

Sona Nanotech Inc. and Expedeon AG Strengthen Partnership to Improve Global Market Offering

Diagnostics companies sign new commercial agreement to address limitations in development of multiplex point-of-care lateral flow assay diagnostic tests

Halifax, Nova Scotia--(Newsfile Corp. - August 6, 2019) - Sona Nanotech Inc. (CSE: SONA) and Expedeon AG (FSE: EXN) (ISIN: DE000A1RFM03), today announced they have entered into a commercial agreement to address limitations in development of complex, multiplex point-of-care (POC) lateral flow assay (LFA) diagnostic tests.

Under the terms of the agreement, Expedeon will provide gold nanoparticle, bioconjugation technologies and expertise, and Sona will offer its lateral flow assay development services, leading to immediate and ongoing revenue generation. The collaboration will enable the rapid development of more complex / multiplex immunoassays into LFAs, from proof of principle, through scale-up and transfer to manufacturing and will further expose Sona to Expedeon's global customer base.

The lateral flow assay market is expected to reach USD 8.7 billion by 2023 from an estimated USD 6.0 billion in 2018, at a CAGR of 7.7% according to a recent market research report.^[1] The lateral flow assay market comprises several stakeholders such as raw material suppliers, processors, end-product manufacturers, distributors, and regulatory organisations in the supply chain. The demand side of this market is characterised by the hospitals & clinics, diagnostic laboratories, home care, food & beverage, pharmaceutical, nutraceutical & biotechnology companies, and the environmental testing industry. A significant portion of this market is comprised of POC diagnostics.

POC diagnostics or near-patient testing is a medical diagnostic test that allows physicians and medical staff to correctly attain real-time, lab-quality diagnostic results within minutes rather than hours. LFAs are among the most widely used POC diagnostic tests due to their rapidity, ease of use, long term storage and application in resource-limiting settings.

Multiplex lateral flow assays provide an ideal solution to the need for simple, rapid, and accurate POC tests, for applications such as infectious disease or communicable illness diagnostics. However, challenges in both development and transfer to manufacturing have previously limited the number of multiplex lateral flow assays brought to the market. This new collaboration between Expedeon and Sona will address these limitations, enabling simultaneous detection of multiple analytes with distinct visual differences between the test lines in a fully scalable, transferable and cost-effective way.

Darren Rowles, President and CEO, Sona Nanotech, said: *"The lateral flow market is growing rapidly, with innovative new technologies being developed all the time. To fully take advantage of the opportunities and overcome challenges, companies must increasingly work together collaboratively. Signing this agreement with Expedeon further strengthens the productive partnership between our organisations and our commitment to delivering value to our combined global customer base."*

Dr Heikki Lanckriet, CEO, Expedeon AG, said: *"The adoption of point-of-care diagnostics is increasing globally, due to factors such as high prevalence of infectious diseases in developing countries, increasing incidence of target diseases, and rising preference for home healthcare. Despite the growing market, there are several bottlenecks in the development of point of care assays. We are looking forward to working with Sona to overcome these challenges, without compromising on quality or reproducibility."*

Expedeon (booth #4259) and Sona Nanotech (booth #4257) will be exhibiting and promoting their collaboration at the **71st AACC Annual Scientific Meeting & Clinical Lab Expo**, August 4th - 8th, at the Anaheim Convention Centre, California, USA.

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Notes to editors

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About Sona Nanotech Inc.: <https://sonanano.com/>

Sona Nanotech Inc. is a nanotechnology life sciences firm that has developed two proprietary methods for the manufacture of rod-shaped gold nanoparticles. The principal business carried out and intended to be continued by Sona is the development and application of its proprietary technology for use in multiplex diagnostic testing platforms that will improve performance over existing tests in the market.

Sona's gold nanorod particles are CTAB (cetyltrimethylammonium) free, eliminating the toxicity risks associated with the use of other gold nanorod technologies in medical applications. It is expected that Sona's gold nanotechnologies may be adapted for use in applications, as a safe and effective delivery system for multiple medical treatments, pending the approval of various regulatory boards including Health Canada and the FDA.

