



HAVN Life Enters into Definitive Agreement to Acquire Spore Life Sciences Inc.

*The Subscription-based Functional Mushroom Company has established
a significant consumer base in the U.S.*

December 20, 2021

Vancouver, BC – Havn Life Sciences Inc. (CSE: [HAVN](#)) (OTC: [HAVLF](#)) (FSE: [SNP](#)) (the “Company” or “Havn Life”), a biotechnology company developing natural health products and innovative therapies to support central nervous system health and enhance the capabilities of the mind, is pleased to announce it has entered into a definitive agreement (the “**Definitive Agreement**”) to acquire (the “**Acquisition**”) all of the outstanding securities of [Spore Life Sciences Inc.](#) (“**Spore**”), on the terms and conditions set forth in the Definitive Agreement. Toronto-based Spore Life Sciences Inc. is a leading wellness brand focused on functional mushroom formulations, with a significant U.S. consumer base of more than 110,000 Spore customers, nearly 40,000 subscribers, resulting in year to date revenues as of the end of November 2021 of nearly CAD\$8 million, and current sales of more than \$1 million USD per month.

“With this Definitive Agreement, HAVN Life is looking to strengthen its position as a leader in brain health focused nutritional supplements,” says HAVN Life CEO Tim Moore. “Upon completion of the Acquisition, we will add these high quality formulations to the HAVN Life natural health product portfolio,” he adds.

Spore was co-founded by CEO and president Michael Zavet, who began looking into the beneficial properties of functional mushrooms to deal with his own personal health matters. The completion of the Acquisition will bring in nine additional formulations under the HAVN Life retail brand, adding to the Company’s growing selection of natural health products that support overall health and cognitive function.

“We are very excited about this potential partnership and believe that HAVN Life’s strong leadership team in the psychedelic space, its experience with natural health products, and network in retail are extremely complementary to our business,” says Spore CEO, Michael Zavet. “We are also excited to support HAVN’s psychedelic endeavors through our digital marketing channels and large customer base,” he adds.

Acquisition Details

The Acquisition will proceed by way of a three-cornered amalgamation among HAVN Life, its newly incorporated, wholly-owned subsidiary, 1000053494 Ontario Inc. (“**HAVN Subco**”), and Spore, pursuant to which: (i) HAVN Subco and Spore shall amalgamate under the governing provisions of the *Business Corporations Act* (Ontario), after which the amalgamated entity shall continue as one corporation (“**Amalco**”); (ii) the holders of common shares of Spore (the “**Spore Shares**”) shall receive an aggregate of 95,000,000 common shares of the HAVN Life (the “**Consideration Shares**”)



for the Spore Shares issued and outstanding prior to closing, following which all such Spore Shares shall be cancelled; (iii) HAVN Life shall receive one common share of Amalco (each, an “**Amalco Share**”) for each common share of HAVN Subco (each, a “**HAVN Subco Share**”) held by HAVN Life, following which all such HAVN Subco Shares shall be cancelled; and (iv) in consideration of the issuance of the HAVN Shares, Amalco shall issue to HAVN Life one Amalco Share for each HAVN Share issued (the “**Amalgamation**”).

Pursuant to the Definitive Agreement, in connection with the completion of the Amalgamation and Acquisition, HAVN Life is to enter into: (i) a consulting agreement with Alex Kaplunov, the current Chief Financial Officer and Secretary of Spore, to provide the services of Chief Business Development Officer; (ii) a consulting agreement with Michael Zavet, the current Chief Executive Officer and President of Spore, to provide the services of Chief Revenue Officer; and (iii) a consulting agreement with Neon Flux LLC to provide marketing and advertising services (each, a “**Consulting Agreement**”, and collectively, the “**Consulting Agreements**”).

In addition, HAVN Life has agreed to issue up to \$11,000,000 worth of common shares to the former shareholders of Spore, and up to \$19,000,000 worth of common shares to certain consultants that will join HAVN Life upon completion of the Acquisition (collectively, the “**Milestone Shares**”), as follows in the event the following milestones (each, an “**Earn-Out Milestone**”) are achieved:

