



August 3, 2022



Braxia Scientific Enters U.S. Telemedicine Industry; Acquires KetaMD, a Mental Health Platform Providing Beneficial Ketamine Treatments in Florida with Plans to Expand Across the U.S.

TORONTO, ONTARIO August 3, 2022 – Braxia Scientific Corp. (“Braxia”, or the “Company”), (CSE: BRAX) (OTC: BRAXF) (FWB: 4960), a leader in the treatment and research of mental health conditions, is pleased to announce it has acquired 100% of the issued and outstanding stock of [KetaMD, Inc.](#) (“KetaMD”) (the “Transaction”). KetaMD is a U.S. based, privately-held, innovative telemedicine company, with a mission to address mental health challenges via access to technology-facilitated ketamine-based treatments.

KetaMD’s end-to-end telemedicine platform, utilizing leading technology, provides access to safe, affordable, and potentially life-changing at-home ketamine treatments for people suffering from



depression and related mental health conditions. Treatments are medically supervised, guided virtually by registered nurses with mental health expertise, and backed by the world's leading psychiatrists and researchers in depression. KetaMD's integration of ketamine and telemedicine is guided by best practices and treatment guidance.

With the acquisition of KetaMD, Braxia provides a compelling and differentiated value proposition. KetaMD's innovative technology capabilities provides Braxia the opportunity to offer both patient-centric in-person and digital telehealth ketamine treatments, combined with established clinical research and development capabilities focused on the commercialization and real-world implementation of novel pharmaceuticals. Braxia plans to further augment tools and capabilities of the KetaMD platform, including planning new clinical trials in the U.S. and leveraging Braxia's growing proprietary patient dataset, with patient outcomes, to support potential future development of digital therapeutics in the management of depression and other related mental health conditions.

"Today marks a notable step forward in bringing awareness, accessibility and scalability of the benefits of ketamine and psychedelics generally for those suffering from depression and other mood disorders," says Dr. Roger McIntyre, CEO, Braxia Scientific. "We've seen improved outcomes firsthand from ketamine treatment in our clinics and in our clinical trials. Adding digital telehealth capabilities through KetaMD's highly anticipated online and mobile platform strengthens our position to lead the medical use of evidence-based psychedelics, while accelerating our ability to get treatment to those in need, safely and quickly across the U.S. and Canada, and globally in the future. I'm delighted the KetaMD leadership will be bringing their



immeasurable talents as key leaders in the organization and as Braxia shareholders.”

KetaMD is currently available in the State of Florida but a roll-out to other key states is planned in 2022.

KetaMD joins Braxia to create an important mental healthcare solution that will be easily accessible to people living with depression, many who often don't leave their homes. The highly scalable KetaMD platform will allow trained medical professionals to connect to more patients, addressing the urgent unmet need of millions suffering with mental health conditions, and the growing shortage of mental health specialists in the U.S. According to World Psychiatry journal, the U.S. was short 4 million mental health specialists at the end of 2020, with 115 million people lacking access to mental healthcare services, trained mental health specialists, physicians, and psychiatrists.

Braxia's acquisition of KetaMD addresses this access gap, enabling Braxia to reach more people in need by uniting in-person clinics with telemedicine for innovative, effective, and legal treatments.

KetaMD was founded by psychedelic pioneers Zappy Zapolin and Warren Gumpel, along with mindfulness instructor and brand experience expert Kaia Roman and the company's President and Chief Operating Officer, Leann Taylor. The team are dedicated to helping those suffering from debilitating mental health issues find relief through ketamine and other novel psychedelic medicines.

Zappy Zapolin, Co-Founder of KetaMD, commented, *“Following the acquisition of KetaMD, Braxia is a well positioned vertically-integrated psychedelic medicine company. Combined, Braxia and KetaMD now have operations ranging from clinics to bioscience R&D to an at-home*



telemedicine platform, overseen by Dr. McIntyre, one of the foremost authorities in mood disorders and treatments.”

