

# Globalive Technology Reports Results for Third Quarter of 2020

TORONTO, Nov. 30, 2020 /CNW/ - Globalive Technology (TSX-V: LIVE) (the "**Company**"), a technology company based in Toronto, Ontario, today announced its financial and operational results for the third quarter of 2020 (the "**Reporting Period**").

For a summary of the financial results, see the Selected Q3 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 Q3 OPERATIONAL HIGHLIGHTS**

Key operational developments for the Company in the third 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 would 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, the Company entered into a second binding letter of intent with Yooma Corp. ("**Yooma**") to complete a reverse take-over transaction whereby the Company would 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. On September 22, 2020, following discussions between the three parties, the letter of intent between the Company and Socati was terminated and the letter of intent between the Company and Yooma was amended so that the Company and Yooma could focus on completing a two-party reverse takeover transaction as soon as possible (the "**RTO Transaction**").

The details of the RTO Transaction are described in a press release issued by the Company on July 13, 2020 (the "**RTO Press Release**") and in the Company's management discussion and analysis for the Reporting Period. A copy of the binding letter of intent between the Company and Yooma, together with any amendments to that letter, (collectively, the "**RTO Letter**") have been posted on SEDAR at [www.sedar.com](http://www.sedar.com).

Some of the material, high-level features of the RTO Transaction are expected to be as follows:

- The Company will purchase all of the issued and outstanding securities of Yooma at an aggregate valuation of USD \$25,000,000. The purchase price will be paid in common shares of the Company issued at a share price equal to: (i) USD \$500,000, plus (ii) the value of any cash left in the Company on closing, currently estimated to be USD \$4,500,000, divided by (iii) the total number of issued and outstanding common shares of the Company immediately prior to closing.
- The Company's existing business, assets and liabilities, including its technology venture subsidiaries, any intellectual property and some or all of its technology investments (the "**Legacy Assets**") will be transferred to a third-party with the value of the Legacy Assets captured or distributed to the shareholders of the Company immediately prior to closing the RTO Transaction.

- On completion of the RTO Transaction, the resulting issuer will be delisted from the TSX Venture Exchange and will be listed to trade on the Canadian Securities Exchange ("**CSE**"). The resulting issuer will carry on the business of Yooma under a new name and new management team.
- The RTO Transaction is subject to a number of conditions precedent, including but not limited to the Company continuing to be listed on the TSX Venture Exchange (prior to completion of the RTO Transaction); director and shareholder approval of each entity involved in the RTO Transaction; receipt of any necessary regulatory and third-party approvals or consents; no material adverse change in the business of any of the entities participating in the RTO Transaction; the Company holding cash and cash-equivalents on closing of no less than USD \$4,500,000; the completion of certain pre-closing matters including the transfer of the Legacy Assets; and other conditions typical for a transaction of this nature.
- The Company and Yooma had previously announced that they might complete an equity financing of up to USD \$5,000,000 to close concurrently with the RTO Transaction, however, at this time the parties do not expect that such a financing will be necessary.

Concurrently with the initial announcement of the RTO Transaction, a trading halt was imposed on the Company's common shares which will remain in place until the Company is able to disclose certain prescribed details about the RTO Transaction and the anticipated resulting issuer. The Company and Yooma are working diligently to negotiate and implement definitive agreements for the RTO Transaction and to provide the required disclosure and will update the public through a press release as soon as reasonably possible.

While the RTO Letter is 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 this press release, the RTO Press Release and the RTO Letter. 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 Transaction should be considered highly speculative.

- ***Interest in the Flexiti Group:*** The Company holds several debt and equity interests in Flexiti Financial Inc., a Canadian point of sale retail lender, its parent company, FLX Holding Corp., (collectively with their affiliates, the "**Flexiti Group**") and their controlling shareholder, 2629331 Ontario Inc. The Company continues to support the efforts of the Flexiti Group to raise financing to grow their business, including most recently through a financing and sales process lead by a global investment bank.
- ***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 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 the trading halt imposed on the Company's common shares in connection with the RTO Transaction, no purchasing has occurred under the NCIB since June 3, 2020. If the RTO Transaction proceeds, the NCIB program will be cancelled automatically in accordance with its terms.

- ***Wind-Down of Certain Business:*** During the Reporting Period the Company began the process of dissolving two subsidiaries that were established in 2018 for a business venture that was not ultimately pursued. Globalive Exchange Services Inc. was dissolved on September 7, 2020, and the Company anticipates that Globalive Exchange Services (UK) Ltd. will be dissolved in the coming months. These subsidiaries did not hold material assets or generate revenue. After the end of the Reporting Period, but prior to the MD&A Date, the Company's Chief Operating Officer departed the Company on mutually agreeable terms and is not expected to be replaced, having regard to the wind-down of a substantial portion of the Company's operating business and the anticipated RTO Transaction.

## SELECTED Q3 FINANCIAL HIGHLIGHTS

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

	Sep 30, 2020	Jun 30, 2020	Mar 31, 2020	Dec 31, 2019
Cash	6,750,333	7,462,240	8,138,162	8,860,276
Working capital*	5,779,107	6,377,125	7,080,861	8,764,497
Total Assets	19,157,970	19,924,047	20,267,756	24,205,551
Total Liabilities	(1,043,748)	(1,185,067)	(1,169,213)	(152,807)
Realized / unrealized gain (loss) from investments held at fair value through profit or loss	(26,740)	271,828	(3,477,390)	1,223,952
Net income (loss) before taxes for the period	(866,606)	(456,791)	(4,066,897)	(2,217,232)
Deferred tax recovery (expense)	-	-	-	-
Net income (loss) from continuing operations for the period	(866,606)	(456,791)	(4,066,897)	(2,217,232)
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	(866,606)	(456,791)	(4,066,897)	(2,217,232)

\* 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 and unrealized foreign exchange losses on investments and deposits held in USD, partially offset by increases in the unrealized value of certain of the Company's investments, including some investments that were revalued to track the performance of similar companies through the use of the Russell 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 Yooma, its investments and its future business plans. Such forward-looking statements are identified by terms such as "expected to be", "will", "will be", "subject to", "expect", "may", "anticipates", "anticipated", "expected", "continues to", "estimated" 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 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 the Company, 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.

**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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