



## NEWS RELEASE

### Exchange Income Corporation Completes Acquisition of Canadian North

**WINNIPEG, Manitoba – July 2, 2025** – Exchange Income Corporation (TSX: EIF) (“EIC” or the “Corporation”) a diversified, acquisition-oriented company focused on opportunities in the Aerospace & Aviation and Manufacturing segments, announced today it has successfully closed its acquisition of Bradley Air Services Limited, operating as Canadian North. The entering into of the agreement to acquire Canadian North was originally announced on February 24, 2025. The purchase price is \$205 million, subject to post-closing adjustments, of which \$10 million was paid through the issuance of common shares of EIC. The balance was financed through the Corporation’s credit facility.

The acquisition of Canadian North provides EIC with a unique opportunity to acquire a Northern airline that operates in adjacent regions and on highly complementary routes to those serviced by EIC. Canadian North provides essential passenger and cargo services to 24 remote Canadian Arctic communities in Nunavut and the Northwest Territories, from its southern gateways in Ottawa and Edmonton. This represents two-thirds of its revenues. Canadian North also provides dedicated charters to resource customers in northern Alberta and British Columbia. These services are delivered with a fleet of 737 jets and ATR turboprops, which are a mix of owned and leased aircraft. Canadian North has significant infrastructure with hangars in Iqaluit, Yellowknife, Ottawa, Edmonton, and Calgary. The acquisition excludes the Montreal to Kuujuaq route, which will be maintained by one of the vendors, Makivik Corporation (“Makivik”).

Canadian North provides passenger and cargo services in the eastern and western regions in Nunavut, while EIC’s subsidiary Calm Air services the central region. Canadian North is also active in the Northwest Territories, where EIC has no passenger or cargo presence. This investment also provides EIC passenger and cargo jet service and infrastructure in the North to provide opportunities for our other aviation companies. The acquisition of Canadian North will enable EIC to service all regions in the far north for the first time. As an experienced operator who is dedicated to Northern aviation, EIC will provide its customers in these regions with stable and efficient service. Air travel in this region is truly an essential service. There is no road access to Nunavut from the rest of Canada and the introduction of roads will be highly unlikely in the foreseeable future.

EIC has the core expertise in Northern aviation and we have always been incredibly proud of the services we provide to our community partners. EIC looks forward to building on the work Canadian North has done in servicing the communities, whether it be through community infrastructure investments, training programs such as the Atik Mason Indigenous Pilot Pathway program, enhanced employment opportunities and general investment in the communities.

The acquisition is largely supported by its asset backing across aircraft and infrastructure, however the returns on capital will be below our typical thresholds in the first year of ownership. This return will grow steadily based on our operating scope, capability, and knowledge to increase the efficiency of the airline and we expect to achieve our targeted return on capital by the end of the second year of ownership.

#### 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](http://www.ExchangeIncomeCorp.ca). Additional information relating to the Corporation, including all public filings, is available on SEDAR+ ([www.sedarplus.ca](http://www.sedarplus.ca)).



### **About Canadian North**

Canadian North is an airline that connects people and delivers essential goods throughout Northern communities in Canada. With a versatile fleet of Boeing 737s and ATRs, it connects 24 communities within Nunavut and the Northwest Territories, as well as Southern hubs in Ottawa and Edmonton. Canadian North is also the premier provider of air charter services for large resource sector clients requiring dependable, efficient and economical fly-in/fly-out charter services.

### ***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 facility and the trust indentures, dividends, unpredictability and volatility of securities pricing, dilution and other 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.sedarplus.ca](http://www.sedarplus.ca).*

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