



PRINCIPAL TECHNOLOGIES ANNOUNCES PRIVATE PLACEMENT FINANCING AND DEBT SETTLEMENT TRANSACTIONS

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UNITED STATES/**

VANCOUVER, BC, June 3, 2026 /CNW/ - Principal Technologies Inc. (TSXV: PTEC) (FWB: JO7) (the "**Company**" or "**Principal**") announces that it has arranged a non-brokered private placement financing of up to 2,203,000 common shares of the Company (the "**Common Shares**") at a price of \$0.50 per Common Share for aggregate gross proceeds of up to \$1,101,500 (the "**Offering**"). The proceeds from the Offering will be used towards the Company's research and development funding obligations and for general working capital purposes. No finder's fees are payable in respect of this Offering.

The Common Shares to be issued in connection with the Offering will be subject to a statutory hold period of four months from the date of issuance in accordance with applicable Canadian securities legislation. Completion of the Offering remains subject to the receipt of all requisite approvals, including acceptance by the TSX Venture Exchange.

Debt Settlements

The Company also announces that it has entered into debt settlement agreements with certain creditors to settle an aggregate of \$1,218,370.75 in outstanding debt through the issuance of an aggregate of 2,436,741 common shares of the Company (the "**Debt Settlement Shares**") at a deemed value of \$0.50 per Debt Settlement Share (the "**Debt Settlement Transactions**").

Pursuant to the Debt Settlement Transactions, the Company has agreed to settle an aggregate of 186,100 owing to arm's-length creditors for services provided, and \$1,032,270.75 in debt owing to two non-arm's-length creditors to satisfy repayment of previously issued Promissory Notes of the Company in the aggregate principal amount of \$1,003,100 plus accrued interest in the amount of \$29,170,75.

The Debt Settlement Shares to be issued pursuant to the Debt Settlement Transactions will be subject to a statutory hold period of four months from the date of issuance in accordance with applicable securities legislation. The Debt Settlement Transactions are subject to customary closing conditions and approvals, including acceptance by the TSX Venture Exchange.

Related Party Participation in the Debt Settlement Transactions

The participation of two significant shareholders, each an insider of Principal as a result of such security holdings, constitutes a "related party transaction" as defined under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**")

The Company intends to rely on the exemptions from the valuation and minority shareholder approval

requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, on the basis that neither the fair market value of the securities to be issued to the insiders, nor the consideration for such securities, exceeds 25% of the Company's market capitalization.

The Company expects that closing of the Debt Settlement Transactions will occur within 21 days of this announcement and that it will not file a material change report in respect of the related party transaction at least 21 days before the closing. The Company deems this circumstance reasonable in order to complete the Debt Settlement Transactions in an expeditious manner.

The securities described herein have not been, and will not be, registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or any state securities laws, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the U.S. Securities Act) except in compliance with the registration requirements of the U.S. Securities Act and applicable state securities laws or pursuant to available exemptions therefrom. This release does not constitute an offer to sell or a solicitation of an offer to buy any securities in the United States.

About Principal Technologies

Principal Technologies Inc. is a Canadian-based healthcare technologies acquisition company. The Company is engaged in building a portfolio of profitable healthcare technology companies with a focus on those with global distribution potential which have intellectual property capable of enhancing medical treatment quality, cost efficiency, optimization of the patient pathway, and implementation of point of care technologies.

ON BEHALF OF THE BOARD

Jerry Trent, Chief Executive Officer
Principal Technologies Inc.

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

Cautionary Note Regarding Forward-Looking Statements

This news release contains "forward-looking information" and "forward-looking statements", collectively, "forward-looking statements", within the meaning of applicable Canadian securities legislation. Forward-looking statements are based on the expectations, estimates, projections, assumptions and beliefs of management of the Company as of the date of this news release. All statements, other than statements of historical fact, are forward-looking statements. Forward-looking statements in this news release include, without limitation, statements relating to the Offering, including the anticipated size of the Offering, the expected gross proceeds of the Offering, the proposed use of proceeds from the Offering, the issuance of Common Shares under the Offering, the completion of the Offering, the receipt of all required approvals, including acceptance by the TSX Venture Exchange, the Debt Settlement Transactions, including the issuance of the Debt Settlement Shares, the settlement of outstanding indebtedness, the expected timing of closing of the Debt Settlement Transactions, the Company's reliance on exemptions under MI 61-101, and the Company's business objectives and strategy.

Forward-looking statements are often, but not always, identified by words or phrases such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "proposes", "may", "would", "could", "will", "should", "continue", "potential", "target", "objective" and similar expressions, or statements that certain events, conditions or results "may", "will", "would", "could" or "should" occur or be achieved.

Forward-looking statements are based on a number of assumptions that management considers reasonable as of the date of this news release, including, without limitation, assumptions regarding the Company's ability to complete the Offering and the Debt Settlement Transactions on the terms announced or at all, the receipt of required regulatory approvals, including acceptance by the TSX Venture Exchange, the availability of exemptions under MI 61-101, the intended use of proceeds from the Offering, the Company's current and future business plans, and general business, economic, market and regulatory conditions.

Forward-looking statements are subject to known and unknown risks, uncertainties and other factors that may cause actual results, events or developments to differ materially from those expressed or implied by such forward-looking statements. Such risks and uncertainties include, without limitation, the risk that the Offering may not be completed on the terms announced or at all, that the Debt Settlement Transactions may not be completed on the terms announced or at all, that the Company may not receive required regulatory approvals, including acceptance by the TSX Venture Exchange, that the anticipated proceeds of the Offering may not be realized, that the Company may use the proceeds of the Offering differently than currently proposed as circumstances change, that the Company may not satisfy all closing conditions, that the Debt Settlement Transactions may not settle the applicable indebtedness as anticipated, and risks relating to market conditions, regulatory requirements, capital markets, the Company's business and operations, and other risks generally associated with the Company and its industry.

Although the Company believes that the assumptions underlying the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance, and actual results may differ materially from those expressed or implied by such statements. Readers are cautioned not to place undue reliance on forward-looking statements. Except as required by applicable securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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CO: Principal Technologies Inc.

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