

August 16, 2021



Mydecine Reports Second Quarter 2021 Financial Results and Provides Business Update

Groundbreaking Progress in Clinical Trial and Drug Discovery Programs

Enhanced Technology Offering with Mindleap 2.0, its Digital Health Platform to Support the Adoption of Psychedelics into Mental Health and Inner Wellness

DENVER, Aug. 16, 2021 (GLOBE NEWSWIRE) -- **Mydecine Innovations Group (NEO: MYCO) (OTC: MYCOF) (FSE: ONFA)** ("Mydecine" or the "Company"), an emerging biopharma and life sciences company committed to the research, development, and acceptance of alternative nature-sourced medicine for mainstream use, today reported its financial results for the second quarter ended June 30, 2021 and provided a business update.

"Mydecine has continued to make groundbreaking progress and novel discoveries in its psilocybin compound research and psychedelic-assisted drug development in the second quarter of 2021. We identified our four novel lead drug candidates in preparation for Pre-Investigational New Drug Application (Pre-IND) meetings with the U.S. Food and Drug Administration (FDA) and Health Canada. As well as discovering over 40 potential pharmacologically active novel compounds in mushrooms, demonstrating the continued success of our integrated research and cultivation facilities as we build today's most advanced and extensive portfolio of psychedelic-assisted therapeutics," stated Joshua Bartch, CEO of Mydecine.

"We have also significantly leveraged our partnerships with research institutions to drive the evolution of the drug discovery process and partnered with the University of Alberta to initiate a next-generation AI-assisted drug discovery program. We are focused on expanding into more technological end-to-end treatments and launched Mindleap 2.0 in July to support the widespread adoption and normalization of psychedelic-based integration with mental health. Our recent milestones exhibit revolutionary potential with layering applications of first and second-generation therapeutics," concluded Mr. Bartch.

Business Highlights During and Subsequent to the Second Quarter 2021

Groundbreaking Progress in Clinical Trials and Research

- Identified its four lead novel drug candidates that are unique and patentable in advance of upcoming pre-IND meetings with the FDA and Health Canada to prepare for human clinical trials.
- Discovered over 40 compounds with pharmacological potential in mushrooms,

increasing the ability to discover new compounds and test for efficacy and manufacturing for clinical research.

- Selected substance use disorder and smoking cessation as the initial target indications for its psychedelic molecule MYCO-004.

Unique Partner Relationships

- Established partnership with LeadGen Labs to support its novel psychedelic drug development efforts and target novel molecular entities and enhanced formulations, including effective dosages and safety.
- Launched its *in-silico* drug discovery program in conjunction with researchers at the University of Alberta to develop artificial intelligence/machine learning (AI/ML) supported drug screenings, including both the ability to build drugs from the receptor up and assess drugs around the receptors.

Strengthened Licensing Rights and IP Portfolio

- Received Health Canada approval to expand its cultivation capabilities for psilocybin producing mushrooms at its current good manufacturing practice (cGMP) facility, the Applied Pharmaceutical Innovation in Canada.
- Filed a new patent for MDMA-like compounds further expanding its drug development program to include the improvement of entactogenic compounds.

Enhanced Technology Platform

- Launched Mindleap 2.0 version of Mindleap Health's virtual health platform to provide the infrastructure to support the conscious and trustworthy adoption of psychedelics into the broader categories of mental health and inner wellness.

Financial Results for the Second Quarter 2021

Net Loss: Net loss attributable to common stockholders was \$3.8 million for the second quarter 2021, or a basic and diluted loss per share attributable to common stockholders of \$0.02, as compared to a net loss attributable to common stockholders of \$4.6 million for the second quarter 2020, or a basic and diluted loss per share attributable to common stockholders of \$0.05.

Cash Position: As of June 30, 2021, the Company had cash and cash equivalents of \$7.0 million.

About Mydecine Innovations Group

Mydecine Innovations Group™ (NEO:MYCO) (OTC:MYCOF) (FSE:0NFA) is an emerging biotech and life sciences company dedicated to developing and commercializing innovative

solutions for treating mental health problems and enhancing vitality. The company's world-renowned medical and scientific advisory board is building out a robust R&D pipeline of nature-sourced psychedelic-assisted therapeutics, novel compounds, therapy protocols, and unique delivery systems. Mydecine has exclusive access to a full cGMP certified pharmaceutical manufacturing facility with the ability to import/export, cultivate, extract/isolate, and analyze active mushroom compounds with full government approval through Health Canada. Mydecine also operates out of a state-of-the-art mycology lab in Denver, CO to focus on genetic research for scaling commercial cultivation of rare (non-psychedelic) medicinal mushrooms.

