



FOR IMMEDIATE RELEASE VIA THE CANADIAN CUSTOM DISCLOSURE NETWORK

NEWS RELEASE

MAGELLAN AEROSPACE CORPORATION ANNOUNCES FINANCIAL RESULTS

Toronto, Ontario – May 11, 2026 – Magellan Aerospace Corporation (“Magellan” or the “Corporation”) released its financial results for the first quarter of 2026. All amounts are expressed in Canadian dollars unless otherwise indicated. The results are summarized as follows:

	Three month period ended March 31		
	2026	2025	Change
Expressed in thousands of Canadian dollars, except per share amounts			
Revenues	285,102	260,898	9.3%
Gross Profit	40,613	33,732	20.4%
Net Income	16,475	10,827	52.2%
Net Income per Share	0.29	0.19	52.6%
Adjusted EBITDA	36,933	27,283	35.4%
Adjusted EBITDA per Share	0.65	0.48	35.4%

This news release contains certain forward-looking statements that reflect the current views and/or expectations of the Corporation with respect to its performance, business and future events. Such statements are subject to a number of risks, uncertainties and assumptions, which may cause actual results to be materially different from those expressed or implied. The Corporation assumes no future obligation to update these forward-looking statements except as required by law.

This news release presents certain non-IFRS financial measures to assist readers in understanding the Corporation's performance. Non-IFRS financial measures are measures that either exclude or include amounts that are not excluded or included in the most directly comparable measures calculated and presented in accordance with Generally Accepted Accounting Principles (“GAAP”). Throughout this news release, reference is made to EBITDA (defined as earnings before interest, income taxes, depreciation and amortization) and Adjusted EBITDA (defined as earnings before interest, income taxes, depreciation and amortization, and non-operational items related to former sites of subsidiary companies) which the Corporation considers to be indicative measures of operating performance and metrics to evaluate profitability. EBITDA and Adjusted EBITDA are not generally accepted earnings measures and should not be considered as an alternative to net income (loss) or cash flows as determined in accordance with IFRS. As there is no standardized method of calculating this measure, the Corporation's EBITDA and Adjusted EBITDA may not be directly comparable with similarly titled measures used by other companies.

1. Overview

A summary of Magellan's business and significant updates

Magellan is a diversified supplier of components to the aerospace industry. Through its wholly owned subsidiaries, controlled entity and joint venture, Magellan designs, engineers and manufactures aeroengine and aerostructure components for aerospace markets, including advanced products for defence and space markets, and complementary specialty products. The Corporation also supports the aftermarket through supply of spare parts as well as performing repair and overhaul services.

Magellan operates substantially all of its activities in one reportable segment, Aerospace, which is viewed as one segment by the chief operating decision-makers for the purpose of resource allocations, assessing performance and strategic planning. The Aerospace segment includes the design, development, manufacture, repair and overhaul, and sale of systems and components for defence and civil aviation.

In the first three months of 2026, 62.2% of revenues were derived from commercial markets while 37.8% of revenues related to defence markets.

Business Update

On February 12, 2026, Magellan announced the signing of a Teaming Agreement with Thyssenkrupp Marine Systems ("TKMS") to support heavyweight torpedo production and in-service support for the Canadian Patrol Submarine Project. The collaboration aims to build sustainable, high-value industrial capabilities in Canada by combining TKMS's global defence expertise with Magellan's experience in complex fabrication, manufacturing, and assembly.

For additional information, please refer to the "Management's Discussion and Analysis" section of the Corporation's 2025 Annual Report available on www.sedarplus.ca.

2. Results of Operations

A discussion of Magellan's operating results for the first quarter ended March 31, 2026

The Corporation reported revenue in the first quarter of 2026 of \$285.1 million, a \$24.2 million or 9.3% increase from the first quarter of 2025 revenue of \$260.9 million. Gross profit and net income for the first quarter of 2026 were \$40.6 million and \$16.5 million, respectively, in comparison to gross profit of \$33.7 million and net income of \$10.8 million for the first quarter of 2025.

