



## ClearStream completes Refinancing of Credit Facility

Calgary, Alberta (April 14, 2022) – ClearStream Energy Services Inc. (“**ClearStream**” or the “**Company**”) (TSX: CSM) today announced that it has completed the refinancing of its asset-based revolving credit facility (the “**Refinancing**”). ClearStream established a new \$25 million asset-based revolving credit facility with a three-year term (the “**ABL Facility**”) to replace its existing \$15 million asset-based revolving credit facility that was to mature on April 14, 2022 (the “**Former ABL Facility**”).

### **ABL Facility**

The ABL Facility provides for maximum borrowings up to \$25 million with The Toronto-Dominion Bank (the “**Lender**”). The amount available under the ABL Facility will vary from time to time based on the borrowing base determined with reference to the accounts receivable and inventories of ClearStream and certain of its subsidiaries. The obligations under the ABL Facility are secured by, among other things, a first ranking lien on all of the existing and after acquired accounts receivable and inventories of the Company and the other guarantors, being certain of the Company’s direct and indirect subsidiaries. The maturity date of the ABL Facility is April 14, 2025.

The financial covenants applicable under the ABL Facility are: (a) the Company must maintain a fixed charge coverage ratio equal to or greater than 1.00:1.00 for each twelve month period calculated and tested as of the last day of each fiscal quarter; and (b) the Company must not expend or become obligated for any capital expenditures in an aggregate amount exceeding \$10 million during any fiscal year.

As at April 14, 2022, no amounts were drawn on the ABL Facility.

### **Term Loan Facility**

Pursuant to the terms of the Fifth Amended and Restated Credit Agreement dated March 23, 2021 (the “**Fifth ARCA**”), ClearStream had access to (a) the Former ABL Facility and (b) a term loan facility providing for maximum borrowings of up to \$40.5 million (the “**Term Loan Facility**”) with Canso Investment Counsel Ltd., in its capacity as portfolio manager for and on behalf of certain accounts that it manages (“**Canso**”).

As a result of the Refinancing, the Fifth ARCA has been amended and restated by a Sixth Amended and Restated Credit Agreement (the “**Sixth ARCA**”) to, among other things: (a) remove the Former ABL Facility; (b) extend the maturity date of the Term Loan Facility from September 30, 2022 to the date that is the earlier of (i) 180 days following the maturity date of the ABL Facility, (ii) October 14, 2025, and (iii) the date on which the Term Loan Facility is terminated earlier pursuant to its terms; (c) change the interest rate charged on the Term Loan Facility to a fixed rate of 8% (previously a floating rate of prime plus 4.5%, increasing to prime plus 6.0% if the Former ABL Facility was more than 50% drawn); and (d) appoint Computershare Trust Company of Canada as administrative agent.

The obligations under the Term Loan Facility are secured by, among other things, a lien on all of the existing and after acquired accounts receivable and inventories of the Company and the other guarantors, being certain of the Company’s direct and indirect subsidiaries.

As at April 14, 2022, \$40.5 million was outstanding under the Term Loan Facility. The Term Loan Facility is required to be used for specific purposes and cannot be redrawn once repaid.

### **BDC Secured Loans**

On June 26, 2019, the Company received \$19 million from two secured loans (the “**BDC Loans**”) with the Business Development Bank of Canada (“**BDC**”) as a partial source of funds for the acquisition of certain assets of the production services division of AECOM Production Services Ltd. (the “**PSD Business**”).

The BDC Loans are secured by a first security interest on the real property and equipment acquired through the acquisition of the PSD Business and a security interest in all other present and future property, subject to the priorities granted to existing lenders under the ABL Facility, Senior Secured Debentures (as defined below) and other existing commitments.

The loan agreements with BDC require the Company to maintain a fixed charge coverage ratio equal to or greater than 1.00:1.00 on annual basis.

As at April 14, 2022, \$15.4 million was outstanding under the BDC Loans. No substantive amendments were made to the BDC Loans as a result of the Refinancing.

