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Bee Vectoring Technologies Closes Non-Brokered Private Placement, Enters into Sharing Agreement and Closes Concurrent Private Placement

Mississauga, ON Canada and Sacramento, CA USA (July 12, 2022) – Bee Vectoring Technologies International Inc. (the “Company” or “BVT”) (CSE: BEE) (OTCQB: BEVVF) (CVE:BEE) is pleased to announce that it has closed a non-brokered private placement (the “Sorbie Private Placement”) of units (“Units”) and unsecured convertible notes (“Notes”) to Sorbie Bornholm LP (“Sorbie”), an institutional investor, for gross proceeds of \$3.8 million on July 11, 2022. The proceeds of the Sorbie Private Placement were used to acquire government bonds in connection with the Company and Sorbie entering into the Sharing Agreement (as defined below), which is described in more detail below.

“Recognizing the value opportunity with BVT, the capital from Sorbie’s investment is expected to allow BVT to continue executing on its scalable growth strategy,” said Ashish Malik, CEO of BVT. “With healthy year over year sales growth in the USA and up to 90% in customer retention rates, we have successfully demonstrated the value proposition of BVT to our clients. We believe we are now well on the way to moving from a single revenue stream company to a well-diversified portfolio and we expect this transaction to support us as we work to expand the current valuation to include multiple revenue streams such as seed coating and additional third-party biologicals, as well as geographic expansion, in the next 36 months.”

Michael Collinson, BVT founder and Chairman, added: “We continue to show scalable growth with our increased testing and engagement in various regions and we are pleased that a well-established institutional investor has recognized the positive moment BVT is experiencing and has enough conviction to commit to a multi-year investment into our company. Despite the challenging capital market environment today with the TSX/S&P venture index being down 30% YTD, BVT was able to sustain a stable share price with little to no volatility indicating a strong shareholder base supporting the long-term goals of the Company.”

Sorbie Private Placement

The Sorbie Private Placement is expected to provide the Company with a consistent source of funds over the next two years, which funds will be used by the Company as they are received pursuant to the terms of the Sharing Agreement to fund its ongoing growth strategy in the agricultural space, for continued research and development and general working capital purposes.

The Company issued the following securities to Sorbie in connection with the Sorbie Private Placement:

- 11,176,471 Units issued at a price of \$0.17 per Unit. Each Unit consists of one common share of the Company (each, a “Share”) and one Share purchase warrant (each, a “Warrant”), with each Warrant entitling the holder thereof to purchase one additional Share of the Company at an exercise price of \$0.27 for a period of 36 months from issuance, unless such exercise period is accelerated or extended in accordance with the terms of the warrant instrument.
- 1,900 Notes in the principal amount of \$1,000 per Note. The Notes bear an interest rate of 7% per annum for a period of three years. Interest on the Notes is to be paid semi-annually in advance (on June 30 and December 31) and may be satisfied, at the option of the Company, in cash or Shares, with such Shares being issued using the maximum allowable discount to the market price at the time. Each Note is convertible into 5,128 Shares, which represents a conversion price of \$0.195, for a period of three years from the date of issuance, provided that conversion of the Notes is permitted only when the Shares issuable upon conversion, combined with the shareholdings of Sorbie immediately before the time of such conversion, does not take Sorbie’s ownership interest in the Company above 9.9%. Each Note is issued together with 5,128 detachable Warrants (the “Detachable Warrants”) which have the same terms as the Warrants, with the result that the Company issued 9,743,200 Detachable Warrants in connection with issuing the 1,900 Notes.
- In addition, 798 convertible notes (the “Payment Notes”) were issued to Sorbie with 275 Payment Notes being issued in satisfaction of the \$275,000 value payment that was payable by the Company in connection with Sorbie entering into the Sharing Agreement, and 523 Payment Notes being issued to Sorbie in satisfaction of the Benchmark Payment (as defined below). The Payment Notes have the same terms as the Notes, except they do not bear interest and do not provide for Detachable Warrants.
- The first interest payment for the 1,900 Notes issued to Sorbie was paid concurrently with closing of the Sorbie Private Placement by the issuance of 431,770 Shares.

