



EXCHANGE INCOME CORPORATION: ENGINEERING THE PAYOUT

TSX:EIF

2022



2026



GlassHouse uncovered approximately 40 EIC owned planes in the Arizona desert. Most of the planes remained virtually untouched four years later (more below).

GlassHouse holds short positions in Exchange Income Corporation (TSX: EIF) and therefore stands to benefit if the share price declines. Please see the full disclaimer at the end of this report.

EXCHANGE INCOME CORPORATION: ENGINEERING THE PAYOUT

Exchange Income Corporation (TSX:EIF) is marketed as a defensive Canadian income compounder generating stable cash flow across cycles. In reality, a material portion of earnings is derived from Regional One (R1), an international aircraft leasing and asset-recycling platform operating outside Canada, where counterparty risk, asset recoverability, and valuation assumptions are structurally higher than investors associate with a domestic dividend vehicle.

- Uncovered documents reveal that aircraft parts and engines are leased or sold by Regional One to **medium-to-high-risk counterparties (over 50%) in jurisdictions including Slovenia, Nepal, Mongolia, the Dominican Republic, Cameroon, Venezuela, and Nigeria**. Several Regional One customers — including Elite Airways (USA), CityJet (UK), Zoom Air (India), Adria Airways (Slovenia), and Mesa Airlines (USA) — have recently entered bankruptcy or required financial restructuring, yet the company discloses no specific ADFA reserves tied to these exposures.
- Irish High Court Bankruptcy filings show that CityJet, a chronically loss-making regional airline leasing seven aircraft from EIC Aircraft Leasing Limited (Regional One), entered examinership. The court-approved rescue required EIC Aircraft Leasing Limited to provide multi-year rental reductions and spares support while serving as the minority investor in the recapitalization — **R1 now retains an 8% minority interest in CityJet, a distressed customer they now took ownership in.**
- **We identified roughly 30-50 aircraft (approximately 33% of fleet) owned by Regional One currently parked in desert storage facilities in Arizona**, many acquired in a bulk transaction with American Airlines during COVID. Based on expert interviews, a substantial portion of these aircraft have not been either restored to flying condition or parted out and have continued depreciating while idle.
- Once sufficiently depreciated, the aircraft are dismantled and sold for parts. **Because cost of goods sold is anchored to the depressed carrying value, future parts sales generate elevated reported margins.** Economic decay is recognized slowly and invisibly below EBITDA. Monetization is recognized rapidly and visibly above it.
- Management confirms that aircraft classified as “flyers” continue depreciating even when off-lease or missing engines. Former Regional One executives described aircraft without engines remaining on the fixed asset registry and depreciating below EBITDA before eventual transfer to inventory at depressed book values. **When taken into account as long-term**

inventory, like peer AerSale accounts for its planes, GlassHouse sees an inventory glut problem at EIC that is being hidden under capital assets.

- **The company posted a record high \$35.1 million in net transfers from capital assets to inventory occurred in 2025.** Book values decline through depreciation; reclassification alters presentation without altering economics.
- Regional One relieves cost for its inventory using **an average cost-to-sales percentage method at expected selling prices.** This price-driven framework allows forward valuation assumptions to influence cost recognition and margin realization. **We are not aware of any major publicly traded aviation lessor or MRO that systematically applies this methodology as a recurring operating practice. According to prior executives, this is how EIC can “manage the margins” in any given period.**
- The Aerospace & Aviation segment (includes R1) reports EBITDA margins near 30%, well above peer levels. **Based on interviews with a former R1 financial executive, we believe this percentage is materially lower on a standalone basis due to intercompany transactions that mask the segments true expenses.**
- EIC is increasingly recognizing earnings before cash collection through estimated margins on uncompleted construction contracts. **The estimated earnings-to-cost ratio has risen from 16.2% in 2017 to 31.1% in 2025.** Management and auditors both identify revenue recognition as highly judgmental, meaning reported profitability is becoming more sensitive to forward-looking cost assumptions.
- Management’s definition of “Maintenance CapEx” has disclosed three different iterations in six years. When fleet utilization collapsed in 2020, management replaced depreciation with “actual expenditures,” materially reducing reported Maintenance CapEx and stabilizing dividend coverage optics. When utilization rebounded in 2025, the methodology shifted again — reinstating a utilization-based charge. **The calculation of “maintenance” has therefore flexed with operating conditions.**
- Management reports its Free Cash Flow numbers as **\$541.3 million, \$409.2 million, \$377.1 million** in years 2025, 2024 and 2023, respectively, **yet conventional free cash flow was only \$23.4 million, -\$73.2 million, -\$125.1 million in the respective years.** When full reinvestment requirements are included, operating cash flow does not fund capital expenditures, acquisitions, and dividends simultaneously.

- Acquisitions have sustained reported growth, but reconstructed returns have deteriorated. **Hard organic growth numbers are not reported anywhere. And we estimate ROIC at approximately 7.0% for 2025 — near non-COVID lows and below our estimated cost of capital** — despite a materially expanded asset base. The model depends on continued access to external financing to support both growth and dividend coverage.
- **EIC does not generate sufficient internal cash to fund reinvestment, acquisitions, and dividends concurrently.** The funding gap has been bridged through revolver expansion, convertible issuance, and equity dilution. On March 4, 2026, EIC priced its inaugural \$600 million investment-grade bond issuance, further reaching into external financing. Thus, dividend continuity is a function of capital market access, not durable economic surplus. **We calculate EIC to be at an internal cash deficit in nine of the last ten years by an average of -\$127.9 million per annum.**

Bottom line: This is not a boring Canadian dividend aristocrat. It is a capital-intensive, international asset recycler that allows physical assets to deteriorate quietly, monetizes what remains through accounting discretion, and uses external capital to sustain a payout.

Exhibit 1: Regional One Fleet Currently On-Lease¹

- GlassHouse highlighted in **red** lessees who we believe are **medium-to-high-risk Credit Counterparties**.

Operator	Jurisdiction/ Credit Risk	Number of Aircraft
<u>Air Peace</u>	Nigeria	<u>1</u>
American Jet (Argentina)	Argentina	<u>1</u>
<u>Australian Corporate Jet Centres</u>	Low Credit Risk	<u>1</u>
<u>Bridges Air Malta</u>	Low Credit Risk	<u>1</u>
<u>Camair-Co</u>	Cameroon	<u>2</u>
<u>CemAir</u>	South Africa	<u>3</u>
<u>CityJet</u>	UK Regional	<u>5</u>
Eurus Aviation	Mexico	<u>1</u>
Fuerza Aérea Argentina	Argentina	<u>1</u>
Global Reach Aviation	Low Credit Risk	<u>2</u>
GoJet Airlines	Low Credit Risk	<u>5</u>
Key Lime Air	Low Credit Risk	<u>1</u>
KLM Cityhopper	Low Credit Risk	<u>1</u>
LAM - Linhas Aéreas de Moçambique	Mozambique	<u>1</u>
Mesa Airlines	Small cap pubco (RJET US)	<u>2</u>
MEX - Mocambique Expresso	Mozambique	<u>3</u>
National Jet Express	Low Credit Risk	<u>2</u>
North London Parachute Club	Low Credit Risk	<u>1</u>
PAL Airlines (Canada)	Low Credit Risk	<u>3</u>
<u>QAir</u>	Nigeria	<u>1</u>
Royal Air Charters	Low Credit Risk	<u>2</u>
Royal Airways (Chad)	Chad	<u>1</u>
Shree Airlines	Nepal	<u>5</u>
SkyAlps	Low Credit Risk	<u>2</u>
TAR México	Mexico	<u>2</u>
ValueJet	Nigeria	<u>1</u>
Volo Airways Dominicana	Dominican Republic	<u>1</u>
<u>Walya Airways</u>	Low Credit Risk	<u>1</u>
<u>Xejet</u>	Nigeria	<u>1</u>
Z Air	Curaçao	<u>2</u>
Zoom Airlines	India (Defunct Airline)	<u>3</u>
Total		59

¹ The data above was compiled from subscription-based public aviation flight databases.

