NEWS RELEASE

Operational Excellence and Acquisitions Result in Record Annual Results for Exchange Income Corporation

Company Posts Annual Records for each of Revenue of $2.5 Billion, Adjusted EBITDA of $556 Million, Net Earnings of $122 Million, Adjusted Net Earnings of $144 million and Free Cash Flow metrics

WINNIPEG, Manitoba – February 22, 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 twelve-month periods ended December 31, 2023. All amounts are in Canadian currency.

2023 Financial Highlights

- Generated record Revenue of $2.5 billion, an increase of $439 million or 21%.
- Earned consolidated Adjusted EBITDA[1] of $556 million, a new record, that represents growth of $99 million or 22%.
- Record Net Earnings of $122 million compared to $110 million in the prior year.
- Produced record Adjusted Net Earnings[1] of $144 million, or $3.20 per share compared to $133 million or $3.29 per share.
- Trailing Twelve Month Adjusted Net Earnings Payout Ratio[1] of 80% compared to 73% in the prior year.
- Free Cash Flow[1] record of $377 million compared to $332 million, an increase of $45 million or 14%.
- Free Cash Flow less Maintenance Capital Expenditures[1] was a record of $202 million or $4.49 per share compared to $176 million or $4.36 per share.
- Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio[1] was 57% compared to the prior year of 55%.
- Increase in the annualized dividend rate by 5% or $0.12 per annum to $2.64 per share.

Q4 Financial Highlights

- Generated record high Revenue of $657 million, an increase of $113 million or 21%.
- Earned record consolidated Adjusted EBITDA of $144 million, representing growth of $20 million or 16%.
- Free Cash Flow less Maintenance Capital Expenditures was a record $50 million, an increase of $10 million or 24%.
- Record Net Earnings of $29 million, an improvement of $2 million or 8%.
- Produced record Adjusted Net Earnings of $34 million, an improvement of $2 million or 5%.

CEO Commentary

Mike Pyle, CEO of EIC, commented, "I am very proud to announce our record results for fiscal 2023. We set annual records for each of our key performance indicators including Revenue, Adjusted EBITDA, Net Earnings, Adjusted Net Earnings, Free Cash Flow and Free Class Flow less Maintenance Capital Expenditures. While the historical annual results were impressive on a standalone basis, throughout 2023 we announced several significant contractual wins and acquisitions which point to an even stronger future.

[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.

To put these annual results into proper context, these were achieved despite supply chain challenges, inflationary pressures and high interest rates. With the contract wins and acquisitions announced, we are excited about our prospects as we move into 2024 and subsequent years.

We will be celebrating our 20-year anniversary since our first acquisition of Perimeter Aviation Limited on May 6, 2004. Back in 2004, our business purpose was threefold. Firstly, to deliver to our shareholders a stable and growing cash dividend. Secondly, to maximize the value associated with our portfolio of subsidiaries. Finally, to employ a disciplined acquisition strategy. I am happy to say that we have continued to excel in achieving all three tenets of our purpose. In November, we announced our 17th dividend increase since 2004. Because of our record financial results and business prospects our dividend was increased by 5% to $2.64 per share per annum. Looking back, we have achieved a cumulative growth rate of our dividend since inception of approximately 5% per annum which is an incredible achievement. During the year, we also announced several contract wins which will result in further growth for our portfolio of companies in 2024 and beyond. We previously announced the regional services contract with Air Canada, the British Columbia and Manitoba fixed wing medevac contracts, and the ISR support contract for the United Kingdom Home-Office. Lastly, we have successfully executed three strategic acquisitions during the year, Hansen Industries Ltd., BVGlazing Systems Ltd. And DryAir Manufacturing Corp. By all accounts, 2023 was a success and entirely consistent with that purpose set out in 2004.

We achieved record results in 2023 and invested in the future whilst retaining our commitment to a strong balance sheet," continued Mr. Pyle. "We take great pride in our balance sheet management and our prudent level of leverage. We will never overlook its importance. Our balance sheet management helps us achieve our purpose as a company and will be the backbone of our future growth."

