NEWS RELEASE

Exchange Income Corporation Posts Best First Quarter Results in the Corporation's History, Increases 2023 Guidance

The Corporation Posts First Quarter Record Revenue of $527 Million and Adjusted EBITDA[1] of $97 Million; Completes Two Acquisitions Subsequent to Quarter End

WINNIPEG, Manitoba – May 9, 2023 – Exchange Income Corporation (TSX: EIF) ("EIC" or the "Corporation") a diversified, acquisition-oriented company focused on opportunities in the aviation, aerospace and manufacturing sectors, reported its financial results for the three-months ending March 31, 2023. All amounts are in Canadian currency.

Q1 Financial Highlights

- Generated record first quarter Revenue of $527 million, an increase of $126 million or 32%.
- Earned Adjusted EBITDA[1] of $97 million, representing growth of $30 million over the prior period or 45% and setting another first quarter benchmark for the Corporation.
- Free Cash Flow[1] first quarter record of $60 million compared to the prior period of $47 million.
- Net Earnings of $7 million, an increase of $3 million or 83%. Net Earnings per share increased 60% to $0.16 from $0.10.
- Adjusted Net Earnings[1] of $12 million or $0.27 per share, an improvement of 47% and 35%, respectively.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio improved to 58% from 59%.
- Completed two accretive acquisitions subsequent to quarter end along with an extension and upsize to the Corporation's credit facility.

CEO Commentary

"The first quarter is our seasonally slowest quarter in both segments. EIC has made tremendous steps to achieve our annual objectives during the first quarter and we were extremely happy to announce the acquisition of BVGlazing Systems Ltd. ("BVGlazing") and Hansen Industries Ltd. ("Hansen"). We also demonstrated our commitment to further invest in our existing family of companies through organic growth opportunities. This is demonstrated by our announcement of an 18 month contract for our Force Multiplier aircraft with an allied European Government which follows on our recent aerospace successes with other European governments and our international reputation, as well as the purchase of a King Air full motion simulator to increase our pilot training efficiency, facilitate future growth particularly in our medevac business, and reduce GHG emissions," said Mike Pyle, CEO of EIC. "We saw continued strengthening in both of our Aerospace & Aviation and Manufacturing segments which bodes well for our future. We are collectively very proud of our progress made in the first quarter relative to our expectations for the business. This performance was achieved whilst the broader economy was experiencing headwinds from inflation, tightening monetary policy and reduced growth expectations for the North American economies. Our results continue to show our diversification and the critical services that our businesses provide. Our existing businesses remain poised to grow organically and Adam and his team have also been busy on the acquisition front."

"The acquisitions of BVGlazing and Hansen, completed subsequent to quarter end, were highly strategic to our pre-existing businesses. Specifically, BVGlazing will add complementary product offerings of curtain wall and railing capabilities along with a strong backlog of projects. The combined backlog of our window

---

[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.

businesses is approximately $1 billion. Both acquisitions will be immediately accretive based on their historical performance before the consideration of potential synergies," stated Adam Terwin, EIC's Chief Corporate Development Officer. "Our pipeline of opportunities continues to be very strong however we remain disciplined in ensuring that we acquire companies with strong management teams and with sustainable, strategic business lines. We continue to work on projects in both the Aerospace & Aviation and Manufacturing segments. The EIC story continues to resonate with prospective vendors and we are seeing that our disciplined acquisition strategy is very competitive in an environment of increased interest rates."

Q1 Selected Financial Highlights
(All amounts in thousands except % and share data)

	Q1 2023	Q1 2022	% Change
Revenue	$526,844	$400,226	32%
Adjusted EBITDA	$97,117	$66,956	45%
Net Earnings	$6,861	$3,753	83%
per share (basic)	$0.16	$0.10	60%
Adjusted Net Earnings	$11,540	$7,835	47%
per share (basic)	$0.27	$0.20	35%
Trailing Twelve Month Adjusted Net Earnings Payout Ratio (basic)	75%	105%	
Free Cash Flow	$59,708	$47,409	26%
per share (basic)	$1.40	$1.22	15%
Free Cash Flow less Maintenance Capital Expenditures[1]	$18,923	$19,496	(3%)
per share (basic)	$0.44	$0.50	(12%)
Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio (basic)	58%	59%	
Dividends declared	$26,805	$22,120	21%

Review of Q1 Financial Results
Consolidated revenue for the quarter was $527 million, which was an increase of $127 million or 32% over the prior period. Revenue in the Aerospace & Aviation and Manufacturing segments grew over the prior year, by $45 million and $82 million, respectively. Adjusted EBITDA for the quarter was $97 million, which was an increase of $30 million or 45% compared to the first quarter of last year. The relative increase was even more impressive as the prior period included $11 million of pandemic related government support with no similar amounts received in the current period. The increase in the results was driven by continued improvement and growth in the operations in the Aerospace & Aviation and Manufacturing segments and also by the acquisition of Northern Mat & Bridge, which was acquired on May 10, 2022 and therefore not included in the prior period.