- We have also compiled a list of Regional One customers that **have gone bankrupt or required financial restructuring**: Elite Airways (USA), CityJet (UK, below), Zoom Air (India), Adria Airways (Slovenia), and Mesa Airlines (USA).
- Irish High Court filings show that **CityJet**, a UK regional airline leasing seven aircraft from EIC Aircraft Leasing Limited (Regional One), entered formal examinership proceedings. Court documents identify the fleet as including:

THE HIGH COURT		
[2025] IEHC 562		
[Record No. 2025/148 COS]		
IN THE MATTER OF CITYJET DESIGNATED ACTIVITY COMPANY		
AND		
IN THE MATTER OF PART 10 OF THE COMPANIES ACT 2014		
20. The fleet of aircraft with which the Company fulfilled these requirements and the lessors were the following:		
Aircraft model	No.	Lessor/Financier
Bombardier CRJ 900	8	CJF Aviation DAC (financed by EDC)
Bombardier CRJ 900	2	Commuter Aircraft Leasing 2017 VIII Limited
Bombardier CRJ 900	2	EIC Aircraft Leasing Limited
Bombardier CRJ 900	5	Triangle SyMBER Leasing DAC (aircraft without engine)
Bombardier CRJ 1000	5	EIC Aircraft Leasing Limited

- As part of the court-approved rescue, CityJet secured concessions from lessors — including EIC Aircraft Leasing Limited:

258. Fourthly, the Company has secured agreements on cost savings with its principal lessor and the Minority Investor EIC Aircraft Leasing Limited for a reduction in engine rentals per annum for the next three years totalling €8.125 million and spares support for the next 3.25 years totalling €3.25 million.

- This is not simply “exposure.” It is documented multi-year rental reductions and economic support. Notably, EIC Aircraft Leasing Limited is also identified as the Minority Investor in the recapitalization, embedding **Regional One** within the restructuring solution rather than operating at arm’s length from it.
- **Regional One leased seven aircraft to CityJet while they were (1) generating operating losses in most years, (2) remaining balance-sheet insolvent for the majority of the review period, and (3) undergoing repeat court-supervised restructurings.**
- The court record confirms that Regional One’s lease economics were renegotiated downward as part of a distressed restructuring.
- **Independent review of aircraft registry data and satellite imagery identified approximately 30–50 aircraft owned by Regional One located at Ascent Airfield in Arizona** (on Page 8). Many of these aircraft were acquired during the COVID period, including assets purchased in a bulk transaction with American Airlines.
- Satellite imagery confirms the presence of multiple Regional One aircraft at Ascent Airfield as early as March 9, 2022, with a substantial portion still present as of November 5, 2025. Subsequent on-the-ground visual verification indicates that many of these aircraft remained at the location as of February 2026.
- The persistence of these aircraft in storage over multiple years indicates that a meaningful portion of the lease portfolio has remained off-lease or inactive for extended periods. As shown below, **the fact that these planes have been sitting mostly since COVID is highly anomalous for this industry.**
- Based on expert interviews, most of these planes have been depreciating and have not been repaired for flying most of this period. When asked how long planes usually stay at the airfield before being parted out or flying again, an expert with this airfield stated,

“ I would say it's a little more regular flying. And when flying is good, they need spare parts. They need engines. So right now we're seeing it come in and kind of engines get dropped pretty quickly and going in and tear down. So you're looking at less than six months before it's into the harvest process. **Maybe 6 [months].** ”

Exhibit 2: Ascent Airfield, Arizona (Regional One Planes in Storage, 2024)



Exhibit 3: Ascent Airfield, Arizona (05/26/25)



Exhibit 4: Ascent Airfield, Arizona (03/09/22)



Exhibit 5: Ascent Airfield, Arizona (11/05/25)

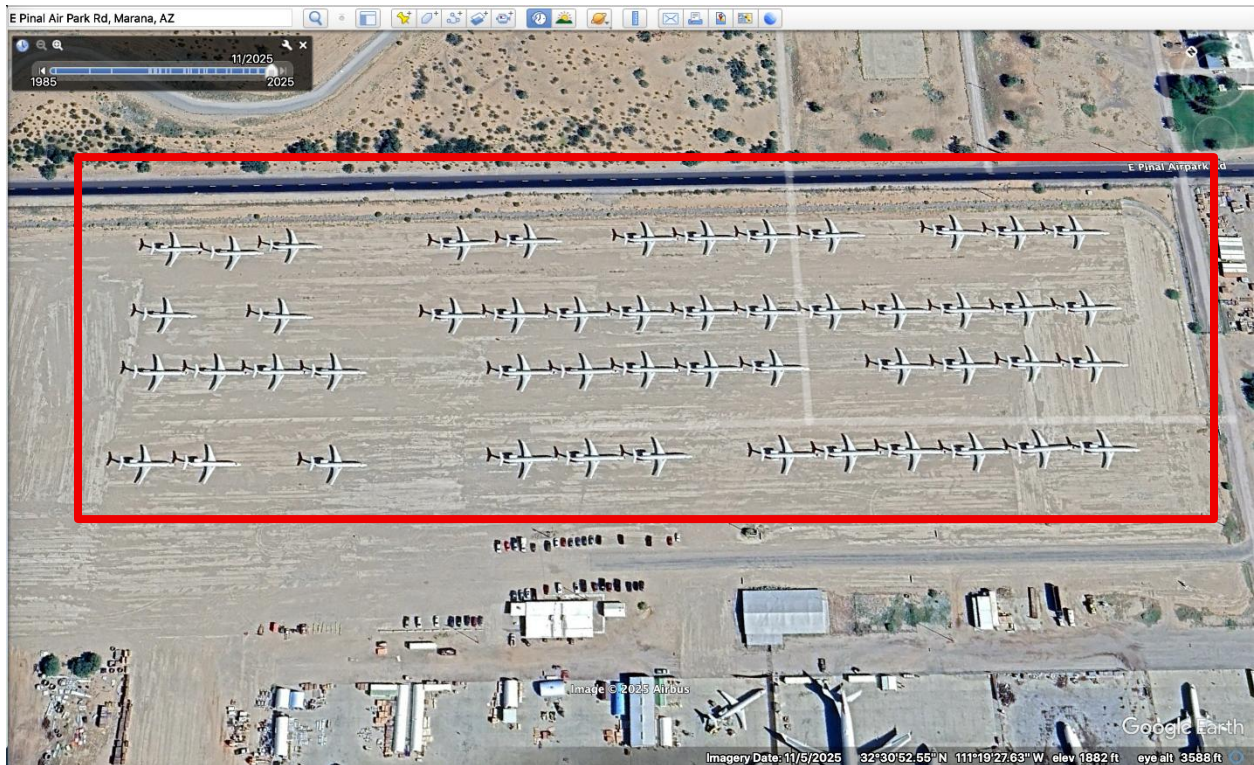


Exhibit 6: EIC Lease Portfolio (Annual Report 2025)

The table below provides a summary of the fleet of assets in Aircraft Sales & Leasing's lease portfolio.

Aircraft Sales & Leasing Lease Portfolio	December 31, 2025		December 31, 2024	
	Aircraft	Engines	Aircraft	Engines
Lease portfolio	70 ⁽¹⁾	139	67 ⁽¹⁾	131

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

Exhibit 7: Regional One Aircraft Parked in Storage (~33% of current fleet)²

Make	Model	Year Manufactured	Serial	Status, Per Data Provider
BOMBARDIER	CRJ100	1994	7034	Withdrawn From Use - Stored
BOMBARDIER	CRJ200	2001	7550	Withdrawn From Use - Stored
BOMBARDIER	CRJ200	2001	7578	Withdrawn From Use - Stored
BOMBARDIER	CRJ200	2002	7622	Withdrawn From Use - Stored
BOMBARDIER	CRJ200	2002	7626	Withdrawn From Use - Stored
BOMBARDIER	CRJ200	2003	7767	Withdrawn From Use - Stored
BOMBARDIER	CRJ200	2004	7926	Withdrawn From Use - Stored
BOMBARDIER	CRJ700	2002	10048	Withdrawn From Use - Stored
BOMBARDIER	CRJ900	2004	15021	Withdrawn From Use - Stored
BOMBARDIER	CRJ900	2006	15074	Withdrawn From Use - Stored
BOMBARDIER	CRJ900	2006	15076	Withdrawn From Use - Stored
DE				
HAVILLAND	DASH 8-400	2009	4243	Withdrawn From Use - Stored
DORNIER	328	1997	3092	Withdrawn From Use - Stored
EMBRAER	ERJ 170-100	2006	17000123	Withdrawn From Use - Stored
EMBRAER	ERJ 170-200	2011	17000326	Withdrawn From Use - Stored
EMBRAER	ERJ 170-200	2011	17000329	Withdrawn From Use - Stored
EMBRAER	ERJ 190-100	2010	19000399	Withdrawn From Use - Stored
EMBRAER	ERJ 190-100	2011	19000469	Withdrawn From Use - Stored
EMBRAER	ERJ 190-100	2013	19000613	Withdrawn From Use - Stored
EMBRAER	ERJ 190-200	2009	19000276	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2001	145525	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2001	145545	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2002	145589	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2002	145592	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2002	145615	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2002	145616	Withdrawn From Use - Stored

² The data above was compiled from subscription-based public aviation flight databases. This is based on a total R1 fleet that includes 128 aircraft owned both directly and indirectly based on 2025 dataset from leading aviation data provider.

