

March 31, 2022



Mydecine Reports Financial Results for the Fiscal Year 2021 and Provides a Business Update

MYCO-001 Smoking Cessation Clinical Trial Moves Forward Following Conditional IRB Approval

Company Advances IP Portfolio With New Patent Applications Covering Novel Molecule Families

DENVER, March 31, 2022 (GLOBE NEWSWIRE) -- Mydecine Innovations Group (NEO: MYCO) (OTC: MYCOF) (FSE: 0NFA) ("Mydecine" or the "Company"), a biotechnology company aiming to transform the treatment of mental health and addiction disorders, today reported financial results and provided a business update for the fiscal year ended December 31, 2021.

"Last year, Mydecine made significant strides toward creating and commercializing new treatments for mental health and addiction disorders," said CEO Josh Barch. "The conditional IRB approval we received is yet another positive signal that we will continue to advance our Phase 2b smoking cessation study, and we will hopefully receive full FDA IND approval in the second quarter of this year. We have been working hard to reduce our expenses and increase our efficiencies to continue progressing our clinical trials and expand our IP portfolio. I'd like to personally thank our shareholders, board members and highly dedicated team for enabling Mydecine to reach these significant milestones, and we look forward to another successful year."

"In addition to our clinical trials, our research and development team has been making significant progress in our drug development program," said Chief Scientific Officer Rob Roscow. "Over the last year, our new chemical entity (NCE) program has produced multiple patents covering several second-generation novel molecules that we believe will offer significant improvements over classic psilocybin and MDMA. We're using a modular development approach to our patent strategy, which gives us the flexibility to license, partner or develop our lead drug candidates from our multiple families of NCEs, all wholly owned by Mydecine."

Highlights of the Business for the Full Year 2021

Clinical Research

- Progressed Phase 2b smoking cessation study following a positive meeting with the Food and Drug Administration (FDA) to review Mydecine's Investigational New Drug (IND) application. In Q2 2022, the company plans to file an IND and breakthrough status application and will begin patient recruitment upon receipt of FDA approval. The

multi-site study's lead investigator will be Johns Hopkins University.

- Agreed to supply MYCO-001 for Dr. Matthew Johnson's multi-site NIDA grant-funded smoking cessation study. Johns Hopkins University, New York University, and the University of Alabama in Birmingham are the investigative sites conducting the research. The results from this study will support the safety profile of MYCO-001.
- Signed a five-year Master Collaboration Research Agreement with Johns Hopkins University School of Medicine, demonstrating the Company's commitment to advancing psychedelic medicine by exploring multiple molecules and drugs for various indications.

Drug Development

- Filed several provisional and full patent applications for novel molecules that outperform first-generation compounds in safety, efficacy, stability, dosing and side effects. This year, the Company intends to file a number of new composition of matter patents supporting its NCE program.
 - Patent applications include: novel MDMA analogs, improved psilocybin and other tryptamines (including a shorter duration with patch delivery), potentially heart-safe microdosing drugs, nanoemulsion technology, and technology patents covering the digital healthcare platform Mindleap.
- Unveiled an Artificial Intelligence (AI) drug discovery program that enables rapid screening of billions of compounds and will encourage near-term patent filings for novel molecules. Completed a 5-HT_{2A} serotonin receptor model for Mydecine's AI program with the intention to build the entire family of serotonin receptors to test its novel molecules against.
- Screened over 25 mushroom species, including various varieties of *p. cubensis*, and discovered and analyzed more than 40 unique compounds, with the majority appearing to be previously unreported.

Corporate

- Welcomed several new independent board members, including Gordon Neal, Josephine Wu, Dr. Saeid Babaei and Dr. Victoria Hale, who bring a wealth of experience in drug development, clinical trials and technology. The additions assist Mydecine in meeting anticipated capital markets initiatives for 2022.
- Listed on the NEO exchange and submitted an application to list on the NASDAQ.
- Completed the first international export of psilocybin mushrooms.
- Announced that Mydecine's exclusive dealer was identified as a licensed psilocybin and MDMA supplier in Canada, allowing them to supply active pharmaceutical ingredients through Health Canada's Special Access Program, which enables healthcare providers to request specific drugs for patients who have not responded well to other treatments.
- Successfully spun out the Company's legacy cannabis assets to help satisfy certain

requirements for a potential future uplisting.

Financial Results for the Fiscal Year 2021

Net Loss: The net loss attributable to common stockholders was \$28.9 million, which consisted of \$5.3 million loss from discontinued operations, for the fiscal year ended December 31, 2021, or a basic and diluted loss per share attributable to common stockholders of (\$0.12). This is compared to a net loss attributable to common stockholders of \$26.9 million, which consisted of \$0.1 million loss from discontinued operations, for the fiscal year ended December 31, 2020, or a basic and diluted loss per share attributable to common stockholders of (\$0.24).

Cash Position: The Company had \$1.5 million in cash and cash equivalents as of December 31, 2021. Subsequent to the year end, the Company secured additional funding and is moving forward with clinical trials and projects to expand its IP portfolio.

