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NEWS RELEASE

MAGELLAN AEROSPACE CORPORATION ANNOUNCES FINANCIAL RESULTS

Toronto, Ontario – November 10, 2026 – Magellan Aerospace Corporation ("Magellan" or the "Corporation") released its financial results for the third quarter of 2026. All amounts are expressed in Canadian dollars unless otherwise indicated. The results are summarized as follows:

	Three month period ended September 30			Nine month period ended September 30		
Expressed in thousands of Canadian dollars, except per share amounts	**2026**	**2025**	**Change**	**2026**	**2025**	**Change**
Revenue	**300,622**	255,666	17.6%	**891,306**	766,357	16.3%
Gross Profit	**44,076**	32,620	35.1%	**131,830**	99,634	32.3%
Net Income	**19,975**	12,669	57.7%	**56,282**	28,861	95.0%
Net Income per Share	**0.35**	0.22	59.1%	**0.99**	0.51	94.1%
Adjusted EBITDA	**38,496**	29,754	29.4%	**118,409**	78,171	51.5%
Adjusted EBITDA per Share	**0.67**	0.52	28.8%	**2.07**	1.36	52.2%

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 net income before interest, income taxes, depreciation and amortization) and Adjusted EBITDA (defined as net income 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 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 nine months of 2026, 66.9% of revenues were derived from commercial markets while 33.1% of revenues related to defence markets.

Business Update

On October 27, 2026, Magellan announced the signing of a Memorandum of Understanding with Saab to explore local manufacturing of advanced aerostructures, composite structures and structural assemblies in Canada, should the Government of Canada select the Gripen to be part of the Royal Canadian Air Force's future fighter capability. Potential work packages include the production of complex structural units and composite wing skins, as well as engineering, industrialization and production activities related to external fuel tanks. The scope, responsibilities and allocation of any future work would be subject to further agreement between the companies and to Canada's procurement decision.

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 third quarter ended September 30, 2026

The Corporation reported revenue in the third quarter of 2026 of $300.6 million, a $44.9 million increase from third quarter of 2025 revenue of $255.7 million. Gross profit and net income for the third quarter of 2026 were $44.1 million and $20.0 million, respectively, in comparison to gross profit of $32.6 million and net income of $12.7 million for the third quarter of 2025.

Consolidated Revenue

	Three month period ended September 30			Nine month period ended September 30		
Expressed in thousands of dollars	**2026**	2025	Change	**2026**	2025	Change
Canada	**103,159**	95,691	7.8%	**327,193**	302,463	8.2%
United States	**98,453**	73,265	34.4%	**273,301**	220,050	24.2%
Europe	**99,010**	86,710	14.2%	**290,812**	243,844	19.3%
Total revenues	**300,622**	255,666	17.6%	**891,306**	766,357	16.3%

Revenue in Canada increased 7.8% in the third quarter of 2026 compared to the corresponding period in 2025, primarily due to higher casting product revenues.

Revenue in the United States increased by 34.4% in the third quarter of 2026 compared to the third quarter of 2025, largely due to increased aircraft engine shaft revenues, higher single aisle and wide body aircraft part revenues and favourable foreign exchange impacts due to the strengthening of the United States dollar relative to the Canadian dollar. On a currency neutral basis, revenues in the United States increased 32.3% in the third quarter of 2026 over the same period in 2025.

European revenue in the third quarter of 2026 increased 14.2% compared to the corresponding period in 2025 primarily driven by higher single aisle and wide body aircraft part revenues and net favourable transactional and translational foreign exchange impacts. On a currency neutral basis, European revenues in the third quarter of 2026 increased by 9.7% when compared to the same period in 2025.

MAGELLAN AEROSPACE

Gross Profit

	Three month period ended September 30			Nine month period ended September 30		
Expressed in thousands of dollars	**2026**	2025	Change	**2026**	2025	Change
Gross profit	**44,076**	32,620	35.1%	**131,830**	99,634	32.3%
Percentage of revenues	**14.7%**	12.8%		**14.8%**	13.0%	