EMBRAER	ERJ-140	2002	145629	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2002	145647	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2002	145651	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2002	145673	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2003	145722	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2003	145736	Withdrawn From Use - Stored
EMBRAER	ERJ-140	2003	145743	Withdrawn From Use - Stored
EMBRAER	ERJ-145	2001	145520	Withdrawn From Use - Stored
EMBRAER	ERJ-145XR	2002	145658	Withdrawn From Use - Stored

GlassHouse interviewed a former R1 Executive about this overall process:



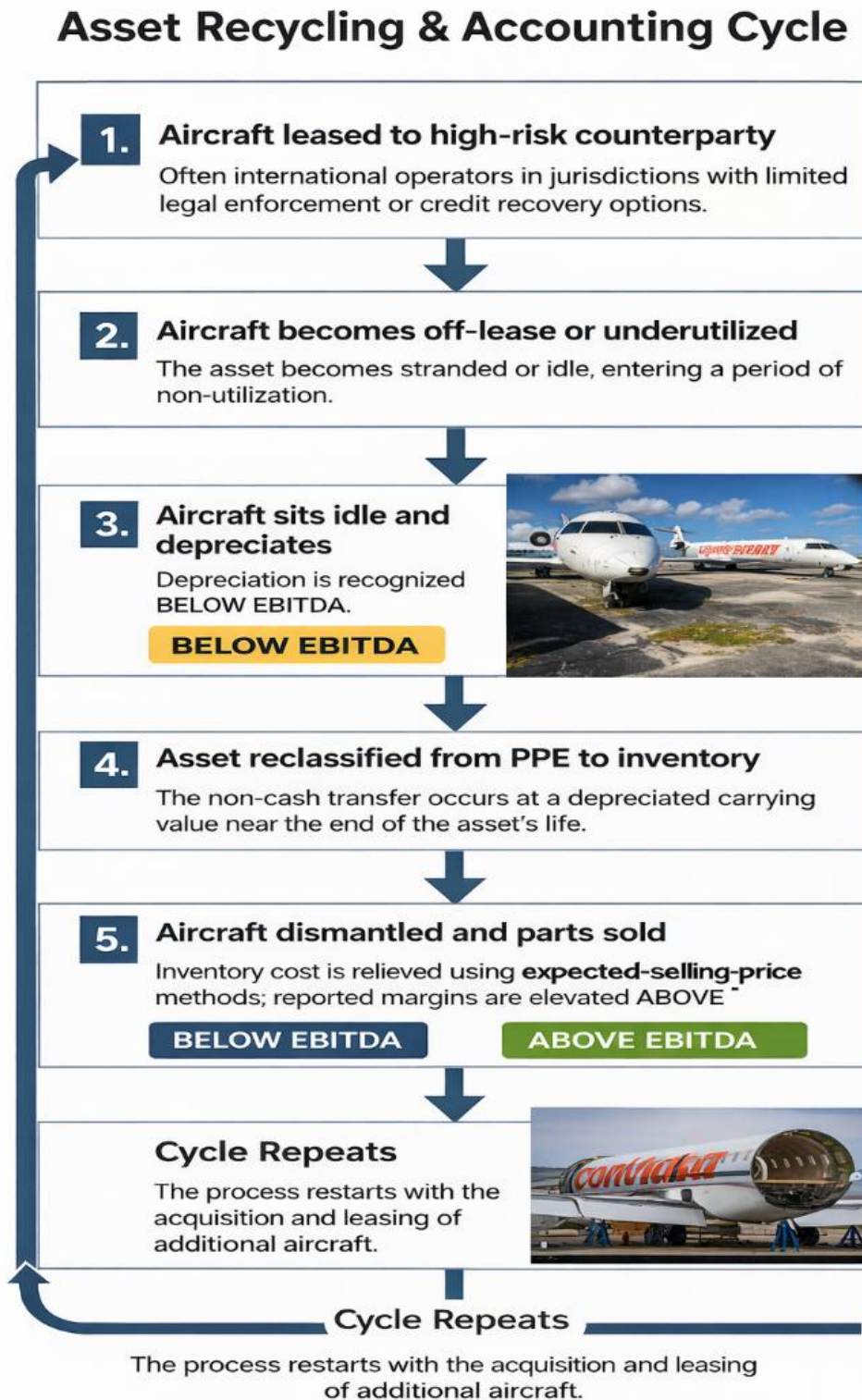
All right. So what that is, is, they're saying, hey, we have 67 aircraft that are classified as Flyers. So that would sit under their fixed asset portion on the balance sheet, not inventory. Okay? So, what the difference is as those Flyers? 67, sit on the fixed asset registry. Guess what's happening, they're getting depreciated. Okay. 19 of those? Now, I'm really telling you what 19 of those that don't have engines. ***They're not fucking Flyers. They shouldn't be depreciated. They should be transferred into inventory, because that's what it is. Okay, but you're depreciating Flyers down to a nominal residual that, by the time you transfer them to inventory, it's very, very low impact inventory or a lower impact inventory.***

So if those 67 airplanes can all take off today and go to an airport perfect fine, appreciate them. Get them down to a residual life is great. 19 of them missing engines having no engines. They should absolutely be inventory, and your inventory number would be even bigger. Because you're sitting on the balance sheet under a fixed asset schedule, getting appreciated. Same thing with eight going to Arrow engines with Sky West. So, that's a way to burn off cost below the line. To ultimately reduce your costs. And again, what are you doing managing margin...

All those 19 are is future Inventory...You can add another 30 million some odd dollars [to inventory].



Exhibit 8: EIC Plane Purchase and Accounting Cycle



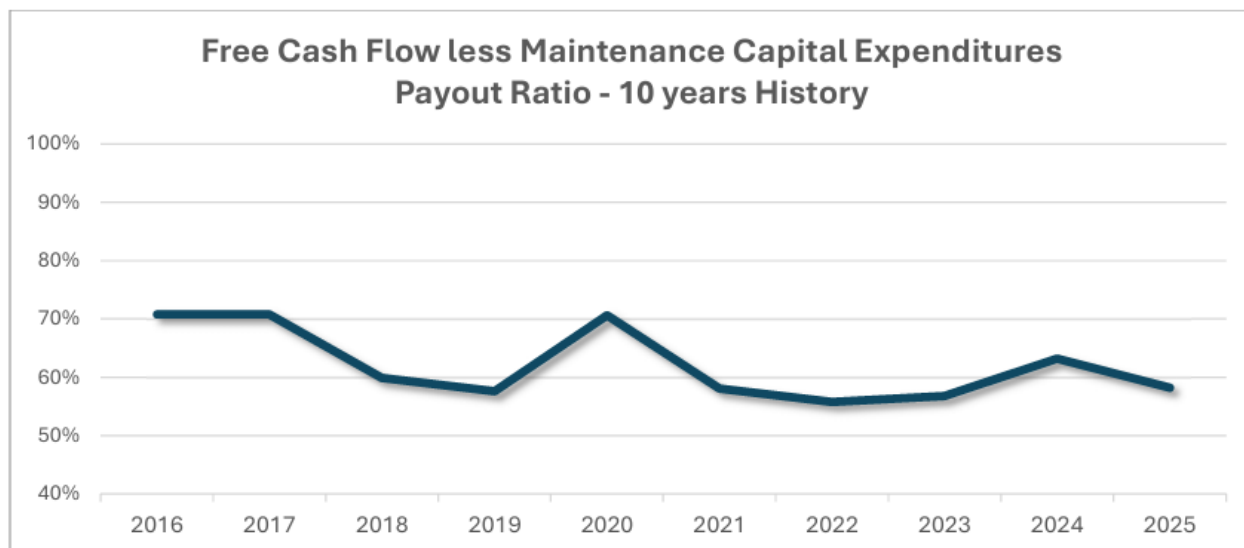
1. Engineering the Payout

Exchange Income Corporation is marketed as a defensive, dividend-paying compounder — a diversified aerospace and manufacturing platform generating stable cash flow across cycles. The dividend is presented as well covered and steadily growing, supported by recurring operations and disciplined capital allocation.

EIC's reported stability is not driven by surplus economic cash generation. It is supported by acquisition dependence, accounting discretion, and balance sheet expansion. The dividend is not the residual outcome of excess cash flow; it is the organizing constraint of the model.

Investors see approximately \$3.3 billion of revenue, roughly \$750 million of Adjusted EBITDA, and a management-defined "Free Cash Flow less Maintenance Capital Expenditures" payout ratio of approximately 60%. The Aerospace & Aviation segment reports EBITDA margins near 30%, materially above peer levels.

