

Phivida Holdings Inc. Enters Definitive Agreement to Acquire Wikala.com Inc.

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A high traffic online e-commerce platform focused on cannabis information, education, and products

VANCOUVER and SAN DIEGO, April 30, 2019 /CNW/ - Phivida Holdings Inc. (CSE: VIDA OTCQX: PHVAF) ("Phivida" or the "Company") announces it has entered into a definitive agreement to acquire Wikala.com Inc. ("Wikala"), a Canadian technology firm (the "Transaction").

Key Highlights

- Acquiring leading online platform for cannabis information, generating over 400,000 average monthly users, creating a premier consumer packaged goods company with direct-to-consumer access via Wikala.com
- Accelerates Oki and Vida+ branded products into the United States market with the addition of Wikala's e-commerce platform
- Online retail site being launched for cannabis and hemp-related accessories as well Phivida's Oki and Vida+ products
- Combined with the recently launched feeloki.com website, the acquisition creates a consumer ecosystem that will enhance visibility of Phivida brands and create brand loyalty
- All share transaction worth approximately C\$22.5 million expected to close on or before May 31, 2019
- Wikala.com to become wholly-owned subsidiary of Phivida

Strategic Rationale

Wikala is imminently launching a comprehensive e-commerce site featuring cannabis products and accessories, including Phivida's Oki beverages and hemp oil supplements, and Vida+ hemp CBD oil extracts and capsules. Wikala's online education and information platform, Greencamp.com, will drive traffic to the site. Greencamp.com provides an online content platform focused on the cannabis sector. The site's offering of news, reviews, health tips, and how-to guides, all based around CBD and cannabis, is valued by users and encourages ongoing engagement.

Since its launch in June 2017, Greencamp has increased traffic to the site to over 400,000 average monthly users and continues to grow.

Management Commentary

"Our market research told us that the target consumers for Oki and Vida+ preferred to connect directly to a brand, whether for time and efficiency or to gain a deeper understanding of the brand itself. This was the rationale for our use of social media as our core marketing strategy. With the launch of our online store feeloki.com, we saw the need to have a more expanded platform, to better serve the consumer and provide greater choices in their shopping experience," said Jim Bailey, President and CEO of Phivida. "Wikala does an incredible job of feeding the world's never-ending cannabis and CBD curiosity and its high levels of traffic and user engagement will make its e-commerce site an attractive showcase for leading cannabis and hemp brands, including our products. We see this combination as an opportunity to create a trusted consumer ecosystem that will inform and educate – and ultimately lead the consumer to purchase."

"Joining forces with Phivida will accelerate our goal of addressing user needs by building a superior direct-to-consumer online platform built on quality, information and trust," said David Moon, Founder and CEO of Wikala.com. "Phivida and Wikala have a shared vision of focusing on the consumer and providing the best user experience in the industry, and we look forward to partnering with a growing portfolio of world-class brands."

"Not only was I impressed by David's accomplishments with his platform, but I was equally impressed by his work ethic and our shared approach to business," continued Jim Bailey. "I firmly believe that between our Oki and Vida+ branded platforms, along with Wikala, we can create a trusted ecosystem that surrounds the consumer and provides them with a one-stop shop format. Following the close of our acquisition, David will continue as President of Wikala, reporting to me, and will also continue with the next phase of growing Wikala.com – with the goal of becoming the world's leading multinational technology company in the cannabis industry."

Terms of the Transaction

Under the terms of the share exchange agreement (the "**Agreement**"), Phivida will acquire all of the issued and outstanding common shares of Wikala (the "**Wikala Shares**"), in return for common shares of Phivida (the "**Phivida Shares**"), with each holder of Wikala Shares receiving 0.7639 Phivida Shares for each Wikala Share held. Based on a volume-weighted average trading price of C\$0.8547 in respect of the Phivida shares for the 20 trading days ended April 26, 2019, the consideration payable represents a total transaction value of approximately C\$22.5 million, and is expected to result in the issuance of approximately 26,325,004 Phivida Shares.

