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**Ojo Electric completes business combination and forms high-growth provider of safe, sustainable urban mobility solutions**

Highlights:

- Trading as “OJO” commences on the TSXV at market open on Tuesday, October 22, 2019, offering pure play access to today’s rapidly expanding rideshare market.
- Electric scooter rideshare program committed to collaborating with local governments to reduce traffic congestion and carbon emissions.
- Built for the bike lane and streets, off sidewalks and away from pedestrians, Ojo’s seated scooter is a safe, structurally sound alternative to the kick-scooters in the market today, with superior, sustainable unit economics.
- Pipeline targets ten-fold increase in deployed rideshare fleet by Jan-2020.
- Growth strategy also targets partnerships with operators of last-mile delivery services; pilot ongoing with a leading on-demand food delivery service company.

**Oxnard, California and Vancouver, British Columbia – October 21, 2019** – Ojo Electric Corp. (formerly Arcturus Ventures Inc.) (the “**Company**”) (TSXV: OJO) is pleased to announce that it has completed its previously announced business combination (the “**Business Combination**”) with Ojo Electric, LLC (“**Ojo**”), a Light Electric Vehicle (LEV) mobility solutions company based out of Oxnard, California.

Trading in the shares of the Company will commence on the TSX Venture Exchange (the “**TSXV**”) at market open on Tuesday, October 22, 2019 under the symbol “OJO”.

**Rideshare**

Ojo is dedicated to providing safe, sustainable micro-mobility solutions in collaboration with municipal governments to reduce traffic congestion and carbon emissions. Micro-mobility ridesharing solutions — personal LEVs, such as e-scooters, rentable by-the-minute through a smartphone app – can effectively replace most personal car and ride-hailing trips, as well as deliver first- and last-mile solutions for public transit, in congested metro areas. Ojo was founded in 2015 by a group of successful consumer goods entrepreneurs, inventors, and designers, including Don Ratner, who is responsible for bringing over US\$1 billion of famous toys, water guns, and licensed products to worldwide markets.

Goldman Sachs has estimated the global mobility market to be worth US\$7.0 trillion, and projects the ride-hailing segment alone (Uber, Lyft, and others) to grow to between US\$177 billion and

US\$492 billion by 2030, and still constitute just 4% of overall urban trip demand.<sup>1</sup> “We believe strongly that LEV rideshare will represent a significant part of this growing mobility market,” said Max Smith, CEO and a Director of the Company. “The adoption curve for LEV rideshare is outpacing even that of ride-hailing, which makes sense given an estimated 53% of all urban trips span fewer than 3 miles.” Mr. Smith has a track record of driving business growth having been an instrumental part of eight successful exits in his career to date.

OjO has already secured permits from Austin, Dallas, and Memphis to deploy a total of 1,250 OjO scooters, all of which are expected to be deployed over the next 3-6 weeks (up from current fleet size of 250). The Company expects the remaining scooters (to increase the fleet to 2,500) to be delivered by year-end and deployed by the end of January 2020.

All of these units will be OjO’s latest generation “V2” rideshare scooter, which has been custom-built for rideshare with rider safety in mind. The V2 scooter features an integrated GPS technology system with onboard Bluetooth speakers, which allows for geo-fence approach warnings, as well as traffic, construction zone, speed reduction zone, and nearby docking station alerts. Updated software and hardware provide OjO with the ability to control speeds within designated slow ride zones and geo-fence locations.

OjO intends to expand its ridesharing service to other major US cities in the next 12 months, including, among others, San Antonio, TX, and Washington, D.C., and to add additional cities in North America and Europe, all subject to receipt of applicable regulatory approvals.

### **Last-Mile Delivery**

The OjO scooter, with its dual 48V lithium-ion battery packs, has a maximum range of 50 miles and is capable of a maximum speed of 20 mph with a maximum load of 300 lbs. A comfortable, adjustable cushioned seat and rear storage basket not only makes the OjO scooter distinguishable from many other rideshare electric “kick” scooters but makes it an ideal replacement for the CO2-emitting vehicles used in last-mile delivery services ranging from on-demand food delivery apps to package delivery.

In May 2019, OjO entered into a pilot with a leading on-demand food delivery service company, providing an initial fleet of 5 scooters to their drivers. The pilot has been very successful, with an estimated 35% efficiency improvement in deliveries, more trips and tips for drivers, and greater driver retention. The pilot was recently expanded to 25 scooters.

“We view last-mile delivery as a major opportunity and potential catalyst for the Company,” said Mr. Smith. “In the near term, we hope to extend our first pilot in this space into a long-term partnership and are actively seeking out other similar opportunities in the space.”

### **The Business Combination**

Pursuant to a Business Combination Agreement entered into on October 15, 2019, among the Company, OjO, and various other companies, the Company renamed its common shares as “Limited Voting Shares” and created a new class of multiple voting shares (the “**MV Shares**”). As of the closing of the Business Combination (“**Closing**”), the Company has a total of 34,799,710 Limited Voting Shares and 140,000 MV Shares issued and outstanding. On an as-converted basis,

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<sup>1</sup> Goldman Sachs Global Investment Research, *Rethinking Mobility*, May 23, 2017.

assuming the redemption of all OjO membership units for Limited Voting Shares, and conversion of all MV Shares into Limited Voting Shares, the effective capitalization of the Company as of Closing consists of 67,937,413 Limited Voting Shares.

