

PSYENCE GROUP PROVIDES CORPORATE UPDATE FOLLOWING SUCCESSFUL SPAC SPIN OUT OF THERAPEUTIC DIVISION

TORONTO, March 11, 2024 -- Further to the announcement by Psyence Group Inc ("**Psyence Group**" or the "**Company**") (CSE:PSYG) of the closing (the "Closing") of the business combination of its subsidiary, Psyence Biomedical Ltd ("**PBM**") (**NASDAQ:PBM**) with Newcourt Acquisition Corp ("**Newcourt**"), a special purpose acquisition company, (the "**Business Combination**" or "**Spin-Out**") and the subsequent listing of PBM on the NASDAQ stock exchange with the trading symbol "PBM", Psyence Group provides a corporate update.

The Spin-Out

Psyence Biomed II Corp. ("**Psyence Biomed**"), the therapeutics division of Psyence Group and target business of the Business Combination, is now a wholly-owned subsidiary of NASDAQ traded PBM. Psyence Biomed consists of the clinical trial business and the development of natural psilocybin products in the context of palliative care. It has partnered with iNGENū Pty Ltd ("**iNGENū**") to conduct Psyence Biomed's clinical trial in palliative care. iNGENū is an Australian based, globally focused contract research organisation (CRO) with extensive experience working in the psychedelic pharmaceutical drug development and clinical research industry.

"Despite a year of constrained small cap markets, particularly in the biotech sector, combined with the numerous start-up, early-stage psychedelic companies competing for a limited pool of capital, we are proud that we were able to close a financing and complete the Business Combination, allowing us to list our clinical trial and product development business on a US National Exchange", said Executive Chairman of Psyence Group, Jody Aufrichtig.

Upon the close of the Business Combination effective January 25, 2024, Psyence Group was issued 5,000,000 common shares in PBM, equal to approximately a 37% interest in PBM. The common shares of PBM held by Psyence Group are subject to a trading lock-up period ending on the earliest of (a) one hundred eighty (180) days after the Closing (subject to a further extension under certain conditions) and (b) a change of control event. The Company is taking tax and corporate securities advice on the possibility of distributing the PBM shares to Psyence Group shareholders.

As a result of the Spin-Out, Psyence Group has significantly reduced its operating costs by no longer having to fund the clinical trial being carried out by iNGENū, and by substantially reducing its general and administrative costs, as well as removing the compensation of a number of senior executives and consultants who will now be employed by PBM.

Changes in Board and Management

Dr Neil Maresky has assumed the role of CEO of PBM to oversee the Psyence Biomed business and has resigned as CEO of Psyence Group. Dr Clive Ward-Able has been appointed as Medical Director for PBM to support the CEO in the execution of the Psyence Biomed clinical trial and has resigned as Medical Director of Psyence Group. Warwick-Corden Lloyd will step down as the Chief Financial Officer of Psyence Group to assume the position of Chief Financial Officer of PBM. Adri Botha, Psyence Group's Group Financial Manager, will act as Interim Chief Financial Officer of Psyence Group while the search for a new Chief Financial Officer and Chief Executive Officer continues. Since these executives are moving over to PBM, no termination payments are being paid by the Company, and unvested equity incentives and compensation securities will be cancelled. In addition hereto, a senior consultant's contract has also been terminated as the services related largely to the Psyence Biomed business. As a sign of confidence in the business, such senior consultant has agreed to settle a portion of his outstanding consulting fees totalling C\$60,550 in common shares in the Company and will receive 1,668,044 common shares at a price of C\$0.03630 per share (based on a 30-day VWAP calculation as at February 29, 2024), subject to approval from the Canadian Securities Exchange (CSE).

Christopher Bull and Dr Neil Maresky have resigned as members of the Psyence Group board to join the board of PBM. Jody Aufrichtig and Alan Friedman will retain their respective board positions with Psyence Group with Jody as continuing executive chairman of the board.

