

HIRE Technologies Inc.

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Bay Talent Group to combine with RSI International Systems in major boost to acquisition strategy

Bay Talent Group Inc (CVE:HIRE) is planning to combine forces with Vancouver's RSI International Systems Inc (CVE:RSY.H) in a move that will fuel the staffing company's acquisition strategy.

The two companies announced a binding letter of intent on Friday that sees Bay Talent acquiring all the shares of RSI through an amalgamation between RSI and a new subsidiary of Bay Talent.

The new entity will become a direct, wholly owned Bay Talent subsidiary, the company said in a release.

READ: Bay Talent Group CEO Allan Hartley to speak at the AlphaNorth Capital investment conference

RSI sold its principal asset, RoomKeyPMS, in February 2019 for around C\$6 million and placed the proceeds into interest-bearing securities while pursuing new business acquisitions.

"Joining forces with RSI will allow us to significantly accelerate our acquisition strategy and provide additional resources for achieving our 2020 goals," said Bay Talent's CEO Allan Hartley in a statement Friday.

"RSI's financial resources and management team are an excellent fit in our development cycle and we look forward to the start of this partnership."

According to a statement, RSI's securityholders will receive securities of Bay Talent; however, both parties agree that the structure of the proposed transaction may be revised to accommodate tax considerations, accounting treatments or regulatory requirements.

RSI's shares will be de-listed from the TSX Venture Exchange's NEX board once the deal is finalized.

David Keys, RSI's chairman, said the firm was "very excited" about Bay Talent's business and potential going forward, calling the deal an "excellent opportunity for RSI shareholders to get involved in a great opportunity at a very attractive valuation."

Deal terms

The number of shares of Bay Talent issued to shareholders of RSI remains subject to the final valuation of the company, according to a statement. At this stage, the two companies agreed on a valuation of RSI C\$7 million.

Closing of the deal is based on a number of conditions, including RSI maintaining a minimum working capital of C\$5 million; Bay Talent's valuation price staying at or above C\$0.32; RSI entering into support agreements which represent 50% or more of RSI's shares; and a one-year lockup agreement by RSI's option holders and shareholders.

Price: 0.55

Market Cap: \$26.45 m

1 Year Share Price Graph



December 2019 April 2020 September 2020

Share Information

Code: HIRE

Listing: TSX-V

52 week	High	Low
	0.75	0.13

Sector: Business & education services

Website: hire.company

Company Synopsis:

HIRE is focused on the acquisition of information technology, staffing, and HR consulting firms. We provide our partners with meaningful cross-selling opportunities, access to proprietary operational tools, and a scalable, centralized back-office system to support growth.

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RSI's major shareholder Ernest W Moody Revocable Trust, which owns 44.4% of the firm's outstanding shares, may also appoint a nominee to join Bay Talent's board.

RSI may complete shares for debt settlements by issuing up to a maximum of two million shares at a price of no less than C\$0.15 per share.

Shares of Bay Talent gained 5.5% on Friday afternoon, trading at around C\$0.39.

--Updates with share price--

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