

Novamind Signs Definitive Agreement to Acquire Arizona-based Clinics

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TORONTO, ON / December 23, 2021 / [Novamind Inc.](#) (CSE: NM | OTCQB: NVMDF | FSE: HN2) (“Novamind” or the “Company”), a leading mental health company specialized in psychedelic medicine, has signed a definitive agreement (the “Agreement”) to acquire Arizona-based Foundations for Change, PLC (“Foundations”), a mental health practice specialized in ketamine-assisted psychotherapy, from its sole stockholder, Jeff Edelman, (the “Seller”). The transaction (the “Transaction”) is subject to regulatory approvals and is expected to close in January 2022.

Opened in 2017 by Jeff Edelman, Foundations currently operates one outpatient mental health clinic in Peoria, Arizona with an annual revenue run rate in excess of US\$800,000 and owns a second, larger location in Phoenix that is scheduled to open in early 2022. Foundations will temporarily operate as “Foundations for Change by Novamind” until the Company completes its recently announced rebrand. Mr. Edelman will continue in a leadership capacity as Medical Director for both clinics. Mr. Edelman is double board-certified Family Psychiatric-Mental Health Nurse Practitioner and a Child and Adolescent Psychiatric-Mental Health Clinical Nurse Specialist. As a former military combat veteran, who served in the US Army 55th Medical Co. Combat Stress Control unit, Mr. Edelman has special expertise in treating military veterans and first responders who struggle with stress and trauma.

Under the terms of the Agreement, Novamind will acquire Foundations for a combination of cash, common shares in the capital of the Company (“Shares”) and assumed debt, as described below.

Within 30 days of closing the Transaction (the “Closing Date”), Novamind will pay to the Seller US\$100,000 in cash, less certain trade and other accounts payable related to the business of Foundations at the Closing Date. Additionally, subject to the Seller’s continued employment by the Company, the Company will pay to the Seller three cash payments of US\$50,000 within 60 days of the following three anniversaries of the Closing Date.

Additionally, subject to the Seller’s continued employment by the Company, the Company will issue to the Seller an aggregate of US\$150,000 payable by way of the issuance of Shares, as follows:

- (i) US\$50,000 of Shares on the first anniversary of the Closing Date and issued to the Seller within 60 days of such date, to be issued at a price per Share equal to the five-day volume-weighted average trading price of the Shares on the Canadian Securities Exchange (the “CSE”) (or if the Company is not listed on the CSE then, such other stock exchange on which the Shares are listed and where a majority of the trading volume occurs) (the “5-Day VWAP”) calculated from the first anniversary of the Closing Date;

- (ii) US\$50,000 of Shares on the second anniversary of the Closing Date and issued to the Seller within 60 days of such date, to be issued at a price per Share equal to the 5-Day VWAP calculated from the second anniversary of the Closing Date; and
- (iii) US\$50,000 of Shares earned on the third anniversary of the Closing Date and issued to the Seller within 60 days of such date, to be issued at a price per Share equal to the 5-Day VWAP calculated from the third anniversary of the Closing Date.

In connection with Transaction, the Company will enter into agreements with certain holders of debt of Foundations (the “Debtholders”), pursuant to which it will issue an aggregate of US\$158,110 of Shares to certain Debtholders at a deemed price per share equal to the 5-Day VWAP calculated from the date of the Agreement, to be issued on the Closing Date, and an aggregate of US\$345,184 in cash, in consideration for the settlement of debts owing by Foundations to the Debtholders. Additionally, Foundations will possess approximately US\$333,625 of permitted indebtedness as at the Closing Date.

The Shares issued pursuant to the Agreement will be subject to a statutory hold period in accordance with applicable Canadian securities laws and the policies of the CSE.

About Novamind

Novamind is a leading mental health company enabling safe access to psychedelic medicine through a network of clinics and clinical research sites. Novamind provides ketamine-assisted psychotherapy and other novel treatments through its network of integrative mental health clinics and operates a full-service contract research organization specialized in clinical trials and evidence-based research for psychedelic medicine. For more information on how Novamind is enhancing mental wellness and guiding people through their entire healing journey, visit novamind.ca.

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Forward-Looking Statements

This news release contains forward-looking statements. All statements other than statements of historical fact included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company’s expectations including the failure to satisfy the conditions to completion of the Transaction, including the failure to obtain requisite third party consents and regulatory approvals, and other risks detailed from time to time in the Company’s public disclosure. As a result, there can be no

assurance that the Transaction will be completed as proposed or at all. The reader is cautioned not to place undue reliance on any forward-looking information. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will only update or revise publicly any of the included forward-looking statements as expressly required by applicable laws.

Cautionary Statement

None of the securities to be issued pursuant to the Transaction have been or will be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and any securities issued pursuant to the Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.