



CSE: IWIN OTC: IWINF FRA: 97X

NEWS RELEASE

Irwin Naturals Begins Rollup of Psychedelic Mental Health Clinics

LOS ANGELES, California, February 9, 2022 / CNW / – Irwin Naturals Inc. (CSE: IWIN) (OTC: IWINF) (FRA: 97X) (“Irwin” or the “Company”) announced today it has taken the first step in the execution of its ketamine clinic rollup strategy – a move the Company says is motivated by an intention to become the world’s largest chain of psychedelic mental health clinics.

This first acquisition target is Midwest Ketafusion (“Ketafusion”) in Iowa City, Iowa. Irwin Naturals Emergence (“Irwin Emergence”), a wholly owned subsidiary of Irwin, and the shareholders of Midwest Ketafusion, LLC have entered into a definitive agreement (“Agreement”) dated February 7, 2022, pursuant to which Irwin Emergence will acquire all of the issued and outstanding securities of Ketafusion.

Irwin’s CEO, Klee Irwin, said, “The leadership showed by Ketafusion in this space, and the access to care they are providing their fellow lowans make this first upcoming acquisition in our national roll-up all the more exciting. Additionally, with a large proportion of the consideration being back-end loaded and earn-out based, the sellers, who will remain with the business, are aligned with our shareholders’ interests. With each acquired clinic to be renamed Irwin Naturals Emergence, we are the world’s first household name to enter the space and are executing towards becoming the largest clinic chain in the world.”

Irwin continued, “We see ourselves as gaining the national brand first mover advantage and will be leveraging our brand equity and status as a cult brand to expand rapidly as society embraces the psychedelic mental health revolution. This is important because, as a psychedelic, ketamine is a stunningly effective treatment for many mental health disorders. However, some Americans are not clear on its legality, safety and effectiveness. With nearly 80% of US households familiar with the trusted Irwin brand,

it will be the welcome face of a familiar friend in a crowd of strangers – making this lifesaving solution a bit less intimidating to those in need¹.”

Founder and CEO of Ketafusion, Charlie Hong commented, “What impressed us about Irwin’s’ approach to America’s mental health crisis is their philosophy of using their existing national scale to drive down patient costs, while being profitable at all stages of the expansion. That’s unusual. Many of the publicly traded players in the space have business models that justify losing money and charge non-accessible prices to patients. Furthermore, the team at Irwin has proven itself in being capable of building a national brand with an exceptionally faithful customer base. We are looking forward to working with Irwin and the team and being part of taking this great brand nationwide, making mental healthcare accessible to all.”

Transaction Terms

The Agreement is subject to certain customary closing conditions and regulatory approvals. As consideration under this Agreement, Irwin will issue subordinate voting shares (“SVS”) and proportionate voting shares in the capital of Irwin, equivalent to 750,000 SVS on an as-converted to SVS basis, at a deemed price of C\$3.80 (US\$3.00) per SVS and assume approximately US\$116,000 of debt at closing. Midwest Ketafusion’s management team will remain in place following the acquisition. There are no finder’s fees payable by the Company in connection with the transaction.

The shareholder of Ketafusion will be eligible to receive additional consideration based on certain conditions. If in the first 5 years after closing, Ketafusion earns an adjusted EBITDA of USD \$1 million during a calendar year in the allotted period, Ketafusion would receive Irwin shares having an aggregate value of USD \$5 million. The value of Irwin shares issued for the above mentioned additional consideration is based on the volume weighted average closing price of the subordinate voting shares on the facilities of the CSE or such recognized Canadian or other senior stock exchange on which the subordinate voting shares are then trading for the five trading days immediately prior to the date the Clinic satisfies the applicable conditions or such other price as may be mandated by the applicable policies of such exchange.

About Midwest Ketafusion

Our mission is to help our patients have a better tomorrow by providing the most advanced care available on the market. Midwest Ketafusion® is an infusion clinic that offers intravenous (IV) ketamine for the treatment of depression, PTSD, OCD, anxiety, bipolar disorder, migraines, and multiple chronic pain conditions such as complex regional pain syndrome (CRPS), reflex sympathetic dystrophy (RSD), and fibromyalgia. We are Iowa City’s first and only infusion clinic offering evidence-based ketamine treatments. Our board certified, licensed providers are here to serve you in a peaceful, quiet office setting. Giving You a Better Tomorrow, Today.

For more information on Midwest Ketafusion, please visit us at <https://midwestketafusion.com/>

¹ Based on a formal Company survey with a sample size of 500 randomly selected adults.

About Irwin Naturals

Irwin Naturals Inc. is a household name and best-in-class herbal supplement formulator since 1994 that is leveraging its brand to enter the cannabis and psychedelic industries. On a mission to heal the world with plant medicine, Irwin has operated profitably for over 27 years². Irwin's growing portfolio of herbal products are available in more than 100,000 retail doors across North America, where nearly 100 million people know the Irwin Naturals brand³. 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 famous halo of brand trust to become one of the first household name brands to offer THC-based products and psychedelic-assisted services.

For investor-related information about the Company, please visit 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.

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 much 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 program to collect information about prescription and dispensing of controlled substances for the purposes of monitoring, analysis and education.

In the US, 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

² *Under several corporate structures, Klee Irwin has operated the Irwin brand profitably since 1994, as measured by EBITDA adjusted for extraordinary costs.

³ Based on a formal Company survey with a sample size of 500 randomly selected adults.

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 labelling 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 THC 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", 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 complete the transaction referred to herein, the satisfaction of conditions to closing, the receipt of all necessary approvals including regulatory approvals, expectations for other economic, market, business and competitive factors, and the Company entering into and doing business in the US THC cannabis and psychedelics markets. Except for with respect to the Agreement, the Company does not have any active operations or agreements with respect to the entrance into the THC cannabis or psychedelic markets at this time. 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. Further information on the regulatory environment and risks will be contained in future disclosure. 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.