

Novamind Reports Fiscal Q2 2022 Financial Results and Operating Highlights

March 01, 2022

- Record high revenue of \$2,452,540, +32% over the previous quarter
- Opened new outpatient clinic located in downtown Salt Lake City
- Strong pipeline of clinical trials for psychedelics and mental health treatments
- In January 2022, successfully closed the acquisition of an Arizona-based mental health practice, adding two additional clinics, and closed a \$5,000,000 institutional private placement

TORONTO, ON / March 1, 2022 / Novamind Inc. (CSE: NM | OTCQB: NV MDF | FSE: HN2) ("Novamind" or the "Company"), a leading mental health company specialized in psychedelic medicine, reported its financial results for the three and six months ended December 31, 2021 ("Fiscal Q2 2022"). All results are reported under International Financial Reporting Standards ("IFRS") and in Canadian dollars, unless otherwise specified.

Novamind CEO, Yaron Conforti, commented, "We're pleased to report record high revenue this quarter driven by continued revenue growth from existing and new clinics. Novamind is focused on providing clinical research services to leading drug developers, meeting patient demand by delivering innovative, evidence-based mental healthcare and bringing to market new treatment programs such as Psychedelic Palliative Care by Novamind and Frontline KAP."

Fiscal Q2 2022 Operating Highlights and Subsequent Events

- Announced a strategic investment and advisory agreement with Bienstar Wellness to develop Latin America's first network of integrative mental health clinics
- Unveiled a new clinic design concept to accommodate the unique requirements of psychedelic-assisted psychotherapy
- Opened a new outpatient clinic located in downtown Salt Lake City, specialized in integrative behavioural health and services for adults with substance use disorders
- In January 2022, closed the acquisition of Arizona-based Foundations for Change, a mental health practice specialized in ketamine-assisted psychotherapy with two clinic locations in the Phoenix area
- Enrolled final cohorts and advanced to final stages of the Frontline KAP clinical pilot, a candidate for commercialization at Novamind's clinics
- Appointed Prakash Gowd, MBA, BSc Pharm, C Dir as Chief Operating Officer
- Contracted to provide clinical research services for the following clinical trials:
 - A phase I clinical trial examining ketamine-assisted therapy combined with Mindfulness-Oriented Recovery Enhancement therapy to treat opioid use disorder, led by investigator Eric Garland, PhD at the University of Utah
 - A phase II clinical trial investigating ketamine-assisted psychotherapy for adults with life-threatening illness, sponsored by the Ketamine Research Foundation
 - A phase II clinical trial investigating an antidepressant medication for adults with major depressive disorder and post-traumatic stress disorder, sponsored by Alto Neuroscience

Fiscal Q2 2022 Financial Highlights

- Total revenue of \$2,452,540, +32% over the previous quarter
- Total working capital of \$3,141,437 to fund operations
- Subsequent to quarter-end, closed a \$5,000,000 private placement with an institutional investor on January 26, 2022

The following table presents selected financial information from Novamind's reviewed condensed interim financial statements for the three and six months ended December 31, 2021. The following information should be read in conjunction with the financial statements and management's discussion and analysis, which are available under Novamind's SEDAR profile at www.sedar.com.

	Three Months Ended December 31, 2021 (\$)	Three Months Ended December 31, 2020 (\$)
Revenue	2,452,540	1,288,828
Cost of services	1,973,201	701,447
Gross margin	479,339	587,381
Operating expenses	3,391,988	2,945,953
Other income (Expense)		
RTO transaction cost		(1,379,144)
Foreign exchange	(32,338)	(19,551)
Unrealized (loss) gain of marketable securities and convertible debentures	(315,212)	156,694
Realized gain on settlement of convertible debenture		
Realized gain on disposition of marketable securities		
Interest income		32,339
Loss before income taxes	(3,260,199)	(3,568,234)
Income tax recovery	(11,000)	(351)
Foreign currency translation adjustment	(27,768)	(126,606)
Net loss and comprehensive loss for the period	(3,276,967)	(3,694,489)
Basic and diluted net loss per share	(0.08)	(0.11)

	As at December 31, 2021	As at June 30, 2021
Cash	2,732,503	5,426,286
Total current assets	5,161,844	11,003,449
Total non-current assets	8,964,610	6,147,819
Total assets	14,126,454	17,151,268
Total current liabilities	2,020,407	1,322,018
Total non-current liabilities	5,207,793	3,568,668
Total liabilities	7,228,200	4,890,686

About Novamind

Novamind is a leading mental health company enabling safe access to psychedelic medicine through a network of clinics and clinical research sites. Novamind provides ketamine-assisted psychotherapy and other novel treatments through its network of integrative mental health clinics and operates a full-service contract research organization specialized in clinical trials and evidence-based research for psychedelic medicine. For more information on how Novamind is enhancing mental wellness and guiding people through their entire healing journey, visit novamind.ca.

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Forward-Looking Statements

This news release contains forward-looking statements. All statements other than statements of historical fact included in this release are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. Important factors that could cause actual results to differ materially from the Company's expectations including the risks detailed from time to time in the Company's public disclosure. The reader is cautioned not to place undue reliance on any forward-looking information. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made as of the date of this news release and the Company will update or revise publicly any of the included forward-looking statements as expressly required by applicable laws.

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