



SECURITY SERVICES CORP.

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TSXV: SECU    USA: SECUF

## CORPORATE PRESENTATION – JANUARY 17, 2022

*Acquiring & growing physical & cyber security companies with a strong balance sheet.*

# Forward Looking Statements

## Important notice concerning this document including forward looking statements

This Presentation discloses management policies, investment strategies and courses of conduct that may constitute “forward-looking information” within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein may be forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “proposed”, “is expected”, “budgets”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. This forward-looking information reflects the Company’s current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable at the time of preparation. These assumptions include, but are not limited to, the actual results of investee’s being equivalent to or better than estimated results by the Company.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; commodity prices; cyclical nature of the agricultural industry; weather; the early stage development of the farming operations or dishonesty of the streaming partners; reliance on management, uncertainty in identifying and structuring streaming agreements, liquidity of investments, potential conflicts of interest, failure of the Company to meet targeted returns, limited transferability of Shares, defaulting streaming partners, competition; changes in project parameters as plans continue to be refined; delay or failure to receive board or regulatory approvals; changes in legislation, including environmental legislation affecting the Company and its streaming partners; timing and availability of external financing on acceptable terms; conclusions of economic evaluations; and lack of qualified, skilled labour or loss of key individuals. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there maybe other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws. As a result of these risks and uncertainties, actual events or results and the actual performance of the Company or its business may be materially different from those reflected or contemplated in the forward looking statements or information. Likewise, in considering the prior performance information contained herein, prospective investors should bear in mind that past performance and experience is not necessarily indicative of future results, and there can be no assurance that the Company will achieve comparable results.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the “1933 Act”), or any state securities laws. Accordingly, these securities may not be offered or sold within the United States of America or to a U.S. Person (as such term is defined in Regulation S under the 1933 Act) unless registered under the 1933 Act and applicable state securities laws or an exemption from such registration is available.

# Overview

- **Security Services Corp. (“SSC”)** is a public holding company which actively acquires and grows physical and cyber security companies across Canada
- TSXV: **SECU**      OTXQX: **SECUF**
- Founded as **Input Capital Corp.** in 2012, the company was previously a well-capitalized agriculture finance business. The legacy business is in the final stages of wind-up, with ~\$60 million in assets being converted to cash for redeployment into the security industry.
- The principals of SSC have decades of experience in the physical and cyber security industry.

*Acquiring & growing physical & cyber security companies  
with a strong balance sheet.*



# Acquisitions to Date

- Feb 2021 – Acquired **SRG Security Resource Group Inc.** (SRG) of Regina, Saskatchewan (~415 employees) for \$19.4 million
- July 2021 – Funded SRG's acquisition of the regional operations of **Impact Security Group** (~215 employees) for \$1.35 million
- More to come . . .



*Two acquisitions in the first six months – more to come*

# SSC Growth Strategy

Complete conversion of legacy assets to cash (~\$60 million) for redeployment into security sector

1. **Organic Growth** – best capitalized security company in Canada – a strong balance sheet improves opportunities to win larger contracts
2. **Acquisitions** – SSC balance sheet available for disciplined acquisition strategy
  - a) **Contracts** (July 2021 – acquired regional operations of Impact Security)
  - b) **Entire companies** – (February 2021 – acquired all of SRG Security Resource Group Inc.)  
Management is in ongoing discussions with multiple targets
3. **Cross-selling** cyber into physical security clients with cyber vulnerabilities
4. **New Product Offerings** – more to come

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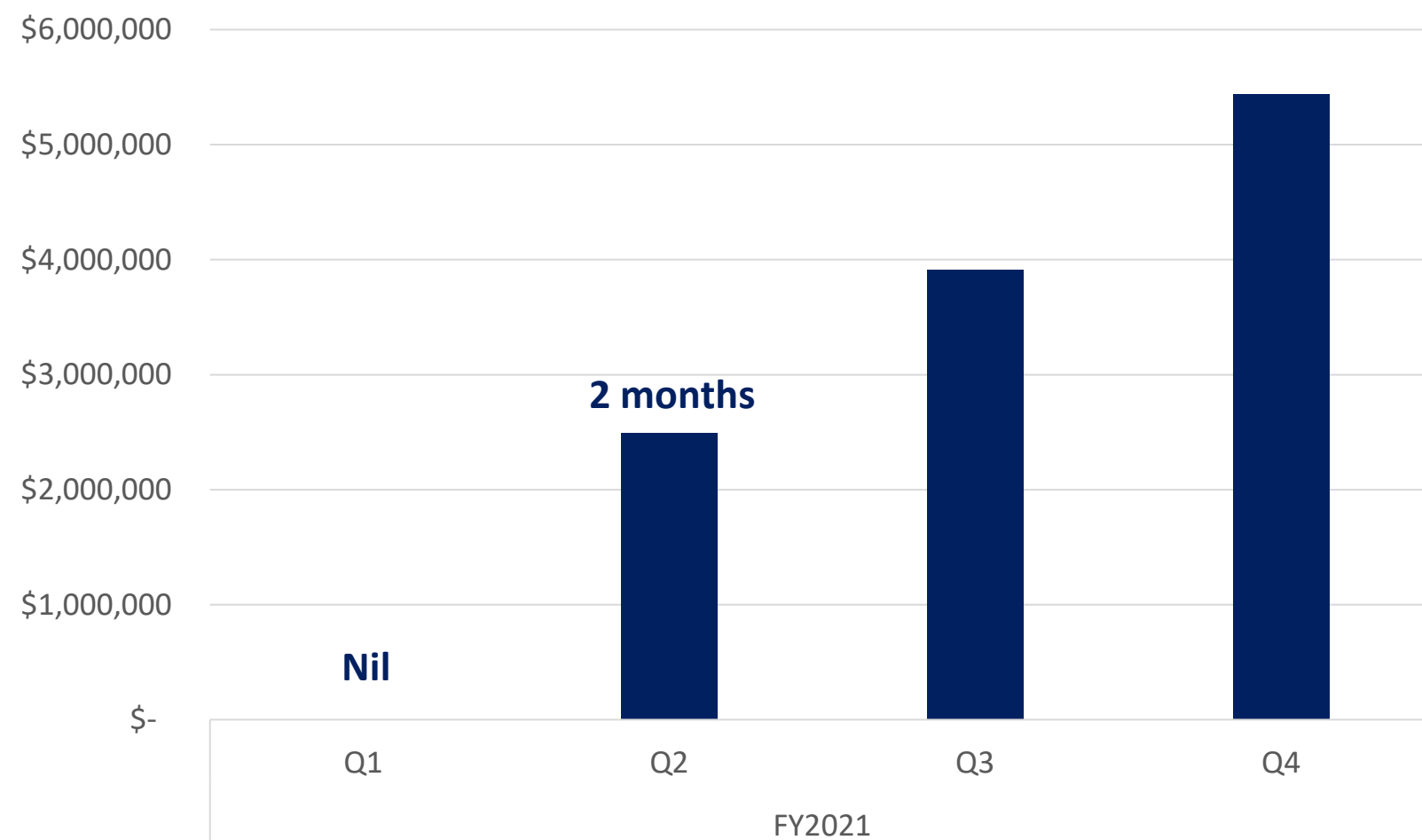
**OBJECTIVE:** Grow into a \$200 to \$300 million annual revenue company in 3-5 years (\$15 to \$25 million in EBITDA)

