

Numinus



Numinus Wellness Inc. – The elite firm
pioneering psychedelic therapies

July 2020 | TSX-V: NUMI

Creating an ecosystem of health solutions addressing the universal desire to heal and be well

Numinus Wellness Inc. ([TSX-V:NUMI](#)) is an operating company creating an ecosystem of health solutions to develop and support the safe, evidence-based, accessible use of psychedelic-assisted therapies.

Psychedelic-assisted therapies have shown potential as a new approach to supplement existing mental healthcare options.

Despite years of opposition to their use, leading organizations like the FDA, Johns Hopkins and others are helping to position their use as accepted therapeutic options. This is no longer a question of if, but of when.

The increasing body of evidence of the healing properties of these substances can no longer be ignored. Prohibition is now coming to an end and hundreds of millions of dollars are pouring into drug discovery worldwide - the Johns Hopkins Center for Psychedelic Research and Consciousness received \$17 million from donors to advance psychedelic research.

However, success in this brave new frontier will not be simple.

The barriers to entry are high because of strict regulatory controls, the shortage of experts in the field and the rigors demanded by precise scientific research.

Only a few firms will make it, and **Numinus** is positioned to become one of the few.

Driven by a desire to improve global mental health care, the founders of **Numinus** have dedicated themselves to developing and making accessible new approaches and new ways of thinking about mental healthcare.

Sound ambitious?

You are right it is, and the more you learn about this company, the more you will appreciate how deeply held its core principles are.



A Carefully Shaped Business Model

Numinus's ([TSX-V:NUMI](#)) business model is shaped around a carefully conceived ecosystem of solutions with critical components already in place. It has recruited some of the arena's top minds to lead its research and development initiatives. It has a dedicated 7,000 sq. ft. lab space with a federal licence to test, possess, buy and sell MDMA, psilocybin, psilocin, DMT and mescaline. It is the only publicly traded company granted a Health Canada license to produce and extract psilocybin from mushrooms - a license that allows it to conduct research to standardize the extraction of psilocybin from mushrooms. It has one established integrated wellness clinic at which it is developing efficient, profitable, and best-in-class systems and protocols to support the expansion of its integrated clinic model. When psychedelic-assisted therapies are regulated, it will be ready to deploy.

Numinus really is at the top of its game.

Numinus's ecosystem, of health solutions to develop and support the safe, evidence-based, accessible use of psychedelic-assisted therapies includes three divisions: **Numinus Bioscience**, **Numinus R&D**, and **Numinus Health** each with existing revenue or revenue potential.

Each division of Numinus supports the others, providing a positive feedback loop from early-stage research through to intellectual property development, opportunities to partner for drug development, and testing to deployment of therapies and treatment of patients in the real world.

This end-to-end model is the differentiator that positions Numinus for accelerated growth into this exciting new market opportunity.



Starting in Canada, expanding across the world

Founded in Canada in 2018, **Numinus'** ([TSX-V:NUMI](#)) domestic market is the ideal setting for it to develop its model.

Regulatory changes have welcomed research into psychedelic-assisted therapies to treat mental health conditions. The authorities in Canada have been among the first to recognize the disproportionately severe societal and economic impact these disorders have.

[According to Canada's Centre for Addiction and Mental Health](#), mental health issues will affect one in two Canadians by the time they reach 40.

One in five will suffer from mental illness or addiction in any given year.

These terrible illnesses are estimated to cost the country **C\$51 billion annually**.

And this isn't just a Canadian problem - ***it's a global crisis.***

[It's estimated that](#) over one billion people around the world suffer from a mental, neurodevelopmental, or substance use disorder.

Traditional treatments have been unable to fully address the scale of the challenge, and there remains ***an urgent need for transformative change in mental illness treatment.***

As one of the first companies to go public in this space, **Numinus** is seeking to tackle this head on.

Numinus had already established its immaculate credentials as a leading developer of psychedelic assisted therapies.

- The company operates one of British Columbia's largest testing and research facilities, with a 7,000 sq. ft. fully equipped lab space
- **Numinus** is the only publicly-listed company licensed by Health Canada to extract and produce psilocybin from mushrooms
- It is one of the only firms licenced by Canada's health regulator to test, possess, buy, and sell psychedelic compounds like psilocybin, MDMA, DMT, and Mescaline

As more and more research dollars flow into the psychedelic space, **Numinus** will leverage its strong position to pursue its bold growth strategy.



