NEWS RELEASE

Exchange Income Corporation Posts Record Second Quarter Results as Previous Investments and Contract Wins Provide Tailwinds for the Remainder of 2024

The Corporation Posts Record Second Quarter Revenue of $661 Million and New Second Quarter Benchmarks for Adjusted EBITDA[1] of $157 Million and Free Cash Flow[1] of $101 million

WINNIPEG, Manitoba – August 8, 2024 – Exchange Income Corporation (TSX: EIF) ("EIC" or the "Corporation") a diversified, acquisition-oriented company focused on opportunities in the Aviation & Aerospace and Manufacturing segments, reported its financial results for the three and six-months ending June 30, 2024. All amounts are in Canadian currency.

Q2 Financial Highlights

- Generated record second quarter Revenue of $661 million, an increase of $33 million or 5%.
- Earned record second quarter Adjusted EBITDA[1] of $157 million, representing growth of $10 million over the prior period or 7%.
- Free Cash Flow[1] second quarter record of $101 million compared to the prior period of $98 million.
- Second quarter Net Earnings of $33 million compared to the prior period of $37 million and Net Earnings per share of $0.69 compared to the prior period of $0.85.
- Second quarter Adjusted Net Earnings[1] of $38 million compared to the prior year of $43 million and Adjusted Net Earnings per share of $0.80 compared to the prior period of $1.00.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio [1] of 61% compared to the prior period of 57%.
- Completed the previously announced strategic acquisition of Armand Duhamel & Fils Inc. which will accelerate the Environmental Access Solutions strategic growth into Quebec and Eastern Canada.

CEO Commentary

"This quarter illustrates our diversified nature. Our Aerospace & Aviation segment continues to demonstrate strong performance, delivering on the large long-term contracts that we announced throughout 2023. The execution is driving the record financial results for the Aerospace & Aviation segment, and the segment continues to see significant growth opportunities to expand both in Canada and around the globe. Our Manufacturing segment continues to experience significant levels of inquiries from our customer base; however, those inquiries are not being converted into firm bookings at our normal, historical rate due to geopolitical tensions and the higher interest rate environment. Those pressures are beginning to abate with the Bank of Canada announcing two rate cuts recently and the US economy navigating a soft landing. In the last six weeks we have started to see inquiries being converted into bookings and our subsidiaries are getting ready to execute on those wins. We are bullish on the opportunities that lie ahead for our manufacturing subsidiaries, as business and market fundamentals point to increased demand within each Manufacturing business line over the short, medium and long-term. Accordingly, due to the confidence in the remainder of 2024 we expect to be at the mid to high end of the Adjusted EBITDA guidance of $600 million to $635 million we previously provided." said Mike Pyle, CEO of EIC. "Our financial results demonstrate the strength of our diversified and resilient business model. We have continued to maintain a strong balance sheet and are ready to execute on acquisitions and organic growth opportunities. Adam and his team are diligently working on several potential acquisition targets and our subsidiaries are bidding on a number of significant growth opportunities. EIC is primed for future growth as we continue to execute on our strategic initiatives."

---

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

"The acquisition of Armand Duhamel & Fils Inc. completed in June 2024 was highly strategic to our Environmental Access Solutions business line and is also immediately accretive to our shareholders. Duhamel will bolster our presence in the Quebec market. Over the next decade, we anticipate significant capital projects in Quebec which will require matting solutions to protect environmentally sensitive areas. Our Environmental Access Solutions business line is the pre-eminent access solutions provider in Canada and we are excited to further grow our Quebec and Eastern Canada markets," stated Adam Terwin, EIC's Chief Corporate Development Officer. "More broadly, our pipeline of opportunities continues to be very strong with a number of high-quality opportunities, however we remain disciplined in ensuring that we acquire companies with strong management teams and with sustainable, strategic business niches. We continue to work on projects in both the Aerospace & Aviation and Manufacturing segments."

