NEWS RELEASE

Continued Execution of Strategy, Operational Excellence and Diversification Results in Record Annual Results for Exchange Income Corporation

Company Posts Annual Records for each of Revenue of $2.7 Billion, Adjusted EBITDA[1] of $628 Million, Adjusted Net Earnings[1] of $147 million and Free Cash Flow[1]

WINNIPEG, Manitoba – February 26, 2025 – Exchange Income Corporation (TSX: EIF) ("EIC" or the "Corporation") a diversified, acquisition-oriented company focused on opportunities in the Aerospace & Aviation and Manufacturing segments, reported its financial results for the three- and twelve-month periods ended December 31, 2024. All amounts are in Canadian currency.

2024 Financial Highlights

- Record Revenue of $2.7 billion, an increase of $161 million or 6%.
- Record Adjusted EBITDA of $628 million which represents growth of $73 million or 13%.
- Net Earnings of $121 million compared to $122 million in the prior year.
- Record Adjusted Net Earnings of $147 million compared to $144 million.
- Free Cash Flow record of $409 million compared to $377 million, an increase of $32 million or 8%.
- Free Cash Flow less Maintenance Capital Expenditures[1] of $199 million compared to $202 million.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio[1] was 63% compared to the prior year of 57%.
- Trailing Twelve Month Adjusted Net Earnings Payout Ratio[1] of 85% compared to 80% in the prior year.
- In excess of $1 billion of cumulative dividends paid out to shareholders since inception.

Q4 Financial Highlights

- Record Revenue of $688 million, an increase of $31 million or 5%.
- Record consolidated Adjusted EBITDA of $167 million, representing growth of $23 million or 16%.
- Record Free Cash Flow of $111 million, an increase of $8 million.
- Free Cash Flow less Maintenance Capital Expenditures of $43 million a decrease of $7 million.
- Net Earnings of $28 million, compared to $29 million in the prior period.
- Record Adjusted Net Earnings of $39 million, an improvement of $5 million.

CEO Commentary

Mike Pyle, CEO, commented, "2024 was our 20th anniversary since our first acquisition in 2004 of Perimeter Aviation. 2024 has been another record year and it continues to demonstrate the strength of our model. Amongst our two segments we have a collection of well-run niche businesses which generate strong sustainable cash flows for our shareholders. The collective businesses provide us with diversification and resilience which is readily evident in our 2024 reported financial results. I am even more excited about the next 20 years as we embark on further growth, including the most recently announced acquisition of Canadian North expanding our presence across Canada's Northernmost geography.

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

When I look back on 2024 it was a story of strength in our Aerospace & Aviation segment as our previous investments and contractual wins continued to mature and drive revenue increases and even stronger Adjusted EBITDA growth. When you look at the individual business lines within our Aerospace & Aviation segment, we see strong catalysts for growth as we move forward. Our Essential Air Services business line continued its growth trajectory that saw the maturing of its contractual arrangement with Air Canada in the East Coast and into the US. The medevac business continued to improve as the investments made for the BC and Manitoba medevac contracts contributed to the strong financial results of the business line. 2025 will see investment in eight to ten new King Air aircraft for the BC medevac contract. Delivery of the aircraft was deferred because of delays at the aircraft manufacturer due to a strike that delayed production and delivery in 2024. However, as we previously communicated, as new aircraft are deployed, we will take the current King Air aircraft and utilize them to service other contracts, such as the Newfoundland medevac contract or other charter opportunities, thus expanding the revenues and margin profile of the business line. Our Aircraft Sales & Leasing business line continues to accelerate its revenue and margin profile as the leasing business deploys its assets around the globe. Our Aerospace business line was impacted by its planned transition between projects within its training business along with a scope reduction of a performance-based logistics contract partially offset by high tempo ISR services for customers around the globe. The geopolitical uncertainty provides further opportunities for that business line as we have received a number of requests for ISR assets both domestically and around the world. Lastly, the Aerospace business line submitted its bid in December for the Australia Department of Home Affairs maritime surveillance contract. I have previously commented that this is the largest maritime surveillance contract globally and as one of three bidders we look forward to hearing from the Australian government midway in 2025.

