

Exchange Income Corporation

Investor Presentation
February 2019

FORWARD-LOOKING STATEMENTS

The statements contained in this presentation 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

INTRODUCTION TO EIC

Established in 2004 as diversified acquisition oriented income trust

- Converted to dividend paying company July 2009

Own 13 operating divisions focused in 3 main areas:
remote regional aviation services, aerospace and manufacturing

Strategy to buy, hold and invest in businesses with:

- Strong cash flows
- Niche defensible markets
- Strong management teams

EIC MODEL

EIC is committed to long-term shareholder value creation through disciplined growth and prudent capital deployment.

Four Cornerstones:

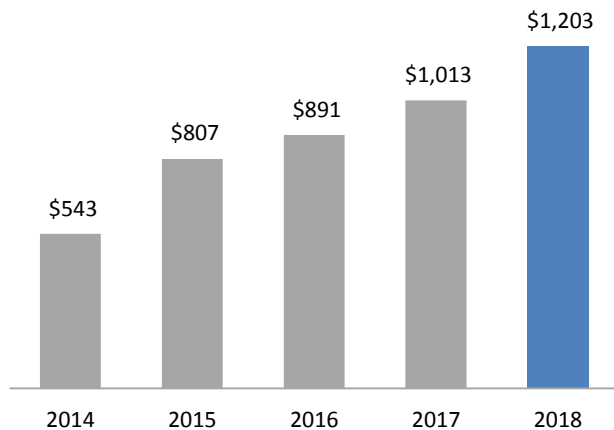
- Growth as a disciplined acquirer and investor
- Diversity mitigates risk and volatility
- Rock solid balance sheet
- Growing dividends for our shareholders

*Nothing in the model
has changed over
the life of EIC.*

*Results and
dividends prove the
success of the
model.*

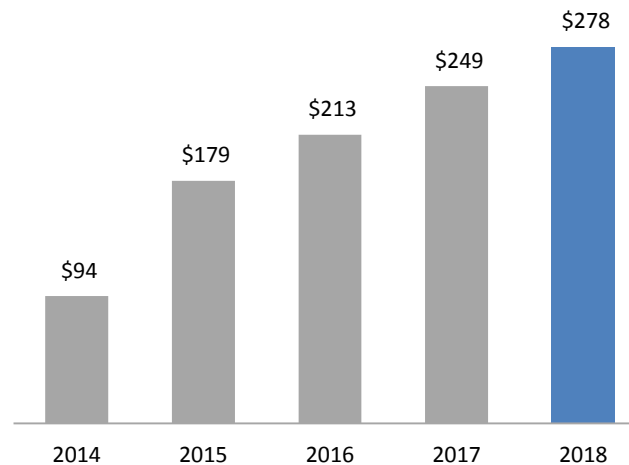
RECORD OF GROWTH

REVENUE (\$MILLIONS)



22.0% CAGR

EBITDA (\$MILLIONS)

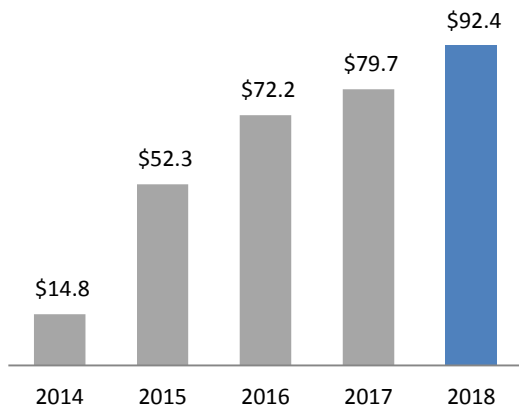


31.1% CAGR

All financial data referenced is the Corporation's continuing operations and presented in a consistent manner.

