

# Awakn Life Sciences Provides Supplemental Disclosure in Connection with Proposed Plan of Arrangement

Toronto, Ontario--(Newsfile Corp. - April 11, 2025) - Further to its press release dated February 27, 2025 and its management information circular dated May 10, 2025 (the "**Circular**"), Awakn Life Sciences Corp. (CSE: AWKN) (OTC Pink: AWKNF) (FSE: 954) ("**Awakn**" or the "**Company**") wishes to provide supplemental disclosure to the Circular in respect of its annual general and special meeting (the "**Meeting**") of the Company's securityholders (the "**Securityholders**") to approve, among other things, a statutory plan of arrangement (the "**Arrangement**") involving the Company and Solvonis Therapeutics PLC ("**Solvonis**") under Division 5 of Part 9 of the *Business Corporations Act* (British Columbia) whereby, among other things, Solvonis will acquire all of the outstanding common shares (the "**Common Shares**") in the capital of the Company, all outstanding restricted share units (the "**RSUs**") in the capital of the Company, and all outstanding deferred share units (the "**DSUs**") in the capital of the Company (the "**Transaction**").

Based on its review of the Circular, staff of the Ontario Securities Commission has requested that pursuant to Multilateral CSA Staff Notice 61-302 and the review program thereunder, the Company provide supplemental disclosure with respect to the Company's assessment of "collateral benefits" as such term is defined in Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**").

MI 61-101 provides that, in certain circumstances, where a "related party" (as defined in MI 61-101) of an issuer is entitled to receive a collateral benefit in connection with an arrangement transaction such as the Transaction, such transaction may be considered a "business combination" for the purposes of MI 61-101 and subject to minority shareholder approval requirements.

A collateral benefit includes any benefit that a related party of the subject company (which includes the directors and executive officers of the subject company) is entitled to receive as a consequence of the transaction including such benefits as an increase in salary or a lump sum payment on a change of control. However, a benefit received by a related party is not considered to be a collateral benefit under MI 61-101 if, among other things, (i) at the time the transaction was agreed to, the related party and its associated entities beneficially owned or exercised control or direction over less than 1% of the outstanding equity securities of the subject company, or (ii) for business combinations: (a) the related party discloses to an independent committee of the subject company the amount of consideration that the related party expects it will be beneficially entitled to receive, under the terms of the transaction, in exchange for the equity securities beneficially owned by the related party; (b) the independent committee, acting in good faith, determines that the value of the benefit, net of any offsetting costs to the related party, is less than 5% of the value referred to in clause (a); and (c) the independent committee's determination is disclosed in the disclosure document for the transaction.

If it is determined that a related party is to receive a collateral benefit in connection with the Transaction, the resolution approving the Transaction (the "**Arrangement Resolution**") will require "minority approval" in accordance with MI 61-101. This means the Arrangement Resolution must be approved by a majority of the votes cast, excluding those votes beneficially owned, or over which control or direction is exercised, by the related parties of the Company who receive a collateral benefit. This approval is in addition to the requirement that the Arrangement Resolution be approved by not less than two-thirds of the votes cast by Securityholders at the Meeting.

If the Transaction is completed, the vesting of currently unvested RSUs is to be accelerated, which accelerated vesting is generally considered a benefit. The table below sets out the related parties to Awakn that are entitled to the benefit of accelerated vesting of unvested RSUs, and whether or not the

exclusions to the determination of collateral benefit provided for in MI 61-101 apply to each related party.

Related Parties	Number of Common Shares Beneficially Held (including vested RSUs and DSUs) and % of class <sup>(1)</sup>	Number of Unvested RSUs held	% of Consideration that Benefit Represents	Collateral Benefit
Anthony Tennyson	2,222,206 5.18%	100,500	4.52%	No
Jonathan Held	1,113,654 2.59%	100,500	9.02%	<u>Yes</u>
Paul Carter	358,322 0.83%	36,850	10.28%	No
George Scorsis	1,480,475 3.45%	50,250	3.39%	No
Stephen Page	391,150 0.91%	36,850	9.42%	No
John Papastergiou	362,400 0.84%	36,850	10.17%	No
David Nutt	757,650 1.76%	53,600	7.07%	<u>Yes</u>

<sup>(1)</sup> Based on 42,922,623 Awakn Shares outstanding on a non-diluted basis.

Each of Messrs. Carter, Page and Papastergiou beneficially owns less than 1% of the outstanding Common Shares. Therefore, the accelerated vesting of their respective RSUs would not constitute collateral benefits.

