



NEWS RELEASE

Exchange Income Corporation Announces the Acquisition of Hansen Industries Ltd.

Hansen Industries Ltd., a leading metal fabricator in B.C.

WINNIPEG, Manitoba – April 3, 2023 – Exchange Income Corporation (TSX: EIF) (“EIC” or the “Corporation”) a diversified, acquisition-oriented company focused on opportunities in the aviation, aerospace and manufacturing sectors, announced today it has acquired Hansen Industries Ltd. (“Hansen”), for a purchase price of \$42.5 million. The purchase price was funded by the issuance of \$4.5 million of EIC common shares to the vendors and cash in the amount of \$38 million from the Corporation’s credit facility.

Hansen provides custom fabrication of precision metal components and assemblies using automated equipment from its facilities in Richmond, B.C. The company has over 30 CNC equipped machines used to produce components within its two key divisions: sheet metal, its largest division, and machining. Hansen also has a high-volume metal stamping shop in order to be a full-service solution provider for its customers. Hansen can support its customers through the product conceptualization, prototyping, production, and service phases of its product life cycle. The company is known for its high quality and on-time delivery for its customers who are located primarily in western Canada.

“EIC is excited to grow our west coast metal fabrication operations with the acquisition of a leading manufacturer with both sheet metal and machining capabilities. Hansen has shown its ability to grow through providing valuable solutions to its customers, which includes being a one stop solution provider through its diversified operations,” said Mike Pyle, CEO of EIC. “Acquiring companies who are market leaders with superior management, company culture, industry reputation and operational excellence are of paramount importance to our strategy. We have first-hand knowledge the two owners, Ed and Amit, have created a company that checks all these boxes, as we also operate Overlanders in this industry in B.C.”

“I’m very proud of what we have created at Hansen. Our people are exceptional, and we pride ourselves on delivering for our customers,” stated Ed Beange, majority owner of Hansen. “It’s important through this transaction that we preserve our culture and our reputation. EIC’s model is the right fit for our company, our employees and our customers. EIC’s approach resonated with how we envision the future of Hansen and how we want to treat our valued employees. Hansen can continue to deliver on our “Quality on Time” mantra and we are excited for the next phase of Hansen’s growth.”

“When we decided to sell the business, we wanted to ensure a smooth ownership succession and strengthen the company’s long-term future. We are very familiar with EIC’s metal fabrication operations, particularly within western Canada” stated Amit Chhabra, President and minority owner of Hansen. “EIC has a proven reputation within the industry, and I am convinced this will be a great fit for Hansen both operationally and culturally. EIC’s history of buying companies for the long-term and investing capital to support growth was essential for our decision. I’m excited to work with the broader EIC manufacturing group to provide additional services and value for our customers.”

“This acquisition hits all EIC’s acquisition requirements, including being accretive to our shareholders on a per share basis,” said Adam Terwin, CCDO of EIC. “Additionally, it’s strategic to our continued growth. We’ve pursued acquisitions to increase our west coast manufacturing capability for several years and are excited to add a market leader. Hansen combined with Overlanders provides us with the clear market leading position in B.C. and we are excited to have both companies work together to support further growth and provide the best value to our customers.”

Mike Pyle concluded by saying, “Combined with the announcement of BVGlazing, we are excited to announce two acquisitions early in the year. The acquisitions are not only accretive but also strategic to grow our existing platforms. While these two acquisitions were announced within a few weeks of each other, they are part of a



multiyear effort to strategically grow both these operations. The purchase multiples are in line with our historical acquisition multiples, which based on a combined \$138 million total transaction value will provide significant accretion to our Adjusted Net Earnings on a per share basis and a reduction in our payout ratio based on their historical performance.”

Transaction Advisors

MLT Aikins acted as legal counsel for EIC. Capital West Partners acted as financial advisor and Stikeman Elliott acted as legal counsel to Hansen in connection with the transaction.

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).

About Hansen

Founded in 1976 by Bjorn Hansen, Hansen is a diversified manufacturer of precision metal parts through its sheet metal, machining and stamping operations. These products are manufactured in its facilities in Richmond, B.C. for its customers who are primarily based in western Canada. For more information on Hansen, please visit www.HansenIndustries.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 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, 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 Exchange Income Corporation with the securities regulatory authorities, available at www.sedar.com.

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