The Three Step Plan

Numinus's ([TSX-V:NUMI](#)) plan has three key elements to it:

1. In the short term, **Numinus** will generate revenue through the provision of outsourced services from its lab space and the authorized sale of psychedelic compounds to other research institutions.
2. **Numinus** will conduct research into psychedelic drug/treatment discovery, either directly or through strategic partnerships. Success with just one of these programs will be transformational for the company.
3. Perhaps most importantly, **Numinus** will roll its treatment methods out through acquired integrated clinics across North America integrating psychedelic-assisted therapies when and where regulated. This will provide the company with a stable, high-growth income stream.

Taken together, this exciting business model has the potential to generate tens of millions of dollars in revenue for **Numinus** within a relatively short period of time.

Transformative change is needed

\$51B

Estimated annual economic burden of mental illness in Canada

1 in 2

The number of Canadians who will be affected by mental health issues by the age of 40

4,000

The number of Canadians who die by suicide per year – almost 11 suicides per day

9%+

Percentage of Canadian adults who will suffer PTSD in their lifetime

500,000

Number of unemployed Canadians who are unable to work due to mental health problems

1 in 5

The number of Canadians who suffer from addiction in any given year

50%

Percentage of Canadians experiencing a major depressive episode that do not receive “potentially adequate care”

#4

Canada's rank in the use of antidepressant drugs per capita. The use of antidepressants is on the rise globally.

The science behind psychedelic-assisted therapies

The brain is incredibly powerful.

It shapes our **entire lives** – our physical fitness, our relationships, our work, our memories, and our thoughts.

Our whole existence is governed by the tiny electrical impulses that leap from one synapse to the other.

It is no exaggeration to say that a healthy brain holds the key to our general well being. This is why it is so debilitating when it doesn't function properly.

Mental illness is caused by [the brain not working as it should](#).

Although the biometrics are extraordinarily complex, in the simplest terms these disorders lead to the brain getting “*stuck*”.

Negative thought patterns loop over and over in a self-reinforcing pattern. This becomes more entrenched and harmful the longer the condition remains untreated.

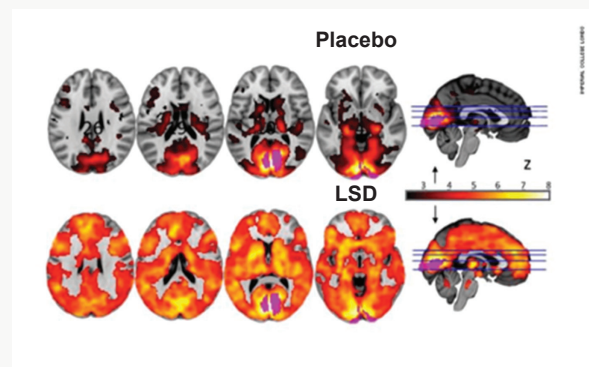
To cope with the strain, the brain slowly starts to shut down.

This is where psychedelic compounds hold the potential to make an incredibly positive intervention.

[Research has shown](#) that the careful administration of microdoses of psychedelic compounds can effectively physically “reset” the brain.

In controlled doses, they induce a dissociative state that breaks negative thought patterns so patients' regular brain connectivity and activity can resume.

Researchers [at the Beckley Foundation](#) captured the image below.



LSD was found to increase connectivity between areas of the brain that normally do not communicate - while suppressing the activity of the DMN, the brain's 'ego centre'

It shows the world's first ever neuroimaging study recording the effects of LSD on the brain compared to a brain in its normal state.

What this ground-breaking study proved was that LSD greatly increases global connectivity of different parts of the brain that usually do not communicate with each other.

At the same time, there is reduced communication between key regions of the brain's Default Mode Network (DMN), otherwise known as an 'ego centre'.

By reducing a sense of self and heightening a wider awareness, this process can 'break' negative thought patterns, allowing a patient to experience a new way of thinking.

High Expectations

Of course there is much more detail to the science, but the high-level description illustrates why so much is now expected of psychedelic therapies to act as a global game-changer in mental health care.

And this was only one piece of research. Hundreds of other studies into the medical use of psychedelics have yielded equally promising results.

For example, a pioneering program led by [Johns Hopkins several years ago](#) found that psilocybin treatment reduced end-of-life depression and anxiety in 80% of cancer patients tested. Another piece of work, [by Imperial College London](#), observed that psilocybin reduces symptoms of depression for a sustained period to some degree in all of its participants.

