



## DISTINCT INFRASTRUCTURE GROUP ACQUIRES CROWN UTILITIES, INCREASES RBC FACILITY TO \$50M AND CLOSES \$10M EQUITY FINANCING

FOR IMMEDIATE RELEASE

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TSXV:DUG | OTCQX:DSTFF

Toronto, Ontario – Distinct Infrastructure Group Inc. (“Distinct” or the “Company”) is pleased to announce that it has acquired all of the issued and outstanding securities (the “Acquisition”) of Crown Utilities Ltd. (“Crown”) for an aggregate purchase price of \$17 million (the “Purchase Price”); refinanced its existing credit facility with Royal Bank of Canada (“RBC”) for a total of \$50M; and closed a \$10M brokered private placement offering of common shares (the “Private Placement”).

### *Crown Acquisition*

Crown specializes in the installation of utility services in Winnipeg and across Manitoba, and provides situational and complete turn-key services for commercial, industrial, and residential projects. Crown currently attributes a significant percentage of revenue from the province’s largest utility provider. Crown is a provincial leader in the installation of shallow utilities: directional drilling, hydrovac excavation, ploughing, transmission lines/regulator stations, engineering and design/build.

The Purchase Price was satisfied through the payment of \$13 million in cash and the issuance of an aggregate of 2,962,963 common shares (“Consideration Shares”) in the capital of the Company at a deemed value of \$1.35 per Consideration Share, half of which will be subject to the statutory four month hold period and the balance will be restricted from trading until December 31, 2018. The Consideration Shares are subject to a statutory four-month hold period, expiring on March 22, 2018. The Acquisition is subject to customary post-closing working capital adjustments and Crown was acquired on a debt-free basis. The Company also paid a finder’s fee in the aggregate amount of \$135,000 to an arm’s length third party.

### *New Insider*

As a result of the Private Placement, SeaFort Capital Inc. (“SeaFort Capital”) became an insider of the Company. SeaFort Capital subscribed for 6,800,000 shares, at a total subscription price of \$9,180,000. Immediately after the Private Placement, SeaFort Capital owns 6,800,000 shares representing approximately 15.8% of the outstanding shares. SeaFort Capital is a Canadian investment firm based in Halifax, Nova Scotia, with a strong management team and board of directors. SeaFort Capital is mandated to invest in well-positioned businesses throughout Canada that exhibit strong reputations in their respective industries. SeaFort Capital purchased the shares for investment purposes.

### *Key Highlights of the Crown Acquisition*

- The Acquisition is expected to provide immediate accretion to Distinct's Adjusted EBITDA and Adjusted EPS;
- Crown represents a continuation of Distinct's acquisition strategy with a strong foothold in Manitoba, and a clear pathway to accelerated growth;
- Crown's customers include major provincial hydro and telecom players, providing Distinct with a stronger, larger and more diversified platform of blue chip customers and business opportunities;
- Looking forward, Crown's experienced management will join the Company, allowing Distinct to further execute its growth strategy;
- Management expects to leverage its operational expertise in integrating Crown operations to drive synergies, cross sell across platforms and drive efficiencies due to greater scale; and
- Crown adds an aggregate of 700 plus vehicles and 500 plus employees

*Note: Adjusted EBITDA and Adjusted EPS are non-GAAP/IFRS figures. "Adjusted EBITDA" represents EBITDA plus share-based compensation and one-time costs. "Adjusted EPS" represents Adjusted Net Income divided by the average number of common shares outstanding for each period and Adjusted Net Income divided by the weighted average number of diluted common shares outstanding.*

*Non-GAAP financial measures do not have standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other companies. Specific items may only be relevant in certain periods. For reconciliation of non-GAAP financial measures please refer to the Company's Management Discussion and Analysis for the period ended June 30, 2017.*

"We are pleased to announce the acquisition of Crown in addition to a new debt facility and concurrent equity financing," said Joe Lanni, Co-Chief Executive Officer of the Company. "Distinct continues to deliver on its acquisition strategy and we view Crown as a robust business that will deliver immediate benefits to the Company, its shareholders and our clients. Crown represents a continuation of the Company's plan to expand its operations and presence in Western Canada and to become a national Canadian firm. Crown's hydro and telecom construction business is complimentary to that of Distinct and will allow us to diversify our customer base and expand into new markets and services."