Gross profit of $44.1 million for the third quarter of 2026 was $11.5 million higher than the $32.6 million gross profit for the third quarter of 2025, and gross profit as a percentage of revenues of 14.7% for the third quarter of 2026 increased from 12.8% 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 increases, 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 September 30			Nine month period ended September 30		
Expressed in thousands of dollars	**2026**	2025	Change	**2026**	2025	Change
Administrative and general expenses	**16,726**	16,391	2.0%	**52,857**	49,363	7.1%
Percentage of revenues	**5.6%**	6.4%		**5.9%**	6.4%	

Administrative and general expenses as a percentage of revenues was 5.6% for the third quarter of 2026, lower than the same period of 2025 percentage of revenues of 6.4%. Administrative and general expenses increased $0.3 million or 2.0% to $16.7 million in the third quarter of 2026 compared to $16.4 million in the third quarter of 2025 driven by higher salary and benefit costs and higher information technology spending offset in part by higher equity income from the Corporation's joint venture investment.

Other

	Three month period ended September 30		Nine month period ended September 30	
Expressed in thousands of dollars	**2026**	2025	**2026**	2025
Foreign exchange (gain) loss	**(17)**	(1,459)	**(4,508)**	7,820
Loss on disposal of property, plant and equipment	**568**	—	**720**	2
Other	**2,270**	7	**9,217**	7
Total Other	**2,821**	(1,452)	**5,429**	7,829

Other expense for the third quarter of 2026 included a negligible foreign exchange gain compared to a $1.5 million foreign exchange gain in the third quarter of the prior year. The movements in balances denominated in foreign currencies and the significant fluctuations of certain foreign exchange rates impact the net foreign exchange gain or loss recorded in a quarter.

Other expense in the third quarter of 2026 also included $2.3 million of costs mainly related to legal and administrative spending for Chapter 11 proceedings of the Corporation's subsidiary, Magellan Aerospace, Middletown, Inc. ("Middletown"). Refer to the "Legal Proceedings and Environmental Orders" and "Chapter 11 Proceedings" section under Liquidity and Capital Resources for more information.

Interest Expense

	Three month period ended September 30		Nine month period ended September 30	
Expressed in thousands of dollars	**2026**	2025	**2026**	2025
Interest paid (earned) on cash, bank indebtedness and long-term debt	**158**	(372)	**209**	(719)
Accretion charge on long-term debt and borrowings	**258**	197	**730**	582
Accretion charge for lease liabilities	**415**	422	**1,284**	1,318
Discount on sale of accounts receivable	**42**	42	**159**	162
Total interest expense	**873**	289	**2,382**	1,343

Total interest expense of $0.9 million in the third quarter of 2026 increased by $0.6 million compared to the third quarter of 2025, mainly due to higher net interest paid on cash, bank indebtedness and long-term debt balances.

Provision for Income Taxes

	Three month period ended September 30		Nine month period ended September 30	
Expressed in thousands of dollars	**2026**	2025	**2026**	2025
Current income tax expense	**4,816**	4,337	**18,418**	15,158
Deferred income tax (recovery) expense	**(1,135)**	386	**(3,538)**	(2,920)
Income tax expense	**3,681**	4,723	**14,880**	12,238
Effective tax rate	**15.6%**	27.2%	**20.9%**	29.8%

Income tax expense for the three months ended September 30, 2026 was $3.7 million, representing an effective income tax rate of 15.6% compared to 27.2% for the same period of 2025. The change in the effective tax rate and current and deferred income tax expense year over year was primarily due to the change in mix of income and losses 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	2024
Expressed in millions of dollars, except per share amounts	**Sep 30**	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31
Revenues	**300.6**	305.6	285.1	278.3	255.7	249.8	260.9	240.7
Income before taxes	**23.7**	26.1	21.4	13.0	17.4	8.7	15.0	19.4
Net income	**20.0**	19.8	16.5	10.5	12.7	5.4	10.8	15.9
Net income per share								
Basic and diluted	**0.35**	0.35	0.29	0.19	0.22	0.09	0.19	0.28
EBITDA[1]	**36.2**	39.2	33.8	25.4	29.8	21.1	27.3	31.6
Adjusted EBITDA[1]	**38.5**	43.0	36.9	38.9	29.8	21.1	27.3	32.4