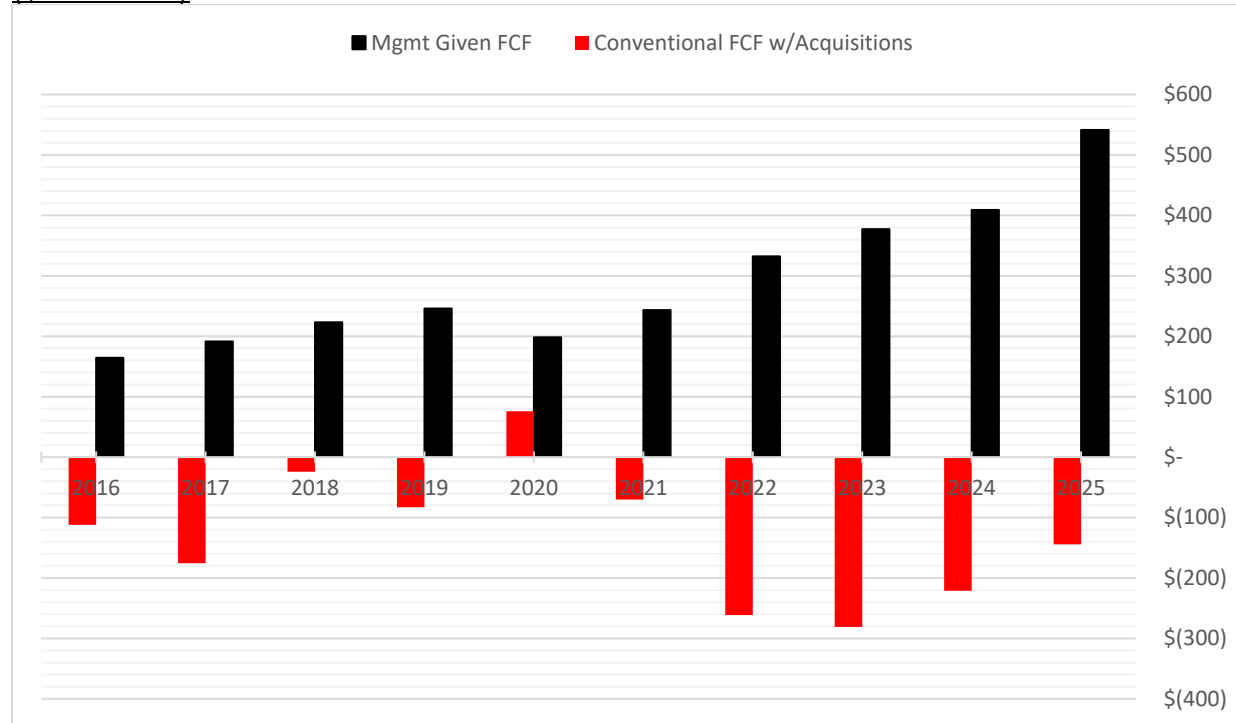
Exhibit 9: Management Disclosed Payout Ratio History (Annual Report 2025)



The underlying economic picture is different.

A material portion of Aerospace & Aviation margins is influenced by Regional One's asset recycling model and estimate-driven inventory accounting. Organic growth is not separately disclosed. Return-on-invested-capital is not consistently presented, and reconstructed ROIC has declined over the past decade despite record EBITDA.

Chart 1: EIC Disclosed FCF versus Conventional FCF w/Acquisitions
(\$ in millions)



Capital assets now exceed \$2.3 billion, with depreciation and reinvestment requirements expanding alongside the asset base. Growth has been driven primarily by serial acquisitions rather than internally generated excess cash.

Acquisitions increasingly function as maintenance rather than incremental growth. Aviation fleets, leasing portfolios, and manufacturing subsidiaries require continuous reinvestment simply to preserve earning power. As invested capital expands, reinvestment obligations expand with it.

Dividend coverage appears stable because the denominator is management-defined. EIC evaluates sustainability using “Free Cash Flow less Maintenance Capital Expenditures,” a non-IFRS metric that excludes economically recurring reinvestment. Maintenance CapEx classification has shifted over time, and capital expenditures required to sustain aviation fleets can be designated as “growth” rather than maintenance depending on methodology.

Under this framework:

- Capital spending required to replace leased aircraft can be excluded from the payout calculation.
- Asset refresh within Aircraft Sales & Leasing is separated from maintenance through policy changes.
- Acquisition and restructuring costs are excluded from adjusted cash flow.

- Financing costs associated with serial acquisitions are removed from adjusted profitability.

The reported payout ratio is sensitive to classification inputs rather than purely to cash generation. Regional One demonstrates how this elasticity operates in practice. Aircraft are capitalized, depreciated within PPE, transferred to inventory (net \$35.1 million in 2025), and monetized through part-out sales.

Depreciation is recognized below EBITDA; gains are recognized above it upon sale. Inventory cost is derived from expected selling prices rather than discrete historical unit economics.

Reported volatility is therefore moderated through classification and timing decisions. The broader capital structure reinforces this dynamic.

Acquisitions drive reported revenue and Adjusted EBITDA. Adjusted metrics support dividend coverage. Dividend stability sustains valuation and investor confidence. Valuation and credit capacity fund the next acquisition.

The model does not require consistent organic excess free cash generation. It requires continued access to capital and favorable accounting assumptions.

Reconstructed cash flow analysis demonstrates that internally generated cash has not consistently funded maintenance capital, growth capital, acquisitions, and dividends simultaneously. **In nine of the last ten years, internal cash generation has been insufficient, with an average deficit of approximately \$128 million annually.**

The funding gap has been bridged through incremental leverage, convertible issuance, and equity dilution.

Table 1: Reconciling Cash Generation, Capital Uses and Financing
(\$ in millions)³

Fiscal Year:	2025	2024	2023	2022	2021	2020	2019	2018	2017
Mgmt. FCF	\$541.3	\$409.2	\$377.1	\$332.0	\$243.3	\$198.4	\$245.8	\$223.4	\$191.1
Less: Maintenance CapEx	\$302.1	\$209.9	\$175.3	\$155.9	\$96.2	\$85.1	\$119.7	\$109.0	\$99.2
Mgmt. FCF - Main CapEx	\$239.1	\$199.3	\$201.8	\$176.1	\$147.2	\$113.3	\$126.1	\$114.4	\$91.9
<u>GlassHouse Adjustments</u>									
Add back: Delta Working Capital	(\$65.6)	\$81.8	\$52.6	\$21.2	(\$20.8)	(\$38.5)	\$45.1	\$55.6	\$64.0
Add back: Restructuring / Acquisition Costs	\$9.0	\$9.4	\$6.9	\$6.1	\$2.9	\$1.5	\$4.0	\$3.1	\$2.3
Less: Growth CapEx	\$322.4	\$220.3	\$303.0	\$125.4	\$131.0	\$47.9	\$119.3	\$49.0	\$128.4
Less: Cash Dividends	\$139.9	\$125.9	\$114.6	\$97.5	\$85.4	\$80.0	\$72.7	\$68.5	\$65.1
Internal Cash Surplus / (Deficit)	(\$166.6)	(\$238.1)	(\$275.2)	(\$74.1)	(\$51.4)	\$22.3	(\$115.1)	(\$61.8)	(\$167.8)
Net Debt Issued / (Repaid)	\$375.6	\$315.4	\$225.4	\$482.1	\$157.4	\$77.8	\$95.2	(\$45.1)	\$95.2
Equity Issued	\$23.5	\$24.2	\$187.1	\$127.1	\$99.2	\$11.7	\$86.2	\$8.7	\$102.2
Total Capital Raised	\$399.1	\$339.6	\$412.6	\$609.2	\$256.6	\$89.5	\$181.4	(\$36.4)	\$197.4