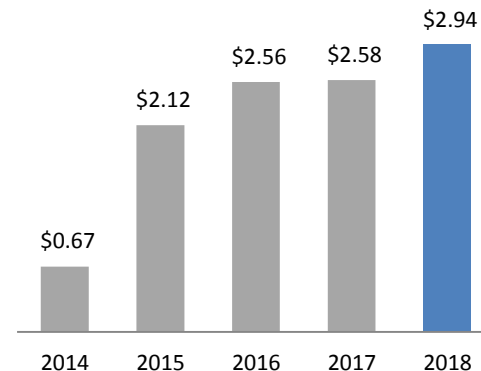
RECORD OF GROWTH

ADJUSTED NET EARNINGS (\$MILLIONS)



58.1% CAGR

ADJUSTED NET EARNINGS PER SHARE



44.7% CAGR

Adjustments to Net Earnings are primarily related to intangible asset amortization, acquisition costs and non-recurring items

All financial data referenced is the Corporation's continuing operations and presented in a consistent manner.

DIVIDEND GROWTH

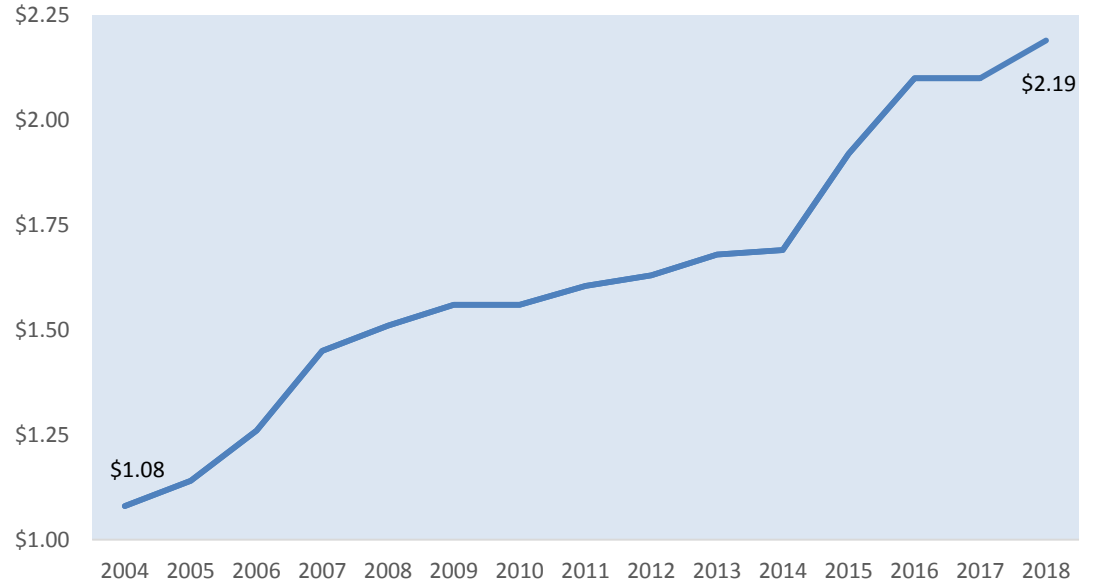
13

Dividend increases in 14 years

5.1%

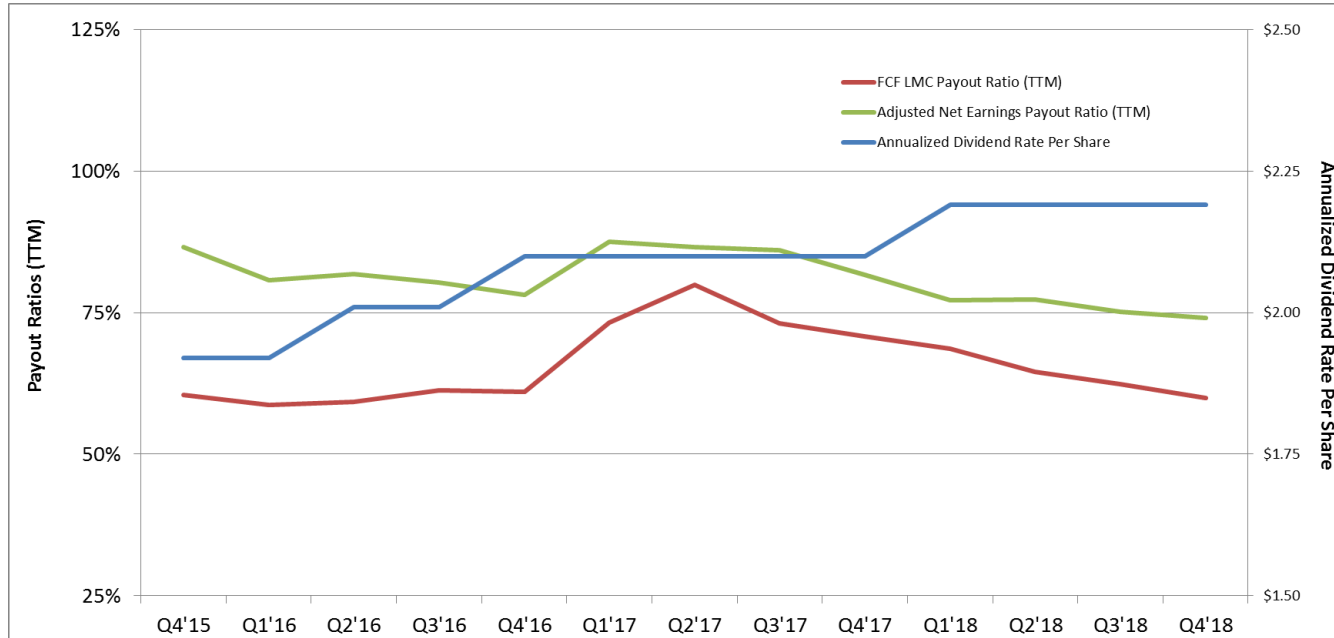
CAGR on annualized dividend

ANNUALIZED DIVIDEND DISTRIBUTIONS
(PER SHARE)*



*Dividends are distributed monthly @ \$0.1825 per share

PAYOUT RATIOS



TTM payout ratio calculated as a percentage of **free cash flow less maintenance capital expenditures (FCF LMC) strengthened to 60% from 71%.**

TTM payout ratio calculated as a percentage of **Adjusted Net Earnings improved to 74% from 81%.**

2019 – A LOOK AHEAD

- 10–15% EBITDA growth
- 8-12% rise in Adjusted EPS and FCFPS
- Consistent levels of capex
- Lower Debt to EBITDA ratio
- Tracking to 50% payout ratio in 2021

***Continue to deliver on
our promise of growing,
sustainable results***

2019 – A LOOK AHEAD

DRIVERS OF 2019 FORECAST

- Quest US manufacturing facility
- Moncton Flight College
- Force Multiplier
- SkyWest partnership

Organic Growth

All of these initiatives/programs are already in place and require minimal capital spending

DISCIPLINED ACQUISITIONS

2004

PERIMETER

Scheduled passenger and freight flight services into northern Manitoba from Winnipeg

2006

OVERLANDERS MANUFACTURING

Sheet metal and tubular steel product manufacturing

2009

CALM AIR

Scheduled passenger and freight flight services from Winnipeg into northern Manitoba and Nunavut

2012

CUSTOM HELICOPTERS

Cargo shipment, forest fire suppression, maintenance overhaul and corporate transportation in Manitoba and Nunavut

2013

REGIONAL ONE

Global sales of aftermarket aircraft engines and parts and leases of regional jets

2017

QUEST WINDOW SYSTEMS

Manufacture advanced unitized window-wall systems used primarily in high-rise multi-unit residential developments

KEEWATIN AIR

Medevac services from northern Manitoba and Nunavut into Winnipeg

STAINLESS

Stainless tanks, vessels and processing equipment manufacturing

WESTOWER

Communication infrastructure and technical services across Canada

PROVINCIAL AEROSPACE

Scheduled flight services in Atlantic Canada and Quebec; global maritime surveillance solutions

