



CYTOPHAGE TECHNOLOGIES LTD. COMPLETES REVERSE TAKEOVER TRANSACTION OF CUSPIS CAPITAL III LTD.

TORONTO, CANADA, February 2, 2024 – Cytophage Technologies Ltd. (“**Cytophage**” or the “**Resulting Issuer**”) (formerly Cuspis Capital III Ltd. (“**Cuspis**”)) is pleased to announce the completion of its previously announced reverse takeover transaction (the “**Transaction**”) with Cytophage Technologies Inc. (“**CTI**”), a privately-held biotechnology company. The Resulting Issuer has also received conditional approval to list its common shares (the “**Resulting Issuer Shares**”) on the TSX Venture Exchange Inc. (the “**TSXV**”).

The Resulting Issuer Shares are expected to commence trading on the TSXV under the symbol “**CYTO**” on or about February 8, 2024. A further press release is expected to be disseminated prior to the commencement of trading on the Trading Date (as defined herein).

The Transaction

The Transaction was completed according to the terms of a business combination agreement dated November 6, 2023, as amended on January 19, 2024 (the “**Business Combination Agreement**”). Pursuant to the Business Combination Agreement, CTI and 10188932 Manitoba Ltd. (“**Subco**”) (a wholly-owned subsidiary of Cytophage incorporated under the laws of the Province of Manitoba for the purpose of completing the Transaction) amalgamated today in accordance with the provisions of the *Corporations Act* (Manitoba) (the “**Amalgamation**”) and continued operating under the name “Cytophage Technologies Inc.” (“**Amalco**”).

In connection with the Transaction: (i) holders of the 45,309,040 issued and outstanding Class A common shares of CTI (the “**CTI Shares**”) received one common share of Cytophage (each a “**Resulting Issuer Share**”) for each CTI Share held; and (ii) as consideration for the issuance of the Resulting Issuer Shares to effect the Amalgamation, the Resulting Issuer received one common share of Amalco for each Resulting Issuer Share issued to holders of CTI Shares.

Additionally, the Resulting Issuer issued, on a 1:1 basis, approximately: (i) 6,511,344 replacement common share purchase warrants (the “**Resulting Issuer Warrants**”) to existing holders of Class A common share purchase warrants of CTI, with each Resulting Issuer Warrant being exercisable to acquire one Resulting Issuer Share at an exercise price ranging between \$0.50 and \$1.40 per share and expiring between June 30, 2025 and October 1, 2026; and (ii) 4,260,000 stock options (the “**Resulting Issuer Options**”) to existing holders of stock options of CTI, with each Resulting Issuer Option being exercisable to acquire one Resulting Issuer Share at an exercise price ranging from \$0.10 to \$1.30 and expiring between June 30, 2024 and October 11, 2030.

Prior to the Amalgamation and in connection with the Transaction, Cuspis consolidated its shares on a 4.1448 basis (the “**Consolidation**”) resulting in 8,444,316 post-Consolidation common shares of Cuspis and changed its name to “Cytophage Technologies Ltd.”

A summary of material changes resulting from the Transaction are provided herein. For further information, readers are referred to the filing statement of the Resulting Issuer dated January 30, 2024 (the “**Filing**”).

Statement”), which was prepared in accordance with the requirements of the TSXV and filed under Cytophage’s SEDAR+ profile at www.sedarplus.ca.

Concurrent and Prior Financings

On December 22, 2023, CTI completed a private placement of 2,500,000 subscription receipts (“**Subscription Receipts**”) at a price of \$1.00 per Subscription Receipt (the “**Concurrent Financing**”) for aggregate gross proceeds of \$2,500,000. Completion of: (i) the Concurrent Financing; and (ii) a non-brokered private placement of units of CTI completed in two tranches on June 30, 2023 and August 31, 2023 for aggregate gross proceeds of approximately \$523,000, satisfied the concurrent financing condition of the Transaction.

In connection with the Concurrent Financing and upon closing of the Transaction, certain duly registered and eligible finders (the “**Finders**”) will receive an aggregate cash fee of \$42,525.00, being an amount equal to 7.0% of the aggregate gross proceeds raised from subscribers introduced by the Finders, collectively. As additional consideration, the Finders also received an aggregate of 35,525 finder’s warrants (“**Finder’s Warrants**”), being an amount equal to 7.0% of the number of Subscription Receipts issued to subscribers introduced by the Finders, collectively. One Finder will only receive a cash fee for its efforts in connection with the Concurrent Financing. Upon completion of the Amalgamation, each Finder’s Warrant was exchanged for one Resulting Issuer finder’s warrant (a “**Resulting Issuer Finder’s Warrant**”) exercisable until February 2, 2026 to acquire one Resulting Issuer unit, comprising one Resulting Issuer Share and one-half of one Resulting Issuer Warrant, at a purchase price equal to \$1.00 per Resulting Issuer Finder Warrant.

The net proceeds from the Concurrent Financing will be used to complete the Transaction, fund regulatory approval(s) for existing Cytophage products, the development of new Cytophage products and for working capital and general corporate purposes.

