

ADAPTOGENICS HEALTH CORP. SIGNS LETTER OF INTENT WITH PULMONEM INC. FOR PROPOSED REVERSE TAKEOVER TRANSACTION

Vancouver, BC, November 8, 2024 – Adaptogenics Health Corp. (CSE: ADPT) (“Adaptogenics”, the “Company” or the “Issuer”) is pleased to announce it has entered into a non-binding letter of intent (the “LOI”), dated November 7, 2024, to acquire all of the issued and outstanding shares of Pulmonem Inc. (the “Target”), which is arm’s length to the Company, resulting in a proposed reverse takeover of the Issuer (the “Transaction”).

On closing of the Transaction (the “Closing”), the shareholders of Adaptogenics will hold approximately 5.96% of the Issuer, the shareholders of Pulmonem Inc. will hold approximately 81.50% of the Issuer, subscribers to the Concurrent Financing will hold approximately 10.91% of the Issuer and a consultant of the Target for the Transaction will hold approximately 1.63% of the Issuer, on a non-diluted basis. Upon the Closing, the Target will become a wholly-owned subsidiary of the Issuer. The Company has 16,397,701 issued and outstanding common shares as of the date of this news release. On Closing of the Transaction, it is anticipated that the resulting issuer will have 27,492,870 issued and outstanding common shares.

About Pulmonem Inc.

Pulmonem Inc. is a Phase III ready clinical-stage biotechnology company with a granted IND from the FDA and a CTA approval from Health Canada. The company recently shifted its primary focus from COVID-19 to Acute Respiratory Distress Syndrome (ARDS) in response to evolving market demands and scientific advancements. This strategic decision is driven by promising research and the substantial unmet medical need in ARDS¹, presenting a significant opportunity for Pulmonem to make a meaningful impact. COVID-19 infection is only one of the multiple causes of ARDS, which is a severe condition characterized by the rapid onset of widespread inflammation in the lungs, often leading to respiratory failure. The current treatment options for ARDS are limited and primarily supportive, such as mechanical ventilation and oxygen therapy. This underscores the urgent need for innovative therapeutic interventions.

Proposed Transaction

Pursuant to the terms of the LOI and the upcoming formal agreement (the “Formal Agreement”), the Issuer will acquire all of the Target’s common shares (the “Target Shares”) outstanding as at the Closing from the shareholders of the Target (the “Vendors”), including all of the Financing Shares (as defined below) upon conversion of the Target Subscription Receipts (as defined herein), in exchange for the issuance to the Vendors of such number of Issuer’s common shares (the “Issuer Shares”) as is equal to the number of Target Shares then outstanding (each, a

¹ Fitzgerald, Marianne et al. “Is there a need for emerging drugs for the acute respiratory distress syndrome?.” *Expert opinion on emerging drugs* vol. 19,3 (2014): 323-8. doi:10.1517/14728214.2014.953052

“**Consideration Share**”) on a pro rata basis at a deemed price of \$1.00 per Consideration Share. The Transaction will be completed pursuant to, and in strict accordance with, available exemptions under applicable securities legislation. The Transaction will qualify as a Fundamental Change (as such term is defined in the policies of the Canadian Securities Exchange (the “**Exchange**”)) of the Issuer.

Prior to the Closing, the Issuer intends to complete a consolidation of its outstanding Issuer Shares on the basis of ten (10) pre-consolidation Issuer Shares for every one (1) post-consolidation Issuer Share (the “**Issuer Consolidation**”) and the Target intends to complete a stock split of its outstanding Target Shares on the basis of one (1) pre-split Target Share for every two (2) post-split Target Shares (the “**Target Stock Split**”).

On Closing, and subject to approval of the Exchange, if necessary, it is anticipated that the Target will pay an advisory fee in connection with the Transaction to an arm’s length party in the amount of 448,100 Target Shares.

Furthermore prior to Closing, the Target will complete a private placement financing in the minimum amount of \$3,000,000 (the “**Concurrent Financing**”) by way of subscription receipts in the Target (the “**Target Subscription Receipts**”) on the basis of \$1.00 for each Target Subscription Receipt. Each Target Subscription Receipt will be converted on Closing into Target Shares (each, a “**Financing Share**”) on a one for one (1:1) basis and will be exchanged for Consideration Shares. Finder’s fees may be payable in connection with the Concurrent Financing which shall be paid by the Target on Closing.

It is anticipated that the Company will not assume any long-term debt of the Target in the proposed Transaction.

Closing Conditions

The completion of the proposed Transaction is subject to various closing conditions, all of which will be included in the Formal Agreement, including, but not limited, to the following:

- 1) completion of the Issuer Consolidation;
- 2) completion of the Target Stock Split;
- 3) completion of the Concurrent Financing;
- 4) the Issuer receiving conditional approval from the Exchange for the Fundamental Change and re-listing of the Issuer Shares on the Exchange following the Closing;
- 5) the Target obtaining the approval of such number of Vendors as is necessary to effect the Transaction; and
- 6) other conditions customary in transactions similar to the Transaction.

Timing of Closing

The Transaction is anticipated to close on a mutually agreed date between the Issuer and the Target, no later than January 31, 2025.

About Adaptogenics Health Corp.

Adaptogenics Health Corp. is a Canadian-based nutraceutical company focused on the formulation and distribution of functional mushroom products and nutritional supplement alternatives. The Company is in the process of developing product formulations combining functional mushrooms and adaptogenic herbs which are aimed to support holistic health. The Company is committed to growing a presence in North America through a multifaceted distribution strategy to advance the mission of improving and empowering human health and well-being.

On Behalf of the Board of Directors

Hani Zabaneh
COO and Director

For further information, please contact:

Hani Zabaneh
COO and Director
Tel: 604-782-4264
Email: info@adaptogenicshealth.com

Disclaimer for Forward-Looking Information

Certain statements in this news release are forward-looking statements, which reflect the expectations of management regarding the growth and development of the Company's business and its products and the proposed Transaction. Such statements are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the statements, including but not limited, the signing of the Formal Agreement between the Issuer and the Target, Exchange approval of the Transaction, satisfaction of all closing conditions, the number of issued and outstanding shares post-Closing, the number of advisory shares to be issued on Closing, that the Company will not assume any long-term debt of the Target, the significant opportunity for the Target to make a meaningful impact in respect of the treatment of ARDS, and the completion of the Transaction. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. These forward-looking statements reflect management's current views and are based on certain expectations, estimates and assumptions which may prove to be incorrect. A number of risks and uncertainties could cause actual results to differ materially from those expressed or implied by the forward-looking statements. These forward-looking statements are made as of the date of this news release and the Company assumes no obligation to update

these forward-looking statements, or to update the reasons why actual results differed from those projected in the forward-looking statements, except in accordance with applicable securities laws.