

Awakn Life Sciences Enters into Binding Letter of Intent for Acquisition of Awakn by Graft Polymer (UK) Plc

Toronto, Ontario--(Newsfile Corp. - December 16, 2024) - Awakn Life Sciences Corp. (CSE: AWKN) (OTCQB: AWKNF) (FSE: 954) ("**Awakn**" or the "**Company**") a clinical-stage biotechnology company developing therapeutics for substance use and mental health disorders, is pleased to announce that it has entered into a binding letter of intent (the "**LOI**") dated December 15, 2024, with Graft Polymer (UK) PLC ("**Graft**"), pursuant to which Graft would acquire all of the issued and 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, to be carried out by way of a statutory plan of arrangement in British Columbia (the "**Proposed Transaction**").

Graft is biotechnology company incorporated in the United Kingdom with its ordinary shares listed on the London Stock Exchange under the symbol "GPL", and is currently focused on developing intellectual property and co-developing therapeutics for mental health and substance use disorders. Anthony Tennyson, the Chief Executive Officer and a director of Awakn, was also appointed as Graft's part-time Chief Executive Officer and to its board of directors in May 2024.

Under the terms of the LOI, each Awakn shareholder will receive 46.67 ordinary shares in the capital of Graft (the "**Consideration Shares**") (each, a "**Graft Share**") for each one (1) Common Share held. Holders of RSUs and DSUs will receive 46.67 Graft Shares for each one (1) DSU and one (1) RSU, respectfully. All issued and outstanding Common Share purchase warrants (each, a "**Warrant**") shall be converted into or exchanged for new ordinary share purchase warrants (each, a "**Graft Warrant**") with adjustments to: (i) the number of Graft Shares issued upon exercise of the Warrants; and (ii) the exercise price, such that the Warrant holder will be entitled to receive upon exercise of the Graft Warrants that number of Graft Shares at such exercise price that the holder would have been entitled to receive had it exercised the Warrants immediately prior to the closing of the Proposed Transaction. It is intended that Awakn will seek consent from holders of outstanding stock options to cancel such options.

The number of Consideration Shares, based on the latest valuation of Graft on the LSE, is 2,074,378,592, resulting in a total acquisition price of \$8,890,194, using an exchange rate of 0.56 GBP:CAD. This results in the Company's Common Shares being valued at \$0.20 per Common Share, which is a 110.54% premium to the closing share price of Awakn's Common Shares on the Canadian Securities Exchange on December 13, 2024 and a 88.69% premium to a 90-day VWAP.

"This proposed acquisition by Graft Polymer marks a significant milestone for Awakn Life Sciences and our mission to provide breakthrough therapeutics for substance use and other mental health disorders. We have had a significant portion of our operations in the UK for the entire life of our business and following completion of the Proposed Transaction, Awakn will have access to the UK's deep pool of liquidity as well as the international investor base positioned in London. We believe this transaction will create long-term value for our shareholders and provide new opportunities for growth and collaboration." stated George Scorsis, Chairman of the Board of Directors and Special Committee.

Dennis Purcell, Chairman of Graft Polymer, commented: "This proposed acquisition marks an important milestone for Graft Polymer as we broaden our focus to address the pressing global challenges of addiction and mental health disorders. Awakn's advanced research and clinical programs offer the potential to develop more effective and accessible treatments for these critical areas of need. We believe this strategic move will not only drive value for our shareholders but also contribute meaningfully to improving the lives of millions impacted by these conditions."

The LOI has been unanimously approved by the respective boards of Awakn and Graft. The board of directors of Awakn (the "**Awakn Board**") formed a special committee of independent directors (the "**Special Committee**") to, among other things, oversee the negotiations of the terms of the LOI, as Anthony Tennyson is the Chief Executive Officer of both Awakn and Graft.

The Special Committee, following its review of the terms and conditions of the LOI and, in consideration of a number of factors including the premium to be received by shareholders of Awakn, opportunities for the business of Awakn upon completion of the Proposed Transaction, the alternatives available to Awakn, and the conditions to close the Proposed Transaction (including a due diligence review to the satisfaction of Awakn), unanimously recommended that the Awakn Board approve the LOI. After receiving the recommendation of the Special Committee and advice from its advisors, the Awakn Board, with Mr. Tennyson recusing himself from the vote, has unanimously approved, the execution of the LOI. As Mr. Tennyson has recused himself from Awakn Board discussions and the vote approving the LOI, Awakn expects that the Proposed Transaction will be considered an arms-length transaction.

Prior to executing the definitive transaction agreement in connection with the Proposed Transaction, the Special Committee intends to procure a fairness opinion regarding the consideration to be received by shareholders of Awakn pursuant to the Proposed Transaction.

The Proposed Transaction is deemed to be a Fundamental Change (as defined in the policies of the Canadian Securities Exchange (the "**CSE**") and the trading of the Common Shares shall remain halted until the completion of the Proposed Transaction in accordance with CSE Policy 8.

Completion of the Proposed Transaction, which must occur by June 15, 2025 (the "**Long Stop Date**"), is subject to customary conditions including, but not limited to: (i) satisfactory due diligence completed by both parties; (ii) approval of the boards of directors of both parties; (iii) court approval of the plan of arrangement; (iv) the Company and Graft entering into a definitive agreement; (v) the approval of shareholders of the Company for Proposed Transaction and shareholders of Graft to issue the Consideration Shares; (vi) receipt of all required third party consents, including approval by the CSE and the United Kingdom Financial Conduct Authority; and (vii) Graft completing a financing of no less than eighteen months working capital (the "**Concurrent Financing**").

Following completion of the Proposed Transaction, the Common Shares will be delisted from the CSE and Awakn will apply to cease to be a reporting issuer in Canada.

The LOI includes customary termination provisions, including the provision that if Proposed Transaction does not close by the Long Stop Date, the LOI will automatically be terminated.

About Graft

Graft Polymer (LSE: GPL), 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 PTSD, which affects approximately 13 million adults in the U.S. 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.

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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: 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.sedarplus.ca. 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.

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