

Exchange Income Corporation Announces Increase to Permitted Foreign Ownership Levels

WINNIPEG, Manitoba – August 14, 2019 – Exchange Income Corporation (TSX: EIF) (the “Corporation” or EIC”), a diversified, acquisition-oriented company focused on opportunities in the aviation, aerospace and manufacturing sectors, announced the completion of previously announced amendments to its articles of amalgamation to increase permitted foreign ownership levels to 49% from 25%.

The Canada Transportation Act has been amended to increase permissible foreign ownership in Canadian airlines to 49% from 25% provided that no single non-Canadian may own or control more than 25% of the voting interests in a Canadian airline and no more than 25% of the voting interest in a Canadian airline may be owned by foreign airlines. The Government of Canada’s stated purpose in implementing the Canadian Transportation Act amendments is to attract more foreign investment and encourage growth in the aviation sector.

A resolution to amend the Corporation’s articles of amalgamation was passed at its most recent Annual General and Special Meeting to align with the new foreign ownership levels now permitted under the Canada Transportation Act. This amendment has now been filed and is effective.

About Exchange Income Corporation

Exchange Income Corporation is a diversified acquisition-oriented company. 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, Keewatin Air, Calm Air International, Bearskin Lake Air Service (operating as a division of Perimeter Aviation), Custom Helicopters, Regional One, Provincial Aerospace and Moncton Flight College, and an investment in Wasaya Group. The Manufacturing segment consists of the operations of Overlanders Manufacturing, Water Blast, Stainless Fabrication, WesTower Communications, Ben Machine and Quest Window Systems. 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 cyclicity of the industries, seasonality of the businesses, poor weather conditions, 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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