Our Manufacturing segment showed indicators of strength throughout our various business lines as we exited 2024. We made two strategic acquisitions in Spartan and Duhamel and the outlook for the Environmental Access Solutions business line is very strong with immense opportunities in the transmission and distribution sector throughout North America along with renewed interest in pipelines and the oil and gas resource sector. Our Multi-Storey Windows Solution business line converted inquiries into firm orders in the latter part of the year and we continue to see the fundamental issue of housing shortages underpinning our optimism about the future prospects. We have taken steps to integrate our window companies and combine our operational footprint in the current period while we have the capacity to do so. We anticipate that those investments and decisions made today will yield significant wins for our shareholders when those projects are manufactured in 18 to 24 months and the profitability will continue to expand as developers continue to book new projects. Lastly, our Precision Manufacturing & Engineering business line continued to demonstrate its diversification throughout the year. There were pockets of strength amongst our operating subsidiaries, and we saw that post US election a significant number of customers placed orders and a number of projects within the telecommunications sector were released for construction in late 2024 and throughout 2025.

Since the US election, geopolitical uncertainty has increased worldwide. In particular, the US administration's continuing threat of tariffs has created significant economic turmoil. Our subsidiary management teams have been assessing our strategies to mitigate the risks of tariffs, and we believe that we are not overly directly exposed should the planned tariffs be enacted by the US administration. However, there can be secondary risks to our various businesses such as significant swings in foreign exchange rates or the risk of countervailing tariffs impacting our subsidiaries. While we cannot fully insulate ourselves from any knock-on effects or unintended consequences, we believe that our businesses are fundamentally set up to weather the storm as evidenced by our past performance through the pandemic, the financial crisis of 2008/2009 and even the most recent tariff concerns during the first Trump administration.

We also announced that we entered into a binding agreement to acquire Canadian North earlier this week which is a strategic transaction for EIC. We are experts in Northern Aviation and believe that the inclusion of Canadian North into our portfolio of companies will result in benefits to the existing communities we serve along with benefits to the Canadian North communities as there currently is essentially no overlap in the markets served by EIC and Canadian North. The acquisition is subject to customary closing conditions and regulatory reviews. We have a history of investing in our subsidiaries and providing them with the capital to grow and execute on their growth strategies. That fundamental principle will be evident with the Canadian North transaction.

The recent call of the Series J and K convertible debentures has reduced our debt and increased our equity by approximately $150 million. This has reduced our aggregate leverage ratio, on a proforma basis, to its lowest level since 2019. Accordingly, no new capital is required to fund this transaction."

Adam Terwin, EIC's Chief Corporate Development Officer, commented "We announced that we have entered into a binding agreement to acquire Canadian North earlier this week. This acquisition will be strategic to our Essential Air Services business line. We have demonstrated throughout our history that we are an expert in Northern aviation and will bring that expertise to bear with the acquisition of Canadian North. The business is complementary to our existing footprint and the Canadian North communities will see firsthand how EIC invests back into the communities it serves whether it be by way of partnerships, job opportunities or increased commerce. We are excited about the opportunities that Canadian North will bring to our Essential Air Services business line.

My team continues to be very active in reviewing potential acquisition opportunities within both operating segments. Our business model and strategy continue to resonate with the many parties we are engaging with and as is evident with our two most recently announced acquisitions, being Spartan and Canadian North, the size and quality of our opportunities are as strong as they have ever been."

Mike, continued, "We achieved record results in 2024 and invested in the future whilst retaining our commitment to a strong balance sheet. We called our Series J and K unsecured convertible debentures in December 2024 and February 2025, respectively. This was important in that it reduced our overall leverage by approximately $150 million while increasing our equity by that amount and will allow us to execute on strategic acquisitions similar to the Canadian North transaction," continued Mr. Pyle. "We take great pride in our balance sheet management and our prudent level of leverage. We will never overlook its importance as it helps us achieve our purpose as a company.

