EIGHT CAPITAL

INITIATING COVERAGE

MindMed Inc.

(MMED-NEO: C$0.65)

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BUY
Target: C$2.00

Taking a trip into commercializing psychedelic medicine

MMED-NEOE	
Rating:	Buy
Target Price:	C$2.00
Est. Total Return	207.7%
Valuation Method:	10-year DCF
Discount rate	20.0%
Terminal Growth rate	3.0%
Company Data	
Last Price (04/27/20):	$0.65
52-Week Range:	$0.27-0.98
Market Capitalization ($MM):	$188
Enterprise Value ($MM):	$164
Shares O/S - Basic / Diluted (MM):	256 / 289
Avg Daily Volume (3 Mos) (000s):	-
Net Debt ($MM):	-$24

Estimates	2020E	2021E	2022E
Revenue (US$Mln)	-	-	-
Gross Profit (US$Mln)	-	-	-
Gross Profit (US$Mln)	-	-	-
Adj. EBITDA (US$Mln)	($13.6)	($11.9)	($20.3)
Free Cash Flow (US$Mln)	($10.9)	($9.6)	($16.2)

Valuation	2020E	2021E	2022E
EV/Sales	NM	NM	NM
EV/EBITDA	NM	NM	NM
P/E	NM	NM	NM

All Figures in C$ Unless Otherwise Noted
Source: FactSet, Eight Capital

MMED: Price/Volume Chart

Source: Factset

Company Description

MindMed is an early-stage pharmaceuticals company focused on commercializing psychedelic-inspired medicines to combat prevalent mental health conditions.

We are initiating coverage of MindMed with a BUY rating and $2.00 target price. MindMed is an early stage pure-play psychedelic-based pharmaceutical company focused on the development of medicines aimed at tackling pressing mental health conditions. Although currently in the early-stages (pre-material revenues), we see a number of catalysts playing out in the next 12 to 18 months that should help de-risk the story and accelerate its path to FDA-approved status and commercialization.

Near-term Catalysts (12-18 months):

We believe a number of catalysts will take place in the next 12 to 18 months that should result in positive momentum for the stock, including:

- **Potential for breakthrough therapy designation:** Three psychedelics treatments across two substances (MDMA and psilocybin) have been granted breakthrough therapy designation, enabling a faster path to FDA approval. We anticipate this is likely to transcend into additional substances, including MMED's compounds. This will serve as a major de-risking event for the company and could unfold sometime in 2021.
- **Rapid progression of clinical trial phases:** MMED is still in the early stages of formulating and commencing its clinical trials for 18-MC (a synthetic derivative of ibogaine) and LSD micro-dosing, although we see clear opportunities for progression throughout the year. MMED is currently on track to complete its Phase 1 and commence Phase 2 for 18-MC in opioid withdrawal before the end of 2020. Similarly, Phase 2 trials for LSD micro-dosing are set to commence in early 2021.
- **Additional substance and indication pipeline:** In very short order, MMED has acquired ~10 trials across two psychedelic substances with significant potential for FDA approval. We think the partnership with UHB could lead to additional trials (anxiety being low hanging fruit) across existing or new substances of interest to the FDA. Each additional trial carries share price upside optionality (pegged to stage of development and size of market at hand). Further, IP filings and novel technologies could be layered on to bolster their existing pipeline.
- **Collaboration opportunities with larger pharmaceutical entities:** We envision collaboration opportunities for the company's existing or new clinical trials. With J&J's (Not Rated) psychedelic-based FDA approved drug paving the way, additional pharma companies are likely to be entrants into the space. Working alongside a recognized name would serve as a major validation catalyst and could unfold within 2020/2021. The 18-MC program would be the likely target here with upfront payments to MMED likely a part of the overall equation.

Target Price Valuation Methodology: We value MMED on a 10-year DCF with the terminal value being calculated by way of the perpetual growth method. Given the company's early stage nature, we apply a 20% discount rate and a 3% terminal growth rate for each of the company's programs. We reach a value per share of $0.75 for 18-MC and $1.25 for the LSD micro-dosing program; altogether, this results in a $2.00 Target Price and a BUY rating given a 200%+ return on shares.

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INVESTMENT SUMMARY

Investment Thesis: MindMed is a drug development company focused on developing psychedelic-inspired medicines to help treat patients with mental conditions, including but not limited to, anxiety, opioid addiction and ADHD. The Company plans to develop a unique portfolio of patent protected IP that has potential to address massive multibillion dollar markets that continue to seek appropriate treatments. Although currently in the early-stages (pre-material revenues), we see a number of catalysts playing out in the next 12 to 18 months that should help de-risk the story and accelerate its path to FDA-approved status and commercialization.

Investment Highlights:

Pace of clinical trials involving psychedelics has accelerated: In the last few years, psychedelics have become increasingly topical, as substances like psilocybin and LSD have shown early promise to treat conditions, including treatment-resistant depression (TRD) and opioid addiction. Evidence showcasing reduced harm and improved efficacy have helped build the case. Further breakthrough therapy designations (which significantly reduce the time to approval) have been awarded by the FDA for some of these substances, while the organization has shifted its views on the medicinal benefits of psychedelics. MindMed is one of the few companies (and the leading public company) deep in the process to rigorously develop, commercialize and generate FDA-approved medicine.

Seasoned management team with applicable bench strength: To date, MindMed's list of relevant stakeholders include high profile investors, such as Bruce Linton (former CEO of Canopy Growth), Kevin O'Leary (Shark Tank), and James Bailey (Partner of private equity firm Bail Capital). The executive team also includes a number of science-focused members that have had past success in all stages of clinical trials /drug development from invention/discovery all the way through to FDA approval and global commercialization. Altogether, the bench strength of the management team and board speak highly of the company's future ability to execute on its highlighted timelines.

Large addressable markets within mental health: MMED's current indications for Opioid Addiction and Adult ADHD together carry market backdrops in excess of $10 billion. The growing acceptance of psychedelics and their respective applicability towards other mental health conditions speak to a much larger $50+ billion opportunity that MMED is focused on unlocking through science, data, IP and clinical trials. Near-term opportunities exist within anxiety treatments as well which itself is a huge market and would further add to the addressable market potential for the company

Well-funded in the context of current market dynamics: As at December 31, 2019, MindMed reported cash and funds in trust of US$6.7 million. Subsequent to the quarter, the company was able to raise C$32 million, and we estimate that pro-forma cash is enough for a runway of 16 -18 months before the company will need to access additional funds (pertaining to its 18-MC and LSD micro-dosing programs). This suggests that the company is currently funded until mid-2021. In the context of the current market backdrop that is littered with volatility and uncertainty surrounding where the economy will unfold, MMED is well-funded to execute on its strategy to develop and ultimately commercialize psychedelic-inspired medicines.

Potential to collaborate with large pharmaceutical entities: The approval by the FDA for a psychedelic-based treatment (Spravato by Johnson and Johnson) for a relevant mental health condition is a positive read-through for the potential of other psychedelics-based treatments. This is especially true for some of the conditions that MMED is pursuing, which carry greater societal costs than TRD (treatment-resistant depression), matched with a safer profile in terms of harm. Given the aforementioned massive addressable market for mental health conditions and the growing acceptance by the FDA (and society) for psychedelics-based treatments, we view an eventual take-out or partnership/collaboration opportunities with pharmaceutical giants like a J&J as a natural progression of events. MMED's current and future pipeline of treatment prospects provide compelling value, especially as studies and data showcase efficacy and trials progress through their respective stages.

VALUATION

Valuation Methodology

Discounted Cash Flow: Given the early (pre-revenue) nature of the company's operations, we utilize a DCF analysis for each of the company's programs, 18-MC and LSD. Our analysis assumes the company will begin to generate revenues by 2024, and reach peak sales closer to the end of the decade. We break down the remainder of our assumptions below:

- **Peak year metrics:** Our assumptions lead us to Net Revenues, EBITDA and Free Cash Flow of $1+ billion, $400+ million and $300+ million by 2030 for the company as a whole, with the largest chunk coming from LSD which is backed by a larger addressable market.
- **Discount and terminal growth rate:** We use a discount rate of 22% for 18-MC and 20% for LSD, taking into account the risks associated with clinical trial failures, while our terminal growth rate is 3%. Our 18-MC rate is slightly higher, as it is not yet at Phase 2 status.
- **Market share assumptions:** We assume that 18-MC will capture ~15% of the ~$3 to $4 billion market by the peak year (2029/2030), while LSD will capture ~10% of the ~$10 billion Adult ADHD market. Our estimates currently only take into account the US (the majority contributor) as an addressable market.
- **Royalties:** The company is currently mostly funded for most of the costs related to clinical trials for 18-MC, but will likely need to generate additional funding to accelerate both programs completely to revenue generation. Typically, smaller pharma companies are able to generate milestone payments or upfront cash payments in exchange for a share of future cash flows in order to move phases through to approval - we assume something similar within our estimates.

Figure 1: Discounted cash flow analysis sensitivity table for 18-MC and LSD programs

18-MC DCF Sensitivity Table

Terminal Growth \ Discount Rate	19%	20%	21%	22%	23%	24%	25%	26%
1.50%	$1.04	$0.91	$0.80	$0.70	$0.61	$0.54	$0.47	$0.41
2.00%	$1.07	$0.93	$0.82	$0.71	$0.63	$0.55	$0.48	$0.42
2.50%	$1.10	$0.96	$0.84	$0.73	$0.64	$0.56	$0.49	$0.43
3.00%	$1.13	$0.98	$0.86	$0.75	$0.65	$0.57	$0.50	$0.44
3.50%	$1.16	$1.01	$0.88	$0.77	$0.67	$0.58	$0.51	$0.45
4.00%	$1.19	$1.04	$0.90	$0.78	$0.68	$0.60	$0.52	$0.46
4.50%	$1.23	$1.07	$0.93	$0.80	$0.70	$0.61	$0.53	$0.47

LSD Program DCF Sensitivity Table

Terminal Growth \ Discount Rate	17%	18%	19%	20%	21%	22%	23%	24%
1.50%	$1.32	$1.27	$1.22	$1.17	$1.13	$1.10	$1.07	$1.04
2.00%	$1.36	$1.30	$1.24	$1.20	$1.16	$1.12	$1.09	$1.06
2.50%	$1.39	$1.33	$1.27	$1.22	$1.18	$1.14	$1.11	$1.07
3.00%	$1.43	$1.36	$1.31	$1.25	$1.21	$1.16	$1.13	$1.09
3.50%	$1.47	$1.40	$1.34	$1.28	$1.23	$1.19	$1.15	$1.11
4.00%	$1.52	$1.44	$1.37	$1.31	$1.26	$1.21	$1.17	$1.13
4.50%	$1.57	$1.49	$1.41	$1.35	$1.29	$1.24	$1.20	$1.16

Source: Eight Capital, Company reports

Target Price Valuation

We value MMED on a 10-year DCF with the terminal value being calculated by way of the perpetual growth method. Given the company's early stage nature, we apply a ~20% discount rate and a 3% terminal growth rate for each of the company's programs. We reach a value per share of $0.75 for 18-MC and $1.25 for the LSD program; altogether, this results in a $2.00 Target Price and a BUY rating given a 200%+ return on shares.

We see upside to our target price in a number of ways:

- **Trials for additional psychedelic treatments:** The Company's ~10 trials currently have the potential to address two treatment markets, Adult ADHD and Opioid Abuse Disorder, which together total more than $10 billion. Both programs have the potential to tackle additional treatment markets that exceed MMED's current market backdrop through pursuing clinical trials. High on the near-term list would be pursuing clinical trials with anxiety which we would view as an early positive for the company. Expanding the company's pipeline on this front would serve to expand the future revenue potential for the company in our forecasts.
- **Breakthrough designation from the FDA:** Our forecasts currently do not assume either LSD or Ibogaine/18-MC getting a breakthrough designation (BTD) from the FDA. Thus far, the FDA has granted three BTDs for psychedelic-related trials, and MMED's programs certainly could fall into this category soon as well, given the similar potential it has to serve markets in need of improved treatments. Obtaining a BTD on average reduces FDA approval timelines by 33%, and would lead to a faster pathway to cash flow generation.
- **Progression of clinical trial phases:** Our discount rate of ~20% is currently reflective of the risks associated with progressing clinical trials from the respective phases through to FDA approval. MMED's programs are currently in either late Phase 1 or Phase 2 status; on average, Phase 2 studies are approved at a ~30% rate, with Phase 3 at ~60-70%%. We assume higher probabilities for MMED given the significance of some of its market dynamics (opioid and other addictions are pressing problems in the US) and the importance given by the FDA (multiple BTDs, as well as other published interest). Advancing through clinical trials will de-risk the story and therefore reduce our discount rate assumptions.
- **Incremental geographies:** Our forecasts currently only take into account revenue potential from the US. While this geography does carry the majority of the percentage make-up of the company's addressable markets, approval from additional countries once FDA approval has been achieved becomes much more likely, and would serve to increase our revenue potential estimates.

FINANCIALS

Liquidity

As at December 31, 2019, MindMed reported cash and funds in trust of US$6.7 million. Subsequent to the quarter, the company was able to raise C$32 million, and we estimate that pro-forma cash is enough for a runway of 16 -18 months before the company will need to access additional funds. This assumes that the company is currently funded until mid-2021.

