NEWS RELEASE

Exchange Income Corporation Posts Record Third Quarter Results Driven by the Diversification of its Business Model

The Corporation Posts Quarterly Records for Key Financial Metrics including Revenue of $710 million, Adjusted EBITDA[1] of $193 million, Free Cash Flow[1], Free Cash Flow less Maintenance Capital Expenditures[1] and Adjusted Net Earnings[1].

WINNIPEG, Manitoba – November 7, 2024 – Exchange Income Corporation (TSX: EIF) ("EIC" or the "Corporation") a diversified, acquisition-oriented company focused on opportunities in the Aerospace & Aviation and Manufacturing segments, reported its financial results for the three and nine-months ending September 30, 2024. All amounts are in Canadian currency.

Q3 Financial Highlights

- Record quarterly revenues of $710 million, an increase of $22 million.
- Record quarterly Adjusted EBITDA of $193 million, representing growth of $25 million over the prior period or an increase of 15%.
- Record quarterly Free Cash Flow of $136 million compared to the prior period of $117 million, an increase of $19 million along with record Free Cash Flow per share of $2.86 compared to the prior period of $2.51.
- Record Net Earnings of $56 million compared to the prior period of $50 million and Net Earnings per share of $1.18 compared to the prior period of $1.06.
- Adjusted Net Earnings record of $61 million compared to the prior period of $55 million and Adjusted Net Earnings per share of $1.29 compared to the prior period of $1.19.
- Free Cash flow less Maintenance Capital Expenditures record of $81 million compared to the prior period of $74 million and record Free Cash flow less Maintenance Capital Expenditures per share of $1.71.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio was 60% compared to the prior period of 58%.
- Announced that the Corporation was the successful bidder to provide integrated fixed-wing and rotary air ambulance services for the Province of Newfoundland and Labrador.
- Announced a new contract to provide airborne intelligence, surveillance and reconnaissance support for a domestic security agency in an allied European nation utilizing an existing aircraft along with an additional aircraft with augmented technical capabilities to be deployed during the contract.
- Announced, subsequent to quarter end, the acquisition of Spartan Mat, LLC and its subsidiary Spartan Composites, LLC (collectively, "Spartan") which is a strategic acquisition expanding our Environmental Access Solutions business line into the US and adding additional products for our Canadian operations.
- Subsequent to quarter end, extended its medevac contracts with the Government of Nunavut into 2026 with enhanced pricing.

CEO Commentary

Mike Pyle, CEO commented, "The third quarter performance was exceptionally strong, highlighted by our highest Free Cash Flow and Free Cash Flow less Maintenance Capital Expenditures per share metrics and

---

[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.

our second highest Net Earnings per share in our history. Hitting these per share metrics amidst the interest rate environment backdrop and macroeconomic uncertainty illustrates the strength of the quarter and our strategy. The diversification of our business model was readily evident as our Aerospace & Aviation segment continued to set record metrics from a revenue and profitability perspective driven by previously announced contract wins, prior Growth Capital Expenditures and continued linear improvement in our leasing business within our Aircraft Sales & Leasing business line. Our Manufacturing segment has started to show signs of strength as the broader business environment is becoming more confident in the economic outlook. With the inflation pressures subsiding and interest rates on the decline in Canada and the United States, we are continuing to see near record levels of inquiries. We have started to see those inquiries being converted into firm committed orders during the past several months.

Our positive momentum on new contract announcements continued subsequent to quarter end. We announced that we were the successful proponent in the integrated fixed-wing and rotary air ambulance services for the Province of Newfoundland and Labrador. We have strategically grown our world class medevac business and have become the largest medevac provider in Canada. Subsequent to quarter end we extended our three separate medevac contracts with the Government of Nunavut into 2026 with enhanced pricing. We continue to have dialogue with other jurisdictions as contracts come up for proposal in their geographies. We also announced a new contract to provide ISR support for an allied European nation utilizing an existing aircraft and adding a second aircraft with augmented technical capability during the contract term. Furthermore, we concurrently announced, with our third quarter earnings release, the acquisition of Spartan. Spartan is a strategic acquisition for our Environmental Access Solution business. We previously communicated that strategically we wanted to expand into the US market and Adam and his team looked at numerous companies to achieve that objective but none met our specific and disciplined acquisition criteria until we met with Spartan.

We are excited about the future of each of our businesses. The fundamentals driving each of our business lines are robust and the positive momentum achieved with the successful execution on our most recent contract awards are driving the record key financial metrics, whether it be revenue, Adjusted EBITDA, Free Cash Flow, Free Cash Flow less Maintenance Capital Expenditures, Net Earnings and Adjusted Net Earnings. That positive momentum is continuing as we have several organic growth and acquisition opportunities being worked on by our various teams."