Lastly, we crossed an important milestone at the end of 2024 by paying out over $1 billion of cumulative dividends to our shareholders since the inception of the Company. The milestone is a testament to our business model and our subsidiaries and management teams within those subsidiaries. A core tenet of our business model was to pay a stable and growing dividend to our shareholders and by all metrics we have been successful in that regard over the past 20 years. This was achieved through a disciplined acquisition and organic growth strategy. We are a very efficient investor of capital through our subsidiaries and we help them grow while retaining the culture that made them so successful prior to their acquisition by EIC. I wanted to say thank you to our management teams and our shareholders for the past 20 years and I am even more bullish about the next 20."

Exchange Income Corporation

Selected Financial Highlights
(All amounts in thousands except % and share data)

	FY 2024	FY 2023	% Change	Q4 2024	Q4 2023	% Change
Revenue	$2,659,895	$2,498,415	6%	$687,695	$656,676	5%
Adjusted EBITDA	$628,064	$555,525	13%	$167,054	$143,621	16%
Net Earnings	$121,235	$122,307	(1%)	$28,174	$29,027	(3%)
per share (basic)	$2.55	$2.72	(6%)	$0.58	$0.62	(6%)
Adjusted Net Earnings	$147,348	$144,051	2%	$38,740	$33,768	15%
per share (basic)	$3.10	$3.20	(3%)	$0.80	$0.72	11%
Trailing Twelve Month Adjusted Net Earnings Payout Ratio (basic)	85%	80%				
Free Cash Flow	$409,155	$377,118	8%	$110,606	$102,265	8%
per share (basic)	$8.60	$8.39	3%	$2.30	$2.17	6%
Free Cash Flow less Maintenance Capital Expenditures	$199,266	$201,827	(1%)	$43,150	$49,971	(14%)
per share (basic)	$4.19	$4.49	(7%)	$0.90	$1.06	(16%)
Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio (basic)	63%	57%				
Dividends declared	$125,888	$114,588	10%	$32,039	$30,605	5%

Review of 2024 Financial Results
Consolidated revenue for the year was $2.7 billion, which was an increase of $161 million or 6% over 2023. Consolidated Adjusted EBITDA for the year was $628 million, which was an increase of $73 million or 13% compared to last year.

Revenue in the Aerospace & Aviation segment grew by $146 million or 10% to $1.6 billion and Adjusted EBITDA generated by the Aerospace & Aviation segment increased by $110 million to $524 million, an increase of 26%. The most significant increases in revenue and profitability were related to increased passenger traffic and expanded routes along the East Coast, including those being operated on behalf of Air Canada, along with revenue and profitability related to the medevac contracts in British Columbia, Manitoba and enhanced pricing for Nunavut. The Aerospace business line continued to experience high tempo flying amongst various contracts but revenues and, to a lesser extent, profitability were impacted by the planned transition between contracts at the training business and the scope reduction of a performance-based logistics contract. The Aircraft Sales & Leasing business line demonstrated continued linear improvements in the leasing business along with strong demand for its parts, aircraft and engines.

Revenue in the Manufacturing segment increased by $15 million or 2% to $1.0 billion and Adjusted EBITDA decreased by $28 million or 15% to $153 million. The increases in revenue were primarily driven by the Multi-Storey Windows Solutions business line as the acquisition of BVGlazing on May 1, 2023 contributed for a full year in 2024. The profitability of the Multi-Storey Windows Solutions business line declined due to project delays, production inefficiencies and costs incurred to integrate the businesses including a planned streamlining in the manufacturing footprint. The project delays were primarily driven by the macroeconomic uncertainty associated with high interest rates which caused developers to delay or defer projects. However, as previously communicated, we started to see a significant trend in increased bookings and resultant increases in the backlog in the latter half of the year and continuing into 2025. Those projects will positively impact the profitability of the business line in 2026/2027 as those projects are manufactured and installed. Our Environmental Access Solutions business line revenue and profitability declined as the first and second quarters of 2023 comparatives included an abnormal number of long linear projects which inflated comparative revenue and profitability. The acquisitions of Duhamel and Spartan were highly strategic and met or exceeded their planned acquisition metrics. Our Precision Manufacturing & Engineering business line revenues were comparable to the prior year while we experienced a reduction in profitability due to changes in sales mix and customer deferrals due to uncertainty over the US election. We continued to see strong inquiries and in the fourth quarter we noted that those bookings were being converted into firm orders.