Q2 Selected Highlights
(All amounts in thousands except % and share data)

	Q2 2024	Q2 2023	% Change	YTD 2024	YTD 2023	% Change
Revenue	$660,575	$627,222	5%	$1,262,344	$1,154,066	9%
Adjusted EBITDA	$157,045	$147,036	7%	$268,096	$244,153	10%
Net Earnings	$32,648	$36,896	(12%)	$37,176	$43,757	(15%)
per share (basic)	$0.69	$0.85	(19%)	$0.79	$1.02	(23%)
Adjusted Net Earnings	$37,662	$43,480	(13%)	$47,236	$55,020	(14%)
per share (basic)	$0.80	$1.00	(20%)	$1.00	$1.28	(22%)
Trailing Twelve Month Adjusted Net Earnings Payout Ratio (basic)	90%	75%		90%	75%	
Free Cash Flow	$100,502	$98,002	3%	$162,433	$157,710	3%
per share (basic)	$2.13	$2.25	(5%)	$3.44	$3.66	(6%)
Free Cash Flow less Maintenance Capital Expenditures	$52,322	$58,592	(11%)	$74,915	$77,515	(3%)
per share (basic)	$1.11	$1.34	(18%)	$1.58	$1.80	(12%)
Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio (basic)	61%	57%		61%	57%	
Dividends declared	$31,275	$27,809	12%	$62,446	$54,614	14%

Review of Q2 Financial Results
Consolidated revenue for the quarter was $661 million, which was an increase of $33 million or 5% over the prior period. Revenue in the Aerospace & Aviation segment grew over the prior period by $54 million or 15% to $427 million. Revenue in the Manufacturing segment declined by $21 million or 8% to $234 million. Adjusted EBITDA for the quarter was $157 million, which was an increase of $10 million or 7% compared to the second quarter of last year. The increase in the consolidated results was driven by the growth capital investments made for the contracts won within the Aerospace & Aviation segment, partially offset by reductions in the Manufacturing results due to the economic and geopolitical uncertainties experienced by the Manufacturing segments customers coupled with deferral of projects from the second quarter into the later quarters of 2024. However, in the latter part of the quarter we started to see a reversal of these uncertainties and noted that several customers released their orders. This positive momentum is expected to continue into

the remainder of 2024 as the governments start to reduce interest rates and election uncertainties continue to resolve themselves.

Revenue generated by the Aerospace & Aviation segment increased by $54 million or 15% to $427 million and Adjusted EBITDA increased by $27 million or 25% to $134 million over the prior period. The most material drivers of the revenue and profitability increases related to additional routes, improved load factors, increased flying under the BC medevac contract with existing aircraft, increases in medevac activity under the new Manitoba contract, increased tempo of flying on owned ISR aircraft, changes in sales mix within the Aerospace business line and continued step-based improvements in our Aircraft Sales & Leasing business line as aircraft and engine leasing continues to strengthen.

Manufacturing segment revenue decreased by $21 million or 8% to $234 million for the quarter and Adjusted EBITDA decreased by $14 million or 29% to $35 million. These decreases were expected as they were primarily driven by the Environment Access Solution business line as the prior period was characterized by the continuation of the alignment of price, demand, and supply coupled with a number of rental mats deployed on a long, linear project in Western Canada which was wrapping up in the second quarter of 2023. Our other business lines experienced delays in the start of certain projects which were pushed into later quarters which negatively impacted the second quarter revenue and profitability. However, we are starting to see activity levels improving throughout the Manufacturing segment in the latter portions of the quarter as we noted several customers releasing their orders as the economic and geopolitical uncertainty have begun to subside. This positive news followed interest rate announcements by the Bank of Canada and greater clarity from the US Federal Reserve.

EIC recorded Net Earnings of $33 million, or $0.69 per share, compared to $37 million, or $0.85 per share, in the second quarter of last year.

Richard Wowryk, EIC's CFO also noted, "The macroeconomic conditions today continue to be characterized by uncertainty although it is beginning to subside. Whether it be election uncertainties, geopolitical conflicts abroad or uncertainty as to the pace and timing of interest rate reductions, each one of these uncertainties is impacting our subsidiaries in different ways. With this backdrop our business continued to perform in accordance with expectations and our organic investments continued to mature and achieve our expected rates of return. We continue to maintain a strong balance sheet and have significant liquidity to deploy to fund further organic growth initiatives or acquisitions. Our combined leverage ratios are consistent with our historical norms and this conservative financing allows us to be poised to execute on opportunities as they arrive. We are proud of our consistent financial results considering the uncertainties, and this continues to demonstrate the resiliency of our business model."

