Roth Capital Doubles Down on Cybin After DMT Acquisition

by **Microdose News Desk** — June 9, 2022 in **Capital Markets** Reading Time: 1 min read

Earlier this week we reported on Cybin acquiring a **DMT Clinical Study from Entheon Biomedical.** The study is the largest Phase 1 DMT trial to date and should greatly accelerate Cybin's CYB-004 DMT program.

And it seems like the financial world agrees on the potential benefits of this move, as Roth Capital has reiterated its Buy rating and bullish price target for Cybin. Based on this acquisition and strengthening of its DMT program, Roth has kept its $10 target, a sign of faith in the company's programs especially considering the difficult market conditions.

See below for a brief look at Roth's report and stay tuned to Microdose for a full interview with Roth Capital analyst Elemer Piros.

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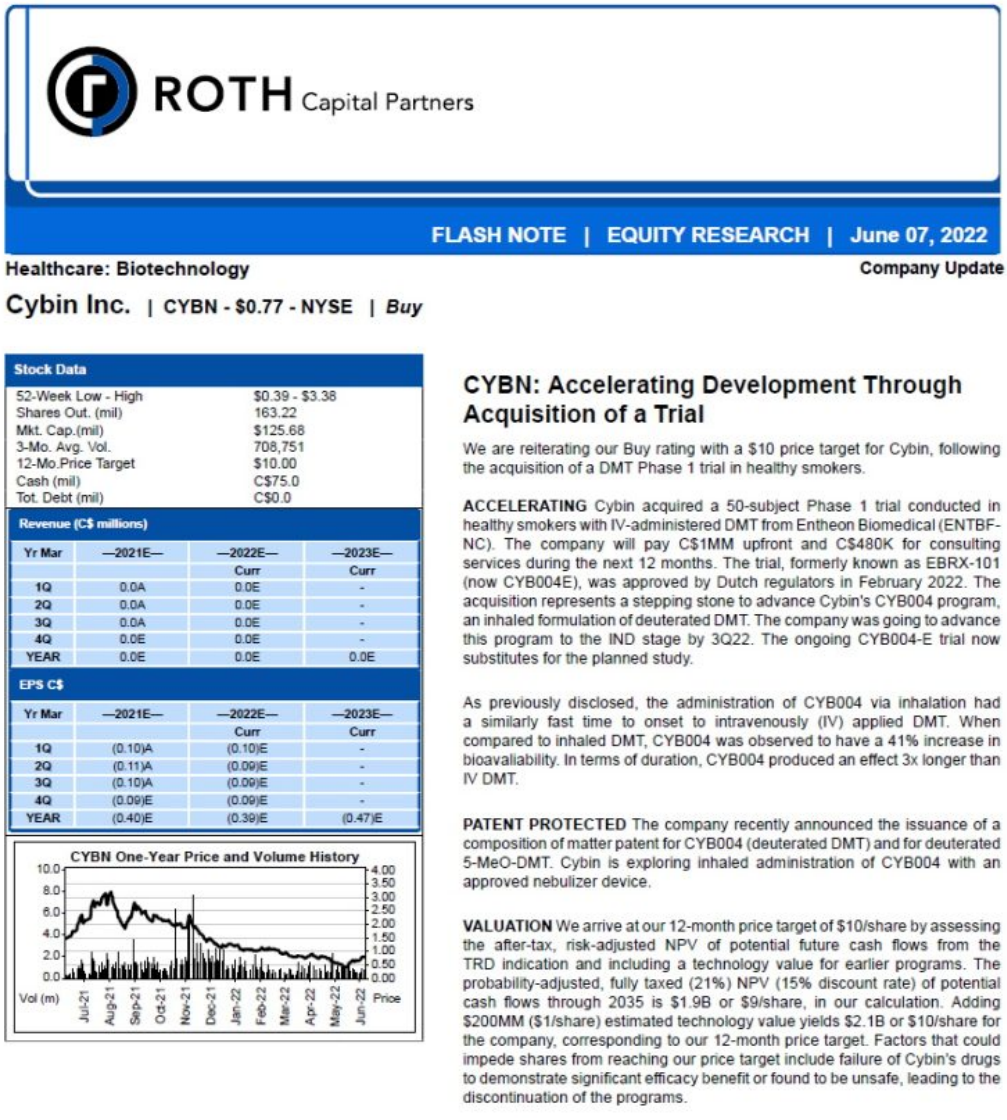

