

DGTL Holdings Inc. Reports on Restructuring Efforts and Annual General and Special Shareholders Meeting

Toronto, Ontario--(Newsfile Corp. - July 16, 2024) - DGTL Holdings Inc. (TSXV: DGTL) ("DGTL" or the "Company") reports on the ongoing restructuring of the Company, and its wholly owned subsidiary Engagement Labs Inc. ("ELI"), changes to the executive and board of directors ("Management" or "the Board") and the scheduling of an Annual General and Special Shareholders Meeting ("AGSM" or the "Meeting"). The board of directors concludes that these proactive restructuring initiatives are intended to generally improve the Company's capital structure and financial position and may improve the Company's potential to attract new merger, acquisition and funding opportunities, on a go-forward basis.

Firstly, the Company reports the engagement of strategic advisors Lindenwood and Associates ("Lindenwood") in the United States, and Begbies and Traynor ("Begbies"), in the United Kingdom, to assess the viability of ELI and its international subsidiaries. After a thorough analysis, both Lindenwood and Begbies have provided the board with feasibility reports and formal restructuring recommendations. Upon review, the board voted unanimously to approve these recommendations, and executed resolutions to wind down subsidiaries Keller Fay Group LLC (USA) and Engagement Labs Ltd. (UK). The Company continues to hold wholly-owned Canadian domiciled subsidiaries Engagement Labs Inc. (CA) and Engagement Labs Services Ltd. (CA).

Secondly, the Company reports the termination of the now former Chief Commercial Officer of the Company, Mr. Steven M. Brown. Mr. Brown was responsible for all revenue generation activities for the Company and its subsidiaries. In addition, independent director Mr. David Beck has left the Company. Mr. Beck served as the former chairman of the deal desk committee (e.g. diligence and structure on mergers and acquisitions), and the former chairman of the audit committee. Mr. Bruce Lev has been appointed to the board of directors as an independent director. Mr. Lev is the current President of Loeb Holding Corporation with over 30 years of experience in the global capital markets.

Lastly, The Company reports the scheduling of an Annual General and Special Meeting of the Shareholders, scheduled to take place at 11:00 am (EDT) on July 30th, 2024. The materials for the Meeting, including the Management Information Circular (which details participation information and the items proposed for shareholder approval at the Meeting) have been distributed to the shareholders and can be found at the Company's profile on www.sedarplus.ca.

As a matter of the upcoming Meeting, The Company is seeking shareholder approval for a proposed consolidation of all of the issued and outstanding Common Shares of the Company on the basis of up to fifteen (15) pre-consolidation Common Shares for each one (1) post-consolidation Common Share (the "Consolidation"). There are currently 76,465,973 Common Shares issued and outstanding. If the Consolidation is approved, and effected on a 15:1 basis, there will be an aggregate of 5,097,731 Common Shares issued and outstanding. The board may determine not to implement the Consolidation at any time after the Meeting and after receipt of necessary regulatory approvals, but prior to effecting the required amendment to the Company's articles, without further action on the part of the shareholders. The proposed Consolidation is subject to final TSX Venture approval.

For More Information

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Forward-Looking Statements

Certain information contained herein constitutes forward-looking information or statements under applicable securities legislation and rules. Such statements include, but are not limited to, statements with respect to a proposed consolidation, prospective mergers and acquisitions or financing, any approval thereof by the TSXV or by shareholders of the Company. Forward-looking statements are based on the opinions and estimates of management as of the date such statements are made 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 DGTL to be materially different from those expressed or implied by such forward-looking statements, including, but not limited to: (i) any inability of DGTL to satisfy conditions imposed by the TSXV on the Consolidation or to obtain TSXV approval for the Consolidation for any other reason; (ii) any inability of DGTL to obtain shareholder approval of for the Consolidation; and (iii) any change in the circumstances of the Company, whether internal or external, whether affecting the Company particularly, or the general global markets, which could cause the Company to reconsider and adjust or abandon the Consolidation and (iv) the ability to attract prospective mergers, acquisitions or funding opportunities on a go forward basis. Although management of DGTL has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate. Accordingly, readers should not place undue reliance on forward-looking statements. Neither party will update any forward-looking statements or forward-looking information that are incorporated by reference herein, except as required by applicable securities laws. The parties caution readers not to place undue reliance on these forward-looking statements and it does not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

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