

Safe Supply Streaming Co Ltd. Signs Definitive Agreement to Acquire Safety Strips Tech Corp., and Appointment of New Director

written by Raj Shah | February 10, 2025

February 10, 2025 ([Source](#)) – Safe Supply Streaming Co Ltd. (CSE: SPLY) (FSE: QM4) (OTCQB: SSPLF) (“**Safe Supply**” or the “**Company**”) and Safety Strips Tech Corp., a private company (“**SSTC**” or “**Safety Strips**”) are pleased to announce that they have entered into a business combination agreement dated February 10, 2025, (the “**Business Combination Agreement**”) pursuant to which Safe Supply will acquire the remaining 94.31% of the issued and outstanding common shares of Safety Strips (the “**Transaction**”). Under the Transaction, Safety Strips shareholders will receive 1.2748 Safe Supply common shares for each Safety Strips common share held (the “**Exchange Ratio**”). The Transaction will be effected by way of a three-cornered amalgamation under the *Business Corporations Act* (British Columbia).

The Company is also pleased to announce the appointment of Raf Souccar as a new director of the Company’s board effective February 10, 2025. In addition to his appointment, Mr. Souccar has entered into a consulting agreement with the Company on January 14, 2025 (the “**Consulting Agreement**”). Pursuant to the Consulting Agreement, Mr. Souccar will provide consulting services in relation to his expertise in governance and strategic advisory, playing a key role in shaping Safe Supply’s corporate strategy and ensuring strong governance practices. His

experience in national security, policy, and organizational leadership will be invaluable as the Company continue to expand and strengthen their position in the industry.

Mr. Souccar served as Deputy Commissioner of Federal and International Policing in the Royal Canadian Mounted Police (RCMP). In addition to his responsibilities for National Security and Organized Crime, Raf also had oversight of the RCMP's role in Canada's Drug Strategy and has provided testimony before Parliamentary Committees relative to the opioid crisis and ways to deal with the issue of substance abuse disorder.

After counseling successive justice ministers on the topic of marijuana legalization, Prime Minister Justin Trudeau appointed Mr. Souccar to the nine member Marijuana Legalization Task Force in 2016. The Task Force was given a mandate to consult and provide advice to the Government of Canada on the design of a new legislative and regulatory framework for legal access to cannabis.

Mr. Souccar has a Bachelor of Business Administration and has been a lawyer and member of the Law Society of Ontario since 1995. He's also a graduate of the University of Toronto Institute of Corporate Directors.

Key Highlights

- Safe Supply has entered into an agreement to acquire the remaining 94.31% of the issued and outstanding common shares of Safety Strips, solidifying the Company's expansion and innovation in safety and healthcare technology.
- As part of the Transaction, Safety Strips shareholders will receive 1.2748 Safe Supply common shares for each Safety Strips common share held, ensuring a favorable

exchange for both parties involved.

- Safe Supply announces the appointment of Raf Souccar as a new director on the Company's board, bringing his extensive experience in national security, policing, and substance abuse disorder management to the organization.

Expanding Harm Reduction and Medical Tech Portfolio

This transaction solidifies Safe Supply's strategic expansion into the harm reduction and medical technology sectors. The Company enhances their portfolio with proprietary fentanyl and xylazine detection test strips, along with drink spike detection technology, addressing critical public health and safety concerns.

With an established revenue pathway in California through drink spike test sales and a robust direct-to-consumer e-commerce strategy, Safe Supply is positioned for significant growth. The direct-to-retail distribution model further strengthens market penetration, ensuring widespread accessibility of these life-saving tools. This agreement marks a pivotal step in Safe Supply's mission to combat the fentanyl crisis while driving innovation in harm reduction technologies.

Geoff Benic, Chief Executive Officer of Safety Strips, commented, *"Our transaction with Safe Supply marks an exciting new chapter for Safety Strips. By joining forces, we gain the opportunity to accelerate our growth and expand the reach of our innovative solutions. Together, we are well-positioned to make a meaningful impact in the safety and healthcare technology space."*

As the fentanyl crisis continues to escalate, it has become a central issue in geopolitical tensions, with U.S. President Donald Trump vowing to impose strict trade measures on countries

linked to illicit fentanyl production. The crisis has fueled a broader trade war narrative, with potential tariffs and sanctions targeting key supply chains. We are strategically positioned at the forefront of this fight, offering harm reduction solutions that align with growing regulatory and public policy efforts to curb opioid-related deaths. With governments prioritizing domestic production of harm reduction tools, Safety Strips strengthens our role in combating fentanyl-related harm while capitalizing on a shifting policy landscape that demands innovative, life-saving technologies.

Bill Panagiotakopoulos, Chief Executive Officer of Safe Supply, commented, *"This transaction represents a significant milestone in Safe Supply's mission to drive safety and healthcare technology. Safety Strips' innovative approach aligns perfectly with our vision for improving accessibility and quality of life through innovative solutions. We look forward to integrating their expertise into our growing portfolio and enhancing our impact on the industry."*

"Over the years, I have seen the devastating toll that synthetic opioids and toxic contaminants take on lives. The mission at Safety Strips is simple but profound: to save lives and empower safer choices. With every strip, they offer the knowledge needed to prevent tragedy and prioritize well-being," **commented Raf Souccar.**

Safety Strips Tech Corp. Overview

Safety Strips is a privately held company specializing in the development and commercialization of harm reduction products, including test strips for detecting illicit substances in drugs and alcohol. With a mission to reduce harm and enhance safety in communities, Safety Strips has developed a range of products aimed at preventing drug-related fatalities and supporting

wellness.

