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Irwin Naturals Completes Acquisition of Ketamine Health Centers

Household Brand Name Entry into Ketamine Assisted Therapy Space Gaining Momentum

LOS ANGELES, May 20, 2022 (GLOBE NEWSWIRE) -- **Irwin Naturals Inc. (CSE: IWIN) (OTC: IWINF) (FRA: 97X)** (“Irwin” or the “Company”) announced today that, further to its press release of April 18, 2022, the Company has completed the acquisition of KHC Capital Group, LLC.

The Company entered into an acquisition agreement (the “**Agreement**”) dated April 17, 2022 with KHC Capital Group, LLC and related entities (“[Ketamine Health Centers](#)”), which owns a chain of five ketamine treatment clinics in Florida with an additional partnership contract with an affiliate clinic in Mexico.

Irwin’s CEO, Klee Irwin, said, “Our roll-up strategy of clinics is highly accretive, enabling us to fuel rapid growth of revenues and profitability. With six clinics under our belt, a pipeline of over 100 targets in our M&A pipeline, and strong demand for these services, we have made the first meaningful strides towards executing on our vision. This is important because, as a psychedelic, ketamine is a stunningly effective treatment¹ for many mental health disorders. However, some Americans are not clear on its effectiveness. With nearly 80% of US households** familiar with the trusted Irwin brand, it will be the welcome face of a familiar friend in a crowd of strangers – making this lifesaving solution a bit less intimidating to those in need¹”

Transaction Terms

As consideration for the acquisition, the Company has issued 10,661 Proportionate Voting Shares (“PVS”) and 567 Subordinate Voting Shares (“SVS”), which is equivalent to a total of 1,066,667 SVS on an as-converted to SVS basis (“Closing Consideration Shares”) and is assuming approximately US\$1.6 million of debt of which \$1 million was repaid at closing. Furthermore, the transaction includes an additional contingent consideration based on future milestones related to operational and profitability targets, to be satisfied in shares.

About Irwin Naturals

Irwin Naturals has been a household name and best-in-class nutraceutical company since 1994. It is now leveraging its brand into both the cannabis and psychedelic sectors. On a mission to heal the world with plant medicine, Irwin has operated profitably for over 27

years*. The growing portfolio of products is available in more than 100,000 retail doors across North America, where 80% of households know the Irwin Naturals brand**. In 2018, the Company first leveraged its brand to expand into the cannabis industry by launching hemp-based CBD products into the mass market. The Company is now leveraging its famous halo of brand trust to become, perhaps, the first household name brand to offer THC-based products. Its rapidly growing national chain of psychedelic mental health clinics is called Irwin Naturals Emergence.

*Under several corporate structures, Klee Irwin has operated the Irwin brand profitably since 1994, as measured by EBITDA adjusted for extraordinary costs.

**Based on a formal Company survey with a sample size of 500 randomly selected adults.

For investor-related information about the Company, please visit ir.irwinnaturals.com/

To contact the Company's Investor Relations department, please call toll-free at (800) 883-4851 or send an email to Investors@IrwinNaturals.com.

"Klee Irwin"

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Regulatory Overview

The following is a brief summary of regulatory matters concerning ketamine in the United States ("US"). Under the Controlled Substances Act (21 U.S.C. § 811) (the "CSA"), ketamine is currently a Schedule III drug as well as being listed under the associated Narcotic Control Regulations, and psilocybin is currently a Schedule I drug.

Most US States have enacted Controlled Substances Acts ("**State CSAs**") which regulate the possession, use, sale, distribution, and manufacture of specified drugs or categories of drugs and establish penalties for State CSA violations and form the basis for much state and local drug laws enforcement activity. State CSAs have either adopted drug schedules identical or similar to the federal CSA schedules or, in some instances, have incorporated the federal scheduling mechanism. Among other requirements, some US States have established a prescription drug monitoring or review programs collect information about prescription and dispensing of controlled substances for the purposes of monitoring, analysis and education.

In the United States, facilities holding or administering controlled substances must be registered with the US Drug Enforcement Agency ("**DEA**") to perform this activity. As such, medical professionals and/or the clinics in which they operate, as applicable, are also required to have a DEA license to obtain and administer ketamine (a "**DEA License**"). While ketamine is a controlled substance in the United States, it is approved for general anesthetic induction under the US Food, Drug, and Cosmetic Act. Once a drug is approved for use, physicians may prescribe that drug for uses that are not described in the product's labelling or that differ from those tested by the manufacturer and approved by the Food and Drug

Administration (the "**FDA**"). Licensed medical practitioners may prescribe ketamine legally in Canada or the United States where they believe it will be an effective treatment in their professional judgment.

Please see Irwin's filing statement on its SEDAR profile for more information on the regulatory environment and regulations surrounding the US THC industry.

Forward-Looking Information

This news release contains certain forward-looking statements that reflect the current views and/or expectations of management of the Company with respect to performance, business and future events. Forward-looking statements can often be identified by words such as "may", "will", "would", "could", "should", "believes", "estimates", "projects", "potential", "expects", "plans", "intends", "anticipates", "targeted", "continues", "forecasts", "designed", "goal", or the negative of those words or other similar or comparable words. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about the business and the industry and markets in which the Company operates. The Company does not undertake any obligation to release publicly any revisions for updating any voluntary forward-looking statements, except as required by applicable securities law.

Neither the CSE nor its Market Regulator (as that term is defined in policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

SOURCE: Irwin Naturals Inc.

¹ Source: <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC6758959/>



Source: Irwin Naturals