

Awakn Life Sciences Reports Strong Q2 2022 Results

Awakn delivered revenue growth of 34% in Q2

Awakn also announces closing of first tranche of private placement financing

Toronto, Ontario--(Newsfile Corp. - September 15, 2022) - Awakn Life Sciences Corp. (NEO: AWKN) (OTCQB: AWKNF) (FSE: 954) ('Awakn'), a biotechnology company, researching, developing, and commercializing therapeutics to treat addiction with a near-term focus on Alcohol Use Disorder (AUD), announced today its financial results and business highlights for the three months ended July 31, 2022. All results are reported under International Financial Reporting Standards ("IFRS") and in Canadian dollars ("CAD"), unless otherwise specified.

Anthony Tennyson, Chief Executive Officer of Awakn Life Sciences, stated, "Today's results and revenue growth demonstrate the continued momentum building in our business and the successful execution of our business plan in both pillars of the business: R&D and Commercialization.

In R&D we have been approved for 66% grant funding for our Phase III clinical trial as part of our lead program, Project Kestrel. We have also made excellent progress in strengthening the IP moats for our ketamine and MDMA programs, including the recently announced feasibility study for a novel formulation and optimized route of administration for MDMA with Catalent.

In Commercialization, our clinics have also delivered excellent growth over this quarter driving a 34% QoQ increase in revenue during the seasonally quietest period of the year for our services. We have also successfully launched our licensing partnership business into the US and Canada, putting us in the unique position of being a biotech with commercial operations in four territories, the U.K., the U.S., Canada and Norway, in only our second full financial year."

2Q22 & Recent Business Highlights:

- [Awakn Life Sciences' Phase III Trial Approved For ~CA\\$2.5 million Funding from UK State Covering 66% of Costs](#). This is the first time a government agency has funded a Phase III trial in psychedelics.
- [Awakn Life Sciences Signs Agreement with A Leading Drug Development Company to Deepen IP Moat for Its Lead Program](#). Awakn will aim to in-license a proprietary formulation and route of administration for ketamine which will be optimized for commercialization.
- [Awakn Receives UK State Funding to Identify Optimal Pathway to Market in UK & US for its Lead Clinical Development Program - Ketamine-Assisted Therapy for Alcohol Use Disorder](#).
- [Awakn Life Sciences Signs Drug Development Agreement with Catalent for Zydis® Technology \(An Orally Disintegrating Tablet\) to Conduct Feasibility Studies to Improve Differentiation of Its MDMA Program](#). A successful study will further deepen Awakn's IP moat around its MDMA program.
- [Awakn Life Sciences Completes World's First Ketamine Study for A Range of Behavioral Addictions](#). The behavioral addictions included in the study were Gambling Disorder, Internet Gaming Disorder, Binge Eating Disorder and Compulsive Sexual Behavior Disorder.
- [Awakn Life Sciences Files Patent Cooperation Treaty \(PCT\) Application for The Treatment of Behavioral Addictions](#). If granted, the patent claims would give Awakn exclusive rights to use ketamine and ketamine-assisted therapy for the treatment of behavioral addictions.

- [Awakn Life Sciences Expands Commercial Operations into The U.S. - First Licensing Partnership Agreement with Revitalist.](#) This announcement marks the launch of Awakn's Licensing Partnership business.
- [Awakn Life Sciences Signs Second Licensing Partnership Agreement and Expands Commercial Operations into Canada.](#) This was the second licensed partnership agreement signed in one week.

2Q22 & Recent Corporate Highlights:

- [Awakn Life Sciences Appoints UK Leader in Addictions Psychiatry, Dr. Arun Dhandayudham as Chief Medical Officer](#)
- [Awakn Life Sciences Appoints Biotech and Investment Veteran Dennis Purcell as a Special Advisor to the CEO](#)

2Q22 & Recent Financial Highlights:

- Delivered revenue of \$339,872 via Awakn's clinics for the three months ended July 31, 2022, compared to \$Nil in the prior year. This represents a 34% or \$86,718 increase versus the three months ended April 30, 2022.
- Revenue during the period was primarily driven by the provision of ketamine-assisted therapies at the London, Bristol and Oslo Awakn clinics. These clinics were not open during the equivalent period in 2021.
- As of July 31, 2022, the Company had \$481,830 in cash.
- Announced the closing of a private placement - issued 1,880,454 units at a price of \$0.55 per unit raising gross proceeds of \$1,034,250.

Milestones Anticipated in H2 2022

- Receive regulatory and ethics approval for Phase III clinical trial for ketamine-assisted therapy for the treatment of AUD
- Completion of the behavioral study of ketamine in gambling addiction
- Therapeutics commercialization through acquiring more licensing partners utilizing the company's intellectual property (IP) ketamine-assisted therapy for treatment of AUD ("KARE") in the US and Canada

Financing

Awakn is pleased to announce a non-brokered private placement financing to raise gross proceeds of up to \$3,000,000 (the "**Offering**") through the issuance of up to 5,454,546 units (the "**Units**") at a price of \$0.55 per Unit, and that it has closed the first tranche of the Offering issuing 1,880,454 Units for gross proceeds of \$1,034,250 (the "**First Tranche**"). To date, the Company has also received commitments to subscribe for an additional 3,090,909 Units, which are pending receipt of final documentation, for potential additional proceeds of \$1,700,000. However, there can be no assurance that any additional tranches on the Offering will be completed.