The Transaction has been unanimously approved by the Board of Directors of each of Phivida and Wikala. In addition, the Board of Directors of Phivida has retained Haywood Securities Inc. to deliver a fairness opinion regarding the Transaction. The fairness opinion concluded that, as at the date thereof, and subject to the assumptions, limitations, and qualifications set forth therein, the consideration to be paid by Phivida for the acquisition of Wikala is fair, from a financial point of view, to Phivida.

Closing of the Transaction is subject to a number of customary conditions precedent for transactions of this nature, including completion of confirmatory due diligence investigations by Phivida and, if applicable, acceptance by the Canadian Securities Exchange. It is not expected that the Transaction will constitute a "fundamental change" or "change of business" for purposes of the policies of the Canadian Securities Exchange. In addition, it is a condition precedent that certain holders of outstanding Wikala Shares (representing approximately 87.8% of the outstanding Wikala Shares) who will receive an aggregate of 23,118,044 Phivida Shares on closing agree to be subject to a lock-up for 12 months following closing of the Transaction.

For more information about Greencamp, please visit www.greencamp.com.

ABOUT Phivida Holdings Inc.

Phivida Holdings Inc. is headquartered in Vancouver, BC with operations in San Diego, CA. Phivida is a premium functional food and beverage company focused on whole plant nutrition and natural ingredients that help best maintain overall health and balance in the human body. The company infuses organic active hemp extract into a variety of premium beverages and clinical products for everyday health. Phivida embraces and celebrates a return to organic, natural, plant-based foods and beverages, and a focus on holistic health and wellness. The mission is to help reduce the world's dependence on pharmaceuticals and provide food and beverage choices that allow customers to live a balanced, healthy lifestyle. For more information, visit phivida.com.

ABOUT Wikala.com Inc.

Wikala.com Inc. is headquartered in Toronto, Ontario with operations in Belgrade, Serbia. The Wikala core team includes e-commerce professionals with decades of combined experience in online marketing, content creation and e-commerce sales. Using proven and market-tested organize marketing approaches to building traffic, Wikala has successfully become a major content player in the cannabis sector. Wikala's e-commerce site, which is currently in closed-beta, is a modular, custom-built back-end portal that will offer significant advantages over the plug-and-play approach offered by other vendors, that is designed to provide a superior user experience through its customizability in order to address consumer needs directly. In addition, Wikala's e-commerce site will exist within a proprietary technology eco-system, which sets Wikala's e-commerce platform apart from other approaches taken in this space. Management of Wikala expects that its e-commerce site will be in open-beta or restricted open-beta in approximately one week, and is expected to go live in early summer of 2019.

The securities to be issued in connection with the Transaction have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons (as defined in Regulation S promulgated under the U.S. Securities Act) unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Cautionary Note Regarding Forward-Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements (other than statements of historical fact) may be forward-looking statements or information. Forward-looking statements and information are often, but not always, identified by the use of words such as "appear", "seek", "anticipate", "plan", "continue", "estimate", "approximate", "expect", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe", "would" and similar expressions or negative variations thereof.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future, and are based on assumptions believed to be reasonable by management at the time they were made, including assumptions regarding the expected benefits of Wikala's e-commerce platform and the Transaction to Phivida's overall business strategy, and the ability of the parties to consummate the Transaction on the terms and timeframes expected. Readers are cautioned that undue reliance on forward-looking statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the expected timing of the Transaction, the number of securities of the Company that may be issued in connection with the Transaction, the required approvals in connection with the Transaction and ability to obtain such approvals, the strategic plans of the parties to the Transaction and the anticipated benefits expected to be realized following the Transaction, and the parties' ability to satisfy closing conditions.

The forward-looking statements and information contained in this news release are made as of the date of this news release and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws or the policies of the Canadian Securities Exchange. The forward-looking statements or information contained in this news release are expressly qualified in their entirety by this cautionary statement.

Neither the Canadian Securities Exchange nor its Regulations Services Provider have reviewed or accepted responsibility for the adequacy or accuracy of this release.

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