

# ROZDIL CAPITAL CORPORATION

## ANNOUNCES CHANGES IN ACCORDANCE WITH NEW CPC POLICY; SEEKS SHAREHOLDER APPROVAL TO CHANGES AS WELL OTHER MATTERS RELATED TO QUALIFYING TRANSACTION WITH THIOGENESIS THERAPEUTICS INC.

### NEWS RELEASE

#### FOR IMMEDIATE RELEASE

**July 26, 2021** – Toronto, Ontario - Rozdil Capital Corporation (TSXV: ROZ.P) (the “**Company**”) wishes to announce that due to changes announced by the TSX Venture Exchange (the “**Exchange**”) to its Capital Pool Company program and changes to the Exchange's Policy 2.4 – Capital Pool Companies, effective as at January 1, 2021 (the “**New CPC Policy**”), the Company intends to implement certain amendments to align its policies with the New CPC Policy.

While a number of the changes in the New CPC Policy automatically apply to the Company, disinterested shareholder approval is required for certain matters. As a result, the Company will be seeking such approvals at its upcoming annual and special meeting of shareholders scheduled to be held on September 3, 2021 (the “**Meeting**”). Shareholders will be asked to approve the following matters: (i) removal of the consequences of failing to complete a QT within 24 months of the Company's date of listing on the Exchange (the “**Listing Date**”); and (ii) amendment of the Company's Stock Option Plan (the “**Option Plan**”) to, amongst other things, become a “10% rolling” plan prior to the Company completing a Qualifying Transaction (a “**QT**”). These proposed amendments are described in further detail below.

#### **Removal of the Consequences of Failing to Complete a QT within 24 Months of the Listing Date**

Currently, under the Exchange's Policy 2.4 – Capital Pool Companies (as at June 14, 2010) (the “**Former Policy**”) there are certain consequences if a QT is not completed within 24 months of the Listing Date. These consequences include a potential for the Company's shares to be delisted or suspended, or, subject to the approval of the majority of the Company's shareholders, transferred to NEX and cancelling certain seed shares. The New CPC Policy has removed these consequences assuming disinterested shareholder approval is obtained. The Company intends to ask disinterested shareholders to approve the removal of such consequences at the Meeting as it believes that it will afford the Company greater flexibility to complete a QT that is beneficial to all interested parties and will also allow the Company to better withstand market volatility. As at the date hereof, the Company's Shares are suspended from trading on the Exchange for failure to complete a QT within 24 months of the Listing Date. Assuming that disinterested shareholders approve this matter, it is the intention of the Company to apply to the Exchange for reinstatement of trading in its Shares following completion of the QT with Thiogenesis Therapeutics, Inc. (see below).

#### **Amendments to the Option Plan**

The amendments will, amongst other things, change the existing Option Plan from a fixed 10% plan to a “rolling 10% plan”. Specifically, the amendments allow: (i) the total number of common shares of the Company (the “**Shares**”) reserved for issuance as options not to exceed 10% of the Shares issued and outstanding as at the date of grant, rather than at the closing date of the initial public offering (“**IPO**”), for options issued prior to the QT; (ii) the number of Shares reserved for issuance as options to any individual director or senior officer not to exceed 5% of the Shares outstanding as at the date of grant, rather than at the closing date of the IPO, for options issued prior to the QT; (iii) the number of Shares reserved for

issuance as options to Consultants, as defined in the Option Plan, not to exceed 2% of the Shares outstanding as at the date of grant, rather than at the closing date of the IPO, for options issued prior to the QT; and (iv) require, prior to the granting of options, the optionee to first enter into an escrow agreement agreeing to deposit the options, and the Shares acquired pursuant to the exercise of such options, into escrow as described in the escrow agreement.