Outlook

Mr. Pyle concluded by saying, "Our second quarter results continued to meet our overall internal expectations and demonstrate the power of our diversification and our business model. We find strong niche companies with excellent management teams, coupled with a strong culture, and we empower those teams to make decisions in operating their businesses. In our Manufacturing segment, we were seeing some delays in the conversion of inquiries into firm bookings driven mainly by geopolitical events, including the US election, and the higher interest rate environment. Buyers, both in government and industry, are taking longer to finalize decisions and pushed certain projects from the second quarter into later quarters. We are seeing evidence of this uncertainty starting to resolve itself and we are excited about the number of significant opportunities in the back half of 2024. In fact, over the past 45 days our Multi-Storey Windows Solutions business line has booked in excess of $100 million for future projects across several geographies, customer segments and product categories. Our businesses have remained responsive to their customers' needs, which has led to our organic growth wins and this success will continue to build upon itself in the foreseeable future. Our 20-year track record provides insight into how we will continue to grow and evolve into the future. Our consistent execution of this strategy, including making investment decisions for the long-term, will continue to drive our strong and reliable results."

EIC's complete interim financial statements and management's discussion and analysis for the three and six months ending June 30, 2024 can be found at www.ExchangeIncomeCorp.ca or at www.sedarplus.ca.

Conference Call Notice

Management will hold a conference call to discuss its 2024 second quarter financial results on Friday, August 9, 2024, at 8:30am ET. All interested parties can join the conference call by dialing 1-888-886-7786 or 1-416-764-8658 (International). Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until August 16, 2024 at midnight. To access the archived conference call, please dial 1-877-674-7070 or 1-416-764-8692 (International) and enter the encore code 396161#.

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

About Exchange Income Corporation

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

Caution concerning forward-looking statements

The statements contained in this news release that are forward-looking are based on current expectations and are subject to a number of uncertainties and risks, and actual results may differ materially. These uncertainties and risks include, but are not limited to, external risks, operational risks, financial risks and human capital risks. External risks include, but are not limited to, risks associated with economic and geopolitical conditions, competition, availability of government funding for Indigenous health care, access to capital, market trends and innovation, risks associated with uninsured losses, climate risks, acts of terrorism, armed conflict, labour or social unrest, risks of a pandemic, the level and timing of defence spending, government-funded defence and security program risks and risks associated with environmental, social and governance. Operational risks include, but are not limited to, significant contracts and customers, operational performance and growth, laws, regulations and standards, acquisitions, concentration and diversification, access to parts and relationships with key suppliers, casualty losses, environmental liability, dependence on information systems and technology, international operations, fluctuations in sales prices and purchase prices of aviation related assets, warranties and performance guarantees, global offset and intellectual property risks. Financial risks include, but are not limited to, availability of future financing, income tax matters, commodity risk, risks related to foreign exchange, interest rates, credit facility and the trust indentures, dividends, unpredictability and volatility of securities pricing, dilution and other credit risk. Human capital risks include, but are not limited to, reliance on key personnel, risks related to employees and labour relations and conflicts of interest.

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

Exchange Income Corporation

For further information, please contact:

Mike Pyle
Chief Executive Officer
Exchange Income Corporation
(204) 982-1850
MPyle@eig.ca

Pam Plaster
Vice President, Investor Development
Exchange Income Corporation
(204) 953-1314
PPlaster@eig.ca

Exchange Income Corporation

Appendix A

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

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

	Three Months ended June 30, 2024	Three Months ended June 30, 2023	**Six Months ended June 30, 2024**	Six Months ended June 30, 2023
Adjusted EBITDA	**$ 157,045**	$ 147,036	**$ 268,096**	$ 244,153
Depreciation of capital assets	**61,785**	50,032	**117,099**	97,540
Amortization of intangible assets	**5,593**	5,432	**11,171**	10,229
Finance costs - interest	**31,703**	28,158	**61,518**	53,877
Depreciation of right of use assets	**9,711**	8,579	**19,393**	16,706
Interest expense on right of use liabilities	**2,048**	1,738	**4,032**	3,329
Acquisition costs	**1,244**	2,603	**2,549**	3,968
Other	**-**	-	**-**	(951)
Earnings before income taxes	**$ 44,961**	$ 50,494	**$ 52,334**	$ 59,455

