

March 3, 2016



# SDI Signs Term Sheet to Acquire an Established Less-Lethal Company

FITCHBURG, Mass.--(BUSINESS WIRE)-- (TSX-V: SDZ) (OTCBB: SDEV)

Security Devices International Inc. (“SDI”) today announced that it has entered into an exclusive, non-binding term sheet to acquire a US based manufacturer and distributor of less-lethal tactical products (the “Target”) for a purchase price of USD\$4,140,000 cash, plus an earn out of up to USD\$400,000.

The Target is a well-established entity both in the US and international markets, within this sector. The Target has a history of domestic and international military contracts, and has done extensive work with special operations within the US military. Other markets with whom the Target has worked include federal, state, and local law enforcement agencies throughout the United States.

The Target offers a full line of less-lethal munitions, launching systems, tactical products, and accessories. The target company holds critical federal and state licenses for manufacturing and export purposes, which SDI intends to use for its own future growth and development. The proposed acquisition also permits SDI to control its supply chain, as well as offer a more extensive training platform for existing and potential agencies.

SDI looks to close the transaction on or before May 6, 2016, or any other earlier date that SDI and the Target agree upon. The transaction is conditional upon SDI arranging financing, the execution of a definitive purchase agreement and regulatory approvals.

Company President Gregory Sullivan commented, “This acquisition is a strategic enhancement to our global footprint. The target company would give SDI additional distribution, licensing, and a full product mix for corporate expansion”.

Additional information will be provided in subsequent press releases.

This press release is for information purposes only and does not constitute an offer to sell or a solicitation of an offer to buy any securities of SDI in any jurisdiction.

## Forward Looking Statement

The information in this news release includes certain information and statements about management’s view of future events, expectations, plans and prospects that constitute forward looking statements including information with respect to the closing date for the transaction. Because of certain risks and uncertainties and as a result of a variety of factors, the actual results, expectations, achievements or performance may differ materially from those anticipated and indicated by these forward looking statements. Although SDI believes

that the expectations reflected in forward looking statements are reasonable, it can give no assurances that the expectations of any forward- looking statements will prove to be correct. In addition to other risks, the closing of the transaction could be delayed, or not proceed at all, if SDI is unable to finance the acquisition, or if SDI is unable to reach agreement with the seller concerning the terms of the definitive sale agreement, or if SDI is unable obtain regulatory approvals necessary for completion of the Transaction. Except as required by law, SDI disclaims any intention and assumes no obligation to update or revise any forward looking statements to reflect actual results, whether as a result of new information, future events, changes in assumptions, changes in factors affecting such forward looking statements or otherwise.

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