

Entheon Biomedical Corp. Announces Agreement to Acquire Lobo Genetics Inc.

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

Vancouver, British Columbia--(Newsfile Corp. - June 16, 2021) - Entheon Biomedical Corp. (CSE: ENBI) (OTCQB: ENTBF) (FSE: 1XU1) ("**Entheon**" or the "**Company**") is pleased to announce that the Company has entered into a definitive agreement dated June 15, 2021 (the "**Agreement**") with Lobo Genetics Inc. ("**Lobo**"), and 13089363 Canada Inc. ("**Subco**"), a wholly-owned subsidiary of Entheon. Pursuant to the Agreement, Entheon and Lobo will combine their respective businesses by way of a "three-cornered" amalgamation in accordance with section 185 of the *Canada Business Corporations Act* (the "**CBCA**"), as further detailed below (the "**Transaction**").

Lobo brings a highly experienced and specialized team of technology experts in the fields of genetics, diagnostics, data and analytics, as well as a fully operational 5,000 sq. ft. genetics research and development and testing facility located in Mississauga, Ontario. Lobo also has various existing distribution and partner relationships both domestically and internationally that are a strategic fit with Entheon's goal of expanding its personalized psychedelics platform globally.

In addition to the psychedelics genetic test that Lobo has developed in partnership with HaluGen Life Sciences Inc. ("**HaluGen**"), Lobo offers a cannabis genetic test that can provide personalized insights into an individual's cannabis metabolism, risk and impairment, including: (a) ability to metabolize THC and CBD; (b) increased acute psychotomimetic effects and long-term risk of cannabis-induced psychosis; and (c) neurocognitive impairment including short-term memory loss.

"This acquisition supports Entheon's genetic-driven approach to developing personalized psychedelic-assisted psychotherapeutic (PAP) protocols to treat substance use disorders while providing in-house DNA data analytics, expanded assay development and genetic research capacities," said Chief Executive Officer of Entheon, Timothy Ko, "With the acquisition of Lobo comes the addition of key staff members and enhanced expertise in the field of genetics. With increased capacity to screen patients, on a genetic basis, for underlying psychiatric disorders prior to undertaking PAP, Entheon is furthering its commitment toward safety and predictability in psychedelic therapies while aggregating data that can be used to determine which psychedelic molecules are best-suited for a particular patient."

"We are excited to join the Entheon team and leverage Lobo's existing genetics testing platform to future applications in the psychedelics space," said Chief Executive Officer of Lobo, John Lem. "Tim and his team have a bold vision of personalizing the psychedelics experience. Developing insights through genetic testing and data are a key part of that mission."

The Transaction

Pursuant to the Transaction, structured as a three-cornered amalgamation in accordance with Section 185 of the CBCA, Lobo will amalgamate with Subco, a newly incorporated and wholly-owned subsidiary of the Company, formed solely for the purpose of facilitating the Transaction. Following the Transaction, the amalgamated company will be a wholly-owned subsidiary of the Company, under the name "Lobo Genetics Inc." ("**Amalco**") and carry on the business of Lobo. It is anticipated that Timothy Ko, Entheon's Chief Executive Officer, President and a director of the Company will serve as the sole director of Amalco.

Pursuant to the Agreement, in consideration for the common shares in the capital of Lobo (the "**Lobo Shares**"), the Company will issue an aggregate of 5,000,000 common shares (the "**Consideration**").

Shares") to the shareholders of Lobo. The Consideration Shares are subject to contractual restrictions on transfer and will be released in accordance with the following schedule:

- (a) 1,250,000 Consideration Shares on the closing of the Transaction (the "**Closing Date**");
- (b) 1,250,000 Consideration Shares on the date that is four (4) months following the Closing Date;
- (c) 1,250,000 Consideration Shares on the date that is eight (8) months following the Closing Date; and
- (d) 1,250,000 Consideration Shares on the date that is twelve (12) months following the Closing Date.

