



NEWS RELEASE

# LifeSpeak Inc. Enters into \$15 Million Convertible Loan with Beedie Capital

3/31/2023

TORONTO, March 31, 2023 /CNW/ - **LifeSpeak Inc.** ("**LifeSpeak**" or the "**Company**") (TSX: LSPK), the leading, whole-person-wellbeing solution for employers, health plans, and insurance companies, today announced that it has entered into a credit agreement (the "**Credit Agreement**") with Beedie Investments Ltd. ("**Beedie Capital**") for a non-revolving term convertible loan in the principal amount of \$15 million (the "**Loan**").

The Loan has been funded by way of a single advance to LifeSpeak of \$15 million (the "**Advance**"), less certain amounts described herein. Proceeds of the Advance will be used to pay down indebtedness of the Company under its senior lending arrangements.

In connection with, and concurrently with the entering into of, the Credit Agreement, LifeSpeak and its operating subsidiaries have also entered into a second amended and restated credit agreement with its senior lenders and Scotiabank Technology and Innovation Banking, as administrative agent (the "**A&R Credit Agreement**") to amend and restate its existing credit agreement to permit the above term loan from Beedie Capital and align the terms with the Credit Agreement.

"The agreements announced today provide LifeSpeak with additional flexibility and runway to advance our strategy of becoming the world's leading digital wellbeing solution," said Michael Held, CEO and founder of LifeSpeak Inc. "We are excited about the opportunity to continue to accelerate our growth by leveraging our complementary client bases, enhancing our cross-selling opportunities, and expanding our geographic presence in order to improve the wellbeing of individuals."

"As an existing shareholder and client, we're excited to further expand our partnership with LifeSpeak," said Khalil Chagani, Director at Beedie Capital. "The mental health and total wellbeing platform that LifeSpeak offers is best-in-class and a critical tool for employers to drive workforce engagement and employee wellness. We look forward to working with the company as they continue to execute on their growth strategy."

## Transaction Terms

The Loan bears interest at a rate of (i) 10% per annum, for the first year from and including the closing date, and (ii) 9% per annum, from and including the first day of the second year following the closing date.

Specifically, of the interest calculated each month, LifeSpeak will pay Beedie Capital an amount of interest based on the following: (i) for the first year from and including the closing date, a fixed rate of interest of 2.0% per annum calculated and paid in cash on each interest payment date on the outstanding principal amount of the Loan including all Year 1 PIK Interest (as hereinafter defined) previously added thereto, with the remainder of interest of 8.0% per annum ("Year 1 PIK Interest") calculated, accrued and compounded monthly and added to the outstanding principal amount of the Loan, as at each interest payment date; and (ii) from and including the first day of the second year following the closing date, a fixed rate of interest of 7.0% per annum calculated and paid in cash on each interest payment date on the outstanding principal amount of the Loan including all Ongoing PIK Interest (as hereinafter defined) previously added thereto, with the remainder of interest of 2.0% per annum ("Ongoing PIK Interest", and together with the Year 1 PIK Interest, the "PIK Interest") calculated, accrued and compounded monthly and added to the outstanding principal amount of the Loan, as at each interest payment date.

Notwithstanding the foregoing, if LifeSpeak elects to pay to Beedie Capital Year 1 PIK Interest in cash for any month in the first year from and including the closing date, the fixed rate for doing so will be 7.0% per annum.

Subject to the terms of the Credit Agreement, the Loan and all obligations thereunder will mature on March 30, 2026 (the "Maturity Date").

At any time during the term of the Loan, but subject to obtaining Additional Conversion Approval (as hereinafter defined), Beedie Capital may elect to convert (i) all or any portion of the principal amount of the Loan into common shares of the Company (each, a "Common Share") at a conversion price of \$1.10 per Common Share; and (ii) any accrued and unpaid interest under the Credit Agreement into Common Shares at a conversion price of the greater of \$1.10 per Common Share and the "market price" (as defined by the Toronto Stock Exchange ("TSX")) per Common Share (less any applicable discount permitted by the TSX), subject to TSX approval at the time of conversion in each case subject to adjustment in accordance with the terms of the Credit Agreement.

Notwithstanding the foregoing, Beedie Capital will not be able to convert any amount into Common Shares if, (i) as a result of such conversion Beedie Capital, together with any person(s) acting jointly or in concert with it, would in

the aggregate beneficially own, or exercise control or direction over, 20% or more of the issued and outstanding Common Shares (taking into account all other Common Shares collectively held by such shareholders); or (ii) the conversion would result in a number of Common Shares being issued that is more than 25% of the Common Shares outstanding, on a non-diluted basis, immediately prior to the Advance being made, unless, in either case, shareholder approval is obtained by LifeSpeak in accordance with applicable securities legislation and the rules or policies of the TSX (the "Additional Conversion Approvals").

Pursuant to the Credit Agreement, LifeSpeak has paid a commitment fee to Beedie Capital.

While the Loan is outstanding or Beedie Capital holds, directly or indirectly, 5% or more of the issued and outstanding Common Shares, calculated on a partially diluted basis, Beedie Capital will be entitled to have an observer attend LifeSpeak's board of directors (the "Board") and certain Board committee meetings. Should Beedie Capital hold, directly or indirectly, at least 10% of the issued and outstanding Common Shares, calculated on a partially diluted basis, it will have the option to nominate a representative to the Board.

The Loan will be secured by a general security agreement over the assets of LifeSpeak and certain of its subsidiaries, among other security granted to Beedie Capital. The Credit Agreement contains customary covenants, representations and warranties for a secured credit facility of this type.

