



Vice Health and Wellness

VICE - CSE

VICE HEALTH AND WELLNESS SIGNS LETTER OF INTENT TO ACQUIRE NALTREXONE THERAPEUTICS INC.

VANCOUVER, BC, JULY 25, 2023 – Vice Health and Wellness Inc. ("VICE" or the "Company") (CSE: VICE - FSE: Z24 –OTC: GUMYF) is pleased to announce the signing of a non-binding Letter of Intent (LOI) on July 24, 2023, indicating its intention to acquire 100% of Naltrexone Therapeutics Inc., a company with significant intellectual property related to the transdermal delivery of FDA-approved Naltrexone.

Naltrexone, an opioid antagonist, has demonstrated effectiveness in managing alcohol and opioid use disorder by curbing cravings and euphoria associated with substance abuse. Additionally, clinical studies have shown promising results for using naltrexone as a weight-loss treatment. The novel transdermal delivery of Naltrexone may help to regulate dosage, reduce gastrointestinal side effects, thereby enhancing the overall user experience. Notably, this delivery method holds the potential to eliminate or minimize existing side effects, such as nausea, which may have previously hindered the growth of the Naltrexone market¹.

The addiction treatment market is forecast to surpass \$31 Billion by 2027 according to research from Reports and Data². Furthermore, the obesity and weight-loss market size is projected to reach \$405 Billion by 2023, as highlighted in a report published by Fact and Factors³.

Majiec Lis, CEO and Director of Vice Health and Wellness, expressed enthusiasm about this new venture: "Vice is absolutely thrilled to welcome Naltrexone Therapeutics into our growing portfolio. This acquisition aligns perfectly with our company's bold new direction to address addiction, weight loss, and obesity challenges head-on. We see tremendous potential in developing the first FDA-approved transdermal patch for Naltrexone. Our aim is to provide individuals with a groundbreaking and convenient treatment that not only ensures greater bioavailability and steady absorption but also significantly reduces GI-related side effects commonly experienced with oral

¹ <https://www.alliedmarketresearch.com/naltrexone-HCL-market>

² <https://www.globenewswire.com/news-release/2020/02/20/1988216/0/en/Drug-Addiction-Treatment-Market-To-Reach-USD-31-17-Billion-By-2027-Reports-And-Data.html>

³ <https://www.globenewswire.com/en/news-release/2023/02/09/2604662/0/en/Latest-Global-Weight-Loss-and-Weight-Management-Market-Size-Share-Worth-USD-405-4-Billion-by-2030-at-a-6-84-CAGR-Growing-obesity-rate-to-propel-market-growth-Facts-Factors-Industry.html>

dosages. This approach has the potential to open up new possibilities for Naltrexone, benefiting a broader range of consumers, subject to further testing and regulatory approvals."

Benefits to Patients

- **Enhanced Compliance:** Patients will no longer need to take oral tablets regularly, leading to improved treatment adherence.
- **Precise Dosage Delivery:** The transdermal patch ensures accurate and safe dosing for patients.
- **User-Centered Approach:** Transdermal delivery reduces or eliminates GI-related side effects, such as nausea, providing a more comfortable treatment experience.

Transdermal Delivery – How it works

- The transdermal formulation of a drug is incorporated within a patch and applied to the patient's skin surface.
- The patch offers a consistent absorption rate over a predetermined time, as prescribed, spanning various periods from 24 hours up to 14 days.
- Transdermal delivery overcomes the challenges of multiple oral dosages, accurately delivering the proper dosage without affecting the GI tract and related side effects.

Transaction Details

- The acquisition is considered an arms-length transaction.
- 100% of Naltrexone Therapeutics Inc. will be purchased, making it a wholly owned subsidiary of Vice Health and Wellness.
- The total consideration for the transaction is 10,000,000 common shares of Vice at a deemed value of \$0.05 per share (\$500,000 CAD).
- The Company anticipates closing the transaction within 30 days, subject to final due diligence. Further details will be released upon the signing of a definitive agreement.
- No Finder's fee is payable in connection with the proposed transaction.
- The Company does not expect to assume any long-term debt upon closing.
- Naltrexone Therapeutics Inc. is a pre revenue development stage company.
- The proposed transaction does not constitute a change of control.

The potential acquisition of Naltrexone Therapeutics Inc. represents a major strategic step forward for Vice Health and Wellness in its pursuit of innovative and consumer-centered solutions for addiction and weight management. With this new milestone, Vice is positioning itself to make a lasting impact on the healthcare landscape, empowering individuals with a more effective and comfortable treatment option to manage addictions and improve overall wellbeing.

The Company also announces that it intends to issue a total of 5,400,000 stock options pursuant to its incentive stock option plan ("Plan") to consultants which vest on the grant date. Each option entitles the holder to subscribe for one common share of the Company at a price of \$0.065 for a period of 5 years, subject to the terms of the Plan.

About Vice Health and Wellness Inc.

Vice Health and Wellness Inc. is a dynamic publicly traded company dedicated to fostering healthier lifestyle choices by offering a diverse range of products that empower consumers to

enhance their mental and physical well-being. As an ever-growing community of like-minded individuals and organizations, we believe in the power of collective small steps leading to remarkable transformations. Our product line features low-sugar, plant-based gummy products, and we are actively spearheading innovations in alignment with emerging trends in the health and wellness sector. By prioritizing weight loss and harnessing the potential of AI-powered health and wellness applications, which leverage state-of-the-art artificial intelligence algorithms, we aim to provide individuals with unparalleled advice, personalized recommendations, unwavering support, and transformative solutions on their journey to ultimate well-being. Our exceptional applications intend to offer a multitude of treatment benefits, empowering users to embark on a transformative path toward optimal health.

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Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the policies of the Canadian Securities Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

Certain information set forth in this news release may contain forward-looking statements that involve substantial known and unknown risks and uncertainties. All statements other than statements of historical fact are forward-looking statements, including, without limitation, statements regarding future financial position, business strategy, use of proceeds, corporate vision, proposed acquisitions, partnerships, joint-ventures and strategic alliances and co-operations, budgets, cost and plans and objectives of or involving the Company. Such forward-looking information reflects management's current beliefs and is based on information currently available to management. Often, but not always, forward-looking statements can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "predicts", "intends", "targets", "aims", "anticipates" or "believes" or variations (including negative variations) of such words and phrases or may be identified by statements to the effect that certain actions "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. A number of known and unknown risks, uncertainties and other factors may cause the actual results or performance to materially differ from any future results or performance expressed or implied by the forward-looking information. These forward-looking statements are subject to numerous risks and uncertainties, certain of which are beyond the control of the Company including, but not limited to, the impact of general economic conditions, industry conditions and dependence upon regulatory approvals. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on forward-looking statements. The Company does not assume any obligation to update or revise its forward-looking statements, whether as a result of new information, future events, or otherwise, except as required by securities laws.