*Strong Team + Strong Balance Sheet + Growing Industry  
= Strong Growth*

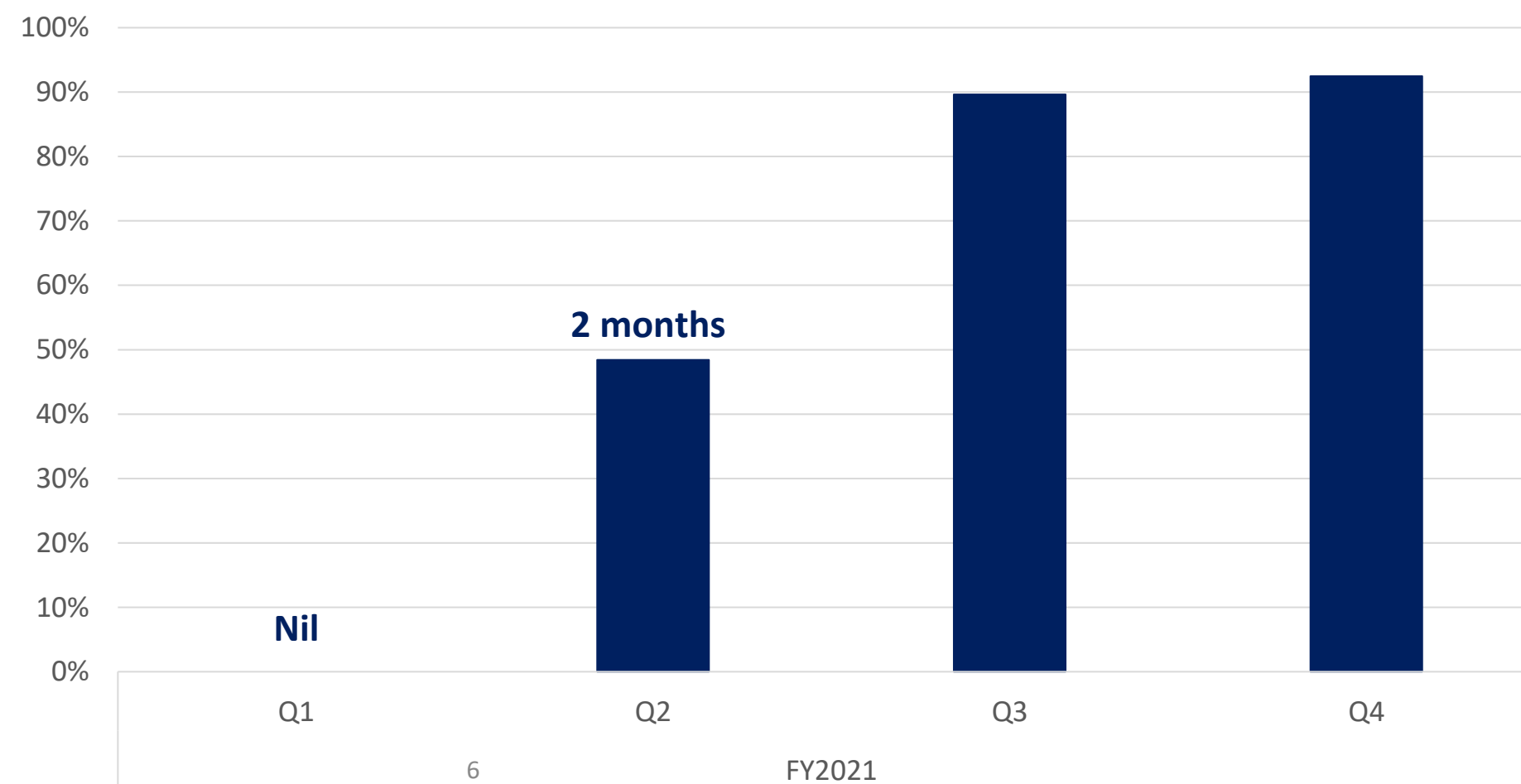


# Security Segment

Security Segment Revenue



% of Consolidated Revenue from Security Segment



**FY2021**

- Acquired SRG Security Resource Group on Feb 1, 2021
- SRG acquired regional operations of Impact Security Group on July 10, 2021
- Security segment represented 92.5% of total revenue in Q4 of FY2021. Expected to continue to rise.