Each of the related parties noted in the table above disclosed to an independent committee of Awakn's board of directors comprised of George Scorsis, Stephen Page, Paul Carter, and John Papastergiou (the "**Special Committee**") the amount of consideration that each expects he will be beneficially entitled to receive, under the terms of the Arrangement, in exchange for his Common Shares. The Special Committee, acting in good faith, determined that (with George Scorsis recusing himself from consideration and voting in respect of the determination related to his unvested RSUs), in the case of Anthony Tennyson and George Scorsis, the value of the accelerated vesting of their respective unvested RSUs, net of any offsetting costs, is less than 5% of the value that each expects to receive under the terms of the Arrangement in exchange for their respective Common Shares. Therefore, the accelerated vesting of the unvested RSUs held by Messrs. Tennyson and Scorsis would not constitute collateral benefits.

Messrs. Held and Nutt are each expected to receive a collateral benefit as a consequence of the Transaction and, therefore, the Transaction constitutes a "business combination" pursuant to MI 61-101, for which minority approval is required. Accordingly, all of the Common Shares beneficially owned, directly or indirectly, or over which control or direction is exercised, by Jonathan Held, Chief Financial Officer of Awakn and Prof. David Nutt, Chief Research Officer of Awakn, representing, as of March 13, 2025 (the "**Record Date**"), approximately 3.65% of the issued and outstanding Common Shares, on a non-diluted basis, will be excluded in determining whether minority approval for the Transaction is obtained.

As of the Record Date, the Common Shares to be excluded for purposes of the minority approval requirement are set out below:

Shareholder	Common Shares	Percentage of Issued and Outstanding Common Shares
Jonathan Held	914,154	2.13%
Prof. David Nutt	651,250	1.52%
<b>Total</b>	<b>1,565,404</b>	<b>3.65%</b>

The Company is not required to obtain a formal valuation under MI 61-101 as (i) no "interested party" (as defined in MI 61-101) is, as a consequence of the Transaction, directly or indirectly acquiring the Company and (ii) an "interested party" is not a party to any "connected transaction" (as defined in MI 61-101) to the Transaction that is a "related party transaction" (as defined in MI 61-101) for which Awakn would be required to obtain a formal valuation. No prior valuations of Awakn have been made in the past 24 months and no bona fide prior offers that relate to the subject matter of, or are relevant to, the Transaction, have been received by the Company in the past 24 months.

## **About Solvonis**

Solvonis Therapeutics plc (LSE: SVNS) formerly, Graft Polymer (UK) plc, is UK incorporated LSE-listed innovative biotechnology company focused on developing intellectual property and co-developing therapeutics for mental health and substance use disorders. Its therapeutic priorities include trauma-related mental health disorders such as Post-Traumatic Stress Disorder, which affects approximately 13 million adults in the US and 20 million across the US, UK, and key EU markets. The company emphasises growth through strategic collaborations, joint ventures, and acquisitions.

## **About Awakn Life Sciences Corp.**

Awakn Life Sciences Corp. is a clinical-stage biotechnology company developing therapeutics targeting addiction. Awakn has a near-term focus on Alcohol Use Disorder, a condition affecting 40 million people in the US and key international markets and 285m people globally for which the current standard of care is inadequate. Our goal is to provide breakthrough therapeutics to addiction sufferers in desperate need and our strategy is focused on commercializing our R&D pipeline across multiple channels.

## **Notice Regarding Forward-Looking Information**

*Certain statements contained in this news release constitute forward-looking information under applicable Canadian, United States and other applicable securities laws, rules and regulations, including, without limitation, statements with respect to the completion of the Transaction, the conditions to the completion of the Transaction that must be fulfilled and the anticipated benefits and advantages of the Transaction. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on Awakn's current beliefs or assumptions as to the outcome and timing of such future events. There can be no assurance that such statements will prove to be accurate, as Awakn's actual results and future events could differ materially from those anticipated in these forward-looking statements. Factors that could cause actual results and future events to differ materially from those anticipated in these forward-looking statements include the risks, uncertainties and other factors and assumptions made with regard to Awakn's ability to complete the proposed Transaction; and Awakn's ability to secure the necessary securityholder, legal and regulatory approvals required to complete the Transaction. Important factors that could cause actual results to differ materially from Awakn's expectations include risks associated with the business of Solvonis and Awakn; risks related to the satisfaction or waiver of certain conditions to the closing of the Transaction; non-completion of the Transaction; fluctuations in currency exchange rates; and other risk factors as detailed from time to time and additional risks identified in Awakn's filings with Canadian securities regulators on SEDAR+ in Canada (available at [www.sedarplus.ca](http://www.sedarplus.ca)). Various assumptions or factors are typically applied in drawing conclusions or making the forecasts or projections set out in forward-looking information. Those assumptions and factors are based on information currently available to Awakn. The forward-looking information contained in this news release is made as of the date hereof and Awakn undertakes no obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except*

*as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward-looking information. The foregoing statements expressly qualify any forward-looking information contained herein.*

**Investor Enquiries:**

Jonathan Held, CFO, Awakn Life Sciences

[jonathanh@awaknlifesciences.com](mailto:jonathanh@awaknlifesciences.com)

416-270-9566



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