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AVANTE LOGIXX INC. ANNOUNCES REVENUE OF \$23.6MM AND ADJUSTED EBITDA OF \$2.2MM FOR THE SECOND QUARTER ENDED SEPTEMBER 30, 2020

TORONTO-Ontario- November 25, 2020 - Avante Logixx Inc. (TSX.V: XX) (OTC: ALXXF) (“Avante” or the “Company”) is pleased to announce its results for the three-month period ended September 30, 2020 (all amounts in thousands of Canadian dollars, unless otherwise indicated).

RESULTS FOR THE THREE-MONTH PERIOD ENDED SEPTEMBER 30, 2020

\$ in thousands, unless otherwise noted	Three Months Ended⁽²⁾		
	30-Sep-19	30-Jun-20	30-Sep-20
Revenues	\$10,222	\$18,204	\$23,602
Gross profit ⁽¹⁾	\$3,089	\$4,123	\$5,774
Gross profit margin ⁽¹⁾	30.2%	22.7%	24.5%
Total EBITDA ⁽¹⁾	\$540	\$406	\$1,693
Total Adjusted EBITDA ⁽¹⁾	\$724	\$757	\$2,221
Total Comprehensive income (loss) for the period	(\$246)	(\$1,248)	(\$274)
Cash Flow from Operations before Working Capital	\$656	\$172	\$1,454
Cash Flow from Operating Activities	(\$505)	(\$1,023)	\$2,826

“I am extremely proud of our results and most importantly our team for continuing to provide exceptional service, win new customers and grow our businesses in a meaningful way during these uncertain times” said Craig Campbell, CEO and Director of Avante. “When I joined Avante in 2018, I set out a clear vision and path to transform the business from a small, regional company to a more diversified, multi platform business, with national scope that would grow with a strong mix of organic and acquisitive growth. Our investments in people, process and technology was absolutely necessary to build the foundation required to support our strategy. These investments combined with the hard work of an industry leading team has transformed the company in just two years. We are proud today to report Q2 results that are in a single quarter comparable to the full fiscal year I joined as demonstrable evidence of our focus on building a much larger and more profitable business that will lead to long term value capture for our shareholders.”

The Company also benefited from strong and growing recurring monthly revenue (“RMR”) and contractual revenue streams, representing 80.6% of Q2 revenue versus 67.2% during the comparable period last year.

“This quarter proved the resiliency of our industry and our business as we had a record quarter in revenue and EBITDA,” said Steve Rotz, CFO. “After completing the sale of City Wide on September 30 we now have even greater focus on our two core platforms and expect to see the quarter over quarter trend continue as we win new customers, broaden services with existing customers, further reduce costs, and leverage our fixed cost base. We may see momentum slow during Q3 from the Covid-19 shutdowns in parts of the country, but we believe in our strategy, our businesses, the security industry and our team’s ability to deliver on our goals over the longer term.”

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

(2) Adjusted for discontinued operations.

SECOND QUARTER FISCAL 2021 HIGHLIGHTS

- Generated record quarterly revenues from continuing operations of \$23.6 million for the three-months ended September 30, 2020, representing sequential growth of 29.7% and 130.9% YoY growth.
- Revenue¹ by segment during the second quarter was as follows:

	For the 3 Months Ended	
	September 30, 2020	
	Revenue	% of Total
\$ thousands		
Logixx Security	\$19,156	81.2%
Avante Security	\$4,446	18.8%
Total	\$23,602	100.0%

- Generated gross profit from continuing operations of \$5,774 during the three-months ended September 30, 2020, which represented 40.0% sequential growth and 87.0% YoY growth.
- Direct Operating Expenses from continuing operations declined to 17.1% of revenue during Q2 F2021 from 20.8% in Q4 2020 and 25.3% in Fiscal 2020's second quarter.
- Generated Adjusted EBITDA during Q2 2021 of \$2,221, or 9.4% of revenues, and a sequential improvement of \$1,464 and a YoY improvement of \$1,497.
- Generated Adjusted EBITDA from continuing operations during Q2 2021 of \$1,719, or 7.3% of revenues, and a sequential improvement of \$1,082 and YoY improvement of \$1,189.
- Generated \$1.45MM in cash flow from operations (before changes in working capital) during Q2, and \$2.83MM in net cash flow from operating activities.
- Board & Named Executive Officers ("NEOs") increased ownership by 8.5% since March 31, 2020 to 3,317,350 shares or 15.7% of total shares outstanding.
- Completed the divestiture of City Wide Locksmiths on September 30, 2020 further simplifying our operations and providing focus on two core platforms.