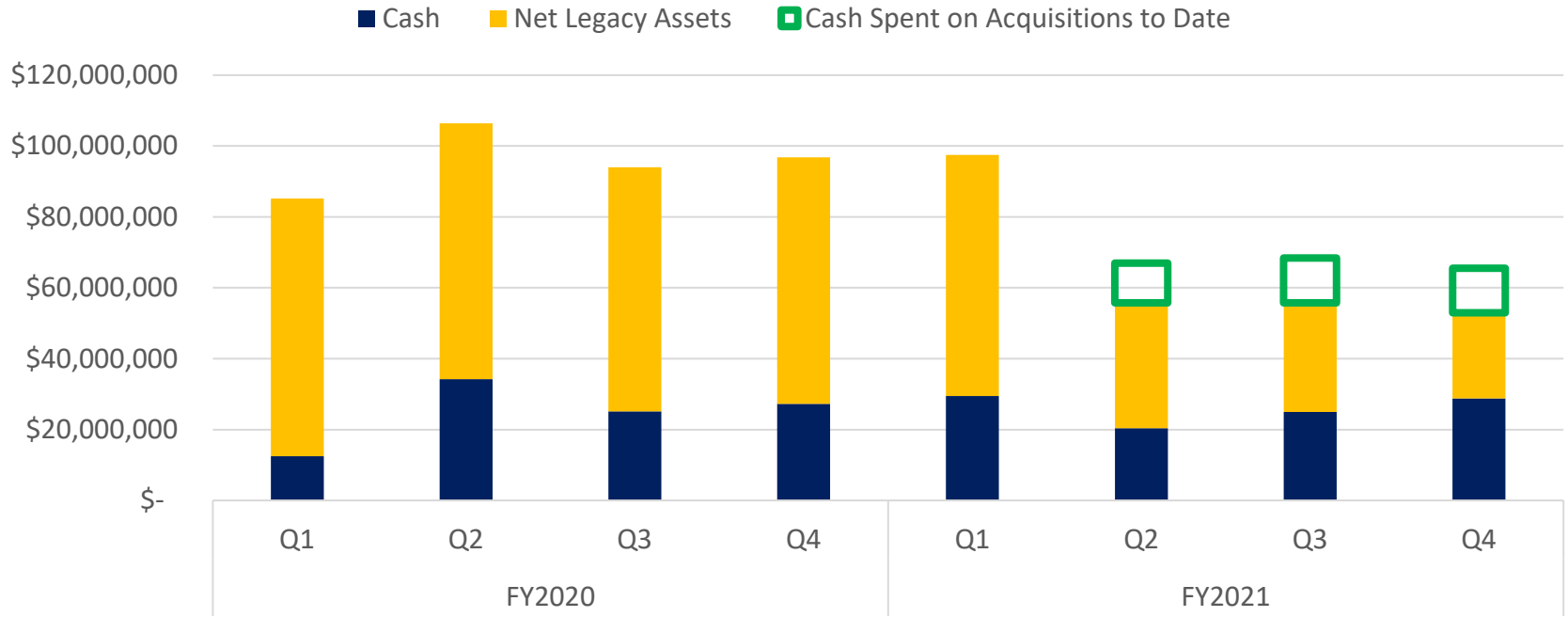
Source: Company SEDAR filings, Management estimates