EIC recorded Net Earnings of $121 million compared to $122 million in the prior year. Furthermore, EIC recorded Adjusted Net Earnings of $147 million compared to $144 million in the prior year.

The Corporation generated Free Cash Flow of $409 million, a $32 million increase over $377 million in the prior year primarily due to the year's higher Adjusted EBITDA partially offset by an increase in interest expense and current taxes. Free Cash Flow less Maintenance Capital Expenditures was $199 million in 2024 compared to $202 million in 2023. The increase in Adjusted EBITDA was offset by an increase in Maintenance Capital Expenditures, especially in the fourth quarter, due to the timing of maintenance events coupled with an increase in fleet size, hours flown and inflationary pressures on maintenance events. The Corporation's Trailing Twelve-Month Free Cash Flow less Maintenance Capital Expenditures payout ratio is 63% for the year compared to the prior year of 57%.

"The past number of years demonstrated the resiliency of our business model and the importance of the diversification amongst and within our business lines," noted Richard Wowryk, Chief Financial Officer. "We have invested significant Growth Capital Expenditures[1] into our businesses, and we are seeing the fruits of those investments in our financial results in 2024. Investing in our existing businesses and executing on acquisitions such as Canadian North and Spartan requires us to maintain a strong balance sheet.

During 2024, we continued to fortify our balance sheet through several important steps. Firstly, we amended, extended and increased the size of our credit facility. As part of the credit facility we negotiated a new 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. This social loan was one of Canada's first syndicated social loan facilities in Canada. Secondly, we called our Series J and K unsecured convertible debentures in December 2024 and February 2025. This resulted in a reduction in our overall leverage of approximately $150 million. The convertible debentures were an effective financing source in the past, however we anticipate transitioning to more conventional forms of financing to fund our future growth. As a result of calling the Series J and K unsecured convertible debentures, the earliest maturity of long-term debt will be our credit facility in 2028. Lastly, we continue to actively manage our investment in working capital to ensure that we maintain sufficient liquidity to execute on strategic growth initiatives."

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

Review of Q4 Financial Results

Revenue generated by the Corporation during the fourth quarter was $688 million, an increase of $31 million or 5% over the comparative period. Revenue in the Aerospace & Aviation segment increased by $30 million while revenue in the Manufacturing segment increased by $1 million. The reasons for the increases during the quarter are largely consistent with the drivers for the annual increases with continued strength in the Aircraft Sales & Leasing business line as lease revenues continued to accelerate and the completion of certain large asset sales relative the prior period comparative.

Adjusted EBITDA generated by the Corporation during the fourth quarter was $167 million compared to $144 million in the fourth quarter of 2023, an increase $23 million or 16%. Adjusted EBITDA in the Aerospace & Aviation segment was up $31 million to $140 million compared to the prior period while Adjusted EBITDA in the Manufacturing segment decreased by $6 million to $40 million. The Adjusted EBITDA increase in the Aerospace & Aviation segment was accelerated in comparison to the revenue increase due to continued strengthening in the Essential Air Services business line from previous investments in fleet, improvements in yields and the effect of increased pricing on medevac contracts. The Adjusted EBITDA decline associated with the Manufacturing segment pertained to changes in product mix within the various business lines coupled with customer purchasing decision deferrals due to the geopolitical uncertainty associated with the US election. The business lines continued to see strong inquiries and bookings during the quarter, and noted an improvement in financial performance after the US election results were announced.

