

AlarmForce Industries Inc.



AlarmForce to be acquired by BCE

For immediate release

- Board unanimously supports a purchase price of \$16.00 per share; represents 71% premium to the closing share price on November 6, 2017.
- Shareholders representing 71.7% in aggregate of the fully-diluted shares, including directors and officers, entered into voting support agreements.
- Shareholders can elect to receive all cash, or at their option BCE shares, subject to maximum total share consideration of 49.5% of the total consideration to all shareholders.

TORONTO, ON., November 6, 2017 -- AlarmForce Industries Inc. (“AlarmForce” or the “Company”) (TSX:AF) announced today that it has entered into a definitive agreement to be acquired by BCE Inc. (“BCE”) (TSX, NYSE: BCE). The agreement contemplates that BCE will acquire all of the issued and outstanding shares of AlarmForce for \$16.00 per share in cash or, at the election of each shareholder, BCE shares (subject to proration) implying an aggregate fully-diluted equity value for AlarmForce of approximately \$184 million.

Key Transaction Highlights

- The purchase price represents a 71% premium to AlarmForce’s closing share price of \$9.34 on November 6, 2017 and a 70% premium to the 20-day volume weighted average price for the period ending November 6, 2017.
- The Board of Directors (the “Board”) of AlarmForce, having received a unanimous recommendation from a special committee comprised solely of independent directors (the “Special Committee”), has unanimously approved the transaction and recommends that AlarmForce shareholders vote in favour of the transaction.

“This is an excellent transaction for AlarmForce shareholders,” said Lee Matheson, the Chairman of the Board and Special Committee. “It provides shareholders a significant premium and certainty of value as well as liquidity. BCE shares our vision for the Company going forward and I have no doubt that they will drive future growth while continuing to enhance the quality and breadth of our service offering to our existing subscriber base.”

“This transaction validates the hard work that all of our employees have done over the past couple of years to position AlarmForce for future success. In addition, our subscribers can expect to benefit from the breadth of the Bell customer offering across many bundled services.” said Graham Badun, President and Chief Executive Officer of AlarmForce.

Transaction Details

The transaction will be implemented by way of a statutory plan of arrangement under the *Canada Business Corporations Act* and is subject to court approval and the approval of at least two-thirds of the votes cast by holders of AlarmForce’s shares and a majority of the votes cast by the holders of AlarmForce’s shares

(excluding the votes cast by two executive officers holding approximately 3.0% of the fully-diluted Company shares).

Under the terms of the transaction, AlarmForce shareholders will receive, at the election of each such shareholder, either (i) \$16.00 in cash or (ii) BCE shares for each AlarmForce share, subject to proration such that the aggregate consideration paid to all of AlarmForce shareholders will consist of no more than 49.5% in BCE shares. Giving full effect to the proration, the consideration of each AlarmForce share represents \$8.08 in cash and 0.1305 BCE shares based on BCE's closing share price on November 6, 2017. The final share consideration will be based on BCE's volume-weighted average closing share price on the TSX for the twenty trading days ending five business days prior to the effective date of the transaction.

The Board, acting on the unanimous recommendation of the Special Committee (which consisted solely of independent directors of AlarmForce), has approved the transaction and recommends that AlarmForce shareholders vote in favour of the transaction.

In making their respective determinations, the Board and the Special Committee considered, among other factors, opinions from National Bank Financial Inc. ("National Bank Financial") and Imperial Capital, LLC ("Imperial Capital"), to the effect that the purchase price of \$16.00 per share to be received by the shareholders is fair, from a financial point of view, to the shareholders of AlarmForce.

In connection with the transaction, Edgepoint Investment Group Inc., Burgundy Asset Management Ltd., Investmentaktiengesellschaft für langfristige Investoren TGV, George Christopoulos and certain other shareholders, directors and executive officers who together hold in aggregate approximately 8.5 million of the fully-diluted shares or approximately 71.7% of the fully-diluted shares of the Company, have entered into voting support agreements with BCE pursuant to which they have agreed to vote all of their shares in favour of the transaction, subject to their ability to terminate such agreements in certain circumstances in connection with a superior proposal.

