



## NEWS RELEASE

### **Exchange Income Corporation Enters into an Agreement to Acquire CANLink Global Inc. (Moncton Flight College)**

**WINNIPEG, Manitoba – February 21, 2018** – Exchange Income Corporation (TSX: EIF) (the “Corporation” or “EIC”), a diversified, acquisition-oriented company announced today it has entered into an agreement to acquire CANLink Global Inc. (Moncton Flight College) for a purchase price of approximately \$35 million, subject to customary post-closing adjustments, which can increase to \$55 million if post-closing growth targets are met. The transaction is expected to close within the next 30 days.

Moncton Flight College (MFC) is the largest flight training college in Canada having trained over 19,000 students since its inception. MFC offers domestic Canadian pilot training as well as a foreign pilot program. They domestically offer a full range of training from private pilot licensing to commercial pilot programs, which include an Integrated Commercial Pilot Program, a Diploma in Aviation Technology Pilot Program and a four year Bachelor of Science/Pilot Program with Mount Allison University. MFC currently operates with approximately 160 employees, including over 90 flight instructors out of two campuses located in Moncton and Fredericton, New Brunswick.

Having a long standing reputation as a best in class flight school, MFC provides a unique opportunity as an internal avenue for pilot recruitment and retention for EIC’s aviation companies while supporting the domestic and foreign commercial pilot aviation industry demands. The impact of an increased pilot demand is global in nature and airlines have been taking action to secure their own pilot streams. Internationally, it is estimated there will be a demand for approximately 615,000 pilots by 2035.

The initial base purchase of \$35 million will be funded by the issuance of EIC common shares to the vendors representing \$6 million and the Corporation’s available cash resources from its currently available credit facility representing approximately \$29 million, which is based on MFC having generated EBITDA of \$7.6 million in 2017. If the post-closing targets are met, the purchase price will increase to \$55 million, which would also result in the transaction being more accretive to EIC.

“The acquisition of Moncton Flight College is extremely exciting. Not only is it an accretive acquisition, it provides EIC with unique ability to address the pilot recruiting and retention issue. I believe that this strategic acquisition will support our future growth and operational requirements of our airline and aerospace portfolio,” said Mike Pyle, Chief Executive Officer of EIC. “We are pleased to welcome Moncton Flight College to the EIC family and excited about the additional market opportunities that this will provide our organization.”

Mike Tilley, Chief Executive Officer of MFC, and the senior management team are remaining to operate the business moving forward under the new ownership of EIC. “Moncton Flight College has grown from a flying club founded in 1929 into an international industry leader within the flight training industry,” said Mike Tilley, CEO of MFC. “I am proud of what Moncton Flight College has accomplished over our history and we feel joining EIC will allow us to continue to capitalize on market demand while assisting the EIC family of companies to meet their own requirements.”

“Moncton Flight College is a well-established training organization that we are excited about leveraging to expand our aerospace service compliment to include training,” continued Brian Chafe, CEO of PAL Aerospace. “We are excited to be adding this team to PAL Aerospace as we continue to open new markets and grow our capabilities.”

#### **About Exchange Income Corporation**

Exchange Income Corporation is a diversified acquisition-oriented company, focused in two sectors: aerospace and 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.

The Corporation currently operates two segments: Aerospace & Aviation and Manufacturing. The Aerospace & Aviation segment consists of the operations of Perimeter Aviation (including Bearskin Airlines), Keewatin Air, Calm Air International, Custom Helicopters, Regional One and Provincial Aerospace. The Manufacturing segment consists of the operations of Overlanders, Water Blast, Stainless Fabrication, WesTower Communications, Ben Machine and Quest.



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.sedar.com](http://www.sedar.com)).

### **About PAL Aerospace**

PAL Aerospace is a Canadian aerospace and defence company with a focus on intelligence, surveillance, and reconnaissance (ISR) solutions. Recognized by governments and militaries for on time/on budget delivery, and high reliability rates, the company has grown globally. This track record of success has led to on-going operations around the world. PAL Aerospace offers a single point of accountability for its programs and takes pride in being the trusted choice for clients worldwide.

### **About CANLink Global Inc. (Moncton Flight College)**

MFC has a rich history in flight training that dates back to 1929. MFC has trained students from 68 countries and has been recognized internationally for its dedicated focus on quality and safety. With over 85 years of experience as an industry leader, they educate and develop aviation professionals with state-of-the-art curriculum, highly qualified instructors and modern facilities and equipment. These activities are carried out in a safety oriented training environment on a financially viable basis.

### **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 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, 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](http://www.sedar.com).*

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