

# Lynx Global to Acquire Controlling Interest in Philippine Based Bank

Vancouver, British Columbia--(Newsfile Corp. - May 13, 2021) - **Lynx Global Digital Finance Corporation (CSE: LYNX) (OTC Pink: CNONF) (FSE: 3CT0) ("Lynx" or the "Company")** is pleased to announce it has entered into a memorandum of understanding (the "**MOU**") for the acquisition of 100% of the issued and outstanding shares of Ausphil Technologies Pty. Ltd. ("**Ausphil**"), an Australian private company, that holds a 52.15% equity interest in Binangonan Rural Bank Inc. ("**BRB**"), a Philippine based company that has operated in the banking sector since October 1961. As at the date of this news release the Company has now completed its due diligence assessment and will now make every effort to close the acquisition, at/before May 28, 2021.

"This acquisition represents a cornerstone investment that will be combined with our recently acquired controlling interests in Direct Agent 5 Inc. and Arkin Technologies Pty. Ltd., companies that hold remittance licenses in the Philippines and remittance and cryptocurrency licenses in Australia. These components along with our partnership with a Major Payment Institution license holder in Singapore, is enabling us to build an end-to-end digital payment platform in the ASEAN and Oceanic region," stated Mike Penner, President & CEO, Lynx Global.

"The addition of a licensed bank with an Electronic Money Issuer license to our Lynx financial ecosystem now enables us to offer a complete suite of payment and financial services to domestic and international enterprises," he continued.

The Company further reports, Mr. Antonio L. Tiu along with a number of his owned or affiliated companies, ("Group Tiu"), entered into a separate memorandum of understanding with BRB dated March 23, 2021, to acquire the remaining 47.85% equity interest of BRB. Mr. Antonio L. Tiu is a highly respected Philippines Agri-entrepreneur who in 2019 ranked in the Top 50 Richest on the 'Forbes Philippines list.

The combined management teams of BRB, Lynx and Group Tiu now envision an active mutual collaboration that will provide for the operation of an '*inclusive global digital financial network*' that connects the developed world to the unbanked and the emerging markets. This direct business relationship between Lynx and Group Tiu will now enable each to use the existing BRB bank infrastructure and Electronic Money Issuer (EMI) licensing status in the Philippines to act as the lynchpin for the deployment of a new financial technology-based ecosystem to service the Global digital commerce market that McKinsey forecasts will grow at an annual rate of 22% per year to reach \$15.3 trillion by 2023.

Mike Penner, further stated, "This working relationship with Group Tiu provides the initial building blocks behind what is to be recognized as a unique and powerful intersection of digital financial services and traditional banking architecture. We are excited about the pivotal role that BRB and Group Tiu will play in the formation of our distinctive and inclusive digital financial technology platform. We couldn't ask for a better partner in the ASEAN region, than Mr. Antonio Tiu, to work alongside us to achieve our collective vision."

As reported by the *Associated Press, Nikkei, Japan, staff writer Mikhail Flores, "Philippine rural banks provide a most strategic cost-effective pathway for Fintech providers to enter the Philippines, ASEAN, and overall global financial marketplace.* The central bank has so far granted e-money licenses to 31 Banks, including four rural banks: Cebuana Lhuillier Rural Bank, CARD Bank, Dunganon Bank and **Binangonan Rural Bank**. *Under the country's liberalized banking laws, foreign companies are allowed full ownership of Philippine financial institutions. "The entry of foreign investors in banks would contribute to the promotion of a healthy competition in the banking industry, resulting in greater market penetration and more efficient delivery of financial products and services,"* said Benjamin

Diokno, the central bank governor."

## **About Group Tiu**

Group Tiu is made up of not only a number of private ventures but also the publicly traded companies ANI, GREEN, and IRC in the Philippines, covering sectors that offer progressive cutting-edge solutions for agriculture, banking, fintech, infrastructure and environmental services. Mr. Tiu founded his business enterprises throughout the Philippines to create financial profitability through consideration of corporate social responsibility, to effectively forge local and international partnerships for sustainable growth, and so as to adopt innovative technology and processes to ensure overall success. Group Tiu has recently focused significant attention towards FinTech in particular, seeking out new age solutions that offer access to Virtual Currency Exchange and E-Wallet, each of which can support the fulfillment of its desires to create and service an Agricultural Finance Ecosystem for the entirety of the Philippines under "1ANI Ecosystem". **Tiu's** listed company AgriNurture, Inc. "ANI", was recently granted by CICERO a medium green rating and was given an ASEAN green bond rating by SEC to issue a 75M euro green bond offering in the EU.

ANI has recently entered into a Memorandum of Understanding (MOU) in the Philippines with each of the Department of Agriculture (DA) and the Authority of Freeport Area of Bataan (AFAB) to launch the '1DA - 1Bataan - 1ANI' Agri Digitalization Program via the Bataan Freeport. The tripartite agreement paves the way for the rollout of a blockchain-based platform for trading agricultural produce and virtual currencies globally. The aim is to facilitate financial inclusion of Agri stakeholders, especially unbanked Filipino farmers and fisherfolk, through a regulated financial technology platform and licensed virtual currency. The proposed 1ANI e-commerce platform, a financial technology (FinTech) ecosystem, would allow local farm input requirements and output to be traded using virtual currencies and opens up financing and trading opportunities to institutional buyers and foreign investors residing outside the Philippines, said ANI president and CEO Antonio Tiu.

