



NEWS RELEASE

CULT Food Science Announces Binding Letter of Intent to Acquire “Because Animals” Consumer Brands and Formulations

Acquisition of Leading Cultured Pet Food Brand Positions CULT for Direct to Consumer and National Retail Sales

Toronto, Ontario, March 28, 2023 / CNW / CULT Food Science Corp. (“CULT” or the “Company”) (CSE: CULT) (OTC: CULTF) (FRA: LN0), a pioneer in the investment, development, and commercialization of cellular agriculture technologies and products, is pleased to announce it has signed a binding LOI to acquire Because Animals Inc.’s consumer brand assets, related patents, non-scientific intellectual property, and product formulations (“the Assets”).

The acquisition will join internally developed pet food brands to form the Company’s new Pet Food Division, which aims to develop and commercialize cultivated pet food products in collaboration with its portfolio companies, supporting the company’s mission to make cell-based products a part of pets’ everyday lives.

Commercial pet food is estimated to drive as much as a quarter of the environmental impact of the factory farming industry. Conversion to cellular agriculture technologies continues to offer pets the same quality nutrition and taste as conventional production, but significantly reduces their carbon pawprint by protecting global land and water resources, and biodiversity.

With the launch of pet foods into the multi-billion dollar pet food market to complement CULT Food Science product portfolio, this represents another step in the company’s mission to bring cell-based innovation into everyday life.

Founded in 2016 and backed by prominent VC firms including Draper Associates and SOSV and Norwegian conglomerate Orkla, Because Animals Inc. is a sustainable pet food company known for its innovative use of ethical ingredients such as cultured meat. The company was awarded the Purina Pet Care Innovation Prize in 2020. Because Animals’ original co-founder Joshua Errett has left the startup, and, with this acquisition, is continuing the development and commercialization of the Because Animals’ consumer brand business under a different name within CULT Food Science. Because Animals Inc. will continue to innovate in the pet food industry, not associated with CULT Food Science.

Management Commentary

“Pet foods have a complex relationship with agriculture and climate. Common pet foods are often produced using animal meats that are deemed not suitable for human consumption. Or, are leveraging inputs that are going to become more scarce in the future due to climate change in the case of particular kinds of fish. At the same time, some of our pets can struggle to reach their nutritional needs if you seek to cut out every animal product out of their diets. Cultivated products using cellular agriculture and precision fermentation is one of the only solutions that can create a sustainable and nutritious future for our pets as well. They are part of our everyday lives, and deserve sustainable and healthy options for food as much as we do.” said Lejly Gafour, CEO of CULT.

“Eliminating factory farmed meats in the foods we feed our companion animals will have wide-ranging effects on our society, with ripples through our food chain, economy and of course environment. We can reimagine our entire food system, starting with what we put under our dogs’ and cats’ noses every day,” said Joshua Errett, VP Product Development at CULT. “I am personally devoted to this cause, as today’s announcement makes clear. I’m looking forward to continuing my important work on this amazing brand.”

Transaction Terms

Pursuant to the terms and conditions of a binding letter of intent dated March 27, 2023 between Joshua Errett (the “Vendor”) and CULT’s subsidiary, Further Foods Inc. (“Further”), Further will acquire the Assets from the Vendor in exchange for a USD\$500,000 promissory note bearing interest at 4.35% and an initial 10% ownership stake in Further. The promissory note will provide for a principal payment of USD\$50,000 within 30 days of closing and beginning six months after closing, monthly payments of USD\$7,500 plus accrued interest until the principal amount and accrued interest are paid in full. In addition, for every USD\$1,000,000 of gross revenue generated by the Assets following closing of the transaction, Further will issue to the Vendor shares in the capital of Further equivalent to an additional 1% ownership stake in Further, up to a maximum additional 10% ownership stake in Further.

The transaction is subject to receipt of all necessary regulatory approvals, including, as applicable, all required filings with the CSE, completion of due diligence reasonable or customary in a transaction of a similar nature, and entering into a definitive agreement. The transaction will not constitute a fundamental change or result in a change of control of the Company, within the meaning of the policies of the CSE.

The Vendor is a Vice President of CULT, and accordingly the transaction is a “related party transaction” as defined under Multilateral Instrument 61-101 (“MI 61-101”). The transaction is exempt from the formal valuation and minority shareholder approval requirements of MI 61-101 as the fair market value of the transaction does not exceed 25% of the market capitalization of CULT, as determined in accordance with MI 61-101.

About CULT Food Science

CULT Food Science Corp. is the first publicly-traded company of its kind in North America, pioneering the investment, development, and commercialization of cellular agriculture technologies and products. Through its global portfolio of companies and its venture studio, CULT Food Science provides investors with unprecedented exposure to the most innovative start-up, private or early-stage cultivated meat, cell-based dairy, and other cultured food companies around

the world. CULT Foods, a division of CULT Food Science, creates breakthrough products that provide a sustainable, environmental, and ethical solution for the future of food.

Additional information can be found by viewing the Company's website at cultfoodscience.com or its regulatory filings on sedar.com.

On behalf of the Board of Directors of the Company,

CULT FOOD SCIENCE CORP.

"Lejgy Gafour"

Lejgy Gafour, Chief Executive Officer

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Forward-Looking Information:

Information set forth in this news release may involve forward-looking statements. Forward-looking statements are statements that relate to future, not past, events. In this context, forward-looking statements often address a company's expected future business and financial performance, and often contain words such as "anticipate", "believe", "plan", "estimate", "expect", and "intend", statements that an action or event "may", "might", "could", "should", or "will" be taken or occur, or other similar expressions. By their nature, forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include but are not limited to the following risks: those associated with marketing and sale of securities; the need for additional financing; reliance on key personnel; the potential for conflicts of interest among certain officers or directors with certain other projects; and the volatility of common share price and volume. Forward-looking statements are made based on management's beliefs, estimates and opinions on the date that statements are made and except as required by law, the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements. For further information on risk, investors are advised to see the Company's MD&A and other disclosure filings with the regulators which are found at sedar.com.

SOURCE: CULT Food Science Corp.