



HAVN Life Announces the close of the first tranche of its previously announced Financing Commitment by Alpha Blue Ocean and Warrant Amendments and the Issuance of Shares for Debt

August 18, 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 it has closed the initial tranche (the "**First Tranche**") of its financing commitment (the "**Financing**") by Alpha Blue Ocean ("**ABO**") that was previously announced on July 21, 2022. The Company intends to use the proceeds from the close of the First Tranche for general working capital purposes.

Pursuant to the closing of the First Tranche, the Company issued to Global Corporate Finance Opportunities 17 (the "**Subscriber**"), an investment fund managed by ABO, \$1,100,000 principal amount of senior unsecured convertible debenture (the "**Convertible Debenture**") and 189,393 Common Share (as defined below) purchase warrants (each, a "**Warrant**") of the Company, for net proceeds of approximately \$420,000, after deducting certain transactional expenses, including payment by the Company to the Subscriber of the Debenture Commitment Fee (as defined below). The Convertible Debenture and the Warrants were issued pursuant to the terms of subscription agreement entered into between the Company and the Subscriber on July 21, 2022 (the "**Subscription Agreement**") as previously described in the July 21, 2022 news release.

The Convertible Debenture is convertible into Common Shares (each, a "**Conversion Share**") and in certain cases, redeemable in cash, in accordance with their terms and as previously described in the July 21, 2022 news release. Each Warrant entitles the holder thereof, to purchase one additional Common Share (each, a "**Warrant Share**") at a price of \$1.32 per Warrant Share for a period of 60 months from the date of issuance.

As consideration for the Subscriber purchasing the Convertible Debenture and Warrants, the Company paid to the Subscriber a commitment fee of \$600,000 (the "**Debenture Commitment Fee**"), payable by way of the issuance of an additional \$600,000 of principal amount of Convertible Debenture, and issued to the Subscriber 489,130 Common Shares (the "**Compensation Shares**").

The Subscriber is required to return the Compensation Shares to the Company if: (a) either (i) 36 months since the date of the Subscription Agreement (the "**Commitment Period**") has lapsed or (ii) this Subscription Agreement is terminated prior to the end of the Commitment Period in accordance with its terms; (b) all outstanding debentures issued under the Subscription Agreement



have been converted by the holder(s) thereof; (c) the Company is not in breach of the Subscription Agreement; and (d) no payment remains outstanding by the Company to the Subscriber and no delivery of common shares (each, a "**Common Share**") of the Company resulting from a conversion of the senior unsecured convertible debentures issuable under the Subscription Agreement, or the exercise of any of the Common Share purchase warrants, issuable under the Subscription Agreement, by the Subscriber shall remain outstanding pursuant to the Subscription Agreement.

The Company has also agreed to issue 190,214 Common Shares (each, a "**Debt Share**") at a price of \$1.15 per Debt Share to settle an aggregate amount of indebtedness in the amount of \$218,746.53 owing to certain third-party creditors of the Company.

The Company qualified the distribution of the Convertible Debenture, Warrants, the Compensation Shares, the Debt Shares, the Conversion Shares issuable upon conversion of the Convertible Debenture, and the Warrant Shares issuable upon exercise of the Warrants, by way of a prospectus supplement to its final short form base shelf prospectus dated October 4, 2021.

The Company has applied to list the Conversion Shares, the Warrant Shares, the Debt Shares, and the Compensation Shares on the Canadian Securities Exchange (the "**CSE**"). Such listing will be subject to the Company fulfilling all the listing requirements of the CSE.

Amendments to the Warrants

The Company also announces that it has amended certain Common Share purchase warrants of the Company (the "**Armistice Warrants**") issued to Armistice Capital Master Fund Ltd. ("**Armistice**").

