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AVANTE LOGIXX INC. ANNOUNCES ADJUSTED EBITDA OF \$0.6 MILLION (OR \$0.03 PER SHARE) FOR ITS SECOND QUARTER ENDED SEPTEMBER 30, 2021 ON REVENUES OF \$22.6 MILLION

TORONTO-Ontario- November 29, 2021 - Avante Logixx Inc. (TSX.V: XX) (OTC: ALXXF) (“Avante” or the “Company”) released financial results for its second fiscal quarter ended September 30, 2021 (all amounts in thousands of Canadian dollars, unless otherwise indicated).

In addition, the Company’s Board of Directors continues to make progress on and evaluate the various strategic alternatives available to the Company as announced on August 24, 2021 (the “**Strategic Review**”).

RESULTS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2021

Avante's Fiscal Year End is March 31. Expressed in C\$ thousands, unless otherwise noted	Three Months Ended		
	30-Sep-20	30-Jun-21	30-Sep-21
Revenues	\$23,602	\$24,120	\$22,601
Gross profit ⁽¹⁾	\$5,774	\$5,894	\$4,242
Gross profit margin ⁽¹⁾	24.5%	24.4%	18.8%
Direct Operating Expenses ⁽¹⁾	\$4,034	\$3,840	\$3,668
EBITDA ⁽¹⁾	\$1,190	\$1,799	(\$2,085)
Adjusted EBITDA ⁽¹⁾	\$1,719	\$2,008	\$627
Comprehensive income (loss) attributed to Avante shareholders	(\$367)	\$277	(\$2,926)
Basic and fully diluted income per share	(\$0.025)	\$0.013	(\$0.138)
Basic and fully diluted Adjusted EBITDA per share ⁽¹⁾	\$0.081	\$0.095	\$0.030
Cash Flow from Operations before Working Capital	\$1,713	\$1,370	\$623

“During Q2 we have been responding to the challenges created by the current economic environment” said Craig Campbell, CEO and Director of Avante. “It is a difficult operating environment, driven by inconsistent re-opening and return to work policies and implementation, coupled with a tight labour market and supply chain constraints resulting in significant increases in our labour costs as a percent of revenue. I am proud of the team and our businesses that despite these challenges, we have demonstrably grown recurring and contractual revenue, while reducing our direct operating expenses. It is my belief that these challenges are transitory and short term in nature. While navigating these challenges we continue to drive profitable growth in new markets while onboarding net new customers, increasing wallet share with existing customers all while remaining focused on improving our operating metrics.”

The Company reported year-over-year revenue declines of 4.2% and Adjusted EBITDA declined from \$1.72 million in Q2 F21 to \$0.63 million during Q2 F22. However, Avante delivered growing recurring monthly

(1) Adjusted EBITDA, EBITDA, Gross Profit, Gross Profit Margin and Direct Operating Expenses are non-IFRS measures. See Description of Non-IFRS Measures.

revenue (“RMR”) and contractual revenue streams of \$17.3 million during the second quarter of this year from \$15.4 million in the prior year’s second quarter, representing year-over-year growth of 12.5%, and sequential growth versus Q1 of 4.3%.

	Q2 F21	Q3 F21	Q4 F21	Q1 F22	Q2 F22
Recurring Monthly Revenue	\$ 2,137	\$ 2,194	\$ 2,380	\$ 2,435	\$ 2,437
Contractual Revenue	\$ 13,263	\$ 15,019	\$ 14,643	\$ 14,171	\$ 14,888
Total recurring/ contractual revenue	\$ 15,400	\$ 17,213	\$ 17,023	\$ 16,606	\$ 17,325
% of total revenues	65.2%	68.3%	68.9%	68.8%	76.7%

Q2 F22 HIGHLIGHTS

- Revenues of \$22.6 million for the quarter ended September 30, 2021, which represented a 4.2% YoY decline and a sequential decline versus the first quarter of 6.3%.
- Revenue by segment during the second quarter of Fiscal 2022 was as follows:

	<u>For the Quarter Ended</u>	
	<u>30-Sept-21</u>	
\$ in thousands	<u>Revenue</u>	<u>% of Total</u>
Logixx Security	\$18,245	80.7%
Avante Security	\$4,440	19.6%
Intercompany	(\$84)	(0.4%)
Total	\$22,601	100.0%

- Gross profit of \$4.2 million for the quarter ended September 30, 2021, which represented a decline of 26.5% year over year.
- Direct Operating Expenses declined in absolute dollars, both year over year and sequentially. Such costs were 16.2% of revenue during Q2 F22 from 17.1% in Q2 of the prior year but increased from 15.9% during Q1 as the sequential revenue decline during the second quarter was greater than the achieved cost savings.
- Adjusted EBITDA during Q2 F22 of \$0.6 million, or 2.8% of revenue, was \$1.1 million less than the prior year and \$1.4 million worse on a sequential basis.
- Generated \$0.6 million in cash flow from operations (before changes in working capital) during Q2 F22.
- IFRS reported net profit and EBITDA reflected a loss on the derivative component of the Convertible Debentures of \$2.2 million during Q2 Fiscal 2022. This loss is removed in the calculation of the quarter’s Adjusted EBITDA. IFRS reported liabilities in respect of the Convertible Debentures are now \$2.7 million greater than the actual contractual liability.
- IFRS reported Net Loss of (\$2.9) million or (\$0.138) per share.