Warren Gumpel, CEO and Co-Founder of KetaMD commented, *“The KetaMD team is honored to have the opportunity to work with Dr. McIntyre, Dr. Rosenblat, and a world’s leading research team in the area of depression and mood disorders. I believe this will be the key distinguishing factor in KetaMD’s success.”*

Daniel Herrera, Braxia VP of R&D and Growth added, *“The KetaMD team have created a company and brand that we believe will connect and resonate with so many people in the rapidly growing mental health space. The combination of Braxia’s mental health clinical expertise and KetaMD’s digital platform, we believe, will quickly increase access to treatment for people suffering from mental health disorders, positioning the company as a leading provider of safe, affordable, at-home ketamine treatment in the U.S. and Canada. This alliance also allows for innovation in clinical research and scaling of access to experimental therapeutics in this patient population.”*

The Mental Health Challenge and Telehealth Solution

Mental health conditions impact over one billion people worldwide annually, with depression representing the leading cause of disability across the globe. One-in-five people in the U.S. live with depression. Studies show that nearly 35 percent of people with depression do not have access to the pharmacy, treatments, and innovative therapies that could lead to more positive outcomes. Also, in 2020, 80 percent of physicians indicated they had taken part in virtual visits, up from 22 percent the year before ([Amwell Research](#)), and 40 percent of consumers indicated in a recent McKinsey report that they will



continue to use telehealth services post - COVID ([McKinsey report - July 2021](#)).

Transaction Highlights

Under the terms of the share purchase agreement in respect of the Transaction, Braxia acquired 100% of the common stock of KetaMD on the following terms:

- Holders of KetaMD common stock (“KetaMD Common Shareholders”) were issued 42,144,629 Braxia common shares (the “Consideration Shares”), representing approximately 17.5% of the total issued Braxia common shares on a post-closing basis;
- approximately 80.6% of the Consideration Shares are subject to a contractual lock-up, with such Consideration Shares being released in 6-month increments until the final release occurring in 18 months;
- The KetaMD Common Shareholders will potentially also receive up to 21,915,207 Braxia common shares (the “Earnout Shares”) in the event that (A) the market capitalization of Braxia reaches certain sustainable levels during the period ending on the fifth anniversary of the closing of the Transaction and/or (B) KetaMD achieves certain gross income and EBITDA milestones over the three fiscal years following closing of the Transaction. If issued, the Earnout Shares would represent 8.3% of the issued and outstanding Braxia common shares on a post-closing basis;
- The KetaMD Common Shareholders have entered into a voting support arrangement with Braxia pursuant to which they have agreed to support proposed nominees of the board and other shareholder resolutions recommended by the board of Braxia;



- Certain existing noteholders of KetaMD were issued approximately \$2.94 million of convertible debentures of Braxia (the “Debentures”) due December 31, 2023 (the “Maturity Date”) in exchange for the cancellation of the KetaMD notes, which will provide a conversion right into Braxia common shares at the option of the holder and mandatory conversion by Braxia if not converted or repaid prior to the Maturity Date. The Debentures may also be prepaid or redeemed at the option of Braxia. The conversion price for optional conversion by the holder will be based on the benchmark price of \$0.10 per Braxia common share (the “Benchmark Price”). The conversion price for mandatory conversion by Braxia on the Maturity Date is \$0.15 per share which is **150% higher** than the closing price of the Braxia common shares on the Canadian Securities Exchange (the “CSE”) on August 2, 2022, the trading day prior to this announcement, of \$0.06 per share.
- Holders of the Debentures will be entitled to convert a portion of their holdings into Braxia common shares as follows:
 - 33% of the principal amount may be converted into Braxia common shares at a price equal to the Benchmark Price prior to December 15, 2023;
 - 33% of the principal amount may be converted into Braxia common shares at a price equal to **150%** of the Benchmark Price, or \$0.15 per share, prior to December 15, 2023; and
 - 34% of the outstanding principal amount may be converted into Braxia common shares at a price equal to **200%** of the Benchmark Price, or \$0.20 per share, prior to December 15, 2023.
- The Debentures contain a mandatory cash prepayment obligation in the event Braxia raises USD \$10 million in equity capital prior to the Maturity Date.



Based on the closing price of the Braxia common shares on the CSE on Tuesday August 2, 2022, the total value of the consideration paid for KetaMD, including the amount of USD \$619,000 invested in the KetaMD Notes, but excluding the value of the Earnout Shares, the timing and issuance of which is uncertain, is approximately \$6,262,902. Following the Transaction, there are no KetaMD notes outstanding, other than those held by Braxia.

