



## Braxia Scientific Reports Q3 2023 Financial Results and Provides Update on Acquisition Under LOI with Irwin Naturals

- *Braxia Health ketamine treatments up 29% YoY in Q3 2023 and revenue up 50.5% YoY*

**TORONTO, ONTARIO** Wednesday March 1, 2023 – Braxia Scientific Corp. (“Braxia Scientific”, or the “Company”), (CSE: BRAX) (OTC: BRAXF) (FWB: 4960), a medical research and telemedicine company with clinics providing innovative ketamine and psilocybin treatments for depression and related disorders, today announced the filing of its financial statements and management discussion and analysis for the third quarter ended December 31, 2023. The Company also provided an update on the proposed acquisition of the Company by Irwin Naturals Inc. (CSE: IWIN) (OTCQB: IWINF) (FSE: 97X) (“Irwin”) as outlined in the non-binding Letter of Intent (“LOI”) announced January 27, 2023. Complete financial statements along with related management discussion and analysis and the LOI can be found in the System for Electronic Document Analysis and Retrieval (SEDAR), the electronic filing system for the disclosure documents of issuers across Canada, at [www.SEDAR.com](http://www.SEDAR.com).

“We continued to make progress on our priorities to scale our clinics, technology and people in order to address increasing demand for treatments. At the same time, we have completed and funded our psilocybin clinical trial and are preparing to publish our results,” said Dr. Roger McIntyre, CEO Braxia Scientific. “Looking ahead, we are focused on accelerating our strategic initiatives with Irwin to create the market leader in North American mental health treatment. Together, we are aiming to build a large network of clinics, enhanced by our KetaMD telehealth platform, that will provide access to innovative treatments while also serving pharmaceutical sponsors by carrying out in-human clinical trials to assist in the development of novel therapeutics for potential future marketing authorization from FDA and other health regulators globally.”

### Corporate Update and Recent Highlights

The Company previously announced it had entered into an **LOI** to be acquired by Irwin. The Company's management team has continued to work diligently with Irwin towards completing a definitive and binding arrangement agreement (the “Arrangement Agreement”) for the transaction and anticipates executing the Arrangement Agreement with Irwin within the quarter ending March 31, 2023. The closing is expected to occur upon the receipt of regulatory, court and securityholder approvals within normal time frames following execution of the Arrangement Agreement.

As indicated previously, Irwin has been one of North America's leading health and wellness companies for nearly three decades and has recently developed a rapidly growing network of mental health clinics in the US. 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”).

Over the last year, Irwin has established a strong foothold in mental health with 22 clinics acquired or under LOI for acquisition. The combination of Irwin and Braxia's businesses would create 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 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, 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. KetaMD is currently available in Florida. The plan would be to expand to approximately 40 states.

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.

### **Braxia Scientific Q3 2023 Financial Summary and Recent Highlights**

- Q3 2023 Braxia Health in-clinic ketamine treatments increased 29% year-over-year. In the first 9 months of 2023, in-clinic treatments increased 30% compared to the prior year period.
- Q3 2023 revenue increased 50.5% year-over-year to \$0.48 million for the period ending December 31, 2022. In first nine months of 2023, revenues increased 21.9% to \$1.36 million compared to prior year period.
- Braxia Health's clinic performance is expected to see steady improvement as three new clinics, Ottawa, Toronto and Kitchener-Waterloo, continue to ramp up operations and deploy new technology to drive patient acquisition and fill newly added capacity. Additionally, Braxia's Toronto clinic has commenced psilocybin treatments under its special access program which is expected to continue to ramp up in 2023.
- During the quarter, KetaMD, the Company's U.S. telemedicine platform, continued to expand the initial pilot of its virtual ketamine treatments along with multiple marketing initiatives to drive new patient referrals. Additionally, the KetaMD has made excellent progress in building a pipeline of potential clinic partnerships.
- Net loss was \$2.17 million for the three months ended December 31, 2022, compared to a net loss of \$2.5 million for the three months ended December 31, 2021. Net loss during the quarter includes non-cash share-based compensation of \$0.15 million.
- In the first nine months of 2023, net loss was \$5.48 million compared to a net loss of \$5.32 million in the prior year period. Net loss includes non-cash share-based compensation of \$0.75 million.
- As at December 31, 2022, the Company's cash and cash equivalents were \$1.49 million and working capital was \$0.72 million. Subsequent to the quarter-end, the Company completed a non-brokered offering which closed February 27, 2023 resulting in aggregate proceeds of \$1.26 million.
- The Company is pleased to report it received final court approval on February 28, 2023, on terms previously disclosed, to settle claims alleged in a securities class action (the "US Class Action") against the Company and certain of its former officers filed in the United States District Court for the Central District of California in April 2021.



## **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.

## **ON BEHALF OF THE BOARD**

"Dr. Roger S. McIntyre"  
Dr. Roger S. McIntyre

Chairman & CEO

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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 treatments for depression, the potential for ketamine or other psychedelics to treat other mental health conditions, the ability of telemedicine and the Proposed Transaction to address the unmet need for mental health disorders or expand or accelerate the growth of Braxia or Irwin, the potential business or strategic advantages to either Irwin or Braxia in connection with the Proposed Transaction, the negotiation and execution of a definitive Arrangement Agreement, the completion and proposed terms of the Proposed Transaction and the acquisition of all of the issued and outstanding Braxia Shares, required conditions precedent to the Proposed Transaction, including regulatory, court, and securityholder approvals for the Proposed Transaction, and the anticipated benefits of the Proposed Transaction. 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](http://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.