

WESANA HEALTH ANNOUNCES SALE OF SANA-13 ASSETS TO LUCY SCIENTIFIC DISCOVERY

CHICAGO and TORONTO, March 21 2023 – **Wesana Health Holdings Inc.** (“**Wesana**” or the “**Company**”) (CSE: **WESA**; OTCQB: **WSNAF**), a data-driven life sciences company, today announced that the Company has entered into a definitive asset purchase agreement dated March 20 2023 (the “**Asset Purchase Agreement**”) with Lucy Scientific Discovery Inc. (“**Lucy**”) (NASDAQ:**LSDI**) for the sale by Wesana Health Inc. (“**WHI**”), a subsidiary of the Company, of its SANA-013 intellectual property and related assets for consideration of 1,000,000 common shares of Lucy (the “**Share Consideration**”) and US\$570,000 in cash (the “**Cash Consideration**”).

Transaction Highlights:

- The Transaction (as defined below) provides an opportunity for the continued development of SANA-013 through the next phases of the US FDA regulatory process and for the Company to have economic exposure to any positive advancements in any such future research and development efforts by Lucy.
- The Company will also have economic exposure to the broader Lucy asset portfolio and pipeline, including a Canadian Licensed Dealer conducting research on various compounds.
- The Transaction is expected to close in Q2 2023, subject to and following the satisfaction (or waiver as permitted) of the conditions precedent to the Transaction.

“We have worked diligently over the previous two years to develop novel therapies for the treatment of major depressive disorder and have made some significant advances in our drug development program. Broader challenges in the macro-environment led us to consider strategic options, and we believe there is significant value held in continuing development of SANA-013,” commented Daniel Carcillo, Chief Executive Officer and Chairman of the Board.

Chris McElvany, Chief Executive Officer of Lucy, said, “expanding our footprint with the SANA-013 drug development program is a logical next step for Lucy, which should also drive growth in Lucy’s manufacturing business.”

Transaction Details:

Pursuant to the Asset Purchase Agreement, Lucy, an arms-length party to the Company, has agreed to acquire WHI’s SANA-013 intellectual property and related assets for aggregate consideration comprised of the Share Consideration and the Cash Consideration, as outlined in the Asset Purchase Agreement (the “**Transaction**”). US\$300,000 of the Cash Consideration is anticipated to be paid to WHI shortly and the remainder of the Cash Consideration is required to be paid to WHI at closing. The proceeds from the Transaction are to be used by WHI for reasonable general corporate purposes which WHI deems necessary in its sole discretion to the development of SANA-013 and/or completion of the transaction contemplated by the Asset Purchase Agreement.

The Share Consideration shall be subject to a lock-up agreement (the “**Lock-Up Agreement**”) whereby (i) one-half of the Share Consideration will be released 9 months from initial trading date of LSDI shares, and (ii) one-half of the Share Consideration will be released 14 months from the initial trading date of LSDI shares.

The Share Consideration will be issued as “restricted securities” under the United States Securities Act of 1933, as amended, and may be publicly resold, subject to terms of the Lock-Up Agreement, in compliance with Rule 144 (“**Rule 144**”) thereunder. Lucy has granted the Company (i) demand registration rights in the event that Rule 144 is not available for the public resale of the Share Consideration, and (ii) piggy-back registration rights.

The Asset Purchase Agreement also contains customary non-solicitation covenants on the part of Wesana with respect to alternative transactions.

Among other conditions precedent, the consummation of the Transaction is subject to the approval of at least 66% of the votes cast by Wesana shareholders voting in person or represented by proxy at a meeting of Wesana shareholders to be called by Wesana for purposes of considering the Transaction.

Certain shareholders of Wesana, representing all of the outstanding Wesana super voting shares, 23.1% of the outstanding Wesana proportionate subordinate voting shares and 14.7% of the outstanding Wesana subordinate voting shares, have entered into support agreements with Wesana, agreeing to support the Transaction and vote their Wesana shares in favour of the Transaction at the shareholders meeting to be called by Wesana for purposes of considering the Transaction.

