

2025 ANNUAL PUBLIC MEETING – MESSAGE FROM THE CHIEF FINANCIAL OFFICER

INTRODUCTION

Hello, my name is Scott Moore and I'm EDC's Executive-Vice President of Finance and Chief Financial Officer. I'm pleased to cover our financial results for 2024.

EDC delivered solid financial results for 2024 after mixed results in 2023. We reported net income of \$915 million for 2024, up from \$450 million the year before. This was driven by higher net revenue, combined with unrealized gains on financial instruments carried at fair value.

Let me expand by covering four key areas of interest.

First, EDC facilitated \$123.4 billion in business in 2024. This was down by 6% year over year. The decline is explained by a 24% reduction in financing and investments compared to 2023—a year that we signed large transactions for projects in the renewables sector. Business facilitated for insurance was relatively flat year over year.

Our ending loans receivable grew by 1%, driven by the effect of foreign exchange rates. This moved us from \$59 billion in 2023 to \$60 billion at the end of 2024. Excluding foreign exchange impacts, our ending loans receivable was down by approximately 4% year over year due to prepayments and lower business facilitated.

Net revenue was \$1.7 billion in 2024, compared to \$1.6 billion in 2023. This was driven by a higher average loans receivable balance during the year.

Second, our loan-loss provisions were lower with a provision charge of \$251 million in 2024, compared to \$321 million in 2023.

In 2024, we recorded a significant loss for a borrower in the utilities sector. This was partially offset by the impact of changes to our model used in the calculation of the allowance for losses on loans.

Third, we saw higher gains in our equity investment portfolio, reaching \$76 million in 2024, compared to \$32 million in 2023.

Our equity investment portfolio grew by 15% to \$3.5 billion, compared to \$3.1 billion the year before. The portfolio is focused on direct investments to help medium-sized Canadian companies scale as well as on Canadian fund investments. As part of our focus on the medium segment, our investment solutions are helping fill a critical gap in the Canadian financial ecosystem.

Fourth, our administrative expenses were down slightly, to \$682 million in 2024, compared to \$684 million in 2023. This decrease was driven by lower professional services costs. However, the decrease was partially offset by higher human resources and systems costs related to our strategic and digital transformation.

Our productivity ratio – which is the ratio of our administrative expenses to net revenue – was 40.8% in 2024. This was down from 42.2% in 2023 due to higher net revenues and lower administrative expenses. We expect the ratio to increase in 2025 and then come down over the next few years as we realize the benefits of our investments.

Overall, despite a challenging business environment in 2024, EDC performed well. We remain focused on our core mandate of helping Canadian companies succeed internationally, despite the many challenges around us right now.

Thank you.

