

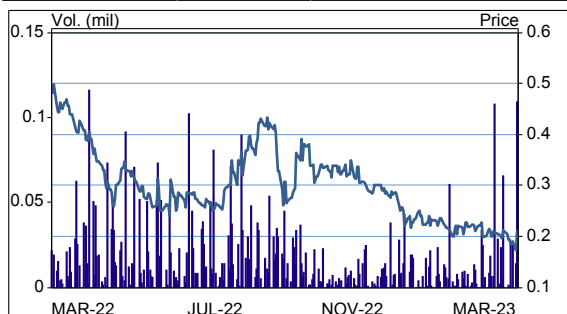
Mindset Pharma Inc. (MSSTF)
Rating: Buy

 Patrick R. Trucchio, CFA
 212-856-5749
ptrucchio@hcwresearch.com
Advances Multiple Psychoactive Compounds to Clinical Development; Augments IP Protection; Reiterate Buy

Stock Data		03/22/2023		
Price		\$0.21		
Exchange		OTC		
Price Target		\$5.00		
52-Week High		\$0.53		
52-Week Low		\$0.17		
Enterprise Value (M)		\$13		
Market Cap (M)		\$21		
Public Market Float (M)		82.1		
Shares Outstanding (M)		95.2		
3 Month Avg Volume		15,350		
Balance Sheet Metrics				
Cash (M)		C\$9.30		
Total Debt (M)		C\$0.20		
Total Cash/Share		C\$0.10		
Book Value/Share		C\$0.11		
EPS (C\$) Diluted				
Full Year - Jun		2022A	2023E	2024E
1Q		(0.09)	(0.01)A	(0.02)
2Q		(0.08)	(0.02)A	(0.03)
3Q		(0.01)	(0.03)	(0.03)
4Q		(0.01)	(0.03)	(0.03)
FY		(0.18)	(0.08)	(0.11)
Revenue (C\$M)				
Full Year - Jun		2022A	2023E	2024E
1Q		C\$0.0	C\$1.7A	C\$0.0
2Q		C\$0.0	C\$2.5A	C\$0.0
3Q		C\$2.3	C\$0.0	C\$0.0
4Q		C\$1.6	C\$0.0	C\$0.0
FY		C\$3.9	C\$4.2	C\$0.0

Progress on multiple fronts expected in the near-term. Recently, we caught up with Mindset management regarding progress on the pipeline. Highlights: (1) lead candidate MSP-1014, a psilocybin analog that emerged from the "Family 1" discovery program, is expected to start Phase 2a development in 2Q23, with a potential readout by year-end 2023 and a potential Phase 2b trial initiation in 2024; (2) MSP-2020, a 3-Pyrrolidine-Indole derivative and psychoactive agent that emerged from the "Family 2" discovery program, which is part of a collaboration with Otsuka, a large biopharmaceutical company, is expected to start a Phase 1a trial in 2024; (3) we await guidance on lead programs from "Family 3", which are subperceptual psychoactive agents and part of the Otsuka collaboration, and "Family 4", which are short-acting psychoactive agents, on when they could begin Phase 1 trials; (4) in a new disclosure, Mindset has revealed Families 6-8 are expected to include non-tryptamine New Chemical Entities (NCEs) that are currently undergoing early preclinical *in vitro* and *in vivo* profiling; and (5) several updates on Mindset's intellectual property (IP) have emerged in recent months, including granted patents that we believe augment Mindset's differentiated positioning in the neuropharmaceutical psychedelics space. Separately, we note that Mindset is facing a lawsuit from Reunion Neuroscience (REUN; Buy) related to a patent on Reunion's lead compound RE104; it is unclear at this stage what may result from the lawsuit, and we do not include potential for royalties or other consideration for RE104 in our Mindset model at this time. We believe MSSTF shares are attractive ahead of the start of clinical trials evaluating internal and partnered compounds in the year ahead; as such, we reiterate our Buy rating and \$5 price target.