Further details regarding the terms of the Asset Purchase Agreement and the Transaction are set out in the Asset Purchase Agreement, which will be filed by the Company under its profile on SEDAR at www.sedar.com. Additionally, further information regarding the Transaction, including the background thereto and the rationale for the recommendations made by the Special Committee and the Board, will be contained in the management information circular (the “**Circular**”) that the Company will prepare, file and mail to Wesana shareholders in connection with the meeting of Wesana shareholders to be called by Wesana for purposes of considering the Transaction and will file under the Company's profile on SEDAR at www.sedar.com. All Wesana shareholders are urged to read the Circular as it will contain important information.

The Transaction is expected to close in the second quarter of 2023, subject to and following the satisfaction (or waiver as permitted) of the conditions precedent to the Transaction.

The Transaction will enable Lucy to provide continued capital investment to further the SANA-013 research and development required to meet the standards set by the United States Food and Drug Administration (“**FDA**”) to provide treatment against Major Depressive Disorder and other complementary orphan indications. The Share Consideration will enable the Company (through WHI) to have economic exposure to the future growth potential associated with SANA-013 and other initiatives underway or contemplated by Lucy.

Transition of Key Employees:

Subject to agreement on terms, it is anticipated that Wesana’s CEO and Chairman Daniel Carcillo will join Lucy’s team to integrate SANA-013 within Lucy.

Wesana also announces that as part of a planned transition, Mr. Zed Wang has resigned as the Company’s Chief Financial Officer and Corporate Secretary, and Mr. Winfield Ding has been appointed as the Company’s Chief Financial Officer and Corporate Secretary, effective immediately. Mr. Wang will remain available to ensure a smooth transition.

Mr. Ding has been CFO and director for a number of public companies in Canada. He is a seasoned senior finance executive with over twenty years of finance and operations experience. A former audit manager and currently a self-practitioner, he has worked in audit, taxation and advisory roles across a wide range of industries with a focus on public issuers financial reporting and business advisory. Mr. Ding received his MBA from the Chinese University of Hong Kong.

“Winfield brings seasoned expertise in capital markets, strategic transactions, and public company compliance,” said Daniel Carcillo. He continued, “Zed’s departure comes with a successful transition of finance oversight to

Winfield. We are extremely fortunate to have had Zed as part of the Wesana team from the beginning, and we wish him all the best as he goes on to pursue his other passions.”

Wesana Board Approval:

The Company’s board of directors (the “**Board**”), after receiving a recommendation from a special committee of the Board (the “**Special Committee**”), has determined (with Daniel Carcillo declaring an interest and abstaining) that the Transaction is in the best interests of the Company and that the consideration to be received by the Company pursuant to the Transaction is fair to the Company. Accordingly, the Board has approved the Asset Purchase Agreement and recommends that Wesana shareholders vote in favour of the Transaction.

Eight Capital has provided a fairness opinion to the Special Committee that, as of the date of such opinion and subject to the assumptions, limitations and qualifications on which such opinion is based, the consideration to be received by the Company pursuant to the Transaction is fair from a financial point of view to the Company.

Advisors:

Eight Capital is acting as financial advisor, and Nauth LPC and McCarthy Tétrault LLP are acting as legal counsel to Wesana. Dentons Canada LLP is acting as legal counsel to Wesana’s Special Committee.

Troutman Pepper and TingleMerrett LLP are acting as legal counsel to Lucy.

ON BEHALF OF THE BOARD

Daniel Carcillo, Chairman and Chief Executive Officer

Phone: 702-329-8038

About Wesana Health

Wesana Health is a data-driven life science company pioneering drug development through its lead candidate SANA-013. Targeting Major Depressive Disorder as the lead indication, SANA-013 utilizes proprietary drug delivery protocols and a novel combination therapy. Wesana is composed of leaders from the scientific, research and medical industries driven by a common goal of improving the lives of millions of people globally suffering from mental health indications.

Learn more at www.wesanahealth.com.