#### *\$50 Million Debt Facility*

The Company is also pleased to announce that it has finalized a new senior secured credit facility with its existing lender, the RBC. The Facility is in the form of a \$30 million revolving line of credit and a \$20 million term loan, with an aggregate amount of \$50 million. Commercial terms on the Facility are not materially different than the Company's existing debt agreement with RBC. The Facility will be used to pay a portion of the cash component of the Purchase Price. The balance of the Facility will be used for the general working capital purposes and to finance the continued growth of the Company's business.

#### *\$10 Million Private Placement*

The Company also announces that it has completed a brokered Private Placement of 7,614,000 common shares at a price of \$1.35 per share for aggregate gross proceeds of \$10,278,900. A portion of the net proceeds was used to finance the cash component of the Purchase Price, with the balance being used for general corporate and working capital purposes. AltaCorp Capital Inc. ("AltaCorp") acted as exclusive financial advisor on the Acquisition, and as lead agent and sole bookrunner in connection with the Private Placement. For their services in connection with the Private Placement, AltaCorp received a cash commission equal to 4% of the gross proceeds from the Private Placement. The shares issued pursuant to the Private Placement are subject to a statutory four month hold period expiring on March 22, 2018. As a result of the Private Placement, SeaFort Capital became an insider of the Company and were granted a board seat on the board of directors of the Company. SeaFort Capital is a Canadian investment firm based in Halifax, Nova Scotia and boasts a strong management team and board of directors. SeaFort Capital is mandated to build lasting relationships with businesses throughout Canada that exhibit strong reputations in the industries that they operate in.

“We are excited to have SeaFort Capital as a partner and valued long term investor”, said Alex Agius, “SeaFort has a proven track record of identifying successful companies that are leaders in their respective industries. With its experienced management team and board of directors that include some of Canada’s most successful and respected business leaders, the Company will be well positioned to achieve its goals.”

Rob Normandeau commented “SeaFort is pleased to have made a significant investment in Distinct, and we are excited to support the Company as it executes its expansion strategy. We have been impressed by the energy, expertise and vision demonstrated by Alex and Joe, and we are excited by the Company’s growth potential.”

*About Distinct Infrastructure Group:*

Distinct Infrastructure Group Inc. is a turnkey solutions firm providing design, engineering, construction and maintenance services to telecommunication firms, utilities and government bodies. Distinct’s full service suite of offerings includes underground construction, aerial construction, inventory management, and technical services including fibre to the building and home. The Company’s head offices are located in Toronto, Ontario, with additional offices in Edmonton, Alberta.

**For further information please contact:**

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*Forward Looking Statements*

*Certain statements contained herein constitute forward-looking statements within the meaning of applicable Canadian securities laws, including statements concerning the anticipated use of proceeds of the Private Placement; and the anticipated synergies and benefits of the Acquisition of Crown. Distinct believes the expectations reflected in those forward-looking statements are reasonable but there can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such forward-looking statements. As a result, such forward-looking statements included herein should not be unduly relied upon. These forward-looking statements are based on information currently available to Distinct and on assumptions Distinct believes are reasonable. A description of assumptions used to develop such forward-looking statements and a description of additional risk factors that may cause actual results to differ materially from such forward-looking statements can be found in the Corporation’s disclosure documents on the SEDAR website at [www.sedar.com](http://www.sedar.com). The forward-looking statements included in this press release are made as of the date of this press release and the Corporation disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities legislation.*