

January 27, 2023



## **Irwin Naturals Signs Letter of Intent to Acquire Braxia Scientific**

- **Strategic transaction assembles an experienced management and scientific team world-renowned in the mental health treatment, research and development.**
- **Establishes large footprint of 17 specialized mental health clinics across North America, and 5 more under definitive agreement with Irwin Naturals, enhanced by a telehealth platform expected to extend access to critical treatments for millions of people across multiple states in the US.**
- **Combined network of clinics creates a leading international mental health research platform for in-human clinical development of novel therapeutics.**

LOS ANGELES, Jan. 27, 2023 (GLOBE NEWSWIRE) -- **Irwin Naturals Inc. (CSE: IWIN) (OTC: IWINF) (FRA: 97X)** ("Irwin" or the "Company"), is pleased to announce it has entered into a non-binding amended and restated Letter of Intent ("LOI") for a business combination with Braxia Scientific Corp. ("Braxia Scientific"), (CSE: BRAX) (OTC: BRAXF) (FWB: 4960), a medical research company providing psychiatric, innovative ketamine and psilocybin treatments for mental health disorders. The LOI sets forth the material terms and conditions upon which Irwin will acquire all of the issued and outstanding common shares (the "Braxia Shares") of Braxia (the "Proposed Transaction").

Under the terms of the LOI, Irwin is prepared to offer a purchase price per Braxia Share based upon a valuation of the outstanding Braxia Shares of US\$30,000,000 and a deemed value per subordinate voting share ("Irwin Share") and/or proportionate voting share of Irwin ("Consideration Shares") equal to the greater of US\$3.00 and the volume weighted average trading price of Irwin Shares on the Canadian Securities Exchange (the "CSE") for the 20 trading days immediately prior to the execution of the Arrangement Agreement. The purchase price would be payable on closing of the Proposed Transaction (the "Closing Date") by the issuance of Consideration Shares to each holder of Braxia Shares. Based on the closing price of Irwin Shares and Braxia Shares on the CSE on January 25, 2023 of C\$3.80 and C\$0.05, respectively, the purchase price and exchange ratio imply a 315.72% premium to the price of Braxia Shares. The number of Consideration Shares will also be adjusted upward in the event that the total consideration received by holders of Braxia Shares is less than US\$30,000,000, to be determined at a specified period of time after the Closing Date and as set forth in the Arrangement Agreement.

**The final purchase price per Braxia Share and the exchange ratio will be set forth and determined at the time the Arrangement Agreement is executed.** The LOI further provides that the Consideration Shares would be subject to a lock-up period (the "Lock-Up")

and would be restricted from transfer or sale for a period of 6 months after the Closing Date. Insiders of Braxia would be subject to a Lock-Up period of 12 months from the Closing Date.

Additionally, under the terms of the LOI and in connection with the Proposed Transaction, it is expected that the convertible securities of Braxia would, pursuant to the Arrangement Agreement, either remain outstanding in accordance with their terms or be exchanged for substantially similar securities of Irwin.

**The LOI is non-binding and there is no assurance that the Proposed Transaction will be completed as proposed.** The completion of the Proposed Transaction is subject to, among other things (i) completion of satisfactory due diligence by each of Braxia and Irwin; (ii) negotiation of and the entering into of a binding definitive Arrangement Agreement in connection with the Proposed Transaction; (iii) receipt of all required corporate approvals from the board of directors of Braxia and Irwin, respectively, and all regulatory and shareholder approvals, including the approval of the CSE and any required third-party consents; and (iv) Braxia having at least C\$575,000 in working capital immediately before closing on the Closing Date.