The Board of Directors are continuing with the Strategic Review of the Company and there is no further update at this time. The Board will provide an update once available.

CONFERENCE CALL

Avante will be hosting a conference call to discuss the above financial results on Tuesday November 30, 2021, at 8:30 AM EDT.

Dial in details are as follows:

Local: (+1) 416-764-8658 Toll Free: (+1) 888-886-7786 Conference ID: 14870119

Playback details below, available until December 30, 2021:

Local: (+1) 416-764-8692 Toll Free: (+1) 877-674-7070 Playback Pin: 870119#

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About Avante Logixx Inc.

Avante Logixx Inc. (TSXV: XX) is a Toronto based provider of high-end security services. We acquire, manage and build industry leading businesses which provide specialized, mission-critical solutions that address the needs of our customers. Our businesses continuously develop innovative solutions that enable our customers to achieve their objectives. With an experienced team and a proven track record of solid growth, we are taking steps to establish a broad portfolio of security businesses to provide our customers and shareholders with exceptional returns. Please visit our website at www.avantelogixx.com and consider joining our investor email list.

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Forward-Looking Information

All statements in this press release, other than statements of historical fact, may constitute "forward looking information" with respect to Avante within the meaning of applicable securities laws. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "plan", "continue", "planned", "expect", "project", "predict", "potential", "targeting", "intends", "believe", "potential", and similar expressions, or describes a "goal", or a variation of such words and phrases or state that certain actions, events or results "may", "should", "could", "would", "might" or "will" be taken, occur or be achieved. This forward-looking information includes statements with respect to, among other things, the intention to create a platform capable of supporting a business with significantly greater scale, Avante's strategic plan, Avante's intentions to engage in mergers and acquisitions in the near term, Avante's intentions to identify, acquire and integrate suitable targets for mergers and acquisitions, the ability to achieve operational efficiencies and provide a better overall customer experience, Avante's run- rate, opportunities to grow Avante's revenue and Adjusted EBITDA profile, investments in corporate infrastructure, Avante's ability to

execute and integrate larger acquisitions, the expected trajectory of corporate costs as a percentage of revenue and the unwinding of Covid-19 related revenue benefits and the normalization of pre-pandemic customer revenues. This forward-looking information also includes statements with respect to, among other things, information or statements about Avante's strategy, future operations, its review of strategic alternatives, any transactions arising from the Strategic Review and statements regarding Avante's work with a strategic advisor. Forward-looking information is subject to a variety of known and unknown risks, uncertainties and other factors that could cause actual events or results to differ from those expressed or implied by the forward looking information, including, without limitation, the ability to identify, acquire and integrate suitable targets for mergers and acquisitions, the ability to control corporate costs, the effects of the ongoing Covid-19 pandemic and the list of risk factors identified in Avante's Management Discussion & Analysis (MD&A), Annual Information Form (AIF) and other continuous disclosure, which list is not exhaustive of the factors that may affect any of Avante's forward-looking information. In connection with the forward-looking statements contained in this and subsequent press releases, Avante has made certain assumptions about its business and the industry in which it operates and has also assumed that no significant events occur outside of Avante's normal course of business. Although management believes that the assumptions inherent in the forward-looking statements are reasonable as of the date the statements are made, forward-looking statements are not guarantees of future performance and, accordingly, undue reliance should not be put on such statements due to the inherent uncertainty therein. Avante's forward-looking information is based on the beliefs, expectations, and opinions of management on the date the statements are made, and Avante does not assume any obligation to update forward-looking information, whether as a result of new information, future events or otherwise, other than as required by applicable law. For the reasons set forth above, readers should not place undue reliance on forward-looking information.

Non-IFRS Financial Measures

This press release includes certain measures which have not been prepared in accordance with IFRS such as EBITDA and Adjusted EBITDA. These non-IFRS measures are not recognized under IFRS and, accordingly, users are cautioned that these measures should not be construed as alternatives to net income determined in accordance with IFRS. The non-IFRS measures presented are unlikely to be comparable to similar measures presented by other issuers.

References to EBITDA are to net income before interest, taxes, depreciation and amortization. References to Adjusted EBITDA are to net income before interest, taxes, depreciation, amortization of intangibles & capitalized commissions, share-based payments, acquisition, integration and / or reorganization costs, deferred financing costs, loss (gain) in fair value of derivative liability, expensing of CWL fair value adjustment per IFRS less non-controlling interest's share. Neither EBITDA nor Adjusted EBITDA is an earnings measure recognized by International Financial Reporting Standards ("IFRS") and do not have a standardized meaning prescribed by IFRS. Management believes that Adjusted EBITDA is an appropriate measure in evaluating Avante's performance. Readers are cautioned that neither EBITDA nor Adjusted EBITDA should be construed as an alternative to net income (as determined under IFRS), as an indicator of financial performance or to cash flow from operating activities (as determined under IFRS) or as a measure of liquidity and cash flow. Avante's method of calculating Adjusted EBITDA may differ from methods used by other issuers and, accordingly, Avante's Adjusted EBITDA may not be comparable to similar measures used by other issuers.

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