

Braxia Scientific Reports a 26% Increase in Total Treatment Volumes in F2023 and an 87% Increase in Treatments at Newly Expanded Ottawa Clinic

Company Taking Strategic Actions to Prioritize Clinic Expansion, Enhance Operational Effectiveness and Right Size Cost Structure

Toronto, Ontario--(Newsfile Corp. - June 9, 2023) - Braxia Scientific Corp. (CSE: BRAX) (OTC Pink: BRAXF) (FSE: 4960) ("Braxia", or the "Company"), a medical research company with mental health clinics providing innovative ketamine and psilocybin treatments for depression and related disorders, is pleased to report treatment volumes across its clinics increased 26.2% to 3,516 from 2,785 treatments on a year-over-year basis in Fiscal 2023. The Company continues to experience increased demand across all of its 5 clinics. At its new Ottawa clinic, treatment volumes increased 87.2% to 571 from 305 treatments on a year-over-year basis following the completion of construction and opening of its expanded purpose-built clinic in late 2022. Additionally, its Kitchener-Waterloo clinic, opened in mid-2022, continues to see rapid increases in treatment volume, reaching 214 treatments in its first 8 months of operation.

"Over the last few years, Braxia has built a tremendous patient base and reputation for providing innovative, life-saving treatments for people suffering from major depressive disorder, among other mental health conditions. We have seen record levels of referrals which we expect to continue and convert to treatments as we realign and refocus resources to our clinics," said Dr. Roger McIntyre, CEO, Braxia Scientific.

The Company also reported its current clinic volumes continued to trend up over the last four months through May 2023, with total average monthly treatments up to 307 treatments per month compared with 293 for fiscal 2023. Clinic treatment volumes continue to trend upwards despite executing very little marketing. In the near term, the Company expects to continue to increase its volumes by ramping up direct marketing efforts and improving efficiency with additional capacity planned to come online in September 2023.

Dr. McIntyre added, "To date, patient acquisition growth has largely been driven by our medical team's reputation, relationships and educational programs with primary care physicians and other healthcare providers within the communities we serve versus direct marketing efforts. Looking ahead, we are extremely well positioned to rapidly grow volumes and revenues by expanding our flagship clinic in the Greater Toronto Area, which remains a highly underserved market, and expanding in other major urban centres."

Cost Improvements

Additionally, the Company announced it is taking strategic actions as part of a restructuring plan that prioritizes the growth of its brick-and-mortar clinics while also reducing and rightsizing its cost structure including the slowdown of its US based telemedicine business, KetaMD, Inc. (KetaMD).

The restructuring plan includes a reorganization of its clinic operations, a reduction in certain management positions, and voluntary salary reductions to preserve cash as it works through challenging market conditions and recent potential regulatory changes with respect to virtual at home treatments. As part of the restructuring plan, the Braxia senior management team, including Dr. McIntyre, has voluntarily

agreed to reduce cash compensation by an aggregate of \$113,000 per month.

"We embarked on an ambitious plan to quickly expand and bring our expertise across North America to reach millions more in need. However, in the last few months we've seen our environment significantly change and as a result we must focus on refining our strategy and potential other structural changes to take us through to the next phase of accelerated growth of our clinics and better execute our strategy."

Update on KetaMD

The Company is reviewing the request for comment and recent announcement by the Drug Enforcement Administration's (DEA) of a proposed policy which will limit the supply to patients of certain controlled medications, including ketamine, to 30 days without an in-person or in-clinic assessment. The rule changes could require KetaMD to either own or have an association with physical clinics to build out its business. While the DEA recently extended the COVID-19 health emergency flexibilities that permitted the remote prescribing of controlled substances until November 11, 2023, it is unclear what happens after this temporary rule expires. While the Company reviews the proposed policy changes, Braxia management is also taking steps to review its longer-term US strategy and planned rollout. During its strategy review, Braxia has slowed down the ramp up of KetaMD to reduce costs and preserve capital. The Company is also focused on searching for strategic partners and additional capital to rollout and offer this technology platform to over 600 hundred Ketamine clinics operating in the US today, of which the large majority currently do not HIPPA compliant virtual capabilities provided by KetaMD.

Also, as part of its strategy review, Warren Gumpel, has stepped down as CEO of KetaMD, but will remain as a special advisor to KetaMD as Dr. McIntyre assumes the roll of KetaMD CEO. KetaMD will still be taking treatment requests but will not be conducting any new patient treatments at this time.

Dr McIntyre said: "We remain committed to the use of telemedicine to reach patients with treatment-resistant depression and believe KetaMD has the right technology and model to do this. While the telemedicine environment may become more challenging, we are seeking to identify the right partners to assist us in further developing this business quickly. We are hopeful to continue to build this business."

About Braxia Scientific Corp.

Braxia 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 the Canadian Rapid Treatment Center of Excellence Inc., carrying on business as Braxia Health, the Company operates multidisciplinary community-based clinics offering rapid-acting treatments for depression located in Mississauga, Toronto, Kitchener-Waterloo, Ottawa, and Montreal.

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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 to address the unmet need for mental health disorders or expand or accelerate the growth of Braxia, the Company's strategy of developing its clinical operations in Canada while building out its strategic and highly scalable telemedicine business with KetaMD, Inc. in the United States and the build out of Company's CRO business of providing capabilities and research services to pharmaceutical companies. 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. 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.



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