBITDA of \$231 million, representing growth of \$38 million over the prior period or 20% and setting a quarter record for the Corporation.
- Record quarterly Net Earnings of \$69 million compared to the prior period of \$56 million or an increase of 23%. The Corporation also set record basic and fully diluted earnings per share of \$1.32 and \$1.24, respectively.
- Record quarterly Free Cash Flow of \$171 million compared to the prior period of \$136 million, an increase of \$35 million or 26% along with record Free Cash Flow per share of \$3.30 compared to the prior period of \$2.86.
- Adjusted Net Earnings quarterly record of \$76 million compared to the prior period of \$61 million, an increase of 23%, and record Adjusted Net Earnings per share of \$1.46 compared to the prior period of \$1.29.
- Free Cash Flow less Maintenance Capital Expenditures record of \$88 million compared to the prior period of \$81 million and Free Cash Flow less Maintenance Capital Expenditures per share of \$1.70.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio was 63% compared to the prior period of 60%.
- Completed the redemption of its 7-year 5.25% convertible unsecured subordinated debentures due July 31, 2028 (Series L) during the quarter which resulted in an additional 2.6 million common shares being issued by September 29, 2025. Subsequent to quarter end, announced the early redemption of its 7 year 5.25% convertible unsecured subordinated debentures due January 15, 2029 (Series M) and upon completion the Corporation will have no outstanding convertible debentures, simplifying its capital structure.
- Announced an increase in the dividend of \$0.12 per annum to \$2.76 per share, or an increase of 5%.

Revenue generated by the Aerospace & Aviation segment increased by \$247 million or 57% to \$680 million and Adjusted EBITDA increased by \$46 million or 30% to \$202 million over the prior period. The most material drivers of the revenue and profitability increases were the addition of Canadian North's passenger and cargo operations, improved load factors during the quarter after the Manitoba and Ontario forest fire activity subsided, increased flying under the BC medevac contract, enhanced pricing under certain Essential Air Services contracts, improvements in the Aerospace training business and continued step based improvement in our Aircraft Sales & Leasing business line as aircraft and engine leasing continues to strengthen. The profitability increases were muted as expected by Canadian North's charter revenues which are generally lower margin due to the nature of the services and changes in product mix at Aircraft Sales & Leasing business line as large aircraft and engine sales were an outsized proportion of the sales mix.

Manufacturing segment revenue increased by \$3 million to \$279 million for the quarter, however Adjusted EBITDA decreased by \$6 million to \$45 million. The decrease in Adjusted EBITDA was primarily due to tariffs on aluminum, operational inefficiencies partly due to customer delays in certain projects along with the strategic decision to retain experienced staff within our Multi-Storey Window Solutions business line, and reduced profitability within our Environment Access Solutions business line's Canadian operation's mat rentals due to the deferral of projects into the fourth quarter and into 2026. The Environmental Access Solutions business line's US composite operations continued its strong performance during the quarter. We are continuing to see a historically high number of inquiries from customers amongst our various Manufacturing segment business lines and see this as a positive forward-looking indicator for the prospects of our businesses.

During the quarter we announced the successful completion of the Canadian North transaction and of equal importance, the execution of a Long-Term Air Service Agreement with the Government of Nunavut. This acquisition and subsequent long-term services agreement is highly strategic to EIC as it cements our position as the foremost expert in Northern aviation. We noted to the market that our returns would be muted during the first year of ownership as we had further investments to ensure that the business met our return metrics for years to come. The integration of the business is proceeding consistent with our plan that was developed during the due diligence process, and we are very happy about the progress being made by our various teams. The new Long-Term Air Service Agreement with the Government of Nunavut reset the cost structure and provided future certainty as pricing is modified on an annual basis, up or down, based on aviation specific inflation factors. Our team, including our Aircraft Sales & Leasing business line, are actively working with Canadian North to further invest in their fleet, whether it be through the modification of aircraft into combination passenger/cargo configurations or acquiring spare parts and engines to ensure reliability of the fleet long into the future. Lastly, significant progress has started to adjust the cost structure of the underlying operations including the renegotiation of supplier arrangements. We remain confident that the profitability of Canadian North will meet our requisite return profile by the latter portion of 2026. The culture of Canadian North has been a perfect fit amongst our other air operators and the executive management teams of our subsidiaries have been sharing resources and best practices to optimize the operations of Canadian North.

During the quarter we also announced the successful redemption of our Series L 5.25% Convertible Unsecured Subordinated Debentures. Subsequent to quarter end, we announced the exercise of the early redemption provisions of our Series M 5.25% Convertible Unsecured Subordinated Debentures. This is a milestone for our Corporation as we previously communicated our desire to simplify our capital structure to fund the next stage of our growth with non-dilutive capital. By the end of November, we will no longer have any series of convertible debentures outstanding and over the past 18 months will have redeemed over \$400 million of convertible debentures which will reduce our total leverage ratio to near historic lows and increase our equity by a corresponding amount. We remain steadfast in our conservative attitude on debt and leverage. Maintaining a strong balance sheet has been a cornerstone of our business strategy and will continue well into the future. We want to ensure that we maintain sufficient liquidity so that we can deploy capital for organic growth initiatives or for potential acquisitions when they arise. Our balance sheet is simplified, de-levered and very liquid.

EIC is uniquely constructed to realize several short-term and medium-term opportunities that exist amongst our various business lines. Our family of businesses acquired were based on their underlying fundamentals coupled with future growth opportunities. However, the confluence of current events and trends, including geopolitical and trade actions and a collective focus on economic nationalism, has positioned EIC at the center of several exciting trends

Defence & Arctic Sovereignty – With the addition of Canadian North's infrastructure to our pre-existing Northern portfolio of assets, we are at the forefront of Northern Defence and Arctic Sovereignty. Our Aerospace business line, coupled with our Essential Air Services infrastructure, has a unique capability to provide services in the North. We currently are the key provider of ISR services along the Western and Eastern Coasts. Furthermore, our Manufacturing segment subsidiaries are also positioned to provide key supplies and infrastructure to support unique made in Canada ambitions.

Critical Minerals & Resources Development – We are a net benefactor to critical mineral and resource development in the North. Our airlines serve an important purpose in transporting goods and people to remote sites. Our Environmental Access Solutions business line can install temporary roads and bridges to protect ecologically sensitive areas. Furthermore, our relationship with Indigenous communities, our Northern infrastructure footprint, and our Southern access points makes our businesses an invaluable part of the critical minerals and resources development team.

Transmission and distribution modernization – The demand for electricity in North America is increasing driven by artificial intelligence data centers and the intensification of electric demands from homes and transportation. It is projected that data centers may consume up to 12% of electricity generated within the next three years within North America. The investment in the generation, transmission, distribution and historical maintenance of the grid has not kept pace. Accordingly, there is a significant infrastructure deficit required which will be a tailwind for our Environmental Access Solutions and Precision Manufacturing & Engineering business lines.

Indigenous People's Economic Development – We have always played a central role in Indigenous economic development. Our various businesses have numerous partnership agreements with the communities we serve. As a corporate culture, we have consistently emphasized "doing the right thing," which has meant economic reconciliation in action even before those words were en vogue. We have a history of partnering with our Indigenous communities and developing unique programs such as the Atik Mason Pilot Pathway program which was recently expanded and currently operates in three locations being Thompson, MB, Goose Bay, NFLD and Rankin Inlet, NU. We have partnered with other organizations such as the Winnipeg Blue Bombers to inspire the next generation in the various communities we serve. These are just a few examples of the activities we undertake because we understood the importance of the North and we stand ready to work with our Indigenous partners.

EIC was constructed based on three distinct principles and we continue to be guided by those principles:

- Provide shareholders with stable and growing dividends;

- Maximize shareholder value through ongoing active monitoring and investment in our operating subsidiaries; and
- Continue to acquire additional businesses to expand and diversify the Corporation's investments and cash flows.

Our business plan of investing in profitable, well established companies with engaged management teams and strong cash flows operating in niche markets continues to show their success in our underlying results. Since inception we have invested approximately \$4.5 billion, virtually equal amounts into our organic growth investments and into acquisitions. Those investments have paid off handsomely in growing our key performance metrics to all-time highs including our Free Cash Flow less Maintenance Capital Expenditures. That growth has allowed us to raise our dividend by approximately 5% from \$2.64 per annum per share to \$2.76. We continue to be guided by our principles which have proven successful for the past twenty plus years. We have remained true to our beliefs and the current environment will allow us to capitalize on our sustainable strengths well into the future.

During our third quarter meetings we gather our key executives from each of our companies, and we also celebrate the contributions of key team members throughout our subsidiaries. I wanted to say thank you to all our employees. Our people and our teams allow us to accomplish our objectives, and I could not be prouder of our accomplishments to date.

Mike Pyle

Chief Executive Officer

November 6, 2025

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Management Discussion & Analysis

of Operating Results and Financial Position for the three and nine months ended September 30, 2025

PREFACE

This Management's Discussion and Analysis ("MD&A") supplements the unaudited interim condensed consolidated financial statements and related notes for the three and nine months ended September 30, 2025 ("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 and nine months ended September 30, 2025, and in conjunction with the MD&A and audited consolidated financial statements and related notes for the year ended December 31, 2024. The unaudited interim condensed consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") 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 and the trust indentures; dividends; unpredictability and volatility of prices of securities; dilution risk; credit risk; 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 2024 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 36% of the Corporation's consolidated revenues in fiscal 2024. Items impacting margins within this business are fuel prices, load factors, weather, 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 (effective July 1, 2025), 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 11% of the Corporation's consolidated revenues in fiscal 2024. 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 regional and commuter 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

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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 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 13% of the Corporation's consolidated revenues in fiscal 2024. 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 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 where the composite mats outperform wood mats.

Environmental Access Solutions accounted for approximately 10% of the Corporation's consolidated revenues in fiscal 2024. 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, Spartan Mat Inc. 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 17% of the Corporation's consolidated revenues in fiscal 2024. 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 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

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precision parts and components for a variety of industries; the manufacture of portable hydronic climate control equipment; the manufacture of 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 13% of the Corporation's consolidated revenues in fiscal 2024. 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	2025	per share basic	per share diluted	2024	per share basic	per share diluted
<u>For the three months ended September 30</u>						
Revenue	\$ 959,744			\$ 709,856		
Adjusted EBITDA ⁽¹⁾	230,569			192,914		
Net Earnings	68,737	\$ 1.32	\$ 1.24	55,885	\$ 1.18	\$ 1.08
Adjusted Net Earnings ⁽¹⁾	75,674	1.46	1.36	61,372	1.29	1.18
Free Cash Flow ⁽¹⁾	171,441	3.30	3.04	136,116	2.86	2.50
Free Cash Flow less Maintenance Capital Expenditures ⁽¹⁾	88,163	1.70	1.58	81,201	1.71	1.53
Dividends declared	34,699	0.66		31,403	0.66	
<u>For the nine months ended September 30</u>						
Revenue	\$ 2,347,948			\$ 1,972,200		
Adjusted EBITDA ⁽¹⁾	537,941			461,010		
Net Earnings	115,954	\$ 2.26	\$ 2.19	93,061	\$ 1.96	\$ 1.92
Adjusted Net Earnings ⁽¹⁾	137,125	2.67	2.56	108,608	2.29	2.22
Free Cash Flow ⁽¹⁾	376,349	7.33	6.76	298,549	6.30	5.57
Free Cash Flow less Maintenance Capital Expenditures ⁽¹⁾	171,150	3.33	3.16	156,116	3.30	3.05
Dividends declared	102,182	1.98		93,849	1.98	
<u>Trailing Twelve months as at September 30</u>						
Adjusted Net Earnings payout ratio ⁽¹⁾		76%			87%	
Free Cash Flow less Maintenance Capital Expenditures payout ratio ⁽¹⁾		63%			60%	
FINANCIAL POSITION	September 30, 2025			December 31, 2024		
Working capital	\$ 644,426			\$ 628,431		
Capital assets	2,220,898			1,824,607		
Total assets	5,233,489			4,598,988		
Long-term debt	2,144,798			1,821,866		
Equity	1,649,615			1,409,669		
SHARE INFORMATION	September 30, 2025			December 31, 2024		
Common shares outstanding	54,288,187			49,602,431		
	September 30, 2025			September 30, 2024		
Weighted average shares outstanding during the period - basic	51,330,472			47,371,859		

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

SIGNIFICANT EVENTS

Early Redemption of Convertible Debentures

On February 13, 2025, the Corporation redeemed its 7 year, 5.75% convertible debentures which were due on March 31, 2026. During the period, \$78 million par value was converted into 1,599,642 common shares at a price of \$49.00 per share. On February 13, 2025, the remaining outstanding principal amount of \$8 million was redeemed by the Corporation. The redemption of the debentures was completed with cash on hand from the Corporation's credit facility.

Interim Rotary Wing Medevac Contract

During the first quarter of 2025, the Corporation was awarded a contract to provide a medevac helicopter to the Government of Newfoundland and Labrador for an interim period of twelve months. The contract began during the second quarter of 2025 while the new procurement process is being finalized.

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Acquisition of Canadian North

On February 24, 2025, the Corporation announced it had signed a binding purchase agreement to acquire Bradley Air Services Limited, operating as Canadian North, for a purchase price of \$205 million, subject to customary adjustments, inclusive of contingent consideration. The purchase price was funded by cash from the Corporation's credit facility and \$10 million of EIC common shares issued to the vendors. Canadian North provides essential passenger and cargo services, using a combination of leased and owned Boeing 737 jets and ATR turboprops, to 24 remote Canadian Arctic communities in Nunavut and the Northwest Territories, from its southern gateways in Ottawa and Edmonton. Canadian North is also a provider of air charter services for large resource sector clients requiring dependable, efficient, and economical fly-in, fly-out charter services. Closing of the transaction was subject to obtaining required regulatory approvals and other customary closing conditions. On July 1, 2025, after receiving all required regulatory approvals, the Corporation completed its acquisition of Bradley Air Services, operating as Canadian North.

Normal Course Issuer Bid ("NCIB")

On March 27, 2025, the Corporation renewed its NCIB for common shares and certain series of convertible debentures. Under the renewed NCIB for common shares, purchases can be made during the period commencing on March 31, 2025, and ending on March 30, 2026. The Corporation can purchase a maximum of 4,811,929 shares and daily purchases will be limited to 26,182 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.