Any Common Shares issued on conversion of the Loan will be subject to a statutory resale restriction in accordance with applicable Canadian securities laws, expiring four months and one day from the date hereof.

## **A&R Credit Agreement**

The A&R Credit Agreement amends and restates the existing senior credit agreement with Scotiabank Technology and Innovation Banking, as administrative agent, and Desjardins Capital Markets to permit the term loan from Beedie Capital and the grant of the security in favour of Beedie Capital and to bring the agreement terms more in-line with the Credit Agreement, including financial covenants, financial reporting, representations and warranties and covenants.

Canaccord Genuity and Scotiabank acted as financial advisors to LifeSpeak on the financing transaction.

Fasken Martineau DuMoulin LLP acted as lead legal counsel to LifeSpeak in connection with the Credit Agreement and the A&R Credit Agreement. Dentons Canada LLP acted as lead legal counsel to Beedie Capital.

LifeSpeak intends to host a conference call to provide a business update on Friday, March 31, 2023, at 8:00 a.m. ET to discuss its fourth quarter and full year 2022 results, and events subsequent to quarter end including the Loan

with Beedie Capital and the restated existing senior credit agreement.

## **About Beedie Capital**

Beedie Capital is a multi-strategy direct investment platform that manages the alternative investments for Beedie, one of the largest private companies in Western Canada. It deploys capital using a flexible, evergreen mandate, and applies a highly agnostic approach to the duration, structure and size of its investments. Beedie Capital combines the strategic capabilities of an institutional investment platform with the flexibility and entrepreneurial mindset of a privately owned business. Beedie Capital invests in any sector, with a core focus on Technology, Tech-enabled Services, and Metals and Mining, and seeks to grow its invested capital alongside the enterprise value of its investments. For further information on Beedie Capital, please visit <https://beediecapital.com>.

## **About LifeSpeak Inc.**

LifeSpeak is the leading whole-person wellbeing solution for employers, health plans, and other organizations. LifeSpeak's suite of digital solutions allows organizations to provide best-in-class content and expertise at scale, empowering individuals to live their healthiest lives. As the parent company to LIFT Digital, ALAViDA Health, Torchlight, and Wellbeats, LifeSpeak provides a flexible portfolio of wellbeing solutions across mental health, wellness, fitness, nutrition, substance use, and caregiving. LifeSpeak has more than 30 years of collective experience working with Fortune 500 companies, government agencies, insurance providers, and others across the globe. Insights from LifeSpeak's digital and data-driven solutions uncover gaps in wellbeing at the individual and organizational levels, ultimately enhancing workplace performance outcomes. To learn more, follow LifeSpeak on LinkedIn (<http://www.linkedin.com/company/lifespeak-inc>), or visit [www.LifeSpeak.com](http://www.LifeSpeak.com).

## **Forward-Looking Information**

This press release may include "forward-looking information" or "forward-looking statements" (collectively, "forward-looking information") within the meaning of applicable securities laws. Forward-looking information may include, without limitation, statements regarding the use of the proceeds of the Advance, the interest that will accrue under the Loan, the repayment of certain amounts owed under the Loan (including the form of repayment), future Common Share issuances to satisfy amounts owed under the Loan, the Maturity Date, the Additional Conversion Approvals, future approvals of the TSX, statements regarding Beedie Capital's observer status and nomination rights with respect to the Board, certain commitments and statements regarding LifeSpeak's obligations under the A&R Credit Agreement and statements with respect LifeSpeak's advancement of its strategy and acceleration of its growth. In some cases, but not necessarily in all cases, forward-looking information can be identified by the use of forward-looking terminology and phrases such as "forecast", "target", "goal", "may", "might", "will", "could", "expect", "anticipate", "estimate", "intend", "plan", "indicate", "seek", "believe", "predict", or "likely", or

the negative of these terms, or other similar expressions intended to identify forward-looking information, including references to assumptions. In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances, are forward-looking information. Statements containing forward-looking information are not historical facts nor guarantees or assurances of future performance but instead represent management's current beliefs, expectations, estimates and projections regarding possible future events, circumstances or performance.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that, while considered reasonable by the Company as of the date of this release, is subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information. Important factors that could cause actual results to differ, possibly materially, from those indicated by the forward-looking information include, but are not limited to: unanticipated costs and expenses; uncertainties and assumptions regarding future approvals of shareholders, the TSX or third parties; the ability of the Company to satisfy its obligations in the form anticipated when due; assumptions about general market conditions and the industry in which the Company operates; assumptions about the Company's future transactions; the ability of the Company to execute on its strategy and other risks and assumptions detailed from time to time in the Company's filings with Canadian provincial securities regulators, including the risk factors which are identified under "Risk Factors" in the Company's annual information form for fiscal year ended December 31, 2021 dated March 30, 2022, and the risk factors identified in the Company's management's discussion and analysis for the three and nine months ended September 30, 2022 dated November 10, 2022, and in other periodic filings that LifeSpeak has made and may make in the future with the securities commissions or similar regulatory authorities in Canada, all of which are available under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). These factors are not intended to represent a complete list of the factors that could affect the Company. However, such risk factors should be considered carefully. There can be no assurance that such estimates and assumptions will prove to be correct. You should not place undue reliance on forward-looking information, which speak only as of the date of this release. The Company undertakes no obligation to publicly update any forward-looking information, except as required by applicable securities laws.

SOURCE LifeSpeak Inc.