



DEVONIAN HEALTH GROUP INC.

PRESS RELEASE

For immediate release

Devonian Announces Adoption of Shareholder Rights Plan and Modification to a Private Placement

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QUEBEC, January 27, 2022 – Devonian Health Group Inc. (“**Devonian**” or the “**Corporation**”) (TSXV: **GSD**), a clinical stage botanical pharmaceutical corporation, focused on developing a unique portfolio of botanical pharmaceutical and cosmeceutical products, is pleased to announce that its board of directors (the “**Board**”) has approved a shareholder rights plan (the “**Rights Plan**”).

Rights Plan

The adoption of the Rights Plan is intended to ensure, to the extent possible, that all shareholders of the Corporation are treated fairly in connection with any take-over bid for the Corporation's shares (as defined in the Rights Plan) and to protect against acquisitions of control of the Corporation through purchases of shares that are exempt from applicable Canadian take-over bid rules, also referred to as "creeping" take-over bids. The Rights Plan is substantially similar to shareholder rights plans adopted by other Canadian issuers and, it was not adopted in response to any specific proposal or intention to acquire control of the Corporation.

Subject to the terms of the Rights Plan, the rights will become exercisable only when a person (an "**Acquiring Person**"), together with its affiliates, associates and joint actors, acquires or attempts to acquire beneficial ownership of 20% or more of the outstanding shares without complying with the "permitted bid" provisions of the Rights Plan or without approval of the Board. Should such an acquisition occur or be announced, each right would, upon exercise, entitle the holder thereof (other than the Acquiring Person and its affiliates, associates and joint actors) to purchase shares at a 50% discount to the market price at the time. The Rights Plan provides that the rights are redeemable by the Corporation in certain circumstances. Pursuant to the Rights Plan, one right shall be issued at the record time in respect of each share issued and outstanding at the record date, and one right shall be issued in respect of each share issued after the record date.

The Rights Plan is effective immediately but is subject to ratification by shareholders of the Corporation at the Corporation's 2021 annual general and special meeting of shareholders, which will be held on February 25, 2022 and to final approval of the TSX Venture Exchange. If the Rights Plan is not ratified by Corporation's shareholders on or prior to July 25, 2022 the Rights Plan will terminate and all rights issued thereunder will be cancelled. A copy of the Rights Plan will be filed under the Corporation's profile on SEDAR at www.sedar.com.

Modification of the number of securities issued under the previous private placement of the Corporation

On November 30, 2021, the Corporation announced the closing of a private placement (the “**Private Placement**”) under which the Corporation had issued a total of 33,447,662 units (the “**Units**”) for aggregate gross proceeds of \$10,034,298.60. Following this press release, the Corporation cancelled two (2) subscription agreements and, accordingly, the issuance of



550 000 Units for a total of \$165,000. Therefore, the aggregate proceeds of the Private Placement is \$9,869,298.60 under which the Corporation issued 32,897,662 units. The composition of the units is described in the press release of November 30, 2021.

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Devonian

Devonian Health Group Inc. is a late-stage botanical pharmaceutical corporation with novel therapeutic approaches to targeting unmet medical needs. Devonian's core strategy is to develop prescription botanical drugs from plant materials and algae for the treatment of inflammatory-autoimmune diseases including but not limited to ulcerative colitis and atopic dermatitis. Based on a foundation of over 15 years of research, Devonian's focus is further supported by a US-FDA set of regulatory guidelines favouring a more efficient drug development pathway for prescription botanical drug products over those of traditional prescription medicines. Devonian's flagship product, Thykamine™, the first pharmaceutical product issued from Devonian's SUPREX™ platform, is a highly innovative product for the prevention and treatment of health conditions related to inflammation and oxidative stress. The anti-inflammatory, anti-oxidative and immunomodulatory properties of Thykamine™ have been demonstrated by a considerable number of in vitro and in vivo studies as well as in a Phase IIa clinical study in patients with Mild-to-Moderate distal Ulcerative Colitis and in a large phase 2 clinical trial in adult patients with Mild-to-Moderate Atopic Dermatitis. The product is now ready to move into phase 3 clinical development.

Devonian is also involved in the development of high-value cosmeceutical products leveraging the same proprietary approach employed with their pharmaceutical offerings. Devonian Health Group Inc. was incorporated in 2015 and is headquartered in Québec, Canada where it owns a state-of-the art extraction facility with full traceability ‘from the seed to the pill’. Acquired in 2018, Altius Healthcare Inc., its commercialization subsidiary, brings opportunities for further diversification and growth potential. Devonian is traded publicly on the TSXV Exchange (**TSXV:GSD**).

For more information, visit www.groupe-devonian.com

Forward-Looking Statements

Forward-looking statements and information include, but are not limited to, statements with respect to the rights becoming exercisable, the TSXV Exchange final approval of the Rights Plan and shareholder ratification of the Rights Plan, and the TSXV Exchange final approval of the Private Placement.

This press release contains forward-looking statements about Devonian's objectives, strategies and businesses that involve risks and uncertainties. These statements are “forward-looking” because they are based on our current expectations about the markets we operate in and on various estimates and assumptions. Actual events or results may differ materially from those anticipated in these forward-looking statements if known or unknown risks affect our business, or if our estimates or assumptions turn out to be inaccurate. Such risks and assumptions include, but are not limited to, the intended use of proceeds of the Offering, the final approval of the TSX Venture Exchange in connection with the Offering, the above “About Devonian” paragraph, Devonian's ability to develop, manufacture, and successfully commercialize value-added



pharmaceutical and cosmeceutical products, the availability of funds and resources to pursue R&D projects, the successful and timely completion of clinical studies, the ability of Devonian to take advantage of business opportunities in the pharmaceutical and cosmeceutical industries, uncertainties related to the regulatory process and general changes in economic conditions. You will find a more detailed assessment of the risks that could cause actual events or results to materially differ from our current expectations in Devonian's prospectus dated April 21st, 2017 under the heading "Risk Factors" related to Devonian's business. As a result, we cannot guarantee that any forward-looking statement will materialize. We assume no obligation to update any forward-looking statement even if new information becomes available, as a result of future events or for any other reason, unless required by applicable securities laws and regulations.

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.

Contact:

Dr André P. Boulet, PhD
President, Chief Executive Officer
Devonian Health Group inc.
Telephone: (514) 248-7509
Email: apboulet@groupe-devonian.com