

# Waverley Pharma Announces \$3,000,000 Credit Facility

WINNIPEG, MB, Aug. 5, 2021 /CNW/ - Waverley Pharma Inc. ("**Waverley Pharma**" or the "**Company**") (TSXV: WAVE), a Canadian pharmaceutical company, is pleased to announce that it has entered into an agreement with Steinbach Credit Union Limited ("**SCU**") pursuant to which SCU has agreed to make available to the Company a line of credit for maximum aggregate proceeds of \$3,000,000 (the "**Credit Facility**"). The Credit Facility carries a floating interest rate on standard commercial terms and is repayable as to principal amount drawn and accrued and unpaid interest thereon upon demand. The current interest rate payable under the Credit Facility is 3.45% per annum, calculated daily, not in advance, as well after as before maturity, default and judgment.

As security for the Company's obligations under the Credit Facility, Dr. Albert Friesen, a director and controlling shareholder of the Company, has agreed to provide the collateral for the loan and to guarantee the Company's obligations under the Credit Facility (collectively, the "**Collateral and Guarantee**"). The Collateral and Guarantee are being provided directly by Dr. Friesen in his personal capacity and indirectly by Dr. Friesen through ADF Family Holding Corp. and South Waverley Business and Science Centre Inc., entities controlled by Dr. Friesen.

In consideration for providing the Collateral and Guarantee, the Company has agreed to issue to Dr. Friesen an aggregate of 10,000,000 non-transferable common share purchase warrants of the Company (the "**Warrants**") as a loan bonus in accordance with Policy 5.1 of the TSX Venture Exchange (the "**Exchange**"). Each Warrant will entitle the holder to acquire one common share in the capital of the Company (a "**Common Share**") at an exercise price of \$0.11 per share for a period of five years from the date of issuance. The issuance of the Warrants to Dr. Friesen is subject to the prior approval of the Exchange.

Dr. Friesen is a director and controlling shareholder of the Company and, as a result, the issuance of the Warrants 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 relied upon the exemptions from the formal valuation and minority shareholder approval requirements in sections 5.5(b) – *Issuer not Listed on Specified Markets* and 5.7(1)(a) – *Fair Market Value Not More Than 25 Per Cent of Market Capitalization*, respectively of MI 61-101.

In accordance with National Instrument 62-103 – *The Early Warning System and Related Take-Over Bid and Insider Reporting Issues*, Dr. Friesen will file an early warning report (the "**Early Warning Report**") regarding the change in his ownership and control of securities of the Company.

Prior to the acquisition of Warrants, Dr. Friesen beneficially owned or exercised control or direction over 40,292,000 Common Shares and 175,000 stock options, representing approximately 74.61% and 74.70% of the issued and outstanding Common Shares on an undiluted and diluted basis, respectively. Following the acquisition of Warrants, Dr. Friesen beneficially owns or exercises control or direction over 40,292,000 Common Shares, 175,000 stock options and 10,000,000 Warrants, representing approximately 74.61% and 78.64% of the issued and outstanding Shares on an undiluted and diluted basis, respectively.

Dr. Friesen intends to review his investment in the Company on a continuing basis and may purchase or sell Common Shares, either on the open market or in private transactions, in each case, depending on a number of factors, including general market and economic conditions and other factors and conditions that Dr. Friesen deems appropriate. A copy of the Early Warning Report for Dr. Friesen will be filed on the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

The Warrants and the Common Shares issuable upon the exercise of the Warrants will be subject to

a hold period expiring four months from the date of issuance of the Warrants, in accordance with applicable Canadian securities law.

## **About Waverley Pharma**

Waverley Pharma is a pharmaceutical company focused on the development and commercialization of safe, effective, and affordable cancer therapeutics in the EU, United Kingdom and North American markets. The Company, through its subsidiary, is currently selling three generic oncology products in the United Kingdom, namely capecitabine, temozolomide and erlotinib. In addition, the Company is developing two generic oncology products in Europe, namely pemetrexed and bortezomib and additional products in the United States. Waverley Pharma is committed to providing patients with affordable prescription medicines that lower healthcare costs and provide a better quality of life. For more information on Waverley Pharma please visit [www.waverleypharma.com](http://www.waverleypharma.com).

**Neither the 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.**

**Forward Looking Information:** *Statements contained in this press release that are not statements of historical fact, including, without limitation, statements containing the words "believes", "may", "plans", "will", "estimates", "continues", "anticipates", "intends", "expects" and similar expressions, may constitute "forward-looking information" within the meaning of applicable Canadian and U.S. federal securities laws (such forward-looking information and forward-looking statements are hereinafter collectively referred to as "forward-looking statements"). Forward-looking statements include estimates, analysis and opinions of management of the Company made in light of its experience and its perception of trends, current conditions and expected developments, as well as other factors which the Company believes to be relevant and reasonable in the circumstances. Inherent in forward-looking statements are known and unknown risks, uncertainties and other factors beyond the Company's ability to predict or control that may cause the actual results, events or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements, and as such, readers are cautioned not to place undue reliance on forward-looking statements. Such risk factors include, among others, the Company's potential product revenues, stage of development, additional capital requirements, risks associated with obtaining regulatory approval to market the Company's products, the ability to protect its intellectual property, dependence upon collaborative partners, changes in government regulation or regulatory approval processes, and rapid technological change in the industry. Such statements are based on a number of assumptions which may prove to be incorrect, including, but not limited to, assumptions about: general business and economic conditions; the impact of changes in Canadian-US dollar and other foreign exchange rates on the Company's revenues, costs and results; the timing of the receipt of regulatory and governmental approvals for the Company's research and development projects; the availability of financing for the Company's commercial operations and/or research and development projects, or the availability of financing on reasonable terms; the uncertainties associated with the acceptance and demand for new products and market competition. The foregoing list of important factors and assumptions is not exhaustive. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements or the foregoing list of factors, other than as may be required by applicable legislation. Additional discussion regarding the risks and uncertainties relating to the Company and its business can be found in the Company's other filings with the applicable Canadian securities regulatory authorities.*

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