

# January 2022 Corporate Update



## Delic Corp

### January 12, 2022

Delic Well-Positioned for Accelerated, Sustained Growth in 2022

*Largest and Most Profitable Chain of Ketamine Clinics to More than Double Footprint in Coming 18 Months*

Ongoing Pandemic Driving Significant Demand for Services

*Vancouver, British Columbia* – January 13, 2022 – **Delic Holdings Corp** (“**DELIC**” or the “**Company**”) (CSE: **DELIC**) (OTCQB: **DELICF**) (FRA: **6X0**) ([Original Source](#)), a leader in new medicines and treatments for a modern world, is pleased to share the following corporate update:

- Delic currently has 12 clinics operational today with 15 more opening in the next 18 months. The clinics are strategically located in secondary cities to improve accessibility and reach and serve the greatest number of patients.
- The Company has a current revenue run-rate in excess of US\$9 million and is EBITDA positive.
- Delic closed the acquisition of Ketamine Wellness Centers (KWC) in November 2021 and now operates the largest, most profitable chain of mental health clinics in the U.S. with KWC and Ketamine Infusion Centers (KIC).
- KWC has been operating profitably and expanding significantly with 2020 revenues in excess of USD\$3.5MM, and on track for USD\$5.1 MM in 2021. This brings Delic's pro forma annualized revenue to in excess of USD\$8 million.
- Meet Delic, held last November, became the world's largest psychedelic wellness event with over 2,500 attendees and more than 2,000 inbound calls to the clinics in two days, matching the monthly average and demonstrating the power of the Delic ecosystem of businesses.
- Delic closed on an approximately C\$7.0MM private placement with a U.S. institutional investor in September and has been directing the funds towards the expansion of the clinic footprint, operating costs and acquisitions.

Delic executed a number of key acquisitions last year to accelerate the growth trajectory for the Company and establish the Company's self-sustaining ecosystem of businesses, including: (1) Delic Labs, a federally-authorized psilocybin and cannabis research laboratory focused on extraction, analytical testing, and chemical process development; (2) Ketamine Infusions Centers (KIC), a limited liability corporation formed under the laws of Arizona, which owns and operates a ketamine infusion treatment clinic in Phoenix, Arizona; and (3) Ketamine Wellness Centers (KWC), the largest national chain of wellness clinics in the U.S. with 11 clinics across nine states and more than 60 medical professionals and employees. These acquisitions all closed in 2021, positively contributing to overall revenue and boosting the Company's annualized revenue run-rate to more than \$9MM.

With the acquisitions of KIC and KWC, Delic is now the owner and operator of the largest, most profitable chain of mental health clinics in the U.S. with 12 operational today and plans to open an additional 15 clinics in the next 18 months. The company's media properties, including Meet Delic, the world's largest annual psychedelic wellness event, help to drive patients to the clinics as evidenced by the record number of in-bound calls the clinics received during the event weekend. Delic Labs will continue to focus on the research of novel psychedelic compounds and the development of IPs for commercialization.

Matt Stang, co-founder and CEO of Delic, commented: "There are 51.5 million Americans who have experienced a mental health condition and the ongoing pandemic has only exacerbated the crisis. We are seeing a strong demand for alternatives to current treatments with lasting outcomes and less side effects. At Delic, we have built the most profitable model for scaling the best-in-class care directly to patients through the largest network of mental health clinics in the U.S. We see a strong outlook for Delic with the rollout of 15 additional clinics and an expansion into communities where access to these life changing treatments is very limited. Delic is well-positioned for growth and profitability in 2022 and beyond."

#### **About Delic Corp, Inc.**

*Delic is a leader in new medicines and treatments for a modern world, improving access to health benefits across the country and reframing the conversation on psychedelics. The Company owns and operates an umbrella of related businesses, including the largest chain of psychedelic wellness clinics in the country, including Ketamine Infusion Centers and Ketamine Wellness Centers; the only licensed entity by Health Canada to exclusively focus on research and development of psilocybin vaporization technology, Delic Labs; the premier psychedelic wellness event, Meet Delic; and trusted media and e-commerce platforms Reality Sandwich and Delic Radio. 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 effective 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 forward-looking statements contained herein may include, but are not limited to: anticipated continued growth in the health and wellness sector (and, in particular, related to psychedelics); the ability of Delic to successfully achieve business objectives, including opening 15 additional clinics over 18 months, 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: 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: changes in general economic, business and political conditions, including changes in the financial markets; changes in applicable laws; compliance with extensive government regulation.

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.

### **Financial Outlook**

This press release contains financial outlook information about revenue run-rate, which is subject to the same assumptions, risk factors, limitations, and qualifications as set out under the heading "Forward-Looking Information and Statements". The actual financial results of the Company may vary from the amounts set out herein and such variation may be material. The Company and its management believe that the financial outlook has been prepared on a reasonable basis, reflecting management's best estimates and judgments. However, because this information is subjective and subject to numerous risks, it should not be relied on as necessarily indicative of future results. Except as required by applicable securities laws, the Company undertakes no obligation to update such financial outlook. Financial outlook contained in this press release was made as of the date hereof and was provided for the purpose of providing further information about the Company's anticipated future business operations on an annual basis. Readers are cautioned that the financial outlook contained in this press release should not be used for purposes other than for which it is disclosed herein.

### **Non-IFRS Financial Measures**

This press release refers to certain non-International Financial Reporting Standards ("IFRS") measures. EBITDA refers to net earnings from continuing operations before interest, taxes and tax recoveries, amortization, deferred income tax recovery, unrealized foreign exchange losses, non-cash share-based expenses (Black-Scholes option pricing model) and write-off of assets. EBITDA is not an earnings measure recognized by IFRS and does not have a standardized meaning prescribed by IFRS. Management believes that EBITDA is an alternative measure in evaluating the Company's business performance. The most directly comparable measure to EBITDA calculated in accordance with IFRS is net income (loss). Readers are cautioned that EBITDA should not be construed as an alternative to net income as determined under IFRS; nor as an indicator of financial performance as determined by IFRS; nor a calculation of cash flow from operating activities as determined under IFRS; nor as a measure of liquidity and cash flow under IFRS. The Company's method of calculating EBITDA may differ from methods used by other Companies and, accordingly, the Company's EBITDA may not be comparable to similar measures used by any other company.

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