



NEWS RELEASE

PAL Airlines, a Subsidiary of Exchange Income Corporation, Signs Letter of Intent to Provide Regional Service in Eastern Canada on behalf of Air Canada

St. John's, Newfoundland and Labrador – May 30, 2023 – PAL Airlines Ltd. ("PAL Airlines"), a subsidiary of Exchange Income Corporation (TSX: EIF) ("EIC" or the "Corporation"), has completed a Letter of Intent (LOI) with Air Canada as a preliminary step towards the finalization of a commercial agreement between the two airlines for the provision of regional air services in eastern Canada (the "agreement").

The proposed agreement, which remains subject to final negotiations between the parties, would see PAL Airlines acquire up to six additional Dash 8-400 aircraft to be operated on behalf of Air Canada for a term of up to five years on regional routes in eastern Canada.

Routes operated by PAL Airlines, on behalf of Air Canada under the Air Canada Express brand, pursuant to the proposed agreement would be in addition to the existing PAL Airlines scheduled and charter network throughout Eastern and Atlantic Canada.

"PAL Airlines has steadily built its extensive presence in Eastern and Atlantic Canada by pursuing the strategic growth of sustainable, essential services that provide connectivity to national carrier networks," said Calvin Ash, President of PAL Airlines. "This proposed arrangement with Air Canada is a complimentary extension of that strategy. It would support continued growth in our operation, deepen our ability to build regional connectivity, and fortify PAL Airlines' presence in the communities who have always supported our development."

About PAL Airlines:

A proud member of the Exchange Income Corporation family of airlines, PAL Airlines is based in St. John's, Newfoundland and Labrador and serves an extensive network of scheduled and charter destinations across Eastern Canada and Quebec. PAL Airlines has over 40 years experience in the aviation industry with a reputation built on safety, reliability, and exceptional customer service.

For more information, please visit: www.palairlines.ca

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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, COVID-19 and pandemic-related risks, the dependence of Exchange Income Corporation on the operations and assets currently owned by it, the degree to which its subsidiaries are leveraged, the fact that cash distributions are not guaranteed and will fluctuate with the Corporation's financial performance, dilution, restrictions on potential future growth, the risk of shareholder liability, competitive pressures (including price competition), changes in market activity, the cyclical nature of the industries, seasonality of the businesses, poor weather conditions, and foreign currency fluctuations, legal proceedings, commodity prices and raw material exposure, dependence on key personnel, and environmental, health and safety and other regulatory requirements. Except as required by Canadian Securities Law, Exchange 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.