Concurrently with closing the Private Placement, the Company entered into certain hedging arrangements with Sorbie governed by an ISDA Master Agreement dated July 11, 2022 and a sharing agreement dated July 11, 2022 (the “Sharing Agreement”). Pursuant to the terms of the Sharing Agreement, the gross proceeds of the Sorbie Private Placement (being \$3.8 million) (the “Posted Support”) were used to acquire UK government bonds as credit support to secure the Company’s maximum potential exposure under the Sharing Agreement, with Sorbie retaining control and direction of such proceeds (including both the economic benefit and the risk resulting from fluctuations in the bond pricing and foreign exchange) until they are released back to the Company in accordance with the terms of the Sharing Agreement.

The hedging transactions governed by the Sharing Agreement will be determined and payable in 24 monthly settlement tranches based on the volume weighted average price of the Shares for the 20 trading days prior to each monthly settlement date measured against the Benchmark Price. On each such settlement date, Sorbie will release a portion of the Posted Support determined in reference to such volume rated average (with \$250,000 to be received the first two months and \$150,000 for each of the remaining 22 months). If the measured Share price is equal to the Benchmark Price for each of the 24 monthly settlement tranches, the Company will receive cash payments totaling \$3.8 million. If the measured Share price exceeds the Benchmark Price, the Company will receive more than 100% of the settlement payable that month on a *pro rata* basis. Similarly, if the measured Share price is below the Benchmark Price, the Company will receive less than 100% of the settlement payable that month on a *pro*

rata basis, with the result that if the measured Share price is below the Benchmark Price for a period of time, the Company will receive less than \$3.8 million. However, there is no upper limit placed on additional proceeds that may be received by the Company as part of the monthly settlements and a decline in the Share price will not result in additional securities being issued to Sorbie.

The Sharing Agreement permits the Company to retain much of the economic interest of the securities issued to Sorbie, including the potential upside to the extent the Shares trade above an initial price of \$0.21 (the “Benchmark Price”). Sorbie first proposed the initial Benchmark Price be \$0.23, but agreed to reduce it to \$0.21 as a result of the Company making an additional payment of \$523,000, which the Company satisfied by issuing to Sorbie an additional 523 Payment Notes (the “Benchmark Payment”). The lower Benchmark Price that was the result of the Company making the Benchmark Payment was intended to increase the potential upside available to the Company by increasing the amount of cash paid to the Company over the 24 monthly settlement tranches. For example, if the Company’s measured Share price for each of the 24 settlement tranches is \$0.23, the Company will receive approximately \$360,000 more cash over the 24 months than it would have with the original proposed benchmark price of \$0.23 (the “Additional Cash”). The Company’s board of directors considered the issuance of non-interest bearing debt to lower the Benchmark Price to be reasonable in the circumstances, even though the face value of the Payment Notes issued in respect of the Benchmark Payment exceeds the amount of the Additional Cash, because it does not have available cash and expects the Payment Notes to be converted into Shares and not be repaid in cash.

Accordingly, following the Sorbie Private Placement of 1,900 Notes, the Company will have a total debt obligation of \$1,900,000 that bears 7% interest (in respect of the 1,900 Notes issued to Sorbie) and \$798,000 that does not bear interest (in respect of the 275 Payment Notes issued to Sorbie in satisfaction of the Value Payment and the 523 Payment Notes issued to Sorbie in satisfaction of the Benchmark Payment).

The Sorbie Private Placement, including the terms of the Sharing Agreement, was structured to provide the Company with a consistent source of funds over the next two years, with the potential for additional capital being available to the extent the Share price exceeds the Benchmark Price during the term of the Sharing Agreement. Although the structure of the financing may be dilutive and ultimately not accretive in terms of value, the Company’s board of directors considered it necessary and in the best interests of the Company to complete the Sorbie Private Placement in light of its expected capital requirements and other available sources of funds.

Pursuant to applicable Canadian securities laws, all of the securities issued pursuant to the Sorbie Private Placement were issued under prospectus exemptions and are not subject to any hold periods or resale restrictions.

Concurrent Private Placement

The Company is also pleased to announce that it has closed a concurrent private placement of 1,556,470 Units (the “Concurrent Private Placement”) for gross proceeds of \$264,600 on July 11, 2022, with the Units having the same terms as the Units issued pursuant to the Sorbie Private Placement.