[1] Non-GAAP financial measure. A non-GAAP financial measure is not a standardized financial measure under the financial reporting framework used to prepare the Corporation's 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 1.3715 in the first quarter of 2026. The average quarterly exchange rate of the British pound relative to the Canadian dollar reached a high of 1.8812 in the third quarter of 2026 and hit a low of 1.7922 in the fourth 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 third quarter of 2026 of $300.6 million was higher than that in the third quarter of 2025. The average quarterly exchange rate of the United States dollar relative to the Canadian dollar in the third quarter of 2026 was 1.3989 versus 1.3775 in the same period of 2025. The average quarterly exchange rate of the British pound relative to the Canadian dollar moved from 1.8573 in the third quarter of 2025 to 1.8812 during the current quarter. The average quarterly exchange rate of the British pound relative to the United States dollar decreased from 1.3483 in the third quarter of 2025 to 1.3448 in the current quarter. Had the foreign exchange rates remained at levels experienced in the third quarter of 2025, reported revenues in the third quarter of 2026 would have been lower by $4.2 million.

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

4. Reconciliation of Net Income to 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 (net income 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 September 30		Nine month period ended September 30	
Expressed in thousands of dollars	**2026**	2025	**2026**	2025
Income before interest and income taxes	**24,529**	17,681	**73,544**	42,442
Add back:				
Depreciation and amortization	**11,697**	12,073	**35,648**	35,729
EBITDA	**36,226**	29,754	**109,192**	78,171
Add: Non-operational items related to former sites of subsidiary companies	**2,270**	—	**9,217**	—
Adjusted EBITDA	**38,496**	29,754	**118,409**	78,171

Adjusted EBITDA in the third quarter of 2026 increased $8.7 million to $38.5 million in comparison to $29.8 million in the same quarter of 2025 mainly as a result of gross margin improvements offset in part by lower foreign exchange gains and 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 September 30		Nine month period ended September 30	
Expressed in thousands of dollars	**2026**	2025	**2026**	2025
Increase in accounts receivable	**(1,804)**	(12,043)	**(73,088)**	(36,889)
(Increase) decrease in contract assets	**(9,207)**	(8,531)	**(23,694)**	19,491
Decrease (increase) in inventories	**10,070**	2,775	**(5,273)**	(1,650)
Increase in prepaid expenses and other	**(6,131)**	(8,930)	**(7,190)**	(9,616)
(Decrease) increase in accounts payable, accrued liabilities and provisions	**(24,804)**	8,505	**16,975**	17,002
Increase (decrease) in contract liabilities	**37,469**	(2,678)	**41,965**	(256)
Changes in non-cash working capital balances	**5,593**	(20,902)	**(50,305)**	(11,918)
Cash provided by operating activities	**36,384**	4,510	**40,624**	51,619

For the three months ended September 30, 2026, operating activities provided $36.4 million of cash compared to providing cash of $4.5 million in the third quarter of 2025. Changes in non-cash working capital items provided cash of $5.6 million, $26.5 million higher when compared to the cash used by working capital of $20.9 million in the prior year. This working capital increase in cash generation is largely attributable to increases in contract liabilities due to timing of customer deposits offset in part by decreases in accounts payable, accrued liabilities and provisions primarily driven by timing of material purchases and supplier payments.

Investing Activities

Expressed in thousands of dollars	Three month period ended September 30		Nine month period ended September 30	
	2026	2025	**2026**	2025
Purchase of property, plant and equipment	**(14,334)**	(10,177)	**(41,346)**	(29,422)
Proceeds from disposal of property, plant and equipment	**15**	—	**15**	—
Increase in intangible assets	**(836)**	(493)	**(2,636)**	(2,751)
Cash used in investing activities	**(15,155)**	(10,670)	**(43,967)**	(32,173)

Investing activities used $15.2 million of cash in the third quarter of 2026 compared to $10.7 million cash used in the same quarter of the prior year, an increase of $4.5 million. The increase in cash usage was primarily due to higher levels of investment in property, plant and equipment.

Cash Flow from Financing Activities

Expressed in thousands of dollars	Three month period ended September 30		Nine month period ended September 30	
	2026	2025	**2026**	2025
(Decrease) increase in bank indebtedness	**(4,158)**	1,868	**(790)**	10,677
Increase in long-term debt	**—**	—	**8,000**	—
Lease liability payments	**(1,905)**	(1,621)	**(5,436)**	(4,911)
Decrease in borrowings subject to specific conditions, net	**—**	—	**(1,454)**	(1,391)
Common share repurchases	**—**	(920)	**—**	(924)
Common share dividends	**(2,854)**	(2,855)	**(8,562)**	(7,140)
Cash used in financing activities	**(8,917)**	(3,528)	**(8,242)**	(3,689)

Financing activities used $8.9 million of cash in the third quarter of 2026 compared to $3.5 million of cash used in the same quarter of the prior year, an increase of $5.4 million. The increase in cash used by financing activities was primarily driven by the repayment of bank indebtedness offset in part by lower cash spending on common share repurchases.

