

# Document Security Systems, Inc. Enters Proposed Joint Venture to Establish a U.S.– Based Medical Real Estate Investment Trust

March 16, 2020

ROCHESTER, N.Y., March 16, 2020 (GLOBE NEWSWIRE) -- Document Security Systems, Inc. (**DSS** or the "**Company**") (NYSE American: DSS), a leader in anti-counterfeit, authentication and diversion protection technologies today announced that on March 3, 2020, together with its wholly owned subsidiary, DSS Securities Inc. ("**DSSS**"), entered into a binding term sheet (the "**Term Sheet**") with LiquidValues Asset Management Ptd Ltd ("**LVAM**"), AMRE Asset Management Inc. ("**AAMI**") and American Medical REIT Inc. ("**AMRE**") to enter into a proposed joint venture to establish a U.S. based medical Real Estate Investment Trust.

The Company is excited to be able to participate in this venture at an early stage at founders' valuation by way of angel investment. The Company is given the right to participate in both the REIT manager level - AAMI as well as the REIT level – AMRE. This venture has the potential to be a stable and highly rewarding asset to the Company.

## **About AAMI and AMRE**

AAMI is a real estate investment trust ("**REIT**") management company that sets the strategic vision and formulates investment strategies for AMRE. It manages the REIT's assets and liabilities and provides recommendations to AMRE on acquisitions and divestments in accordance with the investment strategies.

AMRE was formed to originate, acquire, and lease a credit-centric portfolio of licensed medical real estate. AMRE provides investors the opportunity for direct ownership of Class A licensed medical real estate. AMRE intends to acquire purpose-built healthcare facilities and lease them to leading clinical operators with strong market share under secure triple net leases. AMRE targets hospitals (both Critical Access and Specialty Surgical), Physician Group Practices, Ambulatory Surgical Centers, and other licensed medical treatment facilities.

The team that is heading AAMI is the same team that founded a similar REIT – Global Medical Real Estate (**GMRE**) – that is currently listed on the New York Stock Exchange with market capitalization of over \$800 Million and was recently added to the Morgan Stanley Capital International (**MSCI**) US REIT Index. Mr. Chan Heng Fai, Chairman of the board and largest shareholder of the Company, was the sole funder and founder of the GMRE REIT.

## **The Agreements**

AMRE has in place two signed agreements with an advisory firm and two investment banking houses in the United States in the effort to actively raise funds.

**The first agreement** was signed with an advisory firm on December 11, 2019 for a period of six (6) months, with such term automatically extended on a month-to-month basis, pursuant to which the advisory firm will assist AMRE in raising capital for its medical facilities platform. The agreement will allow AMRE to access the advisory firm's services and provide opportunities for AMRE to match with potential real estate capital providers. These capital providers could provide real estate equity, senior financing and/or subordinate/mezzanine financing to support the Company's growth. The advisory firm has extensive experience in providing customized capital and financial advisory solutions to real estate owners, investors and lenders.

**The second agreement** was signed on February 3, 2020 with two well-established investment banking houses in the United States (the "Investment Banking Houses"). The Investment Banking Houses will support AMRE in its efforts to actively raise funds, including through the sale of securities in a registered public offering, or as otherwise may be determined to be in the best interest of AMRE, subject to general economic and market conditions and federal and state securities laws and regulations.

## **The Term Sheet**

The binding term sheet sets out the terms of the proposed joint venture, with the management company, AAMI, to be jointly held in the respective percentages: DSSS holding the controlling ownership of 52.5%, LVAM – 35%, and AMRE Tennessee, LLC - the executive management's holding company – 12.5%.

The Company will also be subscribing to a promissory note issued by AMRE for the principal amount of \$800,000.00 (the "**Note**"). The Note matures on March 3, 2022 and accrues interest at a rate of eight percent (8.00%) per annum. Warrants to purchase shares of common stock of AMRE (the "**Warrants**") were issued to the Company in connection with the Note. The Warrants are exercisable for four (4) years and have an exercise price of \$5.00 per share, subject to certain adjustments.

In addition, DSS has the option provide AMRE an additional \$800,000 on the same terms and conditions as the Note, including the issuance of warrants.

Frank D. Heuszel, CEO of DSS stated, "DSS is excited to continue its efforts to diversify its business with what it believes are accretive acquisitions and business endeavors. Our Chairman, Heng Fai Ambrose Chan has deep expertise in real estate investment trust business operations and together with our Board of Directors, supports the development of our REIT management activities to expand our asset base and growth potential."

## **ABOUT DOCUMENT SECURITY SYSTEMS, INC. (DSS)**

For over 15 years, DSS has protected corporations, financial institutions, and governments from sophisticated and costly fraud. DSS' innovative anti-counterfeit, authentication, and brand protection solutions are deployed to prevent attacks which threaten products, digital presence, financial instruments, and identification. AuthentiGuard®, the company's flagship product, provides authentication capability through a smartphone application so businesses can empower a wide range of employees, supply chain personnel, and consumers to track their brands and verify authenticity. For more information on DSS visit <http://www.dsssecure.com>.

## **SAFE HARBOR DISCLOSURE**

This press release contains forward-looking statements that are made pursuant to the safe harbor provisions within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Such forward-looking statements include, but are not limited to, statements related to the Company's ability to complete the financing, its intended use of proceeds and other statements that are not historical facts. Forward-looking statements are based on management's current expectations and are subject to risks and uncertainties that may cause actual results or events to differ materially from those projected. These risks and uncertainties, many of which are beyond our control, include: the risk that the public offering of common stock may not close; risks relating to our growth strategy; our ability to obtain, perform under and maintain financing and strategic agreements and relationships; risks relating to the results of development activities; our ability to attract, integrate and retain key personnel; our need for substantial additional funds; patent and intellectual property matters; competition; as well as other risks described in the section entitled "Risk Factors" in the prospectus and in the section entitled "Risk Factors" and elsewhere in our Annual Report on Form 10-K filed with the SEC on March 15, 2019 and in our other filings with the SEC, including, without limitation, our reports on Forms 8-K and 10-Q, all of which can be obtained on the SEC website at [www.sec.gov](http://www.sec.gov). Readers are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date on which they are made and reflect management's current estimates, projections, expectations and beliefs. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as required by law.

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