

## Delic to Acquire Ketamine Wellness Centers Inc, Becoming Largest Psychedelic Wellness Chain in United States



Delic Corp

September 20, 2021

*Retail Footprint to Include 12 Open Locations, with 15 Additional Clinics in Development, Ensures Accessibility to Millions with Affordable Treatments and Insurance Coverage.*

### National Presence Will Bring Psychedelic Wellness Treatment to the Masses

VANCOUVER, BC September 9, 2021 – Delic Holdings Corp (“**Delic**” or the “**Company**”) (CSE: **DELC**) (OTCQB: **DELCF**) (FRA: **6XO**), the leading psychedelic wellness platform today announced it has entered into a binding letter agreement (the “**Letter Agreement**”) to acquire Ketamine Wellness Centers (“**KWC**”). KWC is a limited liability corporation formed under the laws of Arizona, which operates 10 ketamine infusion treatment clinics, across Arizona, Colorado, Florida, Illinois, Minnesota, Nevada, Texas, and Washington. KWC is the largest national chain of ketamine infusion clinics in the United States and will add to Delic’s existing portfolio of two clinics operated by Ketamine Infusion Centers in California and Arizona, cementing its position as the leading and largest health provider in the country. Delic expects to open 15 additional clinics across the country over the coming 18 months, further expanding access to millions who can benefit from psychedelic treatment for a variety of mental health conditions. Supported by clinical trials and peer reviewed studies, FDA-approved ketamine infusions have emerged as a promising treatment option for chronic diseases and pain disorders.

### Transaction Highlights

- The Transaction establishes Delic as the largest psychedelic organization operating in the United States.
- KWC has been operating profitably and expanding significantly with 2020 revenues in excess of USD\$3.5MM, on track for USD\$4.5MM in 2021. Joining Ketamine Infusion Centers LLC (“**KIC**”) (acquired June, 2021), which has grown steadily with revenues in excess of USD\$4.2MM since 2019.
- KWC and KIC have been focused on opening locations in Secondary cities with considerable demand, in an effort to provide access to the most patients.
- KWC will be strategically positioned to leverage the Delic platform and diversified brands: Delic expects to drive considerable patients to KWC through its media platform and build on the existing national leadership position already in place.
- Established history of providing ketamine infusion services: The management team at KWC has been in business for 6 years expanding services throughout the United States.
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- Management expertise. The acquisition of KWC will add a team of 60+ medical professionals and employees bringing a wealth of industry experience and knowledge to Delic.

Matt Stang, co-founder and CEO of Delic commented, "This is a game changer for the future of health and psychedelic wellness in America. We will be able to bring the highest quality and safest treatment options to tens of millions of Americans suffering from a range of pain and mental health conditions. KWC is the leading and largest network of trusted health clinics operating in our space, and we have architected Delic to scale their efforts and contribute to their position through our existing portfolio of clinics and media properties which can drive patient count and demand. KWC brings a world-class management team to the Delic family with decades of experience in operating clinics and hospitals and have had incredible success in their treatment outcomes for patients. Adding KWC will ensure our existing patients and many more in the future will receive the best medical treatment and care. We are thrilled to partner with KWC and bring accessibility and psychedelic wellness to millions today through ketamine infusions and in the near future through all FDA approved treatment options, which we expect to include MDMA and psilocybin."

Kevin Nicholson, CEO of KWC stated: "We have been fortunate to earn the trust of a diverse patient base as the largest chain of clinics in the country and were looking for a partner that could help scale our efforts to reach the greatest number of those who can benefit from psychedelic wellness treatments. Delic is a proven leader in the psychedelic space and operates with the highest of standards across their existing portfolio and through their commitment to science and effective treatments with their Medical Advisory Board and licensed Delic Labs in Canada. We knew this partnership was in the best interest of our community and the larger American populace who can benefit greatly from affordable access to effective treatment for a large number of conditions. Combining Delic's media platforms to drive patient count with our existing footprint will set the standard for psychedelic wellness and mean the world to millions who

suffer from debilitating conditions."

This acquisition demonstrates Delic's growth and evolution into the leading, most diversified company operating in the psychedelic wellness space. By acquiring KWC, Delic expands from its existing portfolio of clinics into the largest chain in the country and adds to their position as a central hub of psychedelic education, media, and information with the addition of patients with psychedelic therapy. Delic is uniquely positioned to drive digital awareness to its various holdings under the Delic umbrella, and drive online users to our brick and mortar holdings, including KWC and KIC's physical psychedelic clinics.

Over the last six years, the team at KWC has expanded across the country, from Arizona to Florida, while overseeing 60,000 treatments delivered to date, and generating 2020 revenue of USD\$3.5MM, trending toward USD\$4.5MM in 2021. Prior to this Transaction, KWC has grown without taking outside capital. KWC will operate under the Delic umbrella, under the direction and guidance of Kevin Nicholson.