Subsequent Events

- The Board of Avante announced that it has established a PSU compensation program as of November 25, 2020. This program provides for a cash payment to eligible participants equal to the number of PSUs granted multiplied by the Company's volume weighted average share price ("VWAP") in effect during the 30 trading days up to the agreed future valuation date, adjusted downwards for vesting criteria established for each grant.
- On November 25, 2020, the Board granted 200,000 PSUs to the Company's Chief Executive Officer with a valuation date of March 31, 2023. The payment, if any, will vest at 50% if during the thirty trading days prior to the valuation date the VWAP is greater than or equal to \$3.39 per share, 75% if that VWAP is greater than or equal to \$3.75 per share and 100% if that VWAP is greater than or equal to \$4.00 per share. The program is intended to hold the CEO accountable to the Company's vision and for contributing to long-term value for all shareholders. This PSU grant will reward the CEO for achieving a compounded annual growth rate ("CAGR") to shareholders since his appointment on January 10, 2018 of between approximately 21.3% and 26.2%, with the minimum vesting hurdle representing an approximate 161.6% CAGR from today.

¹ Net of intercompany eliminations

- On November 20, 2020, the Company entered into a revised credit agreement with its banking partner and increased the revolving line of credit by \$2 million, from \$3 to \$5 million.
- On November 25, 2020, the Board ratified a minimum share ownership guidelines (“SOGs”) for the NEOs. They are:
 - CEO 3x base salary;
 - CFO 2x base salary;
 - NEOs 1x base salary.

CONFERENCE CALL

Avante will be hosting a conference call to discuss the above financial results on Thursday November 26, 2020, at 8:30 AM EST.

Dial in details are as follows:

Local: (+1) 416-764-8658 Toll Free: (+1) 888-886-7786 Conference ID: 02661722

Playback details below, available until December 26, 2020:

Local: (+1) 416-764-8692 Toll Free: (+1) 877-674-7070 Playback Pin: 661722 #

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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.

Avante Logixx Inc.

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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, and the expected trajectory of corporate costs as a percentage of revenue. 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, 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, Adjusted EBITDA, Gross Profit and Direct Operating Expenses. 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, and CWL’s discontinued operations. References to Direct Operating Expenses are net of interest expense, accretion interest expense, depreciation, amortization and share based payments. EBITDA, Adjusted EBITDA, Gross Profit and Direct Operating Expenses are not earnings measures 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.

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

Covid-19

In March 2020, the World Health Organization declared, the outbreak of the novel strain of coronavirus, specifically identified as "COVID-19", a pandemic. This has resulted in governments worldwide enacting emergency measures to limit the spread of the virus, including closure of non-essential businesses. As of the date of this press release, the majority of the Company's operations are considered essential in all provinces in which the Company operates. As such, to date the Company has been able to continue operating with no material impact to operations.

There have been no material revisions to the nature and amount of estimates and judgments made in respect of the Company's financial statements of prior periods. However, the effects of COVID-19 have required significant judgements and estimates to be made in the preparation of the Company's financial statements.

Additionally, the effects of COVID-19 may require revisions to estimates of expected credit losses attributed to accounts receivable arising from sales to customers on credit terms, including the incorporation of forward-looking information to supplement historical credit loss rates as well as other estimates and judgement used in the preparation of the Company's financial statements. Due to rapid developments and uncertainty surrounding COVID-19, it is not possible to predict the impact that COVID-19 will have on the Company's operations or financial results, its suppliers, and its customers. Additionally, it is possible the Company's operations and consolidated financial results will change in the near term as a result of COVID-19.