Consolidated Revenue

Expressed in thousands of dollars	Three month period ended March 31		
	2026	2025	Change
Canada	108,188	105,375	2.7%
United States	79,874	75,033	6.5%
Europe	97,040	80,490	20.6%
Total revenues	285,102	260,898	9.3%

Revenues in Canada increased 2.7% in the first quarter of 2026 compared to the corresponding period in 2025, primarily due to higher casting product and engine part revenues offset in part by lower propulsion product revenues.

Revenues in the United States increased 6.5% in the first quarter of 2026 compared to the first quarter of 2025, mainly due to higher narrow body and wide body aircraft part revenues, offset in part by lower engine shaft revenues and unfavourable foreign exchange impacts due to the weakening of the United States dollar relative to the Canadian dollar. On a currency neutral basis, revenues in the United States increased by 11.4% in the first quarter of 2026 over the same period in 2025.

European revenues in the first quarter of 2026 increased 20.6% compared to the corresponding period in 2025 primarily driven by higher revenues for narrow body and wide body aircraft parts, higher maintenance, repair and overhaul ("MRO") revenues and favourable foreign exchange impacts due to the strengthening of the British Pound relative to the Canadian dollar. On a currency neutral basis, revenues in Europe increased by 17.4% in the first quarter of 2026 over the same period in 2025.

Gross Profit

		Three month period ended March 31	
Expressed in thousands of dollars	2026	2025	Change
Gross profit	40,613	33,732	20.4%
Percentage of revenues	14.2%	12.9%	

Gross profit of \$40.6 million for the first quarter of 2026 was \$6.9 million higher than the \$33.7 million gross profit for the first quarter of 2025, and gross profit as a percentage of revenues of 14.2% for the first quarter of 2026 increased from the 12.9% recorded in the same period in 2025. The gross profit in the current quarter increased from the same quarter in the prior year as a result of volume and price increases and favourable product mix, offset in part by price increases on purchased materials and supplies.

Administrative and General Expenses

		Three month period ended March 31	
Expressed in thousands of dollars	2026	2025	Change
Administrative and general expenses	17,377	15,229	14.1%
Percentage of revenues	6.1%	5.8%	

Administrative and general expenses as a percentage of revenues of 6.1% for the first quarter of 2026 were higher on a nominal basis than the same period of 2025, and were also higher as a percentage of revenues. Administrative and general expenses increased \$2.2 million or 14.1% to \$17.4 million in the first quarter of 2026 compared to \$15.2 million in the first quarter of 2025 mainly due to higher salary and benefit costs, including long-term incentive bonuses and increased information technology spending.

Other Expense

		Three month period ended March 31	
Expressed in thousands of dollars	2026	2025	
Foreign exchange (gain) loss	(2,194)	2,933	
Loss on disposal of property, plant and equipment	241	—	
Other	3,155	—	
Total other expense	1,202	2,933	

Other expense for the first quarter of 2026 included a \$2.2 million foreign exchange gain compared to a \$2.9 million foreign exchange loss in the first quarter of the prior year. The movements in balances denominated in foreign currencies and the fluctuations of the foreign exchange rates impact the net foreign exchange gain or loss recorded in a quarter.

Other expense in the first quarter of 2026 also included \$3.2 million of costs mainly related to legal defence costs of subsidiaries of the Corporation surrounding environmental claims and orders for former sites of such subsidiary companies, compared to a Nil amount in the first quarter of the prior year. Refer to the "Legal Proceedings and Environmental Orders" section under Liquidity and Capital Resources for more information.

Interest Expense

		Three month period ended March 31	
Expressed in thousands of dollars	2026	2025	
Interest (income) on cash, bank indebtedness and long-term debt	(64)	(143)	
Accretion charge on long-term debt and borrowings	198	207	
Accretion charge for lease liabilities	441	455	
Discount on sale of accounts receivable	59	57	
Total interest expense	634	576	

Total interest expense of \$0.6 million in the first quarter of 2026 was slightly higher compared to the first quarter of 2025 mainly due to lower net interest income on cash, bank indebtedness and long-term debt.

