



NEWS RELEASE

Exchange Income Corporation Completes Acquisition of Window Installation Specialists, Inc.

WINNIPEG, Manitoba – August 4, 2020 – 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 successfully closed the acquisition of all of the issued and outstanding shares of Window Installation Specialists, Inc. (“WIS”), a privately owned US company, for US\$45 million, subject to customary post-closing adjustments.

WIS, founded in 1998 and located in Seattle, Washington, is a full-service glazing company specializing in sales, consultation, installation and service of pre-glazed fenestration products. WIS’s operational focus is the United States west coast, specifically Seattle, Washington; Southern California (Los Angeles and San Diego); and the Bay area (Oakland, San Jose, San Francisco). WIS counts Quest as one of its key suppliers, as it has been Quest’s glazer in this market for the last decade. Together they provide services under supply and install contracts, where the supply and install each represent a significant portion of the contract.

The purchase price of US\$45 million was funded by issuance of EIC common shares to the vendor of US\$7 million and the Corporation’s available cash resources from its unutilized credit facility of US\$38 million. The acquisition is expected to be immediately accretive to EIC’s per share metrics and generates a pre-tax return on capital in excess of 20% based on historical results. WIS has expanded over the past 3 years and at the time of close has a backlog of over 3 times its last year’s revenue.

“The acquisition of WIS represents a significant strategic investment further vertically integrating Quest’s operations. Combined with the acquisition of AWI, we now have considerable breadth of distribution and installation expertise across the US market, similar to Canada,” said Mr. Mike Pyle, CEO of EIC. Pyle added, “The global pandemic has resulted in uncertainty in many industries. However, EIC’s diversified business model and the consistent strength of our balance sheet allows us to continue to execute on our growth model. Adding a highly accretive business and strategic asset to Quest, even in the midst of a global pandemic, further demonstrates the resiliency of our business strategy.”

Louis Mark, the owner and CEO of WIS, has committed to continue in his current role. In explaining the decision to sell to EIC, Mark stated, “We knew we had a great partner in Quest and wanted to solidify our relationship. This transaction will ensure we can continue to build that successful partnership and strengthen the company’s long-term future. I am confident this is the right decision for our company, our employees, and our customers.”

“We are thrilled about the acquisition of WIS,” stated Martin Cash, the CEO of Quest. “Quest began working with WIS more than 10 years ago and we have experienced firsthand the professionalism and the value they provide as a leader in the market. Partnering with Lou and his team at WIS will enable Quest to continue to provide the best value and comprehensive offering to our customers. We are excited that when considered with our install capabilities in Canada and with our 2019 AWI acquisition in the northeast US market, we now have the ability to serve regional and national customers supply and install in all our markets and have an exciting platform for expanding to new markets!”

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 Quest Window Systems Inc.

Quest Window Systems Inc. (“Quest”), an EIC subsidiary, designs and manufactures a unitized window wall system with a primary application for the building envelope of high-rise multi-residential projects. Founded in 2000, with its headquarters located in Mississauga, Ontario and manufacturing facilities located in Mississauga, Ontario and Garland, Texas, it offers a fresh alternative to the traditional window wall and curtain wall markets, thanks to its ECOWALL™ product and the supporting design assist system. Quest’s differentiated offering combined with its established reputation has resulted in strong and growing brand equity across its markets in Canada and in the Western, Mid-Western, and North-Eastern regions of the United States.

About Window Installation Specialists, Inc.

Window Installation Specialists, Inc. specializes in sales, consultation, field-testing, installation and quality customer service of pre-glazed fenestration (window) products. WIS’s focus includes: Multi-Family Residential, Garden Style Apartments, Mid-Rise, High-Rise, New Construction, and Rehabilitation.

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 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, 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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