



For Immediate Release

SSC Security Services Corp. to Acquire Logixx Security Inc. in All-Cash Deal to Become the Largest Publicly-Traded Security Company In Canada

REGINA, SASKATCHEWAN – March 30, 2022 – SSC Security Services Corp. ("**SSC**") (TSXV: SECU) (OTCQX: SECUF), is pleased to announce that it has entered into a definitive share purchase agreement ("**Share Purchase Agreement**") to acquire Logixx Security Inc. ("**Logixx**"), a Toronto-based provider of premium security protection for leading enterprise and commercial clients across Canada, from its corporate owner, Avante Logixx Inc. ("**Avante**") (TSXV: XX) (OTC: ALXXF).

The arrangement agreement (the "**Arrangement**") between SSC and Avante previously announced on February 9, 2022 has been terminated by mutual agreement (the "**Termination Agreement**") of both parties in order to enter into the Share Purchase Agreement. In lieu of the expense reimbursement fee payable to SSC on termination of the Arrangement, the parties have agreed to apply an amount equal to \$750,000 (the "**Arrangement Expense Reimbursement**") to payment of the purchase price under the Share Purchase Agreement.

Pursuant to the terms of the Share Purchase Agreement, SSC has agreed to acquire all of the issued and outstanding common shares of Logixx ("**Logixx Shares**") by way of a share purchase agreement ("**Transaction**"). Under the terms of the Transaction, SSC will pay Avante \$23.95 million in cash for the Logixx Shares, less the Arrangement Expense Reimbursement, and subject to standard working capital, debt and other closing adjustments standard for transactions of this nature. On closing, SSC will take ownership of Logixx on a debt-free basis and with \$7.5 million of net working capital. Completion of the Transaction is subject to the satisfaction of certain conditions precedent, including, but not limited to, receipt of all necessary regulatory approvals, including approval of the TSX Venture Exchange. Avante and SSC have provided representations, warranties and indemnities customary for a transaction of this nature, as well as customary interim period covenants regarding the operation of the Logixx businesses in the ordinary course. The parties have also made customary non-competition and non-solicitation arrangements.

Copies of the Termination Agreement and the Share Purchase Agreement will be filed with the securities regulators and available on the SEDAR profile of Avante at www.sedar.com.

On closing of the Transaction, SSC will be the largest publicly-traded security company in Canada, be debt-free, and have approximately 2,100 employees from coast to coast. As a result of the transaction, SSC will approximately quadruple its pro forma annual revenue and Adjusted EBITDA*. The Transaction is expected to close within the next 60 days and will be funded by SSC with cash on hand and without any dilution to SSC shareholders.

SSC plans to maintain its quarterly dividend at the current level of \$0.03 per SSC Share (which equates to \$0.12 annualized). On a pro forma basis, SSC's dividend payout ratio as a percentage of estimated annual Adjusted EBITDA* will improve from approximately 80% to under 35%.

CHIEF EXECUTIVE OFFICER COMMENTS ON THE TRANSACTION

Doug Emsley, Chairman, President & Chief Executive Officer of SSC, commented: "We believe this is a better deal for SSC and its shareholders than the one we announced on February 9. It allows us to acquire the part of Avante's business that is the most similar to our existing business, do it at a lower EV/EBITDA multiple than we would have had to pay for all of Avante's business, do it with cash on hand and no dilution to shareholders, and end up with a debt-free well-funded national physical and cyber security company."

HIGHLIGHTS & KEY BENEFITS OF THE TRANSACTION

- By approximately quadrupling SSC's pro forma annual revenue and adjusted EBITDA*, the Transaction creates the largest publicly-traded security company in Canada
- Brings together two highly-experienced and complementary management teams with minimal geographic overlap to leverage SSC's large, liquid balance sheet and Logixx's well-established revenue and EBITDA profile
- On closing, the combined company will be an extremely well-capitalized and profitable, physical and cyber security company with critical mass and over 2,100 employees across Canada
- Together, the companies will serve some of the largest corporate and public sector enterprises in Canada, and it is expected that the combination will enable significant growth and cross-selling opportunities for both SSC's cyber security platform, which is housed in SRG Security Resource Group Inc. (acquired by SSC in 2021), as well as for Logixx's tech-enabled monitoring and security platforms
- On a pro forma basis, the combined company would have generated almost \$100 million in annual revenue and a substantial amount of EBITDA over the trailing twelve-month period ended December 31, 2021
- SSC plans to maintain its quarterly dividend at the current level of \$0.03 per SSC Share (which equates to \$0.12 annualized). On a pro forma basis, SSC's dividend payout ratio as a percentage of estimated annual Adjusted EBITDA* will improve from approximately 80% to under 35%.
- The Transaction will be entirely funded by SSC's cash on hand with no dilution to shareholders
- Cost synergies are expected to be realized by eliminating duplicate overhead costs
- The board of directors of SSC unanimously approved the Transaction

ADVISOR

McKercher LLP acted as legal advisor to SSC.

ABOUT SSC

SSC Security Services Corp. (TSXV: SECU) (OTCQX: SECUF) is a leading provider of physical and cyber security services to corporate and public sector clients across Canada. For more information, please visit www.securityservicescorp.ca.

For further information, please contact:

Doug Emsley
President & CEO
SSC Security Services Corp.
(306) 347-1024
doug@securityservicescorp.ca

Brad Farquhar
Executive VP & Chief Financial Officer
SSC Security Services Corp.
(306) 347-7202
brad@securityservicescorp.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 Information

This press release contains forward looking statements and forward-looking information within the meaning of applicable Canadian securities legislation. Such forward-looking statements are not representative of historical facts or information or current condition, but instead represent only SSC's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of SSC's control. Such statements are based on the current expectations and views of future events of SSC's management. In some cases, the forward-looking statements can be identified by words or phrases such

as “may”, “will”, “expect”, “plan”, “anticipate”, “intend”, “potential”, “estimate”, “believe” or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The forward-looking events and circumstances discussed in this press release may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting SSC, including risks regarding the security industry, economic factors and the equity markets generally, risks relating to the Transaction, including the ability of SSC and Logixx to implement business strategies and combined synergies, timing of the Transaction, the price of SSC Shares, the dividend payout ratio, as well regulatory approvals, and many other factors beyond the control of SSC. Additional risks are discussed under “Risk Factors” in SSC’s management’s discussion and analysis filed on SEDAR. No forward-looking statement can be guaranteed. Forward-looking statements and information by their nature are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statement or information. Accordingly, readers should not place undue reliance on any forward-looking statements or information. Except as required by applicable securities laws, forward-looking statements speak only as of the date on which they are made and SSC undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

***Non-IFRS Measures**

SSC measures key performance metrics established by management as being key indicators of the company’s strength, using certain non-IFRS performance measures, including: EBITDA, EBITDA per share, Adjusted EBITDA, and Adjusted EBITDA per share.

SSC uses these non-IFRS measures for its own internal purposes. These non-IFRS measures do not have any standardized meaning prescribed by IFRS, and these measures may be calculated differently by other companies. The presentation of these non-IFRS measures is intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. SSC provides these non-IFRS measures to enable investors and analysts to understand the underlying operating and financial performance of the company in the same way as it is frequently evaluated by SSC’s management. SSC’s management will periodically assess these non-IFRS measures and the components thereof to ensure continued use is beneficial to the evaluation of the underlying operating and financial performance of the company. For more detailed information, please refer to page 20 and 21 of the the Company’s Management Discussion and Analysis dated February 16, 2022 available on the Company’s website at www.securityservicescorp.ca and on SEDAR at www.sedar.com.