³ 2016 reported an internal deficit of -\$151.5 million

2. Regional One — Asset Recycling and Margin Construction

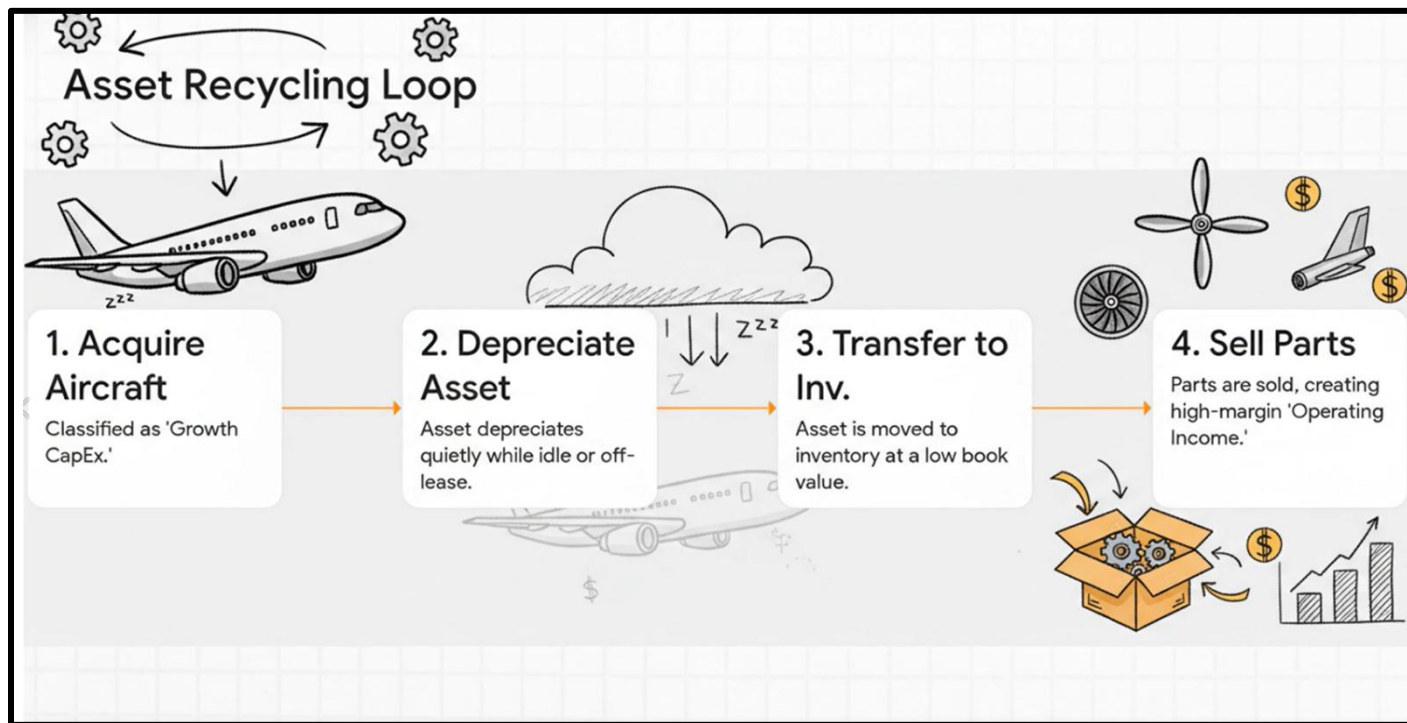
Regional One is not a peripheral contributor to EIC’s financial profile. It is central to the company’s reported margin stability, free cash flow presentation, and dividend coverage metrics.

EIC’s consolidated stability is materially influenced by Regional One’s asset recycling model, which combines depreciation timing, balance sheet reclassification, and estimate-driven inventory accounting.

Regional One’s operating model follows a recurring sequence. Aircraft and engines are acquired and capitalized to Property, Plant & Equipment. Assets are leased intermittently under green-time strategies or remain off-lease.

Depreciation continues regardless of utilization, reducing book value over time. When aircraft are no longer expected to return to service, they are transferred from PPE to inventory at depreciated carrying values. Components are subsequently sold through part-out activity, with gains recognized in operating income.

Exhibit 10: EIC Asset Recycling Loop



Former senior official at R1:

“ Regional One is in the business of buying, selling and leasing aircraft... the second that they don't lease them out anymore they're supposed to transfer them to inventory... at book value... When they sell those assets it is an operating item... the profit flows through the operating section. ”

The sequence matters. Depreciation absorbs economic deterioration below EBITDA. Parts sales create margin above EBITDA.

Economic losses are recognized first but hidden below the line and then heightened margins are recognized at management discretion.

B. Idle Aircraft and Deferred Recognition

Independent analyst research and expert calls indicate that a substantial portion of Regional One's leasing fleet is off-lease at any given time.

Former Regional One officer:

“ Half [the fleet] is probably the best you'll ever be... most of that equipment is on its last leg to ultimately be parted out. ”

While idle:

- Assets continue to depreciate
- Book value declines
- EBITDA is unaffected

This dynamic allows economic weakness — idle time, stranded aircraft, impaired utilization — to be absorbed gradually through depreciation without impacting reported operating margin.

As shown in the beginning of our report, independent registry and satellite data identifies aircraft remaining in long-term storage, waiting to be parted out at discounted book values.

C. Inventory Valuation — Margin as an Input

Regional One does not account for inventory based on fixed historical cost similarly to peers.

From the company's own 2024 Annual Report disclosure:

The Corporation relieves cost out of inventory using the average cost to sales percentage based on the expected selling price.

This is critical.

Under this approach:

- Cost of goods sold is derived from expected future selling prices
- Gross margin reflects assumed recovery values
- Inventory carrying value embeds forward-looking estimates

Former personnel described the cost allocation process as margin-targeted within a defined range:

“ You allocate a cost percentage... typically you try to stay around 20–25%... When they need to hit a number, it's easy for them to do that if they need to. ”

This method makes gross margin partially a function of management assumptions rather than purely historical unit economics.

We are not aware of any major publicly traded aviation lessor or MRO that systematically accounts for inventory using an expected-selling-price-based percentage as a recurring operating practice.

Peer Comparison: AerSale

The closest publicly traded peer to Regional One is AerSale. AerSale anchors inventory to historical acquisition cost using the specific identification method. When aircraft are purchased for teardown, the cost of the dismantled aircraft is allocated to component parts using a ratio determined at the time of acquisition. **Future margins therefore reflect realized sale prices relative to the original purchase price. Inventory is subsequently evaluated against net realizable value and written down when necessary.**

AerSale also discloses its planes as long-term inventory on the balance sheet with an accompanying excess inventory reserve.

Regional One Approach

Regional One combines depreciated transfer values with an expected selling price allocation methodology. Aircraft may first be depreciated within PPE before being transferred to inventory at a reduced carrying value. **Cost of sales is then accounted for using an average cost-to-sales percentage derived from expected selling prices.** As a result, margin realization reflects both the depreciated transfer value and forward-looking margin assumptions. **EIC/R1 does not delineate planes between capital assets and long-term inventory and does not disclose any excess inventory reserve.**

The result is structurally procyclical accounting:

- When expected selling prices rise → implied cost falls → margin expands
- When expectations fall → adjustments are abrupt

Margins are therefore sensitive to assumptions about future demand, utilization, and pricing.

D. PPE to Inventory Transfers — The Margin Conversion Point

When aircraft are transferred from Property, Plant & Equipment to inventory, book value reflects accumulated depreciation. Economic consumption has already been recognized below EBITDA. Inventory enters at a reduced carrying amount.

When those aircraft are subsequently parted out, cost of goods sold reflects the depreciated transfer value rather than original acquisition cost. Gross margins expand relative to historical capital deployed. Operating income increases in the monetization period. This is the margin conversion point — where prior economic decay re-emerges as reported profitability.

This degree of discretion is not industry standard.

Transfers from PPE to inventory totaled \$35.1 million in 2025, representing net book value at the time of reclassification. **Because these figures reflect depreciated carrying values rather than original acquisition cost, the underlying gross capital deployed into those assets was materially higher.** Gross transfer values are not separately disclosed. In a call with EIC's CFO, Richard Wowryk, we asked about the gross value of aircraft transferred; no figure was provided.

Table 2: Net Transfers from Capital Assets to Inventory
(\$ in millions)

	2025	2024	2023	2022	2021	2020
Net Transfers	\$35.1	\$7.7	\$12.4	\$5.5	\$16.6	\$22.6

E. Inventory Builds on the Balance Sheet

Inventory metrics reinforce the same pattern.

Trailing twelve-month Days Sales in Inventory (DSI) approximates 89 days, elevated relative to historical levels outside of COVID.

From 2016 to 2025:

- Total inventory increased from approximately \$129.9 million to \$511.2 million.
- Aviation parts inventory increased from approximately \$68.4 million to \$281.3 million.
- Currently 76% of EIC's inventory is "Parts and other consumables" and "Aviation parts for resale", making up the majority of EIC's inventory.

Inventory growth has shifted toward slower-turn aviation parts and project-linked finished goods. Faster-turn categories represent a smaller percentage of the total mix.

Under an expected-selling-price allocation framework, carrying values remain supported so long as recovery expectations are maintained. **This is how management is able to report such high margins on its parts sales. The lower cost/higher margin items are sold and hit the income statement, while the lower (or even negative) margin items stay on the balance sheet and build over time.**

The interaction between depreciation, reclassification, and expected-price allocation influences both reported margin and inventory composition.

F. Consolidated Impact

Because Regional One is embedded within the broader Aerospace & Aviation segment.

Segment reporting presents blended results across:

- Essential air services
- Aerospace services

- Aircraft leasing
- Asset recycling

Intercompany revenue and expenses are eliminated on consolidation. Volatility associated with asset recycling is therefore partially obscured within segment-level performance.

The consolidated profile reflects a combination of recurring service revenue and capital-intensive asset monetization.