No finder’s fees were paid in connection with the Concurrent Private Placement. All securities issued pursuant to the Concurrent Private Placement are subject to a statutory hold period that will expire on November 12, 2022, in accordance with applicable securities laws.

The Concurrent Private Placement is considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”) since Messrs. Malik and Collinson participated. Pursuant to Sections 5.5(b) and 5.7(1)(a) of MI 61-101, the Company is exempt from the requirements to obtain a formal valuation and minority shareholder approval because the Shares trade on the CSE and the fair market value of insiders’ participation in the Concurrent Private Placement was below 25% of the Company’s market capitalization for purposes of MI 61-101. The Company will file a material change report in respect of the Concurrent Private Placement (and the Sorbie Private Placement), but it will be filed less than 21 days in advance of the closing of the Concurrent Private Placement, which the Company deems reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and to complete the Concurrent Private Placement (and Sorbie Private Placement) in an expeditious manner.

None of the securities issued in connection with the Private Placement and the Concurrent Private Placement have been registered under the United States Securities Act of 1933, as amended (the “1933 Act”), and none of them have been offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the 1933 Act. This news release shall not constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of the securities in any state where such offer, solicitation, or sale would be unlawful.

About Bee Vectoring Technologies International Inc.

BVT, an agriculture technology company, is a market disruptor with a significant global market opportunity in the \$240 billion crop protection and fertilizer market. BVT has pioneered a natural precision agriculture system that replaces chemical pesticides and wasteful plant protection product spray applications by delivering biological pesticide alternatives to crops using commercially grown bees. BVT’s award-winning technology, precision vectoring, is completely harmless to bees and allows minute amounts of naturally-derived pesticides (called biologicals) to be delivered directly to blooms, providing improved crop protection and yield results than traditional chemical pesticides – and improving the health of the soil, the microbiome and the environment. Currently, BVT has over 65 granted patents, over 35 patents pending in all major agricultural countries worldwide and has US EPA registration of its Vectorite™ with CR-7 (EPA Registration No. 90641-2) for sale as a registered biological fungicide for use on the labeled crops.

Additional information can be viewed at the Company’s website www.beevt.com. To receive regular news updates from the Company, subscribe at www.beevt.com/newsletter.

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Certain statements contained in this press release constitute "forward-looking information" as such term is defined in applicable Canadian securities legislation. The words "may", "would", "could", "should", "potential", "will", "seek", "intend", "plan", "anticipate", "believe", "estimate", "expect" and similar expressions as they relate to the Company are intended to identify forward-looking information. All statements other than statements of historical fact may be forward-looking information. Such statements reflect the Company's current views and intentions with respect to future events, and current information available to the Company, and are subject to certain risks, uncertainties and assumptions, including: planted acres, selling price of competitive chemical pesticides and the US to Canadian dollar exchange rate. Material factors or assumptions were applied in providing forward-looking information. Many factors could cause the actual results, performance or achievements that may be expressed or implied by such forward-looking information to vary from those described herein should one or more of these risks or uncertainties materialize. These factors include changes in law, competition, litigation, the ability to implement business strategies and pursue business opportunities, state of the capital markets, the availability of funds and resources to pursue operations, new technologies, the ability to protect intellectual property rights, the ability to obtain patent protection for products, third-party intellectual property infringement claims, regulatory changes affecting products, failing research and development activities, the ability to reach and sustain profitability, dependence on business and technical experts, the ability to effectively manage business operations and growth, issuance of debt, dilution of existing securities, volatility of publicly traded securities, potential conflicts of interest, unlikelihood of dividend payments, the potential costs stemming from defending third-party intellectual property infringement claims, the ability to secure relationships with manufacturers and purchasers, as well as general economic, market and business conditions, as well as those risk factors discussed or referred to in the Company's Filing Statement dated August 14, 2020, which is available at www.sedar.com. Should any factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this press release is made as of the date of this press release and the Company undertakes no obligation to publicly update or revise any forward-looking information, other than as required by applicable law. All figures are in Canadian dollars.