Delic is focused on bringing psychedelic wellness to the mainstream. The company does this through an umbrella of related owned and operated businesses to support scaling the impact and reach of treatment, including 1) trusted media platforms and in-person events to market the services directly to patients and consumers and gain data, 2) a licensed lab to develop IP, R&D and innovative high quality and safe product lines and 3) the largest [5] and most accessible network of physical clinics to administer effective treatments.

Under the terms of the Letter Agreement, Delic will acquire all of the membership interests of KWC through a reverse triangular merger between KWC and a wholly-owned subsidiary of Delic to be organized prior to execution by the parties of a definitive agreement (the "**Transaction**"). Subject to customary adjustment terms, Delic has agreed to issue subordinate voting shares in the capital of

Delic ("**Consideration Shares**") to the members of KWC (the "**Members**") having an aggregate value of

Delic ( "Consideration Shares" ) to the members of KWC (the "Members" ), having an aggregate value of USD\$5,000,000 with the number of Consideration Shares to be issued determined based on a price per share equal to the ten trading day volume weighted average trading price ("VWAP") of the Consideration Shares on the Canadian Securities Exchange (the "Exchange") immediately prior to closing of the Transaction. Delic will further pay to the Members an amount equal to US\$5,000,000 in cash (the "Cash Consideration") with \$3,500,000 of such Cash Consideration to be paid on the closing date, US\$750,000 to be paid on the date that is 12 months after the closing date, and US\$750,000 on the date that is 24 months after the closing date. In addition, the Members will be eligible to receive additional Consideration Shares upon KWC opening up further clinics that each post three consecutive months of profitability and minimum revenue of US\$125,000, during the 12 months following the closing of the Transaction, such additional Consideration Shares to have an aggregate value of [US\$3,000,000], based on a price per share equal to the 10 trading day VWAP of the Consideration Shares on the Exchange immediately prior to the date such milestone is achieved.

The Members have agreed that any Consideration Shares issued will be subject to a contractual hold period, with 10% of the share consideration to be released on the date that is six months and one day following closing, and 15% released every six months thereafter over a period of 36 months. In addition, Members have agreed to enter into voting support agreements with Delic having a term of two years, pursuant to which the Members will vote as directed by the board of directors of Delic, subject to customary carve-outs.

#### About Delic Corp, Inc.

*Delic is the leading psychedelic wellness platform, committed to bringing science-backed benefits to all and reframing the psychedelic conversation. The company owns and operates an umbrella of related businesses, including trusted media and e-commerce platforms like **Reality Sandwich** and **Delic Radio**, **Delic Labs**, the only licensed [6] entity by Health Canada to exclusively focus on research and development of **psilocybin** vaporization technology, **Meet Delic**, the premiere psychedelic wellness event, and **Ketamine Infusion Centers**, one of the largest ketamine clinics in the country. Delic is backed by a team of industry and cannabis veterans and a diverse network, whose mission is to provide education, research, high-quality products, and treatment options to the masses.*

***The Canadian Securities Exchange has neither approved nor disapproved the contents of this news release and does not accept responsibility for the adequacy or accuracy of this release.***

*This news release does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act"), or any state securities laws and may not be offered or sold within the United States unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.*

#### Forward-Looking Information and Statements

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Delic's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken" "will continue" "will occur" or "will be achieved". The forward-looking information and

will be taken, will continue, will occur or will be achieved. The forward-looking information and forward-looking statements contained herein may include, but are not limited to: information regarding the timing or terms upon which the Transaction will be completed; potential benefits of the Transaction; anticipated continued growth in the health and wellness sector (and, in particular, related to psychedelics); the ability of Delic to successfully achieve business objectives, and expectations for other economic, business, and/or competitive factors.

By identifying such information and statements in this manner, Delic is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Delic to be materially different from those expressed or implied by such information and statements. Such risks and other factors may include, but are not limited to: risks and uncertainties relating to the Transaction not closing as planned or at all or on terms and conditions set forth in the Letter Agreement; incorrect assessment of the value and potential benefits of the Transaction; direct and indirect material adverse effects from the COVID-19 pandemic; inability to obtain future financing on suitable terms; failure to obtain required regulatory and other approvals; risks inherent in the psychedelic treatment sector; changes in applicable laws and regulations; and failure to comply with applicable laws and regulations.

In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, Delic has made certain assumptions. These assumptions include, but are not limited to:

assumptions as to the time required to negotiate a definite agreement and complete matters related to the Transaction; the ability to consummate the Transaction; the ability of the parties to obtain, in a timely manner, the requisite regulatory, corporate and other third party approvals and the satisfaction of other conditions to the consummation of the Transaction on the proposed terms; the potential impact of the announcement or consummation of the Transaction on relationships, including with regulatory bodies, employees, suppliers, customers and competitors; changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation; and the diversion of management time on the Transaction.

Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.

Although Delic believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and Delic does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws. All subsequent written and oral forward-looking information and statements attributable to Delic or persons acting on its behalf is expressly qualified in its entirety by this notice.

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