

Exchange Income Corporation Acquires Certain Assets of Wings Over Kississing

Strategic acquisition part of Exchange's continued investment in province of Manitoba

WINNIPEG, Manitoba – December 20, 2018 – 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 today that it has completed the acquisition of certain assets and operations of Wings Over Kississing (“Wings”) for a purchase price of \$10 million, subject to customary post-closing adjustments. The purchase was funded by the issuance of \$2.2 million of EIC common shares to the vendors and \$7.8 million of cash from its unutilized credit facility.

Wings is an operator of fixed wing and rotary wing aircraft in the province of Manitoba. EIC has acquired Wings’ rotary wing operations that are focused in the Island Lake region, their King Air 200 charter operations focused in Thompson, a 27,000 square foot hangar at the St. Andrews Airport, and their fueling operations at the Thompson Airport.

“The acquisition of these operations and assets significantly strengthen our aviation operations in Manitoba,” said Mike Pyle, Chief Executive Officer of EIC. “The King Air charter operations provide us with a new charter platform, and combined with the fueling station at Thompson Airport, allows us to better serve this key travel hub for communities in Northern Manitoba. The addition of the rotary wing operations enables us to continue to build our partnership with customers in the Island Lake region. The St. Andrews hangar represents a significantly upgraded facility for Custom. Continued investment in the province is important for EIC and we look forward to breaking ground on the previously announced new 60,000 square foot hangar at the Winnipeg International Airport in the near future as part of EIC bringing the heavy maintenance for the Fixed Wing Search and Rescue to Manitoba. Accretive acquisitions and investment in our operations is the foundation to our business model. This model has led to robust growth in EBITDA and adjusted EPS over the last number of years, particularly in 2018, and is expected to continue in 2019.”

Curt Enns, the founder and President of Wings stated, “We are very pleased that our St. Andrew’s base, fuel, King Air 200 and Island Lake helicopter operations found a good home with EIC. As a proud Manitoban, we are happy that our operations are going to a great company with their home base in Manitoba. My wife, Juanita, and I will continue to focus on our lodge and remaining aircraft platform, including float operations. We look forward to working with EIC as we focus on our other businesses.”

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.

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 (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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