

# i3 Closes First Tranche of LivePools Acquisition

Toronto, Ontario--(Newsfile Corp. - January 25, 2021) - i3 Interactive Inc. (CSE: BETS) (FRA: F003) ("**i3**" or the "**Company**") is pleased to announce that it has closed the initial tranche of the previously announced acquisition of LivePools Private Limited ("**LivePools**"). The Company's subsidiary Redrush Online Private Limited ("**Redrush**"), has closed on the initial tranche of US\$1,400,000 and has been issued 10,125 shares of LivePools, being 12.61% of the economic ownership in LivePools. Unless otherwise agreed, the remaining three tranches are expected to close on or before April 1, 2021, October 12, 2021 and February 1, 2022, respectively, for a total additional consideration of US\$6,100,000. Upon closing of the remaining tranches, Redrush will own 51% of the economic ownership of LivePools and Redrush will have an option to acquire the remaining 49% of shareholdings in LivePools (the "**Minority Interest**") for an additional US\$7,500,000. As of closing of the initial tranche, Redrush also has the right to appoint a majority of directors on the board of directors of LivePools, and controls 51% of the voting rights in LivePools.

LivePools is a company registered in India focusing within the Fantasy sports, rummy and real money skill based gaming space launched in 2018 by Gaurav Assomull and Vickram Assomull. LivePools has grown to over 1.5 million users with the aim to be over 10 million users by Q1 2022.

i3's management team commented, "Our plan to enter the Indian gambling market began almost two years ago with an investigation into the best avenue to enter what is one of the largest and fastest growing online gaming markets in the world. We took our first step last year with the launch of i3's BLITZPOKER platform. After the launch of BLITZBOKER exceeded the company's expectations, our next step was to break into the already established and rapidly growing fantasy sports gaming segment in India. LivePools was a company i3 shortlisted as a potential acquisition after a year of reviewing similar opportunities. The first-class quality of the team, the proprietary technology, the efficient low-cost CPA and player activity and enjoyment through marketing and new product offerings made the decision to move forward with this opportunity very compelling. We are building what we believe will be the premier destination for Indian fantasy sports enthusiasts. Our commitment to product, customer service and exciting brand engagement is unwavering. Furthermore, the addition of fantasy sports to our existing poker offering works perfectly with our desire to continue to build an ecosystem that welcomes gamers of all skill levels. It's all about having fun and engaging where you want and with the products you want and i3 believes we are that destination and we're setting out to prove it."

The closing of this initial tranche represents the Company's commitment to the skill based online gaming market in India, which continues to exceed expectations as the fastest growing skill based online gaming market in the world. With the closing of this initial tranche, and the goal of acquiring controlling interest of LivePools, the Company has expanded beyond its successful launch of BLITZPOKER, executing on its strategy to create a world class experience and ecosystem for gamers. With this investment comes the addition of fantasy sports, rummy and quiz gaming to go along with the Company's already successful poker product launch, continuing to round out the ecosystem which will soon include a number of additional product offerings such as esports and other skill-based games.

As a part of closing the initial tranche, the Company paid an arm's length finder 12,000,000 units ("**Units**") at a deemed price of \$0.1575 per Unit. Each Unit consists of one (1) common share in the capital of the Company (each, a "**Share**") and one (1) Share purchase warrant of the Company (each, a "**Warrant**"). Each Warrant will entitle the holder thereof to acquire one (1) additional Share (each a "**Warrant Share**") at an exercise price of \$0.21 per Warrant Share for a period of two (2) years from the date of issuance of the Warrants. The Units are subject to a statutory hold period of four months plus one day.

Separately, the Company has also entered into a debt settlement agreements with an arm's-length

service provider and a director and officer of the Company (collectively, the "**Creditors**"), pursuant to which the Company intends to settle up to \$343,194 owed to the Creditors through the issuance of up to 2,179,009 Shares (the "**Debt Settlement**"). The Shares are subject to a statutory hold period of four months plus one day.

