

Globalive Technology Announces Agreement with Yooma Corp. to Complete a Reverse Takeover Transaction Concurrently with Previously Announced Transaction with Socati Corp.

Globalive Technology today announced that it has signed a binding letter agreement to complete a reverse takeover transaction with Yooma Corp., an Asia-focused social commerce company with operations in China and Japan to complement the recently announced transaction with vertically-integrated Socati Corp.

TORONTO, July 13, 2020 /CNW/ - Globalive Technology Inc. (TSXV: LIVE) (the "**Company**"), a technology company based in Toronto, Ontario, announced today that it has signed a binding letter of intent (the "**LOI**") with Yooma Corp. ("**Yooma**") dated July 13, 2020 to complete an arm's length reverse take-over pursuant to which the Company will acquire all of the issued and outstanding securities of Yooma in exchange for common shares of the Company (the "**Yooma Transaction**"). The Yooma Transaction and the previously announced transaction (the "**Socati RTO**", or together with the Yooma Transaction, the "**Transaction**") with Socati Corp. ("**Socati**") are expected to close contemporaneously with the resulting issuer (the "**Resulting Issuer**") continuing under such name as Socati may reasonably determine, subject to the satisfaction and/or waiver of all required conditions precedent, including consents and approvals from regulators and shareholders.

About Yooma

Yooma is a private corporation, incorporated under the laws of the Province of Ontario in 2019, with its corporate headquarters in Toronto, Ontario. Through its wholly-owned subsidiary, Entertainment Direct Asia Ltd. ("**EDA**"), and EDA-owned entities based in China and Japan, management of Yooma intends to leverage the success and experience of its senior managers to build Yooma's business into one of Asia's leading cannabinoid (CBD) products social commerce companies through the distribution and sale of CBD beauty and skincare products via a strategically curated network of sales channels. Yooma has assembled a strong international team of multicultural industry professionals with extensive experience in digital marketing, ecommerce and social media in the pan-Asian region, with particular depth in the Chinese ecommerce market having launched in excess of 100 brands in China over the past eight years. Yooma recently raised US\$5.1 million through a financing completed in May 2020 at a price of US\$0.65 per share (the "**May Financing**").

The Transaction

Subject to regulatory and shareholder approval, and the satisfaction of other conditions precedent, the Company intends to acquire all of the issued and outstanding securities of Yooma (collectively, the "**Yooma Securities**") from the holders of the Yooma Securities (collectively, the "**Yooma Securityholders**") for aggregate consideration of approximately US\$25 million. The consideration will be paid by issuing common shares of the Company to the Yooma Securityholders at a price per share (the "**Share Price**") calculated by dividing the value of all assets remaining in the Company on closing (including cash and cash-equivalents), plus US\$500,000, by the number of issued and outstanding common shares of the Company, on a fully-diluted basis, on the date of the closing. The Company estimates that it will hold cash and cash equivalents of no less than US\$4,500,000 by the closing date of the Transaction.

The terms of the Yooma Transaction contemplate that, with the exception of cash and cash-equivalents, the Company's existing business, assets and liabilities, including its technology venture subsidiaries and their intellectual property, its interest in Flexiti Financial Inc. and its affiliates and some or all of its technology investments will, subject to regulatory and shareholder approval, be transferred to a third-party that is to be determined, with the value of such assets captured or distributed to the shareholders of the Company immediately prior to the Transaction (the "**Spin-Off**").

The Company and Socati will rationalize their equity incentive plans, any equity incentives issued under such plans and all other outstanding convertible securities to create one or more post-Transaction equity incentive plans in the Resulting Issuer to properly incentivize management, directors and key employees.

The Yooma Transaction is subject to conditions precedent (the "**Conditions**") substantively similar to those provided for in the Socati RTO, including but not limited to: (i) the Company continuing to be listed on the TSX Venture Exchange (the "**Exchange**"); (ii) director and shareholder approval for both Yooma and the Company; (iii) receipt of any necessary Exchange, regulatory and third-party approvals or consents; (iv) no material adverse change in either the Company or Yooma between the date of the LOI and the closing of the Yooma Transaction; (v) the Company holding cash and cash-equivalents of no less than US\$4,500,000 on closing of the Yooma Transaction; (vi) completion of the pre-closing matters described above, (vii) the completion of the Socati RTO; (viii) the completion of the Spin-Off on terms satisfactory to the parties, acting reasonably; and (ix) other conditions typical for a transaction of this nature.

No insider of the Company, or any of their associates or affiliates, has any material interest, direct or indirect, in the Yooma Transaction other than in connection with the entitlement of such insiders who are shareholders of the Company to receive shares of the Resulting Issuer on the same basis as other shareholders of the Company, and Mr. Lacavera as a potential director of the Resulting Issuer. No finder fee will be paid in connection with the Yooma Transaction.

