

Gravitas Announces Sale of Portfolio of Assets

Toronto, Ontario--(Newsfile Corp. - September 24, 2019) - Further to its news release issued on May 28, 2019 announcing the entering into of an accommodation agreement and related sale and investment solicitation process ("**SISP**"), Gravitas Financial Inc. (CSE: GFI) ("**Gravitas**") today announces that it has entered into an agreement with Principle Capital Partners Corporation ("**Principle**") and Ridley Park Capital Inc. ("**RPC**") pursuant to which: (i) Principle will acquire Gravitas' directly- or indirectly-held interest in Gravitas Ventures Inc., Ubika Corp. and certain other securities directly-held by Gravitas; (ii) RPC will acquire certain securities directly held by Gravitas or indirectly-held through Gravitas Ventures Inc. and Ubika Corp., and Gravitas' interest in Prime City One Capital Corp. and (iii) each purchaser will also acquire certain related interests, dividends, and repayments of debt principal or receive a set-off for such amounts to the extent retained by Gravitas, for total cash proceeds of \$800,000 subject to set-off for amounts retained by Gravitas in respect of certain securities holdings sold since June 30, 2019 (the "**Transaction**").

The proceeds of the Transaction will be used in accordance with the accommodation agreement and will permit Gravitas to obtain the needed working capital in order to continue operations in the short term as well as further the SISP.

A committee established in connection with the SISP (the "**SISP Committee**"), comprised of an independent and disinterested member of the board of directors of Gravitas (the "**Board**") reviewed and accepted the terms of the Transaction and determined that it is in the best interest of Gravitas considering, among other things:

- the recommendation of FTI Capital Advisors - Canada ULC ("**FTI**"), the party assisting with the SISP, after consultation with FAAN Advisors in its capacity as Chief Process Advisor, with FTI advising that the Transaction is reasonable and appropriate;
- the Transaction being supported by the majority holders of Gravitas' secured debt; and
- the current financial situation of Gravitas.

The Transaction is subject to certain customary closing conditions as well as a pre-closing reorganization to transfer certain assets which are not being acquired by the purchasers to Gravitas or its affiliates and receipt of certain customary consents or notice requirements in respect of the transfers and TSXV approval in respect of the sale of Gravitas' interest in Prime City One Capital Corp. and is structured to close in multiple closings as required in respect of receipt of consents and approvals with the first closing expected to occur on or about October 4, 2019.

The Transaction will constitute a "related party transaction" within the meaning of Multilateral Instrument 61-101 - *Protections of Minority Security Holders in Special Transactions* ("**MI 61-101**"). However, due to Gravitas' current financial situation, Gravitas is relying on the exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 contained in Section 5.5(g) and Section 5.7(1)(e) of MI 61-101, respectively, on the basis of the "financial hardship" exemption therein.

The disinterested members of the Board, acting in good faith, have determined that due to Gravitas' current financial situation, that the Transaction is designed to improve Gravitas' financial position, and that the terms of the Transaction are reasonable in Gravitas' circumstances. As the members of the Board, Winfield Ding, Vikas Ranjan and Lawrence Xing, disclosed an interest in the Transaction and recused themselves from voting on the approval of the Transaction, the Transaction was approved by the remaining disinterested members of the Board.

Gravitas expects to file a material change report in respect of the related party transaction less than 21 days prior to the closing of the Transaction, which Gravitas deems reasonable in the circumstances so as to be able to avail itself of the proceeds of the Transaction in an expeditious manner.

Forward-looking Statements

Certain statements in this news release constitute "forward-looking" statements. These statements relate to future events or our future performance. Forward-looking statements include the closing of the Transaction and the statement that the Transaction will permit Gravitas to obtain needed working capital in order to continue operations in the short term. All such statements involve substantial known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to vary from those expressed or implied by such forward-looking statements. Forward-looking statements reflect current expectations regarding future events and operating performance and speak only as of the date of this news release. Forward-looking statements involve significant risks and uncertainties, they should not be read as guarantees of future performance or results, and they will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements, including, but not limited to, that the closing will not occur and that the proceeds from the Transaction will be insufficient for Gravitas' financial needs, even in the short term. Although the forward-looking statements contained in this news release are based upon what management of Gravitas believes are reasonable assumptions on the date of this news release, Gravitas cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are subject to certain risks and uncertainties and other risks detailed from time-to-time in Gravitas' ongoing filings with the securities regulatory authorities, which filings can be found at www.sedar.com. These forward-looking statements are made as of the date of this news release and Gravitas disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

ABOUT GRAVITAS FINANCIAL INC.

Gravitas Financial Inc. is a platform company that creates businesses in key traditional and emerging sectors with strong industry partners. Our industry focus includes financial services and fintech. We leverage our unique platform to develop a continuous pipeline of new ventures with significant blue-sky potential. Our platform is complimented by strong investment research and digital investment media groups.

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

For further information or to receive a copy of the early warning report referred to above, please contact:

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