KetaMD will remain its own standalone brand under the Braxia umbrella and will operate initially in the United States.

KetaMD is now available for clients in Florida, the first state where services are currently offered. KetaMD expects to launch its offering in California, New York, Texas, Colorado, and Washington in 2022, and plans to continue to expand throughout the United States.

Warren Gumpel will continue as CEO of KetaMD and Leann Taylor will continue as President and COO. Both have signed employment agreements. Ms. Taylor will join the board of Braxia following the closing. Zappy Zapolin and Kaia Roman will remain with KetaMD as advisors.

KetaMD Company Highlights

- KetaMD's mission is to expand access and awareness to psychedelic medicine treatment to as many as possible at a time when mental health issues are devastating people across the world.
- KetaMD's secure, HIPAA-compliant telemedicine platform is designed for clients to connect with medical professionals for diagnosis and prescribed treatments, with all treatments guided virtually by registered nurses.



- KetaMD founders include [Zappy Zapolin](#), well-known “psychedelic concierge to the stars”, co-founder and CEO Warren Gumpel, leading advocate in the ketamine space, Chief Experience Officer Kaia Roman, a certified mindfulness instructor and bestselling author of *The Joy Plan*, with 20 years of brand experience work in Silicon Valley, and President and Chief Operating Officer, Leann Taylor, who has a track record of building and scaling business at multiple companies including Caliva, Warner Music Group and Gartner, Inc.
- Zapolin and Gumpel also founded [The Ketamine Fund](#), a non-profit organization that has donated over 500 free, medically-supervised ketamine treatments to veterans suffering from PTSD, substantially reducing their depression and suicidal ideation.
- KetaMD’s expert medical team is led by several of the world’s leading depression researchers and practitioners, including Dr. Joshua Rosenblat, Medical Director at Braxia, Dr. Daniel Kang, Chief Medical Officer at KetaMD, Dr. Sanjiv Chopra, Professor of Medicine at Harvard Medical School, Dr. Yousif A-Rahim, Chief Medical Officer at Covenant Physical Partners, and Dr. Edward Pearson, Medical Director at KMD Medical Group.

Braxia Scientific Company Highlights:

- Braxia led by CEO, Dr. Roger McIntyre, is a world-renowned researcher, psychiatrist, and pharmacologist. He has been involved



- in more than 750 published research articles centered around the treatment of mental health disorders.
- Braxia opened the first community-based clinic in Canada offering IV and oral ketamine treatments for depression in 2018. To date, the Company has expanded to five clinics across Ontario and Quebec with over 100 mental health medical professionals.
 - Braxia’s clinics have administered more than 6,000 ketamine treatments to date across a growing patient base in Canada.
 - As lead author of the “[International Expert Opinion on the Available Evidence and Implementation of Ketamine and Esketamine in Mood Disorders](#)”, published in the American Journal of Psychiatry in March 2021, Dr. McIntyre established the protocols for the use of ketamine for the treatment of mood disorders.
 - Braxia is a global leader in the clinical research of ketamine and psilocybin. Braxia is its own Clinical Research Organization (CRO), giving it the ability to efficiently carryout clinical trials with new rapid acting treatments including trials to document the benefits of mood disorder psychedelics such as ketamine and psilocybin.
 - [First ever company to conduct a Health Canada-approved multiple-dose psilocybin clinical trial.](#) First patients were dosed in November 2021 and Company reported positive [preliminary results](#) that effectively demonstrated the feasibility of Braxia’s proprietary psilocybin-assisted therapy protocol with high rates of recruitment and retention with adequate tolerability and safety.
 - Braxia was also first to receive Health Canada approval under a Special Access Program (“SAP”) to provide psilocybin-assisted psychotherapy to a patient with Major Depressive Disorder in Ontario. Braxia has since received SAP approvals for additional patients.