Selected Financial Highlights

(All amounts in thousands except % and share data)

	FY 2023	FY 2022	% Change	Q4 2023	Q4 2022	% Change
Revenue	$2,498,415	$2,059,373	21%	$656,676	$543,360	21%
Adjusted EBITDA	$555,525	$456,442	22%	$143,621	$124,052	16%
Net Earnings	$122,307	$109,669	12%	$29,027	$26,990	8%
per share (basic)	$2.72	$2.72	-	$0.62	$0.64	(3%)
Adjusted Net Earnings	$144,051	$132,915	8%	$33,768	$32,049	5%
per share (basic)	$3.20	$3.29	(3%)	$0.72	$0.76	(5%)
Trailing Twelve Month Adjusted Net Earnings Payout Ratio (basic)	80%	73%				
Free Cash Flow	$377,118	$332,025	14%	$102,265	$82,533	24%
per share (basic)	$8.39	$8.23	2%	$2.17	$1.95	11%
Free Cash Flow less Maintenance Capital Expenditures	$201,827	$176,104	15%	$49,971	$40,243	24%
per share (basic)	$4.49	$4.36	3%	$1.06	$0.95	12%
Trailing Twelve Month Free Cash Flow less Maintenance Capital Expenditures Payout Ratio (basic)	57%	55%				
Dividends declared	$114,588	$97,473	18%	$30,605	$26,736	14%

Review of 2023 Financial Results
Consolidated revenue for the year was $2.5 billion, which was an increase of $439 million or 21% over 2022. Consolidated Adjusted EBITDA for the year was $556 million, which was an increase of $99 million or 22% compared to last year.

Revenue in the Aerospace & Aviation segment grew by $161 million or 12% to $1.5 billion and Adjusted EBITDA generated by the Aerospace & Aviation segment increased by $78 million to $414 million, an increase of 23%. The most significant increases in revenue and profitability were related to increased passenger traffic and expanded routes along the East Coast, including those being operated on behalf of Air Canada. Revenues and profitability were also positively impacted by the Netherlands Coast Guard contract that began late in 2022 along with the United Kingdom Home-Office contract that was awarded in May 2023 for an 18-month period. The Aircraft Sales & Leasing business line also demonstrated continued improvements in the leasing business, which is expected to near pre-pandemic levels later on in 2024 on an annualized basis.

Revenue in the Manufacturing segment increased by $278 million or 39% to $1.0 billion and Adjusted EBITDA rose by $23 million or 15% to $181 million. The acquisitions of Hansen, BVGlazing and DryAir during fiscal 2023 were significant drivers of the increase in revenue and Adjusted EBITDA as they each met or exceeded expectations. The increase to Adjusted EBITDA was muted compared to the increase in revenue as the results for Environmental Access Solutions started to normalize to expected returns in the second quarter of 2023. Subsequent to the May 2022 acquisition of our Environmental Access Solutions business, it experienced the unique alignment of price, supply, demand and weather along with near practical capacity for the utilization of rental mats that continued into early 2023. Demand and pricing have moderated to more historical norms, however the business is continuing to perform in excess of the acquisition metrics upon which the deal was priced in 2023. The Manufacturing segment's operations continued their strong performance, resulting in increases in both revenue and Adjusted EBITDA over the prior year.

EIC recorded Net Earnings of $122 million compared to $110 million in the prior year or an increase of 12%. Furthermore, EIC recorded Adjusted Net Earnings of $144 million compared to $133 million in the prior year. The increases were muted by an interest expense increase of approximately $39 million compared to the prior year.

The Corporation generated Free Cash Flow of $377 million, a $45 million increase over $332 million in the prior year primarily due to the year's higher Adjusted EBITDA partially offset by an increase in interest expense as discussed above. Free Cash Flow less Maintenance Capital Expenditures was $202 million in 2023 compared to $176 million in 2022. The increase in Adjusted EBITDA was partially offset by an increase in Maintenance Capital Expenditures due to an increase in fleet size, hours flown and inflationary pressures on maintenance events. The Corporation's Trailing Twelve-Month Free Cash Flow less Maintenance Capital Expenditures payout ratio is 57% for the year compared to the prior year of 55%.

