

PREMIUM INCOME CORPORATION

PREMIUM INCOME CORPORATION ANNOUNCES CLASS A CONSOLIDATION RATIO

Toronto, Ontario, October 25, 2024 – (TSX: PIC.A; PIC.PR.A) Premium Income Corporation (the “Fund”) is pleased to announce that in connection with the special retraction right granted to shareholders arising as a result of the extension of the term of the Fund to November 1, 2031, the Fund is announcing a consolidation of its Class A shares effective the opening of trading on or about November 12, 2024. As more Preferred shares than Class A shares were retracted on the special retraction, the consolidation will ensure that an approximately equal number of Class A shares and Preferred shares will be outstanding immediately following the consolidation. Under the consolidation, each Class A share will be consolidated into approximately 0.67 of a Class A share. The total value of a shareholder’s investment in Class A shares will not change, however, the number of Class A shares reflected in the shareholder’s account will decline and the net asset value per Class A share will increase proportionately. The consolidation is subject to regulatory approval. No fractional shares will be issued and shareholders are not required to take any action for the consolidation to be effective.

In addition, the Fund is pleased to announce that distributions on the Class A shares will be paid monthly instead of quarterly commencing in November 2024. Monthly distributions are expected to be \$0.08 per Class A share or \$0.96 per share per annum (compared to the previous rate of \$0.81276 per annum). Holders of Class A shares will continue to receive ongoing leveraged exposure to a high-quality portfolio consisting principally of common shares of Bank of Montreal, The Bank of Nova Scotia, Canadian Imperial Bank of Commerce, National Bank of Canada and The Toronto-Dominion Bank. Holders of the Preferred shares are expected to continue to benefit from fixed cumulative preferential monthly distributions in the amount of \$0.10625 (\$1.275 per annum) per Preferred share representing a yield of 8.5% on the original issue price of \$15.00 per share.

For further information, please contact Investor Relations at 416.681.3966, toll free at 1.800.725.7172, email at info@mulvihill.com or visit www.mulvihill.com

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Commissions, trailing commissions, management fees and expenses all may be associated with investment funds. Please read the prospectus before investing. Investment funds are not guaranteed, their values change frequently and past performance may not be repeated.