The Company has agreed to reduce the exercise price of the Warrants issued to Armistice on March 3, 2022 from \$3.75 to \$2.70 (on a post consolidation basis) per Common Share; provided that subject to CSE approval, if, during the 90-day period following the 30:1 Common Share consolidation proposed to be completed by the Company, the volume-weighted average price ("**VWAP**") of the Common Shares over any fifteen (15) consecutive trading day period falls by greater than 30%, then the exercise price of the Warrants will be adjusted such that it is equal to 120% of the fifteen (15) trading day VWAP of the Common Shares (the "**Adjusted Exercise Price**") and provided that if the Adjusted Exercise Price is less than the minimum issue price permitted under the CSE (or the policies of such other stock exchange on which the Common Shares are listed for trading from time to time), then the Adjusted Exercise Price shall be adjusted to be equal to the minimum price permitted under such policies. The other terms and conditions of the Warrants remain the same.



New Issuances of Warrants

The Company also announces that it has issued to certain designees of H.C. Wainwright & Co., LLC ("**Wainright**") an aggregate of 16,669 new Common Share purchase warrants (each, a "**New Warrant**"). Each New Warrant will entitle the holder thereof to acquire one Common Share at an exercise price of \$2.70 per Common Share (on a post-consolidation basis) and a term of five (5) years from the date of issuance. The New Warrants were issued as consideration for Wainwright waiving, on a one-time basis, its exclusivity pursuant to an engagement letter with the Company dated as of January 31, 2022 with respect to the issuance by the Company of certain convertible debentures (please see news release dated July 21, 2022). The New Warrants will be subject to a four-month and one day hold period under applicable securities laws in Canada.

The amendments to the Armistice Warrants are subject to all regulatory approvals, including the approval of the CSE.

National Instrument 62-103 – The Early Warning System and Related Take-over Bid and Insider Reporting Issues

Pursuant to closing of the first Tranche, the Subscriber (P.O. Box 2775, 67 Fort Street, Artemis House, Grand Cayman, KY1-1111, Cayman Islands) acquired an aggregate principal amount of \$1,100,000 Convertible Debentures and 189,393 Warrants. Each Warrant is exercisable at an exercise price of \$1.32 per underlying Warrant Share, subject to adjustment in accordance with the terms of the certificate representing the Warrants.

Prior to closing of the first Tranche, the Subscriber did not beneficially own or control any securities of the Company. Immediately following the closing of the first Tranche, the Investor holds 189,393 Warrants, \$1,100,000 principal amount of Convertible Debentures and 489,130 of Compensation Shares representing 9.57% of the issued and outstanding Common Shares of the Company on a non-diluted basis and 25.59% of the Common Shares on a partially diluted basis, assuming the conversion of the outstanding debentures into Common Shares at a price of \$1.00, being the last closing price of the Common Shares on the CSE prior to the date of this press release.

The Convertible Debentures were acquired, in the ordinary course of business, for investment purposes only and pursuant to the terms of the Subscription Agreement, pursuant to which the Subscriber is expected to acquire control and direction over additional convertible debentures as further Tranches close and Common Shares upon the conversion thereof.

ABO Infinium Americas Opco Ltd. exercises control or direction over the Convertible Debentures and Warrants in its capacity as investment manager. However, the Subscriber beneficially owns the securities. This investment will be reviewed on a continuing basis and ABO Infinium Americas Opco Ltd., on behalf of the Subscriber, may further increase or decrease its ownership, control or direction over securities of the Company depending on market conditions, reformulation of plans and/or other relevant factors.



The Subscription Agreement prohibits the conversion of such Debentures into Common Shares in the event that the Subscriber would hold in excess of 9.99% or 19.99% of the Common Shares following conversion.

An alternative monthly report will be filed by ABO Infinium Americas Opco Ltd. in accordance with applicable securities laws and will be available on SEDAR at www.sedar.com or may be obtained directly from the Company upon request at <mailto:ir@havnlife.com>.

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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, ABO is a pioneer in alternative financings, providing innovative financing solutions for companies across the globe. In less than 5 years, ABO, founded by Pierre Vannineuse, has executed more than €1.5 billion in financial commitments and more than 90 transactions, with a high focus on 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 Financing, amendments to the Warrants (the “**Amendments**”) 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 any further unsecured senior convertible debentures or Common Share purchase warrants pursuant to the Financing, 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; risks that the Amendments not receive all regulatory approvals on the terms set out herein, 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.

