



NEWS RELEASE

RS TECHNOLOGIES INC. ANNOUNCES COMPLETION OF CREDIT FACILITIES WITH JPMORGAN CHASE BANK, N.A. AND PURCHASE OF UTAH FACILITY FOR U.S. EXPANSION

TILBURY, ONTARIO and CALGARY, Alberta, CANADA – (April 23, 2020) – In response to growing demand for its leading edge transmission and distribution poles, RS Technologies Inc. ("**RS**" or the "**Company**") is pleased to announce that it has, together with its subsidiary RS Utility Structures Inc., entered into a credit agreement (the "**Credit Agreement**") with JPMorgan Chase Bank, N.A., Toronto Branch (the "**Bank**") for a five year term that provides for senior secured debt financing. Funds under the Credit Agreement will be used for the purposes of: (i) purchasing a 237,000 square foot production facility located on 22 acres of land in St. George, Washington County, Utah (the "**Utah Facility**"); and (ii) financing the acquisition of capital equipment that will increase RS's production capacity of its ultra-resilient, reliable and environmentally sustainable composite utility poles.

Credit Facilities

The Credit Agreement provides for two committed credit facilities comprised of a delayed draw term loan facility and a revolving credit facility, both maturing in April 2025. The Bank has also provided RS with a demand overdraft facility. The credit facilities are secured by substantially all present and after acquired property of RS and its subsidiaries.

Utah Facility

Concurrent with closing of the Credit Agreement, the Company closed the purchase of the Utah Facility from Scannell Properties #361, LLC. As part of its business plan to serve a greater number of utilities in the U.S. and worldwide, RS intends to further build out the Utah Facility through the purchase, installation and commissioning of proprietary equipment for production of the Company's best-in-class poles and utility structures. RS's new production capacity in Utah will be incremental to capacity located at its existing Canadian operation in Tilbury, Ontario and will be in closer proximity to utilities located in the western United States and Canada.

"RS is excited about establishing its operations in Utah to supply more high-performance poles and structures to the utility market," stated Howard Elliott, President and CEO of RS. "The advantages of using an engineered product that excels in increasingly complex and challenging circumstances are becoming more apparent. Unpredictable and violent weather conditions coupled with rising value placed on the environmental sustainability of a product are leading ESG-oriented utilities to consider a true alternative to yesterday's wood poles."

"The Company is pleased to announce these important steps in its aggressive growth trajectory—it is critical for RS to respond to market demand for greater volumes of its unique poles. We feel that the support of JPMorgan Chase together with Werklund Growth Fund L.P. should inspire confidence amongst RS's existing customers and those utilities considering the long-term merits of RS's composite poles," said RS Chair David Werklund.

About RS Technologies Inc. (RS)

RS designs and manufactures the world's highest-performing composite utility poles that are safer, more reliable and longer-lasting than wood, steel, and concrete poles. RS poles are used in transmission (up to 345kV), distribution and communication applications, are environmentally friendly and often deliver the lowest total installed and lifecycle cost solution of any pole on the market. More information on RS and its poles is available at RSpoles.com.

About Werklund Growth Fund L.P. (WGF)

Werklund Growth Fund L.P. is a private equity and venture capital fund managed by the Werklund Family Office Inc. As one of Canada's largest privately-owned investment funds, WGF seeks active investments in private industrial companies, disruptive and innovative technologies or special situation merchant banking opportunities.

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Double circuit 115kV RS pole installed with Cornwall Electric (A FortisOntario Company) in Cornwall, Ontario, Canada