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.

Dividends

During the first, second and third quarters of 2026, the Corporation declared quarterly cash dividends of $0.05 per common share, and paid aggregate dividends of $8.6 million.

Subsequent to September 30, 2026, the Corporation declared dividends to holders of its common shares in the amount of $0.05 per common share payable on December 31, 2026, to shareholders of record at the close of business on December 17, 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.

On June 11, 2026, the Corporation's application to extend its normal course issuer bid ("2026 NCIB") was approved. The 2026 NCIB allows the Corporation to purchase up to 2,853,953 common shares, over a 12-month period, commencing June 15, 2026, and ending June 14, 2027.

During the nine month period ended September 30, 2026, the Corporation did not purchase any common shares for cancellation under the 2025 NCIB and 2026 NCIB programs. During the same period in the prior year, the Corporation purchased 59,126 common shares for cancellation at a cost of $0.9 million.

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 November 6, 2026, 57,079,054 common shares were outstanding and no preference shares were outstanding.

Commitments
As at September 30, 2026, the Corporation had contractual commitments to purchase $24.3 million of capital assets.

Legal Proceedings and Environmental Orders
Middletown is a defendant in a legal action related to the environmental remediation of a former operating site in Torrance, California. The trial that commenced in March 2026 concluded in May 2026, however a final judgement has not been entered. At this time, management cannot predict with certainty the extent of Middletown's liability, if any, for the total costs of remediation, Middletown'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. Refer to "Chapter 11 Proceedings" for more information.

Middletown is also involved in an investigation for soil vapour intrusion at a former site in San Diego, California. Middletown was made aware of this investigation in February 2026 and an environmental order was subsequently issued to Middletown for mitigation, investigation and remedial-feasibility work. At this time, the actual liability to Middletown remains highly uncertain due to the recent timing of this claim, the unknown history of the contamination, and the unknown scope of remediation costs involved. Refer to "Chapter 11 Proceedings" for more information.

Chapter 11 Proceedings
On July 22, 2026, Middletown filed for voluntary Chapter 11 relief in the U.S. Bankruptcy Court for the Southern District of Ohio (the "Filing"). Middletown will continue to operate as a debtor-in-possession ("DIP") under the jurisdiction of the U.S. Bankruptcy Court.

The Filing resulted from the decline of Middletown's core business activities compounded by escalating legal defence and environmental program spending related to legacy environmental liabilities impacting Middletown's liquidity. Refer to "Legal Proceedings and Environmental Orders" for more information. At the time of Filing, Middletown had no secured debt. As a result of the Filing, all pre-petition liabilities are subject to compromise and pre-petition legal proceedings are stayed by court order. Concurrent with the Filing, Middletown entered into a DIP financing agreement with Magellan Aerospace, USA, Inc. to provide a debtor-in-possession revolving credit facility of up to USD $20 million to support ongoing operations.

Middletown intends to use the Filing to preserve its business as a going concern while addressing its legacy liabilities and has determined to pursue a sale under section 363 of the U.S. Bankruptcy Code. The outcome of the Filing process is uncertain and depends on court decisions, negotiations with creditors, and the successful development and confirmation of a plan of reorganization.

6. Financial Instruments
A summary of Magellan's financial instruments

Derivative Contracts
The Corporation operates internationally, which gives rise to a risk that its income, cash flows and shareholders' equity may be adversely impacted by fluctuations in foreign exchange rates. Currency risk arises because the amount of the local currency receivable or payable for transactions denominated in foreign currencies may vary due to changes in exchange rates and because the non-Canadian dollar denominated financial statements of the Corporation's subsidiaries may vary on consolidation into the reporting currency of Canadian dollars. The Corporation from time to time may use derivative financial instruments to help manage foreign exchange risk with the objective of reducing transaction exposures and the resulting volatility of the Corporation's earnings. The Corporation does not trade in derivatives for speculative purposes. Under these contracts (forwards and/or collars), the Corporation is obligated to purchase specified amounts of currency – generally either United

States dollars (“USD”) or British Pounds (“GBP”) - at predetermined dates and exchange rates if certain conditions are met. The counterparties to the foreign currency contracts are all major financial institutions with high credit ratings.

