



## PRESS RELEASE

### Extenway Completes Debt Settlement and Second Tranche of a \$2,915,600 Private Placement and Grants Options

**Montreal, Quebec – March 25, 2015** – Extenway Solutions Inc. (“**Extenway**” or the “**Company**”) (TSX Venture Exchange: EY) is pleased to announce the closing, as of March 25, 2015 (the “**Closing Date**”), of the following transactions:

- (i) a series of shares for debt transactions (the “**Debt Settlement**”) to settle an aggregate amount of \$9,427,888.94 in outstanding indebtedness of the Company (the “**Converted Indebtedness**”) through the issuance of an aggregate number of 118,411,104 common shares of the Company at deemed price of \$0.08 per share (the “**Shares for Debt**”); and
- (ii) a concurrent private placement of 30,195,000 common shares of Company (the “**Offered Securities**”) at a price of \$0.08 per share for gross proceeds of \$2,415,600 (the “**Second Tranche**”).

#### The Transactions

The Second Tranche was completed as part of a larger offering of common shares of the Company for combined aggregate proceeds of \$2,915,600 (the “**Offering**”, and together with the Debt Settlement, the “**Transactions**”), the first tranche of which was completed on December 22, 2014.

As further detailed in the Company’s press release dated March 2, 2015, the Converted Indebtedness settled pursuant to the Debt Settlement consisted of outstanding indebtedness under the Company’s outstanding unsecured convertible debentures and unsecured working capital advances from certain officers and directors of the Company.

The Shares for Debt and Offered Securities issued pursuant to the Transactions (collectively, the “**Shares**”) were issued to the Caisse de dépôt et placement du Québec (the “**Caisse**”); Desjardins-Innovatech s.e.c. (“**DI**”); certain existing shareholders of Extenway, including Messrs. John McAllister (President, CEO, and a director of Extenway) and David Brown (CFO of Extenway); and others in reliance on exemptions under *Regulation 45-106 respecting Prospectus and Registration Exemptions* (Québec).

As a result of the Caisse, DI, Messrs. McAllister and Brown, and another senior officer of the Company who participated in the Debt Settlement each being related parties to the Company, the Transactions are considered related party transactions under *Regulation 61-101 respecting Protection of Minority Security Holders in Special Transactions* (Québec) (“**Regulation 61-101**”) and Policy 5.9 of the TSX Venture Exchange (the “**Exchange**”). As previously announced, the Company relied upon sections 5.5(b) and 5.7(e) of Regulation 61-101 for exemptions from

the formal valuation and minority approval requirements of Regulation 61-101 in respect of the Transactions.

Pursuant to the Transactions, the Caisse acquired ownership and control of approximately 21.19% of the Company's issued and outstanding common shares on an undiluted basis and became a new "Control Person" of the Company under the policies of the Exchange. The Company has received the requisite written consents to authorize the creation of the new "Control Person" from disinterested shareholders of the Company holding more than 50% of the issued and outstanding voting shares of the Company held by all disinterested shareholders.

The proceeds of the Second Tranche will be used for working capital purposes.

IRR Capital Inc., an exempted market dealer, acted as finder for a portion of the Second Tranche and received a finder's fee consisting of 300,000 common shares of Extenway at a deemed price of \$0.08 per share (the "**Finder's Fee Shares**").

The Shares and Finder's Fee Shares are subject to a four-month plus one-day hold period from the Closing Date, expiring on July 26, 2015, pursuant to securities legislation and the policies of the Exchange. Neither the Shares nor the Finder's Fee Shares have been, nor will they be, registered under the United States Securities Act of 1933, as amended, or state securities laws, and may not be offered or sold in the United States or to an account for the benefit of U.S. persons, absent such registration or an exemption from registration. The Transactions remain subject to the final approval of the Exchange.