Under the NCIB for certain series of convertible debentures, purchases can be made during the period commencing on March 31, 2025, and ending on March 30, 2026. The Corporation can purchase a maximum \$14,373 principal amount of 7 year 5.25% convertible unsecured subordinated debentures of EIC (July 2021), and \$11,500 principal amount of 7 year 5.25% convertible unsecured subordinated debentures of EIC (December 2021), with daily purchases of principal amount, other than block purchase exceptions, limited to \$26, and \$25, respectively. The Corporation sought the NCIB for debentures to permit repurchase and cancellation of these securities during times of market instability where management believes the market price does not reflect the value of the debentures.

Credit Facility Upsize and Extension

On April 28, 2025, the Corporation amended its credit facility. The size of the enhanced credit facility availability increased to \$3.0 billion from approximately \$2.2 billion, and was extended to April 30, 2029, with no change in pricing. The credit facility includes \$2,412 million allocated to the Corporation's Canadian Head Office and US \$420 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. 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. The upsize of the credit facility does 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.

Acquisition of Newfoundland Helicopters Ltd.

On May 12, 2025, the Corporation completed the acquisition of Newfoundland Helicopters Ltd. for a purchase price of \$13.5 million, including purchase price consideration of \$1.4 million in EIC common shares, subject to customary post closing adjustments. Headquartered in Clarenville, Newfoundland and Labrador, Newfoundland Helicopters is a helicopter charter service founded in 2005, serving diverse sectors including healthcare, mining, construction, utilities and leisure. The Corporation's rotary wing business already has a presence in Newfoundland and Labrador, and when combined with PAL Airline's customer relationships, provides a compelling opportunity for growth and increased customer service in the region for our rotary wing business.

Long Term Air Service Agreement

On July 16, 2025, the Corporation announced an agreement with the Government of Nunavut for the provision of medical travel, family services travel, duty travel and less than load air freight for all of Nunavut. The agreement extends the provision of those services by Calm Air and Canadian North for 10 years with an option for the parties to extend the agreement for an additional 5 years. The Corporation has also granted the Government of Nunavut an option to purchase a non-controlling interest of Canadian North. The option is exercisable for one year from the date of the agreement, and would automatically extend the Long Term Air Service Agreement to 15 years.

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Early Redemption of 7 Year 5.25% Debentures due July 31, 2028

On September 29, 2025, the Corporation completed the early redemption of its 7 year 5.25% convertible unsecured subordinated debentures due July 31, 2028. During the period, \$136 million par value was converted into 2,581,935 common shares at a price of \$52.70 per share. On September 29, 2025, the remaining outstanding principal amount of \$8 million was redeemed by the Corporation. The redemption of the debentures was completed with cash on hand from the Corporation's credit facility.

SUBSEQUENT EVENTS

Early Redemption of 7 Year 5.25% Debentures due January 15, 2029

On October 28, 2025, subsequent to the end of the period, the Corporation announced the early redemption of its 7 year 5.25% convertible unsecured subordinated debentures due January 15, 2029. The Corporation will, effective December 2, 2025, redeem all issued and outstanding Debentures that are not converted into common shares in advance of this date, plus accrued interest thereon.

Dividend Increase

On November 6, 2025, the Corporation increased its monthly dividend by 5% or \$0.12 per annum to \$2.76 per annum. The increase is effective beginning with the November dividend, which will be paid to shareholders in December 2025.

2. RESULTS OF OPERATIONS

Three Month Results

The following section analyzes the financial results of the Corporation for the three months ended September 30, 2025, and the comparative 2024 period.

	Three Months Ended September 30, 2025			
	Aerospace & Aviation	Manufacturing	Head Office ⁽²⁾	Consolidated
Revenue	\$ 680,477	\$ 279,267	\$ -	\$ 959,744
Expenses ⁽¹⁾	478,767	234,317	16,091	729,175
Adjusted EBITDA	201,710	44,950	(16,091)	230,569
Depreciation of capital assets				84,737
Amortization of intangible assets				6,084
Finance costs – interest				30,969
Depreciation of right of use assets				12,612
Interest expense on right of use lease liabilities				2,776
Acquisition costs				2,319
Earnings before income taxes				91,072
Current income tax expense				13,142
Deferred income tax expense				9,193
Net Earnings				\$ 68,737
Net Earnings per share (basic)				\$ 1.32
Adjusted Net Earnings				\$ 75,674
Adjusted Net Earnings per share (basic)				\$ 1.46

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Three Months Ended September 30, 2024				
	Aerospace & Aviation	Manufacturing	Head Office ⁽²⁾	Consolidated
Revenue	\$ 433,483	\$ 276,373	\$ -	\$ 709,856
Expenses ⁽¹⁾	278,264	225,326	13,352	516,942
Adjusted EBITDA	155,219	51,047	(13,352)	192,914
Depreciation of capital assets				64,707
Amortization of intangible assets				5,538
Finance costs – interest				34,225
Depreciation of right of use assets				10,276
Interest expense on right of use lease liabilities				2,044
Acquisition costs				1,549
Earnings before income taxes				74,575
Current income tax expense				11,587
Deferred income tax expense				7,103
Net Earnings				\$ 55,885
Net Earnings per share (basic)				\$ 1.18
Adjusted Net Earnings				\$ 61,372
Adjusted Net Earnings per share (basic)				\$ 1.29

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)

On a consolidated basis, the Corporation generated revenue of \$960 million, an increase of \$250 million, or 35% over the prior period. The increase was driven by both the Aerospace & Aviation and Manufacturing segments, which increased by \$247 million and \$3 million respectively.

Adjusted EBITDA of \$231 million was generated by the Corporation during the period, an increase of \$38 million or 20% over the prior period. The increase was attributable to the Aerospace & Aviation segment, which increased by \$46 million, partially offset by the Manufacturing segment which decreased \$6 million from the prior period, and by an increase in Head Office costs. Head office costs increased primarily due to increased performance-based compensation expense, and expenditures in information technology and cybersecurity.

Aerospace & Aviation Segment

Revenue generated by the Aerospace & Aviation segment increased by \$247 million or 57% to \$680 million.

Revenue within Essential Air Services increased over the prior period. The increase is driven primarily by two factors. First, Newfoundland Helicopters was acquired on May 12, 2025 and Canadian North was acquired 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. Second, scheduled service volume increases contributed to the revenue increase despite evacuations of certain Northern communities we serve due to forest fires. These displacements also temporarily negatively impacted volumes within our medevac operations since displaced communities temporarily didn't require medevac services.

Revenue within Aircraft Sales & Leasing increased over the prior period. The increase is primarily attributable to both a continued improvement in leasing activity during the period and an increase in parts demand. Large asset sales, which are generally higher dollar transactions and lower Adjusted EBITDA margin, and can fluctuate quarter to quarter, also increased significantly over the prior period. These large asset sales are lumpy and reflect the monetization of certain investments made over the last several quarters.

Revenue within Aerospace was consistent with the prior period. Slightly lower tempo flying on some ISR contracts was partially offset by revenue increases driven by various training program volume increases.

Adjusted EBITDA generated by the Aerospace & Aviation segment increased by \$46 million or 30% to \$202 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 comparative revenue in the prior period. The increases in revenue discussed above,

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despite the temporary displacement of the Northern communities we serve due to active forest fires discussed above, drove increases in Adjusted EBITDA. Adjusted EBITDA was also positively impacted by new pricing on certain medevac contracts to normalize atypical levels of inflation. Canadian North's charter business contributed to the Adjusted EBITDA increase over the prior period, but its Adjusted EBITDA margin on this business is well below our passenger and cargo margins within this business line.

Adjusted EBITDA within Aircraft Sales & Leasing increased over the prior period, primarily attributed to an increase in leasing activity during the period. Margins within this revenue stream are higher than other revenue streams as the capital cost associated with leasing is represented through depreciation, having an outsized impact on Adjusted EBITDA compared to revenue. Large asset sales, which are typically higher value transactions with lower Adjusted EBITDA margins, also increased significantly over the prior period, positively contributing to the Adjusted EBITDA increase. While on an absolute basis these sales increased Adjusted EBITDA over the prior period, large asset sales generate lower Adjusted EBITDA margins than average for this business line.

Adjusted EBITDA within Aerospace decreased slightly from the prior period. The decrease is attributable to a change in product mix from the prior period.

Manufacturing Segment

The Manufacturing segment revenue increased by \$3 million or 1% over the prior period to \$279 million.

Revenue within the Environmental Access Solutions business line increased over the prior period. The Corporation acquired Spartan on November 13, 2024, which contributed to the increase in revenue with no comparative in the prior period. The Corporation experienced significant demand for composite matting solutions within the US market during the period which exceeded our expectations and exceeded the metrics off which we purchased the business. Within the Canadian market, softer demand for rental mats and auxiliary services due to project delays, drought conditions in some markets, lower pipeline maintenance projects than usual, and increased forest fire activity resulted in lower revenues compared to the prior period.

Revenue within Multi-Storey Window Solutions decreased from the prior period. This business line continues to manage through project delays and the inefficiencies caused by those delays. Customer deferrals of certain projects created production gaps in the current period. In addition, reduced project activity in the current period because of the delays in booking projects in 2023 and early 2024 reduced revenue in the current period. The long lead time between order and build means more recent positive developments 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 increased over the prior period. The increase is driven primarily by volume increases as we executed upon larger customer capital projects during the period, particularly wireless and wireline construction services. Further, several core customers across multiple subsidiaries experienced volume increases during the period which further contributed to the increase in revenue.

Adjusted EBITDA in the Manufacturing segment decreased by \$6 million or 12% from the prior period to \$45 million.

Adjusted EBITDA within Environmental Access Solutions increased over the prior period. The acquisition of Spartan and its addition of composite mats to the segment positively impacted Adjusted EBITDA and margins during the period. Spartan's results have been better than initially expected due to higher throughput in the facility, and lower than expected input costs. This increase was partially offset by a decrease in Adjusted EBITDA within the Canadian market as a result of lower demand for rental mats and auxiliary services associated with project deferrals. Mat sales demand in the Canadian market also declined during the period.

Adjusted EBITDA within Multi-Storey Window Solutions decreased from the prior period. The decrease is attributed to several factors. US tariffs on aluminium negatively impacted Adjusted EBITDA during the 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. Project delays discussed above, along with the strategic decision to retain experienced staff to allow us to meet increased demand in the future as projects that are currently on hold are awarded, continue to negatively impact results in this business line. 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.

Adjusted EBITDA within Precision Manufacturing & Engineering increased over the prior period. The increase is attributed to a change in product mix between entities, as well as the volume increases discussed above.

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NET EARNINGS

	Three Months Ended September 30,	2025	2024
Net Earnings		\$ 68,737	\$ 55,885
Net Earnings per share		\$ 1.32	\$ 1.18

Net Earnings were \$69 million, an increase of \$13 million or 23% over the prior period. The Corporation generated higher Adjusted EBITDA compared to the prior period as discussed above, contributing to the increase in Net Earnings. Offsetting the higher Adjusted EBITDA were increases in amortization, depreciation on right of use assets, interest expense on right of use liabilities and intangible asset amortization. Depreciation on capital assets increased \$20 million compared to the prior period as driven by two factors. First, the acquisition of Canadian North on July 1, 2025 added depreciation on capital assets for which there was no comparative in the prior period, however was expected, given the extensive capital assets acquired. Second, investments in Growth Capital Expenditures in previous periods have resulted in higher depreciation on capital assets in the current period, as expected when these investments were made.

Depreciation on right of use assets and interest expense on right of use liabilities increased by \$3 million over the prior period, attributable to the acquisition of Canadian North on July 1, 2025 for which there is no comparative in the prior period.

Income tax expense increased over the prior period and the Corporation's effective rate remained consistent with the prior period at 25%. The increase in tax expense corresponds with the increase in pre-tax earnings during the period.

Net Earnings per share increased by 12% over the prior period to \$1.32. The weighted average number of shares increased by 9% which partially offset the increase in Net Earnings. Further 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 September 30,	2025	2024
Net Earnings		\$ 68,737	\$ 55,885
Acquisition costs (net of tax \$90 and \$132)		2,229	1,417
Amortization of intangible assets (net of tax \$1,612 and \$1,468)		4,472	4,070
Interest accretion on acquisition contingent consideration (net of tax \$14 and nil)		38	-
Accelerated interest accretion on redeemed debentures (net of tax \$74 and nil)		198	-
Adjusted Net Earnings		\$ 75,674	\$ 61,372
per share – Basic		\$ 1.46	\$ 1.29
per share – Diluted		\$ 1.36	\$ 1.18

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 \$76 million, an increase of \$14 million or 23% over the prior period. Adjusted Net Earnings includes the add-back of acquisition-related costs, which are comprised of \$4 million in intangible asset amortization, \$2 million in acquisition costs, accelerated interest accretion on redeemed debentures of less than \$1 million and interest accretion on acquisition contingent consideration of less than \$1 million, all 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 13% over the prior period to \$1.46. The weighted average number of shares increased by 9%, which partially offset the impact of the increase in Adjusted Net Earnings. Further 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 September 30,	2025	2024
FREE CASH FLOW			
Cash flows from operations		\$ 185,418	\$ 124,971
Change in non-cash working capital		(2,538)	19,931
Acquisition costs (net of tax \$90 and \$132)		2,229	1,417
Principal payments on right of use lease liabilities		(13,668)	(10,203)
		\$ 171,441	\$ 136,116
per share – Basic		\$ 3.30	\$ 2.86
per share – Diluted		\$ 3.04	\$ 2.50

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

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The Free Cash Flow generated by the Corporation during the period was \$171 million, an increase of \$35 million or 26% over the prior period. The increase is attributable to the increase in Adjusted EBITDA, partially offset by an increase in principal payments on right of use assets and current taxes. Free Cash Flow is discussed further in *Section 12 – Non-IFRS Financial Measures and Glossary*.

Free Cash Flow on a basic per share basis increased 15% over the prior period to \$3.30. The weighted average number of shares increased by 9%, which partially offset the impact of the increase in Free Cash Flow. Further details of 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*.

Nine Month Results

The following section analyzes the financial results of the Corporation for the nine months ended September 30, 2025, and the comparative 2024 period.

