

Silo Wellness Eliminates Another CAD\$4,440,000 of Debt from Balance Sheet by Disposing of Subsidiary

Springfield, Oregon--(Newsfile Corp. - March 28, 2023) - [Silo Wellness Inc.](#) (CSE: SILO) (OTCQB: SILFF) (FSE: 3K7A), announces that the Company has entered into a definitive Stock Purchase Agreement dated March 27 2023 (the "Agreement") with a non-arm's length entity owned by Silo board member Michael Hartman ("Buyer") for the sale of Silo's wholly-owned subsidiary SW Holdings, Inc. ("SWHI") for a USD \$150,000 purchase price paid out of any net proceeds from licensing or other revenue after any current lienholders are satisfied.

The purchase price is financed at 6% interest per year. This debt is secured by the shares and the assets of SWHI in second position behind former branding partner Marley Green, LLC's secured creditor position. For additional consideration, SWHI shall pay to Silo Wellness into perpetuity (following the clearing of all currently existing secured debt) a 50% royalty payment of any licensing fees or other revenue produced by SWHI or 50% of any assets sold. At any time within 60 days of the closing of the transaction, Buyer can opt to pay USD \$50,000 cash (or \$75,000 for the following 180 days) to satisfy the purchase price and reduce the revenue/royalty payment from 50% to 25%. The Company also agreed to pay \$10,000 cash to Buyer at closing to contribute to attorney fees and closing costs.

The board (with director Michael Hartman abstaining as the owner of Buyer) with the advice of its auditors has determined that disposing of this liability-laden asset is in the best interests of the Company. None of the assets in SWHI are currently revenue generating and there is over CAD \$4.4M of debt on SWHI's books pursuant to the terminated brand licensing agreement previously filed on SEDAR. Assets of SWHI include a patent application ("[Metered dosing compositions and methods of use of psychedelic compounds](#)") which still requires time and extensive capital in order to potentially create value. The Company has been focusing its efforts on its Jamaica psychedelic retreat revenue plan as well as developing the Oregon psilocybin opportunity and has determined it does not have resources or interest in developing this asset, especially since there is so much debt to be cleared before any capital investment has the potential for a return.

"It is a pointless endeavor for us to advance this asset given the Marley debt that is marooned in this subsidiary," stated Silo founder and CEO Mike Arnold, an Oregon lawyer. "We attempted to negotiate terms as previously [disclosed](#) to no avail. Mr. Hartman as the lead inventor of the patent-pending intellectual property is in the best position to attempt to extract value out of this debt-soaked asset. If he manages to do so, we would be entitled to royalties after any secured debt is cleared. We are very excited for this creative resolution and to finally be done with the Marley transaction and its debt."

In addition to the IP portfolio, SWHI also owns a now closed functional mushroom e-store, which generated minimal revenue the last year it was operational. The other remaining asset is the Silo Wellness [trademark](#) covering dietary supplements and pharmaceutical preparations and medicines, which do not cover psilocybin or retreats, or anything related to existing or anticipated operations.

Debt Restructuring and Oregon Psilocybin Therapy

The Company has been focused on advancing its Oregon psilocybin therapy center agenda and on restructuring debt. At the time of the SWHI sale, there were no material assets on the balance sheet and there were secured liabilities at CAD\$4.4M. This transaction clears that debt from the parent company's consolidated balance sheet. The Company also recently announced other debt restructuring activities this year resulting in over [\\$1,000,000 of debt converted](#) to equity as well a letter of intent to restructure over [\\$1,000,000 of additional debt](#) with its largest creditor. "The Silo team is very relieved to have successfully removed or have pending to remove over \$6,400,000 of debt since February," Arnold

stated. "We endeavor to continue working on clearing debt and advancing our [strategy in Oregon](#)."

Contact:

[Mike Arnold](#), CEO
541-900-5871
IR at silo wellness dot com

NEITHER THE CANADIAN SECURITIES EXCHANGE NOR ITS REGULATION SERVICES PROVIDER ACCEPTS RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE. SEE PRIOR PRESS RELEASES FOR CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS.

To view the source version of this press release, please visit
<https://www.newsfilecorp.com/release/160115>