Provision for Income Taxes

	Three month period ended March 31	
	2026	2025
Expressed in thousands of dollars		
Current income tax expense	5,918	5,508
Deferred income tax recovery	(993)	(1,341)
Total income tax expense	4,925	4,167
Effective tax rate	23.0%	27.8%

Income tax expense for the three months ended March 31, 2026 was \$4.9 million, representing an effective income tax rate of 23.0%, compared to 27.8% for the same period of 2025. The change in effective tax rate and current and deferred income tax expenses year over year was primarily due to the change in mix of income and loss across the different jurisdictions in which the Corporation operates and the reversal of temporary differences.

3. Selected Quarterly Financial Information

A summary view of Magellan's quarterly financial performance

	2026				2025			
Expressed in millions of dollars, except per share amounts	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenues	285.1	278.3	255.7	249.8	260.9	240.7	223.5	242.9
Income before taxes	21.4	13.0	17.4	8.7	15.0	19.4	9.3	9.9
Net income	16.5	10.5	12.7	5.4	10.8	15.9	5.8	7.5
Net income per share								
Basic and diluted	0.29	0.19	0.22	0.09	0.19	0.28	0.10	0.13
EBITDA ¹	33.8	25.4	29.8	21.1	27.3	31.6	21.5	21.9
Adjusted EBITDA ¹	36.9	38.9	29.8	21.1	27.3	32.4	21.5	22.7

¹ Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare our financial statements and might not be comparable to similar financial measures used by other issuers. Please see Section 4 the "Reconciliation of Net Income to EBITDA and Adjusted EBITDA" for more information.

Revenues and net income in the quarter were impacted by the movements of the Canadian dollar relative to the United States dollar and British pound, when the Corporation translates its foreign operations to Canadian dollars. Further, the movements in the United States dollar relative to the British pound impact the Corporation's United States dollar exposures in its European operations. During the periods reported, the average quarterly exchange rate of the United States dollar relative to the Canadian dollar fluctuated between a high of 1.4350 in the first quarter of 2025 and a low of 1.3637 in the third quarter of 2024. The average quarterly exchange rate of the British pound relative to the Canadian dollar reached a high of 1.8573 in the third quarter of 2025 and hit a low of 1.7272 in the second quarter of 2024. The average quarterly exchange rate of the British pound relative to the United States dollar reached a high of 1.3483 in the third quarter of 2025 and hit a low of 1.2600 in the first quarter of 2025.

Revenue for the first quarter of 2026 of \$285.1 million was higher than that in the first quarter of 2025. The average quarterly exchange rate of the United States dollar relative to the Canadian dollar in the first quarter of 2026 was 1.3715 versus 1.4350 in the same period of 2025. The average quarterly exchange rate of the British pound relative to the Canadian dollar moved from 1.8081 in the first quarter of 2025 to 1.8490 during the current quarter. The average quarterly exchange rate of the British pound relative to the United States dollar increased from 1.2600 in the first quarter of 2025 to 1.3482 in the current quarter.

Since the second quarter of 2024, the Company has seen a general, but uneven, growth trend in quarterly revenues.

4. Reconciliation of Net Income to EBITDA and Adjusted EBITDA

A description and reconciliation of certain non-IFRS measures used by management

In addition to the primary measures of earnings and earnings per share (basic and diluted) in accordance with IFRS, the Corporation includes EBITDA (net income before interest, income taxes and depreciation and amortization) and Adjusted EBITDA (earnings before interest, income taxes, depreciation and amortization, and non-operational items related to former sites of subsidiary companies) in this news release.

The Corporation has provided these measures because it believes this information is used by certain investors to assess financial performance and that EBITDA and Adjusted EBITDA are useful supplemental measures as they provide an indication of the results generated by the Corporation's principal business activities prior to consideration of how these activities are financed and how the results are taxed in the various jurisdictions. Each component of these measures is calculated in accordance with IFRS, but EBITDA and Adjusted EBITDA are not recognized measures under IFRS, and the Corporation's method of calculation may not be comparable with that of other companies. Accordingly, EBITDA and Adjusted EBITDA should not be used as an alternative to net income as determined in accordance with IFRS or as an alternative to cash provided by or used in operations.