	Nine Months Ended September 30, 2025			
	Aerospace & Aviation	Manufacturing	Head Office ⁽²⁾	Consolidated
Revenue	\$ 1,517,424	\$ 830,524	\$ -	\$ 2,347,948
Expenses ⁽¹⁾	1,066,232	701,024	42,751	1,810,007
Adjusted EBITDA	451,192	129,500	(42,751)	537,941
Depreciation of capital assets				222,061
Amortization of intangible assets				18,344
Finance costs – interest				91,617
Depreciation of right of use assets				34,074
Interest expense on right of use liabilities				6,963
Acquisition costs				7,723
Earnings before taxes				157,159
Current income tax expense				30,972
Deferred income tax expense				10,233
Net Earnings				\$ 115,954
Net Earnings per share (basic)				\$ 2.26
Adjusted Net Earnings				\$ 137,125
Adjusted Net Earnings per share (basic)				\$ 2.67

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	Nine Months Ended September 30, 2024			
	Aerospace & Aviation	Manufacturing	Head Office ⁽²⁾	Consolidated
Revenue	\$ 1,228,919	\$ 743,281	\$ -	\$ 1,972,200
Expenses ⁽¹⁾	845,265	630,157	35,768	1,511,190
Adjusted EBITDA	383,654	113,124	(35,768)	461,010
Depreciation of capital assets				181,806
Amortization of intangible assets				16,709
Finance costs – interest				95,743
Depreciation of right of use assets				29,669
Interest expense on right of use lease liabilities				6,076
Acquisition costs				4,098
Earnings before taxes				126,909
Current income tax expense				33,320
Deferred income tax expense				528
Net Earnings				\$ 93,061
Net Earnings per share (basic)				\$ 1.96
Adjusted Net Earnings				\$ 108,608
Adjusted Net Earnings per share (basic)				\$ 2.29

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)

On a consolidated basis, the Corporation generated revenue of \$2,348 million, an increase of \$376 million, or 19% over the prior period. The increase was driven by both of the Corporation's segments, with the Aerospace & Aviation segment increasing by \$289 million over the prior period and the Manufacturing segment increasing by \$87 million over the prior period.

Adjusted EBITDA of \$538 million was generated by the Corporation during the period, an increase of \$77 million or 17% over the prior period. The increase was driven by both segments with the Aerospace & Aviation segment increasing \$68 million and the Manufacturing segment increasing \$16 million over the prior period. These increases were partially offset by an increase in Head Office costs which was attributed to increased performance-based compensation expense, expenditures in information technology and cybersecurity, and the expansion of the Atik Mason Indigenous Pilot Pathway.

Aerospace & Aviation Segment

Revenue generated by the Aerospace & Aviation segment increased by \$289 million or 23% to \$1,517 million.

Revenue within Essential Air Services increased over the prior period. The increase is attributable to several factors. Newfoundland Helicopters was acquired on May 12, 2025 and Canadian North was acquired on July 1, 2025, for which there was no comparative in the prior period. Included in the increase attributed to Canadian North are significant charter revenues that contributed to the period over period increase. Medevac operations contributed to the revenue increase as a result of improved yields and enhanced scope in multiple markets. Fire suppression volumes within rotary wing operations also contributed to the increase in revenue due to both the number of fires active throughout the country during the first half of the current year as well as an earlier start to fire suppression activity due to a higher number of active fires earlier in the year compared to the prior period. Scheduled services contributed to the revenue increase despite a temporary decrease in volumes as a result of Northern communities being displaced and temporarily not requiring these services during the period.

Revenue within Aircraft Sales & Leasing increased over the prior period. The increase is attributable to an increase in large asset sales volumes, leasing activity in the period, and an increase in parts demand. Large asset sales, which are generally higher dollar transactions, and lower margin, can fluctuate period to period. These large asset sales are lumpy and reflect the monetization of certain investments made over the last several quarters.

Revenue within Aerospace decreased from the prior period. The decrease is attributed to a reduction in revenue in our training business as the planned wind down of existing programs occurred prior to the start of new programs and the impact of a change in scope in one of its

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aerospace support contracts. The aerospace support contract has changed from a performance-based logistics agreement, which typically produces steady revenues, to a time and materials arrangement, which produces revenues that can vary quarter to quarter.

Adjusted EBITDA generated by the Aerospace & Aviation segment increased \$68 million or 18% to \$451 million for the period.

Adjusted EBITDA within Essential Air Services increased over the prior period. The increases in revenue discussed above contributed to increases in Adjusted EBITDA. Adjusted EBITDA was also positively impacted by new pricing on certain medevac contracts to normalize atypical levels of inflation. Investments previously made in our fleets are now starting to produce the returns that were expected when the capital was deployed. Canadian North's charter business contributed to the Adjusted EBITDA increase over the prior period but its Adjusted EBITDA margin on this business is well below our passenger and cargo margins within this business line.

Adjusted EBITDA within Aircraft Sales & Leasing increased over the prior period, primarily attributed to an increase in leasing activity during the period. Margins within this revenue stream are higher than other revenue streams as the capital cost associated with leasing is represented through depreciation, having an outsized impact on Adjusted EBITDA compared to revenue. Large asset sales, which are typically higher dollar transactions with a lower Adjusted EBITDA margin also increased over the prior period. While on an absolute basis these sales increased Adjusted EBITDA over the prior period, large asset sales generate lower Adjusted EBITDA margins than average for this business line.

Adjusted EBITDA within Aerospace decreased from the prior period. The decrease is attributable to the factors discussed in the revenue section above.

Manufacturing Segment

The Manufacturing segment revenue increased by \$87 million or 12% over the prior period to \$831 million.

Revenue generated within Environmental Access Solutions increased over the prior period. The Corporation acquired Duhamel on June 21, 2024 and Spartan on November 13, 2024, both of which contributed to the increase in revenue with a partial and no comparative in the prior period, respectively. The Corporation experienced significant demand for composite matting solutions within the US market during the period that exceeded our expectations. The Corporation has optimized production schedules where possible to increase throughput to meet customer demand. Within the Canadian market, drought conditions in the current period reduced demand as crews were able to access job sites in certain markets without the use of temporary roads and bridges. Increased forest fire activity, as well as lower pipeline maintenance projects than usual, also reduced demand.

Revenue generated within Multi-Storey Window Solutions decreased from the prior period. The business line continues to manage through project delays and inefficiencies caused by those delays. While the recent declines in benchmark borrowing rates have been positive for our outlook, the long lead time between order and build means those positive developments have not yet begun to impact our financial results. Additions to our orderbook generally take between 18 and 24 months before revenue is recorded.

Revenue generated within Precision Manufacturing & Engineering increased over the prior period. During the current period, the business line experienced increases in volumes, particularly for wireless and wireline construction services, as large capital projects which were previously delayed from the latter part of 2024 continued to contribute positively in the current period. Further, while macroeconomic factors such as tariff uncertainty persisted during the period, volumes among several core customers across multiple subsidiaries increased over the prior period, contributing to the increase in revenue. Finally, the prior period experienced a spending pause at certain customers during the US election cycle, which is typical as customers await the outcome of the election.

The Manufacturing segment Adjusted EBITDA increased by \$16 million or 14% from the prior period to \$130 million.

Adjusted EBITDA within Environmental Access Solutions increased over the prior period. The acquisition of Spartan and its addition of composite mats to the segment positively impacted Adjusted EBITDA and margins during the period. Spartan's results have been better than initially expected due to higher throughput in the facility and lower than expected input costs. In response to exceptional customer demand, the anticipated temporary plant shutdown to revamp the manufacturing footprint to improve output was deferred. The acquisition of Duhamel also contributed to the increase in Adjusted EBITDA as there was only a partial comparative in the prior period. This increase in Adjusted EBITDA was partially offset by a decrease in Adjusted EBITDA in the Canadian operations, attributed to lower demand for mat rentals, and by extension, auxiliary services, as well as mat sales due to project deferrals.

Adjusted EBITDA within Multi-Storey Window Solutions decreased from the prior period. The decrease is attributed to several factors. US tariffs on aluminium negatively impacted Adjusted EBITDA during the 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. The strategic decision to retain

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experienced staff to allow us to meet increased demand in the future as projects that are currently on hold are awarded continues to negatively impact results. 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.

Adjusted EBITDA within the Precision Manufacturing & Engineering increased over the prior period. The increase is attributed to a change in product mix between entities, as well as the volume increases as discussed above.

NET EARNINGS

	Nine Months Ended September 30,	2025	2024
Net Earnings		\$ 115,954	\$ 93,061
Net Earnings per share		\$ 2.26	\$ 1.96

Net Earnings was \$116 million, an increase of \$23 million, or 25% over the prior period. The Corporation generated higher Adjusted EBITDA compared to the prior period as discussed above, contributing to the increase in Net Earnings. In addition, interest expense decreased by \$4 million from the prior period due to lower principal value of convertible debentures as three series have been redeemed and substantially converted to equity, offsetting higher senior credit facility debt outstanding compared to the prior period. These increases to Net Earnings were partially offset by three factors. First, depreciation on capital assets increased \$40 million over the prior period. This increase is attributed to two factors. The acquisition of Canadian North on July 1, 2025 added additional depreciation on capital assets for which there was no comparative in the prior period however was expected, given the extensive capital assets acquired. In addition, investments in Growth Capital Expenditures in previous periods has resulted in higher depreciation on capital assets in the current period, as expected when these investments were made.

Second, acquisition costs increased \$4 million over the prior period, driven primarily by the acquisition of Canadian North and to a lesser extent the acquisition of Newfoundland Helicopters. The complexity of the Canadian North transaction, including required regulatory approvals, resulted in higher than normal costs for an acquisition of this size.

Finally, depreciation on right of use assets and interest expense on right of use liabilities increased by \$5 million over the prior period, primarily attributable to the acquisition of Canadian North on July 1, 2025 for which there is no comparative in the prior period.

Income tax expense increased over the prior period while the Corporation's effective tax rate decreased to 26% from 27% in the prior period. The increase in tax expense corresponds with the increase in pre-tax earnings during the period.

Net Earnings per share increased by 15% from the prior period to \$2.26. The weighted average number of shares increased by 8%, which reduced Net Earnings per share. 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)

	Nine Months Ended September 30,	2025	2024
Net Earnings		\$ 115,954	\$ 93,061
Acquisition costs (net of tax \$431 and \$832)		7,292	3,266
Amortization of intangible assets (net of tax \$4,861 and \$4,428)		13,483	12,281
Interest accretion on acquisition contingent consideration (net of tax of \$39 and nil)		108	-
Accelerated interest accretion on redeemed debentures (net of tax of \$107 and nil)		288	-
Adjusted Net Earnings		\$ 137,125	\$ 108,608
per share – Basic		\$ 2.67	\$ 2.29
per share – Diluted		\$ 2.56	\$ 2.22

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 \$137 million, an increase of \$29 million or 26% from the prior period. Adjusted Net Earnings includes the add-back of acquisition-related costs, which are comprised of \$13 million in intangible asset amortization and \$7 million in acquisition costs, accelerated interest accretion on redeemed debentures of less than \$1 million, and interest accretion on acquisition contingent consideration of less than \$1 million, all 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 by 17% to \$2.67 from the prior period. The weighted average number of shares increased by 8%, which reduced Adjusted Net Earnings per share. Details around the change in shares outstanding can be found in *Section 6 – Liquidity and Capital Resources*.

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

FREE CASH FLOW	Nine Months Ended September 30,	2025	2024
Cash flows from operations		\$ 367,548	\$ 216,477
Change in non-cash working capital items		37,035	107,507
Acquisition costs (net of tax \$431 and \$832)		7,292	3,266
Principal payments on right of use lease liabilities		(35,526)	(28,701)
		\$ 376,349	\$ 298,549
per share – Basic		\$ 7.33	\$ 6.30
per share – Diluted		\$ 6.76	\$ 5.57

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 \$376 million, an increase of \$78 million, or 26% over the prior period. The increase is attributable to the increase in Adjusted EBITDA, along with a decrease in current taxes and interest, partially offset by an increase in principal payments on right of use assets. Free Cash Flow is discussed further in *Section 12 – Non-IFRS Financial Measures and Glossary*.

Free Cash Flow on a basic per share basis increased 16% from the prior period to \$7.33. The weighted average number of shares increased by 8%, which reduced Free Cash Flow per share. Details of 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

Newfoundland Helicopters Ltd (“Newfoundland Helicopters”).

On May 12, 2025, the Corporation acquired the shares of Newfoundland Helicopters. Newfoundland Helicopters, headquartered in Clarenville, Newfoundland and Labrador, is a helicopter charter service founded in 2005. The Company's operations serve diverse sectors including healthcare, mining, construction, utilities and leisure. The Corporation's rotary wing business already has a presence in Newfoundland and Labrador, and when combined with PAL's customer relationships, provides a compelling opportunity for growth and increased customer service in the region for our rotary wing business.

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

Consideration given:	
Cash	\$ 12,174
Issuance of 26,230 shares of the Corporation at \$52.61 per share	1,380
Estimated working capital settlement	349
Total purchase consideration	\$ 13,903

Bradley Air Services Ltd. (“Canadian North”)

On July 1, 2025, after receiving all required regulatory approvals, the Corporation completed its acquisition of Canadian North. The purchase price was funded by cash from the Corporation's credit facility and \$9 million of EIC common shares issued to the vendors, subject to purchase price adjustments, inclusive of contingent consideration. Canadian North provides essential passenger and cargo services, using a combination of leased and owned Boeing 737 jets and ATR turboprops, to 24 remote Canadian Arctic communities in Nunavut and the Northwest Territories, from its southern gateways in Ottawa and Edmonton. Canadian North is also a provider of air charter services for large resource sector clients requiring dependable, efficient, and economical fly-in, fly-out charter services.

