

HYTN Completes Acquisition of Prism Scientific Labs, Enhancing Psychedelic Compound Manufacturing Capabilities

Vancouver, British Columbia – July 18, 2024 - HYTN Innovations Inc. (CSE: HYTN | FSE: 85W0) "HYTN" or "The Company", a leader in the development, formulation, and manufacturing of psychoactive and psychotropic compounds, including cannabis and psilocybin, is pleased to announce, further to its news release dated June 13, 2024, the completion of its acquisition ("**Acquisition**") of all of the issued and outstanding share capital of Prism Scientific Labs Inc. (Prism), a company focussed on the research and development of psychedelic and psychoactive compounds, with a particular emphasis on enhancing tryptamine yields in psychedelic mushrooms. This strategic acquisition grants HYTN exclusive access to Prism's suite of intellectual property, including, most significantly, its license ("**License**") with respect to the technologies of Lux Sit Systems Inc. (Lux Sit) relating to the cultivation of psilocybin-containing mushrooms ("**Licensed IP**"). These technologies include specialized equipment designed to increase both the total yield and the tryptamine profile of mushrooms by enabling the production of larger and more potent biomass for psychedelic drug manufacturing. This License is for a term expiring on June 4, 2029, with the license agreement between Prism and Lux Sit having been entered into on June 4, 2024 ("**License Agreement**"). The Company notes that Prism secured the License in exchange for the issuance to Lux Sit of 100,000 Prism shares, and the payment of \$35,000, as well as a covenant to issue an additional 100,000 Prism shares and \$30,000 in cash upon the first anniversary of the License Agreement.

The Licensed IP, which represents Prism's material asset, is currently undergoing patent review, and is actively being deployed in connection with the cultivation of psilocybin-containing mushroom's at the Company's Kelowna facility.

In consideration for the Acquisition, HYTN has issued to the former shareholders of Prism, all of whom are at arm's length to HYTN, an aggregate of 12,100,100 common shares ("**Consideration Shares**"). The Consideration Shares have a deemed acquisition price of \$0.195 and are subject to a hold period of four months.

The Company believes that the integration of Prism's business will further its efforts to develop drugs containing psychoactive compounds for clinical applications. This acquisition marks a significant step forward in HYTN's mission to be the top provider of these products in all federally regulated markets and follows the Company's news release dated June 27, 2024, which announced that the Company had received Good Manufacturing Practices (GMP) certification for non-sterile pharmaceutical manufacturing of drugs containing psilocybin.

Tyler Lewis, Director of Prism, was enthusiastic about the development saying, "We are thrilled to roll Prism into HYTN, finding a partner that can take our licenses and

technologies and start to develop them in real world applications to create a better performing drug will provide tremendous upside."

Elliot McKerr, Chief Executive Officer, HYTN Innovations Inc., said, "We are excited to welcome Prism into the HYTN family. This acquisition represents a key pillar in HYTN's long term strategic growth plan, allowing us to leverage Prism's exclusive licenses to enhance our research and development capabilities. By combining Prism's intellectual property with our established operations, we are poised to drive innovation in the psychoactive and psychedelic compounds market. This collaboration not only aims to expand our future product offerings but also solidifies our position as a leader in the industry. We look forward to the exciting advancements and opportunities this acquisition will bring to HYTN and our stakeholders."

The Company notes that it anticipates adding key members of Prism's founding team as strategic advisors to the Company.

The Company also notes that, as required under applicable securities law, it will file a Business Acquisition Report (BAR) in respect of the acquisition of Prism within the prescribed time, and will issue a news release upon the filing of the BAR.

About HYTN Innovations Inc.

HYTN formulates, manufactures, markets, and sells premium products containing psychoactive and psychotropic compounds, including cannabis-derived cannabinoids. HYTN's mission is to become the top provider of these products in all federally regulated markets. To achieve this, the Company focuses on identifying market opportunities and quickly bringing its innovative products to market through its elevated development platform.

About Good Manufacturing Practices (GMP)

Good Manufacturing Practice (GMP) guidelines are pivotal in enhancing product quality by establishing rigorous standards for manufacturing, testing, and quality assurance. These guidelines are instrumental in managing and mitigating risks, thereby ensuring products are consistently produced and controlled according to quality standards. By prioritizing safety, GMP helps ensure that products do not pose unacceptable risks to consumers. Adherence to GMP is mandated in many countries, aligning with national regulations to uphold global quality standards and facilitate international commerce in regulated products.

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The Canadian Securities Exchange (CSE) has not reviewed, approved, or disapproved the contents of this press release.

Certain information contained herein may constitute forward-looking statements that involve risks and uncertainties. Readers are cautioned not to place undue reliance on forward-looking statements, including, but not limited to, statements regarding: (i) the ability of the Company to integrate Prism's intellectual property and expertise into HYTN's existing operations; (ii) the ability of the Company to develop and commercialize psychoactive compounds and technologies; (iii) the ability of the Company to enhance its research and development capabilities; (iv) the potential for market expansion and increased competitive advantage resulting from the Acquisition; and (v) the ability to leverage Prism's exclusive licenses and patented technologies for future product development. Factors that could cause actual results to vary from forward-looking statements or may affect the operations, performance, development, and results of the Company's business include, among other things: the Company's failure to generate sufficient cash flow from operations to meet its current and future obligations; the Company's failure to access sources of debt and equity capital; changes to the regulatory framework within which the Company operates; competitive factors, pricing pressures, and supply and demand in the Company's industry; and general economic and business conditions. Any statements that are not statements of historical fact are deemed to be forward-looking statements. The forward-looking statements contained in this news release are made as of the date of this news release, and, except to the extent required by applicable law, the Company assumes no obligation to update or revise forward-looking statements made herein or otherwise, whether because of new information, future events, or otherwise. The forward-looking statements contained in this news release are expressly qualified by this cautionary note.

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