



## **3 Sixty Secure Acquires INKAS® Security Services Ltd. Creating One of Canada's Largest Secure Cannabis Transport Companies**

- **Strengthens position as a leader in cannabis secure transport throughout Canada**
- **3 Sixty is now one of the largest cash management security firms nationally, with increased cannabis secure storage capability allowing for greater diversification of revenue streams**
- **Immediately increases operational capacity, revenues and sector share**
- **Receives 16 new cannabis clients**
- **Adds 150 additional secure transport employees which further allows for scalability of 3 Sixty's operations**

**April 2, 2019, Almonte, Ontario** – 3 Sixty Risk Solutions Ltd. (“3 Sixty” or the “Company”) (CSE: SAFE) (OTCQB: SAYFF) (FSE: 62P2) a leader in the risk management and security services sector of the burgeoning cannabis industry is pleased to announce its acquisition of substantially all of the assets and business of INKAS® Security Services Ltd. (“ISSL”) valued at approximately \$13.75 million, payable in cash, shares, vendor take-back note and earn-out as described below in the Transaction Summary (the “Transaction”), and pursuant to the terms of an asset purchase agreement (the “Agreement”).

Today's announcement launches the Company into a leading role in the cannabis secure transport and cash management service sector nationwide.

### **Highlights of the Transaction**

The Transaction brings together two of the leading Security companies in Canada with fully-aligned strategic visions and a strong network of infrastructure. The combined company becomes one of the largest cash management security firms nationally, creating a powerful platform for accelerated growth in Canada and the USA.

- **Becomes one of the largest cash management security firm nationally:** 3 Sixty has rapidly gained market share within 3 months of public listing with national capabilities to service additional industries outside of cannabis and cash in transit.
- **Extensive distribution network and infrastructure across Canada:** 3 Sixty has become a nationwide cannabis secure transport leader to deliver coast to coast service to all our customers. With expanded infrastructure 3 Sixty also brings an additional 16 cannabis operators into our client base. This robust distribution network exceeds the needs of our largest customers, paving the way for increased revenue generating opportunities.
- **Enhanced revenue diversification:** ISSL brings a diversified revenue mix of non-cannabis customers, some of which are leading financial institutions in Canada. This Transaction will also help to service cannabis dispensaries.
- **Route density and enhanced customer responsiveness:** 3 Sixty's workforce and vehicle fleet immediately increases providing enhanced customer responsiveness, cost-

saving enhancements, and improved customer penetration across the country with the support of facilities in Alberta, Quebec and Ontario

- **Cost Synergies:** As a result of the Transaction, 3 Sixty will see cost synergies from combined auto and cargo insurance, access to secure storage facilities for cannabis storage, additional access to skilled and licensed transport drivers, enable less than a load (LTL) services and secure storage facilities strategically located near major airport hubs. 3 Sixty will also have direct access to armoured additional vehicles through the former parent company of ISSL.
- **Purchase price earn-out subject to strong revenue trajectory:** \$1.75 million of the purchase price is payable only upon ISSL's business meeting revenue targets of \$15 million and \$20 million over the first year and second year, respectively, following closing.

Thomas Gerstenecker CEO of 3 Sixty Secure states, "In very short order, and through our vision to directly focus on the cannabis sector, we have experienced rapid growth from a small regional provider to a nationwide presence with a significant vehicle fleet and secure facilities. With this acquisition we become one of the largest cannabis sector secure transportation outfits, and one of the largest cash management operators in Canada. This speaks volumes to the growth of the cannabis industry and the demand for focused and dedicated services. We are excited and pleased to welcome ISSL to continue the push for an even greater future."

ISSL was identified early on as an organization offering complementary philosophies, business goals and resources, and a mix of clients including a cannabis sector customer list that had grown to an impressive market share of 16 operators. Key highlights of ISSL's services that will broaden 3 Sixty's services include:

- secure cash transportation and processing,
- ATM processing;
- armed security and vault storage service, and
- integrated technology innovation alongside a robust industrial truck and safe manufacturing capability.