- (a) \$10,000,000 worth of Milestone Shares upon Spore achieving at least \$3,000,000 in revenue per month for any three consecutive months within 30 months following the completion of the Amalgamation;
- (b) if the Earn-Out Milestone in (a) is achieved, \$10,000,000 worth of Milestone Shares upon Spore achieving at least \$5,000,000 in revenue per month for any three consecutive months within 30 months following the completion of the Amalgamation; and
- (c) if the Earn-Out Milestone in (b) is achieved, \$10,000,000 worth of Milestone Shares upon Spore achieving at least \$7,000,000 in Revenue per month for any three consecutive months within 30 months following the completion of the Amalgamation,

provided that only one Earn-Out Milestone can be achieved in any consecutive six-month period following the completion of the Amalgamation, such that the earliest all Earn-Out Milestones can be achieved is within 18 months following the completion of the Amalgamation. The number of Milestone Shares issuable upon achievement of a particular Earn-Out Milestone will be based on the volume weighted average price of the HAVN Life’s common shares on the Canadian Securities Exchange for the 10 trading days immediately prior to the date of issuance of such Milestone Shares.

The Definitive Agreement also grants the shareholders of Spore the right to nominate and have one (1) director elected to HAVN Life’s board of directors until the earlier of: (i) the achievement of the last Earn-Out Milestone (as described above) and the issuance of the applicable Milestone Shares as



a result of such achievement; and (ii) date that is 30 months following the completion of the Amalgamation.

Upon the completion of the Acquisition, the Company is expected to pay finder's fee to Halpern & Co. Limited for finder's services rendered in connection with introducing the Company to Spore for the purposes of facilitating the Acquisition, in the amount of 3,000,000 common shares of the Company.

The Consideration Shares

The Consideration Shares issued in connection with the Amalgamation to certain shareholders of Spore who are also members of Spore's management (the "**Spore Management Shareholders**") shall be subject to lock up for up to 24 months following the completion of the Amalgamation.

The Consideration Shares issued in connection with the Amalgamation to various shareholders of Spore who each hold at least 5% of the issued and outstanding Spore Shares shall be subject to lock up, such that the Consideration Shares issued to such shareholders of Spore will be released from lock up as follow: (i) 25% of the Consideration Shares shall be released from the lock up four months following the completion of the Amalgamation; (ii) 25% of the Consideration Shares shall be released from the lock up eight months following the completion of the Amalgamation; and (iii) 50% of the Consideration Shares shall be released from the lock up 12 months following the completion of the Amalgamation.

The Consideration Shares issued to the remaining shareholders of Spore shall be locked up for a period of four months following the completion of the Amalgamation.

The Milestone Shares

Any Milestone Shares issued upon the achievement of an Earn-Out Milestone to the shareholders of Spore who are not Spore Management Shareholders (the "**Spore Non-Management Shareholders**") shall be subject to a four-month lock up from the date of issuance.

Any Milestone Shares issued upon the achievement of an Earn-Out Milestone to Spore Management Shareholders shall be subject to lock up on the following basis: (i) one-fourth (1/4) of the Milestone Shares shall be subject to a four-month lock up from the date of issuance; (ii) one-fourth (1/4) of the Milestone Shares shall be subject to a 12 month lock up from the date of issuance; and (iii) one-half (1/2) of the Milestone Shares shall be subject to an 18 month lock up from the date of issuance, provided, however, in the event: (x) a Spore Management Shareholder terminates its Consulting Agreement with HAVN Life within 24 months following the completion of the Amalgamation; or (y) such Consulting Agreement is terminated by HAVN due to breach of the Consulting Agreement by the Spore Management Shareholder within 24 months following the completion of the Amalgamation, one-half (1/2) of the Milestone Shares remaining subject to lock up at the time the Consulting Agreement is terminated shall be forfeited by the Spore Management Shareholder to HAVN Life for cancellation.



Additionally, in the event: (x) a Spore Management Shareholder terminates its Consulting Agreement with HAVN Life; or (y) such Consulting Agreement is terminated by HAVN due to breach of the Consulting Agreement by the Spore Management Shareholder prior to the date that an Earn-Out Milestone is achieved, such Spore Management Shareholder shall have been deemed to forfeit its entitlement to the issuance of the corresponding Milestone Shares.

Finally, the obligations of HAVN Life to issue any Milestone Shares upon the achievement of an Earn-Out Milestone may be satisfied by HAVN Life, at its sole discretion, through equivalent cash payments.