	Three month period ended March 31	
	2026	2025
Expressed in thousands of dollars		
Income before interest and income taxes	22,034	15,570
Add: Depreciation and amortization	11,744	11,713
EBITDA	33,778	27,283
Add: Non-operational items related to former sites of subsidiary companies	3,155	—
Adjusted EBITDA	36,933	27,283

Adjusted EBITDA in the first quarter of 2026 increased \$9.6 million or 35.4% to \$36.9 million in comparison to \$27.3 million in the same quarter of 2025 mainly as a result of gross margin improvements and higher foreign exchange income movements offset in part by higher administrative and general expenses.

5. Liquidity and Capital Resources

A discussion of Magellan's cash flow, liquidity, credit facilities and other disclosures

The Corporation's liquidity needs can be met through a variety of sources including cash on hand, cash provided by operations, short-term borrowings from its credit facility and accounts receivable securitization program, and long-term debt and equity capacity. Principal uses of cash are for operational requirements, capital expenditures, common share repurchases and dividend payments. Based on current funds available and expected cash flow from operating activities, management believes that the Corporation has sufficient funds available to meet its liquidity requirements at any point in time. However, if cash from operating activities is lower than expected or capital projects exceed current estimates, or if the Corporation incurs major unanticipated expenses, it may be required to seek additional capital in the form of debt or equity or a combination of both.

Cash Flow from Operations

	Three month period ended March 31	
	2026	2025
Expressed in thousands of dollars		
Increase in trade and other receivables	(40,327)	(25,104)
(Increase) decrease in contract assets	(11,533)	8,461
Increase in inventories	(9,569)	(6,367)
Increase in prepaid expenses and other	(11,570)	(361)
Increase in accounts payable, accrued liabilities and provisions	46,428	19,098
(Decrease) increase in contract liabilities	(3,715)	3,579
Changes to non-cash working capital balances	(30,286)	(694)
Cash (used in) provided by operating activities	(1,825)	21,309

For the three months ended March 31, 2026, operating activities used \$1.8 million of cash compared to providing cash of \$21.3 million in the first quarter of 2025. Changes in non-cash working capital items used cash of \$30.3 million, \$29.6 million higher when compared to the cash used from working capital of \$0.7 million in the prior year. This working capital decrease is largely attributable to increases in accounts receivables from timing of customer payments, increases in contract assets due to higher in-process unbilled work, increases in prepaid expenses and other due to timing of vendor deposits and decreases in contract liabilities due to timing of customer deposits. These increases were offset in part by increases in accounts payable, accrued liabilities and provisions primarily driven by timing of material purchases and supplier payments.



Cash Flow from Investing Activities

	Three month period ended March 31	
Expressed in thousands of dollars	2026	2025
Purchase of property, plant and equipment	(14,316)	(12,498)
Increase in intangible assets	(1,143)	(744)
Cash used in investing activities	(15,459)	(13,242)

Investing activities used \$15.5 million of cash in the first quarter of 2026 compared to \$13.2 million of cash used in the same quarter of the prior year, an increase of \$2.3 million. The increase in cash usage was primarily due to higher levels of investment in property, plant and equipment.

Cash Flow from Financing Activities

	Three month period ended March 31	
Expressed in thousands of dollars	2026	2025
Increase (decrease) in bank indebtedness	2,487	(4,533)
Increase in long-term debt	8,000	—
Lease liability payments	(1,773)	(1,664)
Decrease in borrowings subject to specific conditions, net	(1,454)	(1,391)
Common share repurchases	—	(4)
Common share dividends	(2,854)	(1,428)
Cash provided by (used in) financing activities	4,406	(9,020)

Financing activities provided \$4.4 million of cash in the first quarter of 2026 compared to \$9.0 million of cash used in the same quarter of the prior year. The increase in cash provided by financing activities was primarily driven by increases in bank indebtedness and increases in long-term debt.