*Security is a steady, stable industry with consistent long-term growth.*

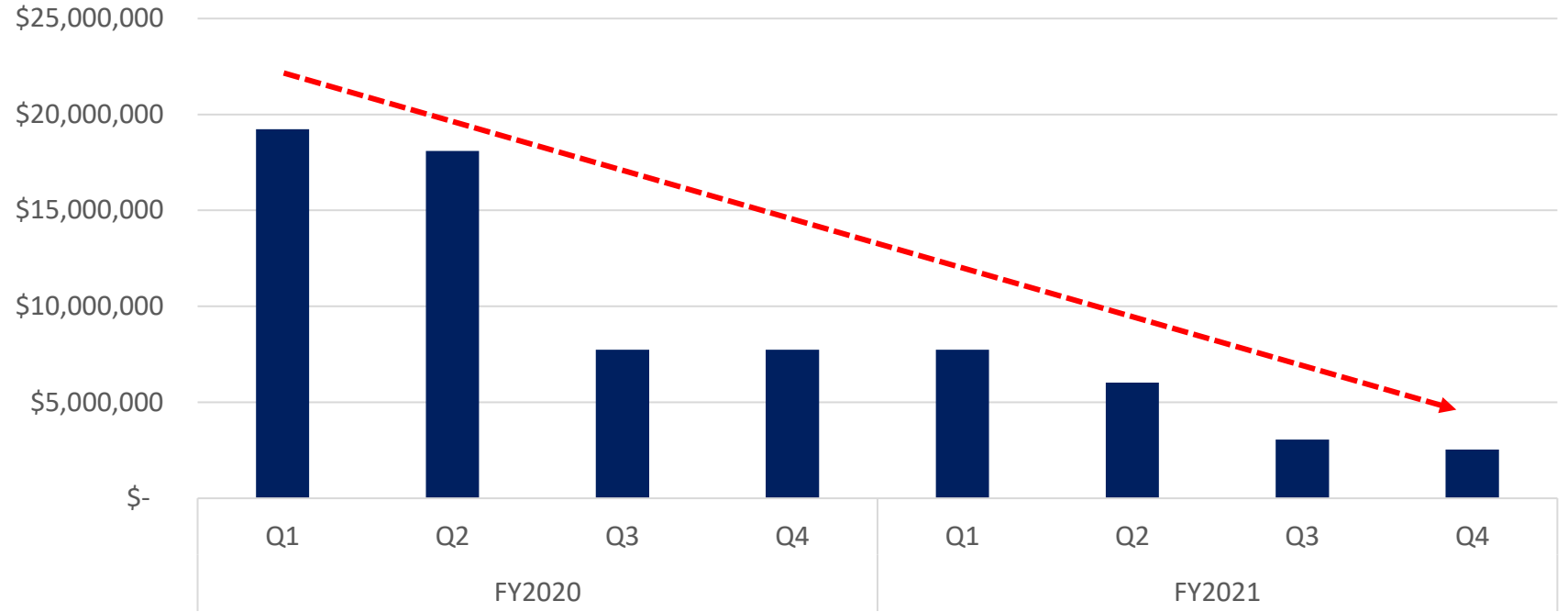


# Cash, Adj EBITDA & Bal Sheet Trends (\$M)

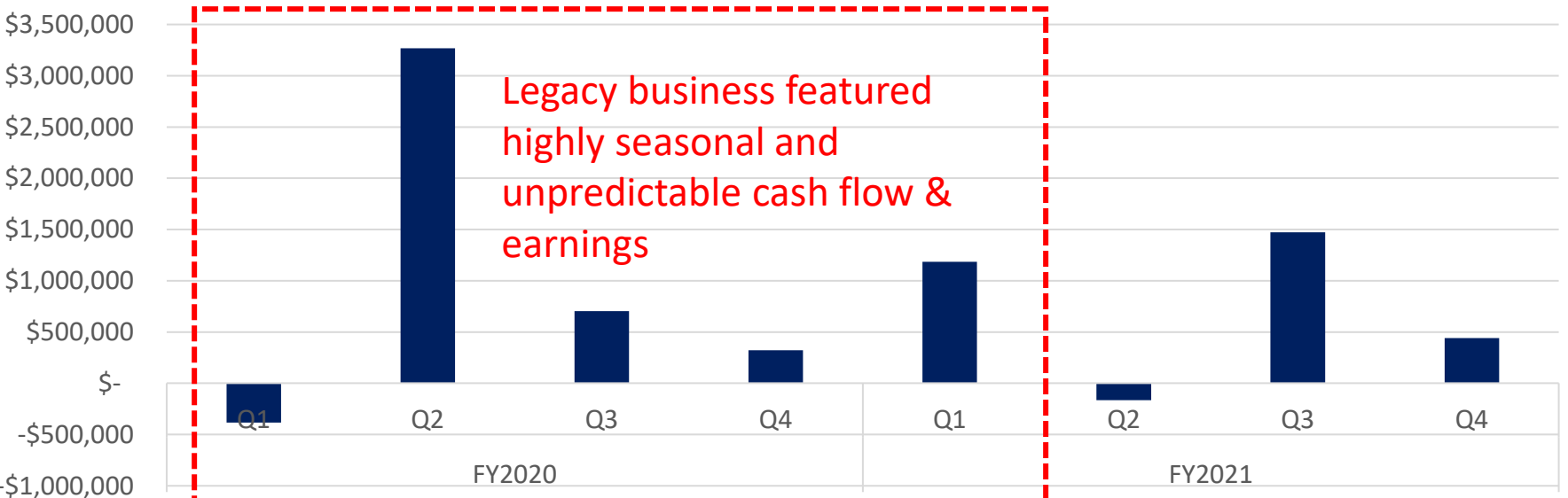
Resources Available for Acquisitions



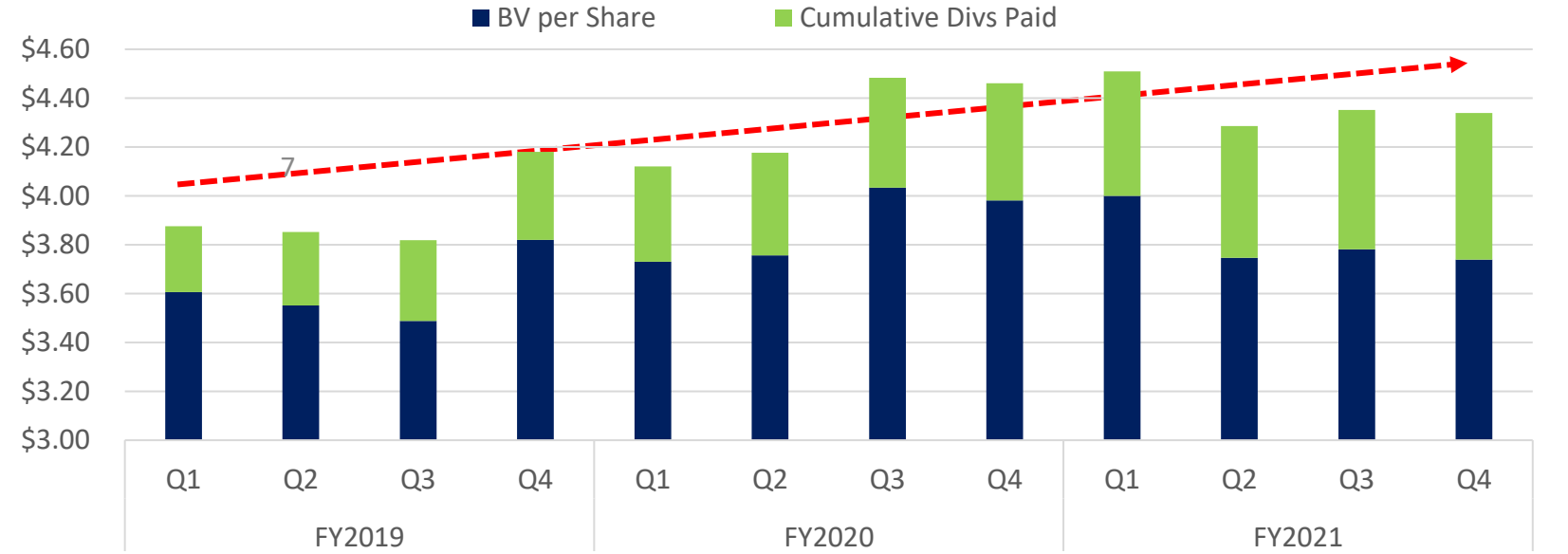