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

Consideration given:	
Cash purchase consideration	\$ 179,727
Issuance of 158,297 shares of the Corporation at \$59.76 per share	9,459
Estimated working capital settlement	(8,894)
Contingent consideration	8,275
Total purchase consideration	\$ 188,567

CAPITAL EXPENDITURES

CAPITAL EXPENDITURES	Three Months Ended September 30, 2025				
	Aerospace & Aviation	Manufacturing	Head Office		Total
Maintenance Capital Expenditures	\$ 73,751	\$ 9,308	\$ 219	\$	83,278
Growth Capital Expenditures	126,121	1,631	-		127,752
	\$ 199,872	\$ 10,939	\$ 219	\$	211,030

CAPITAL EXPENDITURES	Three Months Ended September 30, 2024				
	Aerospace & Aviation	Manufacturing	Head Office		Total
Maintenance Capital Expenditures	\$ 45,043	\$ 9,468	\$ 404	\$	54,915
Growth Capital Expenditures	91,232	1,948	-		93,180
	\$ 136,275	\$ 11,416	\$ 404	\$	148,095

CAPITAL EXPENDITURES	Nine Months Ended September 30, 2025				
	Aerospace & Aviation	Manufacturing	Head Office		Total
Maintenance Capital Expenditures	\$ 181,038	\$ 23,616	\$ 545	\$	205,199
Growth Capital Expenditures	190,263	(1,850)	-		188,413
	\$ 371,301	\$ 21,766	\$ 545	\$	393,612

CAPITAL EXPENDITURES	Nine Months Ended September 30, 2024				
	Aerospace & Aviation	Manufacturing	Head Office		Total
Maintenance Capital Expenditures	\$ 120,440	\$ 21,307	\$ 686	\$	142,433
Growth Capital Expenditures	174,922	2,374	10		177,306
	\$ 295,362	\$ 23,681	\$ 696	\$	319,739

Maintenance Capital Expenditures for the nine month period ended September 30, 2025, increased by \$63 million or 44% over the prior period. The increase in the Aerospace & Aviation segment was \$61 million over the prior period, which was materially impacted by the acquisition of Canadian North, and was expected when the Corporation made the acquisition. An increase in assets on lease at Regional One, which drive Maintenance Capital Expenditures, 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. The increase in the Manufacturing segment was \$2 million, over 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.

Aerospace & Aviation Segment

Maintenance Capital Expenditures for Essential Air Services for the three and nine months ended September 30, 2025 increased over the prior period. The increase is attributed to the acquisition of Canadian North for which there is no comparison in the prior period. In addition, the per event cost has increased due to inflationary pressures and labour costs. Due to MRO availability in the current period, the timing of

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events shifted from the second and third quarters into the first and fourth quarters. Growth Capital Expenditures for the three and nine months ended September 30, 2025, within Essential Air Services were \$73 million and \$102 million, respectively. This includes continued investment in the construction of the facility to house the Corporation's full motion King Air simulator, investments made in infrastructure and aircraft to support the Carson Air medevac contract, the expansion of our rotary wing fleet, and investments made for the construction of the Ottawa hangar for Canadian North.

Maintenance Capital Expenditures for Aerospace for the three months ended September 30, 2025, decreased from the prior period. The decrease is due to the timing of events that took place as period to period variability is expected. Maintenance Capital Expenditures for Aerospace for the nine months ended September 30, 2025 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 both drove the increases. Growth Capital Expenditures for the three and nine months ended September 30, 2025 were \$3 million and \$11 million, respectively, which relates to modifications to convert a second aircraft into a surveillance platform to assist with our UK Home Office contract.

Maintenance Capital Expenditures for Aircraft Sales & Leasing for the three and nine months ended September 30, 2025, both increased over the prior period. As the Corporation's lease fleet approached pre-pandemic utilization, the Corporation reviewed its Maintenance Capital Expenditures policy for this business line as discussed further below. The change in the calculation methodology, which was implemented prospectively, has contributed to the period over period increase for both the three and nine months ended September 30, 2025. Growth Capital Expenditures for the three and nine months ended September 30, 2025, were \$51 million and \$77 million, respectively. Assets that were purchased during the quarter are anticipated to be placed on lease in the coming quarters.

The table below provides a summary of the fleet of assets in Regional One's lease portfolio.

Regional One Lease Portfolio	September 30, 2025		December 31, 2024	
	Aircraft	Engines	Aircraft	Engines
Lease portfolio	69 ⁽¹⁾	122	67 ⁽¹⁾	131

Note 1) The aircraft total above includes 27 airframes that do not have engines (December 31, 2024 – 19 airframes) including 8 (December 31, 2024 - 8 airframes) that will be leased out in conjunction with engines owned by Aero Engines LLC, the joint venture between the Corporation and SkyWest.

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 solely 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.

As the Corporation's lease fleet approached pre-pandemic utilization, the Corporation reviewed its Maintenance Capital Expenditures policy for the Aircraft Sales & Leasing business line and changed the policy for calculation of Maintenance Capital Expenditures starting in the first quarter of 2025 on a go forward basis. 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. Using a cash basis policy can result in large period to period variability in Maintenance Capital Expenditures and is not a good indicator of reinvestment needs when flying tempos are high. In contrast, the new policy will result in Maintenance Capital Expenditures that are more consistent, predictable, and better aligned with reinvestment requirements based on current levels of flying.

Prior to 2025, the fleet of aircraft and engines to be leased was underutilized since the onset of the pandemic and as a result, the available green time on those aircraft was not being consumed at the same rate as in prior periods. Just as the impacts of the pandemic lessened, the lease fleet remained underutilized due to a worldwide flight crew shortage, most notably in experienced pilots. During these periods of underutilization, the actual expenditures on assets already owned were used as the costs of maintaining the fleet and represented Maintenance Capital Expenditures during these historic periods.

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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 that 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.

For the three months ended September 30, 2025, Maintenance Capital Expenditures for Environmental Access Solutions decreased from the prior period. The decrease is attributed to the replacement of rolling stock in the prior period which did not occur in the current period. For the nine months ended September 30, 2025, Maintenance Capital Expenditures for Environmental Access Solutions increased over the prior period. The increase is attributed to the replacement of rolling stock during the first quarter of 2025 that did not occur in the prior period. For the three and nine months ended September 30, 2025, Growth Capital Expenditures for Environmental Access Solutions were \$1 million and negative \$3 million, respectively. During the three month period, the business line invested in its rental fleet. During the nine month period, these investments were offset as the business line took the opportunity to sell some wooden mats in the fleet earlier in the year in response to customer demand.

For the three and nine months ended September 30, 2025, Multi-Storey Window Solutions Maintenance Capital Expenditures increased over the prior period. Growth Capital Expenditures for Multi-Storey Window Solutions for the three months ended September 30, 2025, were \$nil while Growth Capital Expenditures for the nine months ended September 30, 2025 were \$1 million, and reflect investment in new equipment to support production efficiencies.

For the three and nine months ended September 30, 2025, Maintenance Capital Expenditures for Precision Manufacturing & Engineering increased over the prior period. The increase is attributed to investments made to sustain the higher run rates experienced during the period. There were no Growth Capital Expenditures for Precision Manufacturing & Engineering for the three and nine months ended September 30, 2025 within this business line.

INVESTMENT IN WORKING CAPITAL

During the nine months ended September 30, 2025, the Corporation invested \$37 million into working capital to support several growth initiatives and increased revenues, as discussed further below. Subsequent to the end of the quarter, the Corporation collected two large receivables representing approximately \$25 million of this cumulative increase, which was converted to cash.

During the period, the Corporation continued to invest in the Aircraft Sales & Leasing business line. 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, and continued investment in inventory. The deposits decreased from the second quarter of 2025 as certain transactions closed during the third quarter. This increase in inventory will support future parts sales, but due to a 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.

During the period, the Corporation invested in the Environmental Access Solutions business line, expanding new wood mat inventory during the period. This is in response to customer demand for new mat sales and this investment is expected to be drawn down over the back half of the year.

The Corporation continues to focus on its working capital management and expects working capital to decline over the remainder of the year. The third quarter experienced below normal seasonality with respect to working capital, and by the end of the year an overall reduction to working capital for the year is anticipated. This reduction includes the impact of the expected sales within Aircraft Sales & Leasing and Environmental Access Solutions discussed above.

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	Per Share	2025 Dividends Amount	Record date	Per Share	2024 Dividends Amount
January	January 31, 2025	\$ 0.22	\$ 10,983	January 31, 2024	\$ 0.22	\$ 10,380
February	February 28, 2025	0.22	11,276	February 29, 2024	0.22	10,389
March	March 31, 2025	0.22	11,291	March 29, 2024	0.22	10,402
April	April 30, 2025	0.22	11,299	April 30, 2024	0.22	10,410
May	May 30, 2025	0.22	11,312	May 31, 2024	0.22	10,419
June	June 30, 2025	0.22	11,322	June 28, 2024	0.22	10,446
July	July 31, 2025	0.22	11,349	July 31, 2024	0.22	10,457
August	August 29, 2024	0.22	11,407	August 30, 2024	0.22	10,468
September	September 29, 2025	0.22	11,943	September 27, 2024	0.22	10,478
Total		\$ 1.98	\$ 102,182		\$ 1.98	\$ 93,849

Dividends declared for the nine months ended September 30, 2025, increased over the prior period. The increase is attributed to an increase in shares outstanding compared to the prior period. The issuance of shares as part of the conversion of convertible debentures in the fourth quarter of 2024, the first quarter of 2025, and the current period increased the number of shares outstanding. In addition, the acquisitions of Spartan in the fourth quarter of 2024, Newfoundland Helicopters in the second quarter of 2025, and Canadian North in the current period also increased the number of shares outstanding. 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 reduces 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*.

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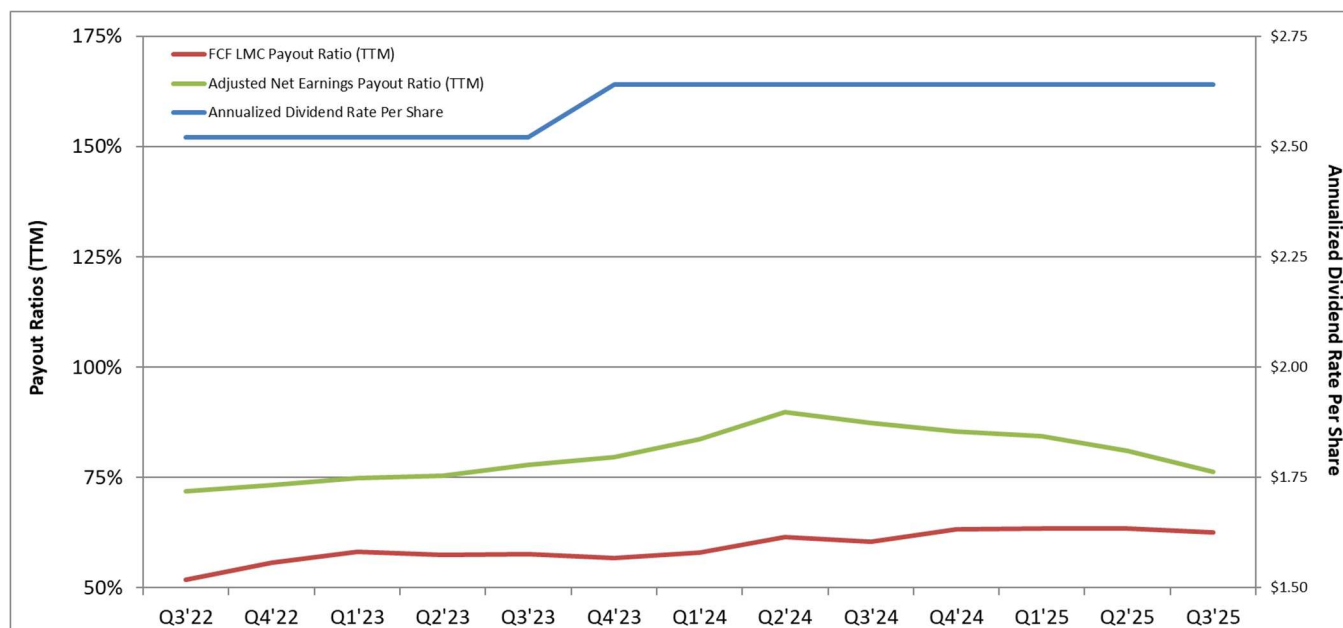
Payout Ratios (Section 12 – Non-IFRS Financial Measures and Glossary)

Basic per Share Payout Ratios for the Corporation	2025		2024	
	Three Months	Trailing Twelve Months	Three Months	Trailing Twelve Months
Adjusted Net Earnings	45%	76%	51%	87%
Free Cash Flow less Maintenance Capital Expenditures	39%	63%	39%	60%

The trailing twelve month Adjusted Net Earnings payout ratio was 76% at September 30, 2025 compared to 87% at September 30, 2024, primarily due to higher Net Earnings, driven by higher Adjusted EBITDA. This was partially offset by increased interest costs and depreciation, reducing Adjusted Net Earnings from the prior period. The increase in interest costs is driven by increases in the benchmark borrowing rates and borrowings over the period, while depreciation is driven by the acquisition of Canadian North and investment in Growth Capital Expenditures. The trailing twelve month Free Cash Flow less Maintenance Capital Expenditures payout ratio was 63% compared to 60% in the prior period and was also impacted by increased interest rates and borrowings. See *Section 3 – Investing Activities* for more information on Maintenance Capital Expenditures.

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 and make further investments in its subsidiaries, with the intent to diversify the Corporation's cash flows to provide shareholders with dependable returns, even during times of market or economic disruption or dislocation. By acquiring companies with demonstrated and sustainable market niches and exceptional management teams and 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 businesses to be much more resilient than any one individual business. This means one or more over-performing business can support other subsidiaries that are experiencing challenges without negatively impacting EIC's overall results materially, which allows management to focus on long term profitability, rather than short term quarter to quarter results.

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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.

Our record key financial metrics in the third quarter reflect the continued execution of our strategy and investment philosophy. The organic growth initiatives, specifically the Aerospace & Aviation segment contract wins, will continue to ramp in the remainder of 2025 coupled with the highly strategic acquisition of Canadian North for which the third quarter represented its seasonally strongest quarter. Our Manufacturing segment was stronger than the prior period on a year to date basis, however, did experience certain deferral of sales into subsequent quarters and into 2026 due to delays in project start dates.

2026 Overall Outlook

Our resilient and diversified business model coupled with the contractual wins previously announced and with the Canadian North 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. In addition, we confirm our guidance for 2025, with an Adjusted EBITDA range of \$725 million to \$765 million, with a bias to the midpoint 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, including Canadian North, 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 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 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 level of revenues 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's Revenue and Adjusted EBITDA are expected to increase for fourth quarter of fiscal 2025 relative to the comparative period due to the acquisition of Canadian North, our organic growth investments made and continued execution on the contract wins announced in 2023 and 2024.