Financing Matters

On June 24, 2025, the Corporation extended its 2023 Credit Facility with a syndicate of lenders for an additional two-year period expiring on June 30, 2027. The 2025 Credit Facility provides for a multi-currency global operating credit facility to be available to the Corporation in a maximum aggregate amount of \$75 million. Interest applicable to the facility is at adjusted term Canadian Overnight Repo Rate Average (“CORRA”) rates or adjusted term Secured Overnight Financing (“SOFR”) rates plus a spread of 1.00%. The facility also includes a \$75 million uncommitted accordion provision, which provides the Corporation with the option to increase the size of the operating credit facility to \$150 million. Extensions of the 2025 Credit Facility are subject to mutual consent of the syndicate of lenders and the Corporation. A fixed and floating charge on accounts receivable, inventories and property, plant and equipment are pledged as collateral for the operating credit facility.

In March 2026, the Corporation received an \$8,000 interest free government loan which is repayable over a five year period commencing in 2029 and is conditional on the achievement of certain terms in the agreement. The fair value of the loan was determined by discounting the expected future cash flows using a current rate for debt with similar terms and maturities. The difference between the fair value of the loan and the cash received has been recorded as a reduction in property, plant and equipment.

Legal Proceedings and Environmental Orders

A subsidiary of the Corporation is a defendant in a legal action related to the environmental remediation of a former operating site in Torrance, California. In the first quarter of 2026, the trial commenced and arguments by the plaintiff and the defendants were presented. At this time, management cannot predict with certainty the extent of the subsidiary’s liability, if any, the total costs of remediation, the subsidiary’s share of the total cost, the extent to which contributions will be available from other parties, the amount of time necessary to complete the remediation or the insurance coverage available to it.

Commitments

As at March 31, 2026, the Corporation had contractual commitments to purchase \$20.0 million of capital assets.

Dividends

During the first quarter of 2026, the Corporation declared a quarterly cash dividend of \$0.05 per common share and paid dividends of \$2.9 million.

Subsequent to March 31, 2026, the Corporation announced that its Board of Directors had declared a quarterly cash dividend on its common shares of \$0.05 per common share. The dividend will be payable on June 30, 2026 to shareholders of record

at the close of business on June 16, 2026. The Board of Directors of the Corporation continues to review its dividends on a quarterly basis to ensure that the dividend declared balances the return of capital to shareholders while maintaining adequate financial flexibility and funds available for growth initiatives.

Normal Course Issuer Bid

On June 11, 2025, the Corporation extended its previous normal course issuer bid ("2025 NCIB"). The 2025 NCIB allows the Corporation to purchase up to 2,856,929 common shares, over a 12-month period commencing June 13, 2025, and ending June 12, 2026.

During the first quarter of 2026, the Corporation did not purchase any common shares for cancellation. During the same period in the prior year, the Corporation purchased 400 common shares for cancellation at a cost of \$4 thousand.

Outstanding Share Information

The authorized capital of the Corporation consists of an unlimited number of preference shares, issuable in series, and an unlimited number of common shares. As at May 8, 2026, 57,079,054 common shares were outstanding and no preference shares were outstanding.

6. Risk Factors

A summary of risks and uncertainties facing Magellan

The Corporation manages a number of risks in each of its businesses in order to achieve an acceptable level of risk without hindering the ability to maximize returns. Management has procedures to help identify and manage significant operational and financial risks.

For more information in relation to the risks inherent in Magellan's business, reference is made to the information under "Risk Factors" in the Corporation's Management's Discussion and Analysis for the year ended December 31, 2025 and to the information under "Risks Inherent in Magellan's Business" in the Corporation's Annual Information Form for the year ended December 31, 2025, which have been filed with SEDAR at www.sedarplus.ca.

7. Outlook

The outlook for Magellan's business in 2026

Commercial Aerospace Market

The industry outlook continues to be cautiously optimistic based on aircraft deliveries from Airbus and Boeing. The following commercial aircraft orders, backlog and delivery data was extracted from Forecast International's ("FI") Flight Plan publication dated April 22, 2026 and verified with Airbus and Boeing official first quarter 2026 delivery announcements.

