

# Globalive Technology Provides Update on Previously Announced Exercise of Call Right to Acquire Control of Flexiti, Participates Directly and Indirectly in a Pre-Emptive Rights Offering of Flexiti

TORONTO, Feb. 20, 2019 /CNW/ - Globalive Technology Inc. (TSX-V: LIVE) (the "Company"), a technology company focused on developing innovative payment, billing and credit solutions for consumers and businesses, today provided an update on its previously-disclosed call right, from Globalive Capital Inc. ("GC"), over GC's wholly-owned subsidiary, 2629331 Ontario Inc. ("262"). 262 is the controlling shareholder of FLX Holding Corp. ("FLX"), the parent company of Flexiti Financial Inc. ("Flexiti"). Flexiti is a leading fintech point-of-sale lender in Canada with over 1 million customers and more than \$250 million in loan receivables.

In a press release dated January 9, 2019, the Company announced that it is exercising a call right to acquire 100% of, and amalgamate with, 262 (the "Transaction"). Consummation of the Transaction is subject to certain conditions, including approval of the TSX Venture Exchange ("TSX-V"), minority shareholder approval in accordance with Multilateral Instrument 61-101, and the Company or Flexiti successfully raising adequate equity financing.

The Company is focusing on such financing, and on preparing the required financial statements and other disclosure that is required to be submitted to the TSX-V and included in the management information circular that will be mailed to its shareholders. The Company will provide further updates on its progress in the coming weeks, as appropriate.

While work continues, the Company has taken certain steps to preserve the value of the Transaction going forward. FLX is completing a rights offering for Series 2 Class B Preferred Shares, which were offered to existing shareholders under a pre-emptive right in its unanimous shareholders agreement ("Flexiti Rights Offering"). These shares are priced at \$0.14/share and are convertible into common shares of FLX. The Company is participating for its approximately 1.5% *pro rata* share (up to \$225,000) of the Flexiti Rights Offering.

In addition, the Company is making a \$3,000,000 loan to 262 to allow it to participate in the Flexiti Rights Offering. The loan does not bear interest but is repayable on demand and is secured by a first-ranking security interest over any securities issued to 262 in the Flexiti Rights Offering using the proceeds of the loan.

The Company, 262 and GC are related parties due to the direct or indirect ownership and/or control of the majority of the voting shares of each company, and due to the appointment of Anthony Lacavera as a director and officer of each company (who recused himself from the discussions of and voting by the board of directors on the transactions involving the Company, its loan to 262 and its participation in the Flexiti Rights Offering). While these are related party transactions under MI 61-101, they are exempt from the minority shareholder approval requirement as they involve consideration of less than 25% of the market capitalization of the Company and are exempt from the valuation requirement as the Company's shares are listed on the TSX Venture Exchange.

## **About Globalive Technology Inc.**

Globalive Technology is a next generation software company and venture partner developing innovative solutions to disrupt traditional industries by leveraging artificial intelligence and machine learning technology stacks, with a particular focus on delivering innovative payment, billing and credit

solutions. Globalive Technology is controlled by Globalive Capital Inc. which has founded and co-founded 12 businesses over the past 20 years with 6 successful exits ranging from \$10M to \$1.3B USD. It has also made over 100 venture investments and has over 45 technology companies in its portfolio. For more information, visit [www.globalivetech.com](http://www.globalivetech.com).

### **About Flexiti Financial Inc.**

Flexiti has reimagined point-of-sale (POS) consumer financing to drive sales for retailers in-store and online and is one of Canada's leading private label credit card issuers. Through its award-winning platform, Flexiti delivers a POS financing experience across any device that is customer-centric, simple and intuitive. Without the need to integrate into existing POS systems, retail partners can easily offer the same fast and paperless financing solution across all retail locations and sales channels to increase revenue and build loyalty through repeat purchases. Flexiti's joint venture with Globalive Technology demonstrates its commitment to innovation in the payments space through the development of solutions leveraging artificial intelligence. With high approval rates, innovative products and services, flexible promotional offers and a partnership-first approach, Flexiti is helping people improve their lives through better financing.

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### **CAUTION REGARDING FORWARD-LOOKING INFORMATION**

*This news release contains forward-looking statements relating to the Company, its exercise of the call right to acquire control of Flexiti, its participation in the Flexiti Rights Offering, its loan to FLX and other matters, as well as forward-looking statements about 262, FLX and Flexiti, their participation in the Flexiti Rights Offering, their products, services and financial performance, and other matters pertaining to each of them. Such forward-looking statements are identified by terms such as "will", "if", "is exercising", "subject to", "anticipated", "are expected to" and similar expressions. All statements, other than statements of historical fact included in this release, including those noted above, are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations include an inability to consummate the Transaction; failure to satisfy the necessary conditions to the Transaction including TSX-V approval, shareholder approval or raising adequate financing; a material change in 262, FLX or Flexiti's respective businesses; a breakdown in the Company's relationship with 262, FLX or Flexiti; Flexiti not performing in accordance with expectations or historical trends; difficulties integrating Flexiti into the Company's existing management and administrative structure; difficulties raising capital and/or meeting the requirements for investors to provide capital; FLX being unable or unwilling to complete the Flexiti Rights Offering; FLX raising a different amount of aggregate capital than anticipated in the Flexiti Rights Offering; 262 being unable to repay the loan made by the Company; the Company being unable to realize on its security from 262 in respect of the loan; changes in the value of the security given by 262 to its secured creditors, and other risks as set out in the Company's Filing Statement available on its SEDAR page at [www.sedar.com](http://www.sedar.com).*

*The reader is cautioned that assumptions used in the preparation of any forward-looking information may prove to be incorrect. Events or circumstances may cause actual results to differ*

*materially from those predicted as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company. The Company cannot guarantee that any of the forward-looking statements contained in this press release will occur as disclosed herein or at all. The reader is cautioned not to place undue reliance on any forward-looking information.*

*Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly the included forward-looking statements as expressly required by Canadian securities law.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

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CNW 23:16e 20-FEB-19