Forecasts and Outlook

2020E: The year ahead will involve advancing 18-MC from Phase 1 into Phase 2 territory, commencing Phase 2 for its LSD program and general R&D efforts to be able to potentially expand MMED's reach within psychedelics-based treatments. The company currently estimates a ~$20 million spend for the year across these efforts.

2021E to 2024E: The following three years will be heavily centered on getting clinical trials to FDA-approved status. This will involve Phase 2 trials, followed by a larger Phase 3 for each of its programs. Submission of an NDA, FDA approval and Phase 4 trials will likely take place in 2023/2024. Altogether, our current estimates are that this will collectively cost ~$80 to $100 million (a portion of this we anticipate is likely to be shared with a collaborating entity).

2025E+: Upon FDA approval, we envision MMED's drug pipeline will reach peak sales in the back-half of the decade. As is the case for early stage companies in progressing clinical trials through to approval, we foresee partnership/collaboration with larger entities in order to get the necessary funding for clinical trials - we think the overall size of the various treatment markets, and large future revenue capture opportunity, makes this strategy sound. As a result, our revenue forecasts currently assume some royalty streams outflows for each of 18-MC and LSD.

Our forecasts do not take into account the potential for the company obtaining a breakthrough designation from the FDA, which would likely lead to revenue generation taking place sooner than current forecasts. Our forecasts also do not include potential upfront or milestone payments that could unfold alongside potential partnership/collaboration avenues.

Figure 2: MMED financial forecasts

MindMed Summarized Financial Forecast											
	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Net Revenue - 18-MC	$0	$0	$0	$0	$2	$25	$79	$192	$312	$397	$426
Net Revenue - LSD	$0	$0	$0	$0	$30	$123	$248	$374	$502	$631	$798
Total Net Revenue	**$0**	**$0**	**$0**	**$0**	**$33**	**$149**	**$327**	**$566**	**$814**	**$1,029**	**$1,224**
Gross Profit	$0	$0	$0	$0	$16	$89	$208	$369	$535	$708	$859
EBITDA	-$14	-$12	-$20	-$22	-$8	$22	$75	$137	$215	$320	$408
Free Cash Flow	**-$11**	**-$10**	**-$16**	**-$18**	**-$6**	**$17**	**$55**	**$104**	**$168**	**$254**	**$324**
EBITDA Margin	-	-	-	-	-23%	15%	23%	24%	26%	31%	33%
FCF Margin	-	-	-	-	-18%	12%	17%	18%	21%	25%	26%
Revenue Growth	-	-	-	-	-	353%	120%	73%	44%	26%	19%

Source: Eight Capital, Company reports

COMPANY OVERVIEW

Founded by four co-founders, JR Rahn, Stephen L. Hurst, Scott Freeman and Leonard Latchman in May 2019, MindMed is a drug development company focused on the discovery and development of psychedelic substances into a range of FDA-approved (to start, with other regulatory bodies from other regions to follow) commercialized medicines. MMED's vision lies in deploying medical treatments from psychedelics to patients suffering from mental illnesses, including but not exclusive to, drug addiction, ADHD and anxiety. The company is exclusively focused in the medical route (advancing clinical trials) and not the recreational aspect (involving the legalization of psychedelics into consumer goods like that seen in the cannabis industry) - this distinction is important, as it separates the company into the node most relevant for institutional investors that are interested in advancing promising medicines through clinical trials and eventual FDA approval.

- **Areas of focus:** MindMed plans to develop a new class of regulated drugs based on (i) non-hallucinogenic medicines derived from psychedelics, but with little to no hallucinatory effect, or (ii) treatment through hallucinogenic therapies that would be performed in-clinic and under the supervision of a doctor and therapist. MindMed is currently focused on treatments involving two illnesses: adult ADHD and opioid abuse disorder. Through its 18-MC program, MindMed aims to develop a non-hallucinogenic version of the psychedelic ibogaine, which has been used for the treatment of substance use disorders in countries like Mexico. The Company is also conducting clinical trials for LSD micro-dosing for the treatment of adult ADHD.

Figure 3: MMED's approach to commercialization will include both non-hallucinogenic and hallucinogenic therapies

MMED's Approach to Commercializing Psychedelic Inspired Medicines		
	Non-Hallucinogenic Medicines	**Hallucinogenic Therapies**
About:	Derived from psychedelics, has zero to negligible hallucination effect	A high dose or experiential dose of psychedelics
Examples:	Microdose LSD 18-MC	Esketamine (J&J Approved in 2019), Psilocybin, LSD, MDMA
Treatment:	-> Doctor prescription -> Pharmacy pickup, take-home	-> Direct supervision and therapy session overseen by therapist & doctor -> In-clinic treatment only
Upcoming Catalysts:	1. 18-MC in addiction medicine: -> Phase 1B to be completed (2020) -> Phase 2 opioid withdrawal first patient (2020) 2. Microdose LSD for Adult ADHD: -> Phase 2 first patients enrolled (2020)	Evaluating commercial drug trials for highdose LSD program for anxiety disorder under collaboration with UHB

Source: Company reports, Eight Capital

- **Clinical trials:** MindMed aims to build a platform for the development of medicines based on psychedelic substances through clinical trials. In doing so, MindMed will work closely with academia to transform once stigmatized substances into IP-protected, FDA-regulated medicines. This will entail working with experienced clinical drug development teams and conducting all trials and development under the supervision and guidance of the US FDA and ex-regulatory authorities. Throughout 2020, MindMed will continue to expand its pipeline and portfolio of intellectual property, in-licensing with leading academic research institutions of existing and new clinical research in psychedelics, and proprietary clinical trials with new psychedelics.
    - **LSD Micro-dosing Program:** Through its partnership with University Hospital Basel's research lab, MMED has exclusive licenses to eight clinical trials (of which four have completed Phase 1 trials, one is going through Phase 1 trials and three are going through Phase 2 trials) for LSD micro-dosing.
    - **18-MC:** MMED's 18-MC program currently comprises two potential clinical trials in Phase 1 status.

- **Patents:** MMED's goal is to patent protect its unique molecular entities (18-MC), as well as the micro-dosing aspect of LSD, which has never been assessed from a clinical standpoint. As a result, the company is competitively positioned with first mover and early access to compounds that, while publicly known for decades, have only recently gained relevance and legitimacy with regulatory bodies such as the FDA to tackle important mental health issues.

As a result, this approach places MindMed in an industry with high barriers to entry, due to the need to conduct regulated trials, the time and money involved in doing so, and the related need to develop and protect intellectual property associated with drug development.

- **Upcoming and future milestones:** Near-term milestones for the company include commencing and quickly completing its Phase 1B trial for 18-MC and initiating Phase 2, all in the span of 2020. For its LSD micro-dosing trial, Phase 2 for adult ADHD is currently slated to begin in 2020. Additional trials in other mental illnesses (such as anxiety where the company has some optionality with the UHB) may also begin in 2020. Phase 3 trials are expected to launch some time in 2021/2022, and FDA approval and commercialization efforts expected in 2023/2024. The potential for a breakthrough designation would likely accelerate these timelines, as on average drugs move development to approval status 33% faster.

Figure 4: MMED completed and upcoming milestones

Milestone Description	Date
COMPLETED	
Received US$6.8 mln in grant support from the National Institute on Drug Abuse ("NIDA") for the study of 18-MC	Sep-12
MindMed raised C$9.2 mln in its seed round	Aug-19
MindMed acquired 18-MC addiction program	Jun-19
Announced definitive arrangement for RTO	Oct-19
$32 mln Pre-public financing complete	Feb-20
Public listing on NEO Exchange under the ticker symbol MMED	Mar-20
MindMed began enrollment in human safety studies of 18-MC	Mar-20
Signed a multi-year partnership with the laboratory of Professor Dr. Matthias Liechti to gain rights to LSD trials	Apr-20
Began dosing the first subject in an additional Phase I human safety trial of 18-MC	Apr-20
Developed LSD neutralizer technology in collaboration with Liechti Laboratory	Apr-20
UPCOMING	
18-MC in addiction medicine: complete Phase 1B	Q3 2020
Phase 2 opioid withdrawal first patient enrolled	Q4 2020
Phase 2 opioid use disorder first patient enrolled	2021
Microdose LSD in ADHD: Phase 2 first patient enrolled	2020
Phase 3 opioid use disorder first patient enrolled	2022
Announce additional psychedelic program LOIs / definitive agreements with neurology and psychiatry programs	Now - 2022
Announce further clinical trials pipeline additions	Now - 2023
NDA filing for opioid withdrawal	2022
Conditional approval for opioid withdrawal	2022
Readout on Phase 2 micro-dosing	2022
NDA filing for opioid use disorder	2023
FDA approval for opioid use disorder	2023

Source: Company reports, Eight Capital

Recent History:

- **August 2019**: MindMed completed a non-brokered private placement financing for US$6 million.
- **February 28, 2020:** MindMed completed its previously announced oversubscribed brokered private placement financing, in multiple tranches for gross proceeds of $32 million.
- **March 3, 2020:** MindMed began trading on the NEO Exchange under the symbol NEO:MMED.
- **March 12, 2020:** MindMed formed a Technology Evaluation, Acquisition and Scientific Integrity Board Committee to identify and expand the company's clinical trial pipeline and IP portfolio of psychedelics. The committee will be advised by Johns Hopkins Professor of Psychiatry and Behavioral Sciences, Dr. Matthew Johnson, Ph.D.
- **March 25, 2020:** MindMed began enrollment in human safety studies of 18-MC, the company's orally-active drug candidate for the treatment of opioid use disorders. MindMed expects to begin Phase 2 trials of 18-MC in opioid use disorder patients in late 2020.
- **March 30, 2020:** MindMed released its fourth quarter and FY19 financial results.
- **April 1, 2020:** MindMed announced the signing of a multi-year, branch exclusive collaboration with the laboratory of Professor Dr. Matthias Liechti at University Hospital Basel in Switzerland. Under the agreement, MindMed gains exclusive rights to data, compounds and patent rights associated with the lab's research and other psychedelic compounds, including data from preclinical studies and eight completed or ongoing LSD clinical trials.
- **April 16, 2020:** MindMed announced that it began dosing the first subject in an additional Phase 1 human safety trial of 18-MC. MindMed aims to begin Phase 2 trials of 18-MC in opioid use disorder in late 2020.
- **April 17, 2020:** MindMed Announces U.S. Trading on the OTCQB Venture Market Under Symbol MMEDF.
- **April 20, 2020:** MindMed announced the promotion of pharmaceutical industry veteran Jeanne Bonelle to Executive Vice President of Technical Operations. Ms. Bonelle has industry expertise in supervising the quality and regulatory processes required to produce cGMP medicines.
- **April 21, 2020:** MindMed in collaboration with the UHB discovered and filed a patent application in the US for a neutralizer technology that could work towards becoming an "off-switch" for an LSD trip.

Strategy

The MindMed business model involves strictly taking the regulatory approach to commercialize psychedelics as a regulated medicine used for treating mental illnesses, such as addiction and Adult ADHD. The company has made a clear commitment to avoid the recreational aspect of psychedelics. MMED will also be strategically seeking innovative IP companies with tangible clinical trial pipelines to acquire in an effort to bolster their platform. The main tenets of this strategy are:

- **Develop FDA-approved and patent-protected psychedelic-based medicines:** MindMed is focused on developing two classes of medicines: hallucinogenic therapies and non-hallucinogenic medicines. On the non-hallucinogenic front, the 18-MC (18-methoxycoronardine) molecule and LSD micro-dosing program are the company's current clinical trial candidates. Hallucinogenic therapies have not yet been announced by the company, but may eventually become a part of its clinical trial pipeline. MMED's goal is to obtain FDA approval status, commercialize them as medicines for mental health-related illnesses, and patent-protect the various molecular entities and processes involved to ensure a competitive advantage for several years following approval.
- **Strategically acquire IP companies:** Seeking out innovative IP companies to acquire and strengthen their existing platform is another way the company intends to bolster its current pipeline. MindMed has established the board committee to evaluate potential acquisitions and collaboration opportunities.
- **Work with medical professionals and other potential partners to distribute products:** MindMed currently relies on contract manufacturers for the production of 18-MC and other drug candidates. In the future, joint-ventures, collaborations or other partnerships may be required to scale manufacturing capabilities as part of a drug development platform for psychedelic inspired medicines. The Company expects that hallucinogenic-based treatments will likely need to be administered in clinics or hospitals under the supervision of medical professionals, while non-hallucinogenic medicines may be prescribed by a doctor and picked up from a local pharmacy. These relationships will be integral to the success of advancing its medicines to the revenue and profit generation phases.
- **Partnership with pharmaceutical companies:** Given the size and scale to back costly clinical trials and commercialization process, big pharmaceutical companies often acquire/partner with small biotechnology/pharmaceutical companies in return for royalty payments and a piece of the future revenue opportunity. MindMed will look for such opportunities with pharma companies and other relevant stakeholders to fund the remaining steps to commercialization and distribution of developed drugs. Given the company's trials are currently in Phase 1/2 status, our future assumptions for MMED do take into account some form of royalty structure present within the revenue model to account for the cost of bringing drugs to FDA approved status. Ultimately, MMED wants to initiate as many clinical trials as they can, and work with the necessary organizations to bring these medicines to market as fast and effectively as possible.