### **Creating a New Market Leader in US and North American Mental Health**

The combined business creates a new market leader with operations in multiple markets in the US (~40+ markets) and in Canada across three important business verticals:

- ***Clinics:*** A large and rapidly growing network of clinics providing much-needed mental health services. The network of clinics will act as highly specialized hubs of excellence with several deployed in larger population centers, while others will be deployed more regionally to greatly improve and expand access to mental health services throughout the North American market.
- ***International Clinical Research Services:*** A leading mental health clinical research organization (CRO) providing in-human clinical study services to a growing pipeline of strategic pharmaceutical sponsors and partners looking to develop innovative therapeutic and diagnostic products to secure marketing authorization from FDA and other health regulators.
- ***Telehealth:*** A telehealth platform (KetaMD) designed to expand access to patients virtually in ~40+ US states, extending the operational reach of the clinics within the network, providing services to patients directly in their own home, and multiplying the supply of mental health services available in the market today.

**Dr. Roger McIntyre, CEO, Braxia Scientific commented,** “With a proven track record of execution in the wellness sector spanning nearly three decades, Irwin has established a strong foothold in mental health. Its growing network of US based clinics combined with its experienced team and access to capital, makes Irwin an excellent partner for Braxia. More importantly, we will be able to quickly and better address the unmet need for treatment of millions of people living with mental health disorders across North America.”

**Klee Irwin, CEO, Irwin Naturals noted,** “We are excited to be building North America’s leading mental health and depression network under the medical expertise of Braxia’s scientific management team, including Dr. McIntyre, the world’s foremost expert in

depression and ketamine research. This combination is a major accelerator and differentiator for Irwin's network of Emergence™ clinics across the US as we launch clinical research services for large pharma and emerging biotechnology companies and enhance our capacity with telemedicine capabilities. Additionally, we are pleased to continue support Braxia's growth and access to more attractive financing making this an attractive potential business combination for Braxia shareholders."

**Adam Berk, President, Irwin Naturals said**, "This combination will optimize the drive for growth of mental health services, creating a first mover advantage in many important markets in North America, while also expanding innovative drug development research to benefit from economies of scale across the businesses."

None of the securities to be issued pursuant to the Arrangement Agreement have been or will be registered under the United State Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws, and any securities issued in the Proposed Transaction are anticipated to be issued in reliance upon available exemptions from such registration requirements pursuant to Section 3(a)(10) of the U.S. Securities Act and applicable exemptions under state securities laws. This press release does not constitute an offer to sell or the solicitation of an offer to buy any securities.

#### About Braxia Scientific Corp.

Braxia Scientific is a medical research and telemedicine company with clinics that provide innovative ketamine treatments for persons with depression and related disorders. Braxia also launched its U.S. based end-to-end telemedicine platform KetaMD, that utilizes leading technology to provide access to safe, affordable, and potentially life-changing at-home ketamine treatments for people living with depression and related mental health conditions. Through its medical solutions, Braxia aims to reduce the illness burden of brain-based disorders, such as major depressive disorder among others. Braxia is primarily focused on (i) owning and operating multidisciplinary clinics, providing treatments in-person and virtually for mental health disorders, and (ii) research activities related to discovering and commercializing novel drugs and delivery methods. Braxia seeks to develop ketamine and derivatives and other psychedelic products from its IP development platform. Through its wholly owned subsidiary, Braxia Health (formerly the Canadian Rapid Treatment Center of Excellence Inc.), operates multidisciplinary community-based clinics offering rapid-acting treatments for depression located in Mississauga, Toronto, Kitchener-Waterloo, Ottawa, and Montreal.

#### About Irwin Naturals

Irwin Naturals has been a household name and best-in-class nutraceutical formulator since 1994. It is now leveraging its household name to enter into the cannabis and psychedelic sectors. Irwin has operated profitably for over 28 years<sup>1</sup>. The Company's growing portfolio of products is available in more than 100,000 retail doors across North America, where over 100 million people know the Irwin Naturals brand.<sup>2</sup> In 2018, the Company first leveraged its brand to expand into the cannabis industry by launching hemp-based CBD products into the mass market. The Company is now leveraging its brand trust with an objective to become one of the first household names in THC-based products and the world's largest chain of psychedelic mental health clinics. Irwin Naturals became a publicly traded company on the

Canadian Securities Exchange (CSE) in August 2021. The Company's shares began to be traded on the OTCQB Venture Market in November 2021. More information on the Company's stock can be found [via Bloomberg](#) as well as the [Wall Street Journal](#).