A simple Google search yields many more similar success stories.



And if that were not enough, psychedelic treatments have also been [shown to be relatively safe](#) and work within a relatively short period of time.

The limitations of other treatments available further enhance the recent growth in interest in psychedelic-assisted therapy.

Traditional antidepressants, like Prozac, can have effectiveness rates [as low as 50%](#), can take [months to get to work](#), and can [lead to physical dependency](#).

Given how extremely debilitating unchecked mental health conditions can be on patients and the devastating effects they can have on those around them, it is no wonder there is so much support for exploring other treatment methods.

With psychedelic therapies now attracting a great deal of research interest, the walls of regulation are starting to fall.

Alongside Health Canada, the U.S. Food & Drug Administration issued the sector a vote of confidence in 2018 when it [granted psilocybin Breakthrough Therapy Designation for the treatment of severe depression](#).

By granting UK-based Compass Pathways permission to test the effectiveness of psilocybin in major depressive disorder, the FDA opened the floodgates to other initiatives.

We are now witnessing the birth of the future for mental health care - [a global market that could be worth \\$240 billion by 2026](#).

Companies are racing to secure their station in this new frontier for medical research, but very few are as well-placed as **Numinus** ([TSX-V:NUMI](#)).

Personal experience leading to long-term success

Few know the positive impact psychedelic-assisted therapies can have as well as **Numinus** ([TSX-V:NUMI](https://www.tsx.com/stocks/stocks/numinus)) CEO, Payton Nyquvest.

Having personally battled mental illness, he tried every possible avenue of treatment.

But, it was not until completing a course of psychedelic therapy that he experienced a truly sustained recovery.

Nyquvest's personal experience of this approach enabled him to be among the first to recognize its great commercial potential. He saw a way he could not only potentially help millions like himself, but he could also build a substantial business.

Years spent working in the investment banking world taught Nyquvest that long-term success in a space like this requires meticulous preparation and planning.

For psychedelic therapy especially, research expertise is limited and regulation remains a tough hurdle.

Nyquvest knew that he had to act quickly to capitalize on his first-mover advantage.

PAYTON
NYQUVEST

CEO & FOUNDER



Becoming the world's leading psychedelic drugs marketing and distribution firm

The internationally renowned Johns Hopkins University has been a leader in the study of psychedelic compounds for several years now. It [recently opened](#) its own US\$17 million dedicated research centre.

Other top institutions pursuing initiatives in this arena include Yale University, The University of Wisconsin, and The University of Miami.

Each of these boasts the capacity to conduct world-class research, but most other organizations can only dream of having access to these sorts of facilities.

Nyquvest was early to see the gap in the market for **Numinus** ([TSX-V:NUMI](#)).

If his firm could secure for itself the necessary licences and facilities early on, then it would become an obvious partner for these companies that wished to outsource psychedelic R&D.

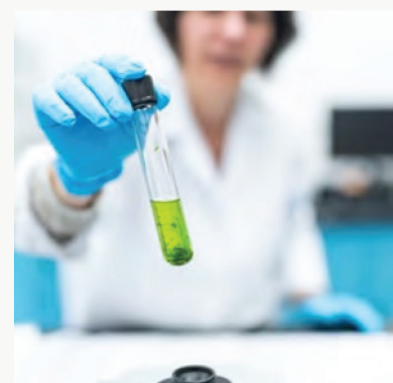
And so, **Numinus Bioscience** was born.

This division has been hugely successful in engaging Canada's health authority from its inception.

When **Numinus** [began trading in May](#), it had already been awarded a narcotics dealers licence allowing it to test, possess, buy and sell psychedelics like psilocybin, psilocin, MDMA, and DMT.

In June, [an amendment to this license gave it the green light](#) to produce and extract naturally sourced psilocybin from mushrooms for research purposes.

Numinus is currently the only publicly traded firm in Canada that can conduct this sort of research.



Dedicated Lab Space

Numinus ([TSX-V:NUMI](#)) will carry out its primary work at its established 7,000 sq. ft. testing and research facility in British Columbia.

Operations are headed up by leading research scientists Dr. Bernd O. Keller and Dr. Kristina Grotzinger.

Dr. Keller has more than 20 years experience in advanced analytical technologies. Dr. Grotzinger has spent decades in phytochemistry and cannabis testing.