On Closing, the Company issued an aggregate of 10,591,515 Limited Voting Shares to the subscribers of the August 7, 2019 private placement completed by 1148489 B.C. Ltd. (as described in the Company's news release dated July 9, 2019). These shares are subject to a hold period expiring on December 7, 2019. The Company also issued 1,246,946 Limited Voting Shares as finder's fees or loan bonus shares in connection with the transaction. An additional 5,397,925 Limited Voting Shares were issued to holders of Convertible Notes of OjO that were converted and redeemed on Closing.

On Closing, certain key OjO securityholders exchanged a *de minimis* number of their membership units in OjO for an aggregate of 140,000 MV Shares, providing them with approximately 80% of the outstanding voting rights of the Company. Each MV Share: (i) has 1,000 votes; (ii) is convertible into Limited Voting Shares of the Company on a 1:1 basis in certain circumstances; (iii) does not entitle the holder to any greater economic interest per share than the Limited Voting Shares; (iv) does not entitle the holder to change the rights and restrictions attached to any class of shares of the Company without a vote of all Company shareholders with the MV Shares having just one vote each; and (v) does not have any anti-dilution rights. The outstanding MV Shares will also be automatically converted into Limited Voting Shares: (i) upon the first date that an MV Share is held by or transferred to a person other than a permitted transferee, (ii) upon the first date which the holder of an MV Share ceases to be a director, officer or consultant of the Company, and (iii) upon the date on which the holders of MV Shares collectively own less than 20% of the outstanding shares of the Company (calculated on an as-converted basis). The holders of Limited Voting Shares holders have been provided with customary coattail rights pursuant to a Coattail Agreement entered into among the Company and the holders of the MV Shares.

Pursuant to a Fourth Amended and Restated Operating Agreement of OjO, which was entered into in connection with the Business Combination, the Company has been appointed as sole Manager of OjO (through its subsidiary, OjO Electric US Holdings Corp.).

The membership units of OjO that remain outstanding post-Closing are redeemable for an aggregate of 32,997,703 Limited Voting Shares, subject to certain restrictions. Any OjO membership units that remain unredeemed on the 7<sup>th</sup> anniversary of the Closing will be automatically redeemed for Limited Voting Shares.

In connection with the Business Combination, the Board of Directors of the Company was reconstituted to consist of Max Smith, Don Ratner, Alan Shapiro, Doug Deluca, Dale G. Seiden, Jessica Van Den Akker, and Brian T. O'Neill. In addition, Mr. Smith has been appointed as Chief Executive Officer, Darren Cross has been appointed as Chief Financial Officer, Chief Legal Officer and Company Secretary, and Roman Spandrio has been appointed as Chief Product and Innovation Officer.

In addition to the hold period on the Limited Voting Shares issued in connection with the August 7, 2019 private placement, an aggregate of 14,060,052 Limited Voting Shares (including 13,626,215 Limited Voting Shares that are issuable to holders of OjO membership units on conversion of such securities) and 129,000 MV Shares are subject to a value escrow agreement entered into with Computershare Trust Company of Canada. A further 52,442,147 Limited Voting Shares are subject to voluntary pooling restrictions, including 19,391,790 issued and outstanding on Closing and

33,050,357 issuable to holders of OjO membership units on redemption of such units. Pursuant to the pooling restrictions, 20% are released on Closing, and 20% are released on each six-month anniversary of Closing. In addition, 6,016,633 of the Limited Voting Shares which are subject to the voluntary pooling restrictions are also subject to a three-year seed share resale restriction imposed by the TSXV.

Completion of the Business Combination has received final approval of the TSXV. Further details of the Business Combination can be found in the Filing Statement of the Company dated October 15, 2019 which was prepared in accordance with the requirements of the TSXV and is available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

On Closing, the Company granted an aggregate of 6,050,000 stock options to directors, officers, employees and other service providers to purchase up to the same number of Limited Voting Shares. The stock options have an exercise price of \$0.76 per Limited Voting Share, expire ten years from the date of grant and vest according to their terms.

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### **Cautionary Statement Regarding Forward-Looking Information**

This news release includes certain “forward-looking statements” and “forward-looking information” under applicable Canadian securities legislation that are not historical facts. Forward-looking statements involve risks, uncertainties, and other factors that could cause actual results, performance, prospects, and opportunities to differ materially from those expressed or implied by such forward-looking statements. Forward-looking statements in this news release include, but are not limited to, statements with respect to: OjO and OjO's business and prospects and the Company's objectives, goals or future plans; and the business, operations, and management of the Company. Forward-looking statements are necessarily based on a number of estimates and assumptions that, while considered reasonable, are subject to known and unknown risks, uncertainties and other factors which may cause actual results and future events to differ materially from those expressed or implied by such forward-looking statements. Such factors include, but are not limited to: general business, economic and social uncertainties; litigation, legislative, environmental and other judicial, regulatory, political and competitive developments; delay or failure to receive board, shareholder or regulatory approvals; those additional risks set out in the Company's public documents filed on SEDAR at [www.sedar.com](http://www.sedar.com); and other matters discussed in this news release. Accordingly, the forward-looking statements discussed in this release, may not occur and could differ materially as a result of these known and unknown risk factors and uncertainties affecting the companies. Although the Company believes that the assumptions and factors used in preparing the forward-looking statements are reasonable, undue reliance should not be placed on these statements, which only apply as of the date of this news release, and no assurance can be given that such events will occur in the disclosed time frames or at all. Except where required by law, the Company disclaims any intention or obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

## **Reader Advisory**

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