Figure 5: MindMed has a multi-pronged strategic approach

Strategy	IP development	Strategic acquisition	Collaboration with distribution partners	Partnership with big pharma companies
Description:	Internally generate IP-protected assets through the regulatory processes and guidance of the FDA and other regulatory bodies	Acquire IP companies, clinical trials, and infrastructure pertinent to the treatment of mental illnesses	Work with healthcare professionals and other partners for the distribution of products post FDA approval	Enter into licensing deals with pharma companies to fund pathway to FDA approval in exchange for royalty payments
Example:	18-MC, LSD microdosing	Rights to the 18-MC molecule, LSD trials with UHB	Hospitals, HC providers, Joint-ventures	License/Royalty agreements/Upfront payments

Source: Eight Capital, Company reports

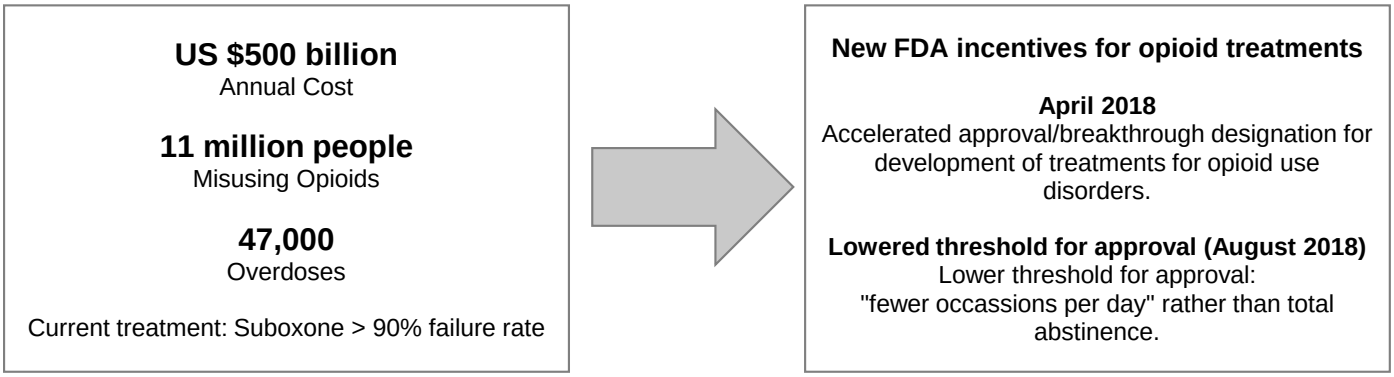
18-MC PROGRAM

About: 18-Methoxycoronaridine (18-MC) is a synthetic derivative of ibogaine designed to treat addiction by keeping dopamine levels within a range that regulates highs and reduces cravings. In early trials, 18-MC has proven effective for treating addiction in animals. In 2019, MindMed acquired the rights for 18-MC, designed to eliminate hallucinations and side effects of ibogaine, such as a slowed heart rate and tremors.

Market Overview: One of the areas on which MindMed will initially focus is the opioid addiction crisis in the United States. It is estimated that there are at least 11 million people misusing opioids, with an annual cost to the economy of an estimated US$500 billion. To date, existing addiction treatments have been ineffective, and the FDA has provided incentives for effective treatments, such as accelerated approval and breakthrough therapy designation for the treatment, and a lower threshold for approval (accepting a standard of "fewer occasions per day" rather than total abstinence).

It is important to note that when it comes to treatment for addiction, current FDA-approved treatments do not address the mechanism of addiction. These are mostly substitution therapies, like nicotine patches, for instance, which also have addictive properties and high rates of relapse.

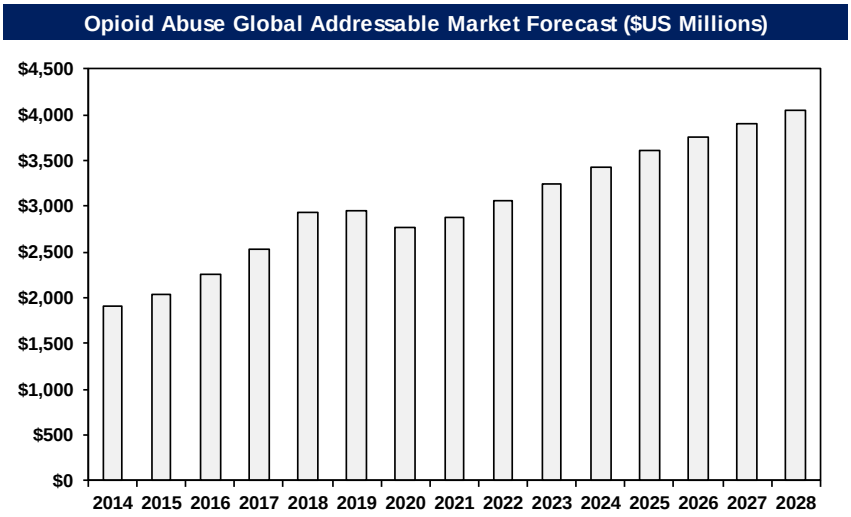
Figure 6: There has been increasing support from the FDA for the treatment of opioid addiction



Source: Company presentation, Eight Capital

Even though the current treatment is ineffective (failure rate of Suboxone is about 90%), huge annual revenues are being generated in this market, with projected worldwide pharma sales for opioid abuse having now reached ~US$4 billion in total sales. The size of the US addiction market as a whole is around $42 billion in size, representing a massive market opportunity for MindMed.

Figure 7: Potential addressable market opportunity for 18-MC



Source: IQVIA

Takeaway: We think there is a massive opportunity here for MMED to capture share in the US addiction market where current therapies have largely proven ineffective. While its current addressable market for 18-MC is ~$4 billion (just for opioid addiction), successful results could unlock other addiction markets (nicotine, vaping etc.) worth over $40 billion.

Timeline: MindMed continues the development of its 18-MC drug development program, and plans to further human safety studies for 18-MC throughout its upcoming trials. The Company has begun dosing the first subject in an additional Phase 1 human safety trial of 18-MC. The company's Opioid Withdrawal study should be able to conduct a fairly fast Phase 2 due to the urgency from the FDA to combat this illness. The company currently anticipates the potential for a breakthrough designation in 2021, with provisional approval thereafter and the possibility of a Phase 3 to be conducted on the market (part of the "rolling review" with the FDA) potentially by early 2022. On the Opioid Use Disorder front, MMED is on track to begin Phase 2 trials in opioid use disorder by the 2021, and is aiming to file an NDA in 2023.

Figure 8: Timeline for 18-MC clinical trials

18-MC Program					
Pre-Clinical	Phase I	Phase IB (Q2/20)	Phase 2 (2020/2021)	Phase 3 (2021/2022)	
Results: 1. IND Filed (FDA) 2. Animal Studies 3. Toxicology Studies 4. Cardiac Toxicology	Results: 1. Safety in Humans 2. No Cardiac Toxicity in Humans 3. Non-Hallucinogenic 4. Higher blood levels / Higher Absorption	30 - 50 Patients, Long-term Dosing Conducting 1B allows MindMed to shorten the Phase II study in Opioid Withdrawal	**Indication: Opioid Withdrawal**		
			150 patients, Long-term dosing Proves efficacy of 18-MC in opioid withdrawal	MindMed will leverage FDA urgency for Opioid Withdrawal solution for an expedited conditional approval	NDA Conditional approval Conduct Phase 3 once on market potentially in early 2022
			Indication: Opioid Use Disorder		
			2021: 225 patients, Long-term dosing Proves efficacy of 18-MC for opioid dependence	Pivotal Study with 350 patients, Long-term dosing Proves efficacy of 18-MC for opioid dependence	Potential NDA in 2023

Clinical Pipeline						
Non-hallucinogenic psychedelics	Area of research	Pre-clinical	Phase I	Phase 2	Phase 3	Next anticipated milestone
18-MC (Ibogaine Derivative)	Opioid Withdrawal Treatment	→				2020: Phase 2 Initiation
	Opioid Use Disorder (OUD)	→				2021: Phase 2 Initiation

Source: Company presentation, Eight Capital

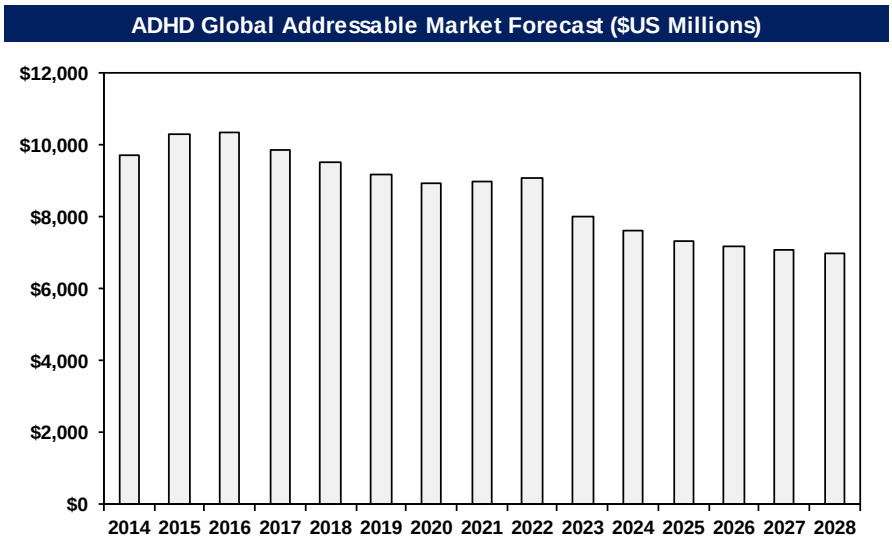
LSD MICRO-DOSING PROGRAM

- **About:** LSD is a psychoactive substance first synthesized in 1938 by Dr. Albert Hoffman. In the 1950's and 1960's, psychedelics such as LSD and psilocybin showed some evidence of success in treating mental illnesses, but funding for psychedelics research dried up as "hippie" counterculture embraced the drugs, generating a negative societal impact. Since then, the UN Convention on Psychotropic Substances classified LSD as a Schedule 1 substance, a category of illicit drugs deemed to offer no medical benefit and with a high potential for abuse.

  This is in the process of changing dramatically, as LSD has shown tremendous potential in the treatment of mental illnesses such as depression, anxiety and ADHD. The practice of micro-dosing has gained popularity, especially among engineers in the Silicon Valley area, which anecdotally is believed to enhance productivity and stimulate creativity. Borrowing from this change in acceptance and massive potential benefits for mental health issues, MMED has embarked on its strategy to commercialize medicines through a micro-dosing approach.

- **Market Overview:** There are ~20 million people in the US currently diagnosed with Adult ADHD, with several million more likely undiagnosed. In terms of addressable market according to estimates from IQVIA, the global ADHD market is estimated to be in the high single digit billions of dollars.

Figure 9: Potential addressable market opportunity for LSD micro-dosing for Adult ADHD



Source: IQVIA

- **Strategy:** MindMed is developing a drug program based on sub-perceptual amounts of LSD. The company believes that this program will be the first ever Phase 2 micro-dosing trial for adult ADHD.
  - **Partnership with The Liechti Lab:** The Company announced that it acquired the world's largest collection of previous and ongoing clinical trials for LSD through a research partnership with the world's leading research lab for the substance at the University Hospital Basel in Basel, Switzerland. The Liechti Lab and research team is led by Dr. Matthias Liechti. These studies have been conducted both in patients and healthy volunteers over a 10-year period, now giving MindMed a significant head start and leading position in the LSD space for clinical trials. The multi-year deal not only gives MMED access to eight trials and relevant LSD psychedelic research, but also allows the Company to access future psychedelic research that Dr. Liechti and his team complete that could lead to additional trial potential. It is also worth highlighting that Dr. Liechti has extensive experience working with MDMA and other psychedelic substances with substantial medicinal promise.

- Under the terms of the deal with research lab led by Dr. Liechti, MindMed will support current and future clinical trials and support MindMed's planned micro-dosing study of LSD as a potential treatment for adult ADHD. The Company plans to provide research funding and milestone payments. In return, the Company will receive the exclusive license to existing and future data and IP generated from these clinical trials. The University Hospital Basel will receive royalties and development revenue on any products marketed through the collaboration.

Timeline: In the last quarter, the Company formed its psychedelics micro-dosing division. This division has begun preparing a Phase 2 trial for the micro-dosing of LSD, and is looking to develop a non-hallucinogenic prescription medication consisting of LSD. MMED expects this to commence later in 2020 with a Phase 3 trial to follow sometime in 2022, and FDA approval in 2023/2024. Breakthrough designation could also be applicable for these indications, which would serve to accelerate some of these aforementioned timelines similar to the potential for 18-MC.

Figure 10: Timeline for LSD program

LSD Micro-dosing Program			
Pre-Clinical / Phase I	Phase 2 Study (2020)	Phase 3 (2021/2022)	
No need for Phase I trial due to MindMed's acquisition of toxicology & safety data from a partner institution	**75 Patients, Long-term dosing (3 month)** **Potential outcome/value driver:** **1. Prove efficacy of LSD microdose increases focus in ADHD patients** **2. Readies for larger and multi-site Phase 3 study** **3. Long-term dosing efficacy**	**Multi-site study**	

Clinical Pipeline						
Non-hallucinogenic psychedelics	Area of research	Pre-clinical	Phase I	Phase 2	Phase 3	Next anticipated milestone
Microdose LSD	**Adult ADHD**	→				**2020: Phase 2 Initiation**

Source: Company presentation, Eight Capital

Future Optionality

The Company is also interested in the data and outcome of an ongoing randomized placebo-controlled Phase 2 trial of high-dose LSD for the treatment of anxiety. The active arm of the Phase 2 trial is evaluating two single-dose administrations of LSD for the treatment of persons suffering from anxiety symptoms. MindMed is currently examining the creation of a drug development program using hallucinogenic doses of LSD for the treatment of anxiety disorders. The market size for US anxiety disorder treatment is estimated to be in the mid to high single digit billions of dollars, while affecting an estimated one in five Americans.

