



NEWS RELEASE

Exchange Income Corporation's Subsidiary, PAL Aerospace, notified of preliminary Contract Award Decision for a performance based contract to provide Maritime Patrol Aircraft as Air Reconnaissance Capacity for the Netherlands Coastguard

WINNIPEG, Manitoba – August 6, 2020 – Exchange Income Corporation (TSX: EIF) (“EIC” or the “Corporation”) a diversified, acquisition-oriented company focused on opportunities in the aviation, aerospace and manufacturing sectors, is pleased to announce its subsidiary, PAL Aerospace, has received notice of the preliminary contract award decision regarding a performance based contract to provide Maritime Patrol Aircraft as Air Reconnaissance Capacity for the Netherlands Coastguard . This future contract, to be executed for Ministry of Defence for the Netherlands on behalf of the Netherlands Coastguard, would see PAL Aerospace and its consortium member JetSupport, modify and deliver two fully missionized DHC-8 aircraft, provide crew training on all systems and support the operation of the aircraft for an initial ten-year period with an option to extend for two additional one-year terms.

Through a careful and thorough evaluation of tenders submitted to the Netherlands Ministry of Defence, the JetSupport/PAL bid (acting as a consortium) was found to have the Best-Price-Quality-Ratio. In accordance with the Dutch Public Procurement Law, there is a prescribed stand-still period following the preliminary notification of award before the contract award decision becomes final. PAL and JetSupport anticipate receiving the final award decision shortly.

“PAL Aerospace’s success in this bidding process is a validation of EIC’s strategy of making long-term investments for returns in the future,” said EIC Chief Executive Officer Mike Pyle. “By following this investment philosophy, EIC has supported the development of PAL Aerospace’s unmatched credentials in Special Missions Aircraft operations through the delivery of the Government of Canada’s Inland, Coastal and Offshore Surveillance program, the development and commercialization of the Force Multiplier Intelligence, Surveillance and Reconnaissance program and through the missionization of, support of and operation of maritime surveillance assets in jurisdictions like the Dutch Caribbean and the United Arab Emirates. EIC has also been proud to support PAL Aerospace’s growing partnership with the Royal Canadian Air Force through the Fixed Wing Search and Rescue program, which will soon see the company providing vital support and sustainment services to Canada’s new fleet of Airbus CC-295 aircraft.”

PAL Aerospace’s significant capacity and history of accomplishment in Special Missions Aircraft operation, support and training is unique in Canadian and global aviation. Consistently ranked as one of the Top Ten Defence Companies in Canada by Canadian Defence Review, PAL Aerospace’s extensive experience, gained through decades of safe operation in some of the most challenging operating environments on earth, has positioned the company to compete and succeed on the world stage.

“Particularly during this challenging time in the global economy, PAL Aerospace’s ability to successfully secure this contract award while continuing to seamlessly execute their existing operations is a testament to EIC’s overall management strategy,” said Carmele Peter, President of EIC. “By identifying and acquiring well-run companies and empowering management with the support they need to grow their business, EIC continues to demonstrate our ability to deliver consistent value to our shareholders through this approach.”

The Maritime Patrol Aircraft associated with this contract will be missionized to provide air reconnaissance capacity in the North Sea for the Netherlands Coast Guard. Tasks will include surveillance activities, search and rescue, law enforcement, and periodical deployments in support of the European Coast Guard and Border Agency (FRONTEX).

“PAL Aerospace appreciates the vital support we receive from EIC which has facilitated this important award in the competitive European aerospace market,” said Jake Trainor, Chief Executive Officer of PAL. “We are



uniquely qualified to deliver this program successfully in full partnership with JetSupport and believe there is considerable opportunity for PAL Aerospace to pursue additional future work in Europe.”

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).

About PAL Aerospace

A member of the Exchange Income Corporation family of companies, PAL Aerospace is a Canadian-owned and operated international aerospace and defence company. With a focus on intelligence, surveillance, and reconnaissance, in-service support solutions and aircraft engineering and modification, PAL Aerospace is recognized by governments and militaries for on time/on budget delivery and high reliability rates. PAL’s record of accomplishment now extends to operations in Canada, the Americas, the Caribbean, and the Middle East. PAL Aerospace offers a single point of accountability for its programs and takes pride in being the trusted choice for clients worldwide.

For more information, please visit www.palaerospace.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, 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.

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