### **Senior Secured Debentures**

On March 23, 2016, ClearStream issued 8% senior secured debentures due March 23, 2026 (the “**Senior Secured Debentures**”) on a private placement basis to Canso pursuant to a trust indenture between ClearStream, as issuer, and Computershare Trust Company of Canada, as debenture trustee, as amended and supplemented (the “**Senior Secured Indenture**”).

The Senior Secured Debentures are secured by first-ranking liens over all of the property of the Company and its guarantor subsidiaries, other than certain limited classes of collateral over which the Company has granted a prior-ranking lien in favour of the ABL Facility, the Term Loan Facility and the BDC Loans.

The Senior Secured Debentures provide for certain events of default and covenants of the Company, including financial and reporting covenants and restrictive covenants limiting the ability of the Company and its subsidiaries to make certain distributions and dispositions, incur indebtedness, grant liens and limitations with respect to acquisitions, mergers, investments, non-arm’s length transactions, reorganizations and hedging arrangements (subject to certain exceptions).

As at April 14, 2022, ClearStream had \$111.2 million principal amount of 8% Senior Secured Debentures outstanding. As a result of the Refinancing, minor amendments were made to the Senior Secured Indenture to reflect the ABL Facility and the Sixth ARCA.

Copies of the agreements governing the ABL Facility, the Term Loan Facility, the BDC Loans and the Senior Secured Debentures will be available shortly through SEDAR at [www.sedar.com](http://www.sedar.com).

### **About ClearStream Energy Services Inc.**

With a legacy of excellence and experience stretching back more than 50 years, ClearStream provides solutions to the Energy and Industrial markets including: Oil & Gas, Petrochemical, Mining, Power, Agriculture, Forestry, Infrastructure and Water Treatment. With offices strategically located across Canada and a dedicated workforce, we provide maintenance, construction, wear technology and

environmental services that keep our clients moving forward. For more information about ClearStream, please visit [www.clearstreamenergy.ca](http://www.clearstreamenergy.ca) or contact:

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**Advisory Regarding Forward-Looking Information**

Certain information included in this press release may constitute “forward-looking information” within the meaning of Canadian securities laws. In some cases, forward-looking information can be identified by terminology such as “may”, “will”, “should”, “expect”, “plan”, “anticipate”, “believe”, “estimate”, “predict”, “potential”, “continue” or the negative of these terms or other similar expressions concerning matters that are not historical facts. Specifically, this press release contains forward-looking information relating to: the refinancing of ClearStream’s asset-based revolving credit facility.

Forward-looking information involves significant risks and uncertainties. A number of factors could cause actual events or results to differ materially from the events and results discussed in the forward-looking information, including, but not limited to, the success of our response to the COVID-19 global pandemic, risks related to the integration of acquired businesses, conditions of capital markets, economic conditions, commodity prices, dependence on key personnel, interest rates, regulatory change, ability to meet working capital requirements and capital expenditure needs, factors relating to the weather and availability of labour. These factors should not be considered exhaustive. Risks and uncertainties about ClearStream’s business are more fully discussed in ClearStream’s disclosure materials, including its annual information form and management’s discussion and analysis of the operating and financial results, filed with the securities regulatory authorities in Canada and available at [www.sedar.com](http://www.sedar.com). In formulating the forward-looking information herein, management has assumed that business and economic conditions affecting ClearStream will continue substantially in the ordinary course, including, without limitation, with respect to general levels of economic activity, regulations, taxes and interest rates. Although the forward-looking information is based on what management of ClearStream consider to be reasonable assumptions based on information currently available to it, there can be no assurance that actual events or results will be consistent with this forward-looking information, and management’s assumptions may prove to be incorrect.

This forward-looking information is made as of the date of this press release, and ClearStream does not assume any obligation to update or revise it to reflect new events or circumstances except as required by law. Undue reliance should not be placed on forward-looking information. Forward-looking information is provided for the purpose of providing information about management's current expectations and plans relating to the future. Readers are cautioned that such information may not be appropriate for other purposes.