Our Essential Air Services business line will reflect the impact of the completed acquisition of Canadian North on July 1, 2025, including the new long-term Air Services Agreement and improvements in period over period results for the medevac contracts in British Columbia and Manitoba as these contracts were not fully at scale in the comparative fourth quarter of 2024. The acquisition of aircraft to service the British Columbia medevac contract will allow us to redeploy the existing aircraft throughout our operations, including the Newfoundland and Labrador fixed wing air ambulance contract, which will further enhance profitability of the business line as we previously forecasted. We anticipate that one additional new King Air aircraft will be delivered in the fourth quarter of 2025 and will be placed into service after modification and installation of the aircraft medevac interior, with the last four aircraft to be delivered in the first half of 2026 due to manufacturer delays. In 2024 we announced that we were the successful proponent, along with Medavie Health NL, to design, manage and operate the integrated ambulance services for the Province of Newfoundland and Labrador. During the quarter we finalized our contract with Medavie Health NL and will be the sole provider of fixed wing medevac services for the 10-year term, with an option to renew for an additional five-year period. The fleet will consist of four King Air 350 aircraft and two Twin Otter aircraft serving scheduled and medevac operations. We anticipate utilizing the King Air 350 aircraft from the British Columbia medevac contract along with existing Twin Otter aircraft to service the Newfoundland and Labrador regions.

The Aerospace business line's profitability is expected to increase for the fourth quarter of 2025 relative to the prior year due to continued high tempo flying under certain of our ISR contracts coupled with the deployment of the second ISR aircraft under the 15-month contract

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with the UK Home Office as the additional aircraft started operating in the fourth quarter. In 2024, we also announced that we were a member of the successful SkyAlyne team 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. During the fourth quarter of 2024, we submitted our proposal to the Government of Australia Department of Home Affairs for the provision of Aerial Surveillance Services and anticipate a response to our submission during the upcoming quarters. If successful, commencement of the contract would occur in fiscal 2028.

The Aircraft Sales & Leasing business line continues to build momentum and has benefited from the investments we have made. Leasing revenue continues to increase as we deploy our assets throughout the globe. Furthermore, air operators are continuing to look for spare engines and repaired parts to capitalize on the current and growing demand around the world, resulting in strong parts, aircraft and engine sales. Sales of aircraft and engines were abnormally high in the third quarter relative to historical periods which significantly increased revenues however aircraft and engine sales are generally high dollar lower margin in comparison to the part sales.

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 provide further opportunities to provide value added services to our communities and customers we serve. The infrastructure owned by Canadian North, coupled with our existing businesses, will provide further expansion opportunities in the Arctic defence and security realm for our Aerospace business line and our Aircraft Sales & Leasing business line is anticipated to provide support for the maintenance and growth of the Canadian North fleet. Further tailwinds exist, as Canada's resource economy continues to develop, including critical minerals, which will necessitate transportation to remote areas. Additionally, Canada has identified the North as being critical in defending our sovereignty and has announced additional spending commitments to ensure that we meet NATO spending targets. This will provide opportunities for our various subsidiaries across our two operating segments to provide services to the federal government 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. There continues to be opportunities 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. Lastly, our Aircraft Sales & Leasing business line is continuing to expand. With the well-publicized production issues of new aircraft and the related risks and uncertainties, we have noted an uptick in demand for parts, aircraft and engines for prior generation aircraft. 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.

Our Manufacturing segment is expected to improve relative to the comparative periods driven by contributions by our Environmental Access Solutions business line with the acquisition of Spartan, which was executed in November 2024, along with anticipated strengthening across certain of our subsidiaries as business sentiment gradually improves. Our Environmental Access Solutions business line is expected to improve from a Revenue and Adjusted EBITDA perspective due to the acquisition of Spartan. Our Multi-Storey Window Solutions business line is expected to slightly decline from the comparative period due to reduced project activity because of the delays in booking projects in 2023 and in early 2024, compressed margins on projects being manufactured associated with the competitive environment at the time of bookings, customer deferrals of certain projects and aluminum tariffs. Our Precision Manufacturing & Engineering business line is expected to expand in Revenue and Adjusted EBITDA over the prior period primarily because of strong telecommunications, technology and rental customer demand coupled with strategic growth initiatives undertaken amongst the various subsidiaries. All of our businesses continue to see a significant number of inquiries and we see the conversion of bookings to firm orders continue to improve relative to the early part of 2025. With the passing of tax legislation in the US during the third quarter, along with gradually improving business sentiment, we have noted that uptick in conversion of quotes into orders continues into the fourth quarter.

On a longer-term basis, business fundamentals and North American trends support our positive outlook for the Manufacturing segment businesses. Our Environmental Access Solutions business line sees opportunities to further expand our customer base in the US while the composite matting manufacturing capabilities of Spartan continue to increase our overall diversification within the business line. On a macro basis, as the electrical grid is upgraded and expanded in the transmission and distribution sector and opportunities in the resource sector are realized, the utilization of matting and bridge solutions will be required to protect ecologically sensitive areas. 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. We are seeing an increase in the number of apartment rental projects as opposed to condominiums, in certain markets, along with re-skinning projects to convert commercial properties into residential buildings. 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 in 2025, however conversion to bookings continues to be lower than historical

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levels as a consequence of the relatively higher interest and mortgage rate environment and developer cost 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 macroeconomic uncertainty continues to abate.

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 operating segments, investments related to Indigenous Reconciliation programs such as the Atik Mason Pilot Pathway Program including the doubling of the Rankin Inlet program in 2026, and additional costs related to investments in IT and cybersecurity.

Tariffs and Geopolitical Uncertainty

Our Aerospace & Aviation segment is not directly impacted by tariffs, however, 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. Ultimately, the majority of revenues and expenditures would not be impacted within those business lines, owing to the fact the services they provide are essential in nature and inflationary escalators within certain contracts. 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. As noted previously in this report, our Multi-Storey Window Solutions business line has been impacted by aluminum tariffs during the quarter. 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. As a result, we will continue to have this impact until we are able to find an appropriate US supplier. To date, 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. We have noted some increases in input costs for steel and aluminum products, however increases are mitigated through risk management activities, foreign exchange fluctuations coupled with pricing increases to our customers, as applicable.

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, persistent inflation related to parts and MRO 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. The Maintenance Capital Expenditures within our Essential Air Services operations are expected to increase over the prior year comparatives due to the growth in the fleet coupled with certain maintenance events that were expected to occur earlier in the year being deferred to the last quarter. The Maintenance Capital Expenditures at Canadian North are expected to be higher than our other Essential Air Services operations in the next 12 months, on a relative basis, due to the timing of maintenance events as aircraft were near the end of their scheduled intervals for required overhauls and heavy checks at the acquisition date, with the acquisition price adjusted accordingly to reflect the required maintenance, coupled with anticipated increased investment in spares and component parts for the fleet. The Maintenance Capital Expenditures are expected to moderate consistent with our other subsidiaries in the medium and longer term 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

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line. The Maintenance Capital Expenditure on our Aircraft Sales & Leasing business line is expected to increase in the fourth quarter compared to the prior period.

Growth Capital Expenditures for the fourth quarter of 2025 will be primarily driven by the contract wins announced in 2023 and 2024 within the Aerospace & Aviation segment. The Growth Capital Expenditures in the fourth quarter for the Essential Air Services business line primarily relates to the acquisition of a new King Air aircraft 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 investment in airframes and aircraft interiors. 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, it is expected that we will continue to see further investment in the lease fleet during the fourth quarter. 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 relatively consistent with the fourth quarter of 2024. Our Environmental Access Solutions business line constantly monitors the market and may right-size its rental bridge and mat fleet and accordingly, and may therefore incur either positive or negative Growth Capital Expenditures.

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 2024 and 2025, strengthening its balance sheet as the Corporation prepared for future growth. These transactions positioned 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 nine month period, the Corporation exercised its right to call the debenture series maturing in 2026 and 2028, with a significant majority of the debentures converting to equity. These debenture transactions reduced the Corporation's total leverage and positions the Corporation to continue to execute on its strategy of investing in the growth of its subsidiaries and acquisitive growth. Subsequent to the end of the quarter, the Corporation exercised its right to call its debenture series maturing in 2029. These debentures are greater than 25% in the money, and management expects a significant majority of these debentures will convert into equity, consistent with the three other redemptions in the last 12 months. After these debenture transactions, when combined with the extension of its credit facility discussed further below, the nearest term debt maturities as of the date of this report is the Corporation's credit facility – maturing in April 2029.

On April 28, 2025, the Corporation completed the upsize and extension of its enhanced credit facility. The enhanced credit facility increased to \$3.0 billion from approximately \$2.2 billion, and its term was extended to April 30, 2029, with no change in pricing. The increased size of the credit facility provides the Corporation with the highest level of available capital in its history, providing the Corporation capacity to continue to execute on its core strategy of pursuing accretive growth through investment in its operating subsidiaries and through acquisition. The upsize of the credit facility does 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.

As at September 30, 2025, the Corporation's key financial covenant for its credit facility is its senior leverage ratio, and its facility allows for a maximum of 4.0x. The Corporation's current senior leverage ratio is 2.89x, with the increase compared to prior periods attributable to Growth Capital Expenditures related to recently awarded contracts, and the redemption of convertible debentures funded using the Corporation's credit facility. As the Corporation continues to receive the benefit of full year contribution from Growth Capital Expenditures, the Corporation's senior leverage ratio will continue to decline.

The Corporation's total leverage ratio includes the impact of outstanding convertible debentures, and the importance of this form of capital relative to Adjusted EBITDA has declined in recent years. Historically our target was 1.0x unsecured debt to Adjusted EBITDA through the issuance of these convertible debentures. As discussed above, the Corporation has exercised its right to call its last remaining series of debentures. Therefore, after this redemption is complete, the Corporation's total leverage ratio will be the same as its senior leverage ratio indicated above. Assuming substantially all of the remaining debentures convert, proforma total leverage at September 30, 2025 is 2.89x.

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 September 30, 2025, the Corporation has liquidity of approximately \$1,234 million 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 at September 30, 2025, the Corporation had a cash position of \$82 million (December 31, 2024 - \$72 million) and a net working capital position of \$644 million (December 31, 2024 - \$628 million) which represents a current ratio of 1.79 to 1 (December 31, 2024 – 1.97 to 1). The current ratio is calculated by dividing current assets by current liabilities, as presented on the Statement of Financial Position.

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Overview of Capital Structure

The Corporation's capital structure is summarized below.

	September 30 2025	December 31 2024
Total senior debt outstanding (principal value)	\$ 2,149,494	\$ 1,825,157
Convertible debentures outstanding (par value)	114,816	344,689
Common shares	1,621,738	1,377,171
Total capital	\$ 3,886,048	\$ 3,547,017

Credit facility

On April 28, 2025, the Corporation completed the upsize and extension of its credit facility. The enhanced credit facility increased to \$3.0 billion from approximately \$2.2 billion, and its term was extended to April 30, 2029, and was completed with no change in pricing. The credit facility includes \$2,412 million allocated to the Corporation's Canadian Head Office and US \$420 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 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 previously discussed, this additional access to liquidity does not change our historical view on leverage. As of September 30, 2025, the Corporation had drawn \$623 million and US \$1,097 million (December 31, 2024 - \$350 million and US \$1,025 million).

The Corporation's long-term debt, net of cash, increased by \$313 million since December 31, 2024. The increase is attributable to investments in Growth Capital Expenditures, investment in working capital, and the acquisitions of Newfoundland Helicopters and Canadian North as discussed in *Section 3 – Investing Activities*.

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 September 30, 2025, US \$633 million (December 31, 2024 – US \$562 million) of the Corporation's US denominated borrowings are hedged with these swaps.

During the nine month 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.

During the period, the Corporation entered into two short term US dollar forward contracts with members of the Corporation's lending syndicate. The forward contracts fixed the US dollar exchange rate at maturity. The forward contracts mitigate the risk of changes in the value of US dollars that will be used to purchase fixed wing aircraft for the BCEHS contract in the future. The forward contracts matured during the period and were not renewed. The notional value of the forward contracts outstanding is US \$nil (December 31, 2024 – nil).

Convertible Debentures

The following summarizes the convertible debentures outstanding as at September 30, 2025, and changes in the amounts of convertible debentures outstanding during the nine months ended September 30, 2025:

Series - Year of Issuance	Trade Symbol	Maturity	Interest Rate	Conversion Price
Unsecured Debentures – July 2021	EIF.DB.L	July 31, 2028	5.25%	\$ 52.70
Unsecured Debentures – December 2021	EIF.DB.M	January 15, 2029	5.25%	\$ 60.00

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Par value	Balance, beginning of period	Issued	Converted	Redeemed / Matured	Balance, end of period
Unsecured Debentures – March 2019	85,957	-	(78,383)	(7,574)	-
Unsecured Debentures – July 2021	143,732	-	(135,929)	(7,803)	-
Unsecured Debentures – December 2021	115,000	-	(184)	-	114,816
Total	\$ 344,689	\$ -	\$ (214,496)	\$ (15,377)	\$ 114,816

On February 13, 2025, the Corporation completed the early redemption of its 7 year, 5.75% convertible debentures as previously discussed. On September 29, 2025, the Corporation completed the early redemption of its 7 year, 5.25% convertible debentures as previously discussed.

As discussed above, subsequent to the end of the period, the Corporation exercised its right to call its debenture series maturing in 2029.

Share Capital

The following summarizes the changes in the shares outstanding of the Corporation during the nine months ended September 30, 2025:

	Date issued	Number of shares
Shares outstanding, beginning of period		49,602,431
Issued upon conversion of convertible debentures	various	4,181,993
Issued under dividend reinvestment plan (DRIP)	various	262,391
Issued under employee share purchase plan	various	53,345
Issued under Indigenous community partnership agreements	April 2, 2025	3,500
Issued to Newfoundland Helicopters vendor on closing	May 12, 2025	26,230
Issued to Canadian North vendors on closing	July 1, 2025	158,297
Shares outstanding, end of period		54,288,187

The Corporation issued 262,391 shares under its dividend reinvestment plan during the period and received \$15 million for those shares in accordance with the dividend reinvestment plan.