Outlook

Mr. Pyle concluded by saying, “We confirm our guidance for 2025 with an Adjusted EBITDA range of $690 million to $730 million, which is an increase of between 10% and 16% from our 2024 results, based on our existing portfolio of subsidiaries as of December 31, 2024 and excluding any acquisitions executed after year end. For greater clarity, the guidance excludes Canadian North as the regulatory approval process makes the date of closing difficult to accurately predict. The strategies and investments required to deliver these results have already been put in place. All that remains is for our exceptional operational teams to execute on them, consistent with our track record for the past 20 years.”

EIC’s complete annual financial statements and management’s discussion and analysis for the three and twelve month period ended December 31, 2024 can be found at www.ExchangeIncomeCorp.ca or at www.sedarplus.ca.

Conference Call Notice

Management will hold a conference call to discuss its 2024 fourth quarter financial results on Thursday, February 27, 2025 at 8:30am ET. To join the conference call, dial 1-800-717-1738 or 1-289-514-5100 (International). Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until March 6, 2025 at midnight. To access the archived conference call, please dial 1-888-660-6264 or 1-289-819-1325 (International) and enter the encore code 82232#.

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

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

Caution concerning forward-looking statements

The statements contained in this news release that are forward-looking are based on current expectations and are subject to a number of uncertainties and risks, and actual results may differ materially. Many of these forward-looking statements may be identified by looking for words such as "believes", "expects", "will", "may", "intends", "projects", "anticipates", "plans", "estimates", "continues" and similar words or the negative thereof. These uncertainties and risks include, but are not limited to, external risks, operational risks, financial risks and human capital risks. External risks include, but are not limited to, risks associated with economic and geopolitical conditions, competition, government funding for Indigenous health care, access to capital, market trends and innovation, general uninsured loss, climate, acts of terrorism, armed conflict, labour and/or social unrest, pandemic, level and timing of government spending, government-funded programs and environmental, social and governance. Operational risks include, but are not limited to, significant contracts and customers, operational performance and growth, laws, regulations and standards, acquisitions (including receiving any requisite regulatory approvals thereof), concentration and diversification, maintenance costs, access to parts and relationships with key suppliers, casualty losses, environmental liability, dependence on information systems and technology, cybersecurity, international operations, fluctuations in sales prices of aviation related assets, fluctuations in purchase prices of aviation related assets, warranty, performance guarantees, global offset and intellectual property risks. Financial risks include, but are not limited to, availability of future financing, income tax matters, commodity risk, foreign exchange, interest rates, credit facility and the trust indentures, dividends, unpredictability and volatility of securities pricing, dilution and other credit risk. Human capital risks include, but are not limited to, reliance on key personnel, employees and labour relations and conflicts of interest.

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

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Appendix A

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

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

	Three Months December 31, 2024	Three Months, December 31, 2023	Year Ended, December 31, 2024	Year Ended, December 31, 2023
Adjusted EBITDA	$ 167,054	$ 143,621	$ 628,064	$ 555,525
Depreciation of capital assets	66,040	56,846	247,846	208,492
Amortization of intangible assets	5,801	4,377	22,510	20,244
Finance costs - interest	34,005	29,177	129,748	112,316
Depreciation of right of use assets	10,390	9,824	40,059	37,091
Interest expense on right of use liabilities	2,037	2,065	8,113	7,471
Acquisition costs	2,762	2,170	6,860	7,769
Restructuring	4,944	-	4,944	-
Other	-	-	-	(951)
Earnings before taxes	$ 41,075	$ 39,162	$ 167,984	$ 163,093

Adjusted Net Earnings: is defined as Net Earnings adjusted for acquisition costs, amortization of intangible assets, interest accretion on acquisition contingent consideration, accelerated interest accretion on convertible debentures, and non-recurring items, such as restructuring costs. Adjusted Net Earnings is a performance measure, along with Free Cash Flow less Maintenance Capital Expenditures, which the Corporation uses to assess cash flow available for distribution to shareholders. The most comparable IFRS measure is Net Earnings. Interest accretion on contingent consideration is recorded in the period subsequent to an acquisition after the expected payment to the vendors is discounted. The value recorded on acquisition is accreted to the expected payment over the earn out period. Accelerated interest accretion on convertible debentures reflects the additional interest accretion recorded in a period that, but for the action to early redeem the debenture series, would have been recorded over the remaining term to maturity. This interest reflects the difference in the book value of the convertible debentures and the par value outstanding.

