

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**ITEM 1 — Name and Address of Company**

CULT Food Science Corp. (the “**Company**”)  
#810, 789 W. Pender Street  
Vancouver, BC V6C 1H2

**ITEM 2 — Date of Material Change**

March 1, 2022

**ITEM 3 — News Release**

A news release with respect to the material change referred to in this report was disseminated on March 1, 2022 by Cision PR Newswire and filed on SEDAR.

**ITEM 4 — Summary of Material Change**

The Company announced the signing of a binding letter of intent (“**LOI**”) with Cell Food Systems Inc. (“Cella”).

**ITEM 5 — Full Description of Material Change**

The Company entered into a binding LOI with Cell dated effective February 25, 2022. The Transaction will enable the Company to accelerate its proprietary, cell-based, product development capabilities via Cell’s patent portfolio, machine learning data and prototyping IP toolkits, all while crystalizing turnkey research collaborations and leveraging the methodologies of Cell’s accomplished inventors. CULT continues to build defendable moats around its leading cellular agriculture (“CellAg”) intellectual property (“IP”), patent and investment platform through the additive commercial arrangement.

Transaction Terms Pursuant to the terms and conditions of the LOI, CULT and Cell will exchange CAD 300,000 worth of common shares (the “Shares”) of their respective companies, with such shares being valued as follows:

- Each of CULT’s shares will be valued based on the volume weighted average price of CULT’s shares on the Canadian Securities Exchange (the “CSE”) for the 15 trading days prior to the date of execution of the Definitive Agreement, subject to the minimum price per share allowed under the policies of the CSE; and
- Cell’s shares will be valued at a CAD 10,000,000 pre-money valuation.

The Shares issued by the parties under the share exchange shall be subject to resale restrictions in accordance with applicable securities laws and the policies of the CSE, if applicable. In addition, the CULT shares issued to Cell will be subject to a voluntary six-month hold period.

In addition, Cell will grant CULT, CULT’s current or future subsidiaries, a 15-year license to utilize all of Cell’s intellectual property at the date of the signing of the definitive agreement, including without limitation Cell’s registered patents, under preferential commercial terms to be further defined in the License Agreement. The scope of use shall be defined in the License Agreement, but shall include the portfolio companies of CULT, with a quarterly review by the parties.

*Intellectual Property*

Cell’s patents were developed by leading synthetic biology scientists and experts from MIT and Yale University. They focus on, but are not exclusively around, systems and methods for

producing novel proteins from fungal cell lines. Cella's proprietary cell-based food and beverage IP toolkits can be a baseline that can help companies disrupt the emerging cell-based marketplace. Cella's machine learning data aims to help CULT transform food systems with more cost-effective manufacturing processes while using fewer resources than current food and beverage companies.

The fungal cell line methodologies patent portfolio includes the following potential capabilities and applications:

- Bleeding feature in meat: proteins that make cell-based meat bleed like animal-based proteins;
- Lab grown collagen: proteins with multiple health boosting properties including optimizing immunity and maintaining skin health;
- 3D scaffold: creates structural elements for use in cell-based meats for a more realistic mouth feel through supporting muscle, fat and tissue development; and
- Peptides: a method for producing mammalian cell adhesion properties on cell surfaces; used to improve structure in cell-based meat applications.

#### *Transaction Rationale*

The Transaction is designed to accelerate CULT's proprietary cell biology and bioprocess engineering capabilities, as well as complement its existing cell-based investment platform holdings. Further, the Transaction potentially allows for cost savings, increased yields, faster times to market and decentralized CellAg product development across the Company's evolving investment portfolio and IP platform.

The development of Cella's foundational portfolio was led by Dr. Kate Krueger. She is a technical expert for the XPRIZE Feed the Next Billion project, a former Research Director of New Harvest and a former employee of Perfect Day Foods, which was the first precision fermentation company to make milk proteins where she contributed to their foundational patent. The patents centre fundamentally around her filing for Cella entitled "Systems and methods for producing meat from fungi". Finally, CULT believes that Cella's leading science around machine learning data and open-source prototyping IP toolkits will help empower its portfolio companies to accelerate their innovations on a global level.

#### *About Cella Food Systems*

Cella Food Systems ("Cella") is the perfect OS platform for innovative cell-based food companies to advance technologies that can solve the world's biggest food supply challenges, which are being lost in commercialization bottlenecks today. Cella speeds up the development process so that we can find solutions in time to feed our growing population in the near decades.

#### **ITEM 6 — Reliance on Subsection 7.1(2) of National Instrument 51-102**

Not applicable.

#### **ITEM 7 — Omitted Information**

Not applicable.

#### **ITEM 8 — Executive Officer**

Lejjy Gafour, President, Tel: 604-687-2038

#### **ITEM 9 — Date of Report**

March 7, 2022.