

**MATERIAL CHANGE REPORT
PURSUANT TO SECTION 7.1 OF NATIONAL INSTRUMENT 51-102**

1. **Name and Address of Company:**

Exchange Income Corporation (the "Corporation")
101 - 990 Lorimer Blvd
Winnipeg, Manitoba
R3P 0Z9

2. **Date of Material Change:**

November 16, 2021.

3. **News Release:**

The Corporation issued a press release regarding the material change on November 16, 2021, a copy of which is attached hereto.

4. **Summary of Material Change:**

On November 16, 2021, the Corporation announced that it entered into an agreement to sell, on a bought deal basis, \$100,000,000 aggregate principal amount of 5.25% convertible unsecured subordinated debentures due January 15, 2029 (the "Debentures") to a syndicate of underwriters co-led by National Bank Financial Inc. and CIBC World Markets Inc. (the "Offering"). The Corporation also granted to the underwriters an over-allotment option to purchase up to an additional \$15,000,000 aggregate principal amount of Debentures on the same terms and conditions, representing 15% of the size of the Offering, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allocations, if any, and for market stabilization purposes.

5. **Full Description of Material Change:**

See the press release dated November 16, 2021 attached as Schedule "A" hereto.

6. **Reliance on subsection 7.1(2) or (3) of National Instrument 51-102:**

Not Applicable.

7. **Omitted Information:**

Not Applicable.

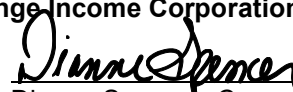
8. **Executive Officer:**

Dianne Spencer, Corporate Secretary
Tel: (204) 982-1852

DATED at Winnipeg, Manitoba this 17th day of November, 2021.

Exchange Income Corporation

Per:



Dianne Spencer, Corporate Secretary

SCHEDULE "A"



NOT FOR DISTRIBUTION TO U.S. NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES.

NEWS RELEASE

Exchange Income Corporation Announces \$100,000,000 Bought Deal Financing of 5.25% Convertible Unsecured Subordinated Debentures

Winnipeg, Manitoba – November 16, 2021 – Exchange Income Corporation (TSX: EIF) ("EIC" or the "Corporation") announced today that it has reached an agreement with a syndicate of underwriters co-led by National Bank Financial Inc. and CIBC Capital Markets (the "Underwriters"), pursuant to which the Corporation will issue on a bought deal basis, subject to regulatory approval, \$100,000,000 aggregate principal amount of convertible unsecured subordinated debentures (the "Debentures") at a price of \$1,000 per principal amount of Debentures (the "Offering"). The Corporation has granted to the Underwriters an over-allotment option to purchase up to an additional \$15,000,000 aggregate principal amount of Debentures at the same price, exercisable in whole or in part at any time for a period of up to 30 days following closing of the Offering, to cover over-allotments.

The Debentures will bear interest from the date of closing at 5.25% per annum, payable semi-annually in arrears on January 15 and July 15 each year commencing July 15, 2022. The Debentures will have a maturity date of January 15, 2029 (the "Maturity Date").

The Debentures will be convertible at the holder's option at any time prior to the close of business on the earlier of the Maturity Date and the business day immediately preceding the date specified by the Corporation for redemption of the Debentures into common shares of the Corporation ("Common Shares") at a conversion price of \$60.00 per Common Share, being a conversion rate of 16.6667 Common Shares for each \$1,000 principal amount of Debentures, subject to adjustment as provided in the indenture governing the Debentures.

The Corporation intends to use the net proceeds of the Offering to repay indebtedness, including the Corporation's existing series of convertible debentures maturing December 31, 2022, which become redeemable as of December 31, 2021, and for general corporate purposes.

Closing of the Offering is expected to occur on or about December 6, 2021. The Offering is subject to normal regulatory approvals, including approval of the Toronto Stock Exchange of the listing of the Debentures and the Common Shares to be issued upon conversion of the Debentures. The Debentures will be offered in each of the provinces of Canada by way of a short form prospectus, and by way of private placement in the United States to Qualified Institutional Buyers pursuant to Rule 144A.

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, COVID-19 and pandemic related risks, the dependence of the 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. Except as required by Canadian Securities Law, the Corporation 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 the Corporation with the securities regulatory authorities, available at www.sedar.com.

For further information, please contact:

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