Core Implication

Regional One is not peripheral. It is a structural contributor to reported margin stability through:

- Depreciation timing
- PPE-to-inventory reclassification
- Expected-price-based inventory relief
- Recurring asset sales

EIC converts asset decay into operating income. When secondary aircraft markets are strong and expected selling prices are stable, reported margins benefit. When utilization declines or pricing assumptions weaken, the same framework increases sensitivity to revisions.

Regional One is structurally linked to EIC's reported margin stability and dividend coverage presentation.

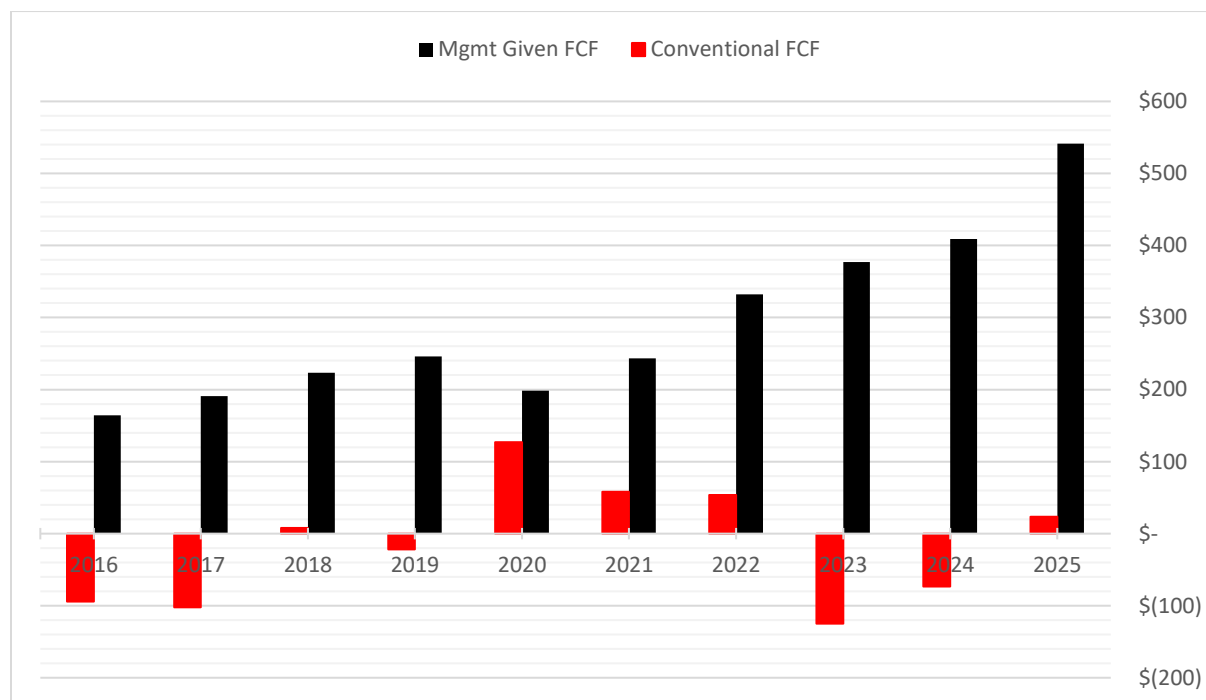
3. The Maintenance CapEx Fiction

EIC presents a trailing dividend payout ratio of approximately 58–63% using its internally defined “Free Cash Flow less Maintenance Capital Expenditures” framework. This metric anchors the perception of dividend safety.

On a conventional free cash flow basis — defined as operating cash flow less total capital expenditures and intangible purchases — coverage diverges materially.

- Free Cash Flow (2025): \$23.4 million
- Free Cash Flow (2024): -\$73.2million
- Free Cash Flow (2023): -\$125.1 million

Chart 2: EIC Disclosed FCF versus Conventional FCF
(\$ in millions)



These figures incorporate total reinvestment, including fleet investment, leasing replenishment, and acquisition-related capital.

The difference between management-defined coverage and conventional free cash flow is structural. For example, EIC evaluates dividend sustainability using a non-IFRS metric:

- Free Cash Flow less Maintenance Capital Expenditures

This metric — not IFRS operating cash flow — governs management’s dividend decisions (2024 Annual Report).

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.

A. Engineering the Numerator

Management begins with operating cash flow and applies a series of adjustments before calculating its version of Free Cash Flow.

Adjustments include:

- Removal of changes in non-cash working capital
 - Working capital has consumed cash in **7 of the last 10 years**
 - Average annual cash outflow: **~\$22.2 million**
 - Only positive during COVID years
 - If “seasonal smoothing” were true, long-term net impact would approach zero — it does not
- Removal of acquisition costs
- Removal of restructuring charges

Specifically, in the investment call with the CEO of EIC, Michael Pyle stated,

“ Exclude the changes in the working capital largely because seasonal, when you buy a new company you get a big jump in working capital... So we don’t expect material changes in working capital. ”

As a result, management-defined Free Cash Flow exceeds economic operating cash flow before capital expenditures are considered. The payout calculation is therefore influenced by exclusions that remove recurring cash outflows associated with a serial acquisition model.

Table 3: Change in Non-Cash Working Capital Items (Cash Flow Statement)
(\$ in millions)

	2025	2024	2023	2022	2021	2020
Δ Non-Cash WC	\$65.6	-\$81.8	-\$52.6	-\$21.2	\$20.8	\$38.5

	2019	2018	2017	2016	2015	2014
Δ Non-Cash WC	-\$45.1	-\$55.6	-\$64.0	-\$26.1	-\$27.3	\$20.9

The formula basically looks like this when all said and done:

Cash from Operating Activities

- Change in non-cash working capital
- Acquisition costs
- Restructuring costs
- Principal payments on leases

= Mgmt. defined Free Cash Flow

- Mgmt. defined Maintenance CapEx

= Mgmt. defined FCF – Maintenance CapEx (used for dividend payout ratio)

Management provides a list of KPIs that when shown to the novice investor it appears that the KPIs are all growing in the dividend is well covered (see Table 4, below).

Table 4: Management Disclosed Metrics (non-IFRS)
(\$ in millions)

Annual Data	2025	2024	2023	2022	2021	2020
Mgmt Free Cash Flow	\$541.3	\$409.2	\$377.1	\$332.0	\$243.3	\$198.4
FCF less Maintenance CapEx	\$239.1	\$199.3	\$201.8	\$176.1	\$147.2	\$113.3
Dividends Paid	\$139.9	\$125.9	\$114.6	\$97.5	\$85.4	\$80.0
FCF – Main CapEx Payout Ratio	58.5%	63.2%	56.8%	55.3%	58.0%	70.6%
Adjusted Earnings Payout Ratio	71.5%	85.4%	79.5%	73.3%	99.3%	169.6%

B. Engineering the Denominator

The denominator of the payout ratio — Maintenance Capital Expenditures — has shifted across multiple accounting regimes.

Historically, depreciation was used as the proxy for maintenance capital at Regional One, directly linking reinvestment requirements to asset consumption.

In the second quarter of 2020, during pandemic-driven underutilization, **management replaced depreciation with “actual expenditures on assets already owned.”**

The company acknowledged that actual maintenance expenditures were significantly lower than depreciation during that period. This change reduced reported Maintenance Capital Expenditures and increased “Free Cash Flow less Maintenance Capital Expenditures” during underutilization.

That framework remained in place through 2024.

In the first quarter of 2025, as fleet utilization approached pre-pandemic levels, management revised the methodology prospectively.

Under the updated policy, Maintenance Capital Expenditures reflect a utilization-based charge tied to aircraft and engine flying levels. The Maintenance Capital Expenditure framework has therefore operated under three distinct approaches:

- Depreciation proxy prior to 2020
- Cash-basis “actual expenditures” from 2020 through 2024
- Utilization-based charge beginning in 2025

Each approach produces different reinvestment levels and therefore different payout ratios.

When Maintenance Capital Expenditures are recalculated using pre-2020 proportional levels (64%) and conventional cash flow adjustments, payout ratios increase materially. **For 2025, reconstructed Free Cash Flow less Maintenance Capital Expenditures declines to approximately \$141.8 million, implying a payout ratio of only 98.7%, compared to the reported 58.5% (lower % implies more coverage).** A similar reconstruction for 2024 (2023) produces an implied payout ratio above 94.0% (161.1%), versus the reported 63.2% (56.8%). The variance is driven by definitional inputs rather than changes in reported revenue or EBITDA.