Lead psychedelic program MSP-1014 is progressing to Phase 2. Mindset filed a Clinical Trial Application (CTA) in January and MSP-1014 is expected to enter Phase 2a development in 2Q23 with a potential topline readout by year-end 2023. Additionally, a potential Phase 2b trial could initiate in 2024. Separately, on May 12, 2022, Mindset announced it engaged with a UK-based contract research organization (CRO), Clerkenwell Health, to prepare for an initial scientific meeting with regulators to discuss Mindset's initial plans for clinical development and final patent application for MSP-1014. Recall that in preclinical studies, MSP-1014 demonstrated stronger 5-HT_{2A} activity than psilocybin, a long-acting psychoactive agent, and attenuated reduction in locomotor activity, and has also demonstrated consistent body temperature at higher doses, which could indicate a potential safety advantage according to Mindset. Additionally, Mindset has selected treatment-resistant depression (TRD) as the lead indication for MSP-1014, which makes sense to us based on the compelling data generated to date in this indication with similar compounds in the drug class such as psilocybin. For additional details on MSP-1014, refer to our November 17, 2022, note entitled, *HCW "At Home" Recap: Reiterate Buy Ahead of Advancement of Lead Psychedelic Compound MSP-1014 to Clinical Development*.



H.C. Wainwright 1868

Exhibit 1. Multiple potential updates in 2023 to further de-risk Mindset's psychedelic pipeline.

Compound	Indication	Milestone	Timing	Comments	Impact
MSP-1014 (Family 1 lead compound)	Treatment Resistant Depression (TRD)	Phase 2a trial initiation	2Q23	• Important study of safety, tolerability, and efficacy; we will be looking for potential advantages vs. psilocybin.	• Medium
		Phase 2a trial topline data	Year-end 2023		• High
MSP-2020 and MSP-2003 Family 2 lead and second back-up compounds	Multiple indications	Phase 1 study completion	2024	• Important progress in early stage pipeline that includes potential psychoactive agents with increased potency and efficacy as compared to psilocin and psilocybin.	• Medium
Family 3 lead compound	Multiple indications	Phase 1 study start	TBA	• Important progress in early stage pipeline that includes potential psychoactive agents with subperceptual (or micro) dosing applications.	• Medium
Family 4 lead compound	Multiple indications	Phase 1 study start	TBA	• Important progress in early stage pipeline that includes potential psychoactive agents with shorter durations of action.	• Medium

Source: Company filings, H.C. Wainwright & Co.

Family 2 compounds; potential to improve on existing psychoactive agent pharmacology. On October 5, Mindset announced that after extensive preclinical screening studies, a lead psychedelic drug clinical candidate, MSP-2020, and a second back-up drug candidate, MSP-2003, have been selected from its Family 2 program in collaboration with Otsuka, to advance to IND enabling studies. Importantly, MSP-2020 and MSP-2003 are both novel and patentable compounds; Phase 1 development is expected to begin over the next year. Recall that Mindset's second family compounds demonstrate increased potency and efficacy compared to psilocin, the active metabolite of psilocybin, and psilocybin based on both *in vitro* and *in vivo* data, respectively. Certain compounds also show oral bioavailability and are brain penetrant with *in vivo* pharmacokinetic (PK) evidence of shorter duration than psilocybin in rodents. This profile positions the second family of compounds as so-called third generation in-clinic psychoactive agent candidates. We note that Family 2 compounds are part of the aforementioned co-development agreement with the McQuade Center for Strategic Research and Development (MSRD), a member of the global Otsuka family of pharmaceutical companies, which was established on January 5, 2022. For now, we do not include Family 2 compounds in our valuation of MSSTF, though we believe the collaboration could lead to an acceleration of the development of MSP-2020 and MSP-2003.

