



DISTINCT INFRASTRUCTURE GROUP ANNOUNCES CLOSING OF \$35 MILLION DEBT REFINANCING

FOR IMMEDIATE RELEASE

May 26, 2017

TSXV:DUG | OTCQX:DSTFF

Toronto, Ontario – Distinct Infrastructure Group Inc. (“Distinct” or the “Company”) is pleased to announce that effective today, the Company has successfully refinanced its senior debt with its current banking partner, the Royal Bank of Canada (“RBC”). The RBC financing will represent a total lending facility of up to \$35 million currently priced at approximately 3.85% and will consist of a \$23 million senior secured revolving facility (the “Line of Credit”) and a \$12 million senior secured term loan facility (the “Term Loan”). Effective today, the Company has also repaid and retired the \$20 million term debt outstanding from Crown Capital Partners Inc. (“Crown”) utilizing a portion of the RBC funds.

“The RBC refinancing represents a significant financial milestone for the Company” said Chief Financial Officer Manny Bettencourt. “This transaction will reduce our annual net interest expense by approximately \$1.5 million, and will directly benefit our earnings per share and cash flow going forward. The RBC structure provides us with the flexibility to pursue our organic growth opportunities and to continue adding shareholder value.”

The RBC funds will be used for existing debt refinancing, future working capital needs, and general corporate purposes. Following this refinancing the Company will reduce its term debt costs by over 8%. Additional financing terms are:

- Three year \$23 million Line of Credit priced at BA + 2.85%. The Line of Credit borrowing base is secured by outstanding accounts receivable and up to \$6 million of work in progress. The Company can borrow or repay amounts on the Line of Credit prior to maturity at its discretion and is not subject to repayment fees.
- Five year \$12 million Term Loan priced at BA + 2.85%. The Term Loan is amortizing on a straight-line basis over eight years, with a bullet payment at loan maturity. The Term Loan is repayable prior to maturity at the discretion of the Company and is not subject to repayment fees.
- RBC will be Distinct’s primary bank partner and will have senior security and first ranking GSA on all assets
- Covenants include leverage (Net Funded Debt/EBITDA) of no more than 4.25x; stepping down to 3.5x as at December 31 2017, and 3.0x thereafter. Net funded debt includes all interest bearing debt, including subordinated debt, less cash on hand. As well, the Company is subject to a debt service covenant of 1.10x, stepping up to 1.25x as at December 31, 2017.

The Company incurred certain fees and noncash expenses associated with the transaction, including a \$600,000 early repayment fee to Crown.

Bordeaux Capital Inc. acted as special advisor to the Company in connection with the debt refinancing.

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:

Manny Bettencourt
Chief Financial Officer

Distinct Infrastructure Group Inc.

Email: manny.bettencourt@diginc.ca

Email: public.relations@diginc.ca

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This news release contains "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 and applicable Canadian securities legislation. Generally, these forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "anticipated", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might" or "will be taken", "occur" or "be achieved". Inspiration is subject to significant risks and uncertainties which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements contained in this release. Inspiration cannot assure investors that actual results will be consistent with these forward looking statements and Inspiration assumes no obligation to update or revise the forward looking statements contained in this release to reflect actual events or new circumstances.