

## **Verisante Technology, Inc. Announces Proposed RTO with SunRegen Healthcare AG**

VANCOUVER, Canada, August 13, 2024, Verisante Technology, Inc. (TSX-V: VER.H) (“Verisante”) is pleased to announce that it has entered into a binding Letter of Intent (“LOI”) dated August 12, 2024, to acquire a 100% interest in SunRegen Healthcare AG (“SunRegen”), a Swiss pharmaceutical company, by way of a Definitive Share Exchange Agreement which is yet to be negotiated between the parties. The proposed transaction is a Reverse Takeover (“RTO”) pursuant to Policy 5.2 of the TSX Venture Exchange and the resulting issuer intends to qualify as a Tier 2 Life Sciences Issuer.

### **About SunRegen**

SunRegen is a Swiss pharmaceutical company focused on the development of neurodegenerative related drugs. Currently, they are focusing on the development of their lead compound, SBC003, for the treatment of neuronal apoptosis-related diseases, starting with ophthalmic neurodegenerative diseases and gradually expanding to the treatment of CNS neurodegenerative diseases.

SunRegen intends to start in the ophthalmic field by applying for FDA drug approval for the treatment of Retinitis Pigmentosa (“RP”), and then expanding to the treatment of dry AMD and other degenerative diseases. The leading drug candidate, SBC003, has demonstrated neuro-rescuing and neuroprotection through in-vitro & in-vivo experiments, and has the ability to treat neurodegenerative diseases by directly targeting the causes. SunRegen has been issued a patent for its SBC003 drug compound across eight countries including the US, Canada, Japan and China, and has two more international patent applications pending.

RP is a hereditary family disease. Patients usually catch this disease at a young age, and it is generally manifested as apoptosis of peripheral retinal rod cells. At present, Luxturna<sup>®</sup> (Voretigene Neparvovec) is the only approved RP Therapy to treat a small subset of patients with RPE65 mutations, accounting for 0.3%-1% of the total number of RP patients. The vast majority of RP patients cannot obtain effective treatment. Management estimates there are approximately 2 million RP patients worldwide.

According to Data Bridge Market Research the global RP market was worth US\$11.57 billion and forecast to grow at a CAGR of 7.3% to reach US\$20.33 billion by 2029. (<https://www.databridgemarketresearch.com/reports/global-retinitis-pigmentosa-market>)

To date, approximately \$6.3 million has been invested in the development of SBC003. Utilizing independent CROs, SunRegen has completed mice and monkey studies on the efficacy and partial safety of SBC003 with highly encouraging results and is now at the Investigational New Drug (IND) enabling stage of the FDA approval process. The next stage is to conduct CMC (Chemistry, Manufacturing, and Controls) and Safety tests in preparation for a Phase I & II human clinical study. SunRegen uses independent CROs to perform its studies to comply with strict regulatory requirements and to operate more efficiently with a reduced overhead and headcount. More information about SunRegen is available on the company’s website at [www.sunregen.ch](http://www.sunregen.ch).

## **Summary of Unaudited SunRegen Financial Information**

	Year Ended 2023-12-31 CHF (Swiss Francs)	Year Ended 2022-12-31 CHF (Swiss Francs)	Year Ended 2021-12-31 CHF (Swiss Francs)	Year Ended 2020-12-31 CHF (Swiss Francs)
Assets	67,045	65,040	108,144	411,227
Short-term Liabilities	9,880	60,358	90,698	181,358
Long-term Liabilities	357,696	291,708	236,217	263,217
Total Income	0	41,663	9,254	0
Total Operating Expenses	-36,503	-82,668	-227,842	-686,057
Net Profit/Loss	-55,295	-41,253	-212,423	-684,936

These annual financial statements were compiled in compliance with Swiss legal regulations, in particular the articles on commercial bookkeeping and accounting in the Swiss Code of Obligations (Art. 957 to 962). Results will differ substantially according to IFRS, for example, the application of IAS38 *Intangible Assets* which are not accounted for in the summary above.

### **Transaction Terms**

Verisante currently has 43,938,004 common shares and 1,000,000 common stock options outstanding with no preferred shares, warrants or any other securities outstanding. Initially, Verisante will consolidate its common shares on a 10 for 1 basis resulting in 4,393,800 common shares and 100,000 share options outstanding post-consolidation.

Verisante will then acquire 100% of SunRegen's outstanding equity in exchange for 39,544,204 of newly issued common shares on a post-consolidation basis ("Acquisition Shares") resulting in a total post-consolidation, post-acquisition, outstanding amount of 43,938,004 common shares. SunRegen shareholders will thus own 90% of the outstanding common shares of the resulting issuer on a pre-money basis. The acquisition shares will have a deemed value of \$0.80 per share for an aggregate deemed acquisition value of \$31,635,363.