As at September 30, 2026, foreign exchange contracts of GBP 23.5 million were outstanding and the Corporation has recorded $0.2 million of derivative liabilities as the fair value of its derivative contracts [December 31, 2025 - $0.2 million] in Accounts payable, accrued liabilities and provisions on the interim condensed consolidated statement of financial position.

Off-Balance Sheet Arrangements
The Corporation does not have any off-balance sheet arrangements that have or reasonably are likely to have a material effect on its financial condition, changes in financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources. As a result, the Corporation is not exposed materially to any financing, liquidity, market or credit risk that could arise if it had engaged in these arrangements.

7. Related Party Transactions

A summary of Magellan’s transactions with related parties

For the three month period ended September 30, 2026, the Corporation had no material transactions with related parties as defined in IAS 24, *Related Party Disclosures*.

8. 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, both of which have been filed with SEDAR at www.sedarplus.ca.

9. Outlook

The outlook for Magellan’s business in 2026

Commercial Aerospace Market

The industry outlook remains cautiously optimistic, supported by strong commercial aircraft demand and an unprecedented order backlog at both Airbus and Boeing. While aircraft production continues to recover, global supply chain constraints—including shortages of aero engines, castings and forgings, titanium, electronic components, and skilled labour—continue to limit manufacturers' ability to increase production rates. The following commercial aircraft orders, backlog and delivery data was extracted from Forecast International’s (“FI”) Flight Plan publication dated October 13, 2026 and verified with Airbus and Boeing official third quarter 2026 announcements.

Boeing delivered 57 aircraft in September 2026, including 43 737 MAXs and 14 wide body aircraft. The total number of commercial aircraft delivered by Boeing in the first nine months of 2026 was 475 aircraft, with 161 of those aircraft delivered in the third quarter of 2026.

Boeing’s gross orders in September 2026 were significant at 165 aircraft, dominated by orders for the 737 MAX, as well as ten orders for the 777 and 23 orders for the 787 aircraft. Boeing’s total gross orders for the nine months ending September 30, 2026 were 663 aircraft, and the backlog totaled 6,856 commercial aircraft as at September 30, 2026.

Airbus delivered 72 commercial aircraft during the month of September 2026, the majority of which were narrow body, including 59 aircraft from the A320neo family. Only five widebody aircraft were delivered by Airbus in September 2026. The total number of aircraft delivered by Airbus in the first nine months of 2026 was 547 aircraft, with 196 of those aircraft delivered in the third quarter of 2026.

Airbus recorded a total of 17 gross orders in September 2026, and recorded a total of 1,174 gross orders for the nine months ending September 30, 2026. As at September 30, 2026, Airbus had a total backlog of 9,304 aircraft.

The combined Airbus and Boeing commercial backlog remains well above 15,000 aircraft, representing many years of production at current manufacturing rates. Narrowbody aircraft continue to dominate future demand, with the Airbus A220/A320 and Boeing 737 aircraft families accounting for the overwhelming majority of outstanding orders. This sustained backlog provides long-term production visibility across the global aerospace supply chain.

Defence Aerospace Market

The defence market is positioned for sustained growth through the remainder of the decade. Rising geopolitical tensions, continued conflict in Ukraine, instability in the Middle East, increasing Indo-Pacific security concerns, and NATO's expanded defence spending commitments continue to drive record investment in military capability. Per a February 2026 publication in the Military Balance, global military expenditures reached USD $2.63 trillion in 2025, with industry forecasts projecting continued growth throughout 2026 and beyond as governments accelerate modernization programs, missile defence, autonomous systems, space capabilities, and advanced aerospace technologies.

Canada's new Defence Investment Agency (“DIA”) continues to advance implementation as part of the federal government's broader defence procurement transformation. The DIA is intended to modernize defence procurement, accelerate project delivery, strengthen Canada's domestic industrial base, and improve collaboration with industry. Together with the newly established Defence Procurement Agency framework, these reforms are expected to provide more agile acquisition authorities and significantly improve the delivery of major defence capabilities.