Table 5: Maintenance Versus Growth CapEx
(\$ in millions)

Fiscal Year:	2025	2024	2023	2022	2021	2020	2019	2018
Maintenance CapEx	\$302.1	\$209.9	\$175.3	\$155.9	\$96.2	\$85.1	\$119.7	\$109.0
Growth CapEx	\$322.4	\$220.3	\$303.0	\$125.4	\$131.0	\$47.9	\$119.3	\$49.0
<u>Total</u>	<u>\$624.6</u>	<u>\$430.2</u>	<u>\$478.3</u>	<u>\$281.3</u>	<u>\$227.1</u>	<u>\$133.0</u>	<u>\$239.0</u>	<u>\$158.0</u>
Main CapEx %	48.4%	48.8%	36.6%	55.4%	42.3%	64.0%	50.1%	69.0%
Growth CapEx %	51.6%	51.2%	63.4%	44.6%	57.7%	36.0%	49.9%	31.0%
<u>Total</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

The revised method remains in place despite normalized utilization and a larger asset base.

C. The Conventional Free Cash Flow Reality

Management reports a trailing dividend payout ratio of approximately **60%** using its internally defined “Free Cash Flow less Maintenance CapEx” framework. That figure anchors the perception of dividend safety.

On a conventional free cash flow basis — defined simply as **operating cash flow less total capital expenditures** — the picture changes materially.

Under conventional free cash flow, all capital expenditures required to sustain and grow the business are included. In 2023 and 2024, conventional free cash flow was negative while dividends of approximately \$110–120 million per year were paid.

Operating cash flow did not fund capital expenditures, acquisitions, and dividends concurrently during this period. The reported payout ratio reflects the application of management-defined exclusions and maintenance classifications rather than surplus economic cash generation.

These negative figures occurred during a period of expanding capital assets, rising depreciation, material acquisition activity, and stable-to-growing dividend commitments.

D. Dividends Paid Alongside Financing

In 2023 and 2024, conventional free cash flow was negative while dividends of approximately \$110–120 million per year were paid. Operating cash flow did not fund capital expenditures, acquisitions, and dividends concurrently during this period. Internal cash generation has been insufficient to fund maintenance capital, growth capital, acquisitions, and dividends in nine of the last ten years, averaging approximately \$128 million of annual deficit.

The shortfall has historically been bridged through incremental leverage, convertible issuance, and equity offerings.

On March 4, 2026, EIC announced the pricing of its inaugural public bond issuance: **\$600 million of senior unsecured notes due March 2031 carrying a 4.324% coupon**. According to the company, proceeds from the issuance will be used primarily to repay borrowings under the Corporation's revolving credit facilities, with the remainder allocated to general corporate purposes.

The transaction extends the maturity profile of the capital structure but does not materially reduce overall indebtedness. The bond proceeds largely refinance existing revolving credit borrowings rather than being funded through internally generated cash.

The issuance is consistent with the company's broader capital structure trajectory:

- Expansion of the revolving credit facility to approximately \$3.5 billion
- Ongoing convertible debenture issuance and conversions
- Repeated equity issuance in recent years
- Continued acquisition activity

Dividend payments, acquisitions, and reinvestment have therefore continued alongside incremental capital market financing.

The conclusion is straightforward, EIC would not be able to finance its increased dividend without continued external financing.

Table 6: External Capital Raised (Debt and Equity)
(\$ in millions)

Fiscal Year:	2025	2024	2023	2022	2021	2020	2019
Proceeds – Net Debt	\$375.6	\$315.4	\$225.4	\$482.1	\$157.4	\$77.8	\$95.2
Proceeds – Shares	\$23.5	\$24.2	\$187.1	\$127.1	\$99.2	\$11.7	\$86.2
Total Capital Raised	\$399.1	\$339.6	\$412.6	\$609.2	\$256.6	\$89.5	\$181.4

4. Earnings Quality Deteriorates at EIC

EIC's earnings profile increasingly reflects metric selection and estimation sensitivity rather than cash-based economics. Management explicitly emphasizes adjusted performance measures — including Adjusted EBITDA, Adjusted Net Earnings, and Free Cash Flow less Maintenance Capital Expenditures — as the basis for evaluating dividend capacity and performance.

Adjusted metrics, not IFRS earnings, anchor investor perception.

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.

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.

A. Adjusted Metrics vs IFRS Reality

Adjusted EBITDA and Adjusted Net Earnings exclude acquisition costs, restructuring charges, asset impairments, intangible amortization, and financing accretion.

These items are recurring in a capital-intensive roll-up model and are directly associated with EIC's acquisition-driven strategy.

The exclusions remove acquisition-related costs, financing impacts, and amortization of acquisition premiums — costs generated by the business model itself. As the gap expands, reported performance becomes increasingly dependent on adjusted definitions.

Table 7: Adjusted Metrics Versus IFRS Earnings
(\$ in millions)

Fiscal Year:	2025	2024	2023	2022	2021	2020	2019
Adjusted Earnings	\$195.5	\$147.3	\$144.1	\$132.9	\$86.0	\$47.2	\$102.1
IFRS Earnings	\$167.5	\$121.2	\$122.3	\$109.7	\$68.6	\$28.1	\$83.6
Difference (\$)	\$28.0	\$26.1	\$21.7	\$23.2	\$17.4	\$19.1	\$18.5
Difference (%)	16.7%	21.5%	17.8%	21.2%	25.4%	68.2%	22.1%

B. Estimated Earnings on Uncompleted Contracts

A growing share of EIC's profitability is recognized before project completion and before cash collection.

As of FY2025:

- Costs incurred on uncompleted contracts: \$849.0 million
- Estimated earnings recognized: \$263.8 million
- Revenue recognized on incomplete work: \$1,112.7 million
- Estimated earnings / costs: 31.1%

This ratio has risen steadily over time (see Table 8, below).

Table 8: Estimated Earnings on Uncompleted Construction Analysis
(\$ in millions)

Fiscal Year:	2025	2024	2023	2022	2021	2020	2019	2018	2017
Costs incurred on uncompleted contracts	\$849.0	\$737.6	\$539.0	\$323.7	\$347.5	\$277.4	\$119.6	\$137.7	\$122.3
Estimated earnings	\$263.8	\$215.9	\$145.3	\$77.5	\$76.1	\$53.7	\$21.2	\$27.1	\$19.8
Revenue on uncompleted contracts	\$1,112.7	\$953.5	\$685.4	\$401.1	\$423.7	\$331.1	\$140.9	\$164.8	\$142.1
Est. earnings / Costs incurred	31.1%	29.3%	26.9%	23.9%	21.9%	19.4%	17.8%	19.7%	16.2%

The trend indicates increasing reliance on forward-looking margin assumptions.

Management explicitly acknowledges the subjectivity embedded in these estimates (2024 Annual Report):

Revenue and income from fixed price construction contracts are recognized over time... estimated costs to complete are updated. However, due to unforeseen changes in the nature or cost of the work to be completed or performance factors, contract profit can differ significantly from earlier estimates.

The filing further emphasizes:

Management applies significant judgment to estimate the costs to complete these long-term construction contracts... changes in cost estimates on larger, more complex construction projects can have a material impact on the Corporation's consolidated financial statements.

The auditor identified revenue recognition as a Key Audit Matter in 2024:

"We considered this a key audit matter due to the significant judgment applied by management in determining the estimated costs to complete long-term construction contracts."

As contract scale increases, so does estimation leverage. Small adjustments to:

- labor productivity
- subcontractor performance
- material cost inflation
- scope assumptions

This can shift tens of millions of earnings between periods without corresponding changes in cash flow. Earnings call commentary reinforces this sensitivity. On the Q4 2024 call, CFO Richard Wowryk stated:

"Our average load factors improved, which has a direct improvement on adjusted EBITDA... These have been the same consistent drivers throughout the entire fiscal period."

Load factors and utilization are inherently cyclical. When EBITDA is tied directly to these variables, stability becomes dependent on maintaining favorable utilization assumptions.

In the same discussion, management acknowledged structural variability:

"One of the Aerospace contracts changed from a performance-based logistics arrangement to a time-and-materials arrangement, which results in more variability when comparing quarters."

Contract mechanics themselves alter earnings volatility. On the Q3 2025 call, management attributed profitability declines to timing rather than demand erosion:

"In the Canadian market, we saw a decrease in adjusted EBITDA due to customer deferral of projects into the fourth quarter and into 2026."

The cumulative effect is measurable: **a larger share of earnings is derived from estimated margins on uncompleted contracts**, cash realization lags recognition, and profitability becomes more sensitive to forward-looking assumptions.

C. ROIC vs Cost of Capital

Management does not disclose Return on Invested Capital. Reconstructed ROIC using IFRS figures indicates deterioration as scale increased.

Invested capital expanded from approximately \$670 million in 2016 to over \$4 billion as of 2025. Reconstructed ROIC declined from approximately 13–14% pre-roll-up to approximately 6–7% in recent periods (see Chart 3, below).