Numinus's testing capabilities already cement its position as the gateway to psychedelic research success.

With the list of potential research partners throwing their hat into the psychedelic ring growing every day, the revenue potential this presents is sky-high.

For some idea of the scale, consider that concentrated supply recently led the Multidisciplinary Association for Psychedelic Studies to spend [\\$400,000 on just 1 kilogram of MDMA in 2016](#) for phase three trials into its treatment for severe PTSD.

As Nyquvest puts it:

“

We are proud to be at the forefront of this new therapeutic category at a time when alternative therapeutic methods are being investigated increasingly and demand from clinical research is growing. We have always said we are a growth story, and with all the elements in place, we are poised to accomplish great things.

”



Numinus – Setting the bar high with some of the industry’s brightest minds

Aside from its first-mover advantage, a second critical factor has driven **Numinus’** (TSX-V:NUMI) exceptional progress to date:

Its growing reputation.

Nyquvest has assembled an outstanding leadership team that includes some of the most respected figures in psychedelic research.

Numinus’ Chief Medical Officer, Dr. Evan Wood, is well-known for the breadth of his pioneering work in this field.

He has co-authored hundreds of top scientific papers and is internationally recognized for his work on substance use research and drug policy.

A look at some of the highlights of Dr. Wood’s award-studded career shows why:

- Dr. Wood founded and created many entities that have contributed to medical and drug policy such as the International Centre for Science in Drug Policy;
- He set up the Stop the Violence BC Coalition – a key driving force in the move to legalize adult cannabis use in Canada;
- He has driven the creation of new national guidelines and standards for addictive disorders, notably sitting as a principal evaluator of North America’s first medically supervised safer injecting facility.

But it is Dr. Wood’s ongoing role as a Professor of Medicine at the University of British Columbia (“UBC”) and leadership at the British Columbia Centre on Substance Use (“BCCSU”) that truly support **Numinus** in its growth.

Here, Dr Wood and his team have established an enduring track record of overcoming challenging projects and delivering real-world solutions outside the lab.

Dr. Wood even helped lead UBC’s response to substance use and related mental health challenges through a federally-funded Tier 1 Canada Research Chair. This position is reserved only for the most pre-eminent researchers in the world.

This tenacious reputation saw Dr. Wood and his team secure backing immediately when they turned their attention towards the therapeutic properties of psychedelics back in April 2017.

In the three years since, the group has been a global trailblazer in the research of health-focused, evidence-based treatment methods for addictive disorders and mental illness.

Dr. Wood is now ready to oversee the deployment of his life’s mission outside the lab environment through his position at **Numinus**.

Growing Numinus R&D

Dr. Wood now heads up the firm's research and development division, **Numinus R&D**.

Here, he is supported by Dr. Gabor Maté, an internationally-recognized medical practitioner and best-selling author who also joined **Numinus** (TSX-V:NUMI) as an advisor in May 2020.

Maté was attracted to the firm because it is permitted to develop and licence its own psychedelic therapies as intellectual property in partnership with research organizations.

If even **ONE** of these projects reaches the market and is adopted as standard therapy in Canada and other parts of the world, it will generate **transformational** revenues for **Numinus**.

Dr. Wood will leverage both his own personal relationships and **Numinus's** contacts to secure these alliances while also working to push forward regulatory progress.

The company has already signed a memorandum of understanding with the BCCSU.

And with many research institutions actively pursuing sustainable sources of psychedelic compounds and lab facilities, courting further interest should not be difficult.



Numinus wellness centres – Rapid expansion of psychedelic- assisted therapies planned

Numinus Bioscience and **Numinus R&D** both represent sustainable and growing revenue opportunities.

But there is a third arm to the company that sits outside the lab and closer to Nyquvest's heart - **Numinus Health**.

As a person who has first hand experience of mental illness, Nyquvest wanted **Numinus** ([TSX-V:NUMI](#)) to be a pioneer bringing safe, evidence-based psychedelic-assisted therapies to patients.

This is one of the primary motivations behind the network of '*integrated wellness centres*' it plans to launch. Here, psychedelic-assisted therapies will be administered, when and where regulations allow, to help individuals "*heal, connect, and grow*".

Numinus is currently awaiting regulatory approval to administer these treatments, but it is confident this will come soon.

In the meantime, as it has consistently done in all its ventures, **Numinus** is painstakingly preparing its operations.