Figure 11: Potential timeline for High-dose LSD

Clinical Pipeline						
Non-hallucinogenic psychedelics	Area of research	Pre-clinical	Phase I	Phase 2	Phase 3	Next anticipated milestone
Highdose LSD	**Anxiety Disorders**	⇢				**(Under collaboration with UHB, evaluating commercial drug trials)**

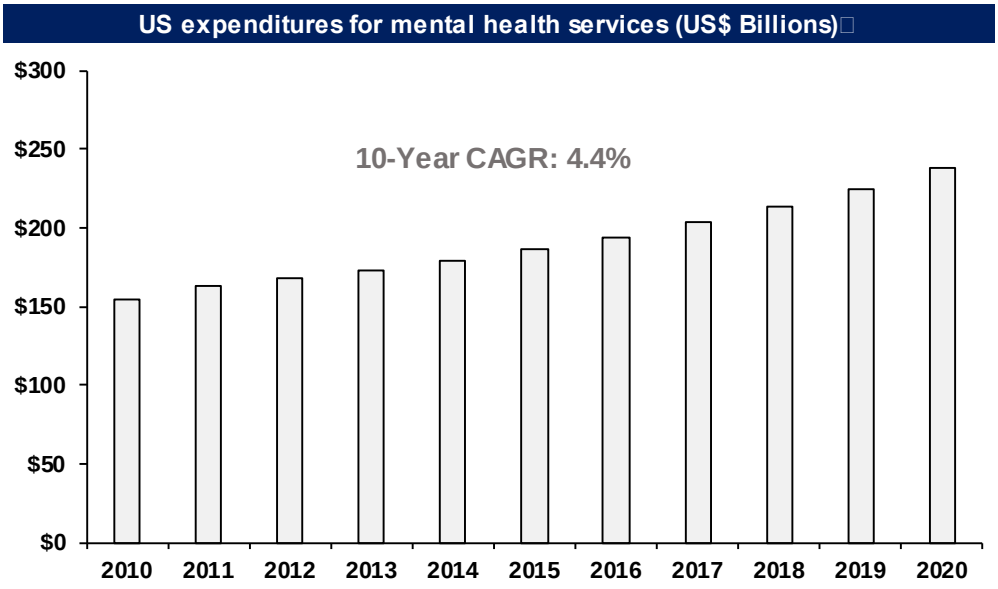
Source: Company presentation, Eight Capital

ADDRESSABLE MARKETS OVERVIEW

Overall Mental Health Treatment Market

MMED's addressable markets fit into the overall spectrum of mental health illnesses. In the US, the addiction rehab market by itself is a very large addressable market - sources suggest this to be in excess of ~$40 billion. Meanwhile, expenditures for mental health services in the US continue to grow, having steadily increased in the United States at 4.4% CAGR over the last ten years.

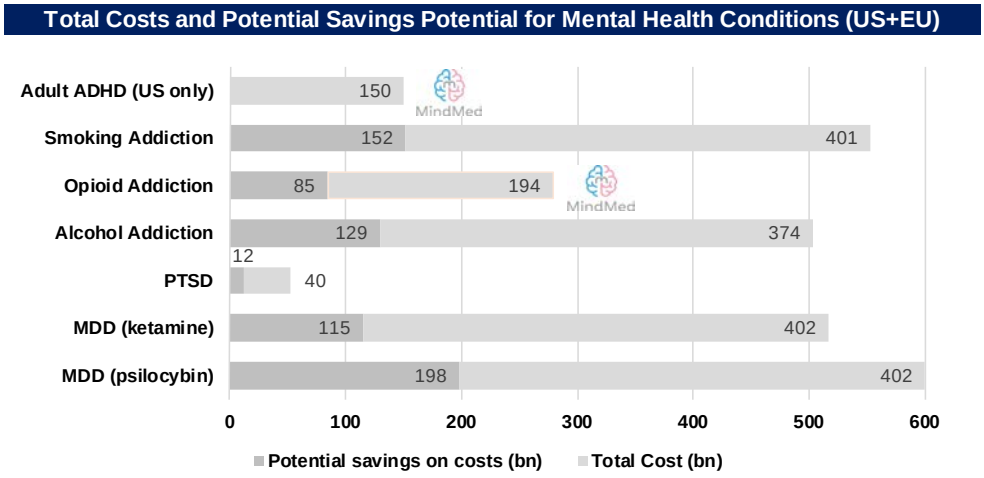
Figure 12: U.S. expenditures for mental health services (in USD)



Source: Statista, Eight Capital

The high societal costs for mental health transcend just addiction markets, although the opioid addiction market alone amounts to ~$200 bn in annual costs. According to Prohibition Partners, psychedelic-assisted therapies can potentially offset a large portion (~$80 bn) of the cost for this illness if properly implemented. Looking beyond just opioid addiction, summing the total costs for a number of illnesses equates to total costs that get into the trillions of dollars for both the US and Europe. The potential cost savings and overall benefits to society make the backdrop and ultimate revenue capture opportunity very fruitful, growing incrementally as additional indications are layered onto MMED's pipeline of available opportunities.

Figure 13: Potential cost savings from psychedelic-assisted therapies vs. cost of mental health conditions in the US/EU



Source: Eight Capital, Prohibition Partners

Taking an even more holistic view on the addressable markets available to psychedelic substances through FDA-approved medicines, using an estimated tally of various substances and their respective treatment markets, we estimate the total addressable market to be in excess of $100 billion. We envision MMED being able to increasingly tap into this large backdrop as it acquires and develops additional clinical trials for a number of different indications (including the potential for some highlighted below).

Figure 14: Psychedelic substances have the potential to serve a market backdrop worth over $100 billion

Health condition	Psychedelic substance							Estimated Market size	Population impacted
	Psilocybin	Ibogaine	DMT/Ayahuasca	Mescaline/Peyote	LSD	Ketamine	MDMA	US$ Billions	In Millions
Depression (MDD) (TRD)	✓	✓			✓	✓		1*	16
Bi-polar disorder						✓		5	46
Anxiety	✓				✓	✓		5+	40
Suicidal ideation						✓		3	1
Drug and alcohol dependence	✓	✓	✓	✓	✓	✓		3	40
PTSD	✓	✓	✓				✓	7	7
Social anxiety/Autism						✓	✓	<1	15
Obesity							✓	2	120
Cluster headaches	✓				✓			1	0.3
Narcolepsy							✓	2	0.2
Symptoms of OCD	✓							-	2
Anorexia nervosa	✓							1	30
Inflammation & Arthritis				✓		✓		10+	60
Alzheimer's disease	✓				✓			3	5
Fibromyalgia						✓		1	8
Tourette's syndrome					✓			-	0.2
ADHD					✓		✓	7	10
Total								50+	300+

**Global market size*

Source: Eight Capital, Prohibition Partners

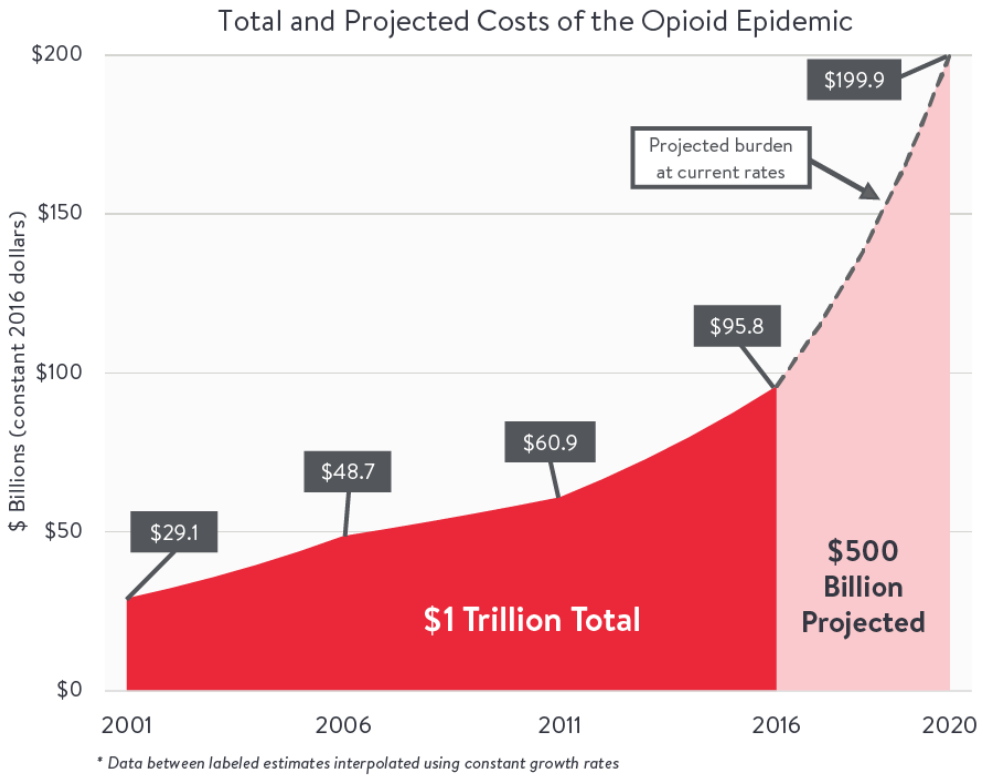
Opioid Misuse Market (Applicable to 18-MC)

Opioid Crisis Recap: The misuse of and addiction to opioids (including deadly substances such as fentanyl) is a serious national crisis in the US that affects more than 10 million, while costing the economy $500 billion a year. To recap, in the late 1990s, pharmaceutical companies had reassured the medical community that patients would not become addicted to prescription opioid pain relievers. As a result, healthcare providers began to prescribe them at greater rates, which subsequently led to widespread diversion and misuse of these medications before their highly addictive properties became apparent. The outcome was a rise in opioid overdose rates.

In 2018, an estimated 10.3 million Americans aged 12 and older misused opioids, including 9.9 million prescription pain reliever abusers and 808,000 heroin users.

In 2017, there were more than 70,200 overdose deaths in the US, and 47,600 of those overdose deaths involved opioids, according to the US Department of Health & Human Services.

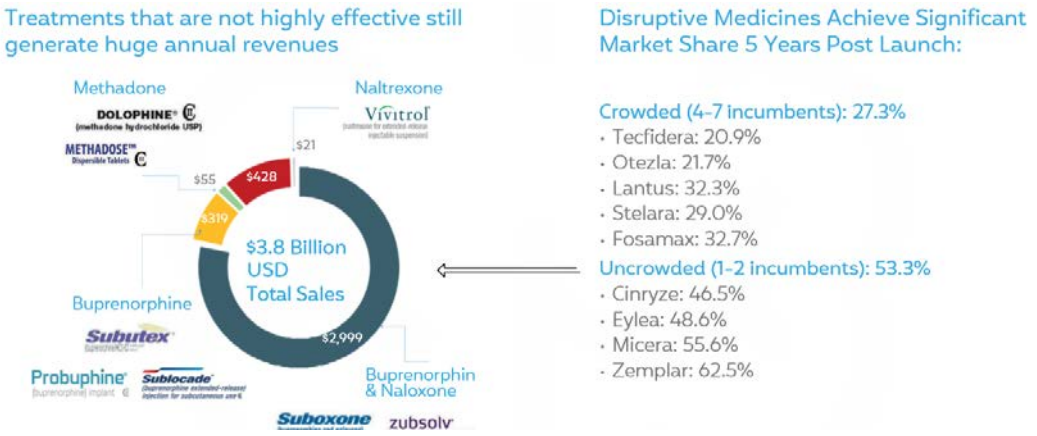
Figure 15: Total and projected costs of the opioid crisis



Source: Eight Capital, The Economist

Current TAM: The current market for opioid disorder consists of the following drugs: Buprenorphine (Sabutex, Probuphine, Sublocade), Methadone (Dolophone, Methadose), Naltrexone (Vivitrol), and Buprenorphin & Naloxone (Suboxone, Zubsolv), representing ~$4 billion total sales according to data from IQVIA. We note that these treatments are generating substantial revenues despite having varying degrees of ineffectiveness. As a result, we see the potential for disruptive medicines, such as those currently being worked on by MMED, to be able to capture a meaningful market share upon FDA approval.