Family 3 compounds; potential subperceptual dosing could broaden the reach of psychedelics, in our view. The lead compound(s) from Family 3 is expected to enter Phase 1 development as early as late 2023. The third family demonstrates unique and promising *in vitro* profiles according to Mindset. In particular, certain compounds from the third family show a similar binding profile to the human 5-HT_{2A} receptor comparable to that of psilocin's, but with smaller effect size and a much longer duration of action based on human liver microsome stability data. As such, identified Family 3 compounds were determined to have potential to treat a range of mental health disorders in the form of daily, take-home, medications. Preclinical results suggest that a range of doses may be sub-hallucinogenic, and Mindset expects to evaluate this class of compounds for pro-cognitive benefits. The ability to provide pro-cognitive solutions without a psychedelic effect could suit vulnerable patient populations such as pediatric attention deficit hyperactivity disorder (ADHD), Alzheimer's disease, and a range of other psychiatric disorders. Broadly, we view Family 3 compounds as providing a broader application of psychoactive agents beyond mood disorders, and believe Mindset is among the leaders in this discovery effort. For now, we do not include Family 3 compounds in our valuation, though we will continue to follow the potential clinical development of Mindset's subperceptual dosing program.

Family 4 compounds; short-acting psychoactive agents represent next potential wave of upside, in our view. The lead compound(s) from Family 4 is expected to enter Phase 1 development as early as late 2023. Recall that in September 2021, Mindset identified three pipeline opportunities from its short-acting psychedelic, DMT and 5-MeO-DMT-inspired novel drug candidates, MSP-4018, MSP-4019 and MSP-4020. In preclinical studies, MSP-4018, MSP-4019 and MSP-4020 demonstrated a significant decrease in signs of serotonergic toxicity, which is a considerable health risk associated with the first-generation psychedelic, 5-MeO-DMT, according to Mindset. Broadly, we view shorter-acting tryptamines as being potentially disruptive in the psychoactive agent space and with Mindset developing a next generation form of these compounds, Mindset could be ideally positioned to benefit from potential optimized pharmacology compared to longer acting tryptamines such as psilocybin and LSD. We note that Family 4 compounds are under the aforementioned co-development agreement with MSRD, which was

established on January 5, 2022. For now, we do not include Family 4 compounds in our valuation of MSSTF, though we believe the collaboration could lead to an acceleration of a lead candidate program emerging from Family 4.

Mindset augments its own IP positioning; faces lawsuit from Reunion regarding separate IP. On February 2, Mindset announced the U.S. Patent and Trademark Office (USPTO) granted allowance for Family 1 patent application number 17/743,718, including certain deuterated psilocybin analogs from Family 1. This announcement followed one from January 20 in which Mindset noted the USPTO has granted allowance for patent application number 17/833,341, which includes MSP-1014, its backup MSP-1009, as well as additional prodrug candidates belonging to Family 1. Separately, on March 13, Reunion announced it filed a lawsuit against Mindset in the US District Court, alleging that Mindset knowingly copied Reunion's RE104 compound and misleadingly presented that exact composition to the USPTO as Mindset's invention while applying for U.S. Patent No. 11,591,353 ('353 Patent). Reunion seeks to add Dr. Nathan Bryson, Reunion's Chief Scientific Officer, as an inventor of the '353 Patent. Reunion additionally asserts claims for, among others, co-ownership of the '353 Patent, inequitable conduct in the prosecution of the '353 Patent, and breach of contract. We await further information on this case, and for now, we do not include any impact on our revenue estimates for Mindset.

Model update. We updated our model for the F2Q23 earnings filing in SEDAR, a Canadian securities filing system. Mindset ended F2Q23 with cash and investments of C\$9.3M (vs. our C\$12.7M estimate). We also fine-tuned our expense estimates. Our EPS revisions are included in the Exhibit below.

Exhibit 2. HCW new vs. prior estimates.

