

Pond Technologies Holdings Inc. and Regenurex Health Corporation enter into Amalgamation Agreement

Calgary, December 11, 2018, **Pond Technologies Holdings Inc. (“Pond”)** (TSX.V: POND) is pleased to announce that, further to its press release on August 27, 2018, Pond has entered into a definitive amalgamation agreement dated December 10, 2018 (the **“Amalgamation Agreement”**) with Regenurex Health Corporation (**“Regenurex”**), that provides for the acquisition of Regenurex by Pond.

The acquisition is an arm’s length transaction and has been structured as a “three-cornered amalgamation” pursuant to which Regenurex will amalgamate with a newly incorporated, wholly-owned subsidiary of Pond, Pond Naturals Inc. (**“Amalco”**), which will continue Regenurex’s bulk and retail astaxanthin production and sales, integrate with Pond growth technology, and continue to operate under the trade name Regenurex in order to build on the brand value established.

The terms of the acquisition have been revised from those set forth in the August 27, 2018 press release. In particular, as consideration for their Regenurex shares, Regenurex shareholders will receive an aggregate of 6,250,000 common shares in the capital of Pond (**“Pond Shares”**), with such Pond Shares valued by the parties at \$0.80 per share, or \$5,000,000 in the aggregate. The below summarizes the manner in which such Pond Shares shall be issued, together with certain of the other key provisions of the Amalgamation Agreement:

- Upon amalgamation, former holders of the Class A preferred shares of Regenurex will receive senior preferred shares of Amalco. The senior preferred shares will be exchangeable at the election of the holders thereof until August 1, 2022, at which time they will be automatically exchanged, for an aggregate of 2,211,998 Pond Shares, having an aggregate deemed value of \$1,769,599.
- Upon amalgamation, former holders of the common shares of Regenurex will receive junior preferred shares of Amalco. The junior preferred shares will be exchangeable at the election of the holders thereof until August 1, 2022, at which time they will be automatically exchanged, for an aggregate of 4,038,002 Pond Shares (subject to a downward adjustment in the event any undisclosed liabilities of Regenurex over \$50,000 are discovered within six months of closing), having an aggregate deemed value of \$3,203,401.
- Amalco will continue to operate as an Eligible Business Corporation in the province of British Columbia.
- At closing, Pond will capitalize Amalco with not less than \$500,000 (less Pond’s purchase price of certain Astaxanthin pre-orders from Regenurex prior to closing) in order to assist Amalco in pursuing its business objectives;
- In connection with closing, Pond, Amalco, Curtis Braun as representative of the preferred shareholders of Amalco and the senior and junior preferred shareholders of Amalco will enter into a shareholders’ and support agreement pursuant to which, among other things: (a) the senior and junior preferred shareholders of Amalco will agree to subject their Pond Shares to a

12-month contractual lock-up period; (b) until all of the Amalco senior and junior preferred shares are exchanged for Pond Shares, certain material transactions of Amalco will require majority approval of such preferred shareholders; (c) the undisclosed liabilities of Regenurex, if any, will be determined, and (d) Pond covenants to provide the Pond Shares issuable upon the exchange of Amalco junior and senior preferred shares and to otherwise support such exchanges;

- A break fee payable to Pond in the amount of \$1,000,000 in the event Regenurex terminates the Amalgamation Agreement to pursue an alternative transaction; and
- Closing of the amalgamation is subject to a number of conditions, including, among others: (a) approval of the transaction by way of special resolution at a meeting of the Class A preferred and common shareholders of Regenurex, each voting as a separate class, (b) approval of the transaction by the TSX Venture Exchange (the “TSXV”), including the listing of the Pond Shares issuable upon exchange of the junior and senior preferred shares of Amalco, (c) less than 5% of the Regenurex shares being held by Regenurex shareholders that have exercised dissent rights in respect of the amalgamation, and (d) Amalco entering into employment agreements with certain Regenurex employees, including Dr. Curtis Braun.

The closing of this transaction is targeted to close as soon as is practicable after all of the conditions to close have been satisfied or waived, and is currently scheduled to close by not later than January 31, 2019.

Steve Martin, Pond CEO, commented, “We are excited to complete the definitive agreement with Regenurex and to begin to exploit the significant synergies that exist between our two companies. We believe that the marriage of Pond’s growth platform with Regenurex proprietary natural extraction technology will give rise to a rapidly scaling company that possesses a unique competitive advantage.”

Curtis Braun, Regenurex CEO, commented, “We are pleased to conclude this important step in the history of our company. Pond’s technology teams have been on site and the early results from their assessment have already been impactful to our manufacturing process”.

Astaxanthin is one of nature’s most powerful anti-oxidants. It is used in aquaculture and for human consumption. Oxidative stress in the body has been linked to the development of several major health problems. Astaxanthin helps to reduce or repair the damage caused by oxidation by surrounding the body’s cells with a protective layer. It has been found to have a positive effect on muscle, joint, eye, brain, heart and skin health.

About Regenurex:

Regenurex Health Corporation, <http://canada.regenurex.com>, is developing a line of products to help the body regenerate. The first product, astaxanthin, is naturally derived from algae and is a powerful antioxidant and anti-inflammatory. Regenurex operates a 10,000 square foot algae production facility, in Agassiz, British Columbia, Canada. Regenurex’s process is sustainable, and its process is environmentally friendly. Regenurex’s astaxanthin is unique because they use a proprietary natural extraction process that produces the most natural astaxanthin on the market, which preserves the benefits of the whole algae.

About Pond Technologies:

Located in Markham Ontario, Pond is a technology company that provides profitable solutions to the global health and wellness challenges of pollution abatement and nutrition. Pond's proprietary growth platform optimizes key growth inputs in order to provide a controlled environment that maximizes the growth of algae and other organisms. It enables industrial emitters to generate new revenue streams from the transformation of waste CO2 to valuable algae-based products used as proteins for animal feed and nutraceutical products like Chlorella, Spirulina, and Astaxanthin for human consumption.

Forward-looking Statements

This press release contains forward-looking statements within the meaning of applicable securities laws, including statements regarding Pond's anticipated acquisition of Regenurex pursuant to the Amalgamation Agreement, the use of proceeds of Pond's investment in Amalco and the expected synergies of the transaction on Pond's and Regenurex's combined business. Such forward-looking statements are based on certain key expectations and assumptions made by Pond, including expectations and assumptions concerning approval of the amalgamation by the shareholders of Regenurex, receipt of TSXV and all other applicable third party consents, and the satisfaction of all other closing conditions in respect of the transaction. Although Pond believes that the expectations and assumptions on which such forward-looking statements are based are reasonable, undue reliance should not be placed thereon and Pond can give no assurance that they will prove to be correct. By its nature, such forward-looking statements are subject to various risks and uncertainties, which could cause the actual results and expectations to differ materially from the anticipated results or expectations expressed, including the possible failure of the parties to satisfy the conditions to close the transaction. Readers are cautioned not to place undue reliance on this forward-looking information, which is given as of the date hereof, and to not use such forward-looking information for anything other than its intended purpose. Pond does not undertake any obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by law.

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release. No stock exchange, securities commission or other regulatory authority has approved or disapproved of the information contained herein.

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