

Globalive Technology Announces Transformative Merger with Leading CBD Company Socati Corp.

Reverse takeover with Socati Corp. creates a vertically integrated global CBD producer poised to become a leading supplier to top consumer brands

TORONTO, June 4, 2020 /CNW/ - Globalive Technology Inc. (TSX-V: LIVE) (the "Company"), a technology company based in Toronto, Ontario, is pleased to provide details relating to its previously announced transformative merger with Socati Corp. ("Socati"), a leading manufacturer and processor of CBD and other cannabinoid-based products, by way of a reverse takeover (the "Transaction"). The combination will create a vertically integrated global wellness company with a significant opportunity to capitalize on the rapidly evolving and consolidating CBD marketplace. More information regarding the Transaction can be found in the Company's SEDAR filing at www.sedar.com.

Socati Overview

Socati is a vertically integrated manufacturer and marketer of premium-quality and efficacious cannabinoid ingredients and consumer products. The company focuses on the manufacture of CBD, minor cannabinoids such as CBG and CBN, and other functional ingredients and finished wellness products. Socati possesses extensive intellectual property and proprietary technology in cannabinoid extraction and separation, as well as best-in-class in-house analytical capabilities.

Significantly, Socati is the only commercial scale producer of ['USDA Organic' certified cannabinoid ingredients](#) with non-detectable levels of THC, the psychoactive component of hemp. This creates compelling brand value and a first-mover advantage for Socati as consumers shift to organic CBD products. The USDA Organic Seal is the gold standard for supply chain integrity in the United States, with consumer demand for organic products driving significantly [higher growth rates and price premiums](#) relative to their nonorganic counterparts.

Socati's vertical integration across ingredients, product manufacturing, branded products, and distribution empowers the company to drive profit across the value chain. The company operates across the United States, a foundational market for Socati that is projected to reach US\$24 billion by 2025, according to investment banking firm Jeffries. The company operates five greenhouses and three full-scale genetic laboratories in Oregon and a 22,000 square-foot manufacturing facility in Montana.

Socati also has activities in both Europe, whose CBD market is projected by Canaccord Genuity to reach €3.8 billion by 2022, and Asia, with the Chinese CBD market alone projected to reach US\$15 billion within five years, according to Grand View Research. This vertical integration and diverse geographic footprint offers distinct advantages over comparable CBD producers, providing a platform uniquely positioned to capitalize on consolidation opportunities as they arise.

"Demand for THC-free CBD products is growing exponentially around the world," said Lorne Abony, Socati's Chairman. "Socati's unique ability to deliver consistent USDA Certified cannabinoid ingredients and finished products that meet industry-leading quality standards positions our company to become a leading supplier to top consumer brands and retailers incorporating CBD into their products and stores across the globe."

Management Expertise

Socati is led by a world-class management team and Board of Directors with demonstrated expertise in developing international brands and cannabinoid products.

Management Team

Josh Epstein, CEO and Co-Founder

Epstein previously served as President & Chief Operating Officer of global cannabis producer Nuuvera, which was subsequently purchased by industry leader Aphria for C\$826 million. Epstein was previously a partner at FastForward Innovations, an investment firm focused on emerging technologies.

Lorne Abony, Chairman and Co-Founder

Abony is an experienced entrepreneur and investment professional. He co-founded and led Nuuvera, overseeing the company's international production and distribution expansion into markets such as Germany, Israel and Italy. Abony previously co-founded FUN Technologies and facilitated its growth into the world's largest provider of online casual games and fantasy sports. He sold the company for C\$484 million in 2006.

Brian Goldberg, CFO

Goldberg was formerly Chief Financial Officer, Chief Strategy Officer & Executive Vice President of Corporate Development of Amplify Snack Brands, Inc. from company formation in 2014 through successful exit to The Hershey Company in 2018 for ~\$1.7B+. Goldberg was previously Chief Financial Officer at Badlands Power Fuels, LLC through its successful exit to Heckmann Corporation in 2012 and served as the Chief Financial Officer and Chief Operating Officer at Sweet Leaf Tea Company through its successful exit to Nestle in 2011.

Brad Kelley, COO

Kelley joined Socati with more than 25 years of executive and operational experience in flavors, ingredients, and chemicals. Over the last eleven years, as V.P. Operations, Chief Operations Officer, and President, his leadership was instrumental in the rapid growth of Mane's U.S. flavor division. Before joining Mane, he worked for Givaudan in the U.S. and in Switzerland, where he held various operations leadership positions. He started his career with Monsanto in Pensacola, Florida.

Board of Directors

Socati's Board of Directors includes Co-Founder & CEO Josh Epstein; Co-Founder & Chairman Lorne Abony; Eric Ball, a technology professional and investor who served as a senior finance executive at Oracle for more than 10 years; and Edward Lonergan, a veteran consumer packaged goods and B2B industry executive with more than 35 years in senior roles at various companies including Procter & Gamble, Gillette Europe, and Chiquita Brands International.

About Socati

Socati is a leading processor of USDA Organic certified hemp-based products, including broad spectrum extracts with non-detectable THC. The company provides a top-quality and consistent product for a market projected to reach \$24 billion by 2025. Leveraging investments in new technologies, Socati engages in large-scale manufacturing and has logistics in place to process increasing amounts of hemp biomass to meet demand. With the ability to manufacture USDA Certified hemp extracts at scale, Socati is built to serve the needs of large, international CPG companies that are seeking high quality raw materials. To learn more about Socati, visit www.socati.com. Watch this [VIDEO](#) for details on Socati's high quality CBD ingredients.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements relating to the Transaction, the growth in demand for THC free CBD and growth for Socati and other statements that are not historical facts. Such forward-looking statements are often identified by terms such as "possible", "if", "would", "will", "is incurring", "subject to", "intends", "estimates", "contemplated", "following", "continuing to", "anticipates", "anticipated", "poised to become", "projected" 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 changes to the CBD market; changes to Socati or the Company's business focus, strategic plan or capital requirements; changes in market, industry and regulatory conditions for Socati or the Company; unexpected operating gains or losses in the Socati or the Company; a breakdown in the Company's relationship with Socati; the inability to satisfy the conditions precedent to complete the Transaction, or to complete the Transaction on the terms and conditions currently contemplated, including shareholder and TSX-V approvals; other parties seeking to acquire an interest in Socati or the Company; difficulties or delays in combining the businesses of Socati and the Company; the availability of any necessary or desired financing in connection with the merger; the novel coronavirus pandemic impacting on the proposed transaction or the businesses of the Company and Socati; and other risks as set out in the Company's Filing Statement available on its SEDAR page at 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.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities of the Company, Socati or the resulting issuer in either Canada or the United States.

The securities of such entities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "US Securities Act"), or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the US Securities Act and applicable state securities laws or an exemption from such registration is available.

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

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