The closing of the Acquisition is subject to a number of conditions including, without limitation: (i) receipt of all required regulatory and third-party consents, including the requisite approval of the shareholders of Spore under the *Business Corporation Act* (Ontario); (ii) such number of shareholders of Spore representing not less than 25% of the issued and outstanding Spore Shares entering into voting support agreements with HAVN Life; (iii) less than five percent (5%) of the issued and Spore Shares having exercised dissent rights under the *Business Corporation Act* (Ontario); (iv) the Spore Management Shareholders entering into the Consulting Agreements; (v) the Spore Management Shareholders entering into non-competition and non solicitation agreements in a form satisfactory to HAVN Life; and (vi) satisfaction of other customary closing conditions.

Secured Convertible Loan

On October 28, 2021, HAVN Life purchased a \$750,000 secured convertible note from Spore (the “**Secured Convertible Note**”). Pursuant to the Secured Convertible Note, Spore is required to pay interest to HAVN on the unpaid principal amount of the Secured Convertible Note from January 1, 2022 at a rate per annum equal to 12% until the full and final repayment of the principal amount of the Secured Convertible Note. The Secured Convertible Note is: (i) repayable in full (including interest accrued thereon) on December 31, 2022; or (ii) convertible, at HAVN Life’s option, into Spore Shares at a conversion price equal to the lesser of: (x) \$1.28 per Spore Share; and (y) the price per Spore Share attributed thereto in Spore’s last financing completed prior to the conversion of the Secured Convertible Note.

Upon completion of the Acquisition, the Secured Convertible Note shall become an intercompany loan.

On Behalf of The Board of Directors

Tim Moore

Chief Executive Officer

About Spore Life Sciences Inc.

Spore is a leading wellness brand focused on intelligent functional mushroom formulations and data driven sales strategies. Spore offers nine varieties of condition specific formulations that leverage the health properties of functional mushrooms, combined with clinically proven all natural ingredients.



Since launching in 2020, Spore has grown exponentially, with well over 110,000 consumers having purchased Spore products, of which over 40,000 are subscribers, driving Q3 2021 net revenue to surpass CAD\$3 million and net monthly revenue in October and November 2021 alone of nearly CAD\$3.6 million. Spore currently sells its line of products in the United States, with majority of its sales through its DTC website, and remaining sales coming through Amazon.com, and select other eCommerce resellers.

In 2022, Spore plans to expand to other geographies, including Canada where Spore has five Natural Product Numbers and the four others submitted to Health Canada, and grow into a full omnichannel wellness company.

About HAVN Life Sciences Inc.

[HAVN Life Sciences](#) is a biotechnology company pursuing standardized extraction of psychedelic compounds for the creation of APIs, the development of natural health products, and innovative therapies to support central nervous system health and enhance the capabilities of the mind.

Through its research division, HAVN Labs, the company has developed an end-to-end supply chain of standardized, naturally derived psychedelic compounds for research that will define the future of modern medicine. With its new line of natural health products, HAVN Life offers a full range of high-quality mushroom and plant extracts that help boost immune function, reduce inflammation and support a healthy lifestyle.

Purchase our products and find out more at yourhavnlife.com, and follow us on [Facebook](#), [Twitter](#), [Instagram](#) and [Youtube](#).

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Forward-Looking Information: This news release contains "forward-looking information" within the meaning of applicable securities laws relating to statements regarding the Acquisition, the Earn-out Milestones, the Milestone Shares, the Consulting Agreements, the Secured Convertible Note, Spore and its business, products and future of the Spore's business and the Company and its business, products and future of the Company's business. Although the Company believes that the expectations reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. Readers are cautioned not to place undue reliance on forward-looking information. Such forward-looking statements are subject to risks and uncertainties that may cause actual results, performance and developments to differ materially from those contemplated by these statements depending on, among other things, the risk that the Acquisition will not be completed as contemplated, or at all, the risk that the anticipated benefits of the Acquisition will be not realized as contemplated, or at all, risk that the Earn-Out Milestones will not be achieved as contemplated, or at all, risk that the Milestone Shares will not be issued as contemplated, or at all, risks that the Spore's products and plan will vary from those stated in this news release and Spore may not be able to carry out its business plans as expected and risks that the Company's products and plan will vary from those stated in this news release and the Company may not be able to carry out its business plans as expected. Except as required by law, the Company expressly disclaims any obligation and does not intend to update any forward-looking statements or forward-looking information in this news release. Although the Company believes that the expectations



reflected in the forward-looking information are reasonable, there can be no assurance that such expectations will prove to be correct. The statements in this news release are made as of the date of this release.

The CSE has not reviewed, approved or disapproved the content of this press release

