

Psyence Group Enters into Agreement to Dispose of Stake in PsyLabs

PsyLabs develops and produces certified pharmaceutical-grade natural psychedelics for applications in mental health and well-being

NEW YORK, September 20, 2024 -- Psyence Group Inc ("**Psyence Group**" or the "**Company**") (CSE: PSYG) (as seller), a life science biotechnology company pioneering the use of nature-derived psilocybin in mental health and wellbeing, today announced that it has entered into a conditional share sale agreement with its NASDAQ-listed associate, Psyence Biomedical Ltd. (Nasdaq: PBM) ("**Psyence Biomed**" or "**PBM**") (as purchaser) for the disposal by Psyence Group of its 11.13% stake in privately-held PsyLabs, a company focused on the production of psychedelic active pharmaceutical ingredients (APIs) and extracts for use in research, clinical trials and drug development ("**Proposed Transaction**"). Per the terms of the Proposed Transaction, Psyence Biomed will issue to Psyence Group shares of its common stock valued at \$1.1 million dollars, at a price of \$0.55 per share, in exchange for Psyence Group's 11.13% stake in PsyLabs.

"We are very pleased to strengthen our relationship with PsyLabs through this acquisition, which gives us access to state-of-the-art cultivation and production capabilities that support our goal of becoming a leading, vertically integrated developer of psychedelic-based therapeutics," said Dr. Neil Maresky, Chief Executive Officer of Psyence Biomed.

The completion of the Proposed Transaction is subject to the fulfilment, or waiver, of certain conditions, including board approvals, regulatory approvals, a satisfactory due diligence process, and the achievement of a pre-defined product development milestone by PsyLabs by no later than October 31, 2024.

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 is the world's first life science biotechnology company traded on the Nasdaq (NASDAQ: PBM) that is focused on the development of botanical (nature derived, or non-synthetic) psilocybin-based psychedelic medicines, and 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, Psyence Group works to develop advanced natural psilocybin products for clinical research and development.

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

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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 include statements regarding the implementation of the Proposed Transaction. These forward-looking statements are based on a number of assumptions, including the assumption that the conditions to the closing of the Proposed Transaction will be fulfilled.

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 inability to complete the Proposed Acquisition; (ii) the inability to recognize the anticipated benefits of the Proposed Acquisition (iii) changes in applicable laws which may impact drug development, clinical trials and/or the conducting thereof; (iv) Psyence Biomed's ability to obtain regulatory approval for the proposed product candidate, and any related restrictions or limitations of any approved products; (vi) the ability of Psyence Biomed to maintain the listing of its common shares and warrants on Nasdaq; and (vii) volatility in the price of the securities of Psyence Biomed due to a variety of factors, including changes in the competitive and highly regulated industries in which Psyence Biomed operates, variations in performance across competitors, changes in laws and regulations affecting Psyence Biomed's business and changes in Psyence Biomed's capital structure. 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 final prospectus (File No. 333 276973) filed with the Securities and Exchange Commission on August 30, 2024 and other documents filed by Psyence Biomed 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. Except as required by law, neither Psyence Group nor Psyence Biomed intends to update these forward-looking statements.

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.