STRATEGIC RESTRUCTURING OF BUSINESS UNITS

The Company is also pleased to announce the strategic restructuring of its non-clinical business through a conditional M&A transaction. The conditional transaction (the "**Conditional Transaction**") involves the transfer of the Company's non-clinical subsidiaries Mind Health (Pty) Ltd (Lesotho), the vehicle housing the psilocybin cultivation, extraction, and production operations in Southern Africa, and Psyence UK Group Ltd (UK), the entity engaged in Active Pharmaceutical Ingredient ("**API**") and IP development, and the functional mushroom brand GOODMIND™ (together, the "**Non-Clinical Assets**") to a third-party private company ("**PriveCo**") which will be responsible for raising the private investment required and ongoing finance to continue the operations of the Non-Clinical Assets. PriveCo will concentrate on growing, production and extraction operations, and creating an API for commercialization in the legal research and development and medical markets globally.

Psyence Group will retain sales and distribution rights for all products and services developed and offered by PriveCo with the intention of creating a marketplace therefor in the psychedelics industry. As consideration for the Conditional Transaction, the Company will receive C\$1 million in shares of PriveCo priced at PriveCo's most recent financing at the time of close. The Company will also be entitled to a 3.5% royalty on net sales generated through the non-clinical assets with respect to the intellectual property transferred as part of the Conditional Transaction for a period of 7.5 years.

The motivation of management and the board to pursue the Conditional Transaction is to ensure the continued operation of the underlying non-clinical business while substantially reducing the Company's overhead. As a result of the Conditional Transaction and should all conditions to closing be met, all major Company overhead expenditure related to the Company's Psyence Production and Psyence Function divisions, will be transferred to PriveCo, whilst being exposed to upside through owning shares in PriveCo as well as entitlements to future royalties flowing from revenue generated in the various businesses of PriveCo. The ongoing operational costs and future spend will become the responsibility of PriveCo. The Company's management team intends to expand its asset-light business model in addition to the marketing and distribution of PriveCo's products and services, by minimizing asset maintenance costs through the Conditional Transaction and identifying additional less capital-intensive opportunities in the psychedelics space.

Required Steps

To give effect to the Conditional Transaction, the Company and PriveCo has entered into an agreement whereby PriveCo shall be entitled to acquire the Non-Clinical Assets in exchange for the share consideration valued at C\$1 million as described above, provided that certain closing conditions are met, which closing conditions include the raising of a minimum of C\$250,000 in cash. PriveCo has launched fundraising initiatives and intends to raise up to C\$2 million for ongoing operational costs. Upon the closing of the Conditional Transaction the Non-Clinical Assets shall become subsidiaries of PriveCo.

Proposal Approval

The board of the Company has approved the required steps set out above, paving the way for the Conditional Transaction.

FORWARD LOOKING STATEMENTS

This communication contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements include, but are not limited to, statements about future financial and operating results, our plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "will likely result," "are expected to," "will continue," "is anticipated," "estimated," "believe," "intend," "plan," "projection," "outlook" or words of similar meaning.

Forward-looking statements in this communication regarding the Business Combination include statements regarding the adequacy of the reduction in costs for Psyence Group, Psyence Group's ability to execute on its strategy for its remaining business divisions, Psyence Group's intended fundraising efforts. These forward-looking statements are based on a number of assumptions, including the assumption that Psyence Group will continue to be able to streamline its operations and reduce expenditure.