Figure 16: Current opioid addiction treatment



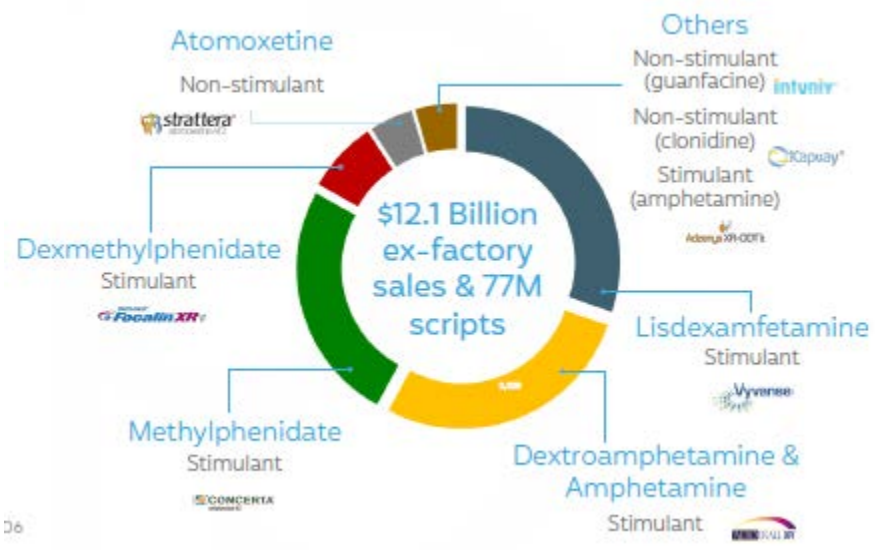
Source: Company presentation, Eight Capital

Future Opportunities/Our Forecasts: The opioid crisis has resulted in a fall in demand for some of these treatments, and in our view, MindMed is well-positioned to capture market share with new and safer treatment options. Should 18-MC prove effective for opioid addiction, MindMed has the potential to expand its platform to other forms of addiction, which represent a total addressable market worth up to a ten-fold increase greater than that of its current backdrop in Opioid Use Disorder.

Adult ADHD (Applicable to LSD Micro-dosing)

With more than 19 million adult ADHD sufferers, the ADHD drug market has seen a growth in recent years driven by increasing access to health insurance for mental health treatment, in combination with a rising incidence of ADHD. Stimulants by far accounted for the largest share in the market.

Figure 17: Current ADHD treatments are dominated by stimulants



Source: Company reports, Eight Capital

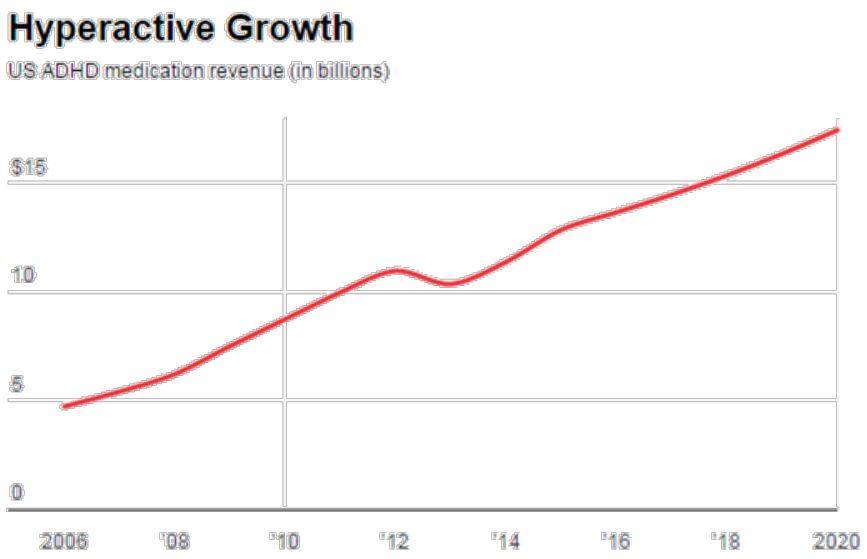
Relevant statistics:

- There are currently 16 million adults in the US that are on prescription stimulants, such as Ritalin and Adderall.
- ADHD diagnoses among adults are four times faster than diagnoses among children in the United States.
- The prevalence of ADHD among adults rose from 0.43% to 0.96% between 2007 and 2016, reflecting a 123% increase.
- In 2019, projected worldwide pharma sales for ADHD was $9.2 billion, according to IQVIA.

MindMed plans to develop intellectual property that will allow micro-doses to be prescribed by local physicians and to be taken at home. Further, these non-hallucinogenic medicines will help to counterbalance the market that is currently dominated by stimulants.

Current TAM: On the high end of the range, according to research published by IBIS World, the US ADHD medication revenue is expected to reach north of US$15 billion by the end of 2024. IQVIA meanwhile estimates a number just shy of $8 billion. It is estimated that less than 20% of adults with ADHD have been diagnosed or treated, with only about 25% of adults seeking help for ADHD, which will likely constrain adult usage rates of the drugs. The demand for ADHD drugs has increased in recent years, with improved reimbursement opportunities and increased awareness for mental health conditions. MMED's non-stimulant micro-dosing option would offer a compelling over-the-counter solution for patients.

Figure 18: US ADHD medication revenue

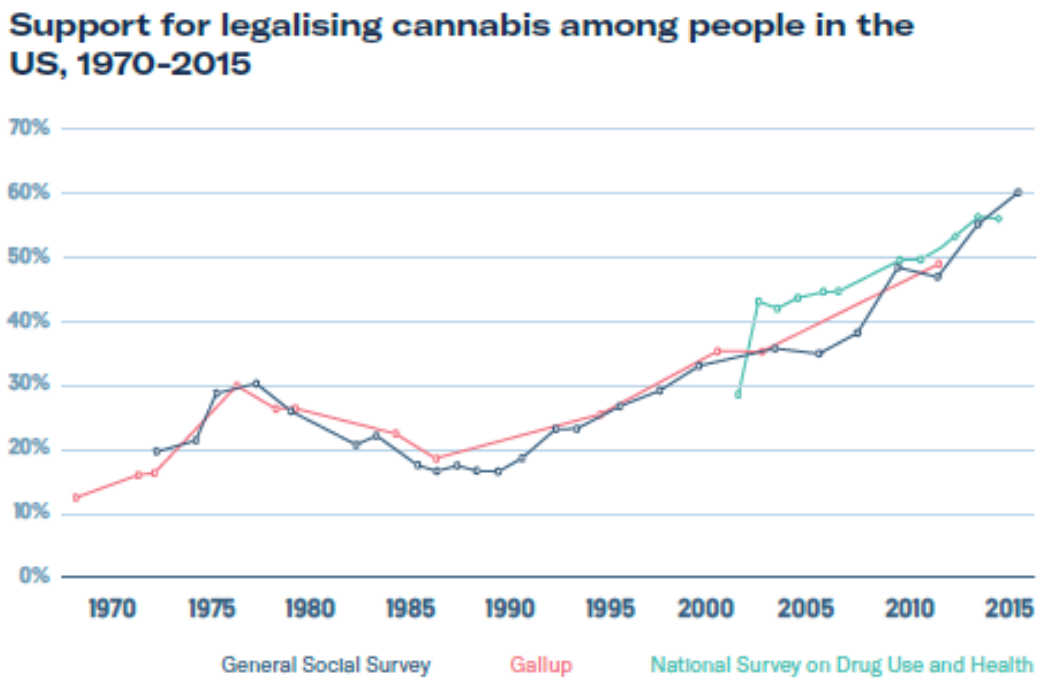


Source: IBIS World, Eight Capital

Why Psychedelics now?

- **Changing perceptions:** Although there is still a federal ban on LSD, it is safe to say the public perception has begun to shift in favour of medical uses for those previously banned substances. Part of this shift can be characterized as well by the increasing support for legalizing cannabis from 1970 onwards. The FDA has confirmed this shift in attitude as well, as both MDMA and psilocybin have received Breakthrough Therapy Designations (BTD) from the FDA in the US, bringing them one step closer to approval for commercial use. The rising support is further evidenced by the FDA's decision in January 2020 to include MDMA in an Expanded Access Programme (EAP), which will allow ten sites across the US to receive approval to administer the drug under a doctor's supervision.

Figure 19: Support for legalizing cannabis



Source: Prohibition Partners

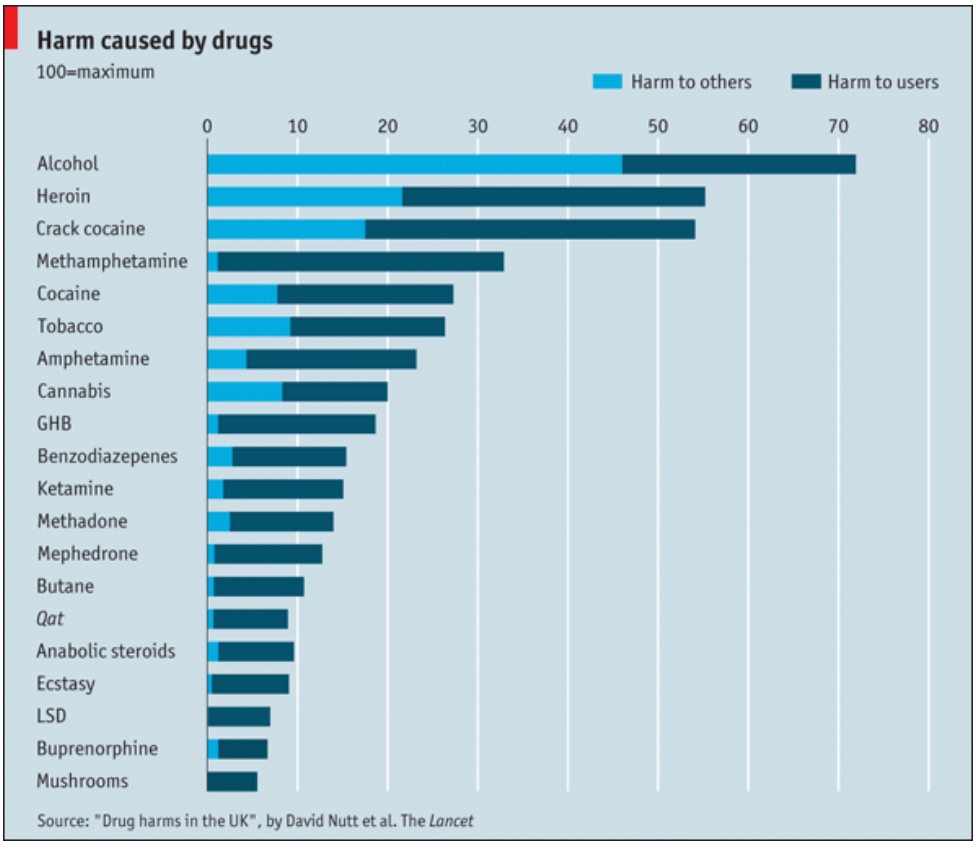
Figure 20: Key developments relating to psychedelics

Year	Month	Event	Location
1896		Arthur Heffter isolates mescaline for the first time	Germany
1901		Dybowsky and Landrin isolate ibogaine for the first time	France
1912		Anton Kollisch synthesises MDMA for the first time	Germany
1943		Albert Hoffman synthesises LSD for the first time	Switzerland
1958		Albert Hoffman isolates psilocybin for the first time	Switzerland
1962		Calvin Stevens synthesises ketamine for the first time	US
1966	May	California bans LSD	US
1968	October	Staggers-Dodd bill passes, banning possession of LSD and other stimulants and depressants without a prescription	US
1971	February	UN publishes the Convention on Psychetropic Substances; psychedelics including LSD, DMT, and MDMA are now internationally controlled substances	Global
1971	May	US Controlled Substances Act comes into effect, moving most major psychedelic drugs to Schedule 1	US
1971	May	UK passes Misuse of Drugs Act 1971, placing controls on most known psychedelics	UK
1996	June	Canada moves many psychedelics, including LSD and psilocybin, to Schedule III	UK
2000	November	World's first clinical trial of MDMA-assisted psychotherapy begins in Madrid	Spain
2001	July	Personal possession of all drugs decriminalized in Portugal	Portugal
2017		MDMA-assisted psychotherapy granted BTD from US FDA	US
2018	October	COMPASS Pathways receives BTD from US FDA for psilocybin synthetic derivative, COMP 360	US
2019	March	Esketamine approved in the form of Spravato by FDA, followed by European Commission approval in December	Global
2019	May	Denver, Colorado votes to decriminalize psilocybin mushrooms	US
2019	June	Oakland, California votes to decriminalize psilocybin mushrooms	US
2019	November	The world's first double-blind clinical trials using LSD are approved in Auckland	New Zealand
2019	November	Usona Institute receives US FDA BTD for psilocybin treatment for MMD	US
2019	December	MAPS application for an Expanded Access program for MDMA-assisted psychotherapy for PTSD approved by FDA	US
2020	January	COMPASS Pathways announces US patent approval of COMP360, its synthetically derived psilocybin for the treatment of TRD	US
2020	February	Santa Cruz, California votes to decriminalize psychedelic substances including psilocybin, ayahuasca and peyote	US
2020	March	MindMed becomes the first publicly listed psychedelics company	US

Source: Eight Capital, Prohibition Partners

- **Psychedelics offer relatively lower harm profile:** Based on research conducted by The Lancet, LSD is relatively safer compared to other drugs. The results placed psychedelics at the lowest end of the spectrum in terms of harm to others and to the users themselves. This reduced risk profile should further help to demystify the negative stigma around psychedelics, and could ultimately be a tailwind for psychedelics support for medicinal purposes.

Figure 21: Harm caused by drugs



Source: The Lancet, Eight Capital

- **Demand for mental health treatment likely heightened due to COVID-19:** The post COVID-19 world is one with increasing mental health issues. Evidence of this is (i) Xanax prescriptions are up 14.5% in March; and (ii) a first quarter claims report (using a sample of over 30 million people) by Express Scripts showcased a 21% increase in demand for antidepressant, anti-anxiety and anti-insomnia medications. This further boosts the relevancy of psychedelics as the issues surrounding mental health accelerate.