Adam Terwin, EIC's Chief Corporate Development Officer, commented "We announced the acquisition of Spartan subsequent to quarter end. We previously discussed our desire to expand our Environment Access Solutions business line into the US and diversify our Canadian product line to include a composite mat solution. The acquisition of Spartan accomplishes both objectives and our collective teams are in the process of executing on those strategic initiatives. Spartan exhibited all the key attributes required by our disciplined acquisition strategy. They are a niche market player, as they are one of three primary manufacturers in the composite matting industry in North America. They have a strong management team, and their former owners and management team will continue on in their existing roles as they execute on their growth strategy which includes the recent launch of their new SYSTEM7-XT™ mat. Lastly, they generate strong cash flows and is accretive to our shareholders on a per share basis based on historical performance. We anticipate the impact on our Environmental Access Solutions business line to be even greater over the medium and longer term due to the growth of the United States market."

Exchange Income Corporation

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

	Q3 2024	Q3 2023	% Change	YTD 2024	YTD 2023	% Change
Revenue	$709,856	$687,673	3%	$1,972,200	$1,841,739	7%
Adjusted EBITDA	$192,914	$167,751	15%	$461,010	$411,904	12%
Net Earnings	$55,885	$49,523	13%	$93,061	$93,280	-%
per share (basic)	$1.18	$1.06	11%	$1.96	$2.11	(7%)
Adjusted Net Earnings	$61,372	$55,263	11%	$108,608	$110,283	(2%)
per share (basic)	$1.29	$1.19	8%	$2.29	$2.49	(8%)
Trailing Twelve Month Adjusted Net Earnings Payout Ratio (basic)	87%	78%		87%	78%	
Free Cash Flow	$136,116	$117,143	16%	$298,549	$274,853	9%
per share (basic)	$2.86	$2.51	14%	$6.30	$6.21	1%
Free Cash Flow less Maintenance Capital Expenditures	$81,201	$74,341	9%	$156,116	$151,856	3%
per share (basic)	$1.71	$1.60	7%	$3.30	$3.43	(4%)
Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio (basic)	60%	58%		60%	58%	
Dividends declared	$31,403	$29,369	7%	$93,849	$83,983	12%

Review of Q3 Financial Results

Consolidated revenue for the quarter was $710 million, which was an increase of $22 million or 3% over the prior period. Revenue in the Aerospace & Aviation and Manufacturing segments grew over the prior year, by $19 million and $3 million, respectively. Adjusted EBITDA for the quarter was $193 million, which was an increase of $25 million or 15% compared to the third quarter of last year.

Revenue generated by the Aerospace & Aviation segment increased by $19 million or 5% to $433 million and Adjusted EBITDA increased by $31 million or 25% to $155 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, enhanced pricing under the Government of Nunavut medevac contracts, 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 increased by $3 million to $276 million for the quarter, however Adjusted EBITDA decreased by $3 million to $51 million. The decrease in Adjusted EBITDA was primarily due to operational inefficiencies partly due to customer delays in certain projects within our Multi-Storey Window Solutions business line coupled with reduced profitability due to customers deferring capital spend within our Precision Metal & Engineering business line. These delays and deferrals were primarily due to economic and geopolitical uncertainty. Those uncertainties are starting to abate, and we have noted an uptick in the conversion of customer inquiries into bookings. We are continuing to see a historically high number of inquiries from customers amongst our various Manufacturing segment business lines and see this as a positive forward-looking indicator for the prospects of our businesses.

EIC recorded Net Earnings of $56 million compared to $50 million in the third quarter of last year. The increase was muted by an increase in interest expense and depreciation of capital assets of $5 million and $11 million, respectively, compared to the prior year.

"During the quarter we continued to give back to the communities in which we serve. We celebrated the National Day for Truth & Reconciliation by welcoming over 1,000 Indigenous guests to a Winnipeg Blue Bomber football game. We also celebrated with two groups of Indigenous pilots as part of our Indigenous Pilot Pathway program. 2024 was a continuation of our Indigenous Pilot Pathway pilot training in Thompson, Manitoba, Goose Bay, Newfoundland and it also marked our inaugural training program in Rankin Inlet, Nunavut. Families and elders were in attendance celebrating the successes of the pilot participants and we were excited to announce that we hired a number of the successful pilots into our various companies. We are collectively making a real difference in the communities we serve," commented Mike Pyle.

Richard Wowryk, EIC's CFO noted, "We continue to maintain a strong balance sheet with prudent leverage which has allowed us to execute on strategic investments such as our Growth Capital Expenditure investments and the Spartan acquisition. We continue to have available capacity to finance further Growth Capital Expenditures and acquisitions for the foreseeable future when they arise. We are seeing the results of our historical Growth Capital Expenditures evident in our financial results and our per share metrics. We remain disciplined in our organic growth strategy and focus on our internal rates of return on capital employed to ensure that such investments are accretive to the Company and its shareholders.

On a broader basis, we are seeing that the macroeconomic uncertainty is subsiding with interest rates on the decline in Canada and the United States. This will have a positive direct impact on our Net Earnings, Adjusted Net Earnings and Payout Ratio in fiscal 2025. The reduced macroeconomic uncertainty is also expected to provide tailwinds to our various business lines as inquiries are converted into firm fixed orders and will drive future profitability and growth."