The parties will conduct a capital raise prior to the RTO (the "Pre-RTO Financing") and/or concurrently for a minimum amount sufficient to comply with TSX-V Tier 2 Life Science Issuers' listing requirements including, but not limited to, an amount sufficient to comply with the 20% public float requirement and to carry out the listed issuer's business plan for at least 12 months plus CAD\$100,000 of unallocated working capital. Management currently estimates the minimum amount of capital required to be approximately \$3.5 million, subject to TSX-V Exchange acceptance of the business plan and financial projections.

The use of proceeds of the anticipated financing will be to advance the regulatory approval of SunRegen's drug candidate SBC003 towards FDA Phase II by hiring a CRO to conduct CMC (Chemistry, Manufacturing, and Controls) and Safety studies for Retinitis Pigmentosa ("RP").

New investors participating in the Pre-RTO Financing subsequent to the date of the LOI will receive Acquisition Shares based on the same ratio as the existing SunRegen shareholders such that both Verisante and SunRegen shareholders will experience to the same dilution as a

result of the anticipated capital raise.

SunRegen will become a 100% wholly owned subsidiary of Verisante upon Closing. The board of directors of the resulting issuer will have five members of which four will be nominated by SunRegen (see *Proposed Officers and Directors* below).

The parties intend to negotiate and enter into a Definitive Share Exchange Agreement prior to September 30, 2024. The proposed transaction is subject to, among other things, approval by both parties' boards of directors, due diligence reviews, auditing of SunRegen's financial statements for the last two fiscal years by a CPAB participating auditor, TSX-V Exchange acceptance, as well as regulatory approval, as required, from the securities commissions where Verisante is fully reporting (British Columbia, Alberta and Ontario). A sponsor has not been retained as of the date of this announcement. There are no finder's fees payable in connection with the proposed RTO transaction, however, there will be finder's fees and commissions payable in connection to the financing which will be disclosed in a forthcoming update once the terms are finalized.

### **Arm's Length Transaction**

The proposed RTO transaction will constitute an Arm's Length Transaction (as such term is defined in the policies of the TSXV). No person who or which is a Non-Arm's Length Party of SunRegen has any direct or indirect beneficial interest in Verisante, its shareholders or its assets prior to giving effect to the Transaction and no such persons are also Insiders of Verisante. Similarly, there is no known relationship between or among any person who or which is a Non-Arm's Length Party of SunRegen and any person who or which is a Non-Arm's Length Party to Verisante.

### **Shareholder Approval**

The proposed RTO transaction is not a "related party transaction" or "business combination" as defined in Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**"). Section 4.1 of MI 61-101 does not apply to the transaction because the proposed RTO does not meet the definition of "business combination" in section 1.1.

The proposed RTO is an asset acquisition being made by way of a share exchange agreement and the target company's shares are being acquired with newly issued common shares. No interest of any Verisante shareholder will be terminated without the holder's consent as a result of the proposed issuance of shares. Therefore, MI 61-101 does not apply to the proposed share exchange and a shareholder meeting to approve the transaction is not required. Verisante is still required to file a disclosure document on SEDAR+ in the prescribed format including audited financial statements of SunRegen for the previous two fiscal years.

Because the proposed RTO transaction is (a) not a "related party transaction"; (b) the issuer is listed on the NEX; (c) the issuer is not subject to a CTO or will be upon closing; and (d) shareholder approval is not required under British Columbia corporate laws or securities laws, TSX-V Exchange Policy 5.2 section 4.1(e) which otherwise requires a shareholder meeting to approve the RTO does not apply and as such no shareholder meeting will be held to approve the transaction.

## **Proposed Officers and Directors**

David Guan, BSc, MSc, SunRegen Founder, CEO & Director - Mr. Guan is the Founder, Chief Executive Officer and a Director of the Company. Mr. Guan holds a Bachelor and Master of Science and Technology from Huazhong University of Science & Technology (1991-1998). Mr. Guan has ten years of top management experience at multinational companies including Honeywell and HP. In 2012, Mr. Guan founded G&L International Inc. and the company has achieved an annual income over EUR 10 million under his management as a CEO. In 2017, Mr. Guan founded SunRegen and successfully raised over \$6.3 million from Swiss and international investors. Mr. Guan has a proven track record in business operation, investing & financing, project management and cross-cultural multi-site team management.

Yuhong Dong, PhD, MD, SunRegen Founder & CSO, Director - Dr. Dong is the Founder, Chief Scientific Officer and a Director of SunRegen. Dr. Dong has been a physician in the First Hospital of Peking University (1996-2002). Dr. Dong completed a Postdoctoral Fellowship at Peking Union Medical College and led the development of a Hepatitis B Virus Vaccine at the Chinese Academy of Medical Sciences (2002-2004). Dr. Dong has over 12 years of scientific research experience as a scientist at Novartis (2005-2017). She led the development of over ten drugs including Tyzeka (Telbivudine), which was approved by the US FDA in October 2006 to treat chronic hepatitis B (HBV). As an experienced physician and scientist, Dr. Dong has significant expertise in the full life cycle of drug development. She has won four Novartis Awards and published over 30 papers in internationally renowned biomedical journals.