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

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

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

Three Months Ended June 30,	**2024**	2023
Net Earnings	**$ 32,648**	$ 36,896
Acquisition costs (net of tax $341 and $35)	**903**	2,568
Amortization of intangible assets (net of tax $1,482 and $1,416)	**4,111**	4,016
Adjusted Net Earnings	**$ 37,662**	$ 43,480
per share - Basic	**$ 0.80**	$ 1.00
per share - Diluted	**$ 0.77**	$ 0.93

Six Months Ended June 30,	2024	2023
Net Earnings	**$ 37,176**	$ 43,757
Acquisition costs (net of tax $700 and $223)	**1,849**	3,745
Amortization of intangible assets (net of tax $2,960 and $2,711)	**8,211**	7,518
Adjusted Net Earnings	**$ 47,236**	$ 55,020
per share - Basic	**$ 1.00**	$ 1.28
per share - Diluted	**$ 0.98**	$ 1.25

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

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

Three Months Ended June 30,	2024	2023
Cash flows from operations	**$ 40,529**	$ 76,986
Change in non-cash working capital	**68,491**	27,559
Acquisition costs (net of tax $341 and $35)	**903**	2,568
Principal payments on right of use lease liabilities	**(9,421)**	(9,111)
	$ 100,502	$ 98,002
per share - Basic	**$ 2.13**	$ 2.25
per share - Diluted	**$ 1.88**	$ 1.96

Six Months Ended June 30,	2024	2023
Cash flows from operations	**$ 91,506**	$ 66,212
Change in non-cash working capital	**87,576**	105,138
Acquisition costs (net of tax $700 and $223)	**1,849**	3,745
Principal payments on right of use lease liabilities	**(18,498)**	(17,385)
	$ 162,433	$ 157,710
per share - Basic	**$ 3.44**	$ 3.66
per share - Diluted	**$ 3.07**	$ 3.23

Free Cash Flow less Maintenance Capital Expenditures: is equal to Free Cash Flow, as defined above, less Maintenance Capital Expenditures, as defined below.

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

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

Exchange Income Corporation

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

	Three Months Ended June 30, 2024							
CAPITAL EXPENDITURES		**Aerospace & Aviation**		**Manufacturing**		**Head Office**		**Total**
Maintenance Capital Expenditures	**$**	**40,805**	**$**	**7,276**	**$**	**99**	**$**	**48,180**
Growth Capital Expenditures		**38,546**		**6,244**		**10**		**44,800**
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	**$**	**79,351**	**$**	**13,520**	**$**	**109**	**$**	**92,980**

	Three Months Ended June 30, 2023							
CAPITAL EXPENDITURES		Aerospace & Aviation		Manufacturing		Head Office		Total
Maintenance Capital Expenditures	$	33,081	$	6,034	$	295	$	39,410
Growth Capital Expenditures		69,985		15,967		-		85,952
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	$	103,066	$	22,001	$	295	$	125,362

	Six Months Ended June 30, 2024							
CAPITAL EXPENDITURES		**Aerospace & Aviation**		**Manufacturing**		**Head Office**		**Total**
Maintenance Capital Expenditures	**$**	**75,398**	**$**	**11,840**	**$**	**281**	**$**	**87,519**
Growth Capital Expenditures		**83,690**		**425**		**10**		**84,125**
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	**$**	**159,088**	**$**	**12,265**	**$**	**291**	**$**	**171,644**

	Six Months Ended June 30, 2023							
CAPITAL EXPENDITURES		Aerospace & Aviation		Manufacturing		Head Office		Total
Maintenance Capital Expenditures	$	68,625	$	11,208	$	362	$	80,195
Growth Capital Expenditures		106,592		13,771		-		120,363
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	$	175,217	$	24,979	$	362	$	200,558

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