ISSL Chairwoman Margarita Simkin notes, "This is truly a win-win for our company, the Canadian security sector, our clients, partners and stakeholders alike. Today's announcement means our team will continue to build momentum and continue to provide exemplary service across the nation and hopefully beyond. We are very pleased to share this vision with the team at 3 Sixty and anticipate truly exceptional results."

"In conclusion," notes 3 Sixty's Gerstenecker, "today's news propels us to where we can meet the challenges and needs of any national cannabis operator regardless of size and operational complexity. Our strategic plan is on-track and firmly focused on delivering results for our customers, partners, stakeholders and employees while building shareholder value as a trusted leader in this exciting industry."

## **Transaction Summary**

The terms of the Agreement provide for a purchase of substantially all of ISSL's assets for an aggregate purchase price of \$13.75 million (the "Purchase Price"), subject to adjustment, including a \$1.75 million earn-out payable in common shares of the Company upon the purchased business meeting revenue targets of \$15 million and \$20 million in the first year and second year, respectively, following closing. The share consideration payable to ISSL, representing \$5.5 million

of the Purchase Price, is subject to a holdback pending the Company obtaining certain customer consents to the Transaction and will be satisfied, upon receipt of such consents, by issuance of up to 9,166,666 common shares in the capital of the Company. \$2 million of the Purchase Price was satisfied by the issuance of a vendor take-back note to be repaid on a quarterly basis over a two year period following closing. The balance of the Purchase Price, being \$4.5 million, was paid in cash.

**About 3 Sixty Risk Solutions Ltd. (CSE: SAFE) (OTCQB: SAYFF) (FSE: 62P2)**

3 Sixty Risk Solutions Ltd., operating through its wholly-owned subsidiary, 3 Sixty Secure Corp., is Canada's leading security service provider to the cannabis sector, transporting over \$250 million of product every month. 3 Sixty now provides enhanced cash management, cannabis security consulting, guarding and secure transport security services to more than 600 customers and more than 76 licensed cannabis producers, including some of the world's largest, such as licensed producers owned by Canopy Growth Corporation. As of today, 3 Sixty now has a staff of over 600 employees with a fleet of over 150 vehicles and becomes one of the largest cash management service providers in Canada. Find out more at [www.3sixtysecure.com](http://www.3sixtysecure.com) and follow us on [Twitter](#), [Instagram](#) or [Facebook](#).

**About INKAS® Security Services Ltd.**

INKAS® Security Services Ltd. is an integrated security risk management company offering a full cycle of security services to cannabis operations, government organizations as well as retail businesses, merchants and financial institutions. INKAS® Security Services Ltd. services include the secured transportation of cash and its equivalents, coin processing, ATM services, armed security and vault storage. Within the realm of cash management services in Canada, INKAS® Security Services Ltd. is seen as a leader with proven results, an established track record and a highly-skilled workforce. INKAS® Security Services Ltd. has steadily increased its revenue over the previous three years and has a workforce of over 200 employees including over 150 skilled secure transport drivers with over 50 armoured vehicles with facilities in Ontario, Alberta and Quebec. Find out more at: [www.inkassecurity.com](http://www.inkassecurity.com).

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**Forward-Looking Information**

This news release contains "forward-looking information" and "forward-looking statements" (collectively, "forward-looking statements") within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as "expects", or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends" or variations of such words and phrases or stating that certain actions, events or results "may" or "could", "would", "might" or "will" be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements. In this news release, forward-looking statements relate, among other things, to the business and operations of 3 Sixty. Forward-looking statements are necessarily based upon a number of estimates and assumptions that, while considered

reasonable, are subject to known and unknown risks, uncertainties, and other factors which may cause the actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to general business, economic, competitive, political and social uncertainties. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Except as required by law, 3 Sixty assumes no obligation to update the forward-looking statements of beliefs, opinions, projections, or other factors, should they change, except as required by law.

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