Sona is a publicly listed company on the Canadian Securities Exchange existing under the laws of Nova Scotia, with its operations in Nova Scotia.

About Expedeeon AG: www.expedeeon.com

Expedeeon is an enabler of exciting advances in medical science and patient care. The Company's core technologies, innovative products and services are used in research laboratories around the world, enabling scientists to push the boundaries of research and product development, and play an integral part in new diagnostic tools being brought to market. With applications spanning the entire workflows in genomics, proteomics and immunology, Expedeeon's technologies both accelerate and simplify research and make new and cost-effective processes available to biopharmaceutical and diagnostic organisations alike, thereby underpinning its customers' development and commercialisation objectives. Expedeeon's products are sold through a direct sales force and several distribution partners in Europe, the USA and Asia. Expedeeon AG has offices in Germany, Spain, UK, USA and Singapore. The Company is listed on the Prime Standard segment of the Frankfurt Stock Exchange (Ticker: EXN; ISIN: DE000A1RFM03).

FORWARD LOOKING INFORMATION

This press release contains forward-looking statements and information that are based on the beliefs of management and reflect the Company's current expectations. When used in this press release, the words "estimate", "project", "belief", "anticipate", "intend", "expect", "plan", "predict", "may" or "should" and the negative of these words or such variations thereon or comparable terminology are intended to identify forward-looking statements and information. The forward-looking statements and information in this press release includes information relating to the Amalgamation (including the structure of the Amalgamation), the Amalgamation (including shareholder approval, shareholder support, and other terms), the Private Placement (including its completion and the use of proceeds from the Private Placement), the directors and management of the resulting issuer upon completion of the Amalgamation, and the implementation of Sona's business plan. Such statements and information reflect the current view of the Company with respect to risks and uncertainties that may cause actual results to differ materially from those contemplated in those forward-looking statements and information.

By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following risks: risks associated with the completion of the Amalgamation and matters relating thereto; and risks associated with the marketing and sale of securities, the need for additional financing, reliance on key personnel, the potential for conflicts of interest among certain officers or directors, and the volatility of the Company's common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

There are a number of important factors that could cause the Company's actual results to differ materially from those indicated or implied by forward-looking statements and information. Such factors include, among others, risks related to Sona's proposed business, such as failure of the business strategy and government regulation; risks related to Sona's operations, such as

additional financing requirements and access to capital, reliance on key and qualified personnel, insurance, competition, intellectual property and reliable supply chains; risks related to Sona and its business generally, such as infringement of intellectual property rights and conflicts of interest. The Company cautions that the foregoing list of material factors is not exhaustive. When relying on the Company's forward-looking statements and information to make decisions, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. The Company has assumed a certain progression, which may not be realized. It has also assumed that the material factors referred to in the previous paragraph will not cause such forward-looking statements and information to differ materially from actual results or events. However, the list of these factors is not exhaustive and is subject to change and there can be no assurance that such assumptions will reflect the actual outcome of such items or factors. While the Company may elect to, it does not undertake to update this information at any particular time.

THE FORWARD-LOOKING INFORMATION CONTAINED IN THIS PRESS RELEASE REPRESENTS THE EXPECTATIONS OF THE COMPANY AS OF THE DATE OF THIS PRESS RELEASE AND, ACCORDINGLY, IS SUBJECT TO CHANGE AFTER SUCH DATE. READERS SHOULD NOT PLACE UNDUE IMPORTANCE ON FORWARD-LOOKING INFORMATION AND SHOULD NOT RELY UPON THIS INFORMATION AS OF ANY OTHER DATE. WHILE THE COMPANY MAY ELECT TO, IT DOES NOT UNDERTAKE TO UPDATE THIS INFORMATION AT ANY PARTICULAR TIME EXCEPT AS REQUIRED IN ACCORDANCE WITH APPLICABLE LAWS

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The terms of the agreement are not material to Sona.

[1] <https://www.marketsandmarkets.com/Market-Reports/lateral-flow-assay-market-167205133.html>

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/46730>