The Corporation issued 53,345 shares under its Employee Share Purchase Plan during the period and received \$3 million for those shares in accordance with the Employee Share Purchase Plan.

The Corporation issued shares to the vendors of Newfoundland Helicopters as part of the consideration paid on completion of the acquisition. In total, 26,230 shares were issued, representing purchase price consideration of \$1 million.

The Corporation issued shares to the vendors of Canadian North as part of the consideration paid on completion of the acquisition. In total, 158,297 shares were issued, representing purchase price consideration of \$9 million.

The weighted average shares outstanding during the three and nine months ended September 30, 2025, increased by 9% and 8%, respectively compared to the prior period. The increase is primarily attributable to shares issued from the conversion of debentures, shares issued as part of the acquisition of Spartan in 2024, shares issued as part of the acquisition of Newfoundland Helicopters and Canadian North in the current period, and shares issued in connection with the Corporation's dividend reinvestment plan.

Normal Course Issuer Bid

On March 27, 2025, the Corporation renewed its NCIB for common shares and certain series of convertible debentures. Under the renewed NCIB for common shares, purchases can be made during the period commencing on March 31, 2025, and ending on March 30, 2026. The Corporation can purchase a maximum of 4,811,929 shares and daily purchases will be limited to 26,182 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.

Under the NCIB for certain series of convertible debentures, purchases can be made during the period commencing on March 31, 2025, and ending on March 30, 2026. The Corporation can purchase a maximum \$14,373 principal amount of 7 year 5.25% convertible unsecured subordinated debentures of EIC (July 2021), and \$11,500 principal amount of 7 year 5.25% convertible unsecured subordinated debentures of EIC (December 2021), with daily purchases of principal amount, other than block purchase exceptions, limited to \$26, and \$25, respectively. The Corporation sought the NCIB for debentures to permit repurchase and cancellation of these securities during times of market instability where management believes the market price does not reflect the value of the debentures.

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During the nine months ended September 30, 2025, the Corporation did not make any purchases under either 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 nine months ended September 30, 2025, are consistent with those described in the Corporation's MD&A for the year ended December 31, 2024.

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. There were no 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, 2024.

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 and nine months ended September 30, 2025, that are discussed and analyzed in this report are described in detail in Note 3 of the Corporation's 2024 annual consolidated financial statements and Note 3 of the Corporation's interim condensed consolidated financial statements for the three and nine months ended September 30, 2025.

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 will be effective for annual reporting periods beginning on or after January 1, 2026. The Corporation is currently assessing the impact adoption of these amendments will have on its consolidated financial statements.

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 is currently assessing the impact adoption of IFRS 18 will have on its consolidated financial statements.

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 September 30, 2025, and has concluded that the design of internal controls over financial reporting is effective.

Spartan was acquired on November 13, 2024, Newfoundland Helicopters was acquired on May 12, 2025 and Bradley Air Services Limited, operating as Canadian North, was acquired on July 1, 2025. 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 \$263 million included in the consolidated results of the Corporation for the nine months ended September 30, 2025. As at

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September 30, 2025, these entities had current assets of \$170 million, non-current assets of \$497 million, current liabilities of \$143 million, and non-current liabilities of \$134 million.

There have been no material changes to the Corporation's internal controls during the 2025 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 September 30, 2025.

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, 2024.

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 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.

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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, depreciation on the Corporation's mat and bridge rental portfolio assets, and, prior to the onset of the pandemic, depreciation recorded on assets in the Corporation's aircraft and engine 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 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 Parts & 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 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 Parts & 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 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 Parts & Leasing's leased assets.

Prior to 2025, the fleet of aircraft and engines to be leased was underutilized since the onset of the pandemic and as a result, the available green time on those aircraft was not being consumed at the same rate as in prior periods. As the impacts of the pandemic lessened, the lease fleet still remained underutilized due to the onset of a worldwide flight crew shortage, most notably in experienced pilots. During these periods of underutilization, the actual expenditures on assets already owned were used as the costs of maintaining the fleet and represented Maintenance Capital Expenditures.

Northern Mat & Bridge 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 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 Regional One, 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.

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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.

13. QUARTERLY INFORMATION

The following summary reflects quarterly results of the Corporation:

	2025			2024				2023	
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenue	\$ 959,744	\$ 719,928	\$ 668,276	\$ 687,695	\$ 709,856	\$ 660,575	\$ 601,769	\$ 656,676	\$ 687,673
Adjusted EBITDA	230,569	177,236	130,136	167,054	192,914	157,045	111,051	143,621	167,751
Net Earnings	68,737	40,010	7,207	28,174	55,885	32,648	4,528	29,027	49,523
Basic	1.32	0.78	0.14	0.58	1.18	0.69	0.10	0.62	1.06
Diluted	1.24	0.75	0.14	0.57	1.08	0.67	0.09	0.61	0.99
Adjusted Net Earnings	75,674	47,156	14,295	38,740	61,372	37,662	9,574	33,768	55,263
Basic	1.46	0.92	0.28	0.80	1.29	0.80	0.20	0.72	1.19
Diluted	1.36	0.88	0.28	0.78	1.18	0.77	0.20	0.70	1.09
Free Cash Flow ("FCF")	171,441	123,424	81,484	110,606	136,116	100,502	61,931	102,265	117,143
Basic	3.30	2.40	1.61	2.30	2.86	2.13	1.31	2.17	2.51
Diluted	3.04	2.22	1.47	2.03	2.50	1.88	1.19	1.92	2.20
FCF less Maintenance Capital Expenditures	88,163	57,487	25,500	43,150	81,201	52,322	22,593	49,971	74,341
Basic	1.70	1.12	0.50	0.90	1.71	1.11	0.48	1.06	1.60
Diluted	1.58	1.06	0.50	0.84	1.53	1.02	0.47	0.99	1.43
Maintenance Capital Expenditures	83,278	65,937	55,984	67,456	54,915	48,180	39,338	52,294	42,802
Growth Capital Expenditures	127,752	4,543	56,118	46,995	93,180	44,800	39,326	101,566	81,115

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	September 30 2025	December 31 2024
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 81,820	\$ 71,797
Accounts receivable	712,215	614,250
Amounts due from customers on construction contracts	72,194	59,610
Inventories	533,302	496,543
Prepaid expenses and deposits	59,082	37,031
	1,458,613	1,279,231
OTHER ASSETS (Note 7)	131,391	134,685
CAPITAL ASSETS	2,220,898	1,824,607
RIGHT OF USE ASSETS	240,855	168,611
INTANGIBLE ASSETS	345,053	364,625
GOODWILL	836,679	827,229
	\$ 5,233,489	\$ 4,598,988
LIABILITIES		
CURRENT		
Accounts payable and accrued expenses	\$ 583,745	\$ 473,962
Income taxes payable	1,763	8,764
Deferred revenue	132,835	81,610
Amounts due to customers on construction contracts	61,692	46,632
Current portion of right of use lease liability	34,152	39,832
	814,187	650,800
OTHER LONG-TERM LIABILITIES	39,627	17,477
LONG-TERM DEBT (Note 8)	2,144,798	1,821,866
CONVERTIBLE DEBENTURES (Note 9)	110,087	330,390
LONG-TERM RIGHT OF USE LEASE LIABILITY	216,631	140,321
DEFERRED INCOME TAX LIABILITY	258,544	228,465
	3,583,874	3,189,319
EQUITY		
SHARE CAPITAL (Note 10)	1,621,738	1,377,171
CONVERTIBLE DEBENTURES - Equity Component (Note 9)	3,407	10,140
CONTRIBUTED SURPLUS	17,599	17,150
DEFERRED SHARE PLAN	19,751	18,215
NON-CONTROLLING INTERESTS	5,000	-
RETAINED EARNINGS		
Cumulative Earnings	1,037,377	921,423
Cumulative Dividends	(1,102,450)	(1,000,268)
Cumulative impact of share cancellation under the NCIB	(26,122)	(26,122)
	1,576,300	1,317,709
ACCUMULATED OTHER COMPREHENSIVE INCOME	73,315	91,960
	1,649,615	1,409,669
	\$ 5,233,489	\$ 4,598,988

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, except for per share amounts)

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
REVENUE				
Aerospace & Aviation	\$ 680,477	\$ 433,483	\$ 1,517,424	\$ 1,228,919
Manufacturing	279,267	276,373	830,524	743,281
	959,744	709,856	2,347,948	1,972,200
EXPENSES				
Aerospace & Aviation expenses - excluding depreciation and amortization	411,443	234,989	903,708	713,267
Manufacturing expenses - excluding depreciation and amortization	195,938	197,014	589,716	549,563
General and administrative	121,794	84,939	316,583	248,360
	729,175	516,942	1,810,007	1,511,190
EARNINGS BEFORE DEPRECIATION, AMORTIZATION, FINANCE COSTS, TAXES, AND OTHER (Note 4)	230,569	192,914	537,941	461,010
Depreciation of capital assets	84,737	64,707	222,061	181,806
Amortization of intangible assets	6,084	5,538	18,344	16,709
Finance costs - interest	30,969	34,225	91,617	95,743
Depreciation of right of use assets	12,612	10,276	34,074	29,669
Interest expense on right of use lease liabilities	2,776	2,044	6,963	6,076
Acquisition costs	2,319	1,549	7,723	4,098
EARNINGS BEFORE INCOME TAXES	91,072	74,575	157,159	126,909
INCOME TAX EXPENSE				
Current	13,142	11,587	30,972	33,320
Deferred	9,193	7,103	10,233	528
	22,335	18,690	41,205	33,848
NET EARNINGS	\$ 68,737	\$ 55,885	\$ 115,954	\$ 93,061
NET EARNINGS PER SHARE (Note 13)				
Basic	\$ 1.32	\$ 1.18	\$ 2.26	\$ 1.96
Diluted	\$ 1.24	\$ 1.08	\$ 2.19	\$ 1.92

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

Exchange Income Corporation

INTERIM CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

(unaudited, in thousands of Canadian dollars)

Attributable to common shareholders For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
NET EARNINGS	\$ 68,737	\$ 55,885	\$ 115,954	\$ 93,061
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that are or may be reclassified to the Statement of Income				
Cumulative translation adjustment, for the three months ended and for the nine months ended	18,419	(10,308)	(26,467)	14,903
Net gain (loss) on hedge of net investment in foreign operations net of tax expense for the three months ended September 30 of nil and nil, respectively and net of tax expense for the nine months ended September 30 of nil and nil, respectively	(4,935)	2,675	6,726	(3,709)
Net gain on hedge of restricted share plan, net of tax expense for the three months ended September 30 of \$485 and \$476, respectively and net of tax expense for the nine months ended September 30 of \$563 and \$503, respectively	1,345	1,325	1,563	1,395
Net gain (loss) on interest rate swap, net of tax expense (recovery) for the three months ended September 30 of \$29 and (\$2,614), respectively and net of tax recovery for the nine months ended September 30 of (\$169) and (\$2,527), respectively	81	(7,252)	(467)	(6,959)
Net gain (loss) on foreign exchange forward contracts, net of tax expense (recovery) for the three months ended September 30 of nil and nil respectively, and net of tax expense (recovery) for the nine months ended September 30 of nil and nil respectively	36	-	-	-
	14,946	(13,560)	(18,645)	5,630
COMPREHENSIVE INCOME	\$ 83,683	\$ 42,325	\$ 97,309	\$ 98,691

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)

(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, 2024	\$ 1,252,890	\$ 13,979	\$ 16,635	\$ 16,756	\$ -	\$ 800,188	\$ (874,380)	\$ (26,122)	\$ 45,527	\$ 1,245,473
Shares issued to acquisition vendors	2,992	-	-	-	-	-	-	-	-	2,992
Shares issued under dividend reinvestment plan (Note 10)	15,909	-	-	-	-	-	-	-	-	15,909
Shares issued under Indigenous community partnership agreements	350	-	-	-	-	-	-	-	-	350
Deferred share plan vesting (Note 14)	-	-	-	1,307	-	-	-	-	-	1,307
Deferred share plan issuance	288	-	-	(288)	-	-	-	-	-	-
Shares issued under ESPP (Note 10)	2,232	-	-	-	-	-	-	-	-	2,232
Comprehensive income (loss)	-	-	-	-	-	93,061	-	-	5,630	98,691
Dividends declared (Note 11)	-	-	-	-	-	-	(93,849)	-	-	(93,849)
Balance, September 30, 2024	\$ 1,274,661	\$ 13,979	\$ 16,635	\$ 17,775	\$ -	\$ 893,249	\$ (968,229)	\$ (26,122)	\$ 51,157	\$ 1,273,105
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
Shares issued to acquisition vendors	10,839	-	-	-	-	-	-	-	-	10,839
Convertible debentures										
Converted into shares	215,804	(6,284)	-	-	-	-	-	-	-	209,520
Matured/Redeemed	-	(449)	449	-	-	-	-	-	-	-
Shares issued under dividend reinvestment plan (Note 10)	14,789	-	-	-	-	-	-	-	-	14,789
Shares issued under Indigenous community partnership agreements (Note 10)	176	-	-	-	-	-	-	-	-	176
Deferred share plan vesting (Note 14)	-	-	-	1,536	-	-	-	-	-	1,536
Shares issued under ESPP (Note 10)	2,959	-	-	-	-	-	-	-	-	2,959
Option issued for minority interest in subsidiary	-	-	-	-	5,000	-	-	-	-	5,000
Comprehensive income (loss)	-	-	-	-	-	115,954	-	-	(18,645)	97,309
Dividends declared (Note 11)	-	-	-	-	-	-	(102,182)	-	-	(102,182)
Balance, September 30, 2025	\$ 1,621,738	\$ 3,407	\$ 17,599	\$ 19,751	\$ 5,000	\$ 1,037,377	\$ (1,102,450)	\$ (26,122)	\$ 73,315	\$ 1,649,615

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

Exchange Income Corporation

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

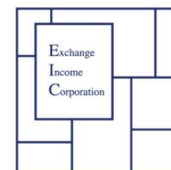
(unaudited, in thousands of Canadian Dollars)