There are numerous risks and uncertainties that may cause actual results or performance to be materially different from those expressed or implied by these forward-looking statements. These risks and uncertainties include, among others: (i) the ability of PBM to realize the benefits expected from the Business Combination and to maintain the listing of its common shares and warrants on NASDAQ; (ii) volatility in the price of the securities of PBM and Psyence Group due to a variety of factors, including changes in the competitive and highly regulated industries in which both PBM and Psyence Group operate, variations in performance across competitors, changes in laws and regulations affecting the businesses of PBM and Psyence Group; (iii) changes in PBM and Psyence Group's capital structure; (iv) PBM's ability to achieve successful clinical results; (v) PBM's ability to obtain regulatory approval for its product candidates, and any related restrictions or limitations of any approved products and (vi) PBM's ability to obtain licensing of third-party intellectual property rights for future discovery and development of its product candidates. The foregoing list of factors is not exhaustive. You should carefully consider the foregoing factors and the other risks and uncertainties described in the "Risk Factors" section of the Registration Statement on Form F-1, initially filed by PBM with the SEC on February 9, 2024 and other documents filed by PBM from time to time with the SEC. These filings identify and address other important risks and uncertainties that could cause actual events and results to differ materially from those contained in the forward-looking statements. Actual results and future events could differ materially from those anticipated in such information. Nothing in this communication should be regarded as a representation by any person that the forward-looking statements set forth herein will be achieved or that any of the contemplated results of such forward-looking statements will be achieved. You should not place undue reliance on forward-looking statements, which speak only as of the date they are made.

Forward-looking statements in this news release regarding the strategic restructuring of the Company's business units include statements regarding the perceived benefits and cost savings to the Company of the Conditional Transaction and the successful development and commercialisation of an API by PriveCo. These forward-looking statements are based on a number of assumptions, including the assumptions that the closing conditions of the Conditional Transaction will be met, PriveCo's production updates and extraction efforts will yield favourable results, that PriveCo will generate royalty bearing revenues and that PriveCo will be able to attract sufficient private investment to realise its strategic goals. There are numerous risks and uncertainties that could cause actual results and the Company's plans and objectives to differ materially from those expressed in the forward-looking information. These risks and uncertainties include PriveCo not raising sufficient private investment to execute its business objectives and that the products developed under PriveCo will not find commercial success in the global medical, R&D and OTC markets. Actual results and future events could differ materially from those anticipated in such information.

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The Company makes no medical, treatment or health benefit claims about the Company's proposed products. The U.S. Food and Drug Administration, Health Canada or other similar regulatory authorities have not evaluated claims regarding psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceutical products. The efficacy of such products has not been confirmed by approved research. There is no assurance that the use of psilocybin, psilocybin analogues, or other psychedelic compounds or nutraceuticals can diagnose, treat, cure or prevent any disease or condition. Vigorous scientific research and clinical trials are needed. The Company has not conducted clinical trials for the use of its proposed products. Any references to quality, consistency, efficacy, and safety of potential products do

not imply that the Company verified such in clinical trials or that the Company will complete such trials. If the Company cannot obtain the approvals or research necessary to commercialize its business, it may have a material adverse effect on the Company's performance and operations.

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About Psyence Group and Psyence Biomed:

Psyence Group is a life science biotechnology company listed on the Canadian Securities Exchange (CSE: PSYG), with a focus on natural psychedelics. Psyence Biomed (now trading on the NASDAQ under the ticker symbol "PBM") works with natural psilocybin products for the healing of psychological trauma and its mental health consequences in the context of palliative care. Our name "Psyence" combines the words psychedelic and science to affirm our commitment to producing psychedelic medicines developed through evidence-based research.

Informed by nature and guided by science, we built and operate one of the world's first federally licensed commercial psilocybin mushroom cultivation and production facilities in Southern Africa. Our team brings international experience in both business and science and includes experts in mycology, neurology, palliative care, and drug development. We work to develop advanced natural psilocybin products for clinical research and development. Our divisions, Psyence Production and Psyence Function, and minority stake in Psyence Biomed (the former therapeutics division), anchor an international collaboration, with operations in Canada, the United Kingdom, Southern Africa, Australia and a presence in the United States.

Learn more at www.psyence.com and on [Twitter](#), [Instagram](#) and [LinkedIn](#).