

HIRE / Technologies

HIRE TECHNOLOGIES ANNOUNCES ENTRY INTO DEFINITIVE AGREEMENT TO SELL PROVISION BUSINESS

TORONTO, ON / ACCESSWIRE / August 1, 2023 – HIRE Technologies Inc. (TSXV: HIRE.V) (OTCQB: HIRRF) (“HIRE” or the “Company”), announces that it has entered into a definitive share purchase agreement (the “**Purchase Agreement**”) dated July 31, 2023 to sell its Provision business unit (the “**Transaction**”) to Design Group Staffing Inc. (the “**Purchaser**”), an arm’s length private company operating in the recruitment industry, for the cash purchase price of CAD\$4,500,000 (the “**Purchase Price**”), subject to a holdback and purchase price adjustment, as described below. Under the Purchase Agreement entered into by and among HIRE, the Purchaser, and BTG Holdco Inc., a wholly-owned subsidiary of HIRE which holds all of the issued and outstanding shares of Provision (the “**Provision Shares**”), the Purchaser will acquire all of the Provision Shares.

The completion of the Transaction is subject to a number of closing conditions, including, but not limited to: (i) the approval of the Company’s shareholders of the Transaction by special resolution, as it may constitute a disposition of all or substantially all of the Company’s assets; (ii) the receipt of all necessary consents, approvals, and authorizations (including those required by the TSX Venture Exchange) for the Transaction; and (iii) other conditions which are customary for a transaction of this type.

The board of directors of each of HIRE and the Purchaser has unanimously approved the Purchase Agreement, and notice of a special HIRE shareholder meeting and a detailed management information circular will be forthcoming. There will be no finder’s fees payable in connection with the Transaction. The Company plans to use the proceeds realized from the Transaction to extinguish certain current debt and liabilities and for general working capital.

In connection with the Transaction, the Company and the Purchaser entered into support and voting agreements with certain current directors and executive officers of the Company who hold shares (the “**Supporting Shareholders**”), pursuant to which the Supporting Shareholders have agreed, among other things, to vote the shares held by them in favour of the Transaction. The Supporting Shareholders hold approximately 11.01% of the issued and outstanding shares of the Company.

Under the terms of the Purchase Agreement, at closing of the Transaction, the Purchaser will pay the Company CAD\$3,500,000, CAD\$50,000 of which has already been paid as a deposit by the Purchaser to the Company. The Purchaser will pay HIRE the remainder of \$1,000,000, subject to final adjustment, on completion and mutual written acknowledgement of the Purchase Price Adjustment (as defined below) and collection of accounts receivable as of the closing date. The Purchase Price presumes a net tangible asset value of \$1,000,000 on a balance sheet free of debt other than normal course accounts payable and such other liabilities as the Purchaser, in its sole and arbitrary discretion, approves in writing (the “**Net Tangible Asset Target**”). The Purchase Price will be adjusted on a dollar-for-dollar basis, to the extent that the actual Net Tangible Asset Value on the closing date differs from the Net Tangible Asset Target and the accounts receivable as of the closing date have not been collected in a timely manner (the “**Purchase Price Adjustment**”).

The Transaction is a Reviewable Disposition as defined in the policies of the TSX Venture Exchange.

For further details of the Purchase Agreement, please refer to a copy of the Purchase Agreement, which can be found on the Company's SEDAR+ profile.

Contacts

Simon Dealy
Chief Executive Officer
(647) 264-9196
sdealy@hire.company

Neither the TSXV 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 news release.

Forward-Looking Information

This news release contains "forward-looking statements" or "forward-looking information" (collectively referred to hereafter as "forward-looking statements") within the meaning of applicable Canadian securities legislation.

All statements that address activities, events, or developments that the Company expects or anticipates will, or may, occur in the future, including but not limited to statements regarding the Transaction, the closing and the expected benefits thereof, and the planned use of proceeds realized from the Transaction, are forward-looking statements. In some cases, forward-looking statements are preceded by, followed by, or include words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "proposes", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Although the management of the Company believes that the assumptions made and the expectations represented by such statements are reasonable, there can be no assurance that a forward-looking statement herein will prove to be accurate. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance, or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Risks and uncertainties applicable to the Company can be found in the Company's MD&A and its continuous disclosure record available on SEDAR+. Although the Company has attempted to identify important factors that could cause actual results to differ materially, there may be other factors that cause results not to be as anticipated, estimated, or intended.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law.