On October 6, 2026, Canada’s Office of the Parliamentary Budget Officer published a ‘primer’ on Canada’s Defence Spending Commitments. It outlined the defence spending commitments of 4% GDP by 2030, rising to 5% in 2035. In February 2026, the Canadian government released the Defence Industrial Strategy (“DIS”) report. The DIS is a "whole-of-government" approach to strengthening Canada's domestic defence industrial base as defence spending increases which includes an approach of "Build-Partner-Buy" framework that prioritizes domestic production where feasible, partnerships with trusted allies where appropriate, and purchases from foreign suppliers where building or partnering is not feasible. The Government has established a series of economic and industrial objectives for the DIS over the next decade. These include increasing the share of defence acquisitions awarded to Canadian firms to 70 per cent, increasing Canadian defence exports by 50 per cent, and creating 125,000 new jobs across the Canadian economy. The Government also projects $125 billion in downstream economic activity from defence procurement by 2035 based on achievement of the DIS and related targets, reasonable estimates for economic growth over the next decade, and positive spillovers from increased domestic procurement.

In the United States, defence spending has continued to grow under the current Administration, with emphasis on missile defence, next-generation aircraft, munitions production, shipbuilding, autonomous systems, and industrial base expansion. The U.S. Department of Defense has prioritized accelerating acquisition timelines and strengthening domestic and allied supply chains, creating significant opportunities for aerospace and defence manufacturers throughout North America. It is not clear what the impact to the defence budget, procurement priorities and opportunities will be, if any, following the outcome of the 2026 United States mid term elections.

Across Europe, defence modernization continues at an unprecedented pace. The European Union's ReArm Europe initiative is expected to mobilize approximately €800 billion in defence investment over the coming years through joint procurement, industrial expansion, and enhanced defence cooperation. This represents one of the largest coordinated defence industrial investments in European history and creates substantial opportunities for allied suppliers, including Canadian companies participating through the Canada-EU Security and Defence Partnership.

Overall Aerospace Market Outlook

The overall positive outlook for both the commercial and defence aerospace markets is tempered by common structural challenges. Persistent shortages of skilled labour, constrained availability of raw materials and specialized aerospace components, and ongoing supply chain bottlenecks remain the principal constraints on production growth. As commercial production rates continue to increase while defence procurement accelerates globally, competition for critical materials, manufacturing capacity, and skilled workers is expected to intensify. 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. Industry research—including recent KPMG aerospace outlooks—continues to identify supply chain resilience, workforce development, and domestic industrial capacity as among the most significant strategic risks facing the global aerospace sector over the coming decade.

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.

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MAGELLAN AEROSPACE

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 September 30 **2026**	 2025	Nine month period ended September 30 **2026**	 2025
Revenues	**300,622**	255,666	**891,306**	766,357
Cost of revenues	**256,546**	223,046	**759,476**	666,723
Gross profit	**44,076**	32,620	**131,830**	99,634
Administrative and general expenses	**16,726**	16,391	**52,857**	49,363
Other expense (income)	**2,821**	(1,452)	**5,429**	7,829
Income before interest and income taxes	**24,529**	17,681	**73,544**	42,442
Interest expense	**873**	289	**2,382**	1,343
Income before income taxes	**23,656**	17,392	**71,162**	41,099
Income tax expense (recovery):				
Current	**4,816**	4,337	**18,418**	15,158
Deferred	**(1,135)**	386	**(3,538)**	(2,920)
	3,681	4,723	**14,880**	12,238
Net income	**19,975**	12,669	**56,282**	28,861
Other comprehensive income (loss):				
Items that may be reclassified to profit and loss in subsequent periods:				
Foreign currency translation	**(1,986)**	7,354	**9,288**	(232)
Unrealized (loss) gain on foreign currency contract hedges	**—**	(18)	**—**	1,581
Items not to be reclassified to profit and loss in subsequent periods:				
Actuarial income on defined benefit pension plans, net of tax	**215**	235	**590**	746
Comprehensive income	**18,204**	20,240	**66,160**	30,956
Net income per share				
Basic and diluted	**0.35**	0.22	**0.99**	0.51