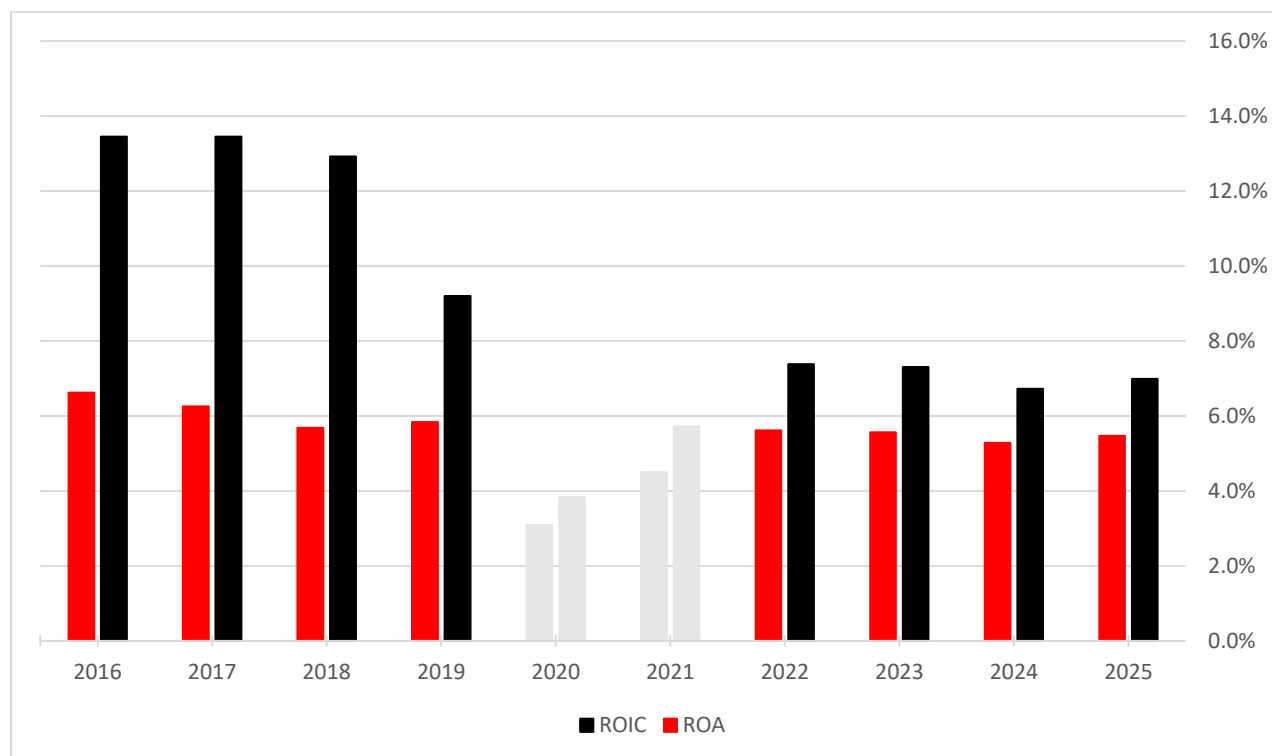
The calculation is based on:

- NOPAT derived from unadjusted EBIT
- A normalized 25% tax rate
- Invested capital defined as equity plus debt plus lease liabilities less cash

ROIC now trails an estimated 7–8% cost of capital. Incremental capital deployed through acquisitions is not earning its cost.

Scale has increased earnings in absolute terms, but capital efficiency has declined. Return on equity remains supported by leverage. Return on assets has remained relatively flat. Return on invested capital has compressed.

Chart 3: Annual ROIC and ROA Analysis⁴



⁴ COVID years in gray.

6. Financing the Model

EIC's operating model requires sustained access to external capital. Organic cash generation has not scaled in line with acquisitions, capital expenditures, and dividends. The balance sheet has consistently bridged the gap between internal cash generation and total capital requirements.

A. Credit Facility Expansion

In the third quarter of 2025, the Corporation announced an expansion of its unsecured credit facility from approximately \$2.2 billion to \$3.0 billion, later increased to \$3.5 billion, extending maturity and increasing borrowing capacity. Management characterized the facility as providing capacity to continue executing its acquisition strategy.

Borrowing capacity has expanded alongside acquisition activity. Leverage is presented relative to Adjusted EBITDA, a management-defined measure. Leverage is not evaluated against:

- IFRS net earnings
- Conventional free cash flow
- Total capital consumption

As Adjusted EBITDA increases through acquisitions and accounting adjustments, leverage ratios improve mechanically relative to that denominator.

B. Convertible Debentures

The Corporation has actively issued, redeemed, and converted convertible debentures in recent years. Management has described debenture conversions as a form of deleveraging when holders convert to equity.

Conversion reduces reported leverage by increasing common shares outstanding and reducing debt balances. It does not represent repayment from internally generated operating cash flow. Debt obligations are replaced with equity dilution rather than retired through surplus cash generation.

Convertible activity therefore alters capital structure composition without addressing underlying free cash flow deficits.

C. Equity Issuance

In 2023/2024, the Corporation completed its largest common share offering in company history to fund capital expenditures associated with new contract

wins (\$187.1 million in FY2023). Growth capital expenditures — excluded from the dividend coverage calculation — required equity financing.

Because the dividend payout ratio is calculated using “Free Cash Flow less Maintenance Capital Expenditures,” capital classified as growth does not reduce the reported payout ratio, even when funded through equity issuance. Dilution has therefore occurred alongside reported dividend stability.

D. Bond Market Financing

On March 4, 2026, EIC priced its inaugural public bond issuance: \$600 million of senior unsecured notes due March 2031 with a 4.324% coupon. The proceeds are expected to be used primarily to repay borrowings under the Corporation’s revolving credit facilities and for general corporate purposes. The notes were assigned a provisional BBB (low) rating with a stable trend by Morningstar DBRS.

The transaction replaces revolving credit borrowings with longer-term bond financing rather than reducing overall indebtedness, adding a fixed interest obligation that must be serviced through operating cash flow.

The issuance follows several years in which internal cash generation has not funded capital expenditures, acquisitions, and dividends concurrently. Dividend payments, acquisitions, and reinvestment have therefore continued alongside incremental capital market financing — consistent with our thesis that EIC relies on external funding to sustain its dividend.

E. Internal Cash Generation Versus Capital Raised

Even using management’s own Free Cash Flow framework as a starting point, internally generated cash has generally been insufficient to fund growth capital expenditures, acquisitions, and cash dividends simultaneously.

Reconstructed cash flow analysis shows that in nine of the last ten years, internal cash generation was insufficient to cover total capital uses, averaging approximately \$128 million of annual deficit (see Table 9, below).

The difference has been addressed through:

- Incremental debt issuance
- Convertible instruments
- Equity offerings
- Expanded credit facilities

Dividend continuity has coincided with sustained capital market access rather than persistent surplus free cash generation.

Table 9: Reconciling Cash Generation, Capital Uses⁵
(\$ in millions)

Fiscal Year:	2025	2024	2023	2022	2021	2020	2019	2018	2017
Mgmt. FCF	\$541.3	\$409.2	\$377.1	\$332.0	\$243.3	\$198.4	\$245.8	\$223.4	\$191.1
Less: Maintenance CapEx	\$302.1	\$209.9	\$175.3	\$155.9	\$96.2	\$85.1	\$119.7	\$109.0	\$99.2
Mgmt. FCF - Main CapEx	\$239.1	\$199.3	\$201.8	\$176.1	\$147.2	\$113.3	\$126.1	\$114.4	\$91.9
<u>GlassHouse Adjustments</u>									
Add back: Delta Working Capital	(\$65.6)	\$81.8	\$52.6	\$21.2	(\$20.8)	(\$38.5)	\$45.1	\$55.6	\$64.0
Add back: Restructuring / Acquisition Costs	\$9.0	\$9.4	\$6.9	\$6.1	\$2.9	\$1.5	\$4.0	\$3.1	\$2.3
Less: Growth CapEx	\$322.4	\$220.3	\$303.0	\$125.4	\$131.0	\$47.9	\$119.3	\$49.0	\$128.4
Less: Cash Dividends	\$139.9	\$125.9	\$114.6	\$97.5	\$85.4	\$80.0	\$72.7	\$68.5	\$65.1
Internal Cash Surplus / (Deficit)	(\$166.6)	(\$238.1)	(\$275.2)	(\$74.1)	(\$51.4)	\$22.3	(\$115.1)	(\$61.8)	(\$167.8)
Net Debt Issued / (Repaid)	\$375.6	\$315.4	\$225.4	\$482.1	\$157.4	\$77.8	\$95.2	(\$45.1)	\$95.2
Equity Issued	\$23.5	\$24.2	\$187.1	\$127.1	\$99.2	\$11.7	\$86.2	\$8.7	\$102.2
Total Capital Raised	\$399.1	\$339.6	\$412.6	\$609.2	\$256.6	\$89.5	\$181.4	(\$36.4)	\$197.4

⁵ 2016 reported an internal deficit of -\$151.5 million

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