CARTENAV

Software solutions for maritime surveillance

MONCTON FLIGHT COLLEGE

Largest commercial pilot flight training school in Canada

JASPER TANK

Truck and trailer-mount tanks used in the transportation of fluids, such as oil and gas

WATER BLAST

High pressure washer cleaning and steam systems manufacturing and distribution

BEARSKIN

Scheduled passenger and cargo flight services in Manitoba and northwestern Ontario

BEN MACHINE PRODUCTS

Manufacture of precision parts for global defence and aerospace sectors

TEAM J.A.S.

After-market aviation parts and aircraft. Specialize in Twin Otter platform

2005

2008

2011

2015

2016

2018

AVIATION & AEROSPACE SEGMENT

MANUFACTURING SEGMENT

OPERATING SEGMENTS

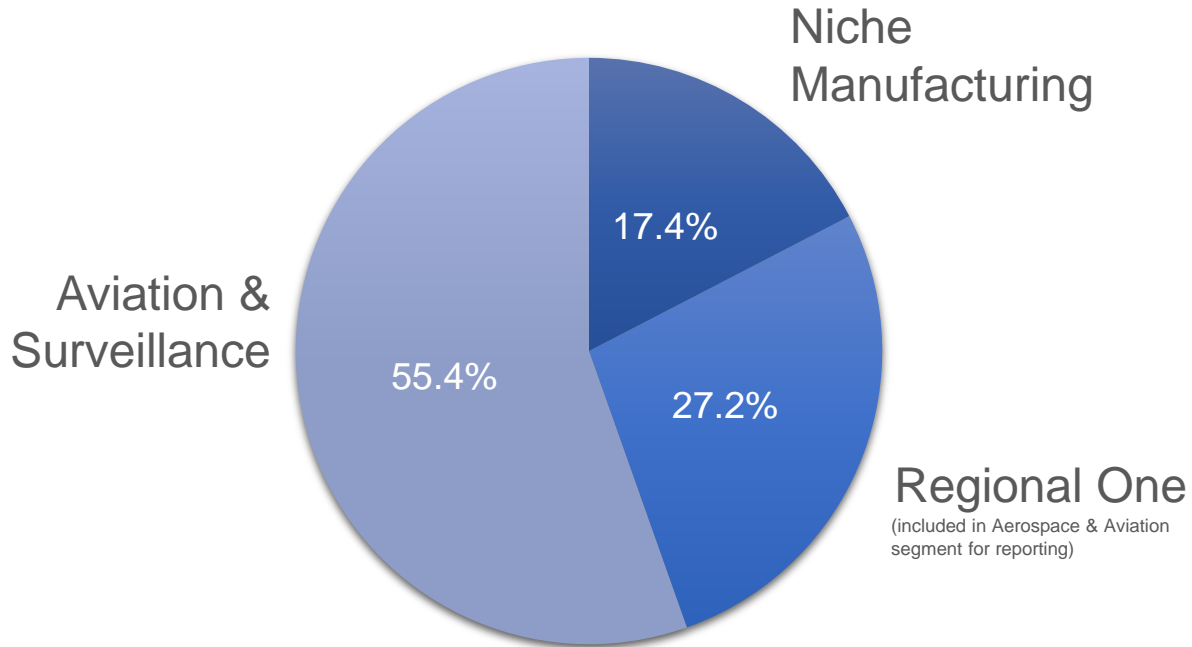
The portfolio of operating subsidiaries are divided into two operating segments:

- **Aerospace & Aviation**
 - Array of operations including scheduled airline and charter services, emergency medical services, supplier of after-market aircraft, engines and parts, and maritime surveillance and support operations.
- **Manufacturing**
 - Several businesses providing a variety of manufactured goods and related services throughout North America.

Significant diversification within each segment based on revenue streams, geographical regions and various industries.