MAGELLAN AEROSPACE

MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

(unaudited) (expressed in thousands of Canadian dollars)	**September 30 2026**	December 31 2025
Current assets		
Cash	**52,901**	64,047
Trade and other receivables	**316,962**	241,891
Contract assets	**83,450**	58,082
Inventories	**289,167**	278,769
Prepaid expenses and other	**19,620**	12,174
	762,100	654,963
Non-current assets		
Property, plant and equipment	**402,980**	386,026
Right-of-use assets	**31,663**	34,491
Investment properties	**6,751**	6,786
Intangible assets	**34,969**	35,710
Goodwill	**24,157**	23,507
Other assets	**26,604**	14,311
Deferred tax assets	**10,285**	10,032
	537,409	510,863
Total assets	**1,299,509**	1,165,826
Current liabilities		
Bank indebtedness	**23,481**	23,850
Accounts payable, accrued liabilities and provisions	**179,660**	157,005
Contract liabilities	**88,293**	46,095
Debt due within one year	**11,814**	11,216
	303,248	238,166
Non-current liabilities		
Long-term debt	**6,415**	—
Lease liabilities	**26,573**	29,631
Borrowings subject to specific conditions	**22,791**	23,911
Other long-term liabilities and provisions	**28,848**	17,324
Deferred tax liabilities	**28,206**	30,964
	112,833	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	**558,118**	509,808
Accumulated other comprehensive income	**56,824**	47,536
Equity attributable to equity holders of the Corporation	**880,051**	822,453
Non-controlling interest	**3,377**	3,377
Total equity	**883,428**	825,830
Total liabilities and equity	**1,299,509**	1,165,826

MAGELLAN AEROSPACE

MAGELLAN AEROSPACE CORPORATION
INTERIM CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

(unaudited) (expressed in thousands of Canadian dollars)	Three month period ended September 30 **2026**	 2025	Nine month period ended September 30 **2026**	 2025
Cash flow from operating activities				
Net income	**19,975**	12,669	**56,282**	28,861
Amortization/depreciation of intangible assets, right-of-use assets and property, plant and equipment	**11,697**	12,073	**35,648**	35,729
Loss on disposal of property, plant and equipment	**567**	—	**719**	2
Accretion of financial liabilities	**673**	620	**2,015**	1,900
Deferred taxes	**(1,148)**	387	**(3,551)**	(2,919)
Income on investments in joint ventures	**(645)**	(197)	**(1,402)**	(655)
Other	**—**	—	**(93)**	—
Changes to non-cash working capital	**5,593**	(20,902)	**(50,305)**	(11,918)
Decrease in defined benefit plans	**319**	191	**1,076**	1,111
Increase in other assets [1]	**(342)**	(433)	**(11,096)**	(430)
(Decrease) increase in long-term liabilities and provisions [1]	**(305)**	102	**11,331**	(62)
Net cash provided by operating activities [1]	**36,384**	4,510	**40,624**	51,619
Cash flow from investing activities				
Purchase of property, plant and equipment	**(14,334)**	(10,177)	**(41,346)**	(29,422)
Proceeds from disposal of property, plant and equipment	**15**	—	**15**	—
Increase in intangible assets [1]	**(836)**	(493)	**(2,636)**	(2,751)
Net cash used in investing activities [1]	**(15,155)**	(10,670)	**(43,967)**	(32,173)
Cash flow from financing activities				
(Decrease) increase in bank indebtedness	**(4,158)**	1,868	**(790)**	10,677
Increase in long-term debt	**—**	—	**8,000**	—
Lease liability payments	**(1,905)**	(1,621)	**(5,436)**	(4,911)
Decrease in borrowings subject to specific conditions, net	**—**	—	**(1,454)**	(1,391)
Common share repurchases	**—**	(920)	**—**	(924)
Common share dividends	**(2,854)**	(2,855)	**(8,562)**	(7,140)
Net cash used in financing activities [1]	**(8,917)**	(3,528)	**(8,242)**	(3,689)
Increase (decrease) in cash during the period	**12,312**	(9,688)	**(11,585)**	15,757
Cash at beginning of the period [1]	**40,798**	81,387	**64,047**	56,437
Effect of exchange rate differences [1]	**(209)**	297	**439**	(198)
Cash at end of the period	**52,901**	71,996	**52,901**	71,996

(1) Prior-year amounts have been reclassified to conform to the change in 2026 presentation.