Boeing's gross order intake for the first quarter of 2026 was 161 aircraft of which 105 orders were for the 737 aircraft. This compares to gross orders of 408 aircraft for Airbus of which 336 of the aircraft orders were for the A320 family. The backlog at the end of the quarter was reported at 6,719 aircraft for Boeing and 9,031 aircraft for Airbus. The majority of the combined backlog of Boeing and Airbus of 15,750 aircraft is for narrowbody aircraft with the A220, A320, and 737 making up 12,718 aircraft of the total combined amount. Over 60% of the narrowbody backlog is with Airbus.

Deliveries in the first quarter of 2026 totaled 143 aircraft for Boeing and 114 aircraft for Airbus. While Airbus was able to deliver 60 aircraft in March, deliveries continue to be limited by the supply of engines.

Defence Aerospace Market

The defence market is expected to be positioned for sustained growth in 2026 and beyond in response to rising threat perceptions and geopolitical tensions. In a February 2026 article, BNN Bloomberg reported the rise in global defence spending is being seen as governments adapt to new deterrence strategies and modern warfare technologies with an increased focus on missile defence, autonomous systems and advanced defence technology.

The Government of Canada announced in early June 2025 a firm commitment of over \$9 billion in 2025-2026 funding to accelerate the achievement of the then North Atlantic Treaty Organization ("NATO") goal of 2% gross domestic product ("GDP") for defence, and subsequently announced a new defence spending goal of 5% GDP to be achieved by 2035. In a



March 26, 2026 news release, the Government of Canada announced that it has officially achieved the NATO defence spending target of 2% of GDP for its 2025–26 fiscal year.

Overall Aerospace Market Outlook

The overall positive outlook for demand in the commercial and defense aerospace markets is tempered by common challenges. Global supply chain vulnerabilities tied to raw materials and skilled labor shortages remain a concern in both the commercial and defence sections. Growing geopolitical security and tariff policy issues add to these concerns as these forces work by reducing the interconnectivity of the global supply chain in the aerospace markets.

As we move further into 2026, the industry outlook remains one of caution, in spite of all the demand related tailwinds. As military events in the Middle East continue, the potential to disrupt the aerospace industry through tightening jet fuel supplies, significant airspace closures and flight cancellations increases. It remains to be seen what magnitude these events will have on the aerospace industry as a whole, and on the broader global economy.

Additional Information

Additional information relating to Magellan Aerospace Corporation, including the Corporation's annual information form, can be found on the SEDAR web site at www.sedarplus.ca.

Forward Looking Statements

This news release contains certain forward-looking statements that reflect the current views and/or expectations of the Corporation with respect to its performance, business and future events. Such statements are subject to a number of uncertainties and assumptions, which may cause actual results to be materially different from those expressed or implied. These forward looking statements can be identified by the words such as "anticipate", "continue", "estimate", "forecast", "expect", "may", "project", "could", "plan", "intend", "should", "believe" and similar words suggesting future events or future performance. In particular there are forward looking statements contained under the heading "Overview" which outlines certain expectations for future operations. These statements assume the continuation of the current regulatory and legal environment; the continuation of trends for passenger airliner and defence production and are subject to the risks contained herein and outlined in our annual information form. The Corporation assumes no future obligation to update these forward-looking statements except as required by law.