External Debt Outstanding



Adj. EBITDA



Book Value + Cumulative Dividends Paid per Share



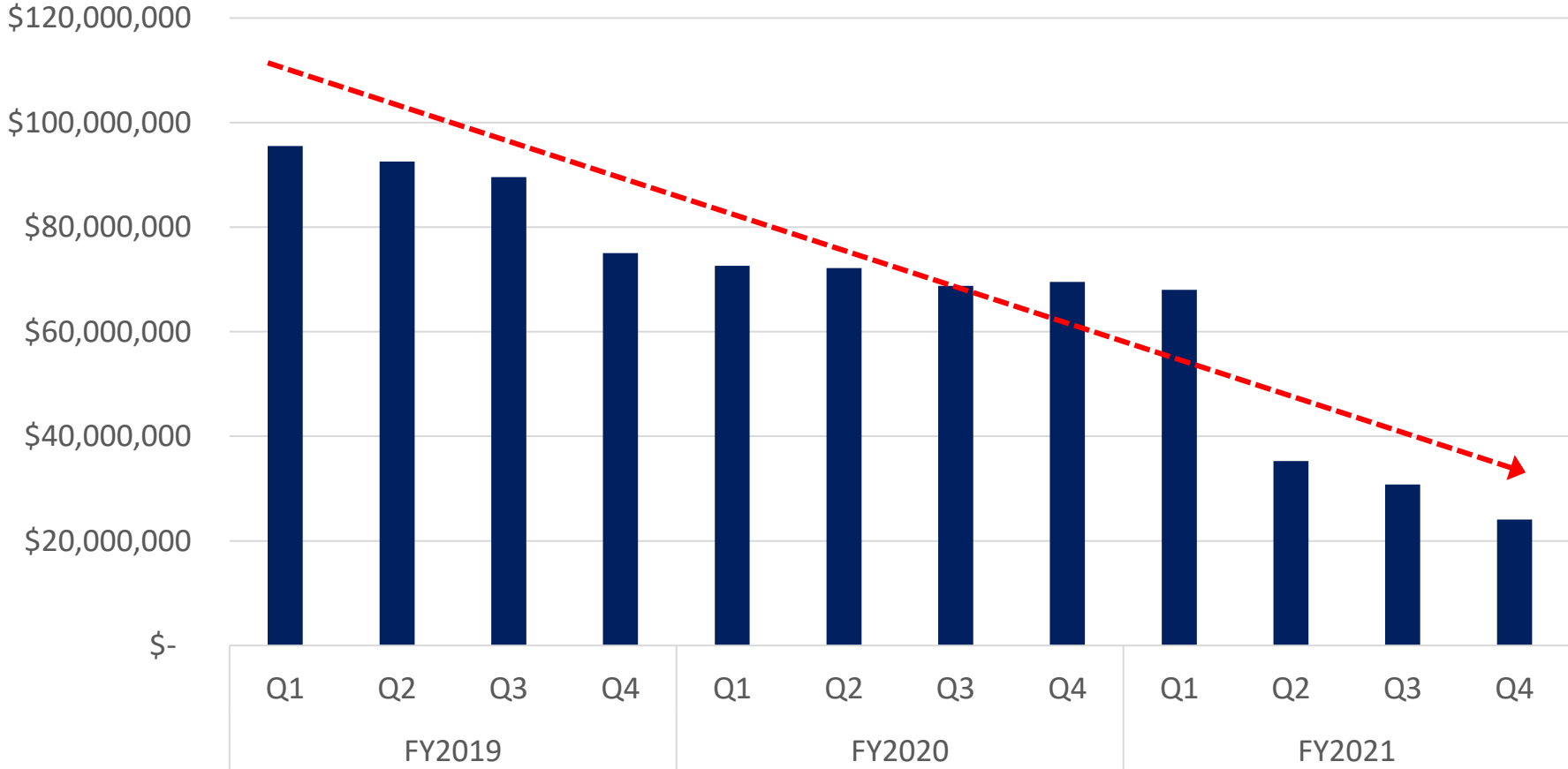
Source: Company SEDAR filings, Management estimates

*Growing cash, low & shrinking debt, Adj. EBITDA growing, BV/share growing, steady dividend*