For the periods ended September 30	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
OPERATING ACTIVITIES				
Net earnings for the period	\$ 68,737	\$ 55,885	\$ 115,954	\$ 93,061
Items not affecting cash:				
Depreciation of capital assets	84,737	64,707	222,061	181,806
Amortization of intangible assets	6,084	5,538	18,344	16,709
Depreciation of right of use assets	12,612	10,276	34,074	29,669
Accretion of interest	1,390	1,815	4,141	5,190
Gain on disposal of capital assets	(409)	(863)	(1,760)	(4,286)
Deferred income tax expense	9,193	7,103	10,233	528
Deferred share program share-based vesting	536	441	1,536	1,307
	182,880	144,902	404,583	323,984
Changes in non-cash current and long-term working capital (Note 16)	2,538	(19,931)	(37,035)	(107,507)
	185,418	124,971	367,548	216,477
FINANCING ACTIVITIES				
Proceeds from long-term debt, net of issuance costs (Note 8)	133,202	89,678	429,514	217,901
Repayment of long-term debt (Note 8)	(38,794)	(15,318)	(78,304)	(29,205)
Long-term debt discount	-	-	-	1,598
Payment of matured debentures	(7,803)	-	(15,377)	-
Principal payments on right of use lease liabilities	(13,668)	(10,203)	(35,526)	(28,701)
Issuance of shares, net of issuance costs	5,904	5,761	17,747	18,540
Cash dividends (Note 11)	(34,699)	(31,403)	(102,182)	(93,849)
	44,142	38,515	215,872	86,284
INVESTING ACTIVITIES				
Purchase of capital assets	(223,785)	(165,124)	(438,752)	(362,471)
Proceeds from disposal of capital assets	13,352	17,647	46,495	44,423
Purchase of intangible assets	(597)	(618)	(1,355)	(1,691)
(Investment in) return from other assets	(7,449)	(4,595)	6,402	(6,355)
Cash outflow for acquisitions, net of cash acquired	(156,568)	-	(167,565)	(16,484)
Payment of contingent acquisition consideration and working capital settlements	2,260	-	(8,752)	(5,990)
	(372,787)	(152,690)	(563,527)	(348,568)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(143,227)	10,796	19,893	(45,807)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	230,791	48,834	71,797	103,559
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(5,744)	(1,042)	(9,870)	836
CASH AND CASH EQUIVALENTS, END OF PERIOD	\$ 81,820	\$ 58,588	\$ 81,820	\$ 58,588
Supplementary cash flow information				
Interest paid	\$ 35,171	35,229	94,463	90,077
Income taxes paid	\$ 12,015	6,713	37,099	30,163

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 and nine months ended September 30, 2025



(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.

As at September 30, 2025, the principal operating subsidiaries of the Corporation are Ben Machine Products Company Incorporated, Bradley Air Services Limited ("Canadian North"), BVGlazing Systems ("BVGlazing"), Calm Air International LP, CANLink Aviation Inc. ("MFC Training"), Carson Air Ltd. ("Carson Air"), Custom Helicopters Ltd., DryAir Manufacturing Corporation ("DryAir"), EIC Aircraft Leasing Limited, Hansen Industries Ltd. ("Hansen"), Keewatin Air LP, LV Control Mfg. Ltd., Northern Mat & Bridge LP ("Northern Mat"), Overlanders Manufacturing LP, Perimeter Aviation LP (including its operating division, Bearskin Airlines), Provincial Aerospace Ltd., Quest Window Systems, Regional One Inc., Spartan Mat Inc. and Spartan Composites Inc. (collectively, "Spartan"), Stainless Fabrication Inc., Water Blast Manufacturing LP, and WesTower Communications Ltd. Crew Training International, Inc., Quest USA. Inc., Regional One, Inc., Spartan Mat Inc., Spartan Composites Inc. and Stainless Fabrication Inc. are wholly owned subsidiaries of EIIIF Management USA Inc. 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 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, 2024. 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 November 6, 2025.

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 2024 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 will be effective for annual reporting periods beginning on or after January 1, 2026. The Corporation is currently assessing the impact adoption of these amendments will have on its consolidated financial statements.

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

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)

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 is currently assessing the impact adoption of IFRS 18 will have on its consolidated financial statements.

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. 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

Newfoundland Helicopters Ltd ("Newfoundland Helicopters").

On May 12, 2025, the Corporation acquired the shares of Newfoundland Helicopters. Newfoundland Helicopters, headquartered in Clarenville, Newfoundland and Labrador, is a helicopter charter service founded in 2005. Its operations serve diverse sectors including healthcare, mining, construction, utilities and leisure.

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

Consideration given:	
Cash	\$ 12,174
Issuance of 26,230 shares of the Corporation at \$52.61 per share	1,380
Estimated working capital settlement	349
Total purchase consideration	\$ 13,903

The purchase price included an initial payment of cash and the issuance of common shares to the vendors, net of normal closing adjustments. The preliminary purchase price allocation is expected to be finalized in 2025 when the final settlement of working capital and other post closing adjustments occur. The purchase included net working capital of \$1,349, capital assets of \$12,382 and preliminary goodwill of \$3,448.

Bradley Air Services Ltd ("Canadian North").

On July 1, 2025, the Corporation completed its acquisition of Canadian North. Canadian North provides essential passenger and cargo services, using a combination of leased and owned Boeing 737 jets and ATR turboprops, to 24 remote Canadian Arctic communities in Nunavut and the Northwest Territories, from its southern gateways in Ottawa and Edmonton. Canadian North is also a provider of air charter services for large resource sector clients.

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

Consideration given:	
Cash purchase consideration	\$ 179,727
Issuance of 158,297 shares of the Corporation at \$59.76 per share	9,459
Estimated working capital settlement	(8,894)
Contingent consideration	8,275
Total purchase consideration	\$ 188,567

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)

The purchase price included an initial payment of cash and the issuance of common shares to the vendors, net of normal closing adjustments. The preliminary purchase price allocation is expected to be finalized in 2025 when the final settlement of working capital and other post closing adjustments occur.

On July 16, 2025, the Corporation executed a Long-Term Air Services Agreement ("Services Agreement") with the Government of Nunavut. The Services Agreement includes the option for the Government of Nunavut to purchase a non-controlling interest in Canadian North for a fixed price, subject to customary adjustments, and is exercisable for one year from the date of the agreement. The Corporation used an option pricing model to value the purchase option, and has recognized a \$5,000 contract asset and non-controlling interest associated with this option at inception.

The written option, issued by the Corporation, on a subsidiaries' shares that qualifies for equity classification is accounted for as non-controlling interest. During the period, when the option is outstanding, the option holder is not attributed any profit or loss of the subsidiary pertaining to the call option. The non-controlling interest remains in existence until the option expires or is exercised. Upon exercise, the change in the Corporation's interest in the subsidiary should be accounted for as an equity transaction based on the non-controlling interest holder's proportionate share of the Corporation's basis in the subsidiary's equity. If the option expires the carrying amount of the non-controlling interest will be reclassified from non-controlling interest to equity of the Corporation.

The purchase included net working capital of (\$34,199), capital assets of \$224,108 and preliminary goodwill of \$25,836.

7. OTHER ASSETS

The other assets of the Corporation consist of the following:

	September 30 2025	December 31 2024
Long-term prepaid expenses and security deposits	\$ 6,074	\$ 5,882
Long-term receivables	795	1,316
Contract assets	5,000	-
Equity method investments	93,462	103,037
Other investments - Fair value through OCI (Note 15)	8,032	6,830
Derivative financial instruments - Fair value through profit and loss (Note 15)	18,028	17,620
Total other assets	\$ 131,391	\$ 134,685

8. LONG-TERM DEBT

The following summarizes the Corporation's long-term debt as at September 30, 2025, and December 31, 2024:

	September 30 2025	December 31 2024
Revolving term facility:		
Canadian dollar amounts drawn	\$ 622,500	\$ 350,000
United States dollar amounts drawn (US\$1,096,900 and US\$1,025,198 respectively)	1,526,994	1,475,157
Total credit facility debt outstanding, principal value	2,149,494	1,825,157
less: unamortized transaction costs	(4,696)	(3,291)
Long-term debt	\$ 2,144,798	\$ 1,821,866

The Corporation's credit facility is secured by a general security agreement over the assets of the Corporation, 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 September 30, 2025.

Interest expense recorded by the Corporation during the three and nine months ended September 30, 2025 for long-term debt was \$27,845 and \$79,478 respectively (2024 – \$27,088 and \$74,457 respectively).

On April 28, 2025, the Corporation amended its credit facility. The enhanced credit facility increased to \$3.0 billion and its term was extended to April 30, 2029. The credit facility includes \$2,412 million allocated to the Corporation's Canadian Head Office and US \$420 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

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)

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 nine months ended September 30, 2025:

	Nine Months Ended September 30, 2025				
	Opening	Withdrawals	Repayments	Exchange Differences	Ending
Credit facility amounts drawn					
Canadian dollar amounts	\$ 350,000	\$ 353,600	\$ (81,100)	\$ -	\$ 622,500
United States dollar amounts	1,475,157	159,869	(78,304)	(29,728)	1,526,994
	\$ 1,825,157			\$	2,149,494

In the table above, withdrawals and repayments include the impact of entering into or changing the principal value on already outstanding cross currency swaps with members of the Corporation's lending syndicate whereby an exchange of Canadian and US denominated debt occurs. There is no impact on cash flow and therefore the impact has been netted on the Statement of Cash Flow. More information on the cross currency swaps can be found in Note 15.

9. CONVERTIBLE DEBENTURES

Series - Year of Issuance	Trade Symbol	Maturity	Interest Rate	Conversion Price
Unsecured Debentures – July 2021	EIF.DB.L	July 31, 2028	5.25%	\$ 52.70
Unsecured Debentures – December 2021	EIF.DB.M	January 15, 2029	5.25%	\$ 60.00

Summary of the debt component of the convertible debentures:

	2025 Balance, Beginning of Period	Debentures Issued	Accretion Charges	Debentures Converted	Redeemed / Matured	2025 Balance, End of Period
Unsecured Debentures - March 2019	85,197	-	123	(77,746)	(7,574)	-
Unsecured Debentures - July 2021	140,302	-	783	(133,282)	(7,803)	-
Unsecured Debentures - December 2021	111,943	-	512	(180)	-	112,275
						112,275
less: unamortized transaction costs						(2,188)
Convertible Debentures - Debt Component, end of period						\$ 110,087
Convertible Debentures - Debt Component (long-term portion)						110,087

On February 13, 2025, the Corporation completed the early redemption of its 7 year, 5.75% convertible debentures, which were due on March 31, 2026. The redemption of the debentures was completed with cash on hand from the Corporation's credit facility. Prior to the redemption, convertible debentures with a total face value of \$78,383 were converted by the holders at various times into 1,599,642 shares of the Corporation at a price of \$49.00 per share (2024 – \$nil and nil shares). On February 13, 2025, the remaining outstanding principal amount of \$7,574 was redeemed by the Corporation.

On September 29, 2025, the Corporation completed the early redemption of its 7 year 5.25% convertible debentures, which were due July 31, 2028. The redemption of the debentures was completed with cash on hand from the Corporation's credit facility. Prior to the redemption, convertible debentures with a total face value of \$135,929 were converted by the holders at various times into 2,579,285 common shares of the Corporation at a price of \$52.70 per share (2024 – \$nil and nil shares). On September 29, 2025, the remaining outstanding principal amount of \$7,803 was redeemed by the Corporation.

On October 28, 2025, subsequent to the end of the period, the Corporation announced the early redemption of its 7 year 5.25% convertible unsecured subordinated debentures due January 15, 2029 in accordance with the Trust Indenture. The Corporation will, effective December 2, 2025, redeem all issued and outstanding Debentures, plus accrued interest thereon.

Interest expense recorded during the three and nine months ended September 30, 2025, for the convertible debentures was \$3,124 and \$12,139 respectively (2024 – \$7,137 and \$21,286 respectively).

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)

Convertible Debentures Equity Component

Since all the outstanding convertible debentures contain a conversion feature available to the debenture-holder to convert debenture principal into shares of the Corporation, the debenture obligation is classified partly as debt and partly as shareholders' equity. The debt component represents the present value of interest and principal payments over the life of the convertible debentures discounted at a rate approximating the rate which would have applied to non-convertible debentures at the time the convertible debentures were issued. The difference between the principal amount of the convertible debentures and the present value of interest and principal payments over the life of the convertible debentures is accreted over the term of the convertible debentures through periodic charges to the debt component, such that, on maturity, the debt component equals the principal amount of the convertible debentures outstanding.

Summary of the equity component of the convertible debentures:

	September 30 2025	December 31 2024
Unsecured Debentures - 2019	-	2,487
Unsecured Debentures - July 2021	-	4,240
Unsecured Debentures - December 2021	3,407	3,413
Convertible Debentures - Equity Component, end of period	\$ 3,407	\$ 10,140

All convertible debentures outstanding at September 30, 2025, represent direct unsecured debt obligations of the Corporation.

10. SHARE CAPITAL

Changes in the shares issued and outstanding during the nine months ended September 30, 2025, are as follows:

	Number of Shares	2025 Amount
Share capital, beginning of period	49,602,431	\$ 1,377,171
Issued upon conversion of convertible debentures	4,181,993	215,804
Issued under dividend reinvestment plan	262,391	14,789
Issued under employee share purchase plan	53,345	2,959
Issued under Indigenous community partnership agreements	3,500	176
Shares issued to Newfoundland Helicopters vendors on closing (Note 6)	26,230	1,380
Shares issued to Canadian North vendor on closing (Note 6)	158,297	9,459
Share capital, end of period	54,288,187	\$ 1,621,738

On March 27, 2025, the Corporation received approval from the TSX for the renewal of its NCIB to purchase up to an aggregate of 4,811,929 Common Shares, representing 10% of the issued and outstanding shares at March 26, 2025. Purchases of shares pursuant to the renewed NCIB can be made through the facilities of the TSX during the period commencing on March 31, 2025 and ending on March 30, 2026. The maximum number of shares that can be purchased by the Corporation daily is limited to 22,369 shares, other than block purchase exemptions.

During the nine months ended September 30, 2025, the Corporation did not make any purchases under its common share NCIB and therefore has the full 4,811,929 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.

