



HAVN Life Announces Financing Commitment of CAD\$9,000,000 through the issuance of Convertible Debentures and Warrants

July 21, 2022

Vancouver, BC – HAVN Life Sciences Inc. (CSE: HAVN) (OTC: HAVLF) (FSE: 5NP) (the "Company" or "HAVN Life") a biotechnology company pursuing standardized extraction of psychoactive compounds and the development of natural health products, is pleased to announce that Alpha Blue Ocean ("ABO") is supporting the Company's growth with a CAD\$9,000,000 financing arrangement whereby the Company will issue up to \$10.6 million principal amount of Convertible Debentures (as defined below), which will include one initial tranche in the aggregate principal amount of \$500,000 followed by up to nineteen (19) subsequent tranches in the aggregate principal amount of \$500,000 each over a period of 36-months (net cash to the Company for each tranche other than the first tranche to be \$450,000 as described in greater detail below).

The Company has entered into a subscription agreement (the "**Subscription Agreement**") with Global Corporate Finance Opportunities 17 (the "**Subscriber**") that provides for the issuance of convertible debentures (each, a "**Convertible Debenture**") and common share purchase warrants (each, a "**Warrant**"). The Subscriber is an investment fund managed by ABO. HAVN Life intends to use the proceeds for general working capital purposes.

The Subscription Agreement provides a commitment to fund the Company up to \$9,000,000 (the "**Total Commitment**") through the subscription for \$10,600,000 aggregate principal amount of Convertible Debentures (including the Debenture Commitment Fee (as defined below)) in twenty (20) tranches, with the first tranche being for the aggregate principal amount of \$1,100,000 (inclusive of the Debenture Commitment Fee) and each additional tranche being for \$500,000 (each, a "**Tranche**"). The first Tranche ("**First Tranche**") is expected to close on or about August 4, 2022 (the "**First Closing Date**"). The proceeds of the First Tranche are to be offset by certain transactional expenses, including payment by the Company to the Subscriber of a commitment fee of \$600,000 (the "**Debenture Commitment Fee**"), after which the Company will receive proceeds of approximately \$420,000. The Company intends to qualify the distribution of the Convertible Debentures, Warrants, and the common shares ("**Common Shares**") in the capital of the Company issuable upon conversion of the Convertible Debentures and Warrants, to be issued to the Subscriber by way of a prospectus supplement to its final short form base shelf prospectus dated October 4, 2021.

The issuance of the Debentures and Warrants pursuant to the First Tranche is subject to certain closing conditions, including, but not limited to, the receipt of applicable regulatory approvals,



including the approval of the Canadian Securities Exchange ("CSE") and completion of a 30-for-1 consolidation of the Company's Common Shares.

In addition to the Debenture Commitment Fee, each Convertible Debenture will be issued for proceeds equal to 90% of the face value of the principal amount. The Convertible Debentures will mature on the date that is 12 months from the date of issuance (unless accelerated in accordance with their terms), and are convertible: (i) at any time at the option of the holder; and (ii) automatically at maturity. The conversion price of the Convertible Debentures (the "**Conversion Price**") is equal to 100% of the lowest daily volume weighted average price (the "**VWAP**") of the Common Shares on the CSE (or such other stock exchange on which the Common Shares are then principally traded), during the fifteen (15) trading days immediately preceding the date on which a conversion notice is delivered to the Company (or, in the event of the automatic conversion of the outstanding principal upon the maturity of the Convertible Debenture, the maturity date) having regard for any adjustments made in accordance with the terms of the Debentures.

In the event that the Conversion Price is greater than the last closing price of the Common Shares on the CSE on the trading day immediately preceding the date of the relevant conversion notice (or, where no conversion notice is given, the relevant maturity date of the Convertible Debentures) (the "**Theoretical Conversion Price**"), the Company will be required to pay the Subscriber a make whole amount to compensate the Subscriber for the difference between the actual conversion price and the Theoretical Conversion Price (each, a "**Make-Whole Amount**").

In each Tranche, the Subscriber is entitled to receive Warrants to acquire such number of Common Shares as is equal to 50% of the aggregate principal amount of the Convertible Debentures issued in each Tranche divided by the warrant exercise price (the "**Warrant Exercise Price**"). The Warrant Exercise Price is equal 120% of the lowest closing VWAP over the fifteen (15) trading days immediately preceding the request to issue a new Tranche, except that in connection with the First Tranche, the Warrant Exercise Price must be equal to the lower of \$0.06 and 120% of the lowest closing VWAP over the fifteen (15) trading days immediately preceding the request to issue the First Closing Date.

Upon the occurrence of certain events of default or a change of control, as set forth in the Subscription Agreement, the Convertible Debentures then outstanding may, at the discretion of the Subscriber, be immediately converted into Common Shares or redeemed in cash. The Subscription Agreement also contains provisions preventing the Company from issuing Convertible Debentures if the issuance of such Convertible Debentures would result in the Subscriber holding beneficial ownership or control of equal to or greater than 10.0% of the Common Shares (on a partially diluted basis).



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On Behalf of The Board of Directors
Tim Moore
Chief Executive Officer

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 brain 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 GMP 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](#).

About Alpha Blue Ocean

Created in 2017, Alpha Blue Ocean is a pioneer in alternative financings, providing innovative financing solutions for companies across the globe, particularly in the medical innovation sector where it is a leader in the alternative financing market in Europe. In less than 5 years, the Group, founded by Pierre Vannineuse, has executed more than €1.5 billion in financial commitments and more than 80 transactions, 60% of which have been in the life science sector.

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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 Subscription Agreement, the Company's 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 issuance of the Convertible Debentures and the Warrants pursuant to the Subscription Agreement, including but not limited to the completion of any Tranche, or the payment of any Make-Whole Amount or future payment of the Debenture Commitment Fee, will



not be completed as contemplated, or at all; the risk that the anticipated benefits from the receipt of funds from the Subscriber will not be realized as contemplated, or at all; 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.

