

Entheon Biomedical Corp. Announces Acquisition of HaluGen Life Sciences Inc.

Genetic Screening Test Technology and Data to Strengthen Entheon's Psychedelic-Assisted Protocols

Vancouver, British Columbia--(Newsfile Corp. - January 14, 2021) - Entheon Biomedical Corp. (CSE: ENBI) (FSE: 1XU1) ("**Entheon**" or the "**Company**") is pleased to announce that the Company completed its acquisition of HaluGen Life Sciences Inc. ("**HaluGen**"), a biotech company in the business of developing and commercializing a pre-screening test to identify genetic markers predictive of an individual's reaction to hallucinogenic drugs. The Company acquired 100% of the issued and outstanding common shares in the capital of HaluGen (the "**HaluGen Shares**") from the shareholders of HaluGen (the "**HaluGen Shareholders**") pursuant to a share exchange agreement among the Company, HaluGen and the HaluGen Shareholders, resulting in HaluGen becoming a wholly-owned subsidiary of Entheon (the "**Acquisition**").

"This acquisition supports Entheon's innovative data-driven approach to developing psychedelic-assisted psychotherapeutic (PAP) protocols to treat substance use disorders and provides an opportunity to strengthen category leadership in psychedelic therapy and drug discovery," said Chief Executive Officer of Entheon, Timothy Ko. "Importantly, it will improve our tools to screen patients for underlying psychiatric disorders prior to undertaking PAP, and gather data linking genetics to outcomes. By adding this layer of personalized medicine and data, we seek to add an additional measure of safety and predictability to PAP, and to aggregate data that can be used to infer appropriateness of specific molecules in PAP."

The Acquisition

In consideration for the HaluGen Shares, the Company issued an aggregate of 5,100,000 common shares (the "**Consideration Shares**") to the HaluGen Shareholders.

The Consideration Shares are subject to contractual restrictions on transfer and will be released in accordance with the following schedule:

- (a) 1,275,000 Consideration Shares on the closing of the Acquisition (the "**Closing Date**");
- (b) 1,275,000 Consideration Shares on the date that is four (4) months following the Closing Date;
- (c) 1,275,000 Consideration Shares on the date that is eight (8) months following the Closing Date; and
- (d) 1,275,000 Consideration Shares on the date that is 12 months following the Closing Date.

In addition to the Consideration Shares, the Company may issue up to an additional 900,000 common shares (the "**Compensation Shares**") to Lobo Genetics Inc. ("**Lobo**"), in connection with a product development agreement dated November 13, 2020, as amended on January 14, 2021 (the "**Product Development Agreement**"), among the Company, HaluGen and Lobo. The issuance of the Compensation Shares is subject to Lobo fulfilling certain performance milestones in accordance with the terms of the Product Development Agreement.

All securities issued or issuable in connection with the Product Development Agreement are subject to a statutory hold period expiring four months and a day from the date of issue.

About Entheon Biomedical Corp.

Entheon is a biotechnology research and development company committed to developing and commercializing a portfolio of safe and effective Dimethyltryptamine based psychedelic therapeutic products ("**DMT Products**") for the purposes of treating addiction and substance use disorders. Subject to obtaining all requisite regulatory approvals and permits, Entheon intends to generate revenue through the sale of its DMT Products to physicians, clinics and licensed psychiatrists in the United States, certain countries in the European Union and throughout Canada.

About HaluGen Life Sciences Inc.

HaluGen is developing a DNA testing and personalized psychedelic pre-screening platform that provides genetic, personal and familial insights to better inform the psychedelic experience, with the goal of improving patient care and reducing side effects and risk. HaluGen's genetic-based psychedelic pre-screening platform will help evaluate an individual's overall sensitivity and risk profile when using hallucinogenic drugs. This platform will be the first of its kind and is expected to produce test results within days.

On Behalf of the Board of Directors,

Timothy Ko, CEO

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Cautionary Note on Forward Looking Information

*This news release includes certain forward-looking statements and forward-looking information (collectively, "**forward-looking statements**") within the meaning of applicable Canadian securities legislation. All statements, other than statements of historical fact, included herein including, without limitation, statements with respect to the issuance of the Compensation Shares, generation of revenue by the Company and the anticipated business plans and timing of future activities of the Company, are forward-looking statements. Although the Company believes that such statements are reasonable, it can give no assurance that such expectations will prove to be correct. Often, but not always, forward looking information can be identified by words such as "pro forma", "plans", "expects", "will", "may", "should", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "potential" or variations of such words including negative variations thereof, and phrases that refer to certain actions, events or results that may, could, would, might or will occur or be taken or achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to differ materially from any future results, performance or achievements expressed or implied by the forward-looking statements. Such risks and other factors include, among others, the Company being able to followthrough with anticipated business plans and timing of future activities of the Company, completion of the milestones in connection with the issuance of the Compensation Shares, the ability*

of the Company to obtain sufficient financing to fund its business activities and plans, delays in obtaining regulatory approvals (including of the Canadian Securities Exchange), changes in laws, regulations and policies affecting the Company's operations and the Company's limited operating history.

Readers are cautioned not to place undue reliance on forward-looking statements. The Company undertakes no obligation to update any of the forward-looking statements in this presentation or incorporated by reference herein, except as otherwise required by law.

The Canadian Securities Exchange has not approved nor disapproved the contents of this news release.

ENTHEON

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