C\$ in millions, unless otherwise noted

Revenue	F3Q23E	F4Q23E	F2023E	F2024E	F2025E	F2026E	F2027E	F2028E
HCW prior estimates	0.0	0.0	0.0	0.0	0.0	6.6	52.8	120.0
HCW new estimates	0.0	0.0	4.2	0.0	0.0	6.6	52.8	120.0

IFRS EPS	F3Q23E	F4Q23E	F2023E	F2024E	F2025E	F2026E	F2027E	F2028E
HCW prior estimates	(\$0.03)	(\$0.03)	(\$0.10)	(\$0.11)	(\$0.08)	(\$0.09)	(\$0.05)	(\$0.00)
HCW new estimates	(\$0.03)	(\$0.03)	(\$0.08)	(\$0.11)	(\$0.08)	(\$0.09)	(\$0.05)	(\$0.00)

*Note: FactSet consensus includes only one estimate in most periods, so is not included above.

Source: Company filings, FactSet, H.C. Wainwright & Co. estimates

Valuation and risks. We value Mindset Pharma using a discounted cash flow (DCF)-based methodology. We assume a probability of success of 25% for MSP-1014 in TRD and end of life cancer angst. We model equity raises of C\$10-C\$100M annually from F2023E to F2028E to fund clinical development and the potential therapy launch, which could dilute existing shareholders. We employ a 12% discount rate and a terminal multiple of 6.0x. We convert the implied value of equity in Canadian dollars to U.S. dollars at a rate of 0.75. Taken together, these considerations lead to a total firm value of approximately \$0.6B or \$5 price target. We note that Mindset Pharma trades on the U.S. OTC, which could bring with it increased risk of investment including liquidity risk and regulatory disclosure risk. Additional risks include though are not limited to: (1) clinical development risk tied to lead program MSP-1014 and the next generation programs to follow; (2) competitor risk in relevant therapeutic areas; (3) government regulatory risk, such as in the need to re-schedule psychedelics, which are often classified as illegal substances in countries around the world; (4) capital market and dilution risk; (5) commercialization risk, and in particular the build out of a therapist network to deliver psychedelic-assisted therapy in accordance with a potential FDA label; (6) reimbursement risk; (7) pricing risk; (8) business development risk; (9) risk from COVID-19 should a renewed wave lead to re-enactment of broad lock-downs globally; and (10) disruptions to clinical trials owing to the war in Eastern Europe.