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)

The amounts and record dates of the dividends during the nine months ended September 30, 2025, and the comparative 2024 period are as follows:

Month	Record date	2025 Dividends		Record date	2024 Dividends	
		Per Share	Amount		Per Share	Amount
January	January 31, 2025	\$ 0.22	\$ 10,983	January 31, 2024	\$ 0.22	\$ 10,380
February	February 28, 2025	0.22	11,276	February 29, 2024	0.22	10,389
March	March 31, 2025	0.22	11,291	March 29, 2024	0.22	10,402
April	April 30, 2025	0.22	11,299	April 30, 2024	0.22	10,410
May	May 30, 2025	0.22	11,312	May 31, 2024	0.22	10,419
June	June 30, 2025	0.22	11,322	June 28, 2024	0.22	10,446
July	July 31, 2025	0.22	11,349	July 31, 2024	0.22	10,457
August	August 29, 2024	0.22	11,407	August 30, 2024	0.22	10,468
September	September 29, 2025	0.22	11,943	September 27, 2024	0.22	10,478
Total		\$ 1.98	\$ 102,182		\$ 1.98	\$ 93,849

After September 30, 2025, and before these interim condensed consolidated financial statements were authorized, the Corporation declared a monthly dividend of \$0.22 per share for October 2025.

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 regional 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 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 access mat manufacturing capabilities and rents and sells these 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.

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

	Three Months Ended September 30, 2025			
	Aerospace & Aviation	Manufacturing	Head Office	Consolidated
Revenue	\$ 680,477	\$ 279,267	\$ -	\$ 959,744
Expenses	478,767	234,317	16,091	729,175
Adjusted EBITDA	201,710	44,950	(16,091)	230,569
Depreciation of capital assets				84,737
Amortization of intangible assets				6,084
Finance costs - interest				30,969
Depreciation of right of use assets				12,612
Interest expense on right of use lease liabilities				2,776
Acquisition costs				2,319
Earnings before income taxes				91,072
Current income tax expense				13,142
Deferred income tax expense				9,193
Net Earnings			\$	68,737

	Three Months Ended September 30, 2024			
	Aerospace & Aviation	Manufacturing	Head Office	Consolidated
Revenue	\$ 433,483	\$ 276,373	\$ -	\$ 709,856
Expenses	278,264	225,326	13,352	516,942
Adjusted EBITDA	155,219	51,047	(13,352)	192,914
Depreciation of capital assets				64,707
Amortization of intangible assets				5,538
Finance costs - interest				34,225
Depreciation of right of use assets				10,276
Interest expense on right of use lease liabilities				2,044
Acquisition costs				1,549
Earnings before income taxes				74,575
Current income tax expense				11,587
Deferred income tax expense				7,103
Net Earnings			\$	55,885

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)

	Nine Months Ended September 30, 2025			
	Aerospace & Aviation	Manufacturing	Head Office	Consolidated
Revenue	\$ 1,517,424	\$ 830,524	\$ -	\$ 2,347,948
Expenses	1,066,232	701,024	42,751	1,810,007
Adjusted EBITDA	451,192	129,500	(42,751)	537,941
Depreciation of capital assets				222,061
Amortization of intangible assets				18,344
Finance costs - interest				91,617
Depreciation of right of use assets				34,074
Interest expense on right of use lease liabilities				6,963
Acquisition costs				7,723
Earnings before income taxes				157,159
Current income tax expense				30,972
Deferred income tax expense				10,233
Net Earnings				\$ 115,954

	Nine Months Ended September 30, 2024			
	Aerospace & Aviation	Manufacturing	Head Office	Consolidated
Revenue	\$ 1,228,919	\$ 743,281	\$ -	\$ 1,972,200
Expenses	845,265	630,157	35,768	1,511,190
Adjusted EBITDA	383,654	113,124	(35,768)	461,010
Depreciation of capital assets				181,806
Amortization of intangible assets				16,709
Finance costs - interest				95,743
Depreciation of right of use assets				29,669
Interest expense on right of use lease liabilities				6,076
Acquisition costs				4,098
Earnings before income taxes				126,909
Current income tax expense				33,320
Deferred income tax expense				528
Net Earnings				\$ 93,061

	For the period ended September 30, 2025			
	Aerospace & Aviation	Manufacturing	Head Office ⁽¹⁾	Consolidated
Total assets	\$ 3,517,944	\$ 1,545,718	\$ 169,827	\$ 5,233,489
Net capital asset additions	370,868	21,317	72	392,257

	For the year ended December 31, 2024			
	Aerospace & Aviation	Manufacturing	Head Office ⁽¹⁾	Consolidated
Total assets	\$ 2,908,643	\$ 1,623,576	\$ 66,769	\$ 4,598,988
Net capital asset additions	398,450	28,305	1,277	428,032

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.

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)

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.

		Three Months Ended		Nine Months Ended	
Revenue Streams	Periods ended September 30	2025	2024	2025	2024
Aerospace & Aviation Segment					
Sale and lease of goods - point in time	\$	174,923	\$ 97,508	\$ 384,128	\$ 272,978
Sale of services - point in time		467,203	290,725	1,019,563	815,120
Sale of services - over time		38,351	45,250	113,733	140,821
Manufacturing Segment					
Sale and lease of goods - point in time		109,599	68,581	310,700	193,828
Sale of services - point in time		19,390	39,084	46,993	63,678
Sale of goods and services - over time		150,278	168,708	472,831	485,775
Total revenue	\$	959,744	\$ 709,856	\$ 2,347,948	\$ 1,972,200

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 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.

The computation for basic and diluted earnings per share for the three and nine months ended September 30, 2025 and the comparative for the 2024 period are as follows:

Periods Ended September 30	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
Net earnings	\$ 68,737	\$ 55,885	\$ 115,954	\$ 93,061
Effect of dilutive securities				
Convertible debenture interest	2,296	5,245	8,923	8,467
Diluted Net Earnings	\$ 71,033	\$ 61,130	\$ 124,877	\$ 101,528
Basic weighted average number of shares	51,989,985	47,558,365	51,330,472	47,371,859
Effect of dilutive securities				
Deferred Shares	1,052,224	965,063	1,052,224	965,063
Convertible debentures	4,194,599	8,027,090	4,642,253	4,483,852
Diluted basis weighted average number of shares	57,236,808	56,550,518	57,024,949	52,820,774
Net Earnings per share:				
Basic	\$ 1.32	\$ 1.18	\$ 2.26	\$ 1.96
Diluted	\$ 1.24	\$ 1.08	\$ 2.19	\$ 1.92

Notes to the Interim Condensed Consolidated Financial Statements

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14. EMPLOYEE BENEFITS

Deferred Share Plan

During the nine months ended September 30, 2025, the Corporation granted 41,136 (2024 – 40,339) deferred shares to certain personnel. The fair value of the deferred shares granted was \$2,180 (2024 – \$1,903) at the time of the grant and was based on the market price of the Corporation's shares at that time. During three and nine months ended September 30, 2025, the Corporation recorded a compensation expense of \$535 and \$1,536 respectively (2024 – \$441 and \$1,307 respectively), for the Corporation's Deferred Share Plan within the general and administrative expenses of Head Office.

Restricted Share Plan

During the nine months ended September 30, 2025, the Corporation granted 168,018 (2024 – 191,653) restricted shares to certain personnel. The fair value of the restricted share units granted was \$9,416 (2024 – \$8,779) at the time of the grant and was based on the market price of the Corporation's shares at that time. During the three and nine months ended September 30, 2025, the Corporation recorded compensation expense of \$2,675 and \$7,516 respectively (2024 – \$2,528 and \$6,815 respectively), 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 nine months ended September 30, 2025, employees acquired 53,345 (2024 - 47,371) shares from treasury at a weighted average price of \$55.45 (2024 - \$47.12) 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 \$1,014 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 as necessary. The following describes the risk management areas that have significantly changed from those described in the December 31, 2024, 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 \$1,096,900 or \$1,526,994 (December 31, 2024 – US \$1,025,198 or \$1,475,157) 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 \$268,300 (December 31, 2024 – US \$316,498) 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 \$195,400 (December 31, 2024 – US \$146,900) 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.

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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 September 30, 2025, was a financial asset of \$4,378 (December 31, 2024 – financial asset of \$12,374). At September 30, 2025, the notional value of the swaps outstanding is US \$633,200 (December 31, 2024 – US \$561,800). Hedging gains and losses are reclassified from other comprehensive income to the interim condensed consolidated statement of income to the extent effective. Accordingly, \$4,378 was reclassified to other comprehensive income (December 31, 2024 – \$12,374).

During the second quarter of the current year, the Corporation entered into two short term US dollar forward contracts with members of the Corporation's lending syndicate. The forward contracts fix the US dollar exchange rate at maturity. The forward contracts mitigate the risk of changes in the value of US dollars that will be used to purchase fixed wing aircraft for the BCEHS contract in the future. These derivative financial instruments hedge the exposure to variability in cash flow associated with the future US dollar payments for these aircraft and are therefore designated cash flow hedges. During the period, the forward contracts matured and were not renewed. The fair value of the forward contracts at September 30, 2025 was \$nil (December 31, 2024 – nil). Accordingly, \$36 was reclassified from other comprehensive income to the interim condensed consolidated statement of income.

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 September 30, 2025:

- US \$1,096,900 (December 31, 2024 – US \$1,023,050) was outstanding under SOFR;
- Nil (December 31, 2024 – US \$2,148) was outstanding under US Prime; and
- \$622,500 (December 31, 2024 – \$350,000) was outstanding under CORRA.

The interest rates of the convertible debentures (Note 9) have fixed interest rates.

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 \$1,648 (December 31, 2024 – other long-term financial liability of \$1,012) and are recorded as a separate line within other comprehensive income.

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 2023, 2024 and 2025 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 2023, 2024 and 2025 programs was \$30,673. The fair value of the instruments are recorded in long-term financial asset of \$13,650 (December 31, 2024 – long-term financial asset of \$5,246) and are recorded as a separate line within other comprehensive income.

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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 September 30, 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 - Cross currency basis swap - Financial asset at fair value through profit and loss (Note 7)	\$ 4,378	\$ -	\$ 4,378	\$ -
Other long-term assets - Restricted Share Plan Hedge - Financial asset at fair value through profit and loss (Note 7)	13,650	-	13,650	-
Other long-term assets - Fair value through OCI (Note 7)	8,032	-	-	8,032
Financial Liabilities				
Consideration liabilities - Financial liability at fair value through profit and loss	(13,756)	-	-	(13,756)
Other long-term liabilities - Interest Rate Swap - Financial liability at fair value through OCI	(1,648)	-	(1,648)	-
Fair Value Disclosures				
Other assets - Amortized cost	9,078	-	4,078	5,000
Long-term debt - Amortized cost	(2,144,798)	-	-	(2,149,494)
Convertible debt - Amortized cost	(110,087)	(141,878)	-	-

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	Carrying Value December 31, 2024	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	\$ 12,374	\$ -	\$ 12,374	\$ -
Other long-term assets - Restricted Share Plan Hedge - Financial asset at fair value through profit and loss (Note 7)	5,246	-	5,246	-
Other long-term assets - Fair value through OCI (Note 7)	6,830	-	-	6,830
Financial Liabilities				
Consideration liabilities - Financial liability at fair value through profit and loss	(17,729)	-	-	(17,729)
Other long-term liabilities - Interest Rate Swap - Financial liability at fair value through OCI	(1,012)	-	(1,012)	-
Fair Value Disclosures				
Other assets - Amortized cost	4,654	-	4,654	-
Long-term debt - Amortized cost	(1,821,866)	-	-	(1,825,157)
Convertible debt - Amortized cost	(330,390)	(344,689)	-	-

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, DryAir, Duhamel, Spartan, Newfoundland Helicopters and Canadian North including any changes for settlements, changes in fair value, and changes due to foreign currency fluctuations:

Consideration Liability Summary	September 30	December 31
For the periods ended	2025	2024
Opening balance	\$ 17,729	\$ 10,384
Accretion	147	95
Change in estimate	-	(314)
Acquisition of Duhamel	-	2,381
Acquisition of Spartan	-	11,173
Acquisition of Newfoundland Helicopters	349	-
Acquisition of Canadian North	8,275	-
Settled during the period	(11,452)	(5,990)
Foreign exchange loss (gain) and other	(1,292)	-
Ending balance	\$ 13,756	\$ 17,729

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.

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During the period, the Corporation settled its deferred purchase consideration related to the Spartan acquisition in the amount of \$11,452.

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.

As at September 30, 2025, management had determined that the fair value of its long-term debt approximates its carrying value. The fair value of long-term debt has been calculated by discounting the expected future cash flows using a discount rate of 4.65%. The discount rate 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.

As at September 30, 2025, management estimated the fair value of the convertible debentures based on trading values. The estimated fair value of its convertible debentures is \$141,878 (December 31, 2024 - \$344,689) with a carrying value of \$110,087 (December 31, 2024 - \$330,390).

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 and nine months ended September 30, 2025, and the comparative period in 2024 are as follows:

Periods Ended September 30	Three Months Ended		Nine Months Ended	
	2025	2024	2025	2024
Accounts receivable, including long-term portion	\$ (33,407)	\$ (63,064)	\$ (39,262)	\$ (88,968)
Amounts due from customers on construction contracts	(7,136)	1,713	(12,802)	(18,638)
Inventories	(9,768)	(10,835)	(30,877)	(21,450)
Prepaid expenses and deposits, including long-term portion	9,019	13,241	(12,423)	13,706
Accounts payable and accrued expenses, including long-term portion	38,514	31,030	36,810	(8,202)
Income taxes receivable/payable	1,315	4,983	(6,465)	2,738
Deferred revenue, including long-term portion	2,396	(2,922)	12,300	13,695
Amounts due to customers on construction contracts	1,605	5,923	15,684	(388)
Net change in working capital	\$ 2,538	\$ (19,931)	\$ (37,035)	\$ (107,507)

17. SUBSEQUENT EVENTS

Early Redemption of 7 Year 5.25% Debentures due January 15, 2029

On October 28, 2025, subsequent to the end of the period, the Corporation announced the early redemption of its 7 year 5.25% convertible unsecured subordinated debentures due January 15, 2029. The Corporation will, effective December 2, 2025, redeem all issued and outstanding Debentures that are not converted into common shares in advance of this date, plus accrued interest thereon.

Dividend Increase

On November 6, 2025, the Corporation increased its monthly dividend by 5% or \$0.12 per annum to \$2.76 per annum. The increase is effective beginning with the November dividend, which will be paid to shareholders in December 2025.