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

Adjusted Net Earnings	Year Ended December 31,	2024	2023
Net Earnings		$ 121,235	$ 122,307
Acquisition costs (net of tax of $1,092 and $904)		5,768	6,865
Amortization of intangible assets (net of tax of $5,965 and $5,365)		16,545	14,879
Restructuring (net of tax of $1,335 and $nil)		3,609	-
Accelerated interest accretion on redeemed debentures (net of tax of $71 and $nil)		191	-
		$ 147,348	$ 144,051

Adjusted Net Earnings	Three Months Ended December 31,	2024	2023
Net Earnings		**$ 28,174**	$ 29,027
Acquisition costs (net of tax $260 and $646)		**2,502**	1,524
Amortization of intangible assets (net of tax $1,537 and $1,160)		**4,264**	3,217
Restructuring (net of tax, $1,335 and $nil)		**3,609**	-
Accelerated interest accretion on redeemed debentures (net of tax of $71 and $nil)		**191**	-
		$ 38,740	$ 33,768

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

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

FREE CASH FLOW	Year Ended December 31,	2024	2023
Cash flows from operations		**$ 357,008**	$ 353,226
Change in non-cash working capital		**81,787**	52,555
Acquisition costs (net of tax of $1,092 and $904)		**5,768**	6,865
Principal payments on right of use lease liabilities		**(39,017)**	(35,528)
Restructuring (net of tax of $1,335 and $nil)		**3,609**	-
		$ 409,155	$ 377,118

FREE CASH FLOW	Three Months Ended December 31	2024	2023
Cash flows from operations		**$ 140,531**	$ 169,757
Change in non-cash working capital items		**(25,720)**	(59,945)
Acquisition costs (net of tax of $260 and $646)		**2,502**	1,524
Principal payments on right of use lease liabilities		**(10,316)**	(9,071)
Restructuring (net of tax, $1,335 and $nil)		**3,609**	-
		$ 110,606	$ 102,265

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

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

Maintenance and Growth Capital Expenditures: Maintenance Capital Expenditures is defined as the capital expenditures made by the Corporation to maintain the operations of the Corporation at its current level, and, prior to the onset of COVID-19, depreciation recorded on assets in the Corporation's aircraft leasing pool. Other capital expenditures are classified as Growth Capital Expenditures as they will generate new cash flows and are not considered by management in determining the cash flows required to sustain the current operations of the Corporation. While there is no comparable IFRS measure for Maintenance Capital Expenditures or Growth Capital Expenditures, the total of Maintenance Capital Expenditures and Growth Capital Expenditures is equivalent to the total of capital asset and intangible asset purchases, net of disposals, on the Statement of Cash Flows.

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

	Year Ended December 31, 2023			
CAPITAL EXPENDITURES	Aerospace & Aviation	Manufacturing	Head Office	Total
Maintenance Capital Expenditures	$ 148,705	$ 26,063	$ 523	$ 175,291
Growth Capital Expenditures	279,388	23,656	-	303,044
Total Net Capital Asset and Intangible Purchases, per Statement of Cash Flows	$ 428,093	$ 49,719	$ 523	$ 478,335

Investors are cautioned that Adjusted EBITDA, Adjusted Net Earnings, Free Cash Flow, and Maintenance Capital Expenditures and Growth Capital Expenditures should not be viewed as an alternative to measures that are recognized under IFRS such as Net Earnings or cash from operating activities. The Corporation's method of calculating Adjusted EBITDA, Adjusted Net Earnings, Free Cash Flow, and Maintenance Capital Expenditures and Growth Capital Expenditures may differ from that of other entities and therefore may not be comparable to measures utilized by them. For additional information on the Corporation's Non-IFRS measures, refer to Section – Dividends and Payout Ratios and Section 12 – Non-IFRS Financial Measures and Glossary of the Corporation's MD&A, which is available on SEDAR+ at www.sedarplus.ca.

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