

PONTUS PROTEIN ANNOUNCES AGREEMENT TO SELL ITS AQUAPONICS BUSINESS SEGMENT

VANCOUVER, BC, Nov. 3, 2022 /CNW/ - Pontus Protein Ltd. (TSXV: HULK) (OTCQB: HLKKF) (FSE: 8YC) ("**Pontus**" or the "**Company**") is pleased to announce that it has entered into an asset purchase agreement (the "**Purchase Agreement**") dated November 3, 2022 with CEVAS Technology Inc. (the "**Buyer**") pursuant to which the Company will sell (the "**Transaction**") substantially all of the Company's assets, more particularly all of those assets used in its aquaponics farming business (the "**Aquaponics Segment**").

The assets which make up the Aquaponics Segment include, (i) the Company's closed-environment vertical aquaponics system ("**CEVAS**") and all intellectual property associated with the CEVAS; (ii) the Company's harvesting automated robotic vehicle ("**HARV**"), being a vertical farm rack system and automated plant tending and harvesting robot designed to work alongside and assist CEVAS, and all intellectual properties (including patents) associated with HARV; and (iii) all other formations and know-hows of the Aquaponics Segment (collectively, the "**Assets**").

Pursuant to the terms of the Purchase Agreement, the Company has agreed to sell the Assets to the Buyer for consideration consisting of (i) \$200,000 payable in cash, and (ii) the assumption of up to \$3,500,000 in liabilities and obligations of the Aquaponics Segment, including accounts payable, liabilities and obligations under any contract or lease related to the Aquaponics Segment (the "**Purchase Price**").

The Transaction will provide the Company the opportunity to reduce its overall liabilities and to focus on its other business segment that provides catering and product consultation services to its customers (the "**Catering Business**"). Current market conditions for entities similar to the Company, and the ability to raise capital in this environment to further develop and expand the Company's assets, are very uncertain and it would be difficult for the Company to restore and increase value for its shareholders with significant liabilities. Accordingly, the management and board of directors of the Company determined that this was a unique opportunity to restructure itself, focus on the Catering Business and consider strategic opportunities.

Completion of the Transaction is subject to customary conditions for a transaction of this nature, which include applicable regulatory and stock exchange approvals (including approval of the TSX Venture Exchange ("**TSXV**") and the approval by not less than 66 2/3% of the votes cast by Shareholders represented in person or by proxy at a meeting of Shareholders to be called to consider and approve the Transaction in accordance with the *Business Corporations Act* (British Columbia). The Transaction constitutes a Reviewable Disposition as defined in Policy 5.3 – *Acquisitions and Dispositions of Non-Cash Assets* ("**Policy 5.3**") of the TSXV and the Company has submitted an application for approval of the Transaction, which approval is a condition precedent in the Agreement.

The board of directors of the Company has unanimously determined that the Transaction is in the best interests of the Corporation and is fair to the Shareholders and is unanimously recommending that the Shareholders vote in favour of the Transaction.

Further details of the Transaction, and the risks and procedures associated therewith, will be disclosed in greater detail in the information circular of the Company for the Shareholder meeting which the Company currently anticipates will be mailed to the Shareholders in November 2022 for an annual and special meeting of Shareholders to take place on December 23, 2022, with closing expected to occur shortly thereafter.

A copy of the Agreement will be made available under the Company's profile on SEDAR at www.sedar.com. The summary of the Agreement in this news release is qualified in its entirety by the full text of the Agreement.

About Pontus Protein Ltd.

This is our future – the future of farming; Pontus Protein Ltd. is a Vancouver-based agricultural food and technology company focused on creating and acquiring the best technology. Highly sophisticated, AI-engineered robots, combined with our proprietary vertical farming and a commitment to sustainability. Our intellectual property optimizes efficiency for a shorter growing time and high productivity. We deliver healthy, affordable foods and nutrients into every diet in a closed, controlled environment avoiding all pesticides and GMOs.

Pontus Protein is publicly traded in Canada (TSXV:HULK), the United States (OTCQB: HLKKF) and Germany (FSE: 8YC) and you can find out more on our SEDAR profile.

Learn more about Pontus: [Website](#) | [Investor Page](#) | [LinkedIn](#) | [YouTube](#) | [Twitter](#)

Forward-Looking Information

This news release and other publicly available documents, including the documents incorporated herein and therein by reference, contain "forward-looking statements". Forward-looking statements can be identified by words such as: "anticipate", "intend", "plan", "goal", "seek", "believe", "project", "estimate", "expect", "strategy", "future", "likely", "may", "should", "will", and the negative of these terms, and similar references to future periods. Examples of forward-looking statements include, among others, statements we make regarding the amount of funds available to Pontus on the completion of the Transaction, the expected or intended use of any such funds and the future growth of the Catering Business or the Aquaponics Segment, may not occur and could differ materially as a result of known and unknown risk factors and uncertainties affecting the company.

Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based only on our current beliefs, expectations and assumptions regarding the future of our business, future plans and strategies, projections, anticipated events and trends, the economy and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks and changes in circumstances that are difficult to predict and many of which are outside of our control. Our actual results and financial condition may differ materially from those indicated in the forward-looking statements. Therefore, you should not rely on any of these forward-looking statements.

Any forward-looking statement made by us in this news release is based only on information currently available to us and speaks only as of the date on which it is made. Except as required by applicable securities laws, we undertake no obligation to publicly update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future developments or otherwise

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.

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For further information: Avtar Dhaliwal, Chief Executive Officer, (403) 589 7992; Investor Relations or Media enquiries: invest@pontuswaterlentils.com.

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