It began by purchasing a first facility in Vancouver last year. Here, it is developing processes, systems, and protocols that can be replicated across its planned network of clinics.

Then, [it appointed Dr Devon Christie](#) as the division's Medical Director tasked with designing a treatment model for patients that **Numinus Health** will later combine with its proprietary psychedelic therapies.

Dr Christie is a perfect fit for the role, having already established herself as an expert on the incorporation of psychedelic assisted therapies in an improved health care model. She is a clinical instructor at the University of British Columbia's department of medicine with Dr Wood and is trained to deliver both MDMA-assisted and ketamine-assisted psychotherapy for PTSD.

Numinus's plans for 2020 include the acquisition and integration of a further two to four wellness clinics across North America that will operate using the processes and protocols implemented at its initial clinic. Its longer term goal is to construct its own purpose-built flagship wellness centre in Vancouver, Canada.



Global Expansion

As far as Nyquvest is concerned, **Numinus's** ([TSX-V:NUMI](#)) expansion in Canada merely scratches the surface of the total addressable clinical market.

After all, mental illness is a global problem - not just a Canadian one.

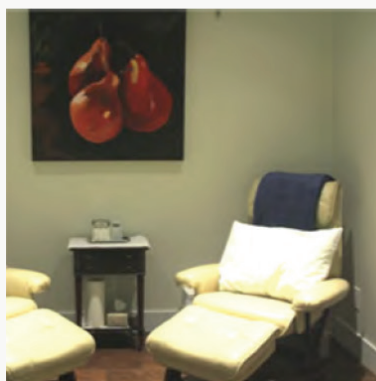
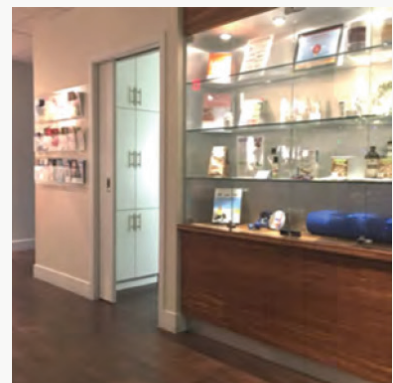
With the wealth of evidence supporting psychedelic-assisted therapies growing and more treatments entering the global market, Nyquvest believes that international borders will pose no threat to global expansion:

“

There's a real recognition among clinics around the world that there is a shift occurring, and they definitely want to be a part of the psychedelic-assisted therapy movement moving forward. They like what we are building, the research credentials and infrastructure we have in place, and we have had multiple clinics in multiple locations reach out to us to establish relationships.

This is going to be a transformation medical market. It does not have a recreational use element, so borders will not present the sort of barriers we have seen in the legal cannabis space, for example.

”



Numinus – a ready-made growth story embarking on an exciting journey

One of the most compelling reasons to add **Numinus** (TSX-V:NUMI) to your portfolio is that the competitive landscape in the psychedelic assisted therapy space is likely going to be extremely tight.

Regulatory controls present an obvious barrier to entry, but perhaps the greatest is the lack of available talent.

Mainstream research has really accelerated in the last 3 years and before that, the supply of psychedelic compounds was extremely restricted. This severely limited academic research.

As a result, those firms that have a chance of becoming successful in what could become an incredibly lucrative market will be those which have recruited the brightest minds.

In this respect, **Numinus** has already established itself as a market leader.

With Dr. Evan Wood leading the firm's research efforts and Dr. Devon Christie heading up clinical delivery, **Numinus** is poised to make big moves in this market.

When you then take into account the company's 7,000 sq. ft. lab space and the valuable licences it has already secured from Health Canada, it becomes clear this stock has the potential to deliver a multiple return.

Armed with the proceeds of May's \$6.8 million placement, **Numinus** is on course to achieve many milestones this year and next - each with the potential to spark huge interest in its shares:

1. **Numinus** expects to receive a standard processing/extraction license from Health Canada in Q4 2020;
2. It is upgrading its existing laboratory and processing facilities to obtain GMP compliance to facilitate R&D;
3. It is expanding its wellness clinic footprint and laying plans to establish its flagship location while anticipating near-term approval to administer psychedelic-assisted therapies;
4. Under Dr. Wood's lead, Numinus is establishing additional research partnerships to advance therapeutic, evidence-based patient studies in psychedelic-assisted therapies.

With a combination of short-term revenue and blue sky blockbuster research, **Numinus** offers an intoxicating risk/reward for investors.

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