Yooma Financing

Prior to completion of the Yooma Transaction, Yooma may seek to complete a private placement at the same valuation as the May Financing (the "**Yooma Financing**"), the net proceeds of which, if any, will increase the valuation of Yooma (on a dollar for dollar basis) for the purposes of the Transaction. The Yooma Financing, to the extent it is completed, would be in addition to the proposed private placement of subscription receipts by Socati referenced in the Company's press released dated June 4, 2020 (the "**June 4 Release**").

Sponsorship

Sponsorship of the Transaction is required by the policies of the Exchange unless an exemption is granted by the Exchange. The Company intends to apply for an exemption from the sponsorship requirement in accordance with Exchange policy, however, there can be no assurance that the Exchange will grant such an exemption.

Proposed Management and Board of Directors of the Resulting Issuer

Upon completion of the Transaction, it is anticipated that certain of Yooma's current executive and management teams will be integrated with the proposed management and board of directors of the Resulting Issuer, as described in the June 4 Release.

Additional Information

A copy of the LOI with more detailed information about the Yooma Transaction is available for

review on the Company's SEDAR page at www.sedar.com. The Company will disclose additional information relating to the Yooma Transaction, the Socati RTO, the Spin-Off and related matters as soon as they becomes available, including additional financial information relating to Yooma, the backgrounds of any other person who may constitute an insider of the Resulting Issuer, and any other relevant information.

The LOI is binding on the parties, however, the parties are continuing to negotiate the more detailed, definitive agreements that will govern the Yooma Transaction, the Spin-Off and related matters. In the course of those negotiations, material terms pertaining to the Yooma Transaction, including its structure, timing, the consideration payable for the Yooma Securities, the calculation of the Share Price, the Yooma Financing, closing conditions and other matters may be added, amended or removed. The Company will provide an update on any material terms not already disclosed as soon as reasonably possible once that information becomes available.

Completion of the Yooma Transaction is subject to a number of conditions precedent, including the Conditions described above. If the conditions precedent cannot be satisfied or (if applicable) waived, the Yooma Transaction will not close. There can be no assurance that the Yooma Transaction will be completed as proposed or at all. Completion of the Yooma Transaction is not a condition of the Socati RTO.

Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the Transaction, any information released or received with respect to the Transaction may not be accurate or complete and should not be relied upon. Trading in the Company's securities in anticipation of the Transaction should be considered highly speculative.

The Exchange has not considered or made any determination on the merits of the proposed Yooma Transaction or the Socati RTO and has neither approved nor disapproved of the contents of this press release.

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. 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 US\$10M to US\$1.3B. It has also made over 100 venture investments and has over 45 technology companies in its portfolio. For more information, visit www.globalivetech.com.

About Yooma Corp.

Through its wholly-owned subsidiary, EDA and EDA-owned entities based in China and Japan, Yooma intends to leverage the success and experience of its senior management to build Yooma's business into one of Asia's leading cannabinoid (CBD) products social commerce companies through the distribution and sale of CBD beauty and skincare products via a strategically curated network of sales channels. Yooma has assembled a strong international team of multicultural industry professionals with extensive experience in digital marketing, ecommerce and social media in the pan-Asian region with particular depth in the Chinese ecommerce market.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements relating to the timing and completion of the proposed Yooma Transaction, Socati RTO and Spin-Off, the future operations of the Company and the Resulting Issuer, growth in hemp-derived products in Asia and Yooma's ability to capitalize on such growth, and other statements that are not historical facts. Such forward-looking statements are often identified by terms such as "possible", "if", "will", "subject to", "believes", "expected", "intends", "estimates", "following", "continuing to", "anticipated" 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 Yooma, Socati or the Company's business focus, strategic plan or capital requirements; changes in market, industry and regulatory conditions for Yooma, Socati or the Company; unexpected operating gains or losses in Yooma, Socati or the Company; a breakdown in the Company's relationship with Yooma or Socati; the inability to satisfy the conditions precedent to complete the Yooma Transaction or the Socati RTO; the inability to raise adequate financing, or adequate financing on terms sufficiently favourable to Yooma, Socati and the Company; the inability to obtain the necessary regulatory, shareholder and third-party approvals for the Yooma Transaction or the Socati RTO; changes in Yooma, Socati or the Company's assessment of the desirability of the Yooma Transaction and/or the Socati RTO; other parties seeking to acquire an interest in Yooma, Socati or the Company; competitors in the industry 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, Yooma, 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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