ROTH Capital Partners

FLASH NOTE | EQUITY RESEARCH | June 07, 2022

Healthcare: Biotechnology — Company Update

Cybin Inc. | CYBN - $0.77 - NYSE | *Buy*

Stock Data	
52-Week Low - High	$0.39 - $3.38
Shares Out. (mil)	163.22
Mkt. Cap.(mil)	$125.68
3-Mo. Avg. Vol.	708,751
12-Mo.Price Target	$10.00
Cash (mil)	C$75.0
Tot. Debt (mil)	C$0.0

Revenue (C$ millions)

Yr Mar	—2021E—	—2022E— Curr	—2023E— Curr
1Q	0.0A	0.0E	-
2Q	0.0A	0.0E	-
3Q	0.0A	0.0E	-
4Q	0.0E	0.0E	-
YEAR	0.0E	0.0E	0.0E

EPS C$

Yr Mar	—2021E—	—2022E— Curr	—2023E— Curr
1Q	(0.10)A	(0.10)E	-
2Q	(0.11)A	(0.09)E	-
3Q	(0.10)A	(0.09)E	-
4Q	(0.09)E	(0.09)E	-
YEAR	(0.40)E	(0.39)E	(0.47)E

CYBN One-Year Price and Volume History

Vol (m) 10.0 8.0 6.0 4.0 2.0 0.0 — Price 4.00 3.50 3.00 2.50 2.00 1.50 1.00 0.50 0.00

Jul-21 Aug-21 Sep-21 Oct-21 Nov-21 Dec-21 Jan-22 Feb-22 Mar-22 Apr-22 May-22 Jun-22

CYBN: Accelerating Development Through Acquisition of a Trial

We are reiterating our Buy rating with a $10 price target for Cybin, following the acquisition of a DMT Phase 1 trial in healthy smokers.

ACCELERATING Cybin acquired a 50-subject Phase 1 trial conducted in healthy smokers with IV-administered DMT from Entheon Biomedical (ENTBF-NC). The company will pay C$1MM upfront and C$480K for consulting services during the next 12 months. The trial, formerly known as EBRX-101 (now CYB004E), was approved by Dutch regulators in February 2022. The acquisition represents a stepping stone to advance Cybin's CYB004 program, an inhaled formulation of deuterated DMT. The company was going to advance this program to the IND stage by 3Q22. The ongoing CYB004-E trial now substitutes for the planned study.

As previously disclosed, the administration of CYB004 via inhalation had a similarly fast time to onset to intravenously (IV) applied DMT. When compared to inhaled DMT, CYB004 was observed to have a 41% increase in bioavailability. In terms of duration, CYB004 produced an effect 3x longer than IV DMT.

PATENT PROTECTED The company recently announced the issuance of a composition of matter patent for CYB004 (deuterated DMT) and for deuterated 5-MeO-DMT. Cybin is exploring inhaled administration of CYB004 with an approved nebulizer device.

VALUATION We arrive at our 12-month price target of $10/share by assessing the after-tax, risk-adjusted NPV of potential future cash flows from the TRD indication and including a technology value for earlier programs. The probability-adjusted, fully taxed (21%) NPV (15% discount rate) of potential cash flows through 2035 is $1.9B or $9/share, in our calculation. Adding $200MM ($1/share) estimated technology value yields $2.1B or $10/share for the company, corresponding to our 12-month price target. Factors that could impede shares from reaching our price target include failure of Cybin's drugs to demonstrate significant efficacy benefit or found to be unsafe, leading to the discontinuation of the programs.

Interested in more like this? See MindMed Receives 700% Price Target From Roth Capital

Tags: Cybin

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Update

by **Jason Najum** — June 9, 2022 in **Capital Markets** Reading Time: 6 mins read

We've been following Mydecine's recent developments very closely, from the closing of a much needed **capital raise**, to advancing its **Phase 2 psilocybin trial** for smoking, to its recent **reverse stock-split**.

With market conditions making 2022 a dangerous year for smaller-cap companies, we're on the lookout for updates on how firms like Mydecine are managing this period of rocky waters. And today we received such an announcement, updating us on Mydecine's recent developments and plans.

The main takeaways:

- Closed two financings in May 2022 for a total of $4.5 million CAD in gross proceeds.
- "…significantly decreased our burn rate since Q4 2021, in order to have sufficient capital available to meet our next clinical trial and drug development milestones."

speed to market."

- Plans to submit full Breakthrough Therapy Status and Investigational New Drug applications in early Q4 2022 and hopes to gain full clearance within 30 days after submission.

For investors and fans of Mydecine's **work with Johns Hopkins**, this comprehensive update should help alleviate some of the urgent concerns over the company's immediate future. We look forward to more specifics from next quarter's financial results.

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See below for the **full press release**.