Thomas Braun, BA, JD, LL.M., CCO & Director - Mr. Braun is currently President, Chief Executive Officer and a Director of Verisante. Mr. Braun holds a BA from Western University, a Juris Doctor degree from UBC, and a Master of Laws from the University of San Francisco. Mr. Braun has been a Member of the State Bar of California since 1997 and a Member of the Law Society of British Columbia since 1999 and practiced corporate securities law from 1999 to until present. From 2006 until present he also served as the CEO and director of Verisante which until 2018 was an ISO certified manufacturer of innovative diagnostic medical devices for the detection of cancer.

Jake J. Thiessen, BSc, MSc, PhD, Director - Dr. Thiessen qualifies as an independent director and is a former Professor, Associate Dean, and current Professor Emeritus at the Leslie Dan Faculty of Pharmacy, University of Toronto (UofT). Following 31 years at the UofT, he spent 7 years at the University of Waterloo (UW). His UofT fiduciary leadership included membership in the Governing Council and Business Board. Furthermore, he was responsible for the cost-effective design and construction of the new \$75 million UofT Leslie Dan Pharmacy facility. Thereafter he was recruited by UW to plan and develop a new Health Sciences Campus and Canada's 10th School of Pharmacy. This included the cost-contained construction of a new \$35 million Health Sciences Campus in downtown Kitchener. His academic research has required meticulous budgeting of \$16.5 million in federally funded projects. His non-academic leadership has included value-centered management within the DQTC of the Ontario Ministry of Health, and Health Canada's Scientific Advisory Committee on Pharmaceutical Sciences and Clinical Pharmacology. Finally, he has been a member of the Company's Board of Directors and Audit Committee since 2009 with responsibility to oversee the preparation, auditing, analyzing and evaluation of the Company's quarterly and annual financial statements. Throughout his academic and non-academic career, Dr. Thiessen has exhibited an advanced understanding of internal controls and procedures for financial reporting and accounting principles.

Hong Yu, BS, MS, CFA, FRM, Director - Mr. Yu is a seasoned executive with extensive experience in capital raise, strategic analytics, wealth management, and investment research. Prior to Harvard Apparatus Regenerative Technology, Mr. Yu was a Senior Vice President at Bank of America, where he was employed for nearly 20 years. During his career, Mr. Yu has developed the expertise in matching emerging companies with cross-border investors. Mr. Yu holds a B.S. degree from Peking University (Beijing, China) and a M.S. degree from University of Illinois (Chicago, IL). Mr. Yu is a Chartered Financial Analyst.

### **About Verisante**

Verisante does not currently operate any active business other than to identify and complete a Reverse Takeover (RTO) with a company in one of its target sectors that demonstrates significant growth potential and/or value creation opportunities for shareholders. While the Company may pursue a target in any industry, we intend to focus our search on companies that meet our acquisition target characteristics within the life sciences sectors.

Trading in the shares of Verisante will remain halted pursuant to section 2.6 of TSX-V Exchange Policy 5.2.

*Completion of the transaction is subject to a number of conditions, including but not limited to, Exchange acceptance and if applicable, disinterested shareholder approval. Where applicable, the transaction cannot close until the required shareholder approval is obtained. There can be no assurance that the transaction will be completed as proposed or at all.*

*Investors are cautioned that, except as disclosed in the management information circular or filing statement to be prepared in connection with the transaction, any information released or received with respect to the transaction may not be accurate or complete and should not be relied upon. Trading in the securities of Verisante Technology, Inc. should be considered highly speculative.*

*The TSX Venture Exchange Inc. has in no way passed upon the merits of the proposed transaction and has neither approved nor disapproved the contents of this news release.*

*Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.*

### **Company Contact:**

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### **Forward Looking Statements:**

*This news release contains "forward-looking information" within the meaning of Canadian securities legislation. Forward- looking information generally refers to information about an*

*issuer's business, capital, or operations that is prospective in nature, and includes future-oriented financial information about the issuer's prospective financial performance or financial position.*

*The forward-looking information in this news release includes disclosure about the terms of the Transaction and the proposed structure of the Transaction.*

*Verisante and SunRegen made certain material assumptions, including but not limited to: prevailing market conditions; general business, economic, competitive, political and social uncertainties; delay or failure to receive board, shareholder or regulatory approvals; and the ability of the resulting issuer to execute and achieve its business objectives, to develop the forward-looking information in this news release. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements.*

*Actual results may vary from the forward-looking information in this news release due to certain material risk factors. These risk factors include, but are not limited to: adverse market conditions; the inability of SunRegen or Verisante to complete the Transaction on the terms disclosed in this news release, or at all; the unavailability of exemptions from prospectus requirements for the issuance of Shares; the risks associated with the marketing and sale of Shares; refusal of the proposed directors or officers to act for any reason, including conflicts of interest; reliance on key and qualified personnel; and regulatory and other risks associated with the pharmaceutical industry in general. The foregoing list of material risk factors and assumptions is not exhaustive.*