## **Transaction metrics**

Pursuant to the MOU, Lynx has agreed to issue an aggregate of 2,119,914 common shares of the Company ( the "**Consideration Shares**") to the current shareholders of Ausphil, on a pro rata basis, with a value of USD\$1,738,329, in addition to cash payments of USD\$565,600 on closing (the "**Closing Date**"), and an additional USD\$86,250 due December 31, 2021. At the Closing Date, Lynx has also agreed to grant to the shareholders of Ausphil, on a pro rata basis, 1,500,000 share purchase warrants (the "**Consideration Warrants**") entitling the holders to purchase an additional 1,500,000 common shares of Lynx ("**Shares**") at a price per Share of \$1.24. The Consideration Warrants will expire 24-months from the date of issuance.

In addition, Lynx has agreed to purchase debt owing by Ausphil to certain creditors, in the aggregate principal amount of USD\$1,136,496, through the issuance of 1,057,861 common shares of the Company (the "**Debt Consideration Shares**") and cash payments of USD\$276,667, due 30 days following the Closing Date.

The Consideration Shares, Debt Consideration Shares and any Shares issued upon exercise of the Consideration Warrants will be subject to regulatory and voluntary pooling restrictions on resale in the following aggregate amounts until the following dates: (a) 65% of the Consideration Shares, Debt Consideration Shares and any Shares issued upon exercise of the Consideration Warrants, shall be subject to restrictions on resale until the date which is four months plus one day from the Closing Date; (b) an additional 15% of the Consideration Shares and Debt Consideration Shares and an additional 15% of any Shares issued upon exercise of the Consideration Warrants, shall be subject to restrictions on resale until the date which is 6 months from the Closing Date; (c) an additional 10% of the Consideration Shares and Debt Consideration Shares and an additional 10% of any Shares issued upon exercise of the Consideration Warrants, shall be subject to restrictions on resale until the date which is 9 months from the Closing Date; and (d) an additional 10% of the Consideration Shares and

Debt Consideration Shares and an additional 10% of any Shares issued upon exercise of the Consideration Warrants, shall be subject to restrictions on resale until the date which is 12 months from the Closing Date. 100% of the Consideration Shares, Debt Consideration Shares and any Shares issued upon exercise of the Consideration Warrants will also be subject to a statutory hold period of four months and one day.

Finders' fees may be payable in connection with the transaction in accordance with the policies of the Canadian Securities Exchange. The securities to be issued have not and will not be registered under the U.S. Securities Act of 1933, as amended, or any state securities laws. The completion of the transaction is subject to certain conditions, including the execution of definitive documentation, all necessary regulatory and shareholder approvals, and other customary closing conditions.

The Company further announces the issuance of 250,000 common shares at a price of \$1.00 per common share to a service provider in respect of the provision of various services, including but not limited to marketing and media/social media advisory services, creation and production. The common shares issued today are subject to a statutory four-month hold period in accordance with the policies of the Canadian Securities Exchange, which will expire on September 14, 2021.

### **ABOUT LYNX DIGITAL GLOBAL FINANCE:**

Lynx seeks to become a leader in financial technology, solutions, and services for large-scale merchants, financial institutions and other B2B industry partners by way of integration to the Lynx digital payment platform. The Company's payment solutions are powered by a broad suite of payment technologies and services. The Company has targeted banking and fintech relationships in South East Asia and Oceania, a region with a population of greater than 650 million. By working with selected banking and/or licensed EMI partners, the Company will be able to offer a digital payment platform with a full suite of payment solutions, which may include merchant acquiring solutions; card issuing; remittance and forex; and custodial digital asset services, including digital wallet services. The Company seeks organic growth while investigating potential strategic acquisitions that may contribute critical technology applications, additional services and revenue streams, and that can complement or enhance existing offerings and potentially increase or expedite the path to future profitability. While Lynx believes that significant near-term opportunities exist for the Company's strategic initiatives, there can be no assurance that goals and objectives will be reached or that any such underlying efforts or agreements will provide successful or positive outcomes should they be implemented.

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**FORWARD-LOOKING STATEMENTS:** Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation, including the revenue projections of BRB and the goals and objectives of Lynx. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "will be", or variations of such words and phrases or statements that certain actions, events, or results "will" occur. Forward-looking statements are based on the Company's estimates and are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance, or achievements of Lynx to be materially different from those expressed or implied by such forward-looking statements or forward-looking information, including capital expenditures, other costs, or implied future forecasts. The Company further again cautions that all forward-looking statements are inherently uncertain, and that actual performance

may be affected by a number of material factors, many of which are beyond the Company's control. Such factors include, among other things: risks and uncertainties relating to the Company's limited operating history and the need to comply with environmental and governmental regulations. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and information. Lynx will not update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws.

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