At the heart of Mydecine's core philosophy is that psychedelic-assisted psychotherapy will continue to gain acceptance in the medical community with many of the world's best accredited research organizations demonstrating its remarkable clinical effectiveness. Mydecine recognizes the responsibility associated with psychedelic-assisted therapy and will continue to position itself as a long-term leader across the spectrum of clinical trials, research, technology, and global supply. Mydecine has also successfully completed multiple acquisitions since its inception.

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

For more information, please contact:

Media Contacts

Anne Donohoe / Nick Opich
KCSA Strategic Communications
myco@kcsa.com
1-212-896-1265 / 1-212-896-1206

Investor Contacts

Charles Lee, Investor Relations
corp@mydecineinc.com
1-720-277-9879

Allison Soss / Erika Kay
KCSA Strategic Communications
myco@kcsa.com
1-212-896-1267

On behalf of the Board of Directors:
Joshua Bartch, Chief Executive Officer
contact@mydecineinc.com

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.

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

As at,	Note	June 30, 2021 \$	December 31, 2020 (audited) \$
Current assets			
Cash		7,025,810	2,190,702
Rent and other receivable	16	91,698	27,746
Inventory		40,144	47,262
Sales tax receivable		40,286	13,734
Prepays and deposits	4	3,592,249	216,003
Total current assets		10,790,187	2,495,447
Non-current assets			
Intangible assets	7	471,919	-
Prepays and deposits	4	1,006,403	-
Investment in joint venture	5	526,914	620,092
Investment in associate	6	4,400,956	4,481,988
Right-of-use asset	11	172,664	223,645
Investment properties	9	1,380,692	1,418,345
Property and equipment	8	424,427	291,614

Total assets		19,174,162	9,531,131
Current liabilities			
Accounts payable and accrued liabilities	16	1,283,049	1,187,486
Convertible debentures	10	486,024	2,959,755
Derivative liabilities	12	1,190,819	1,586,744
Lease liability – current portion	11	74,305	69,329
Total current liabilities		3,034,197	5,803,314
Non-current liabilities			
Long-term portion of lease liability	11	114,293	167,118
Total liabilities		3,148,490	5,970,432
Shareholders' equity			
Share capital	13	104,312,505	85,298,435
Contributed surplus	13	15,385,041	12,734,636
Equity portion of convertible debentures	10	35,107	254,690
Accumulated other comprehensive loss		(493,431)	(444,803)
Deficit		(103,213,550)	(94,282,259)
Total shareholders' equity		16,025,672	3,560,699
Total liabilities and shareholders' equity		19,174,162	9,531,131

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

	Note	For the three-month period ended,		For the six-month period ended,	
		June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
Sales		5,193	21,658	21,205	26,233
Cost of goods sold		131	(7,801)	(9,997)	(10,676)
Gross margin		5,324	13,857	11,208	15,557
Expenses					
Finance cost	10, 11	27,960	5,425	123,697	6,369
Corporate development		429,866	769,712	2,427,893	774,690
Amortization	8, 11	37,663	(3,566)	79,195	23,862
Consulting fees	16	1,194,102	1,278,116	2,218,023	1,282,386
Director and management fees	16	341,632	63,485	832,508	181,102
Foreign exchange loss (gain)		93,233	(8,817)	315,608	(136,781)
Insurance		153,223	-	153,223	-
Office and miscellaneous		137,255	37,308	221,475	50,425

Share of losses (income) from investment in Joint Venture	5	105,318	(7,971)	108,101	(7,791)
Share of losses (income) from investment in Associate	6	(115,467)	-	41,752	-
Professional fees		697,414	74,359	1,350,469	99,833
Regulatory and filing fees		12,276	12,390	177,912	14,447
Research and development		713,142	1,383	943,352	1,383
Salaries		234,331	-	234,331	-
Share-based payments		-	(17,954)	-	156,074
Total expenses		(4,061,948)	(2,203,870)	(9,227,539)	(2,445,819)
Other income (expenses)					
Change in fair value of derivative liabilities	12	249,549	-	221,893	-
Consideration paid in excess of net assets acquired from acquisition		-	(2,386,800)	-	(2,386,800)
Rental income		32,310	12,379	65,466	60,264
Gain (loss) on settlement of debt	13	-	11,425	(2,319)	11,425
Total other income (expenses)		281,859	(2,362,966)	285,040	(2,315,111)
Net loss for the period		(3,774,765)	(4,553,009)	(8,931,291)	(4,745,373)
Foreign currency translation adjustment		(24,830)	(62,700)	(48,628)	(62,700)
Net loss and comprehensive loss for the period		(3,799,595)	(4,615,709)	(8,979,919)	(4,808,073)
Net loss per share – Basic and diluted		(0.02)	(0.05)	(0.04)	(0.07)
Weighted average number of shares outstanding – Basic and diluted		237,240,271	99,275,794	223,116,414	66,357,000



Source: Mydecine Innovations Group Inc.