Outlook

Mr. Pyle concluded by saying, "Our diversification continues to show itself in consistent record setting financial performance and metrics. We continue to execute our disciplined acquisition and Growth Capital Expenditures strategies. Our subsidiaries announced a number of new contracts over the past two years and that positive momentum, coupled with an improving macro-economic environment, demonstrates why I believe our future is incredibly bright.

Our strategy has proven itself and allows us to provide guidance for fiscal 2025. We anticipate that Adjusted EBITDA will be between $690 to $730 million based on our recent contractual announcements, acquisitions to date and near-term organic opportunities. We have not deviated from our strategy since inception of the Company and we will continue to deliver dependable and consistent financial results for our shareholders."

EIC's complete interim financial statements and management's discussion and analysis for the three and nine-months ending September 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 third quarter financial results on Friday, November 8, 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 November 15, 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 727302#.

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.

For further information, please contact:

Mike Pyle	Pam Plaster
Chief Executive Officer	Vice President, Investor Development
Exchange Income Corporation	Exchange Income Corporation
(204) 982-1850	(204) 953-1314
MPyle@eig.ca	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 September 30, 2024	Three Months September 30, 2023	Nine Months September 30, 2024	Nine Months September 30, 2023
Adjusted EBITDA	$ 192,914	$ 167,751	$ 461,010	$ 411,904
Depreciation of capital assets	64,707	54,106	181,806	151,646
Amortization of intangible assets	5,538	5,638	16,709	15,867
Finance costs - interest	34,225	29,262	95,743	83,139
Depreciation of right of use assets	10,276	10,561	29,669	27,267
Interest expense on right of use liabilities	2,044	2,077	6,076	5,406
Acquisition costs	1,549	1,631	4,098	5,599
Other	-	-	-	(951)
Earnings before taxes	$ 74,575	$ 64,476	$ 126,909	$ 123,931

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 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 September 30,	2024	2023
Net Earnings	$ 55,885	$ 49,523
Acquisition costs (net of tax $132 and $35)	1,417	1,596
Amortization of intangible assets (net of tax $1,468 and $1,494)	4,070	4,144
Adjusted Net Earnings	$ 61,372	$ 55,263

Nine Months Ended September 30,	2024	2023
Net Earnings	$ 93,061	$ 93,280
Acquisition costs (net of tax $832 and $258)	3,266	5,341
Amortization of intangible assets (net of tax $4,428 and $4,205)	12,281	11,662
Adjusted Net Earnings	$ 108,608	$ 110,283

Exchange Income Corporation

Free Cash Flow: for the year 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.

Three Months Ended September 30,		2024		2023
Cash flows from operations	$	124,971	$	117,257
Change in non-cash working capital		19,931		7,362
Acquisition costs (net of tax $132 and $35)		1,417		1,596
Principal payments on right of use lease liabilities		(10,203)		(9,072)
	$	136,116	$	117,143

Nine Months Ended September 30,		2024		2023
Cash flows from operations	$	216,477	$	183,469
Change in non-cash working capital		107,507		112,500
Acquisition costs (net of tax $832 and $258)		3,266		5,341
Principal payments on right of use lease liabilities		(28,701)		(26,457)
	$	298,549	$	274,853

Free Cash Flow less Maintenance Capital Expenditures: for the year 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 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 September 30, 2024			
CAPITAL EXPENDITURES	**Aerospace & Aviation**	**Manufacturing**	**Head Office**	**Total**
Maintenance Capital Expenditures	**$ 45,043**	**$ 9,468**	**$ 404**	**$ 54,915**
Growth Capital Expenditures	**91,232**	**1,948**	**-**	**93,180**
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	**$ 136,275**	**$ 11,416**	**$ 404**	**$ 148,095**

	Three Months Ended September 30, 2023			
CAPITAL EXPENDITURES	Aerospace & Aviation	Manufacturing	Head Office	Total
Maintenance Capital Expenditures	$ 35,324	$ 7,402	$ 76	$ 42,802
Growth Capital Expenditures	66,088	15,027	-	81,115
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	$ 101,412	$ 22,429	$ 76	$ 123,917

	Nine Months Ended September 30, 2024			
CAPITAL EXPENDITURES	**Aerospace & Aviation**	**Manufacturing**	**Head Office**	**Total**
Maintenance Capital Expenditures	**$ 120,440**	**$ 21,307**	**$ 686**	**$ 142,433**
Growth Capital Expenditures	**174,922**	**2,374**	**10**	**177,306**
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	**$ 295,362**	**$ 23,681**	**$ 696**	**$ 319,739**

	Nine Months Ended September 30, 2023			
CAPITAL EXPENDITURES	Aerospace & Aviation	Manufacturing	Head Office	Total
Maintenance Capital Expenditures	$ 103,948	$ 18,610	$ 439	$ 122,997
Growth Capital Expenditures	172,680	28,798	-	201,478
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	$ 276,628	$ 47,408	$ 439	$ 324,475

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.