

Gravitas Announces Definitive Agreement Regarding the Sale of certain Indebtedness

Toronto, Ontario--(Newsfile Corp. - October 18, 2019) - Gravitas Financial Inc. (CSE: GFI): Further to its news release dated May 28, 2019 announcing the entering into of an accommodation agreement (the "**Accommodation Agreement**") and related sale and investment solicitation process ("**SISP**"), Gravitas Financial Inc. ("**Gravitas**") announces that it has entered into a purchase agreement (the "**Purchase Agreement**") with The Canadian Family Office Network Ltd. ("**CFON**") pursuant to which CFON will acquire from Gravitas and Gravitas' wholly-owned subsidiary, Global Compliance Network Inc. ("**GCNI**"): (i) the indebtedness in the principal amount of \$4,993,739 owed by 2242257 Ontario Inc., an affiliate of Gravitas, to Gravitas pursuant to an amended loan agreement dated August 30, 2017 (the "**Purchased Indebtedness**") and (ii) all of Gravitas and GCNI's respective right, title and interest in and to a lease dated June 17, 2016 (the "**Lease**"), and a guaranteed investment certificate having a principal amount of \$230,200, and which has been pledged as security for the letter of credit issued to the landlord of the Lease (the "**GIC**", and together with the Lease, the "**Purchased Lease Assets**"), in consideration for an aggregate purchase price of \$500,000 (the "**Transaction**").

Provided that all conditions set out in the Purchase Agreement have been satisfied or waived in accordance therein, CFON shall pay the applicable purchase price of the Purchased Indebtedness and the Purchased Lease Assets without withholding, set-off or reduction. The proceeds of the Transaction will be used primarily to satisfy Gravitas' secured debt obligations, in accordance with the Accommodation Agreement. **None of the proceeds from the Transaction shall be distributed to shareholders of Gravitas.**

A committee established in connection with the SISP, comprised of an independent and disinterested member of the board of directors of Gravitas, as well as board of directors following the recommendation of the committee, 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;
- concern regarding the financial ability of 2242257 Ontario Inc. to meet its obligations with respect to the Purchased Indebtedness;
- the Transaction being supported by the majority holders of Gravitas' secured debt; and
- the current financial situation of Gravitas.

The Transaction may close in multiple closings and is subject to certain customary closing conditions, including that at the time of closing(s), Gravitas shall have, among other things, procured for CFON an assignment of the Lease, which assignment shall include an assignment of any prepaid rents or deposit, and an assignment of all rights that Gravitas or GCNI may have in respect of or directly relating to the GIC.

As previously disclosed, at the upcoming annual and special meeting of shareholders of Gravitas, scheduled to be held on Tuesday, October 29, 2019 (the "**Meeting**"), Gravitas is seeking approval of its shareholders in connection with other previously announced transactions, which could result in the sale of all or substantially all of the property of Gravitas. In connection with the Meeting, Gravitas sent to its shareholders a management information circular dated as of September 30, 2019 (the "**Information Circular**"). The Transaction was described in the Information Circular as a "Potential Transaction". Accordingly, the persons named in the form of proxy which accompanied the Information Circular intend to vote **FOR** the resolution which approves the Transaction (as part of the "Potential Transactions"), which is part of the resolution approving the sale of all or substantially all of the property of Gravitas, unless the shareholder has specified in the form of proxy that the common shares of Gravitas represented by such form of proxy are to be voted against such resolution.

Forward-looking Statements.

Certain statements in this news release constitute "forward-looking" statements. These statements relate to future events or our future performance and, in certain cases, can be identified by the use of words such as "will", "shall", "could" occur, or the negative forms of any of these words and other similar expressions. Forward-looking statements include the closing of the Transaction on the same terms or in the time provided or that conditions to closing in respect of the Transaction will be satisfied including without limitation: the compliance by the parties with various covenants contained in the Purchase Agreement and obtaining the required shareholder approvals for, *inter alia*, the Transaction at the Meeting; the timing of the completion of the Transaction; the use of proceeds of the Transaction; and the timing of the Meeting. 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 conditions to the Transaction, including shareholder approvals, are not satisfied or waived (if applicable). 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, please contact:

Vikas Ranjan, President, Gravitas Financial Inc.

Email: vikas@gravitasfinancial.com

Phone: 647-352-2666

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