



Braxia Scientific Reports Fiscal 2023 Financial Results

- *Braxia Health ketamine treatments up 26% YoY in 2023 and revenue up 27% YoY*
- *Company completes dosing of final participant in Phase 2, multi-dose Psilocybin trial, results expected to be published prior to end of 2023*
- *Company reviewing financing options, strategic partnerships and further cost reductions and organizational changes as required*

TORONTO, ONTARIO July 31, 2023 – Braxia Scientific Corp. (“Braxia Scientific”, or the “Company”), (CSE: BRAX) (OTC: BRAXF) (FWB: 4960), a medical research and telemedicine company with clinics providing innovative ketamine and psilocybin treatments for depression and related disorders, today announced the filing of its financial statements and management discussion and analysis for the three months and twelve months ended March 31, 2023. Complete financial statements along with related management discussion and analysis can be found in the System for Electronic Document Analysis and Retrieval (SEDAR), the electronic filing system for the disclosure documents of issuers across Canada, at www.SEDAR.com.

“Braxia has continued to focus on its primary objective of remaining at the forefront of the burgeoning field of mental health by first providing access to innovative treatments, like infusion ketamine across our clinical footprint and secondary objective of utilizing its growing infrastructure to advance research and understanding of psilocybin among other potential assets,” said Dr. Roger McIntyre, CEO Braxia Scientific.

While we are pleased with the achieved double-digit growth in treatment volumes across our existing and recently opened clinics, we are still mostly ramping up at our newest locations. We expect this trend to continue as our therapies have proven to be a preferred treatment option for patients who come to us living with chronic diseases, such as depression, anxiety, post-traumatic stress disorder, and certain other mental health disorders.”

“Operationally, we have focused on improving efficiencies, reducing expenses and slowing our telemedicine roll out to preserve cash and realigning resources to strategically scale our clinics experiencing growing demand. We recently completed our psilocybin clinical trial and are preparing to publish our results in the coming months. Our research team has continued to prioritize growing clinical research services to serve pharmaceutical sponsors and recently began recruitment for a new customer.”

Dr. McIntyre continued, “Looking forward, we continue to aim to build a larger network of clinics and have progressed discussions with various potential strategic partners. However, discussions remain ongoing.”

Dr. McIntyre concluded, “It has been a difficult time for companies in this nascent industry. Accessing capital in the public markets has been challenging. The Company will need to access alternative sources of capital if the public markets are not available or seek other partnerships to support our growth objectives. If we are unable to raise additional funding in the short term, we will look at alternate courses of actions including, but not limited to, further cost reductions, restructuring and the potential scaling back of clinic locations. I remain confident that we can continue to grow our promising clinical business.”

Fiscal 2023 Financial Summary and Recent Highlights

- Braxia Health in-clinic ketamine treatment volumes across its clinics increased 26.2% to 3,516 from 2,785 treatments on a year-over-year basis in Fiscal 2023. Demand for ketamine infusion treatments continues to increase across 5 clinics.



- The Ottawa purpose built clinic, which re-opened at its new location in November 2022, delivered an increase in treatment volumes up 87.2%, an increase to 571 from 305 treatments on a year-over-year basis. 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.
- F2023 revenue increased 27% to \$1.88M year-over-year for the period ending March 31, 2023.
- Net loss was \$13.1 million for the twelve months ended March 31, 2023, compared to a net loss of \$12.1 million for the twelve months ended March 31, 2022. 2023 net loss includes impairment of goodwill of \$3.7 million, an impairment of intangible asset of \$1.8 million and non-cash share-based compensation of \$0.859 million.
- As part of the year end audit, at March 31, 2023, the Company determined that the carrying value for the license of the Mississauga clinic exceeded its recoverable amount and, as a result, the Company recorded an impairment of \$0.29 million. Additionally, the Company determined that the carrying value of KetaMD's technology exceeded its recoverable amount and therefore recorded an impairment of \$1.46 million.
- As part of the year end audit, at March 31, 2023, the Company determined that the carrying value for the goodwill related to the Mississauga clinic exceeded its recoverable amount and therefore recorded an impairment of \$0.61 million. Additionally, the Company determined that the carrying value of KetaMD's goodwill exceeded its recoverable amount and therefore recorded an impairment of \$3.1 million.
- As at March 31, 2023, the Company's cash and cash equivalents were \$1.46 million and working capital was \$0.008 million.

About Braxia Scientific Corp.

Braxia Scientific 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, Braxia Health (formerly the Canadian Rapid Treatment Center of Excellence Inc.), operates multidisciplinary community-based clinics offering rapid-acting treatments for depression located in Mississauga, Toronto, Kitchener-Waterloo, Ottawa, and Montreal.

ON BEHALF OF THE BOARD

"Dr. Roger S. McIntyre"
Dr. Roger S. McIntyre

Chairman & CEO



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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 and the Proposed Transaction to address the unmet need for mental health disorders or expand or accelerate the growth of Braxia or Irwin, the potential business or strategic advantages to either Irwin or Braxia in connection with the Proposed Transaction, the negotiation and execution of a definitive Arrangement Agreement, the completion and proposed terms of the Proposed Transaction and the acquisition of all of the issued and outstanding Braxia Shares, required conditions precedent to the Proposed Transaction, including regulatory, court, and securityholder approvals for the Proposed Transaction, and the anticipated benefits of the Proposed Transaction. 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.