- Braxia team has registered and conducted 11 clinical trials in depression to date (Source: <https://clinicaltrials.gov>).
- Overall, the Braxia executive team has extensive research experience with 756 peer-reviewed publications to their credit, including 52 ketamine-related peer-reviewed publications, four psilocybin-related peer-reviewed publications and 507 depression-related peer-reviewed publications (Source: [National Library of Medicine/ pubmed.gov](https://pubmed.ncbi.nlm.nih.gov/)).
- The amassed library of Braxia attributed research ranks the Company in the 99.2nd percentile of the top 500 global researchers in ketamine and depression, and 99.8th percentile of the top 500 global researchers in mood disorders, a category in which Dr. McIntyre is ranked 1st in the world according to Expertscape.

About KetaMD

KetaMD is a HIPAA-compliant telemedicine platform providing affordable and potentially life-changing at-home medical ketamine treatments. Prescribed by medical professionals and guided by registered nurses via our secure platform, KetaMD is a safe and effective alternative for the millions of adults that currently rely on conventional mental health treatments to relieve depression, anxiety, and related mental health challenges. Our mission is to make this treatment safely accessible to those who need it across the United States. Through KetaMD's program, adults who receive a qualifying diagnosis from one of our licensed medical prescribers may participate in our fully virtual program. For more information, visit www.ketamd.com.

About Braxia Scientific Corp.



Braxia Scientific is a medical research company with clinics that provide innovative ketamine treatments for persons with depression and related disorders. Through its medical solutions, Braxia aims to reduce the illness burden of brain-based mental disorders such as major depressive disorder among others. Braxia is primarily focused on (i) owning and operating multidisciplinary clinics, providing treatment 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, the Canadian Rapid Treatment Center of Excellence Inc., Braxia currently operates multidisciplinary community-based clinics offering rapid-acting treatments for depression located in Mississauga, Toronto, Ottawa, and Montreal. For more information, visit www.braxiascientific.com or www.braxiahealth.com.

For Further information on Braxia Scientific Corp. please contact:

Tel: 416-762-2138

Email: info@braxiascientific.com

Website: www.braxiascientific.com

Press Inquiries: Kim Angell, Wish Public Relations

kim.angell@wishpr.com

The CSE has not reviewed and does not accept responsibility for the accuracy or adequacy of this release.

Forward-looking Information Cautionary Statement



This news release contains forward-looking statements within the meaning of applicable securities laws. All statements that are not historical facts, future estimates, plans, programs, forecasts, projections, objectives, assumptions, expectations, or beliefs of future performance are “forward-looking statements.”

Forward-looking statements include statements about the intended promise of ketamine-based or other psychedelic treatments for depression, the potential for ketamine or other psychedelics to treat other mental health conditions, the integration plans for Braxia and KetaMD, the intention to conduct further clinical trials, the expected growth of at-home telemedicine, the expected benefit and synergies of the Transaction, the issuance of Earnout Shares, the expectation to expand to areas other than Florida, and expected changes to the board of Braxia. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results, events, or developments to be materially different from any future results, events or developments expressed or implied by such forward-looking statements. Such risks and uncertainties include, among others, the failure of ketamine, psilocybin and other psychedelics to provide the expected health benefits and unanticipated side effects, dependence on obtaining and maintaining regulatory approvals, including acquiring and renewing federal, provincial, municipal, local or other licenses and engaging in activities that could be later determined to be illegal under domestic or international laws. Ketamine and psilocybin are currently Schedule I and Schedule III controlled substances, respectively, under the Controlled Drugs and Substances Act, S.C. 1996, c. 19 (the “CDSA”) and it is a criminal offence to possess such substances under the CDSA without a prescription or a legal exemption. Health Canada has not approved psilocybin as a drug



for any indication, however ketamine is a legally permissible medication for the treatment of certain psychological conditions. It is illegal to possess such substances in Canada without a prescription. These factors should be considered carefully, and readers are cautioned not to place undue reliance on such forward-looking statements.

Although the Company has attempted to identify important risk factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other risk factors that cause actions, events or results to differ from those anticipated, estimated or intended. Additional information identifying risks and uncertainties that could affect financial results is contained in the Company's filings with Canadian securities regulators, including the Amended and Restated Listing Statement dated April 15, 2021 and its most recent MD&A, which are available at www.sedar.com. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in forward-looking statements.