As a certain officer and director of the Company participated in the Debt Settlement, it is considered a related party transaction for the purposes of Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). The participation of the director and officer is exempt from the formal valuation and minority shareholder approval requirements provided under MI 61-101 in accordance with sections 5.5(a) and 5.7(1)(a) of MI 61-101. The Company is relying on an exemption from the formal valuation and minority shareholder approval requirements of MI 61-101 available because the fair market value of the debentures pertaining to the director and officer does not exceed 25% of the Company's market capitalization, as determined in accordance with MI 61-101. The Company did not file a material change report related to these debenture extensions more than 21 days before the expected closing of the Debt Settlement as required by MI 61-101 since the details of the Debt Settlement were not settled until shortly prior to the Debt Settlement and the Company wished to close on an expedited basis for sound business reasons.

## **ABOUT I3 INTERACTIVE INC.**

The Company is in the business of providing its customers with entertaining, exciting and engaging online gaming products with a unique blend of skill-based games and games of chance. The Company's product suite includes social gaming, sports betting, poker, rummy, fantasy sports, quiz games as well as thrilling games of chance as part of its certifiably fair online casino. The Company will soon be adding to both its product offering and to geographic availability as it strives to make its products available everywhere globally.

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## **Forward-Looking Statements**

*This press release contains forward-looking statements within the meaning of applicable Canadian securities laws. Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "believe", "plan", "estimate", "expect", "likely" and "intend" and statements that an event or result "may", "will", "should", "could" or "might" occur or be achieved and other similar expressions. The forward-looking statements in this press release include statements relating to the Company's completion of the acquisition of the majority interest and completion of subsequent tranches of the acquisition. Forward-looking statements are subject to business and economic risks and uncertainties and other factors that could cause actual results of operations to differ materially from those contained in the forward-looking statements, including, without limitation, (i) the costs of compliance with and the risk of liability imposed under the laws of the jurisdictions in which the Company is operating or will operate (the "**Operating Jurisdictions**") including gambling laws and regulations, sports betting laws and regulations and mobile or online gambling and sports betting laws and regulations, (ii) negative changes in the political environment or in the regulation of mobile and online sports betting or gambling and the Company's business in the Operating Jurisdictions, (iii) risks relating to COVID-19 (iv) negative shifts in public opinion and perception of the gambling industry, (v) significant competition in the industry, (vi) risks of product liability and other safety-related liability as a result of usage of the Company's planned gambling and betting products, (vii) loss of intellectual property rights or protections, (viii) cybersecurity risks, (ix) constraints on marketing products, (x) fraudulent activity by employees, and (xi) risk of litigation. Readers are cautioned not to place undue reliance on forward-looking statements as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Readers are further cautioned that the assumptions used in the preparation of such forward-looking statements (including, but not limited to, the assumption that (i) the Company will be able to fund the acquisition of the*

*majority interest or additional tranches, as anticipated, (ii) the Company's financial condition and development plans do not change as a result of unforeseen events, (iii) there will continue to be a demand, and market opportunity, for the Company's product offerings, (iv) the Company will be able to establish, preserve and develop its brand, and attract and retain required personnel, (v) the growth of the gambling market in the Operating Jurisdictions, including the Indian gambling market, (vi) the Company's success in breaking into the Indian gambling market, and (vii) current and future economic conditions will neither affect the business and operations of the Company nor the Company's ability to capitalize on anticipated business opportunities) although considered reasonable by management of the Company at the time of preparation, may prove to be imprecise and result in actual results differing materially from those anticipated, and as such, undue reliance should not be placed on forward-looking statements. The forward-looking statements included in this press release are made as of the date of this press release and the Company does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities laws. Forward-looking statements, forward-looking financial information and other metrics presented herein are not intended as guidance or projections for the periods referenced herein or any future periods, and in particular, past performance is not an indicator of future results and the results of the Company in this press release may not be indicative of, and are not an estimate, forecast or projection of the Company's future results. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement.*



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