Each Unit is comprised of one common share (each, a "**Common Share**") in the capital of the Company and one Common Share purchase warrant (each, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share at a price of \$0.68 per Common Share until the date that is twenty-four (24) months from the date of issuance.

All securities issued in connection with the Offering will be subject to a hold period of four months plus a day from the date of issuance and the resale rules of applicable securities legislation. Gross proceeds raised from the Offering will be used for working capital and general corporate purposes. This press release does not constitute an offer to sell or a solicitation of an offer to buy the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons as defined under applicable United States securities laws unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

The First Tranche constituted a related party transaction within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("**MI 61-101**") as Professor David Nutt, and Jonathan Held, related parties to the Company under MI 61-101, subscribed for an aggregate of 85,000 Units. The Company is relying on the exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the participation in the Offering by the related parties does not exceed 25% of the market capitalization of the Company in accordance with MI 61-101. The Company did not file a material change report in respect of the related party transaction at least 21 days before the closing of the of the First Tranche, which the Company deems reasonable in the circumstances in order to complete the First Tranche in an expeditious manner.

In connection with the First Tranche, the Company paid certain eligible persons (the "**Finders**") a cash commission in total of \$32,010 and issued a total of 53,200 non-transferable finders warrants ("**Finder Warrants**"). Each Finder Warrant entitles the holder to purchase one Common Share for a period of two years from the date of issuance at a price of \$0.68 per Common Share.

About Awakn Life Sciences Corp.

Awakn Life Sciences Corp. is a revenue-generating biotechnology company researching, developing, and commercialising therapeutics to treat substance and behavioral addictions. Awakn has a near-term focus on Alcohol Use Disorder (AUD), a condition affecting 400m people globally for which the current standard of care is inadequate. Our goal is to provide effective therapeutics to addiction sufferers in desperate need and our strategy is focused on commercializing our R&D pipeline across multiple channels.

www.AwaknLifeSciences.com | [Twitter](#) | [LinkedIn](#) | [Facebook](#) | www.AwaknClinics.com

About Project Kestrel

Project Kestrel is the lead clinical development program of Awakn Life Sciences. Project Kestrel is supported by Awakn's Phase II a/b 'KARE' clinical trial which examined ketamine-assisted therapy for the treatment of Alcohol Use Disorder (AUD). The trial resulted in patients experiencing on average 86% abstinence at 6 months post treatment versus 2% before the trial which means that study participants went from being sober on average 7 days a year to being sober on average 314 days a year. Awakn is planning to initiate a Phase III trial in the UK in 2022 and plans to seek regulatory approval in the UK and the US in due course.

Notice Regarding Forward-Looking Information

This news release contains certain forward-looking information and forward-looking statements, as defined in applicable securities laws (collectively referred to herein as "forward-looking statements"). Forward-looking statements reflect current expectations or beliefs regarding future events or the Company's future performance. All statements other than statements of historical fact are forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "continues", "forecasts", "projects", "predicts", "intends", "anticipates", "targets" or "believes", or variations of, or the

negatives of, such words and phrases or state that certain actions, events or results "may", "could", "would", "should", "might" or "will" be taken, occur or be achieved, including statements relating the business of the Company. All forward-looking statements, including those herein are qualified by this cautionary statement.

Although the Company believes that the expectations expressed in such statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the statements. There are certain factors that could cause actual results to differ materially from those in the forward-looking information. These include, but are not limited to: COVID-19; fluctuations in general macroeconomic conditions; the business plans and strategies of the Company; the ability of the Company to comply with all applicable governmental regulations in a highly regulated business; the inherent risks in investing in target companies or projects which have limited or no operating history and are engaged in activities currently considered illegal in some jurisdictions; changes in laws; limited operating history; reliance on management; requirements for additional financing; competition; fluctuations in securities markets; inconsistent public opinion and perception regarding the medical-use of psychedelic drugs; expectations regarding the size of the addiction market; and regulatory or political change. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect forward-looking statements. Accordingly, readers should not place undue reliance on forward-looking statements. The forward-looking statements in this news release speak only as of the date of this news release or as of the date or dates specified in such statements.

Investors are cautioned that any such statements are not guarantees of future performance and actual results or developments may differ materially from those projected in the forward-looking information. For more information on the Company, investors are encouraged to review the Company's public filings on SEDAR at www.sedar.com. The Company disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, other than as required by law.

This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The Company's and Awakn's securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Investor Enquiries:

Anthony Tennyson, CEO, Awakn Life Sciences
anthony.tennyson@awaknlifesciences.com

Media Enquiries:

America and Canada:
KCSA Strategic Communications
Anne Donohoe
Adonohoe@KCSA.com

Rest of World:

Gordo Whittaker, CMO, Awakn Life Sciences
gordo@awaknlifesciences.com



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