

Form 51-102F3
Material Change Report

Item 1 Name and Address of Company

Braxia Scientific Corp. (“**Braxia**” or the “**Company**”)
700 Bay Street
Suite 1903
Toronto, Ontario
M5G 1Z6

Item 2 Date of Material Change

August 2, 2022.

Item 3 News Release

A press release with respect to the material change referred to in this report was disseminated through Canada Newswire on August 3, 2022 and was subsequently filed under the Company’s profile on the System for Electronic Document Analysis and Retrieval (SEDAR) at www.sedar.com.

Item 4 Summary of Material Change

On August 2, 2022, the Company completed the acquisition of all of the issued and outstanding stock in the capital of KetaMD, Inc. (“KetaMD”) pursuant to a stock purchase agreement (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.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

In connection with the Transaction:

- 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 C\$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. The Debentures 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 on the last trading day prior to the closing of the Transaction 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 \$10m in equity capital prior to the Maturity Date.

5.2 *Disclosure for Restructuring Transactions*

Not applicable.

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

Not applicable.

Item 7 Omitted Information

Not applicable.

Item 8 Executive Officer

The following executive officer is knowledgeable about the material changes and may be contacted about this report:

Peter Rizakos, General Counsel of the Company, at (647) 204-3083.

Item 9 Date of Report

August 5, 2022.