Mydecine Provides Company Update; Welcomes New Board Member

June 09, 2022 07:00 ET | Source: Mydecine Innovations Group Inc.

DENVER, June 09, 2022 (GLOBE NEWSWIRE) — Mydecine Innovations Group Inc. (NEO: MYCO) (OTC: MYCOF) (FSE: 0NFA) ("Mydecine" or the "Company"), a biotechnology company aiming to transform the treatment of mental health and addiction disorders, today provided an update on clinical trial and drug development initiatives, and appointed a new member to its Board of Directors.

shareholders by focusing on efforts to set Mydecine up for future success. We believe our recent consolidation will make the company's share position more appealing to a broader range of investors moving forward; as well as face less resistance in the positive movement of the stock price. We have significantly decreased our burn rate since Q4 2021, in order to have sufficient capital available to meet our next clinical trial and drug development milestones."

Mydecine closed two separate financings in May 2022 for a total of $4.5 CAD in gross proceeds to the company.

The Company also announced today the appointment of Todd Heinzl to its board of directors to replace Independent Director, Gordon Neal. Mr. Heinzl holds over 30 years of experience in the investment, merchant banking, and financial services industry. Mr. Heinzl's expertise centers around assisting globally minded small and mid-cap companies by developing adequate corporate governance policies.

Clinical Trial Update

"Based on feedback from the FDA during our pre-IND meeting in February, we've pivoted our clinical trial strategy from a seamless Phase 2/3 design, to a Phase 2b and subsequent Phase 3 study," said Mydecine Chief Medical Officer Dr. Rakesh Jetly. "We have increased the number of subjects for the Phase 2b trial and are optimistic that it will be considered a pivotal study by the FDA. By separating our single seamless trial into two, we also gain the advantage of making protocol adjustments between Phase 2b and Phase 3. This pivot has pushed our trial timeline slightly; however, it allows us to publish clinical data after the Phase 2b study rather than waiting for the entire Phase 2/3 study to be completed and could ultimately increase our speed to market."

The Company plans to submit full Breakthrough Therapy Status and Investigational New Drug applications in early Q4 2022 and hopes to gain full clearance within 30 days after submission.

Drug Development Update

In January, Mydecine **announced** it completed a target based 5-HT2A model for its artificial intelligence (AI) and machine learning (ML) drug discovery program. Today the Company shares that it has completed the 5-HT2B model and intends to develop the entire family of serotonin receptors.

"As we continue to complete more target based models for our AI program, we exponentially increase our ability to produce viable drug candidates and diversify our molecule portfolio with long term treatment options that can reduce known risks. Mitigating the risk of valvulopathy due to long term activation of the 5-HT2B receptor, which is linked to heart valve disease, is one example," said Chief Scientific Officer Rob Roscow.

Past **research** has shown there is strong correlation between binding to the 5-HT2B receptor and heart valve tissue fibrosis. By filtering its lead drug candidates against both receptor models, the Company can more efficiently filter out drug candidates that have strong binding affinity to the 5-HT2A receptor but weak or no binding to the 5-HT2B receptor. This process leads to increased likelihood of desired outcomes.

very quick regulatory pathway," Roscow added.

The Company's AI-driven drug discovery program is led by Principal Investigator Dr. Khaled Barakat out of the University of Alberta. The University of Alberta is **ranked** top 3 globally for AI research and considered Canada's number one Computing Science Department.

Learn more about Mydecine's drug development efforts by **clicking here.**

About Mydecine Innovations Group Inc.

Mydecine Innovations Group Inc. (NEO:MYCO) (OTC:MYCOF) (FSE:0NFA) is a biotechnology company developing innovative first- and-second-generation novel therapeutics for the treatment of mental health and addiction using world-class technology and drug development infrastructure. Mydecine was founded in 2020 to address a significant unmet need and lack of innovation in the mental health and therapeutic treatment environments. Our global team is dedicated to efficiently developing new therapeutics to treat PTSD, depression, anxiety, addiction and other mental health disorders. The Mydecine business model combines clinical trials and data outcome, technology, and scientific and regulatory expertise with a focus on psychedelic therapy, as well as other novel, non-psychedelic molecules with therapeutic potential. By collaborating with some of the world's foremost authorities, Mydecine aims to responsibly fast-track the development of new medicines to provide patients suffering from mental health disorders with safe and more effective treatment options. Mydecine Innovations Group is headquartered in Denver, Colorado, USA, with international offices in Leiden, Netherlands.

Learn more at: https://www.mydecine.com and follow Mydecine on **Twitter**, **LinkedIn**, **YouTube** and **Instagram**.

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