About Lucy

Lucy Scientific Discovery Inc. is a Nasdaq-listed [NASDAQ:LSDI] licensed producer of compounds for medicinal products. As granted by Health Canada’s Office of Controlled Substances, Lucy maintains a Controlled Drugs and Substances Dealer’s License, under Part J of the Food and Drug Regulations promulgated under the Food and Drugs Act (Canada), or a Dealer’s License. A Dealer’s License authorizes LSDI to develop, sell, deliver, and manufacture (through extraction or synthesis) certain pharmaceutical-grade active pharmaceutical ingredients, or APIs, used in controlled substances and their raw material precursors.

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Cautionary Note Regarding Forward-Looking Information

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward looking information”) within the meaning of applicable securities laws including under the United States Private Securities Litigation Reform Act of 1995 with respect to the Transaction, the Company and Lucy, including, but not limited to: statements relating to the Transaction and the expected terms, timing and closing of the Transaction, including receipt of required approvals and satisfaction of other closing conditions, the anticipated Transaction benefits, including the ability of Lucy to pursue further research and development related to SANA-013 and the ability of Lucy to pursue or continue the initiatives that are underway or contemplated by Lucy, the satisfaction by Lucy of its obligations under the Asset Purchase Agreement and/or other related transaction documents, the satisfaction by the Company of its obligations under the Asset Purchase Agreement and/or other related transaction documents, and the satisfaction of post-closing obligations by all applicable parties under the terms of the Transaction, and any other statement that may predict, forecast, indicate or imply future plans, intentions, levels of activity, results, financial position, operational or financial performance or achievements. Often, but not always, forward-looking information can be identified by the use of words such as “plans”, “expects”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates”, “will”, “projects”, or “believes” or variations (including negative variations) of such words and phrases, or statements that certain actions, events, results or conditions “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved. Except for statements of historical fact, information contained herein constitutes forward-looking information. Forward-looking information is not a guarantee of future performance and is based upon a number of expectations and assumptions of management at the date the statements are made.

Although management believes that the anticipated future results, performance or achievements expressed or implied by the forward-looking information are based upon reasonable assumptions and expectations, the reader should not place undue reliance on forward-looking information because it involves assumptions, known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking information. Certain risk factors include but are not limited to the risks associated with the Company’s ability to obtain required shareholder approval of the Transaction and the parties’ ability to satisfy the other closing conditions to the completion of the Transaction; timing of completion of the Transaction, including the risk that the conditions to the Transaction are not satisfied on a timely basis or at all and the failure of the Transaction to close for any other reason; there being no assurance as to the Company’s ability to continue as a going concern; there being no assurance that Lucy will have the requisite capital resources to pursue research and development efforts currently targeted for SANA-013; there being no assurance that the Company or Lucy will achieve the results currently targeted for SANA-013; the detrimental impact of future losses and negative cash flow from operations; requirements for additional capital; lack of product or service revenue; research and development of drugs targeting the central nervous system being particularly difficult; failure to comply with health and data protection laws and regulations; delays in pre-clinical and clinical testing resulting in delays in commercializing; inability to file investigational new drug applications or clinical trial applications to commence clinical trials in a timely manner; difficulty enrolling patients in clinical trials; competition from other biotechnology and pharmaceutical companies; violations of laws and regulations resulting in repercussions; psychedelic inspired drugs possibly never being approved as medicines; regulatory or political change; reliance on third parties to plan,

conduct and monitor preclinical studies and clinical trials; requirements of commercial scale and quality manufactured drug supply; negative results from pre-clinical and clinical trials or studies of others; unfavourable publicity or consumer perception; not achieving publicly announced milestones; reliance on the capabilities and experience of key executives and scientists; disruptions due to acquisitions or collaborations; risk of product liability claims; COVID-19; litigation; conflicts of interest; limited operating history; general economic, market and business conditions and other risk factors, including those found in the Company's management discussion and analysis for the three and nine month periods ended September 30, 2022 and the Company's annual information form dated September 3, 2021 filed on the Company's profile on SEDAR at www.sedar.com and discussed in the Company's other public filings available on SEDAR.

Forward-looking information is provided and made as of the date of this news release and the Company does not undertake any obligation to revise or update any forward-looking information other than as required by applicable law.

The Company does not by way of this news release affirm or adopt any statements, reports or public filings related or attributed to Lucy in this news release or made by Lucy outside of this news release.