In addition to the Consideration Shares, the Company will issue 9,603 incentive stock options (the "**Replacement Options**") to the holders of outstanding stock options of Lobo (the "**Lobo Stock Options**") in exchange for the exchange or conversion of the Lobo Stock Options and may issue up to 46,944 common share purchase warrants (the "**Replacement Warrants**") to the holders of the outstanding common shares purchase warrants of Lobo (the "**Lobo Warrants**") in exchange for the conversion, exchange or cancellation of the Lobo Warrants.

Each Replacement Option will be exercisable for one common share in the capital of Entheon at price of \$6.94 per Replacement Option until the originally contemplated expiry date, in accordance with the original terms of the applicable Lobo Option. Each Replacement Warrant will be exercisable for one common share in the capital of Entheon an exercise price of \$13.89 per Replacement Warrant until the originally contemplated expiry date, in accordance with the original terms of the applicable Lobo Warrant. Completion of the Transaction is subject to a number of closing conditions, including but not limited to, the resignation of the current directors of Lobo, as well as receipt of all required regulatory, shareholder and third-party approvals required to complete the Transaction. There can be no assurance that the proposed Transaction or other transactions described in this news release will be completed as proposed or at all.

In addition, the Company announces that Lobo Genetics Founder and CEO, John Lem will join Entheon's advisory board as a strategic advisor of industry affairs upon completion of the Transaction and will continue to advise and assist with the operations and strategic direction of Lobo Genetics Inc. and HaluGen Life Sciences Inc.

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 Lobo Genetics Inc.

Lobo is a Toronto-based arm's length private corporation incorporated on June 11, 2018 under the CBCA. Lobo is a personalized genetics company with a direct-to-consumer (DTC) platform currently being used in both the psychedelics and cannabis space to provide personalized insights into an individual's response to hallucinogenic and psychoactive drugs.

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Cautionary Note on Forward Looking Information

This news release contains forward-looking statements and forward-looking information within the meaning of applicable securities laws. These statements relate to future events or future performance. All statements other than statements of historical fact may be forward-looking statements or information. More particularly and without limitation, this news release contains forward-looking statements and information relating to the closing of the Transaction, the conditions to completing the Transaction, timing and receipt of regulatory, shareholder and exchange approvals, Lobo's plans to expand its genetic testing technology and the future plans and business objectives of Amalco and the Company including the Company's plan to expand its personalized psychedelics platform globally, and the appointment of John Lem to the Company's advisory board, and other matters. The forward-looking statements and information are based on certain key expectations and assumptions made by management of the Company. As a result, there can be no assurance that the proposed Transaction or related matters will be completed as proposed or at all. Although management of the Company believes that the expectations and assumptions on which such forward-looking statements and information are based are reasonable, undue reliance should not be placed on the forward-looking statements and information since no assurance can be given that they will prove to be correct.

Forward-looking statements and information are provided for the purpose of providing information about the current expectations and plans of management of the Company relating to the future. Readers are cautioned that reliance on such statements and information may not be appropriate for other purposes, such as making investment decisions. Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. These include, but are not limited to, the Company's ability to complete the Transaction as currently proposed or at all, the ability of each of the Company, Lobo and Amalco to complete its planned future activities and anticipated business plans, the ability of the Company to obtain sufficient financing to fund its business activities and plans, the Company's ability to obtain regulatory, shareholder and exchange approvals of the Transaction and the company's ability to appoint individuals to its advisory board. Other factors may also adversely affect the future results or performance of the Company, including general economic, market or business conditions, changes in the financial markets and changes in laws, regulations and policies affecting the Company's operations and the Company's limited operating history. Accordingly, readers should not place undue reliance on the forward-looking statements and information contained in this news release. Readers are cautioned that the foregoing list of factors is not exhaustive. The forward-looking statements and information contained in this news release are made as of the date hereof and no undertaking is given to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable securities laws. The forward-looking statements or information contained in this news release are expressly qualified by this cautionary statement.

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

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