About the Transaction

The consummation of the Transaction is subject to a number of conditions customary to transactions of this nature, including, among others, the approval of Safety Strip's shareholders approving the amalgamation contemplated in the Business Combination Agreement. Safety Strips expects to receive shareholder approval via written resolution to consider and approve the Transaction as soon as possible. If approved, the Transaction is expected to close shortly thereafter, subject to the receipt of the approval of the Canadian Securities Exchange.

Further details regarding the terms and conditions of the Transaction are set out in the Business Combination Agreement, dated February 10, 2025, which will be publicly filed by the Company under its profile at www.sedarplus.ca.

There are 58,048,300 Safety Strips common shares currently issued and outstanding, in exchange for which 74,000,000 Safe Supply common shares ("**Consideration Shares**") shall be issued to Safety Strips shareholders under the Business Combination Agreement. The Consideration Shares are being issued at a deemed price of \$0.06 per Consideration Share and have a deemed aggregate value of \$4,440,000. The Consideration Shares are subject to contractual resale restrictions, in accordance with which of the Consideration Shares will be released from lock-up on the later of: (i) the filing date of a Form 51-102F4 – Business Acquisition Report ("**BAR**") in respect of the Transaction; or (ii) one-third of the Consideration Shares will be released from lock-up following the four, eight and twelve months periods after the Transaction close.

In connection with the Transaction, the Company has agreed to issue 3,700,000 finder fee common shares (the "**FFS**") to ArcStone

Ventures Inc. (the “**Finder**”) as compensation for facilitating the introduction of the Company to Safety Strips. The FFS will be issued to the Finder at the closing of the Transaction.

Within 75 days following closing, the Company will file a BAR, which will include details of the Transaction and audited financial statements for SSTC.

Debt Settlement

On February 9, 2025, the Company entered into certain debt conversion agreements with various creditors (collectively the “**Debt Conversion Agreements**”) to settle \$90,120 of debt (the “**Debt Settlement**”). The Company and its officers have determined that to preserve the Company’s cash, they intend to settle the Debt Settlement through the issuance of 1,502,000 shares at a deemed price of \$0.06 per Safe Supply common share pursuant to the terms of the Debt Conversion Agreements. The Debt Settlement is subject to the Company obtaining all necessary corporate and regulatory approvals, including approval of the Canadian Securities Exchange (the “**CSE**”). The shares issued for the Debt Settlement are not subject to a hold under the policies of the CSE and applicable securities laws.

Related Party Transaction

The Transaction constitutes a “related party transaction”, as such term is defined in Multilateral Instrument 61-101 – *Protection of Minority Shareholders in Special Transactions* (“**MI 61-101**”) as Jordan Greenberg, the Chief Financial Officer, of the Company (the “**Greenberg Party**”) holds 2,160,000 Safety Strips common shares and Raf Souccar, a director of the Company (the “**Souccar Party**”; together with the Greenberg Party, the “**Related Parties**”) holds 784,440 Safety Strips common shares. Following the completion of the Transaction, the Greenberg Party will receive 2,753,569 Safe

Supply common shares and the Souccar Party will receive 1,000,004 Safe Supply common shares in exchange for their Safety Strips common shares held. The Company relied on exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the Safe Supply common shares held by the Related Parties does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

The Debt Settlement constitutes a “related party transaction”, as such term is defined in MI 61-101 due to the involvement of the Greenberg Party, who is an officer of the Company and would require the Company to receive minority shareholder approval for, and obtain a formal valuation for the subject matter of, the transaction in accordance with MI 61-101, prior to the completion of such transaction. However, in completing the Debt Settlement, the Company intends to rely on exemptions from the valuation and minority shareholder approval requirements of MI 61-101 contained in sections 5.5(a) and 5.7(1)(a) of MI 61-101, as the fair market value of the Greenberg Party’s participation in the Debt Settlement does not and will not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

About Safe Supply Streaming Co Ltd.

Safe Supply, a publicly traded company that is listed on the Canadian Securities Exchange, is focused on the acquisition, investment, and development of businesses within the medical, wellness, and technology sectors. The Company aims to drive sustainable growth and shareholder value by leveraging innovative, technology-driven solutions that address critical needs in healthcare and wellness.

For more details regarding the Company's projects, please visit Safe Supply's website at www.safesupply.com.

ON BEHALF OF THE BOARD,

Bill Panagiotakopoulos
Chief Executive Officer

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The Canadian Securities Exchange does not accept responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

This news release includes certain "forward-looking information" and "forward-looking statements" (collectively "forward-looking statements") within the meaning of applicable Canadian securities legislation. These forward-looking statements are made as of the date of this news release. Forward-looking statements are frequently, but not always, identified by words such as "expects", "anticipates", "believes", "plans", "projects", "intends", "estimates", "envisages", "potential", "possible", "strategy", "goals", "objectives", or variations thereof or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, or the negative of any of these terms and similar expressions.

Forward-looking statements in this news release relate to future

events or future performance and reflect current estimates, predictions, expectations or beliefs regarding future events, including the expected timing of closing of the Transaction. All forward-looking statements are based on Safe Supply's and its employees' current beliefs as well as various assumptions made by them and information currently available to them. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Forward-looking statements reflect the beliefs, opinions and projections on the date the statements are made and are based upon a number of assumptions and estimates that, while considered reasonable by the respective parties, are inherently subject to significant business, economic, competitive, political and social uncertainties and contingencies. Many factors, both known and unknown, could cause actual results, performance or achievements to be materially different from the results, performance or achievements that are or may be expressed or implied by such forward- looking statements and the parties have made assumptions and estimates based on or related to many of these factors. When relying on our forward-looking statements to make decisions with respect to Safe Supply, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Safe Supply does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by the Company or on our behalf, except as required by law.