For investor-related information about the Company, please visit [ir.irwinnaturals.com/](http://ir.irwinnaturals.com/)

To contact the Company's Investor Relations department, please call toll-free at (800) 883-4851 or send an email to [investors@IrwinNaturals.com](mailto:investors@IrwinNaturals.com).

*"Klee Irwin"*

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### **Regulatory Overview**

The following is a brief summary of regulatory matters concerning ketamine in the United States ("US"). Under the Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), ketamine is currently a Schedule III drug as well as being listed under the associated Narcotic Control Regulations and psilocybin is currently a Schedule I drug.

Most US States have enacted Controlled Substances Acts ("State CSAs") which regulate the possession, use, sale, distribution, and manufacture of specified drugs or categories of drugs and establish penalties for State CSA violations and form the basis for many state and local drug laws enforcement activity. State CSAs have either adopted drug schedules identical or similar to the federal CSA schedules or, in some instances, have incorporated the federal scheduling mechanism. Among other requirements, some US States have established a prescription drug monitoring or review programs collect information about prescription and dispensing of controlled substances for the purposes of monitoring, analysis and education.

In the United States, facilities holding or administering controlled substances must be registered with the US Drug Enforcement Agency ("DEA") to perform this activity. As such, medical professionals and/or the clinics in which they operate, as applicable, are also required to have a DEA license to obtain and administer ketamine (a "DEA License"). While ketamine is a controlled substance in the United States, it is approved for general anesthetic induction under the US Food, Drug, and Cosmetic Act. Once a drug is approved for use, physicians may prescribe that drug for uses that are not described in the product's labeling or that differ from those tested by the manufacturer and approved by the Food and Drug Administration (the "FDA"). Licensed medical practitioners may prescribe ketamine

legally in Canada or the United States where they believe it will be an effective treatment in their professional judgment.

Please see Irwin's filing statement on its SEDAR profile for more information on the regulatory environment and regulations surrounding the US ketamine industry.

### **Forward-Looking Information**

This news release contains certain forward-looking statements that reflect the current views and/or expectations of management of the Company with respect to performance, business and future events. Forward-looking statements can often be identified by words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", "objective," or the negative of those words or other similar or comparable words. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates. Forward-looking statements in this news release include statements related to information concerning the ability of the Company to perform the terms of the transaction referenced herein; the receipt of all necessary approvals, including regulatory approvals; expectations for other economic, market, business and competitive factors; and the Company actually entering into and doing business in the U.S. cannabis and psychedelics markets. The potential entrance by the Company into these new business segments are in their preliminary stages and may be subject to approval from the board of directors of the Company as well as any regulatory approval, including that of the Canadian Securities Exchange. These statements are based on numerous assumptions that are believed by management to be reasonable in the circumstances, and are subject to a number of risks and uncertainties, including without limitation: board and regulatory approval, including the approval of the Canadian Securities Exchange; Irwin being able to acquire and/or enter into business relationships to enter into these new markets; the Company obtaining the required licenses; and changes to regulations and laws regarding cannabis or psychedelics; finalizing definitive, binding agreements that formalize the terms of the non-binding letter of intent described in this press release. Further information on the regulatory environment and risks will be contained in future disclosures. Forward-looking statements are subject to a number of known and unknown risks, uncertainties, and other factors that may cause actual results, performance, or achievements to be materially different from that which are expressed or implied by such forward-looking statements. Forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and assumptions which are difficult to predict. Accordingly, readers should not place undue reliance on forward-looking statements and information, which are qualified in their entirety by this cautionary statement. The Company does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.

*Neither the CSE nor its Market Regulator (as that term is defined in policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.*

SOURCE: Irwin Naturals Inc.

<sup>1</sup> Under several corporate structures, Klee Irwin has operated the Irwin brand profitably since 1994, as measured by EBITDA adjusted for extraordinary costs.

<sup>2</sup> Consumer brand recognition information is based on a Company survey with a sample size of 500 randomly selected adults.



Source: Irwin Naturals