"2023 was a year that I would characterize as a continued normalization of the business from the pandemic. We are seeing the power of our diversification, and our strong results allowed us to increase our dividend for the 17th time in our history. Our payout ratio on a Free Cash Flow less

Maintenance Capital Expenditures basis remained consistent with the prior period in spite of an increase in interest expense of approximately $39 million," noted Richard Wowryk, EIC's Chief

Financial Officer. "During 2023, we also fortified our balance sheet for future growth through amending, extending, and increasing the size of our credit facility to approximately $2 billion and completed a bought deal financing of common shares. Certain per share metrics temporarily declined, when compared to the prior year, primarily because of the bought deal offering and the returns related to the contractual wins impacting 2024 and beyond while the capital has been partly deployed. We are primed for future growth based on the foundation that has been built over the past number of years."

Carmele Peter, President of EIC, stated, "The past number of years have demonstrated the resiliency of our business model and the importance of our diversification. This has been demonstrated by our financial results during that time. That resiliency has allowed us to re-invest in our businesses through winning important long-term contracts which sets the stage for future growth and profitability for the Corporation. The execution under those new contracts, whether it be the new regional services contract with Air Canada or the new provincial medevac contracts, requires significant upfront planning time from our employees. Assets must be procured, and employees must be recruited prior to the start of any of the contracts. Our management teams have a history of executing on those contracts and providing the highest levels of service and performance to our customers and the communities we serve. All these efforts underpin the power of our people at EIC. The culture embedded in each organization results in a "can-do" attitude that has allowed us to excel. That same culture will power us into the future. On behalf of the executive team we wanted to recognize the over 8,500 employees at EIC."

Review of Q4 Financial Results

Revenue generated by the Corporation during the fourth quarter was $657 million, an increase of $113 million or 21% over the comparative period. Revenue in the Aerospace & Aviation segment increased by $45 million or 13% while revenue in the Manufacturing segment increased by $68 million or 34%. The reasons for the increases during the quarter are largely consistent with the drivers for the year-to-date increases.

Adjusted EBITDA generated by the Corporation during the fourth quarter was $144 million compared to $124 million in the fourth quarter of 2022, an increase of 16%. Adjusted EBITDA in the Aerospace & Aviation segment was up $21 million or 24% to $109 million compared to the prior period while Adjusted EBITDA in the Manufacturing segment decreased by $2 million or 3% to $45 million. The Adjusted EBITDA increase in the Aerospace & Aviation was consistent with the discussion on the annual results. The Adjusted EBITDA decline associated with the Manufacturing segment pertained to the normalization of the expected returns related to the Environmental Access Solutions business line mostly offset by improvements in our Multi-Storey Window Solutions business line and the acquisitions completed during 2023.

Outlook

Mr. Pyle concluded by saying, "We confirm our guidance for 2024 with an Adjusted EBITDA range of $600 million to $635 million, which is an increase of between 8% and 14% from our 2023 results. The strategies and investments required to deliver these results have already been put in place. All that remains is for our exceptional operational teams to execute on them, consistent with our track record for the past 20 years."

EIC's complete annual financial statements and management's discussion and analysis for the three and twelve month period ended December 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 fourth quarter financial results on Friday, February 23, 2024 at 8:30am ET. To join the conference call, dial 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 March 1, 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 309545#.

A live audio webcast of the conference call will be available at www.ExchangeIncomeCorp.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.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, 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, risks associated with general uninsured losses, climate, acts of terrorism, armed conflict, labour or social unrest, pandemic, level and timing of defence spending and government-funded defence and security programs 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 and purchase prices of aviation related assets, warranties, performance guarantees, global offset and intellectual property risks. Financial risks include, but are not limited to, availability of future financing, income tax matters, commodity, foreign exchange, interest rates, credit facility and trust indentures, dividends, unpredictability and volatility of securities pricing, dilution and credit 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.sedar.com.