EBITDA BREAKDOWN

Dividing core operational results:



COMPETITIVE STRENGTH

Niche Markets with robust barriers to entry

Northern Aviation

- Long-term Government contracts
- First Nation partnership agreements
- Proprietary infrastructure

PAL Aerospace

- Long-term Government contracts
- Unrivalled flying history
- Tier 1 OEM partnership with Airbus
- Proprietary technologies

Regional One

- Unique business model
- Tier 1 OEM partnership with Bombardier
- Deep industry expertise
- Proprietary parts database on targeted aircraft platforms

Manufacturing

- Custom precision manufacturing on high yield products
- Solution providers covering various regions & industries

AVIATION SERVICES



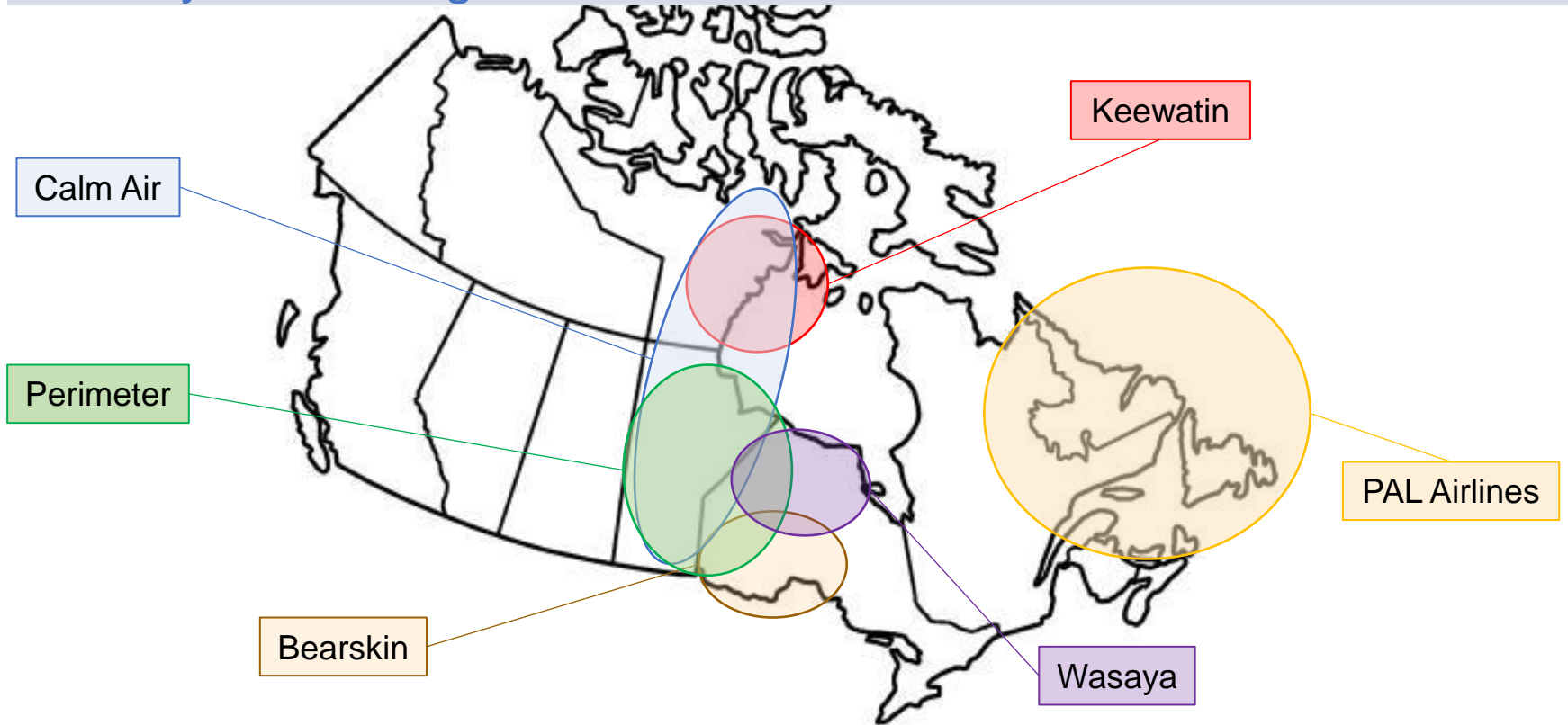
- Essential services to communities in Manitoba, Nunavut, northwestern Ontario, Quebec and Atlantic Canada
- Legacy Airlines:
 - Calm Air, Perimeter, Bearskin, Keewatin & Custom Helicopters
- PAL Airlines: division of Provincial Aerospace
- Services include:
 - Scheduled passenger & freight services
 - Charter
 - Emergency medical services
 - Rotary wing