COMPETITIVE LANDSCAPE

Overview by business segment

There are a growing number of companies involved in the commercialization of psychedelics, in some cases transcending the pharmaceutical angle altogether. To get a better sense of how the psychedelics landscape has grown, we have broken down the market into three segments: pharmaceutical, recreational and clinical.

- On the pharmaceutical side, changing legal and regulatory frameworks in the U.S. have rapidly grown the number of psychedelics companies active in creating FDA-approved medicines. We view this segment as the most likely candidate for institutional investor interest, as it takes a legal approach while working hand-in-hand with the FDA for indications the organization itself has highlighted as high priority in nature. MindMed's focus will be exclusively on the pharmaceutical side, which generally carries a better margin profile (upon commercialization), as well as compared to the other two segments.
- On the clinics side, the sector at present is entirely unregulated, with clinics offering varying degrees of quality of service to patients. The regulatory risk places an element of uncertainty surrounding ensuring continuity of the business model.
- The recreational market continues to develop, although at this stage the illegal nature of the compounds make it a very high risk opportunity, as there is no certainty that psychedelics will be legalized.

Figure 22: Some relevant comparables in the rapidly growing psychedelics space

Psychedelics Comparable Companies

Company	Asset/Operation Details	Stage of Trial	Indications	Substance
Key Players				
ATAI Life Sciences	- Incubator and investor in psychedelic companies (includes COMPASS Pathways)	-	Depression Anxiety Addiction	Psilocybin Ibogain Arketamine
Compass Pathways	- Develops psilocybin-based formulation called COMP360 - Clinical trials in Europe and North America	Phase 2B/3	Depression	Psilocybin
MindMed (Public)	**- Clinical development of 18-MC for opioid addiction disorder and micro-dosing of LSD for Adult ADHD** **- Phase I completed for both treatments (US$11 mm spent) with Phase II beginning in 2020**	**Phase 1B/2**	**Opioid Addiction ADHD**	**18-MC LSD**
Pharmaceutical Segment				
Diamond Therapeutics	- Human clinical trials with low dose psilocybin in 2020 - Exclusive worldwide GMP psilocybin development & supply agreement with Dalton Pharma Services	Phase I	Depression Addiction OCD	Psilocybin
Eleusis Holdings	- Pursuing various clinical trials on a number of indications	Phase I	Multiple	LSD
Mindset Pharma	- Focused on all indications and buildling base compounds - Filed patent applications in early 2020 to (1) enable drugs under new chemical entities (2) combine psychedelics with known drugs	-	Depression, PTSD and Anxiety	Psychedelic-based compounds
Psybio Therapeutics	- Investing in preclinical procedures with the expectation to begin on Phase II clinicals in 2021 on a biosynthetic psilocybin compound for the treatment of cancer-related depression	Pre-Clinical	Cancer-related depression	Synthetic psilocybin
Sansero Life Sciences	- Psilocybin focus with novel formulations on minimally effective dosing for depression/ADHD	Pre-Clinical	Mental health Inflammation Opioid abuse	Psilocybin
Revive Therapeutics (Public)	- Closed acquisition of psilocybin company in March 2020 (Psilocin Pharma Corp.) - Filed patents for psilocybin-based formulations in various forms (capsules, gel caps, sublingual, tablets)	-	Depression Anxiety Bi-polar Anorexia	Psilocybin

Company	Asset/Operation Details	Stage of Trial	Indications	Substance
Clinics Segment				
Clear Sky Addiction Solutions	- Plans to have a network of ~25+ clinics to administrate the psychedelic compound Igogaine for treating opioid addiction	Phase II submission by Dec. 2020	Opioid addiction (Ibogaine)	Ibogaine
Field Trip	- Toronto is open, planned locations include NY, LA, SF, Chicago, Washington - Services include psychedelic-assisted psychotherapy and ketamine-assisted psychotherapy	-	Depression PTSD Anxiety	Ketamine
Numinus / Salvation Botanicals	- Salvation Botanicals owns a dealer's license allowing for the purchasing and testing of psychedelic compound - Numinus operates a clinic in BC offering integrative health solutions	-	-	-
Recreational/Diversified Segment				
Champignon Brands (Public)	- Mushroom infused organic tea products sold online - Recent acquisitions: craft mushroom cultivation facility in B.C; Tassili Life Sciences which is conducting pre-clinical studies in partnership with the University of Miami on psilocybin to to treat mTBI and PTSD; AltMed Clinic located in Mississauga is the only licensed facility by Health Canada for psilocbyin and ketamine assisted therapy	-	Depression PTSD Anxiety	Ketamine Psilocybin
Cybin	- Focus on medicinal mushrooms (nutraceuticals) and psilocybin drug development (pharma)	Phase I	Depression Anxiety PTSD Addiction Anorexia	Mushroom Psilocybin
Neon Mind	- Commenced construction on licensed facility in Jamaica - R&D team will work on developing IP	-	Depression	Psilocybin
Silo Wellness	- Patented nasal spray that they are looking to roll out - Building out operations in Jamaica to manufacture and sell wellness and psychedelic products including tinctures, drinks and sprays	Pre-Clinical	Depression PTSD Anxiety	Psychedelic-based products
Roadman Investments Corp. (Public)	- Definitive for JV in California with Amsterdam-based Psychedlic Insights offering legal retreats that utilize psychotropic substances - Provide advisory services to Altmed's pre-clinical drug discovery R&D - Investor in Champignon with ~3% ownership	-	Depression	Psychotropic substance

Source: Eight Capital, Company reports

Competitive Overview by Psychedelics

Figure 23: Psychedelic classification (highlighted indicates potential for MMED)

Psychedelic classification					
Drug	UN Status	US Status	Origin	Indications	Method of administration
DMT	Schedule I	Schedule I	Plant	Addiction, inflamation, arthritis	Vaporizing or smoking
Ibogaine	Uncontrolled	Schedule I	Plant	Addiction	Oral
18-MC	Not controlled	Not controlled	Synthetic	Addiction	Oral
Ketamine	Uncontrolled	Schedule III	Synthetic	Depression, anxiety and chronic pain	Oral (pills or liquid)
LSD	Schedule I	Schedule I	Synthetic	Depression, anxiety, schizophrenia, alzheimer's	Oral (pills, liquid, drug-soaked paper pieces)
MDMA	Schedule I	Schedlue I	Synthetic	PTSD, depression and anxiety	Oral (pills or liquid)
Mescaline	Schedule I	Schedule I	Cacti	Arthritis, inflamation, addiction	Oral (pills or liquid)
Psilocybin	Schedule I	Schedule I	Mushrooms	Depression	Consumed raw or dried

Source: Eight Capital

Figure 24: Clinical trials of psychedelic substances against specific conditions in 2020

Clinical Trials of Psychedelic Substances Against Specific Conditions							
Drug	North America	Latin America	Europe	Africa	Middle East	Asia	Total
Ketamine	95	4	14	8	7	5	**133**
Psilocybin	17	0	3	0	0	0	**20**
MDMA	6	0	3	0	2	0	**11**
LSD	0	0	3	0	0	0	**3**
Ibogaine	0	1	1	0	0	0	**2**
MMED - LSD							**8**
MMED - 18-MC							**2**

Source: Prohibition Partners, Eight Capital

Ketamine

General information: Ketamine was first synthesized in 1962 and is used most commonly in veterinary practice as an animal tranquilizer. It is a psychoactive, hallucinogenic substance and is available in liquid-soluble form. It is classified as a Schedule III drug under the Controlled Substance Act.

Clinical trials: Ketamine has the greatest number of clinical trials among the set of psychedelics substances. As of 2020, there are over 130 ongoing clinical trials, with the majority originated in North America (95) followed by Europe (14).

Medical benefits: A number of treatment centres that use ketamine have been increasing in recent years. Mental health conditions treated in ketamine-infusion therapy clinics include depression, anxiety, bi-polar disorder, suicidal ideation, OCD and PTSD.

Psilocybin

General information: Psilocybin is a psychoactive substance with hallucinogenic properties that can be derived from over 200 varieties of mushroom. It can promote serotonin activity in the human brain and possibly disrupt dysfunctional brain connectivity, thus offering a potent new alternative for the treatment of a wide variety of neurological and mental health conditions. Psilocybin has received Breakthrough Therapy Designation from the FDA and could lead to a similar potential outcome for other substances.

Clinical trials: A total of 20 clinical trials have been registered, with the majority originated from North America.

Medical benefits: It has potential therapeutic benefits for anorexia nervosa, anxiety, social anxiety in patients with autism, depression, PTSD, substance misuse, cluster headaches and OCD.

Ibogaine

General information: Ibogaine is a psychoactive substance extracted from the bark of the root of an African rainforest shrub. The shrub is a protected species in its native Gabon in West Africa, where its natural habitat is under threat. It has spiritual significance for practitioners of the Bwiti religion in West Africa, and has established history as a treatment for substance use disorder, particularly in South American countries such as Mexico and Guatemala where ibogaine is legal and unregulated.

Clinical trials: There are two studies on the clinicaltrials.gov that list ibogaine as an intervention. Both studies, which originated in Brazil and are not currently active, examine ibogaine's potential to treat substance use disorder that include methadone detoxification and alcoholism.

Medical benefits: Ibogaine has the potential to decrease a patient's misuse of stimulants, opiates and alcohol, and reduces symptoms of withdrawal (from opiates) after the administration of a single dose. Downsides include high cardio toxicity.

18-MC

General information: 18-MC is a derivative of ibogaine and was first synthesized in mid-90s. The hallucinogenic effect of ibogaine is eliminated, and it is known not to have cardiac toxicity.

Clinical trials: MindMed is preparing 18-MC for a Phase 2 FDA clinical trial targeting opioid-use disorder.

Medical benefits: 18-MC will be used for treating patients with opioid-use disorder.

LSD

General information: LSD was first synthesized in 1938 by Dr. Albert Hoffman, the same person that synthesized psilocybin. It is a hallucinogenic drug and it symbolized the "hippie" counterculture in the 1960s. Its adoption as a recreational drug prompted a pause in the medical and research communities. It has however recently regained acceptance, as it has proved to have great potential in treating mental health disorders, including ADHD and anxiety.

Clinical trials: MMED's clinical trials currently dominate this space.

Medical benefits: A number of health conditions that LSD has potential therapeutic benefits for are Alzheimer's disease, anxiety, cluster headaches, depression and substance misuse, and symptoms of Tourette's syndrome.

MDMA

History: MDMA is not a classic psychedelic, as it is generally not associated with hallucinations. MDMA is still a potent drug, which acts mainly by releasing serotonin in the brain. It has recently shown promise in treating several mental health conditions.

Clinical trials: MDMA-assisted psychotherapy for the treatment of PTSD received Breakthrough Therapy Designation from the FDA in 2017. Phase 3 clinical trials are underway in the US and Europe, and licensing approval is expected as early as 2022.

Medical benefits: MDMA is known to suppress activity in the amygdala, a part of the brain responsible for fear and anxiety.

A number of potential candidates for Breakthrough Therapy Designation

Most recently, the benefits of ketamine for treating severe treatment-resistant diseases have been recognized. Having become the first company to patent one half of the ketamine molecule, esketamine, Janssen Pharmaceutica (a division of Johnson and Johnson) developed a nasal spray to treat treatment-resistant depression (TRD) under the brand name Spravato, which received FDA approval in March 2019 and authorization from the European Medicines Agency (EMA) in December of the same year. It is the first new drug introduced for the treatment of depression in over 35 years, and the only psychedelic substance with marketing approval to treat a mental health condition under a microdose model. The approval of this one drug validates the value proposition for the industry as a whole - this applies for MMED as well as others involved in pharmaceutical clinical trials. For MMED in particular, the approval of a micro-dosed strategy within the realm of pharmaceutical psychedelics is a strong positive read-through into the potential of their commercialization efforts.

If a substance/treatment is awarded Breakthrough Therapy Designation (BTD) by the US FDA, the substance's development and review process is immediately expedited by an average of 33%, because clinical evidence has shown that it may offer a substantial improvement over existing therapies. Two separate providers, COMPASS Pathways (backed by investor Peter Thiel) and the Usona Institute (a non-profit organization), have received Breakthrough Therapy Designation from the FDA for synthetic substances derived from psilocybin for use as part of psychedelic assisted psychotherapy for TRD and other major depressive disorders. This FDA designation is a step closer to FDA approval

for the therapy in the US, which is currently estimated to be able to be granted as early as 2023.

The FDA has to date granted three "Breakthrough Therapy Designations" for psychedelic treatments.

