



## NEWS RELEASE

### Exchange Income Corporation Acquires Quest Window Systems Inc.

**Winnipeg, Manitoba – November 14, 2017** – Exchange Income Corporation (TSX: EIF) (“EIC” or the “Corporation”), a diversified, acquisition-oriented company announced today that it has successfully closed the acquisition of the business of Quest Window Systems Inc. (“Quest”) for a purchase price of \$85 million, subject to customary post-closing adjustments, which can increase to \$100 million if post-closing growth targets are met.

Quest, headquartered in Mississauga, Ontario is a leading manufacturer of an advanced unitized window wall system used primarily in high-rise multi-family residential projects in Canada and the United States. Quest’s ECOWALL system is a ready to install, pre-glazed and highly customizable modular product that has been used in buildings in major North American cities, including Toronto, Vancouver, Los Angeles, San Francisco, New York, Seattle and Chicago.

The base purchase price of \$85 million was funded by the issuance of EIC common shares to the vendors representing \$12.75 million and the Corporation's available cash resources from its currently unutilized credit facility representing \$72.25 million. The earn-out of \$15 million will be paid within 24 months of closing subject to meeting post-closing growth targets. Post-acquisition EIC remains in a solid financial position with significant capacity remaining in its credit facility. Accordingly, there is no requirement for the Corporation to issue any additional equity to complete this acquisition.

Quest earned EBITDA of over \$15M for the fiscal year ended August 31, 2017 and will generate a pre-tax return on invested capital of 17% based on historical results. The acquisition is expected to be immediately and significantly accretive to EIC’s earnings and free cash flow while materially reducing our payout ratio. Based on Quest’s historical results EIC’s adjusted earnings per share (adjusting for intangible asset amortization) will increase by approximately \$0.25 and its payout ratio will decrease 5%. In addition Quest has a multiyear backlog that is currently over \$200 million and has a significant pipeline of potential contracts in addition to the backlog providing the company with the expected growth necessary to hit the higher performance targets.

“This is a strategic acquisition for us as it further expands our manufacturing operations and complements our companies within our Manufacturing segment,” stated Mike Pyle, Chief Executive Officer of EIC. “Quest has carved out a niche product in a large market and is top of class which is driven by product innovation and customer focused solutions. The management team is exceptional and will continue to lead the business in the future. Their conservative and disciplined approach has created brand equity and significant credibility within the industry. Quest’s geographic and customer diversification, coupled with a significant backlog and pipeline of projects, will allow it to unlock new opportunities in current and new markets. This transaction is very accretive for our shareholders, and I am very pleased that both Marty and Jody will continue on leading this terrific business.”

Martin (“Marty”) Cash, the founder and CEO of Quest, along with his son Jody Cash (Vice President) have over 55 years of combined industry experience and will continue to drive the business under new ownership from EIC. Marty noted, “Jody and I were seeking a partner who can work with us as we are in a position to scale the business – as evidenced by our significant backlog and pipeline of projects. We have strong brand equity with a diverse set of customers across a number of major urban centres in Canada and the US. We are proud of the great company that our team has built and we look forward to continuing to grow as part of the EIC team.”



## Transaction Advisors

National Bank Financial Inc. acted as financial advisor and MLT Aikins LLP acted as legal counsel for EIC.

## About Exchange Income Corporation

Exchange Income Corporation is a diversified acquisition-oriented company, focused in two sectors: aerospace and 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.

The Corporation currently operates two segments: Aerospace & Aviation and Manufacturing. The Aerospace & Aviation segment consists of the operations by Perimeter Aviation, Keewatin Air, Calm Air International, Bearskin Lake Air Service, Custom Helicopters, Regional One and Provincial Aerospace. The Manufacturing segment consists of the operations of Overlanders, Water Blast, Stainless Fabrication, WesTower Communications, Ben Machine and Quest. For more information on the Corporation, please visit [www.ExchangeIncomeCorp.ca](http://www.ExchangeIncomeCorp.ca). Additional information relating to the Corporation, including all public filings, is available on SEDAR ([www.sedar.com](http://www.sedar.com)).

## About Quest Window Systems Inc.

Quest 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 and manufacturing facility located in Mississauga, Ontario, 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.

## 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. 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](http://www.sedar.com).*

## For further information, please contact:

Mike Pyle  
Chief Executive Officer  
Exchange Income Corporation  
(204) 982-1850  
[MPyle@eig.ca](mailto:MPyle@eig.ca)

Heidi Christensen Brown  
Investor Relations  
NATIONAL Equicom  
(416) 848-1389  
[hchristensenbrown@national.ca](mailto:hchristensenbrown@national.ca)