In early Q2'18 we closed the investment transaction in Wasaya Airlines

OPERATING IN NICHE MARKETS WITH STRONG MARKET POSITION

REGIONAL MAP

Primary Route Regions – Aviation Services





AEROSPACE SERVICES

PROVINCIAL AEROSPACE

- Global leader in maritime surveillance
- Aircraft overhaul & modification
- Design & build surveillance aircraft
- Awarded Government of Canada Fixed Wing Search and Rescue contract in Q4 2016 with consortium led by Airbus Defense and Space
- Added Moncton Flight College in Q1 2018, which is a cornerstone of EIC's pilot recruitment and retention strategy to combat the worldwide pilot shortage
- Force Multiplier surveillance aircraft approved and available for use

REGIONAL ONE

- After-market aircraft, engines and rotatable parts sales and leasing business
- Portfolio of assets covering multiple aircraft types (close to 100 assets in several aircraft platforms divided up between whole aircraft and just aircraft engines)
- Assets located strategically over several regions
- Sales worldwide (+85 countries)

MANUFACTURING SEGMENT

Quest Window Systems

Manufacturer of advanced unitized window wall systems used primarily in high-rise multi residential developments the enclose virtually the whole building's exterior (windows, doors, awnings and opaque areas).

Ben Machine

Manufacturer of precision parts and components used by the aerospace and defense sector in North America.

Stainless

Fabrication and installation of stainless steel specialized tanks and vessels in various industries within the United States.

Alberta Ops

Manufacture and sell a variety of products primarily tied to the oil and gas industry including pressure systems and transportation tanks.

WesTower

Design, fabrication and installation of communication towers across Canada and maintenance of those towers for wireless carriers.

Overlanders

Manufacture precision sheet metal and tubular products used in a variety of industries within North America.

QUEST WINDOW SYSTEMS



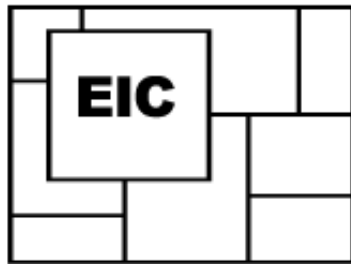
- Innovative niche building solution company in a large market place
- Manufactures an advanced unitized window wall system used primarily in high-rise multi residential developments
 - Produces the entire building envelope – virtually the entire building
 - Windows, doors, awnings and opaque areas of the exterior
- EBITDA of approximately \$15 million in the fiscal year prior to acquisition
 - Generated approximately \$25 million in 2018
 - Earn-out target was achieved within the first 9 months of 2018
 - Backlog in excess of \$350 million

QUEST WINDOW SYSTEMS



- Headquartered in Mississauga with sales throughout North America
- Constructing a 330,000 sq. ft. manufacturing facility in the Dallas, TX area
 - Estimated investment of \$20 million
 - Expected to begin manufacturing in the first half of 2019
 - Once fully operational, it will more than double Quest's current capacity

WE KNOW WHERE WE'RE GOING.
OUR PLAN HASN'T CHANGED.



**Exchange
Income
Corporation**

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