For additional information contact:

Phillip C. Underwood
President & Chief Executive Officer
T: (905) 677-1889
E: phil.underwood@magellan.aero

Elena M. Milantoni
Chief Financial Officer
T: (905) 677-1889
E: elena.milantoni@magellan.aero

MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME

(unaudited) (expressed in thousands of Canadian dollars, except per share amounts)	Three month period ended March 31	
	2026	2025
Revenues	285,102	260,898
Cost of revenues	244,489	227,166
Gross profit	40,613	33,732
Administrative and general expenses	17,377	15,229
Other expense	1,202	2,933
Income before interest and income taxes	22,034	15,570
Interest expense	634	576
Income before income taxes	21,400	14,994
Income tax expense (recovery):		
Current	5,918	5,508
Deferred	(993)	(1,341)
	4,925	4,167
Net income	16,475	10,827
Other comprehensive income (loss):		
Items that may be reclassified to profit and loss in subsequent periods:		
Foreign currency translation	2,475	6,310
Unrealized gain on foreign currency contract hedges	-	490
Items not to be reclassified to profit and loss in subsequent periods:		
Actuarial income on defined benefit pension plans, net of tax	180	182
Comprehensive income	19,130	17,809
Net income per share		
Basic and diluted	0.29	0.19

MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (expressed in thousands of Canadian dollars)	March 31 2026	December 31 2025
Current assets		
Cash	51,268	64,047
Trade and other receivables	282,190	241,891
Contract assets	70,333	58,082
Inventories	290,225	278,769
Prepaid expenses and other	23,792	12,174
	717,808	654,963
Non-current assets		
Property, plant and equipment	390,968	386,026
Right-of-use assets	34,402	34,491
Investment properties	6,746	6,786
Intangible assets	35,641	35,710
Goodwill	23,740	23,507
Other assets	13,944	14,311
Deferred tax assets	9,891	10,032
	515,332	510,863
Total assets	1,233,140	1,165,826
Current liabilities		
Bank indebtedness	26,345	23,850
Accounts payable, accrued liabilities and provisions	205,364	157,005
Contract liabilities	42,381	46,095
Debt due within one year	11,774	11,216
	285,864	238,166
Non-current liabilities		
Long-term debt	6,275	—
Lease liabilities	29,316	29,631
Borrowings subject to specific conditions	22,409	23,911
Other long-term liabilities and provisions	17,074	17,324
Deferred tax liabilities	30,096	30,964
	105,170	101,830
Equity		
Share capital	249,500	249,500
Contributed surplus	2,044	2,044
Other paid in capital	13,565	13,565
Retained earnings	523,609	509,808
Accumulated other comprehensive income	50,011	47,536
Equity attributable to equity holders of the Corporation	838,729	822,453
Non-controlling interest	3,377	3,377
	842,106	825,830
Total liabilities and equity	1,233,140	1,165,826

MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (expressed in thousands of Canadian dollars)	Three month period ended March 31	
	2026	2025
Cash flow from operating activities		
Net income	16,475	10,827
Amortization/depreciation of intangible assets, right-of-use assets and property, plant and equipment	11,744	11,713
Loss on disposal of property, plant and equipment	241	—
Decrease in defined benefit plans	377	624
Accretion of financial liabilities	642	662
Deferred taxes	(993)	(1,342)
Income on investments in joint ventures	(266)	(282)
Changes to non-cash working capital	(30,286)	(694)
Decrease in other assets ¹	537	78
Decrease in long-term liabilities and provisions ¹	(296)	(277)
Net cash (used in) provided by operating activities ¹	(1,825)	21,309
Cash flow from investing activities		
Purchase of property, plant and equipment	(14,316)	(12,498)
Increase in intangible assets ¹	(1,143)	(744)
Net cash used in investing activities ¹	(15,459)	(13,242)
Cash flow from financing activities		
Increase (decrease) in bank indebtedness	2,487	(4,533)
Increase in long-term debt	8,000	—
Lease liability payments	(1,773)	(1,664)
Decrease in borrowings subject to specific conditions, net	(1,454)	(1,391)
Common share repurchases	—	(4)
Common share dividends	(2,854)	(1,428)
Net cash provided by (used in) financing activities ¹	4,406	(9,020)
Decrease in cash during the period	(12,878)	(953)
Cash at beginning of the period	64,047	56,437
Effect of exchange rate differences	99	61
Cash at end of the period	51,268	55,545

(1) Prior year amounts have been reclassified to conform to the change in 2026 presentation – refer to Note 2 in the interim condensed consolidated financial statements for the three month period ended March 31, 2026.