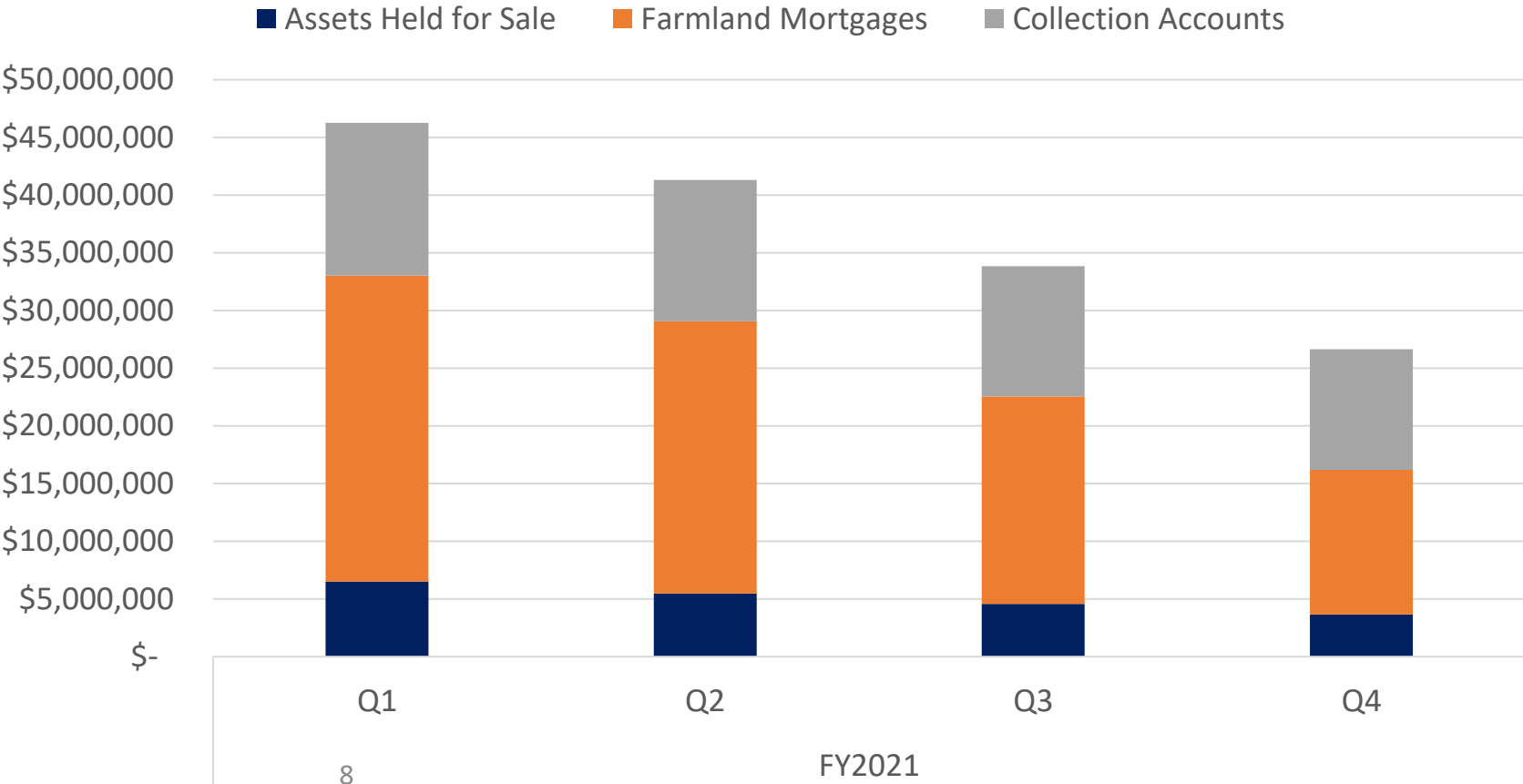


# Legacy Business Winding-up Rapidly

Net Capital Remaining in Legacy Business - Being Converted to Cash



Legacy Asset Composition



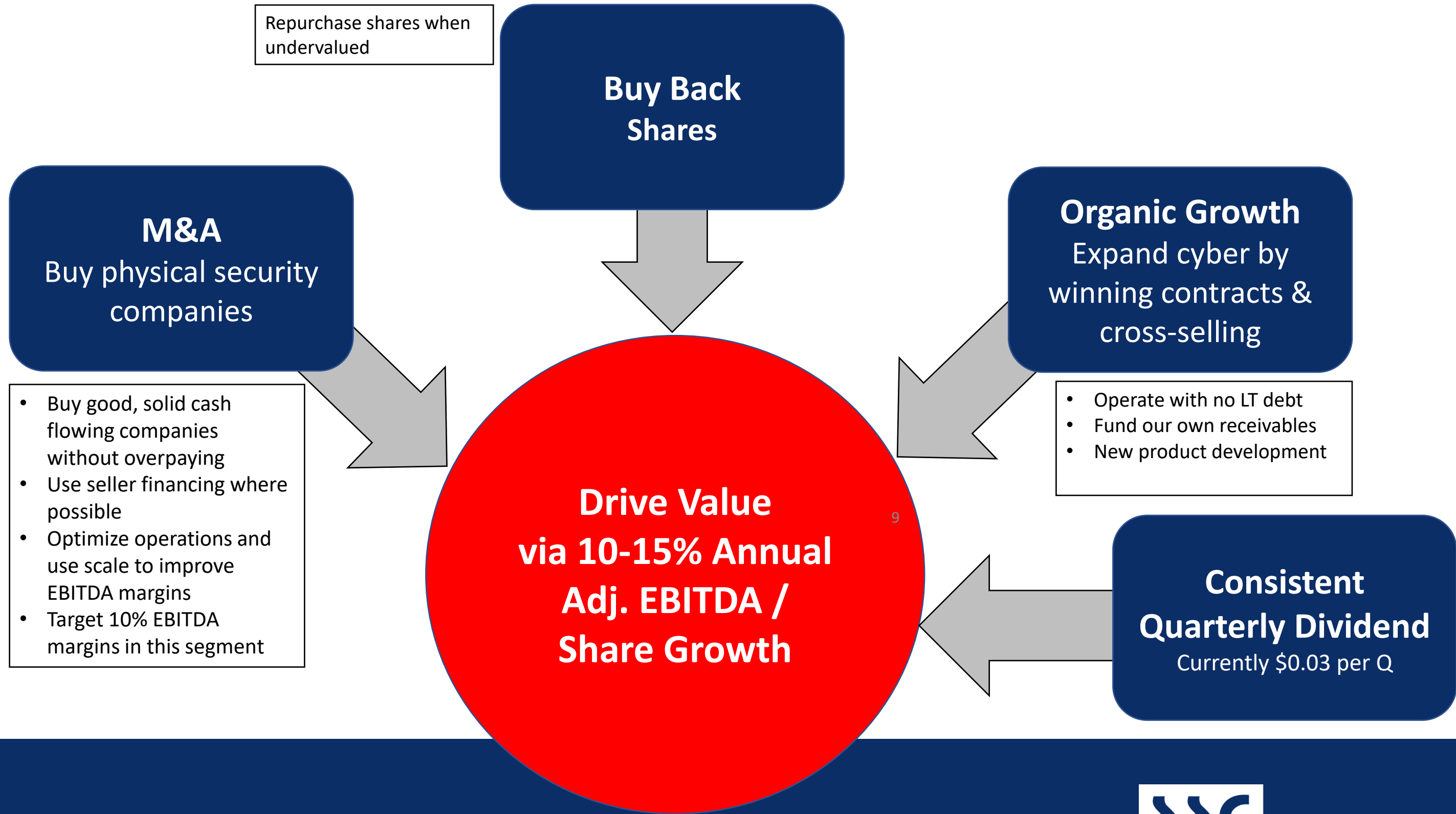
**Legacy Business Wind-up**

- Assets Held for Sale program making excellent progress with land sales
- Farmland Mortgages: Book is shrinking rapidly due to farmer buyouts via refinancing. Maximum term remaining = ~18 months
- Collection Accounts: Slow but steady progress working through the legal system.

Source: Company SEDAR filings, Management estimates



# Capital Allocation / Growth Strategy



# Management Team

**Doug Emsley**  
President & CEO



- Co-Founder & CEO of Input Capital Corp.
- Co-Founder of SRG Security Resource Group Inc.
- Co-Founder and President of Assiniboia Capital Corp.
- President of Emsley & Associates (2002) Inc.,
- Vice Chairman – Information Services Corporation (TSX: ISV)
- Former Board Member – Bank of Canada, Royal Utilities Income Fund (TSX), Public Policy Forum, Saskatchewan Roughriders Football Club, Greenfield Carbon Offsetters Inc.

**Brad Farquhar**  
Executive VP &  
Chief Financial  
Officer



- Co-Founder & CFO of Input Capital Corp.
- Co-Founder, VP & CFO of Assiniboia Capital Corp.
- Director of Mongolia Growth Group Ltd. (TSXV: YAK), LUXXFOLIO Holdings Ltd. (CSE: LUXX), Radicle Group Ltd. (private)
- Advisory Board, AgFunder.com
- Executive in Residence, University of Regina

**Blair Ross, C.Dir**  
Chief Operating  
Officer



- Co-Founder of SRG with over 30 years experience in private security
- Chair of the Board of Directors of Saskatchewan Gaming Corporation
- Former Chair of the Hospitals of Regina Foundation & Co-Chair of the Sandra Schmirler Charity Golf Classic