Name Change, Consolidation and Board and Management Changes

Completion of the Transaction was subject to a number of conditions that are customary for a transaction of this nature. Prior to the completion of the Transaction, Cuspis effected the Consolidation, changed its name to “Cytophage Technologies Ltd.”, reconstituted its board of directors to consist of William Ollerhead and nominees of CTI, and all existing officers of Cuspis resigned and were replaced by nominees of CTI, including Dr. Steven Theriault as Chief Executive Officer, Julius Kalcevich as Chief Financial Officer, Heather Medwick as President and Corporate Secretary and Michael Graham as Chief Commercial Officer.

Consolidated Capitalization

After giving effect to the Transaction and the Concurrent Financing, the following securities of the Resulting Issuer are issued and outstanding as of the date hereof: (i) 53,753,356 Resulting Issuer Shares; (ii) 6,511,344 Resulting Issuer Warrants; (iii) 5,104,432 Resulting Issuer Options; (iv) 84,443 Resulting Issuer Options issued to eligible charitable organizations; (v) 603,165 warrants to acquire Resulting Issuer Shares issued to certain agents; and (vi) 35,525 Resulting Issuer Finder’s Warrants.

Escrowed Securities

Pursuant to the requirements of the TSXV, upon listing of the Resulting Issuer Shares, all securities of the Resulting Issuer that are held by “principals” of the Resulting Issuer (as well as certain other founding shareholders of CTI and Cuspis) (collectively, the “**Escrowed Shareholders**”) will be placed into escrow pursuant to applicable TSXV requirements and governed by Escrow Agreements (as defined herein). Upon the date on which the Resulting Issuer resumes trading on the TSXV, which is expected to be on or about

Thursday February 8, 2024 (the “**Trading Date**”), there will be an aggregate of 11,937,493 Resulting Issuer Shares, 4,949,975 Resulting Issuer Warrants and 3,230,000 Resulting Issuer Options held pursuant to applicable TSXV escrow agreements (collectively, the “**Escrowed Securities**”) entered into among the TSX Trust Company (as escrow trustee), the Resulting Issuer and the Escrowed Shareholders (the “**Escrow Agreements**”).

TSXV Approval

Cuspis was a capital pool company as defined under the TSXV Policy 2.4 – *Capital Pool Companies* and the Resulting Issuer Shares, subject to the following, are expected to resume trading on the TSXV on the Trading Date. The Transaction remains subject to final approval by the TSXV and fulfillment of all of the requirements of the TSXV in order to obtain such approval including, among other things, submission and acceptance of all documents requested by the TSXV in its conditional acceptance letter and payment of all outstanding fees to the TSXV. The Resulting Issuer Shares will trade on the TSXV under the stock ticker “CYTO”.

Cytophage Technologies Ltd.

Cytophage is a leading-edge Canadian biotechnology company that uses advanced molecular genetic techniques and synthetic biology to create highly effective bacteriophages to address bacterial challenges affecting animal health, human health, and food security. Bacteriophages are viruses that have evolved to specifically target and destroy strictly bacterial cells and are safe for humans, animals, and plants. To combat dangerous bacteria, Cytophage generates customized phages to address specific bacterial infections, including strains resistant to antibiotics. Cytophage has also recently developed a ‘phage-display’ methodology to develop vaccine-like products using bacteriophages for a number of potential applications in human and animal health.

Additional information on Cytophage is available at www.cytophage.com and by reviewing its profile on SEDAR+ at www.sedarplus.ca.

Cautionary Statement on Forward-Looking Information

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.

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking statements”) within the meaning of the applicable Canadian securities legislation. All statements, other than statements of historical fact, are forward-looking statements and are based on expectations, estimates and projections as at the date of this news release. Any statement that involves discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, future events or performance (often but not always using phrases such as “expects”, or “does not expect”, “is expected”, “anticipates” or “does not anticipate”, “plans”, “budget”, “scheduled”, “forecasts”, “estimates”, “believes” or “intends” or variations of such words and phrases or stating that certain actions, events or results “may” or “could”, “would”, “might” or “will” be taken to occur or be achieved) are not statements of historical fact and may be forward-looking statements.

Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Cytophage to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption “Risk Factors” in Cytophage’s Filing Statement dated January

30, 2024, which is available for view on SEDAR+ at www.sedarplus.ca. These risks include but are not limited to, the risks associated in Cytophage's business and industry, such as the inherent technology and development risk of bacteriophages and general business, economic, competitive, political and social uncertainties. Forward-looking statements contained herein are made as of the date of this press release, and Cytophage disclaims, other than as required by law, any obligation to update any forward-looking statements whether as a result of new information, results, future events, circumstances, or if management's estimates or opinions should change, or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements.

This news releases does not constitute an offer to sell or the solicitation of an offer to buy any securities in any jurisdiction.

For more information regarding Cytophage, please contact Dr. Steven Theriault, the Chief Executive Officer of Cytophage.

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