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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 December 31, 2023	Three Months, December 31, 2022	**Twelve Months, December 31, 2023**	Twelve Months, December 31, 2022
Adjusted EBITDA	**$ 143,621**	$ 124,052	**$ 555,525**	$ 456,442
Depreciation of capital assets	**56,846**	47,103	**208,492**	168,156
Amortization of intangible assets	**4,377**	6,116	**20,244**	20,897
Finance costs - interest	**29,177**	22,533	**112,316**	73,665
Depreciation of right of use assets	**9,824**	8,684	**37,091**	30,655
Interest expense on right of use liabilities	**2,065**	1,647	**7,471**	4,753
Acquisition costs	**2,170**	630	**7,769**	6,847
Other	**-**	-	**(951)**	-
Earnings before taxes	**$ 39,162**	$ 37,339	**$ 163,093**	$ 151,469

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.

Year Ended December 31	2023	2022
Net Earnings	**$ 122,307**	$ 109,669
Acquisition costs (net of tax of $904 and $709)	**6,865**	6,138
Amortization of intangible assets (net of tax of $5,365 and $5,642)	**14,879**	15,255
Interest accretion on acquisition contingent consideration (net of tax of nil and nil)	**-**	235
Accelerated interest accretion on redeemed debentures (net of tax of nil and $599)	**-**	1,618
Adjusted Net Earnings	**$ 144,051**	$ 132,915
per share - Basic	**$ 3.20**	$ 3.29
per share - Diluted	**$ 3.07**	$ 3.13

Three Months Ended December 31	2023	2022
Net Earnings	**$ 29,027**	$ 26,990
Acquisition costs (net of tax $646 and $271)	**1,524**	359
Amortization of intangible assets (net of tax $1,160 and $1,651)	**3,217**	4,465
Interest accretion on acquisition contingent consideration (net of tax of nil and nil)	**-**	235
Adjusted Net Earnings	**$ 33,768**	$ 32,049
per share - Basic	**$ 0.72**	$ 0.74
per share - Diluted	**$ 0.70**	$ 0.73

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.

FREE CASH FLOW **Year Ended December 31**		**2023**		2022
Cash flows from operations	**$**	**353,226**	$	335,119
Change in non-cash working capital		**52,555**		21,217
Acquisition costs (net of tax of $904 and $709)		**6,865**		6,138
Principal payments on right of use lease liabilities		**(35,528)**		(30,449)
	$	**377,118**	$	332,025
per share - Basic	**$**	**8.39**	$	8.23
per share - Diluted	**$**	**7.38**	$	7.16

FREE CASH FLOW Three Months Ended December 31		**2023**		2022
Cash flows from operations	**$**	**169,757**	$	169,792
Change in non-cash working capital items		**(59,945)**		(79,192)
Acquisition costs (net of tax of $646 and $271)		**1,524**		359
Principal payments on right of use lease liabilities		**(9,071)**		(8,426)
	$	**102,265**	$	82,533
per share - Basic	**$**	**2.17**	$	1.95
per share - Fully Diluted	**$**	**1.92**	$	1.71

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, depreciation on the Corporation's mat and bridge rental portfolio assets, 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.

CAPITAL EXPENDITURES	Year Ended December 31, 2023							
		Aerospace & Aviation		Manufacturing		Head Office		Total
Maintenance Capital Expenditures	$	148,705	$	26,063	$	523	$	175,291
Growth Capital Expenditures		279,388		23,656		-		303,044
Total Net Capital Asset and Intangible Purchases, per Statement of Cash Flows	$	428,093	$	49,719	$	523	$	478,335

CAPITAL EXPENDITURES	Year Ended December 31, 2022							
		Aerospace & Aviation		Manufacturing		Head Office		Total
Maintenance Capital Expenditures	$	132,931	$	22,679	$	311	$	155,921
Growth Capital Expenditures		108,885		15,613		918		125,416
Total Net Capital Asset and Intangible Purchases, per Statement of Cash Flows	$	241,816	$	38,292	$	1,229	$	281,337

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 Flow 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 5 – Dividends and Payout Ratios* and *Section 13 – Non-IFRS Measures and Glossary* of the Corporation's MD&A, which is available on SEDAR at www.sedar.com.