- Regina Big Brothers Honorary Lifetime Big Brother Award
- Diamond Jubilee Medal Recipient for business & community involvement

**Gord Nystuen**  
Vice President



- Co-Founder & VP of Input Capital Corp.
- Former Deputy Minister of Agriculture and Chairman of Saskatchewan Crop Insurance Corporation
- Former Chief of Staff to the Premier of Saskatchewan
- Previously served as VP of Corporate Affairs at SaskPower
- Partner, Golden Acres Seed Farm
- Former director of Avena Foods Ltd.

# Board of Directors

## Executive Directors



### **Doug Emsley** Chairman, President & CEO

- Co-Founder & CEO of Input Capital Corp.
- Co-Founder of SRG Security Resource Group Inc.
- Co-Founder and President of Assiniboia Capital Corp.
- President of Emsley & Associates (2002) Inc.,
- Vice Chairman – Information Services Corporation (TSX: ISV)
- Former Board Member – Bank of Canada, Royal Utilities Income Fund (TSX), Public Policy Forum, Saskatchewan Roughriders Football Club, Greenfield Carbon Offsetters Inc.



### **Brad Farquhar** Executive VP & CFO

- Co-Founder & CFO of Input Capital Corp.
- Co-Founder, VP & CFO of Assiniboia Capital Corp.
- Director of Mongolia Growth Group Ltd. (TSXV: YAK), LUXXFOLIO Holdings Ltd. (CSE: LUXX), Radicle Group Ltd. (private)
- Advisory Board, AgFunder.com
- Executive in Residence, University of Regina

## Independent Directors



### **David H. Laidley, FCPA, FCA** Independent Director Chairman of the Audit Committee

- Chairman Emeritus, Deloitte LLP (Canada)
- Former Lead Director, Bank of Canada
- Director of EMCOR Group Inc. (NYSE) and CT REIT (TSX)
- Former Director, Aimia Inc., Nautilus Indemnity Holdings Ltd. Bausch Health (then Biovail Corporation) and Aviva Canada Inc.