Revenue generated by the Aerospace & Aviation segment increased by $45 million to $326 million and Adjusted EBITDA increased by $11 million to $74 million over the prior period, which in the prior period also included $11 million of pandemic related government support. The most material increases related to passenger traffic, as the prior period was impacted by the emergence of the Omicron variant. Revenues and profitability were also positively impacted by the Netherlands Coast Guard contract that was previously awarded and began late in 2022. The increases in the segment revenues, noted above, were partially offset by reduced large aircraft sales within our Aircraft Sales & Leasing business. The first quarter of 2022 was the highest first quarter for

[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.

those types of sales experienced by the Corporation. Such large aircraft sales are generally higher dollar values and lower margins, resulting in a disproportionate impact to revenue as compared to Adjusted EBITDA.

Manufacturing segment revenue increased 69% to $201 million for the quarter and Adjusted EBITDA increased by $21 million to $32 million. The acquisitions of Northern Mat in May 2022 was a significant contributor to the increase as there were no comparative amounts in the prior year. However, Northern Mat's performance is impacted by seasonality, with the third quarter being the strongest and the first quarter being the softest. Northern Mat continues to meet internal expectations and the first quarter was no exception, however pricing has moderated from 2022 which was an exceptional year due to a combination of supply and demand factors. The remaining operations within the Manufacturing segment continued to improve relative to the prior year, resulting in increases in both revenue and Adjusted EBITDA over the prior period. The demand at each of our manufacturing subsidiaries continues to be very strong and the Corporation is optimistic about the subsequent quarters from both a revenue and Adjusted EBITDA perspective. The addition of BVGlazing and Hansen will be accretive to the Corporation as a whole, before including potential synergies. Furthermore, these acquisitions will further increase the relative size of the Manufacturing segment compared to the Aerospace & Aviation segment.

EIC recorded Adjusted Net Earnings of $12 million, or $0.27 per share, compared to $8 million, or $0.20 per share, in the first quarter of last year.

Carmele Peter, President of EIC said, "Our businesses and our strategy continue to remain resilient whilst there is uncertainty in the broader economy. Our airlines provide an essential service to Canada's Northern and remote communities. Our Aerospace businesses continue to win long-term government contracts which demonstrate their technological capabilities and broader reputation in the international marketplace. Our Manufacturing segment continues to grow in both revenue and profitability. The results achieved this quarter demonstrate the strength of our collective businesses and the acumen of our management teams at each of our subsidiaries.

While we are excited at what we have achieved to date, we are not complacent. We continue to focus on longer term trends at each of our businesses. We are actively attracting, training and retaining employees throughout our subsidiaries to fuel their growth strategies. Specifically, we are focused on attracting and training new pilots. The Corporation and its subsidiaries are critical to connecting people, goods and services to Canada's Northern communities. That is why we created the Atik Mason Indigenous Pilot Pathway and Life in Flight Program, and we hope to continue to see success in our pilot development, training and retention. We are also focused on the broader sustainability of the Corporation. I am very proud of our accomplishments to date, which should be celebrated, however we continue to focus on our employees and the communities and customers we serve."

Richard Wowryk, EIC's CFO also noted, "We reduced our exposure to variable interest rates and with the inverted yield curve, we fixed approximately $540 million at rates below what we are paying on our variable rate debt. Accordingly, we have fixed interest rates on approximately two-thirds of our outstanding debt, including our convertible debentures. Furthermore, we have increased our credit facility to approximately $2 billion and extended its maturity to May 2027 subsequent to the end of the quarter. Our exceptional performance and proven history of accretive deployment of capital allowed us to complete the upsize and extension with terms and conditions consistent with our previous facility, including leaving pricing the same despite increased funding costs over the last year for financial institutions. The extension and upsizing of our credit facility provides us with significant capacity to further invest in our existing businesses through Growth Capital Expenditures and allows us to have significant financial capacity for accretive acquisitions. We continue to have a strong, liquid balance sheet, having no maturing debt until 2025 and our hedging program provides greater certainty for our cost of capital. As we progress into our strongest quarters, being the second and third quarters, we are excited about the future prospects of the Corporation."