### **Option Grants**

The Company also announces a grant of 3,083,334 incentive stock options (the "**Options**") to three senior officers of the Company, each Option being exercisable to acquire one common share of the Company at an exercise price of \$0.08 per share for a period of 5 years from the Closing Date. The Options were granted to Messrs. McAllister and Brown and another senior officer of the Company on closing in connection with the Transactions pursuant to amended employment agreements entered into by the Company with each of them, as a means of reducing the overall cash compensation to be paid for their services to the Company. The Options are governed by the Company's stock option plan and will vest in three equal tranches on March 30, 2015, October 30, 2015 and April 30, 2016.

### **Early Warning Reports**

Prior to completion of the Second Tranche and Debt Settlement, Mr. McAllister had: (i) direct ownership of 2,000,000 common shares of Extenway (including securities convertible into 1,000,000 common shares of Extenway); and (ii) indirect ownership through his wholly-owned holding company, John McAllister Holdings Inc., of an additional 34,834,688 common shares of Extenway (including securities convertible into 3,846,153 common shares of Extenway), collectively representing 24.90% of the Company's issued and outstanding common shares on a partially diluted basis.

Pursuant to the Debt Settlement, Mr. McAllister acquired direct ownership of 3,291,875 common shares of Extenway and indirect ownership of an additional 30,073,784 common shares of Extenway through his wholly-owned holding company, John McAllister Holdings Inc., collectively representing 11.43% of the Company's issued and outstanding common shares on an undiluted basis following completion of the Transactions. As a result, Mr. McAllister is deemed to have direct ownership of 4,692,516 common shares of Extenway (including securities convertible into 1,400,641 common shares of Extenway) and indirect ownership of an additional 62,062,319 common shares of Extenway, which collectively represent 22.75% of the Company's issued and outstanding common shares, on a partially diluted basis, following completion of the Transactions.

Prior to completion of the Second Tranche and Debt Settlement, Mr. Brown had direct ownership of 30,975,210 common shares of Extenway (including securities convertible into 1,000,000 common shares of Extenway), representing 21.50% of the Company's issued and outstanding common shares on a partially diluted basis.

Pursuant to the Debt Settlement, Mr. Brown acquired direct ownership of 8,875,000 common shares of Extenway, representing 3.04% of the Company's issued and outstanding common shares on an undiluted basis following completion of the Transactions. As a result, Mr. Brown is deemed to have direct ownership of 40,050,530 common shares of Extenway (including securities convertible into 1,200,320 common shares of Extenway), which represents 13.66% of the Company's issued and outstanding common shares, on a partially diluted basis, following completion of the Transactions.

Early warning reports of each of Messrs. McAllister and Brown containing additional information with respect to the Shares for Debt acquired by each of them pursuant to the Debt Settlement will be filed under the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com). The Shares for Debt were acquired by Messrs. McAllister and Brown for investment purposes and to improve the financial position of the Company given its current financial situation. Messrs. McAllister and Brown may from time to time increase or decrease their holdings of the Company's securities, depending on market and other conditions.

### **About Extenway Solutions**

Extenway Solutions is a supplier of client-focused solutions for the healthcare industry. Services offered by Extenway include interactive television, bedside terminals for patients, internet, entertainment, content integration, advertising, education and medical integrated solutions. Extenway allows organizations to optimize management and coordination of human interactions as well as communications, information and coordination. For further information, please visit [extenway.com](http://extenway.com) or follow us on Twitter @Extenway.

### **Disclaimer**

Certain statements that appear in this news release constitute forward-looking statements. These forward-looking statements relate to future financial conditions, results of operations or business of Extenway. These statements may be current expectations and estimates about the markets in

which Extenway operates and management's beliefs and assumptions regarding these markets. These statements involve significant risks and uncertainties which are difficult to predict and assumptions which may prove to be inaccurate. The results or events predicted in forward-looking statements may differ materially from actual results or events. Extenway disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In particular, forward-looking statements do not reflect the potential impact of any merger, acquisitions or other business combinations or divestitures that may be announced or completed after such statements are made.

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