### **Other Changes**

As indicated above, the Company is permitted to implement certain other changes under the New CPC Policy without obtaining shareholder approval. These changes include:

- (i) removing the restriction which provided that no more than the lesser of 30% of the gross proceeds from the sale of securities issued by the Company and \$210,000 may be used for purposes other than identifying and evaluating assets or businesses and obtaining shareholder approval for a proposed QT, and implementing the restrictions on the permitted use of proceeds and prohibited payments under the New CPC Policy, under which reasonable general and administrative expenses not exceeding \$3,000 per month are permitted;
- (ii) removing the restriction on the Company issuing new agent's options in connection with a private placement; and
- (iii) removing the restriction such that now one person has the ability to act as the chief executive officer, chief financial officer and corporate secretary of the Company at the same time.

The Company believes that the New CPC Policy is in the best interests of the shareholders as it will allow the Company to have greater flexibility and mechanisms to increase shareholder value. This will be especially important in the event the Company does not complete the QT it is currently undertaking with Thiogenesis Therapeutics Inc. (see below)

### **Matters Requiring Shareholder Approval in Connection with QT involving Thiogenesis Therapeutics, Inc.**

At the Meeting, shareholders will also be asked to approve certain ancillary matters related to its QT with Thiogenesis Therapeutics, Inc. ("TTI") currently in progress (see the Company's news release dated March 12, 2021). Conditional upon completion of the QT, these matters include:

- (a) a change of name of the Company;
- (b) the election of directors as nominated by TTI; and
- (c) the appointment of auditors selected by TTI.

The Company, however, will not be seeking approval of shareholders for a change of domicile to the State of Delaware as originally disclosed in its news release of March 12, 2021. TTI has agreed to waive this requirement of the QT to help expedite the closing. Full particulars of the foregoing matters will be disclosed in the meeting materials to be sent to shareholders including alternative voting options if the QT does not close.

### **About Rozdil Capital Corporation**

Rozdil is a capital pool company governed by the policies of the Exchange. Rozdil's principal business is the identification and evaluation of assets or businesses with a view to completing a Transaction.

Rozdil's common shares are currently suspended from trading as the Company has not completed a qualifying transaction within 24 months from the date of its original listing as required under the predecessor CPC Policy. The common shares will remain suspended pending the review of the QT by the Exchange and satisfaction of the conditions of the Exchange for removal of the suspension. It is likely that trading in the Company's common shares will not resume prior to the closing of the QT.

### **About TTI**

Thiogenesis Therapeutics, Inc. ("TTI") is biopharmaceutical company that is focused on the clinical development of novel pharmaceutical agents to treat unmet medical diseases. TTI has synthesized and patented three compounds that are prodrugs to cysteamine. Cysteamine is a thiol (an organosulfur compound with a functional –SH group) that has multiple mechanisms of action studied and documented. Cysteamine has been considered a promising drug candidate for several indications including; mitochondrial diseases, rare genetic diseases otherwise known as orphan diseases and CNS diseases, but its development has been limited by its poor side effect profile. Cysteamine-based drugs have been approved and used to treat cystinosis, a rare childhood disease for several decades.

### **Forward-Looking Information**

This news release contains “forward-looking information” within the meaning of applicable Canadian securities legislation. Forward-looking information includes, but is not limited to, the approval of disinterested shareholders of matters under the New CPC Policy at the general and special shareholder meeting and the future business of the Company. Generally, forward-looking information can be identified by the use of forward-looking terminology such as “plans”, “is expected”, “expects” or “does not expect”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, “believes”, or variations of such words and phrases; or terms that state that certain actions, events, or results “may”, “could”, “would”, “might”, or “will be taken”, “could occur”, or “be achieved”. Forward-looking information is based on the opinions and estimates of management at the date the information is made, and is based on, a number of assumptions and is subject to known and unknown risks, uncertainties and other factors, including but not limited to the timing of obtaining the necessary approvals of the shareholders and the Exchange. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated, or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information. The Company does not undertake to update any forward-looking information, except in accordance with applicable securities laws.

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