C\$ in millions, unless otherwise noted

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Jun-24	Jun-25	F2026E	F2027E	F2028E	
	F2021A	F1Q22A	F2Q22A	F3Q22A	F4Q22A	F2022A	F1Q23A	F2Q23A	F3Q23E	F4Q23E	F2023E	F1Q24E	F2Q24E	F3Q24E	F4Q24E	F2024E	F2025E	F2026E	F2027E	F2028E	
Revenues	0.0	0.0	0.0	2.3	1.6	3.9	1.7	2.5	0.0	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	6.6	52.8	120.0	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	-100.0%	-100.0%	8.1%	-100.0%	-100.0%	NM	NM	-100.0%	NM	NM	702.8%	127.4%	
Cost of sales	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.7	5.0	10.8	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	662.7%	115.4%	
% of sales	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	10.0%	9.5%	9.0%
Gross profit	0.0	0.0	0.0	2.3	1.6	3.9	1.7	2.5	0.0	0.0	4.2	0.0	0.0	0.0	0.0	0.0	0.0	5.9	47.7	109.2	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	-100.0%	-100.0%	8.1%	-100.0%	-100.0%	NM	NM	-100.0%	NM	NM	707.3%	128.6%	
% of sales	NM	NM	NM	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	NM	NM	100.0%	NM	NM	90.0%	90.5%	91.0%
bp chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	0.0	NM	NM	NM	NM	NM	NM	NM	50.0	50.0	
Research and development expenses	2.2	1.4	2.5	2.3	1.2	7.4	1.4	3.7	1.3	1.4	7.8	1.6	1.8	2.0	2.2	7.5	12.5	27.5	42.5	57.5	
% chg	NM	NM	705.0%	265.9%	-4.6%	232.9%	-2.3%	49.3%	-41.1%	12.2%	5.7%	16.3%	-52.4%	48.8%	57.9%	-3.7%	66.4%	119.7%	54.5%	35.3%	
% of sales	NM	NM	NM	99.9%	75.0%	189.3%	79.1%	149.7%	NM	NM	185.2%	NM	NM	NM	NM	NM	NM	NM	418.9%	80.6%	48.0%
General and administrative expenses	2.5	2.2	3.5	1.4	0.9	8.1	0.8	0.8	0.9	0.9	3.6	1.1	1.2	1.4	1.6	5.5	6.5	7.5	8.5	9.5	
% chg	752.6%	1019.6%	675.9%	37.2%	12.1%	224.8%	-63.1%	-76.0%	-30.4%	0.0%	-55.9%	37.7%	46.8%	53.0%	74.2%	53.6%	18.3%	15.4%	13.4%	11.8%	
% of sales	NM	NM	NM	59.9%	57.4%	206.7%	48.2%	33.9%	NM	NM	84.4%	NM	NM	NM	NM	NM	NM	NM	113.7%	16.2%	7.9%
Sales and marketing expenses	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	5.0	20.0	30.0	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	300.0%	25.0%	20.0%
% of sales	NM	NM	NM	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	NM	NM	NM	NM	NM	NM	NM	304.3%	47.4%	25.0%
Share-based compensation	2.0	4.3	0.7	0.0	0.0	5.0	0.0	0.0	1.0	1.0	2.0	2.0	2.0	2.0	2.0	8.0	10.0	12.0	14.0	16.0	
% chg	951.4%	NM	NM	NM	NM	150.5%	NM	-100.0%	3701.4%	4018.8%	-59.2%	4109.3%	NM	100.0%	100.0%	290.7%	25.0%	20.0%	16.7%	14.3%	
% of sales	NM	NM	NM	1.2%	1.5%	128.4%	2.8%	0.0%	NM	NM	48.5%	NM	NM	NM	NM	NM	NM	NM	182.6%	26.5%	13.3%
Total operating expenses	6.7	7.9	6.7	3.6	2.2	20.5	2.2	4.6	3.3	3.3	13.4	4.7	5.0	5.4	5.8	21.0	34.0	67.0	90.0	113.0	
% chg	1292.2%	NM	499.0%	124.8%	-41.3%	205.3%	-71.6%	-32.0%	-10.1%	51.2%	-34.4%	111.1%	9.5%	65.6%	75.2%	56.4%	61.9%	97.0%	34.3%	25.6%	
% of sales	NM	NM	NM	161.0%	133.9%	524.4%	130.1%	183.5%	NM	NM	318.2%	NM	NM	NM	NM	NM	NM	NM	1019.5%	170.6%	94.2%
Operating income (loss)	(6.7)	(7.9)	(6.7)	(1.4)	(0.6)	(16.6)	(0.5)	(2.1)	(3.3)	(3.3)	(9.2)	(4.7)	(5.0)	(5.4)	(5.8)	(21.0)	(34.0)	(61.1)	(42.3)	(3.8)	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
% of sales	NM	NM	NM	NM	NM	NM	-30.1%	-83.5%	NM	NM	-218.2%	NM	NM	NM	NM	NM	NM	NM	NM	NM	
bp chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
EBITDA	(6.7)	(7.9)	(6.7)	(1.4)	(0.6)	(16.6)	(0.5)	(2.1)	(3.3)	(3.3)	(9.2)	(4.7)	(5.0)	(5.4)	(5.8)	(20.8)	(33.4)	(60.1)	(40.2)	(0.4)	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
% of sales	NM	NM	NM	NM	NM	NM	-30.1%	-83.5%	NM	NM	-217.9%	NM	NM	NM	NM	NM	NM	NM	NM	NM	-0.4%
D&A	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.1	0.2	0.6	1.0	2.1	3.4	
Total other income/(expenses)	(4.9)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Pre-tax income (loss)	(11.7)	(7.9)	(6.8)	(1.4)	(0.6)	(16.6)	(0.5)	(2.1)	(3.3)	(3.3)	(9.2)	(4.7)	(5.0)	(5.4)	(5.8)	(21.0)	(34.0)	(61.1)	(42.3)	(3.8)	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
% of sales	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
Taxes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
Tax rate	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
IFRS net income (loss)	(11.7)	(7.9)	(6.8)	(1.4)	(0.6)	(16.6)	(0.5)	(2.1)	(3.3)	(3.3)	(9.2)	(4.7)	(5.0)	(5.4)	(5.8)	(21.0)	(34.0)	(61.1)	(42.3)	(3.8)	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
% of sales	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
IFRS EPS	(\$0.20)	(\$0.09)	(\$0.08)	(\$0.01)	(\$0.01)	(\$0.18)	(\$0.01)	(\$0.02)	(\$0.03)	(\$0.03)	(\$0.08)	(\$0.02)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.11)	(\$0.08)	(\$0.09)	(\$0.05)	(\$0.00)	
% chg	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	NM	
Shares outstanding	57.7	86.0	89.1	92.3	92.8	90.1	94.7	95.2	126.1	126.6	110.6	195.9	196.4	196.9	197.4	196.7	449.1	677.3	884.8	1,073.4	