Figure 25: List of psychedelic-rated drugs granted Breakthrough Therapy Designation

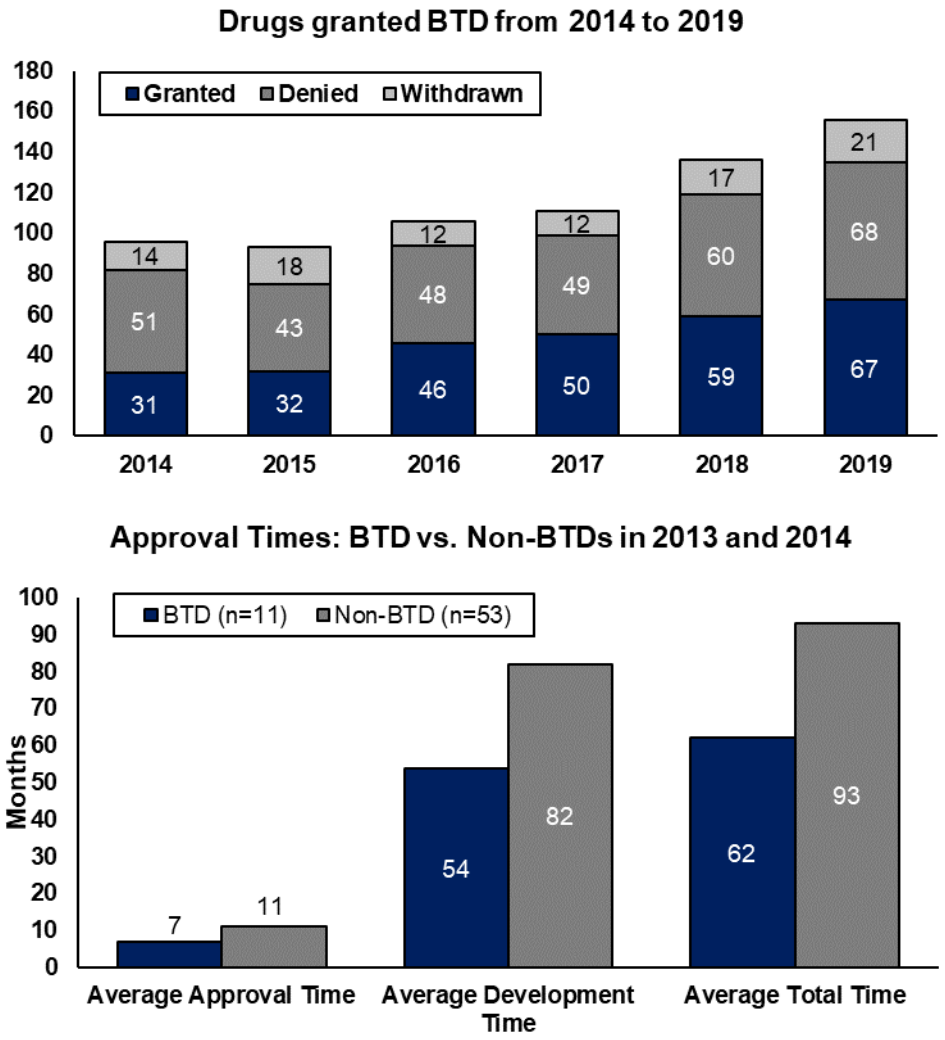
Year	Drug	Manufacturer	Indication
2017	MDMA	Multidisciplinary Association for Psychedelic Studies (MAPS)	Posttraumatic stress disorder (PTSD)
2018	Psilocybin	COMPASS Pathways	Treatment resistant depression
2019	Psilocybin	Usona Institute	Major depressive disorder

Source: Eight Capital

It is clear that the FDA is open to offering Breakthrough Therapy Designations for psychedelics. And with the opioid crisis still very much alive in America, the FDA is eager to get something new out on the market. In our view, MindMed's 18-MC program fits the bill here and has a good chance at being among the top candidates to be able to next secure the designation.

Historically, about 40% of applicants are granted BTD designation.

Figure 26: FDA breakthrough therapy designation statistics



Source: Eight Capital, Pharmaexec.com, FDA.gov

Spravato opened the gates and could lead to future collaboration opportunities

A subsidiary of Johnson & Johnson, Janssen Pharmaceutica, became the first company to patent one half of the ketamine molecule, esketamine, and has received FDA approval to manufacture a nasal spray to treat treatment-resistance depression under the brand name Spravato. Spravato, a tweaked name of the "party drug" ketamine and has been applauded as the first promising new treatment for major depression to win approval in years. It also carries high financial expectations from J&J with expected sales of ~$1 to $2 billion by the middle of this decade.

Figure 27: Esketamine (Spravato) paves the way for additional psychedelic drug approvals

Esketamine (Spravato) Overview	
Spravato™ (esketamine) CIII nasal spray 	**Owner:** Johnson & Johnson
	Drug name: Esketamine (Spravato)
	Revenue: US$1.75 billion in global peak sales by 2024
	Price per treatment: $590 to $885 per treatment session
	First year treatment cost: $36,500 (excl. lost time from work)
	Date of NDA filing: September 4, 2018
	Date of approval: March 5, 2019
	Medical uses: Anesthesia, depression (TRD/MDD)
	Routes of administration: Intranasal

Source: DataMonitor Healthcare, Eight Capital

Delivered as a nasal spray, Spravato is approved as an oral antidepressant treatment and is limited to adults who have tried but failed at least two different antidepressants. Due to its safety risks and the potential for abuse and misuse, the FDA has required a restricted distribution system. Patients can only take the drug at certified treatment centres rather than at home.

Despite Spravato's administration restrictions, a couple of Phase 3 trial failures and its relatively high cost, J&J has high hopes for the drug - most recently, management at the company have alluded to expectations for blockbuster type sales figures. This is because about one-third of U.S. adults with severe depression are treatment-resistant and therefore could be eligible for Spravato.

It is important to mention that Spravato did have some pains along the way in their trials. Two of the three pivotal trials J&J ran to assess its short-term effects missed their primary endpoints. For instance, in Phase 3 in patients aged 65 and above, the drug showed clinically meaningful effects, but failed to meet the statistical significance standard to demonstrate effectiveness. Despite this, the FDA saw a need and made it an approved treatment - we think the approval by the FDA for a psychedelic-based treatment for a relevant mental health condition is a positive read-through for the potential of other psychedelics-based treatments. This is especially true for some of the conditions that MMED is pursuing, which carry greater societal costs than TRD matched with a safer profile in terms of harm.

Having cleared a major hurdle of the FDA approval and having a psychedelic-based drug already in the market, we believe that Johnson and Johnson has taken an early lead in the space. Given the aforementioned massive addressable market for mental health conditions and the growing acceptance by the FDA and society for psychedelics-based treatments, we view an eventual take-out or partnership/collaboration opportunities with pharmaceutical giants like a J&J as a natural progression of events. MMED's current and future pipeline of treatment prospects provide compelling value, especially as studies and data showcase efficacy and trials progress through later stages.

Big Pharma has been active in acquiring smaller players

Promising young entities in various stages of their drug development life stages have been acquired by large pharmaceutical companies. Johnson and Johnson has been one of these entities and given its stronghold with esketamine, we think this is an overall positive readthrough for the take-out potential for a company like MMED.

Figure 28: Esketamine (Spravato) paves the way for additional psychedelic drug approvals

Acquirer	Target	Announcement Date	Total value (US$ MM)	Trial Phase	Drug	Disease
Sanofi	Protein Sciences Corp	11/07/2017	650	FDA-approved	Flublok (protein-based influenza vaccine)	Influenza
Roche Holding AG	Promedior Inc	15/11/2019	390	Phase II (Breakthrough Designation Therapy)	PRM-151	Fibrosis
Jazz Pharmaceuticals	Redx Pharma	10/07/2019	3.5	Pre-clinical	Pan-RAF program	Tumors
Roche Holding AG	Jecure Therapeutics Inc	27/11/2018	-	Pre-clinical	NLRP3 inhibitors	Inflammatory and autoimmune disorders
Pfizer Inc	Therachon Holding AG	08/05/2019	340	Phase I Complete	TA-46	Achondroplasia
Pfizer Inc	Bamboo Therapeutics Inc	01/08/2016	150	Pre-clinical	Gene therapies	Duchenne Muscular Dystrophy Giant axonal neuropathy Friedreich ataxia Canavan disease
Novartis AG	Promacta related intellectual property	05/03/2019	827	FDA-approved (Breakthrough Designation Therapy)	Promacta®	Aplastic anemia
Novartis AG	IFM Tre	01/04/2019	310	Phase I	NLRP3 inhibitors	Inflammation
Merck & Co Inc	Tilos Therapeutics Inc	10/06/2019	773	-	Antibodies Modulating TGFβ	Cancer Fibrosis
Merck & Co Inc	Calporta Therapeutics Inc	13/11/2019	576	-	TRPML1 agonists	lysosomal storage diseases Neurodegenerative disorders
Merck & Co Inc	Afferent Pharmaceuticals Inc	09/06/2016	500	Phase 2B	AF-219	Chronic cough Fibrosis
Merck & Co Inc	Rigontec GmbH	06/09/2017	137.16	Phase I	RGT100	Tumors
Merck & Co Inc	Kalvista	10/10/2017	37	Phase II	KVD001	Diabetic macular edema
Johnson & Johnson	Xbiotech	07/12/2019	750	Phase II	Bermekimab	Atopic dermatitis Hidradenitis suppurativa
Johnson & Johnson	Benevir Biopharm Inc	02/05/2018	140	Pre-clinical	Oncolytic viruses	Cancer
Johnson & Johnson	Cerecor	14/08/2017	25	Phase II	CERC-501	Major depressive disorder Substance use disorder
Johnson & Johnson	Bird Rock Bio Inc	11/01/2017	-	Phase I	Namacizumab	Fibrotic, inflammatory, and metabolic disease
Johnson & Johnson	TARIS Biomedical LLC	20/12/2019	-	Phase IB	TAR-200	Cancer
Bristol-Myers Squibb Co	Cormorant Pharmaceuticals AB	05/07/2016	95	Phase II	HuMax-IL8	Cancer

Source: FactSet, Eight Capital

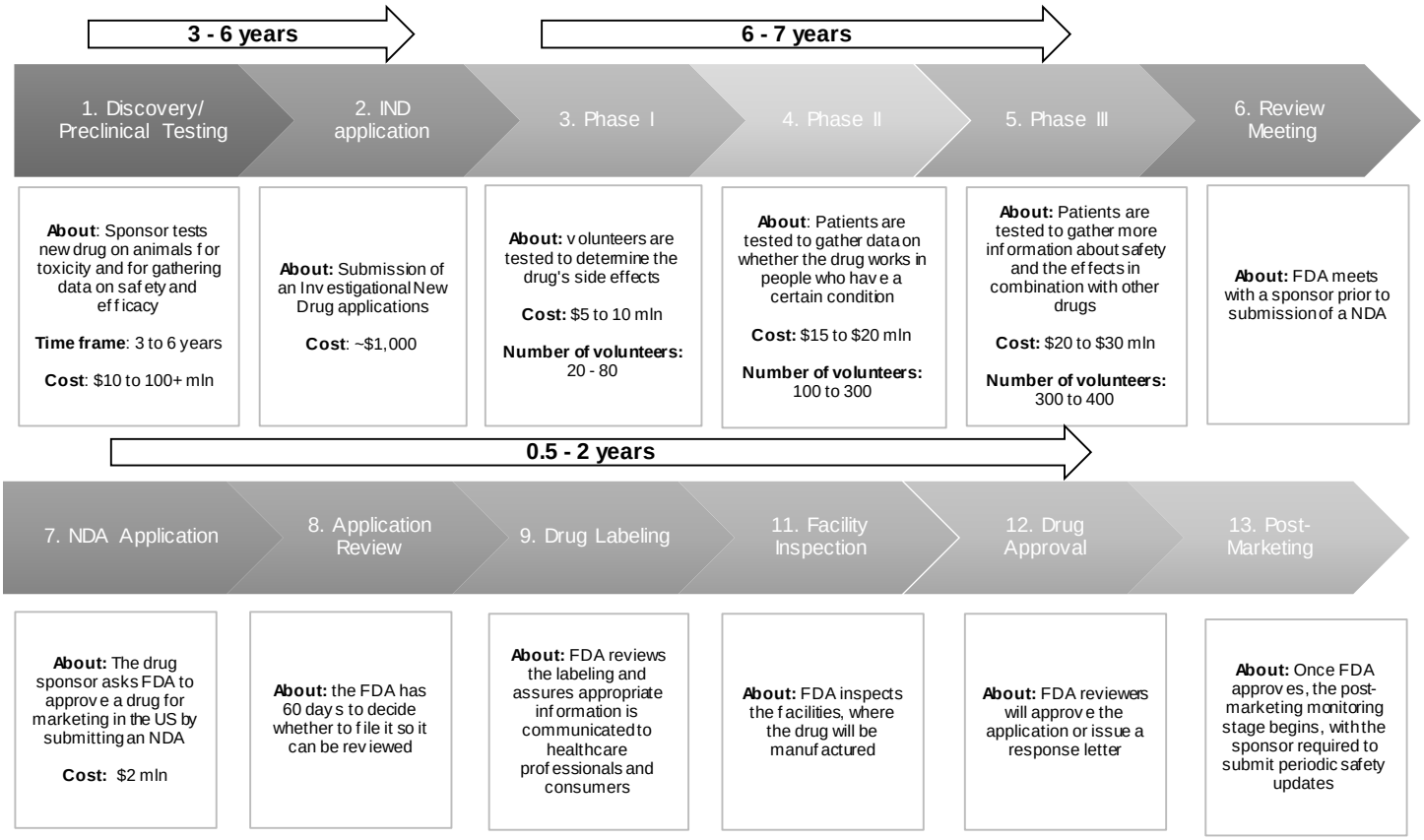
APPENDIX: FDA'S ROLE IN THE DRUG APPROVAL PROCESS

In the United States, it takes an average of 12 years for an experimental drug to travel from the laboratory to the medicine basket. As the drug moves through the development process, the risk decreases with each major milestone.

The Pharmaceutical Research and Manufacturers of America reported in 2003 that drugs entering Phase I clinical trials have a 15% probability of becoming a marketable product. For those in Phase II, the odds of success rise to 30%, and for Phase III, they climb to 60%. Once clinical trials are complete and the drug enters the final FDA approval phase, it has a 90%+ chance of success.

