

# Globalive Technology Provides Update on Previously Announced Exercise of Call Right to Acquire Control of Flexiti

*Globalive Technology is providing an update on its previously-disclosed exercise of a call right to acquire control of Flexiti Financial, subject to the satisfaction of certain conditions.*

*Flexiti Financial is a leading fintech point-of-sale lender in Canada with over 1 million customers and approximately \$225 million in loan receivables.*

TORONTO, Sept. 13, 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 exercise of a call right to acquire 2629331 Ontario Inc. ("262 Holdco"), subject to the satisfaction of certain conditions. 262 Holdco owns approximately 41% of the common equity of, and exercises 51% voting control over, FLX Holding Corp. ("FLX"), the parent of Flexiti Financial Inc. ("Flexiti"), a leading point-of-sale consumer financing solutions company in Canada with over 1 million customers and a loan book of approximately a quarter of a billion dollars.

"As is clear from recent partner announcements from, for example, Birks, Bad Boy, Henry's, EQ3, and JYSK, together with its successful integration of the TD book, Flexiti continues to impress with its execution and growth," said Anthony Lacavera, the Company's Chief Executive Officer. "We see a tremendous opportunity for Globalive Technology."

As announced on January 9, 2019 and February 20, 2019, the exercise of the call right is subject to various conditions, including approval of the TSX Venture Exchange ("TSX-V"), minority shareholder approval in accordance with Multilateral Instrument 61-101 ("MI-61-101"), and the Company or Flexiti successfully raising adequate equity financing. Since that time, as Flexiti has been exploring a more comprehensive equity solution, Flexiti has secured aggregate debt and equity financing of approximately \$16.6 million from existing stakeholders of Flexiti. Such participating stakeholders included Globalive Capital Inc. ("GC") (\$1.9 million in aggregate) and the Company (\$3.11 million in aggregate).

The Company's management is pleased with the positive momentum it sees in its discussions with Flexiti and its stakeholders and is considering, in addition or in the alternative to the exercise of the call right over 262 Holdco, a business combination transaction that would result in the Company owning all or substantially all of the common equity of Flexiti on terms acceptable to the Company and to Flexiti's key stakeholders (a "Business Combination Transaction"). Negotiating and implementing the Business Combination Transaction is now the Company's primary focus in relation to Flexiti; consistent with the foregoing, the Company recently realized cash proceeds of approximately \$3.5 million from the disposition of certain non-Flexiti assets. All negotiations regarding a Business Combination Transaction are still preliminary and there can be no assurance that such a transaction, or even an agreement relating to such transaction, will be reached.

If negotiations are successful, the consummation of a Business Combination Transaction will be subject to certain conditions, including the Company or Flexiti successfully raising additional debt and equity financing and obtaining any requisite approvals from the TSX-V, the Company's minority shareholders in accordance with MI 61-101, the requisite shareholders of Flexiti, FLX and 262 Holdco, the secured creditors of Flexiti, FLX and 262 Holdco, and other key stakeholders. If a Business Combination Transaction can be successfully negotiated, the Company will call a shareholder meeting and deliver a management information circular and related materials that will contain further details regarding the Business Combination Transaction.

Any Business Combination Transaction will be subject to MI 61-101, as both 262 Holdco and the Company are controlled by GC, which in turn is controlled by Anthony Lacavera, the Company's Chief Executive Officer.

"We're optimistic about what a business combination with Globalive Technology could mean for Flexiti," said Peter Kalen, Chief Executive Officer of Flexiti. "Their proven success in raising and managing capital, combined with their experience in AI-driven software solutions, could play a key role in the long-term success of Flexiti and achieving our immense potential."

### **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 six 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. For more information, visit [www.flexiti.com](http://www.flexiti.com).

### **For investor inquiries:**

[InvestorRelations@globalivetech.com](mailto:InvestorRelations@globalivetech.com)

### **For media inquiries:**

Rob Moysey

Communications Manager, Globalive

[Media@globalivetech.com](mailto:Media@globalivetech.com)

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

*This news release contains forward-looking statements relating to the Company, its software and artificial intelligence development projects, its exercise of the call right to acquire control of Flexiti, its contemplation of further capital raises, a potential business combination transaction, certain required conditions and approvals, and other matters, as well as forward-looking statements about Flexiti, its products and services, financial performance, and existing and future technologies. Such forward-looking statements are identified by terms such as "will", "would", "can be", "is exercising", "subject to", "contemplating", "exploring", "considering", "of up to", "intends", "once it is", "preliminary" 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 negotiate or consummate the proposed transactions, failure to satisfy the necessary conditions to the transaction including TSX-V approval, shareholder approval, secured creditor approval, the approval of other key stakeholders*

*and, if applicable, the approval of the court or of any regulatory body, changes to the proposed transaction as a result of negotiations or as a condition to obtaining any of the foregoing approvals, an inability to raise adequate financing, other parties proposing alternative or competing transactions to acquire all or part of Flexiti, a material change in Flexiti's business, a breakdown in the Company's relationship with Flexiti, Flexiti not performing in accordance with expectations or historical trends, difficulties integrating Flexiti into the Company's existing management and administrative structure, software not functioning as expected, difficulties or delays in developing the proposed software, third parties not using or responding to the software as expected, competitors operating in the same spaces or industries, economic conditions making the technologies or licenses not as attractive as expected, difficulties raising capital and/or meeting the requirements for investors to provide capital, 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.*

SOURCE Globalive Technology

View original content: <http://www.newswire.ca/en/releases/archive/September2019/13/c5982.html>

%SEDAR: 00033704E

CO: Globalive Technology

CNW 07:00e 13-SEP-19