

# Globalive Technology Reports Results for Second Quarter of 2020

TORONTO, Aug. 27, 2020 /CNW/ - Globalive Technology (TSXV: LIVE) (the "**Company**"), a technology company based in Toronto, Ontario, today announced its financial and operational results for the second quarter of 2020 (the "**Reporting Period**").

For a summary of the financial results, see the Selected Q2 Financial Highlights set out below as well as more detailed information contained in the Company's interim financial statements and related management discussion and analysis quarterly highlights which are available on the Company's SEDAR page at [www.sedar.com](http://www.sedar.com).

## **SELECTED Q2 OPERATIONAL HIGHLIGHTS**

Key operational developments for the Company in the second quarter of 2020 included:

- ***Reverse Take-Over Transaction:*** On June 3, 2020, the Company entered into a binding letter of intent with Socati Corp. ("**Socati**") to complete a reverse take-over transaction whereby the Company will acquire all of the issued and outstanding securities of Socati, valued in aggregate at US \$25,000,000, in exchange for common shares of the Company. Socati is a leading processor of THC-free broad-spectrum hemp extracts and ingredients for use in cannabinoid products. On July 13, 2020, after the end of the Reporting Period but prior to the MD&A Date, the Company entered into a second binding letter of intent with Yooma Corp. ("**Yooma**") to complete a reverse take-over transaction whereby the Company will acquire all of the issued and outstanding securities of Yooma, valued in aggregate at US \$25,000,000, in exchange for common shares of the Company. Yooma operates an Asia-focused social commerce company with particular depth in the Chinese e-commerce market. It is a condition of the Yooma transaction that the Socati transaction also closes, such that the final reverse take-over transaction (the "**RTO Transaction**") is contemplated to be one with either Socati alone, or with both Socati and Yooma.

The details of the RTO Transaction are described in management's discussion and analysis for the quarter and in press releases issued by the Company on June 4, 2020 and on July 13, 2020 (the "**RTO Press Releases**"), and copies of the binding letters of intent (the "**RTO Letters**") have been posted on SEDAR at [www.sedar.com](http://www.sedar.com).

While the RTO Letters are binding, there can be no assurance at this time that the RTO Transaction will be completed or that it will be completed on the terms described in the management discussion and analysis, the RTO Press Releases and the RTO Letters. Investors are cautioned that, except as disclosed in any management information circular or filing statement prepared in connection with the RTO Transaction, any information released or received with respect to the RTO Transaction may not be accurate or complete and should not be relied upon. Trading in the Company's securities in anticipation of the RTO should be considered highly speculative.

- ***Annual General & Special Meeting:*** The Company held its annual general and special meeting of the shareholders on June 19, 2020. Due to restrictions on the size of public gatherings and social distancing best practices with respect to the COVID-19 pandemic, the meeting was held virtually. At the meeting, the incumbent directors and auditor of the Company were reappointed, the Company's equity incentive plan was ratified and re-authorized for the coming year, the Company was authorized to continue paying its CEO his net-salary quarterly, in arrears, in common shares of the Company through to June 30, 2021 and the Company was

authorized to complete a 20:1 share consolidation.

- Interest in the Flexiti Group:*** The Company holds several debt and equity interests in Flexiti Financial Inc. ("**Flexiti**"), a Canadian point of sale retail lender, its parent company, FLX Holding Corp. ("**FLX**" and together with Flexiti and their affiliates, the "**Flexiti Group**"), and the controlling shareholder of FLX, 2629331 Ontario Inc. ("**262**"). On June 21, 2018, the Company entered into a put, call and right of first refusal agreement (the "**Put/Call Agreement**") pursuant to which the Company could compel (or could be compelled) to acquire and amalgamate with 262 on certain terms and conditions. The Company announced on January 9, 2019 that it was exercising its call right under the Put/Call agreement, subject to certain conditions precedent. Since that time, the Company has worked with the Flexiti Group and its key stakeholders to see if those conditions could be satisfied; has supported the Flexiti Group in its efforts to raise financing to continue to support and grow its business; and has participated in non-binding discussions around a possible business combination or other transaction between the Company and the Flexiti Group, which was ultimately not pursued. During the Reporting Period, the put and call rights under the Put/Call Agreement expired without a transaction being completed. The Company continues to hold its debt and equity interests in 262 and the Flexiti Group and continues to support their efforts to raise financing to grow the business.
- Normal Course Issuer Bid:*** The Company launched a normal course issuer bid program ("**NCIB**") to purchase for cancellation up to 5% of its then issued and outstanding common shares (350,145 post-consolidation common shares) by December 31, 2020. The program was first announced on January 16, 2020 and the Company began making purchases on February 3, 2020. The program is an automatic securities purchase plan, such that the specific timing of any share purchase under the program is determined by the Company's broker in accordance with applicable laws (including a restriction preventing the Company from buying more than 2.0% of its then issued and outstanding common shares in any 30-day period) and standing instructions from management with respect to such matters as maximum price and total funds available for purchases. There can be no assurance as to the precise number of common shares that will be repurchased under the program, or the price at which they will be purchased, and the Company may discontinue purchasing at any time subject to compliance with applicable legal and regulatory requirements. Due to a trading halt imposed on the Company's common shares in connection with the announcement of the RTO Transaction, no purchasing has occurred under the NCIB since June 3, 2020.