MYDECINE INNOVATIONS GROUP INC. CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (EXPRESSED IN CANADIAN DOLLARS)

As at,	December 31, 2021 \$	December 31, 2020 \$
Current assets		
Cash	1,495,311	2,190,702
Accounts receivable	3,856	27,746
Inventory	-	47,262
Sales tax receivable	201,060	13,734
Prepays and deposits	3,521,125	216,003
Total current assets	5,221,352	2,495,447
Non-current assets		
Prepays and deposits	1,793,894	-
Investment in joint venture	-	303,982
Loan receivable, net	-	316,110
Investment in associate	-	4,481,988
Right-of-use asset	130,546	223,645
Investment properties	-	1,418,345
Property and equipment	434,910	291,614
Total assets	7,580,702	9,531,131
Current liabilities		
Accounts payable and accrued liabilities	1,587,238	1,187,486
Convertible debentures, net	-	2,959,755
Derivative liabilities	1,280,294	1,586,744
Lease liability – current portion	79,728	69,329

Total current liabilities	2,369,383	5,803,314
Non-current liabilities		
Convertible debentures, net	4,354,302	-
Lease liability	67,821	167,118
Total liabilities	7,369,383	5,970,432
Shareholders' equity		
Share capital	107,349,388	85,298,435
Contributed surplus	17,536,315	12,734,636
Equity portion of convertible debentures	240,756	254,690
Accumulated other comprehensive loss	-	(444,803)
Deficit	(124,915,140)	(94,282,259)
Total shareholders' equity	211,319	3,560,699
Total liabilities and shareholders' equity	7,580,702	9,531,131

MYDECINE INNOVATIONS GROUP INC.
CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
(EXPRESSED IN CANADIAN DOLLARS)

	For the years ended,	
	December 31, 2021	December 31, 2020
Sales	7,493	2,617
Cost of goods sold	-	-
Gross margin	7,493	2,617
Expenses		
Finance cost	205,267	182,866
Corporate development	3,401,645	2,259,956
Depreciation	235,177	57,080
Consulting fees	5,220,556	3,381,726
Director and management fees	1,346,468	539,347
Foreign exchange loss	355,671	111,251
Insurance	511,501	-
Office and miscellaneous	925,568	292,070
Professional fees	2,216,950	934,135
Regulatory and filing fees	349,777	201,818
Research and development	3,960,232	1,290,548
Salaries	1,424,012	17,584
Share-based payments	3,099,743	2,487,509
Total expenses	23,252,567	11,755,890

Other income (expenses)		
Change in fair value of derivative liabilities	43,688	545,194
Consideration paid in excess of net assets acquired from acquisition	-	(10,645,239)
Impairment of goodwill and intangible assets	-	(5,031,967)
Impairment of loan receivable	(382,902)	-
Other expenses	-	(24,025)
Gain on settlement of debt	1,377	33,304
Total other income (expenses)	(337,837)	(15,122,733)
Loss from continuing operations	(23,582,911)	(26,876,006)
Loss from discontinued operations	(5,314,488)	(72,939)
Net loss for the year	(28,897,399)	(26,948,945)
Foreign currency translation adjustment	-	(382)
Net loss and comprehensive loss for the year	(28,897,399)	(26,949,327)
Net loss per share – Basic and diluted from continuing operations	(0.12)	(0.24)
Weighted average number of shares outstanding – Basic and diluted	234,086,043	113,714,260

About Mydecine Innovations Group

Mydecine Innovations Group™ (NEO:MYCO) (OTC:MYCOF) (FSE:0NFA) is a biotechnology company developing innovative first- and-second-generation novel therapeutics for the treatment of mental health and addiction using world-class technology and drug development infrastructure. Mydecine was founded in 2020 to address a significant unmet need and lack of innovation in the mental health and therapeutic treatment environments. Our global team is dedicated to efficiently developing new therapeutics to treat PTSD, depression, anxiety, addiction and other mental health disorders. The Mydecine business model combines clinical trials and data outcome, technology, and scientific and regulatory expertise with a focus on psychedelic therapy, as well as other novel, non-psychedelic molecules with therapeutic potential. By collaborating with some of the world's foremost authorities, Mydecine aims to responsibly fast-track the development of new medicines to provide patients suffering from mental health disorders with safe and more effective treatment options. Mydecine Innovations Group is headquartered in Denver, Colorado, USA, with international offices in Leiden, Netherlands.

Learn more at: <https://www.mydecine.com> and follow us on [Twitter](#), [LinkedIn](#), [YouTube](#) and [Instagram](#).

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For further information about Mydecine Innovations Group, Inc., please visit the Company's profile on SEDAR at www.sedar.com or visit the Company's website at www.mydecine.com.

This news release contains forward-looking information within the meaning of Canadian securities laws regarding the Company and its business, which relate to future events or future performance and reflect management's current expectations and assumptions. Often but not always, forward-looking information can be identified by the use of words such as "expect", "intends", "anticipated", "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would" or "will" be taken, occur or be achieved. Such forward-looking statements reflect management's current beliefs and are based on assumptions made by and information currently available to the Company. Readers are cautioned that these forward-looking statements are neither promises nor guarantees, and are subject to risks and uncertainties that may cause future results to differ materially from those expected including, without limitation, risks regarding the COVID-19 pandemic, the availability and continuity of financing, the ability of the Company to adequately protect and enforce its intellectual property, the Company's ability to bring its products to commercial production, continued growth of the global adaptive pathway medicine, natural health products and digital health industries, and the risks presented by the highly regulated and competitive market concerning the development, production, sale and use of the Company's products. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. These forward-looking statements are made as of the date hereof and the Company does not assume any obligation to update or revise them to reflect new events or circumstances save as required under applicable securities legislation.



Source: Mydecine Innovations Group Inc.