Source: Company filings, H.C. Wainwright & Co. estimates

C\$ in millions, unless otherwise noted

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Jun-23	Jun-24	Jun-25	F2026E	F2027E	F2028E
	F2021A	F1Q22A	F2Q22A	F3Q22A	F4Q22A	F2022A	F1Q23A	F2Q23A	F3Q23E	F4Q23E	F2023E	F2024E	F2025E	F2026E	F2027E	F2028E
Net income (loss)	(11.7)	(7.9)	(6.8)	(1.4)	(0.6)	(16.6)	(0.5)	(2.1)	(3.3)	(3.3)	(9.2)	(21.0)	(34.0)	(61.1)	(42.3)	(3.8)
Depreciation and amortization	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.6	1.0	2.1	3.4
Change in fair value of convertible debentures	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Accretion of lease liabilities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Depreciation of right-of-use assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Shares issued for consulting	0.0	0.0	1.5	0.2	0.0	1.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Reverse takeover transaction cost	3.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Share-based compensation	2.0	4.3	0.7	0.0	0.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
All other	(0.0)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Changes in working capital																
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(15.0)	(25.0)	(25.0)
Receivable and other assets	(2.6)	0.9	0.8	0.9	(0.1)	2.4	(0.3)	0.2	0.0	0.0	(0.1)	0.0	0.0	(14.0)	(15.0)	(15.0)
HST recoverable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Prepaid expenses - non-current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contract liability	0.0	0.0	0.6	8.4	(1.6)	7.4	2.3	0.7	0.0	0.0	3.0	0.0	0.0	0.0	0.0	0.0
Trade and other payables	0.7	0.6	(0.1)	0.4	(0.5)	0.4	(0.3)	0.2	0.2	0.2	0.3	1.0	1.0	10.0	10.0	10.0
Total changes in working capital	(1.9)	1.5	1.3	9.7	(2.3)	10.1	1.7	1.1	0.2	0.2	3.2	1.0	1.0	(19.0)	(30.0)	(30.0)
Cash from operating activities	(8.4)	(2.2)	(3.2)	8.6	(2.8)	0.4	1.2	(0.9)	(3.1)	(3.1)	(5.9)	(19.8)	(32.4)	(79.1)	(70.2)	(30.4)
Cash acquired from reverse takeover transaction	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds from sale of marketable securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of intangible assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Purchases of property and equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.5)	(2.0)	(5.0)	(8.0)	(11.0)	(12.0)
Cash from investing activities	1.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(0.3)	(0.3)	(0.5)	(2.0)	(5.0)	(8.0)	(11.0)	(12.0)
Proceeds, IPO	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments of IPO costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Convertible debenture	0.4	0.0	(0.1)	0.0	0.0	(0.1)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Payments made to lease liability	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.1)	(0.0)	(0.0)	0.0	0.0	(0.0)	0.0	0.0	0.0	0.0	0.0
Proceeds from shares to be issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Proceeds, offering of shares, net	12.3	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.5	0.0	9.5	23.8	95.0	95.0	95.0	95.0
Proceeds from exercise of warrants, net	0.7	0.7	0.6	0.4	0.3	1.9	0.2	0.0	0.0	0.0	0.2	0.0	0.0	0.0	0.0	0.0
Proceeds, exercise of stock options, net	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0	0.0	0.0
All others	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Cash from financing activities	13.4	0.7	0.4	0.4	0.3	1.7	0.3	(0.0)	9.5	0.0	9.7	23.8	95.0	95.0	95.0	95.0
Net changes in cash	6.0	(1.5)	(2.8)	8.9	(2.6)	2.1	1.5	(0.9)	6.2	(3.4)	3.4	2.0	57.6	7.9	13.8	52.6
Beginning cash and equivalents	0.5	6.6	5.1	2.3	11.3	6.6	8.7	10.2	9.3	15.5	8.7	12.1	14.1	71.7	79.6	93.4
Effect of exchange rate changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Less: Restricted cash	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Ending cash and equivalents	6.6	5.1	2.3	11.3	8.7	8.7	10.2	9.3	15.5	12.1	12.1	14.1	71.7	79.6	93.4	146.0
Free cash flow	(8.4)	(2.2)	(3.2)	8.6	(2.8)	0.4	1.2	(0.9)	(3.3)	(3.4)	(6.4)	(21.8)	(37.4)	(87.1)	(81.2)	(42.4)
FCF/share	(\$0.15)	(\$0.03)	(\$0.04)	\$0.09	(\$0.03)	\$0.00	\$0.01	(\$0.01)	(\$0.03)	(\$0.03)	(\$0.06)	(\$0.11)	(\$0.08)	(\$0.13)	(\$0.09)	(\$0.04)