## SELECTED Q2 FINANCIAL HIGHLIGHTS

Key financial characteristics of the Company for its four most recently completed quarters were:

	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019
Cash	7,462,240	8,138,162	8,860,276	9,432,854
Working capital*	6,377,125	7,080,861	8,764,497	9,399,539
Total Assets	19,924,047	20,267,756	24,205,551	25,925,144
Total Liabilities	(1,185,067)	(1,169,213)	(152,807)	(113,416)
Realized / unrealized gain (loss) from investments held at fair value through profit or loss	271,828	(3,477,390)	1,223,952	1,465,768
Net income (loss) before taxes for the period	(456,791)	(4,066,897)	(2,217,232)	891,916
Deferred tax recovery (expense)	-	-	-	-
Net income (loss) from continuing operations for the period	(456,791)	(4,066,897)	(2,217,232)	891,916
Net income (loss) from discontinued operations for the period (attributable to equity holders of the company)	-	-	-	-
Net income (loss) and comprehensive income (loss) for the period	(456,791)	(4,066,897)	(2,217,232)	891,916

\* Note that "working capital" does not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Working capital consists of current assets minus current investments minus current liabilities plus promissory notes. Working capital excludes any digital assets and investments. Working capital should not be considered in isolation or as an alternative or substitute from measures prepared in accordance with IFRS (such as Net and Comprehensive Income).

The Company's losses for the most recently completed quarter were driven primarily by standard operating expenses, partially off-set by an increase in the value of certain of the Company's

investments in other technology companies, tracking the performance of similar companies on the Russel 2000 index. Please refer to the Company's interim financial statements and corresponding management discussion and analysis for further detail.

## **ABOUT GLOBALIVE TECHNOLOGY**

Globalive Technology is a next generation software company and venture partner that is developing and investing in innovative solutions to disrupt traditional industries. The company forms partnerships with leading high growth companies to develop and commercialize software solutions using optimal technology stacks. It 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, has 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).

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

*This news release contains forward-looking statements relating to the Company, the proposed reverse take-over transaction with Socati, or with Socati and Yooma, its investments and its future business plans. Such forward-looking statements are identified by terms such as "for use in", "will", "is contemplated to be", "could be", "may", "potential", "continues 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 changes to the Company's business focus or strategic plan; changes in market and industry conditions; unexpected operating gains or losses; management's assessment of the viability of different businesses and business partners; a breakdown in the Company's relationship with its existing or potential future business partners; changes in the Company's management and employees; the negotiation of definitive documents and the satisfaction of the conditions precedent to completing any existing business or transactional opportunities, including the proposed reverse take-over transaction with Socati or with Socati and Yooma; the availability of adequate financing and regulatory, shareholder and third-party approvals for the reverse take-over; other parties seeking to acquire an interest in any of the Company, Socati, Yooma or any entities in which the Company has investments; difficulties or delays in the development of new technologies; technologies not functioning as expected; third parties not using technologies and services as expected; economic conditions making certain technologies or services less attractive than anticipated; competitors in the industry; the potential effect of the COVID-19 pandemic on existing and potential transactional opportunities, the availability of financing, the performance and viability of the Company's business ventures, business partners and investee technology companies; the COVID-19 pandemic impacting on the availability of financing, the COVID-19 pandemic introducing business interruptions due to illness, work-from home policies or supply chain disruptions 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.*

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