The process of drug approval is controlled in most countries by a governmental regulatory agency. In the U.S., the Food and Drug Administration (FDA) governs this process. The FDA requires the following sequence of events before approving a drug.

Figure 28: FDA drug discovery timeline



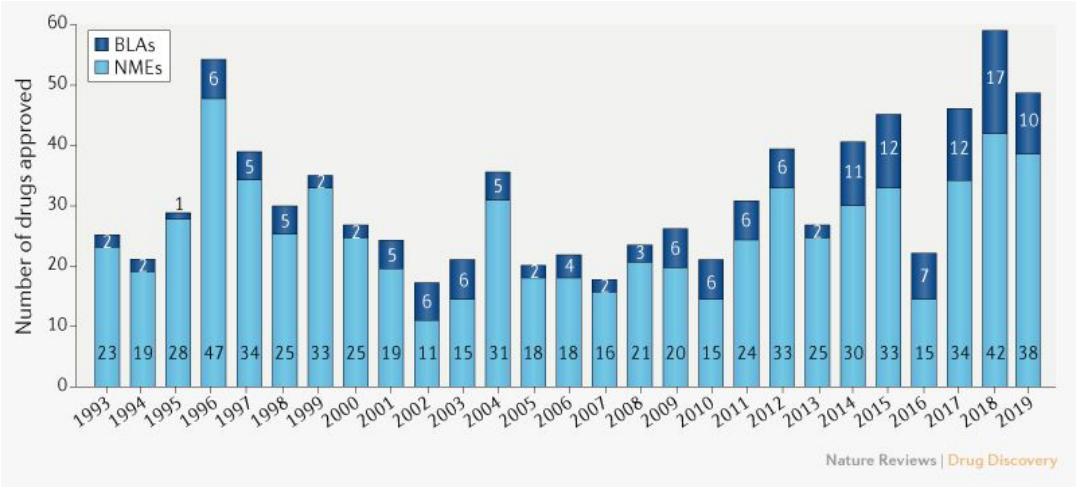
Source: FDA.gov, Eight Capital

- **Preclinical Testing:** A pharmaceutical company conducts certain studies before the future drug is ever given to a human being. Laboratory and animal studies must be done to demonstrate the biological activity of the drug against the targeted disease. The drug must also be evaluated for safety. These tests take on average three-and-a-half years.
- **IND Application:** The company submits an Investigational New Drug (IND) application to the FDA based on the results from the initial animal testing. The IND becomes effective if the FDA does not disapprove it within 30 days. The IND must include the following information: the results of previous experiments; how, where and by whom the new studies will be conducted; the chemical structure of the compound; how it is thought to work in the body; any toxic effects found in the animal studies; and how the compound is manufactured.

- **Clinical Trials:** After the FDA reviews and approves the IND application, clinical trials to test the drug on people can begin. There are four phases of clinical trials, starting with small-scale trials, followed by large-scale trials. After the clinical trials, the researchers then submit study reports to the FDA.
    - **Phase I clinical trials:** Phase I studies are usually the first tests of a drug under development in healthy volunteers. These studies involve about 20 to 80 volunteers. The tests determine a drug's safety profile, including the safe dosage range, plus how the drug is absorbed, distributed, metabolized and excreted, and the duration of its action. Phase I trials take on the average one year.
    - **Phase II clinical trials**: these are slightly larger studies that are done in patients with the disease for which the drug is intended. This phase is usually designed to identify what are the minimum and maximum dosages. The trials generally involve 100 to 300 volunteers / patients and are controlled in design. They are done to assess the drug's effectiveness. Phase II typically takes about two years.
    - **Phase III clinical trials**: these are the definitive large randomized trials that are submitted to the FDA in order to obtain approval of drug. This phase examines the effectiveness as well as the safety of the new drug. Phase III trials usually involve 1,000 to 3,000 patients in clinics and hospitals. Patients are usually asked a list of possible side effects, often derived from what was observed in Phase II studies. Patients are also free to report any other side effects that occur while they are on the new drug or the placebo. Phase III takes on average three years.
- **NDA Application:** Once a drug developer provides evidence that the drug is safe and effective, the company can file a New Drug Application (NDA). The FDA reviews the application and makes a decision to approve or not approve the drug. The NDA contains all of the data gathered to date about the drug (An NDA typically consists of at least 100,000 pages). The average NDA review time for new drugs approved is between six months to a year.
- **Phase IV Studies**: Phase IV is any organized collection of data from patients who are taking a drug that has already received approval from the FDA. In Phase IV studies, patients may check boxes on a list or they may just report other symptoms. Phase IV studies are commonly called "post-marketing studies."
- **Drug Labeling:** The FDA reviews the drug's labeling/packaging and makes sure appropriate information is communicated to health care professionals and consumers.
- **Facility Inspection:** The FDA inspects the facilities where the drug will be manufactured.
- **Drug Approval:** The FDA approves the NDA or issues a response letter.
- **Post-Marketing Monitoring:** Once the FDA approves the drug, the company is required to submit periodic safety updates to the FDA.

The chart below shows the annual numbers of new molecular entities (NMEs) and biologics license applications (BLAs) approved by the FDA. In general, the FDA has granted more approvals in recent years - a positive indicator for all pharmaceutical companies looking to commercialize treatments.

Figure 29: Novel FDA approvals since 1993



Source: NatureReviews, FD

Takeaway: While a traditional approval process from the FDA from Phase II status could take upwards of five years, the probability of a Breakthrough Therapy Designation, as well as the urgency declared by the FDA for MMED's current highlight conditions, place traditional timelines on the conservative side. Further, the potential for larger entity collaboration could be another driver of reduced timelines, as added resources could further solidify the case presented to the FDA for approval.

MANAGEMENT

To date, MindMed's list of relevant stakeholders include high profile investors, such as Bruce Linton (former CEO of Canopy Growth), Kevin O'Leary (Shark Tank), and James Bailey (Partner of private equity firm Bail Capital). The executive team also includes a number of science-focused members that have had past success in all stages of clinical trials /drug development from invention/discovery all the way through to FDA approval and global commercialization. Co-Founder Steve Hurst has also advised the Heffter board and other non-profits in the psychedelics space for a number of years. Altogether, the bench strength of the management team and board speaks highly of the company's future ability to execute on its highlighted timelines.

Figure 30: MindMed leadership team and board of directors

Name	Occupation	Experience
		Leadership Team
JR Rahn	Co-Founder, Director & Co-CEO	- Co-founded Mindmed with Stephen Hurst in 2019 - Founder of Upgraded, a device financing start up backed by Y Combinator - Previously worked in market expansion and operations at Uber
Stephen L. Hurst, JD	Co-Founder, Executive Chair & Co-CEO	- Co-founder & CEO of Savant HWP, Inc. - SVP of Operations and General Counsel at Inhale Therapeutic Systems, Inc. - Consultant to The World Bank and BIO Ventures for Global Health - Graduate of Golden Gate University, School of Law and the University of California, Berkeley
Stanley D. Glick, PhD, MD	Director and Chair Scientific Advisory Board	- Professor of pharmacology at Mount Sinai School of Medicine - Former chair of the pharmacology and neuroscience program at Albany Medical College - Co-inventor of a novel group of agents (iboga alkaloid congeners) for treating drug addiction, including 18-MC
Carol Nast	Chief Operating Officer	- Held executive level positions with multinational companies and early stage companies in the medical industry - Former COO at NuGen, a genomics Company, - Served in executive level positions at Inhale Therapeuticals, BioRad and Pfizer
Scott Freeman, MD	Co-Founder, President, Chief Medical Officer	- Served as CMO of Savant - Former VP of clinical development and operations group, leading to FDA approval of Nexavar for kidney and liver cancer. - Former Associate Professor at Tulane University and a guest researcher at the NIH - BA from the University of Colorado and MD from the Univeristy of Nevada
Donald Gehlert, PhD	Chief Scientific Officer	- Co-author on 182 publications and a co-inventor on 15 issued and pending patents - Previously at Lilly, where he led or participated in teams that introduced 19 molecules for both small and large molecule therapies.
Jeanne Bonelle	EVP, Operations	- Served in roles that established quality systems within the developmental phase for a wide range of products at Inhale Therapeutic Systems, Inc., Cholestech Inc., BioTrack, and BioResponse Inc. - Degree in Chemistry from California State College, Dominguez Hills, CA
Nico Forte	Senior Director of Operations & Corporate Development	- 25 years of marketing and business development experience in the biopharma and medical device industries - Previously at Bristol-Myers, Mead Johnson Oncology, and Inhale Therapeutic Systems, Inc. - BA degree in Economics from the College of William and Mary
		Board of Directors
Brigid Makes	Director , Chair of Audit Committee, Member of Compensation, Nomination and Governance Committee	- Served as an independent consultant for private medical device companies since July 2017 - Former Senior Vice President and Chief Financial Officer of Miramar Labs - Served as CFO for AGA Medical, Nektar Therapeutics, Oravax, and Haemonetics Corp. - Holds a Bachelor's degree in Finance and International Business from McGill University - Holds an MBA from Bentley University
Bruce Linton	Director, Chair of Compensation, Nomination, and Governance Committee, Member of Audit Committee	- Will serve as Executive Chairman with GAGE Cannabis Co. following completion of the acquisition of Innovations. - Special Advisor with Better Choice Company, an animal health and wellness cannabinoid company that acquired TruPet LLC - Investor in OG DNA Genetics Inc. - Founder and former Chairman and CEO of Canopy Growth Corporation
Perry Dellece	Director, Member of Audit and Compensation, Nomination and Governance Committees	- Founder and managing partner of Wildeboer Dellelce LLP - Chair of the NEO Exchange - Director of Mount Logan Capital Inc. and Lendified Inc. - Past chair and a current director of the Sunnybrook Foundation - Current chair of the Canadian Olympic Foundation
Dr. Miri Halperin Wernli	Director, Special Advisor, Chair of Technology Evaluation, Acquisition and Scientific Integrity Board Committee	- Over 30 years of experience in the biopharmaceutical industry - Group CEO/Co-founder of Creso Pharma - Held global senior leadership positions in the pharma and biotech industries in Switzerland and in the US

Source: Eight Capital, Company reports

RISK FACTORS

Ability to secure financing: MindMed is at present in early stages of clinical trials with several milestones necessary before attaining revenue generation. Along the way the company will require funding which could be accomplished in a number of ways. Weak equity or debt markets could deplete the more common alternatives.

Uncertainty around getting the FDA approval: Obtaining FDA approval requires multiple phases each with varying probabilities. Ultimately the majority of drugs do not get approved.

Reliance on third parties to conduct clinical trials: MindMed relies and will continue to rely on third parties to conduct a significant portion of its preclinical and clinical development activities. If there is any dispute or disruption in its relationship with third parties, or if they are unable to provide quality services in a timely manner and at a feasible cost, its active development programs will face delays.

Failure to demonstrate safety and efficacy of clinical trials: Should the company be unable to show the necessary elements for the FDA to progress its programs through clinical trials, trials may take longer to pan out.

Competition from other biotechnology and pharmaceutical companies: The competitive landscape is growing and several entities are attempting to grab as much future market share potential as possible. The company could eventually have several competitors as the industry continues to develop.

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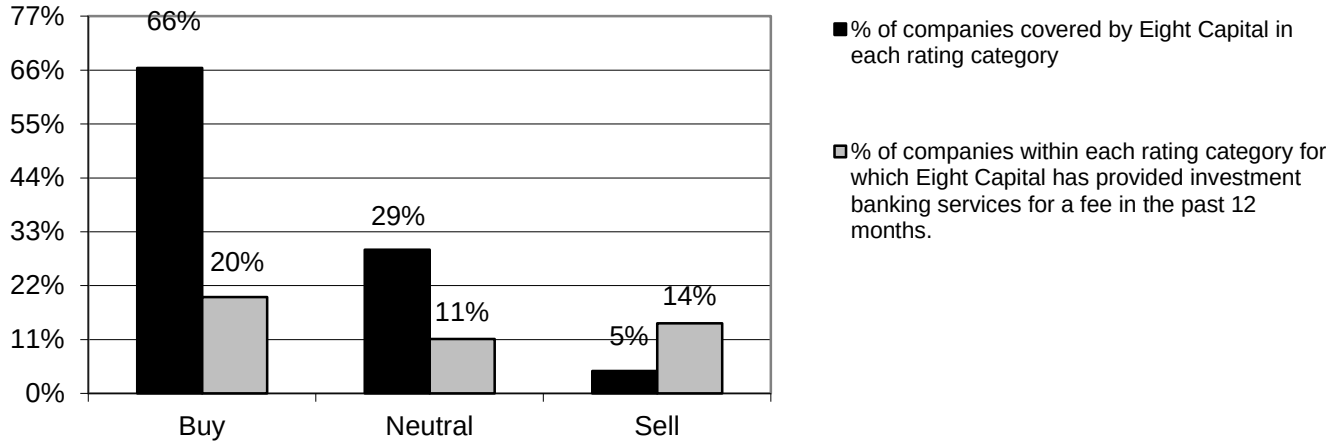
SECURITY ABBREVIATIONS: NVS (non-voting shares); RVS (restricted voting shares); RS (restricted shares); SVS (subordinate voting shares).

Eight Capital Equity Research Ratings:



As at March 31, 2020
Source: Eight Capital