

Form 51-102F3

MATERIAL CHANGE REPORT

1. Name and Address of the Company

Irwin Naturals Inc. (“**Irwin Naturals**” or the “**Company**”)
5310 Beethoven Street
Los Angeles, California
90066

2. Date of Material Change

May 20, 2022

3. News Release

A news release regarding the material change was disseminated by the Company over GlobeNewswire on May 20, 2022. A copy of the news release has been filed on SEDAR and is available at www.sedar.com.

4. Summary of Material Change

On May 20, 2022, the Company announced that it has successfully completed its previously announced acquisition (the “**Acquisition**”) of KHC Capital Group, LLC; Ketamine Management, LLC; Ketamine Health Centers, LLC; Ketamine Health Centers of Weston, LLC; Ketamine Health Centers of West Palm Beach, LLC; Ketamine Health Centers of Orlando, LLC; and Ketamine Health Centers at Bonita Springs, LLC (collectively “**KHC**” or “**Acquired Entities**”). The Acquired Entities are each related, privately-held limited liability companies which offer ketamine treatment throughout Florida, USA, as well as behavioural and mental health therapy. Upon completion of the Acquisition, the Company assigned the acquired assets to its wholly-owned subsidiary, Irwin Naturals Emergence, Inc. (“**IN Emergence**”) by way of a capital contribution and the Acquired Entities became wholly-owned indirect subsidiaries of the Company.

5. Full Description of Material Change

On April 17, 2022, the Company entered into a membership interest purchase agreement (the “**Agreement**”) among the Company, IN Emergence, KHC and the sellers (“**Sellers**”) of membership interests of KHC (the “**Membership Interests**”), pursuant to which the Company agreed to acquire all of the issued and outstanding Membership Interests in exchange for consideration equal to approximately C\$4,117,335 (the “**Purchase Price**”), payable in the form of a combination of subordinate voting shares of the Company (“**Subordinate Voting Shares**” or “**SVS**”) and proportionate voting shares of the Company (“**Proportionate Voting Shares**” or “**PVS**”). Each Proportionate Voting Share

is convertible into 100 Subordinate Voting Shares. The proportion of Subordinate Voting Shares versus Proportionate Voting Shares to be issued in satisfaction of the Purchase Price was determined based on tax and legal advice of the Company, after giving consideration to the impact of the same on the foreign private issuer status of the Company. KHC and the Sellers are each at arm's length to the Company. The Acquisition is a part of the implementation of the Company's ketamine clinic rollup strategy, as more particularly described in the press release of the Company dated February 9, 2022.

The Sellers have the opportunity to earn additional SVS in proportion to their allocation at closing of the Acquisition in an amount that equals the difference between (i) ten times the 2022 final EBITDA of the Acquisitions and (ii) the value, in US Dollars, of the aggregate value of the Closing Consideration of the SVS, by no later than March 31, 2023. In addition, the Sellers will have the opportunity to earn additional shares in the Issuer with an aggregate value of up to US\$250,000 for each additional clinic opened and operated by the Sellers on behalf of IN Emergence that reaches an annualized EBITDA of US\$125,000 over any annualized 150-day rolling period in the three (3) years following the date of closing of the Acquisition. This earnout is limited to a maximum of ten clinics.

On May 20, 2022, the Company completed its Acquisition of KHC and issued 10,660 Proportionate Voting Shares and 667 Subordinate Voting Shares to the Sellers in satisfaction of the Purchase Price. Lastly, Company assumed or paid off the Sellers' existing indebtedness in the approximate amount of US\$1,600,000.

Upon completion of the Acquisition, the Company assigned the acquired assets to its wholly-owned subsidiary, Irwin Naturals Emergence by way of a capital contribution and the Acquired Entities became wholly-owned indirect subsidiaries of the Company.

6. Reliance on subsection 7.1(2) of National Instrument 51-102

Not applicable.

7. Omitted Information

No significant facts have been omitted from this report.

8. Executive Officer

The officer who is knowledgeable about the material change and this report is:

Philippe Faraut
Chief Financial Officer and Corporate Secretary
investorrelations@irwinnaturals.com

9. Date of Report

June 06, 2022.

Cautionary Note About Forward-Looking Statements and Information

Certain of the information contained in this report constitutes ‘forward-looking statements’ within the meaning of securities laws. Such forward-looking statements, including but not limited to statements relating to: the Acquisition and the potential for the issuance of additional securities of the Company to the Seller pending satisfaction of certain performance milestones, which involve risks, uncertainties and other factors which may cause the actual results to be materially different from those expressed or implied by such forward-looking statements. Such risks, uncertainties and factors include, among others, satisfying other conditions in the Agreement and the occurrence of any material adverse effects on the business, properties and assets of the Company, including in respect of the cyber attack on the Company, IT and security enhancements being implemented in response to such cyber attack, the ongoing investigation into and actions being undertaken in response to the cyber attack and the impact (whether known or unknown) of the cyber attack on the Company’s business and prospects. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements. The Company does not undertake to update any forward-looking statements, except in accordance with applicable securities laws. The forward-looking statements in this report involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance and achievements to be materially different from the results, performance or achievements expressed or implied therein.

None of the securities issued pursuant to the Acquisition have been or will be registered under the United States Securities Act of 1933, as amended (the “**U.S. Securities Act**”), or any state securities laws, and any securities issuable in the Acquisition were in reliance upon available exemptions from such registration requirements pursuant to Section 4(a)(2) of the U.S. Securities Act and applicable exemptions under state securities laws. This report does not constitute an offer to sell or the solicitation of an offer to buy any securities.