The Company has agreed not to solicit competing acquisition proposals, subject to customary "fiduciary out" provisions, which entitle the Company to consider and accept an unsolicited superior proposal subject to BCE having a right to match such superior proposal. The agreement also provides for the payment by AlarmForce of a termination fee of \$5.0 million or expense reimbursement in certain circumstances.

Copies of the fairness opinions of National Bank Financial and Imperial Capital, and a description of the various factors considered by the Special Committee and the Board in their determination to approve the transaction, as well as other relevant background information, will be included in the Information Circular to be sent to the Company's shareholders in the coming weeks, in advance of the special meeting to vote on the plan of arrangement. The shareholder meeting is expected to occur in December, 2017 with transaction closing anticipated for early January, 2018. Copies of the Information Circular, the arrangement agreement, the plan of arrangement, the voting support agreements and certain related documents will be filed with the applicable Canadian securities regulators and will be available on SEDAR at www.sedar.com.

Advisors

National Bank Financial and Imperial Capital have been engaged by AlarmForce as their financial advisors. Bennett Jones LLP and Wildeboer Dellelce LLP are acting as legal advisors to AlarmForce and the Special Committee, respectively.

About AlarmForce

AlarmForce provides security alarm monitoring, personal emergency response monitoring, video surveillance and related services to residential and commercial subscribers throughout Canada. More information about the Company's products and services can be found at www.alarmforce.com.

About BCE

Canada's largest communications company, BCE provides a comprehensive and innovative suite of broadband wireless, TV, Internet and business communication services from Bell Canada, Bell Aliant and Bell MTS. Bell Media is Canada's premier multimedia company with leading assets in television, radio, out of home and digital media. To learn more, please visit Bell.ca.

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Forward-Looking Statements

Certain statements contained in this press release constitute forward-looking statements or information (collectively forward-looking statements) within the meaning of applicable securities legislation. Forward-looking statements are often identified by words such as "may", "will", "should", "could", "anticipate", "believe", "expect", "intend", "plan", "potential", "continue" and similar expressions. Forward-looking statements contained or referred to in this press release include, but may not be limited to, statements relating to the proposed acquisition by BCE of all of the issued and outstanding shares of AlarmForce; certain strategic, operational and financial benefits expected to result from the proposed transaction; the plans and strategic priorities of the combined company; and other statements that are not historical facts.

The forward-looking statements contained in this press release reflect the current expectations, assumptions and/or beliefs of AlarmForce about future events based on information currently available to AlarmForce. Although AlarmForce believes that the expectations reflected in the forward-looking statements contained in this press release, and the assumptions on which such forward-looking statements are made, are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking statements contained in this press release, as there can be no assurance that the plans, intentions or expectations upon which the forward-looking statements are based will occur. By their nature, forward-looking statements involve risks, uncertainties and other factors that could cause actual events, results, liabilities and financial results in future periods to differ materially from those expressed or implied by such forward-looking statements. These risks and uncertainties include, among other things: the completion and timing of the proposed transaction are subject to customary closing conditions, termination rights and other risks and uncertainties including, without limitation, court and shareholder approvals, and the risks discussed in the "Risk Factors" section of the Company's Annual Information Form and the "Risks and Uncertainties" section of the Company's MD&A, copies of which may be obtained at www.sedar.com. Accordingly, there can be no assurance that the proposed transaction will occur, or that it will occur on the terms and conditions, or at the time, contemplated in this press release. The proposed transaction could be modified, restructured or terminated.

There can also be no assurance that the strategic, operational or financial benefits expected to result from the proposed transaction will be realized.

The forward-looking statements contained in this press release speak only as of the date of this press release. Except as may be required by applicable securities laws, AlarmForce disclaims any intent or obligation to update any forward-looking statements, whether as a result of new information, future events or results or otherwise.

The transaction contemplated by this press release involves the securities of Canadian companies and will be subject to Canadian disclosure requirements that are different from those of the United States. The BCE common shares to be issued pursuant to a plan of arrangement described herein will not be registered under the U.S. Securities Act of 1933 pursuant to an exemption from the registration requirements of such Act. Financial statements included or incorporated by reference in the Circular relating to the transaction will have been prepared in accordance with Canadian accounting standards and may not be comparable to the financial statements of U.S. companies.