### **Dr. Lorne Hepworth** Independent Director

- Chairman of Ag Research Inst of Ontario, Canterra GP Ltd., member of CARE Canada
- Previously: Chair of Genome Canada, Advisory Board of the National Research Council, Plant Biotechnology Institute, Canadian Agri-Food Research Council, federal Pest Management Advisory Committee, National Biotechnology Advisory Committee
- Past President of CropLife Canada and Former Saskatchewan Minister of Agriculture, Finance, Education, and Energy & Mines
- Member of the Canadian Agriculture Hall of Fame



### **David A. Brown, QC** Independent Director Lead Independent Director

- Counsel, Davies Ward Phillips & Vineberg LLP
- Former Chairman & CEO – Ontario Securities Commission (OSC)
- Founding Chair of the Council of Governors for the Canadian Public Accountability Board
- Former Member of the Investment Advisory Board, Westerkirk Capital Inc.
- Former Director & Member, Funds Advisory Board, Invesco Trimark Group of mutual funds

# Corporate Profile (as at October 1, 2021)

TSX Venture Exchange symbol

SECU (OTCQX: SECUF)

Common shares outstanding

20,288,285

Options outstanding

974,967

## Insider Ownership

- Basic 34.7%
- Fully diluted 37.6%

Closing Price (Dec 31, 2021)

\$2.87 (split adjusted)

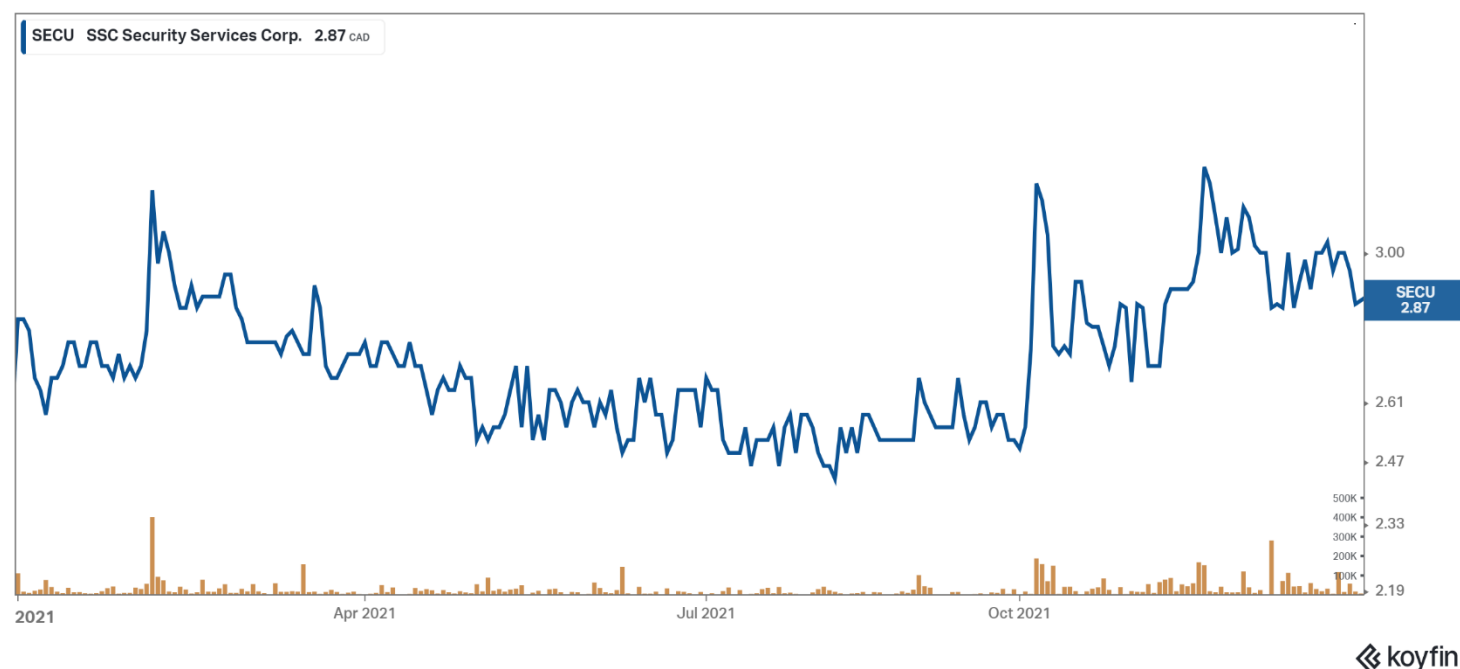
Market capitalization (Dec 31, 2021)

~\$58.2 million

Net Cash position (Sept 30, 2021)

\$26.3 million

SECUV Stock Price Chart - January 1, 2021 - December 31, 2021



## Top 15 Known Shareholders

Name	% Ownership (Basic)
Doug Emsley, CEO	22.5%
Brad Farquhar, CFO	5.8%
3 Private Investors (Nova Scotia)	5.8%
Winnipeg Airports Authority	4.4%
Family Office (Canada)	3.9%
Gord Nystuen, VP	3.2%
Family Office (Canada)	3.1%
Family Office (Canada)	2.2%
Family Office (Alberta)	1.6%
Private Investor (Netherlands)	1.4%
Blair Ross, COO	1.1%
Insurance Company (Saskatchewan)	0.8%
Private Investor (Saskatchewan)	0.7%
Private Investor (Alberta)	0.7%
David Laidley, Director	0.5%
Employees & Other Insiders	1.4%
<b>Holdings of Top 15 Shareholders + Insiders</b>	<b>59.1%</b>

Source: TSX InfoSuite, Company estimates

*Insiders own 34.7% and almost 60% of shares held in strong long-term hands*



# Security Services Corp: Industry Roll-up

- ✓ Security industry is large, growing, highly fragmented & prime for consolidation
- ✓ Many companies operating in local & regional markets
- ✓ Well-rounded acquisition team with 33 years of industry experience
- ✓ Proven operational formula that creates value, including cross-selling high value cyber services into guard clients
- ✓ Disciplined, proven approach to finding & evaluating targets
- ✓ Disciplined, proven approach to integration of new acquisitions
- ✓ Strongest balance sheet in the sector

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# Contact Information

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## **Brad Farquhar**

CFO & Director

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