

Exchange Income Corporation Provides Update in Response to COVID-19 Uncertainty

WINNIPEG, Manitoba – March 18, 2020 – Exchange Income Corporation (TSX: EIF) (the “Corporation” or “EIC”), along with the rest of businesses throughout the world, is confronted with managing the impact of the COVID-19 outbreak. We have a responsibility to our employees, customers, and shareholders to take every necessary measure to limit the impact of this virus. This includes ensuring the health and safety of our stakeholders, while being fiscally responsible. Part of that responsibility is to ensure there is adequate communication at all levels of our organization, including to our shareholders.

First and foremost, our organization and every subsidiary has taken significant measures to prevent the spread of the virus and to contain any potential infection. We meticulously follow and where possible exceed the guidance of the appropriate health authorities and best practices as it relates to the prevention and containment of communicable diseases. For our aviation companies, this includes an onboarding screening process, appropriate employee training, increased sanitization, and disinfecting the aircraft after every flight. EIC has the benefit of our collective expertise and resources across all our regional airlines to ensure all appropriate measures are taken. This enables us to provide a level of control and prevention that would not be possible for each individual airline to implement. Throughout all our organizations, we have implemented policies and procedures to minimize the impact of the virus. This includes screening individuals, compartmentalizing and separating our staff, creating redundancy in our infrastructure, limiting building access, sanitizing all operations, and having employees work from home wherever possible. EIC subsidiaries were amongst the first airlines to adopt a preboarding questionnaire as part of our enhanced screening procedure to protect our employees, customers, and communities. We have received positive feedback from customers and the government on the efficacy of our enhanced procedures.

A key tenet of our business model is diversification. This is extremely valuable as it relates to our current environment. Our operations are diversified across industry, customer, and geography. While all our operations will undoubtedly be impacted by this virus, the extent will vary greatly.

Unlike major carriers our airlines fly into remote northern communities which, other than for the short winter road season, can for the most part only be accessed by air. As such we provide an essential service both in terms of the movement of products and individuals and we are not impacted by economic cycles or discretionary spending. Moreover as the winter road season comes to an end our airlines become the only link into and out of the communities. We do not have international flights and therefore are not impacted by travel bans that have been imposed. The significance of these differentiations is that we have not parked aircraft and we continue to fly into every community we served prior to the outbreak of the COVID-19 virus. While we expect to see lower demand as communities seek to control passenger flow into their communities, we fully expect to continue operations into all of our communities given the essential services we provide to support food security, health and commerce.

We do not expect to see any significant impact on our maritime surveillance operations and its quite likely that demand will increase for our medevac operations. Our international maritime surveillance operations are under contract and we continue to fly at or above contracted levels. In addition we continue to bid on surveillance contracts for various international governments. As it relates to our medevac services we have been in contact with the government agencies to ensure we are positioned to provide needed service. We are proactively bringing additional equipment into service to help our communities and government in case the need arises in the near future.

Regional One will be impacted by demand from the overall airline industry. The first impact will be on its leasing portfolio, followed by the demand for its aircraft parts and engines. Regional One is working closely with its customers to manage this anticipated change in demand and to support them in the current environment, including rescheduling payments for the lease portfolio. To the extent there is less flying by Regional One's lease customers, there will also be lower capital expenditures required at Regional One to maintain their fleet. We remain confident in Regional One's business model in the medium and long-term, and to that end will look for opportunities to grow our fleet at advantageous prices.

Our Manufacturing segment continues to operate, while meeting and exceeding current government recommendations to prevent spreading of the virus. Since we have operations throughout Canada and the US, it is possible local government-imposed restrictions could shut-down a job or a facility on a case by case basis in the future. We will continue to monitor the impacts of COVID-19 in our specific sectors and are prepared to adjust our plans as required.

EIC included guidance for 2020 in its 2019 fourth quarter earnings release. The first two months of 2020 were in line or better than our guidance across each segment. The situation with the COVID-19 pandemic is changing rapidly and as such it is virtually impossible to predict the impact it will have on the economy in general and EIC specifically. Therefore, notwithstanding the strength of our quarter to date results, we are withdrawing guidance for 2020. When things stabilize we will update the market.

EIC is well capitalized and currently has access to over \$800 million in available capital. This gives us plenty of liquidity to manage our operations, while also pursuing growth opportunities. This provides all our companies a benefit that is not often afforded to their competitors. As such, we will continue to look for growth opportunities to support them. We are extremely proud of the determination, effort, and ingenuity shown across all levels of our organization. Our subsidiaries have great leaders throughout their organizations, and this has shown through in the current crisis. While this crisis is disruptive, we are confident that our management, diversification, discipline, and balance sheet, which has formed the foundation of EIC's business model, puts us in a position to succeed and come out a stronger company.

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).

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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