NEWS RELEASE

SkyAlyne and EIC Subsidiary, PAL Aerospace, Reach Agreement for Training, Missionization and Sustainment for the RCAF CT-142Q Citadel

$750 Million Contract Will See PAL Aerospace Deliver Modification, Support and Training Services for the RCAF's Future Aircrew Training Program

WINNIPEG, Manitoba – July 15, 2026 – Exchange Income Corporation ("EIC" or the "Corporation") (TSX: EIF), is pleased to announce that its subsidiary, PAL Aerospace, an established Canadian full-service aerospace solutions provider, and SkyAlyne, the provider of the Royal Canadian Air Force Future Aircrew Training (FAcT) program, have jointly achieved an agreement to enter into a contract for approximately $750 Million (CAD) for the provision of modification, in-service support and training services to the program. It is anticipated the contract will be finalized over the next several months.

The Government of Canada officially awarded the FAcT contract to SkyAlyne, a joint venture between CAE and KF Aerospace, in late May 2024. This significant 25-year initiative is currently in a multi-year transition period to become the sole ab-initio aircrew training program for the RCAF. FAcT modernizes and enhances both Pilot and aircrew training, ensuring the next generation of RCAF aviators are prepared for the challenges ahead.

Under this agreement with SkyAlyne, PAL Aerospace will provide all aircraft modifications for the RCAF CT-142Q Citadel, deliver Wings Standard training to all Air Combat Systems Officers and Airborne Electronic Sensor Operators through the life of the contract and provide In-Service Support for the operation of the fleet.

"PAL Aerospace is proud to be joining SkyAlyne in delivering this nationally important program for the Royal Canadian Air Force," said Simon Carroll, President, PAL Aerospace. "We are excited to be chosen to make these critical contributions to the success of FAcT and deeply appreciate the trust placed in our team to evolve and provide frontline instruction to the next generation of Canadian Air Combat Systems Officers and Airborne Electronic Sensor Operators. This responsibility reflects the strength of our people, the depth of our experience, and our shared commitment to supporting Canada's operational readiness."

PAL Aerospace will now work closely with SkyAlyne to shift focus toward the delivery of initial operating capabilities, ensuring a smooth transition from existing programming while remaining focused on the RCAF's mission-critical requirement to preserve operational readiness.

"SkyAlyne is incredibly proud of the all-Canadian team that has come together to deliver the Future Aircrew Training program," said Kevin Lemke, General Manager, SkyAlyne. "We are excited to welcome PAL Aerospace more formally into that team. Their proven expertise in modification, in-service support and training will be an important part of ensuring Canada's military pilots and aircrew have access to the best possible training solutions, today and for decades to come."

EIC will discuss the agreement between SkyAlyne and PAL Aerospace in greater detail as part of its regular second quarter results conference call on August 12, 2026.

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).

About SkyAlyne: The Future of Aircrew Training

SkyAlyne is a team of defence, training, simulation, and aviation industry experts assembled from across Canada, working to prepare the next generation of Royal Canadian Air Force (RCAF) Pilots and Aircrew as the Future Aircrew Training (FAcT) program provider. SkyAlyne was formed in 2018 as a partnership between CAE and KF Aerospace, two Canadian aviation, training, and defence leaders. The partnership was built to jointly answer the call for the Government of Canada's FAcT program. In spring 2024, SkyAlyne was officially contracted to partner with the RCAF and deliver the FAcT program.

To learn more, visit online: www.SkyAlyne.ca

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About PAL Aerospace

A proud member of the Exchange Income Corporation family of companies, PAL Aerospace is a Canadian-owned and operated global aerospace and defence company. With a focus on intelligence, surveillance, and reconnaissance, in-service support solutions, aircraft engineering and modification and crew resource management training. PAL Aerospace is internationally recognized by governments, militaries, and industry for on time/on budget delivery and high reliability rates. PAL Aerospace offers a single point of accountability for its programs and takes pride in being the trusted choice for clients worldwide.

To learn more, visit online: www.palaerospace.com

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. Many of these forward-looking statements may be identified by looking for words such as "believes", "expects", "will", "may", "intends", "projects", "anticipates", "plans", "estimates", "continues" and similar words or the negative thereof. 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, government funding for Indigenous health care, access to capital, market trends and innovation, general uninsured loss, climate, acts of terrorism, armed conflict, labour and/or social unrest, pandemic, level and timing of government spending, government-funded programs and 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 (including receiving any requisite regulatory approvals thereof), concentration and diversification, maintenance costs, access to parts and relationships with key suppliers, casualty losses, environmental liability, dependence on information systems and technology, cybersecurity, international operations, fluctuations in sales prices of aviation related assets, fluctuations in purchase prices of aviation related assets, warranty, 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, foreign exchange, interest rates, credit facilities, trust *indentures, dividends, unpredictability and volatility of securities pricing, dilution, credit and credit rating risk. Human capital risks include, but are not limited to, reliance on key personnel, 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.

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