Outlook

Mr. Pyle concluded by saying, "Our investments in the Manufacturing segment over the past 12-18 months have increased our diversification and helped to provide even greater financial stability and sustainability. Our performance in the first quarter exceeded our internal expectations, and with the expected contributions from our two recent acquisitions, the force multiplier contract and organic growth opportunities, we are revising our guidance from the previous range of $510 to $540 million to $540 million to $570 million. We will be executing the integration of the recent acquisitions over the upcoming quarters and look forward to providing updates on their performance in the future. The consistent execution of our strategy, including making investment decisions for the long-term, continues to show in our results."

EIC's complete interim financial statements and management's discussion and analysis for the three months ending March 31, 2023 can be found at www.ExchangeIncomeCorp.ca or at www.sedar.com.

Conference Call Notice

Management will hold a conference call to discuss its 2023 first quarter financial results on Wednesday, May 10, 2023, at 8:30am ET. All interested parties can join the conference call by dialing 1-888-396-8049 or 1-416-764-8646 (International). Please dial in 15 minutes prior to the call to secure a line. The conference call will be archived for replay until May 17, 2023 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 591649#.

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 sectors: aerospace & aviation services and equipment, 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.sedar.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. These uncertainties and risks include, but are not limited to, risks related to the remaining effects from the COVID-19 pandemic, 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 First Nations health care, access to capital, general market trends and innovation, risks associated with uninsured losses, climate and climate related risks, acts of terrorism, pandemic, level and timing of defence spending and security programs and risks associated with environment, social and governance policies and criteria. 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 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 and other inputs, foreign exchange, interest rates, compliance with credit facility and other trust indentures, ability to declare dividends, unpredictability and volatility of security pricing, shareholder *dilution and other credit risk. Human capital risks include, but are not limited to, reliance on key personnel, retaining employees and maintenance of appropriate labour relations and potential 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.sedar.com.

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 March 31, 2023	Three Months Ended March 31, 2022
Adjusted EBITDA	$ 97,117	$ 66,956
Depreciation of capital assets	47,508	36,891
Amortization of intangible assets	4,797	2,841
Finance costs - interest	25,719	14,852
Depreciation of right of use assets	8,127	6,536
Interest expense on right of use lease liabilities	1,591	752
Acquisition costs	1,365	455
Other	(951)	-
Earnings before taxes	$ 8,961	$ 4,629

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 March 31,	2023	2022
Net Earnings	$ 6,861	$ 3,753
Acquisition costs (net of tax $188 and $65)	1,177	390
Amortization of intangible assets (net of tax $1,295 and $767)	3,502	2,074
Accelerated interest accretion on redeemed debentures (net of tax of nil and $599)	-	1,618
Adjusted Net Earnings	$ 11,540	$ 7,835
per share - Basic	$ 0.27	$ 0.20
per share - Diluted	$ 0.27	$ 0.20

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.

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 March 31,		2023		2022
Cash flows from operations	$	(10,774)	$	25,054
Change in non-cash working capital		77,579		28,499
Acquisition costs (net of tax $188 and $65)		1,177		390
Principal payments on right of use lease liabilities		(8,274)		(6,534)
	$	59,708	$	47,409
per share - Basic	$	1.40	$	1.22
per share - Diluted	$	1.26	$	1.10

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.

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 March 31, 2023							
CAPITAL EXPENDITURES		**Aerospace & Aviation**		**Manufacturing**		**Head Office**		**Total**
Maintenance Capital Expenditures	$	35,544	$	5,174	$	67	$	40,785
Growth Capital Expenditures		36,607		(2,196)		-		34,411
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	$	72,151	$	2,978	$	67	$	75,196

	Three Months Ended March 31, 2022							
CAPITAL EXPENDITURES		Aerospace & Aviation		Manufacturing		Head Office		Total
Maintenance Capital Expenditures	$	27,244	$	634	$	35	$	27,913
Growth Capital Expenditures		8,155		13		-		8,168
Total Net Capital Additions and Intangible Asset purchases, per Statement of Cash Flows	$	35,399	$	647	$	35	$	36,081

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 4 – 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.sedar.com.