



NEWS RELEASE

Exchange Income Corporation Announces the Acquisition of Crew Training International ***Acquires Crew Training International, a leading provider of crew training to the US Department of Defense***

WINNIPEG, Manitoba – December 16, 2021 – Exchange Income Corporation (TSX: EIF) (“EIC” or the “Corporation”) a diversified, acquisition-oriented company focused on opportunities in the aviation, aerospace and manufacturing sectors, announced today it has acquired Crew Training International, Inc. (“CTI”), headquartered in Memphis, TN. The purchase price of US\$45 million was funded by the issuance of US\$7 million of EIC common shares to the vendor and cash in the amount of US\$38 million that was available from the Corporation’s credit facility.

CTI has 30 years of experience developing and delivering training solutions for the US government and commercial applications. CTI’s primary customer is the US Department of Defense, including the US Air Force, the US Navy, and the US Marine Corps. CTI delivers training solutions for these customers across an array of aviation platforms and has in-depth experience in training pilots and sensor operators on both manned and unmanned aircraft. These services are delivered by CTI’s 500 employees on military bases throughout the US.

Mike Pyle, CEO of EIC, commented, “CTI is a market leader with superior management and a well-developed company culture making it an ideal company to join EIC. There is high demand for aviation training and we are eager to grow in this field. CTI’s leading capabilities, reputation, and presence in the US market, which have been developed over the last three decades, make this a very exciting acquisition. This transaction is accretive for our shareholders, and I am very pleased Alan and his executive team will continue leading this terrific business.”

Mr. Pyle added, “Aviation training and providing solutions to governments are services EIC understands well. The addition of CTI, expands on this expertise, adding new customers, capabilities, and platforms, including unmanned expertise. In addition, this acquisition will provide the foundation for EIC to expand its ISR operations to the US market. This is the first step for EIC to be able to leverage our leading ISR capabilities and expand in the future to serve the US Department of Defense.”

Alan Mullen, CTI’s Founder and CEO, stated, “I’m very proud of what we have created at CTI. Our people are exceptional, and we pride ourselves on delivering for our customers. It’s important to do what you say and to keep your word. I started this business with those ideals at the forefront and it was critical for me to find a partner who would preserve this commitment, as well as our culture and our reputation. EIC’s model is the right fit for our company, our employees and our customers. CTI can continue to deliver on our word and we are excited to work with the broader EIC aerospace and government contracting group to add additional services and value for our customers.”

Adam Terwin, Chief Corporate Development Officer of EIC said, “Government outsourcing of military training has increased throughout the world, driven by growing labor shortages, creating long-term robust demand for CTI’s service. CTI has developed great knowledge and experience in this field, specifically in military aviation. Their experience in training solutions, know how in US government contracting, and their robust business development capabilities have positioned them to expand their training solutions in aviation and into other areas. This includes recent contract wins with additional agencies in the US Department of Defense and in ancillary areas to aviation such as cyber training. We are excited Alan and his team will be staying on to lead CTI in this next phase of their growth.”

Mike Pyle concluded by saying, “The pandemic has challenged our business model, and I am exceptionally pleased with how we have met those challenges. 2021 was a busy year of organic and inorganic growth for



EIC. This acquisition is the second acquisition since we reported our third quarter results. The other acquisition was Ryko Telecommunications Inc., a strategic addition to WesTower's wireline construction and maintenance services offering in Western Canada, which was completed on December 1, 2021 for \$14 million. This makes five acquisitions in 2021, which when combined with significant organic investment, positions us well for continued growth in 2022 and beyond."

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 Crew Training International

Founded in 1992, Crew Training International develops advanced training solutions for the US Department of Defense, government, and commercial training programs. The company specializes in pilot and sensor operator crew training on both manned and unmanned military aircraft for the US Department of Defense. Headquartered in Memphis, TN, the services are primarily delivered on military bases throughout the United States.

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 cyclicity 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, the 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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