



EXCHANGE INCOME CORPORATION COMPLETES ACQUISITION OF CARTENAV SOLUTIONS

Winnipeg, Manitoba – August 8, 2016 – Exchange Income Corporation (TSX: EIF) (“EIC” or the “Corporation”), a diversified, acquisition-oriented company announced today it has successfully closed the acquisition of all of the issued and outstanding shares of CarteNav Solutions Inc. (“CarteNav”) for a purchase price of up to \$17.0 million, which is subject to an earn-out provision and customary post-closing adjustments.

CarteNav, headquartered in Halifax, Nova Scotia, is a leading software developer providing intelligence, surveillance, reconnaissance (“ISR”) and situational awareness software solutions for the maritime, land, and air environments to defense, security, and commercial clients. Its flagship product, AIMS-ISR® has become the software of choice for both government and non-government customers in more than 30 countries across six continents.

“While this transaction is financially attractive on its own merit, the exciting part of the acquisition is the strategic value CarteNav brings to Provincial Aerospace,” stated Mike Pyle, Chief Executive Officer of EIC. “Both companies are leaders in their respective segments of the ISR industry. Working together they will enhance the products and services for our end customers and increase market opportunities. We are excited to add CarteNav to the EIC family of companies.”

Rick MacDonald, the founder and Chairman of CarteNav commented, “Over the past 14 years, thanks to a great team of employees, CarteNav has grown from a small private software company providing contracted solutions to defense laboratories to an international industry leader with strong brand recognition in the fast growing ISR space. We were delighted to have been approached by a partner who could leverage our established customer base, leading products and brand reputation. Partnering with Provincial Aerospace enables us to enhance our scope of services while continuing to strengthen our product offerings. We are confident that by joining Provincial Aerospace, and with EIC’s support, we can continue to grow CarteNav. Furthermore, EIC’s unique operating philosophy will help us grow while continuing to support CarteNav’s committed employees and preserving the company’s culture.”

Brian Chafe, CEO of Provincial Aerospace, added, “CarteNav has strong products and reputation, and is a great strategic fit with Provincial Aerospace. We are excited to work with them to strengthen our product offerings and support for our customers. Looking towards the future of the market, developments are rapidly occurring in user interface design and data warehousing and analytics. The strengths and capabilities of CarteNav and Provincial will put our product and service offerings in a unique position to serve this developing market demand.”

The purchase price is in line with the EBITDA multiples of prior EIC acquisitions. The transaction is immediately accretive to EIC’s per share metrics. The purchase price was paid in cash and financed through the Corporation’s existing credit facility. The Corporation will provide further commentary on CarteNav in its second quarter results conference call on August 10, 2016 scheduled for 10:00 am ET/9:00 CT.

About Exchange Income Corporation

Exchange Income Corporation is a diversified acquisition-oriented company, focused in 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 and operate in niche markets. The Corporation currently operates two segments: Aerospace & Aviation and Manufacturing. The Aerospace & Aviation segment consists of the operations by Perimeter Aviation, Keewatin Air, Calm Air International, Bearskin Lake Air Service, Custom Helicopters, Regional One and Provincial Aerospace. The Manufacturing segment consists of the operations by Overlanders Manufacturing, Water Blast Manufacturing, Stainless Fabrication, WesTower Communications and Ben Machine Products. 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, 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. 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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