

Globalive Technology Exercising Call Right to Acquire Control of Flexiti

Globalive Technology is exercising its previously-disclosed call right to acquire control of Flexiti, leveraging artificial intelligence and machine learning to optimize Flexiti's point-of-sale consumer financing solution. Flexiti is a leading fintech point-of-sale lender in Canada with over 1 million customers and more than \$250 million in loan receivables.

TORONTO, Jan. 9, 2019 /CNW/ - Globalive Technology Inc. (TSX-V: LIVE) (the "Company"), a technology company focused on developing innovative payment, billing and credit solutions for consumers and businesses, today announced it is exercising a previously-disclosed call right, from Globalive Capital Inc. ("GC") over GC's wholly-owned subsidiary, 2629331 Ontario Inc. ("Flexiti Holdco").

Flexiti Holdco owns 41.0% of, and has 51% voting control over, the parent of Flexiti Financial Inc. ("Flexiti"), a leading point-of-sale consumer financing solutions company in Canada with over 1 million customers and a loan book of more than a quarter of a billion dollars.

Upon closing, the Company would acquire 100% of, and amalgamate with, Flexiti Holdco (the "Transaction"). Consummation of the Transaction is subject to certain conditions, including the Company or Flexiti successfully raising equity financing, approval of the TSX Venture Exchange ("TSX-V"), and minority shareholder approval in accordance with Multilateral Instrument 61-101 ("MI 61-101"). The Company intends to raise approximately \$10 million on a private placement basis, of which GC expects to provide a lead order of \$4 million.

The Transaction is subject to MI 61-101 as GC owns Flexiti Holdco and GC is the controlling shareholder of the Company. As previously disclosed, Anthony Lacavera, the Company's Chief Executive Officer, controls GC. Upon completion of the amalgamation, as previously disclosed, the Company would assume \$7.5 million in secured debt obligations of Flexiti Holdco (convertible into shares of Globalive Technology at \$1.00 per share), as well as a \$6 million debt obligation, which (plus approximately \$0.75 million in accrued interest and fees) would be due and payable to GC, which provided \$2.6 million to Flexiti in bridge financing earlier this week.

Further details regarding the call right can be found in the press release of the Company dated June 21, 2018 and in its other SEDAR filings. In addition, the Company intends to call a shareholder meeting and to file on SEDAR and mail to shareholders a management information circular and related materials in the coming weeks that will contain further details regarding the Transaction.

Separately, depending on market conditions and other factors, the Company is contemplating acquiring the balance of Flexiti on terms acceptable to the Company and to Flexiti's other existing shareholders. Discussions regarding such an acquisition are only preliminary at this point and no assurance can be provided that such a transaction or even an agreement relating to such transaction will be reached.

Flexiti's award-winning technology delivers instant credit approvals for customers at the point of sale for big-ticket retailers, both in-store and online. The omnichannel solution is fully automated, 100% paperless and can adjudicate loan applications in less than 3 minutes with high approval rates, helping to drive significant increases in financed sales volumes over other more conventional financing products. In June 2018, Flexiti acquired TD Financing Services' Canadian private label credit card portfolio on which more than 2 million transactions valued at more than \$3 billion have been facilitated. Flexiti's loan receivables as at November 30, 2018 total approximately \$255 million. As a result of the acquisition and the company's strong organic growth, Flexiti has experienced growth in loan originations of 270% in the past year.

As previously announced, the Company has entered into a technology development agreement with Flexiti focused on optimizing consumer financing at the point-of-sale. The Company intends to leverage artificial intelligence and machine learning applications with Flexiti's historical loan data to increase the volume of high-quality loans on the company's books while reducing instances of bad debt and the associated collection costs. The Company also intends to leverage the AI software to develop a loyalty program for retailers and to further drive sales and repeat purchases at Flexiti's retail partners. The Company will retain the ability to license the AI software solution to non-competitive financial services firms worldwide once it is operational at scale.

"Flexiti has demonstrated an enviable ability to execute on its growth strategy and establish itself as a market leader," said Anthony Lacavera, the Company's Chief Executive Officer. "We see phenomenal potential to leverage artificial intelligence in the company's point-of-sale solutions and we look forward to working closely with Peter Kalen and his team to realize that vision."

"We're pleased to be deepening our partnership with Globalive Technology," said Flexiti Chief Executive Officer Peter Kalen. "The AI-driven software solutions we're building together will enable smarter lending decisions and ultimately drive higher sales at Flexiti's merchant partners."

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, with a particular focus on delivering innovative payment, billing and credit solutions. 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 \$10M to \$1.3B USD. 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 Flexiti Financial Inc.

Flexiti has reimagined point-of-sale (POS) consumer financing to drive sales for retailers in-store and online and is one of Canada's leading private label credit card issuers. Through its award-winning platform, Flexiti delivers a POS financing experience across any device that is customer-centric, simple and intuitive. Without the need to integrate into existing POS systems, retail partners can easily offer the same fast and paperless financing solution across all retail locations and sales channels to increase revenue and build loyalty through repeat purchases. Flexiti's joint venture with Globalive Technology demonstrates its commitment to innovation in the payments space through the development of solutions leveraging artificial intelligence. With high approval rates, innovative products and services, flexible promotional offers and a partnership-first approach, Flexiti is helping people improve their lives through better financing. For more information, visit www.flexiti.com.

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CAUTION REGARDING FORWARD-LOOKING INFORMATION

This news release contains forward-looking statements relating to the Company, its software and artificial intelligence development projects, its exercise of the call right to acquire control of Flexiti, its contemplation of further capital raises, including the contemplated \$10 million private placement, and other matters, as well as forward-looking statements about Flexiti, its products and services, financial performance, and existing and future technologies. Such forward-looking

statements are identified by terms such as "will", "is exercising", "subject to", "contemplating", "of up to", "intends", "once it is", "preliminary" 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 an inability to consummate the proposed transactions, failure to satisfy the necessary conditions to the transaction including TSX-V approval, shareholder approval and raising adequate financing, a material change in Flexiti's business, a breakdown in the Company's relationship with Flexiti, Flexiti not performing in accordance with expectations or historical trends, difficulties integrating Flexiti into the Company's existing management and administrative structure, software not functioning as expected, difficulties or delays in developing the proposed software, the software not functioning as expected, third parties not using or responding to the software as expected, competitors operating in the same spaces or industries, economic conditions making the technologies or licenses not as attractive as expected, difficulties raising capital and/or meeting the requirements for investors to provide capital, 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.

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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CNW 07:00e 09-JAN-19