Source: Company filings, H.C. Wainwright & Co. estimates

C\$ in millions, unless otherwise noted

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Jun-23	Jun-24	Jun-25	F2026E	F2027E	F2028E
	F2021A	F1Q22A	F2Q22A	F3Q22A	F4Q22A	F2022A	F1Q23A	F2Q23A	F3Q23E	F4Q23E	F2023E	F2024E	F2025E	F2026E	F2027E	F2028E
Cash and cash equivalents	6.6	5.1	2.3	11.3	8.7	8.7	10.2	9.3	15.5	12.1	12.1	14.1	71.7	79.6	93.4	146.0
Marketable securities	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Inventories	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	15.0	40.0	65.0
Receivable and other assets	3.3	2.6	1.8	0.8	0.9	0.9	1.2	1.0	1.0	1.0	1.0	1.0	1.0	15.0	30.0	45.0
HST recoverable	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other assets	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current assets	9.9	7.7	4.2	12.0	9.6	9.6	11.4	10.3	16.4	13.1	13.1	15.1	72.7	109.6	163.4	256.0
Property and equipment, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3	0.5	0.5	2.3	6.7	13.7	22.6	31.3
Intangible assets, net	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Right of use asset	0.2	0.2	0.2	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.0	0.0	0.0	0.0
Prepaid expenses - non-current	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total assets	10.1	7.9	4.4	12.2	9.8	9.8	11.6	10.4	16.8	13.7	13.7	17.4	79.4	123.3	186.1	287.3
Trade and other payables	0.4	0.9	0.8	1.3	0.7	0.7	0.5	0.6	0.8	1.0	1.0	2.0	3.0	13.0	23.0	33.0
Current portion of lease obligation	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contract liability	0.0	0.0	0.6	9.0	7.4	7.4	9.6	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4
Convertible debenture	0.5	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total current liabilities	0.9	1.5	1.5	10.3	8.1	8.1	10.2	11.1	11.3	11.5	11.5	12.5	13.5	23.5	33.5	43.5
Lease liability	0.2	0.2	0.2	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Total liabilities	1.1	1.6	1.6	10.5	8.3	8.3	10.3	11.2	11.4	11.6	11.6	12.6	13.6	23.6	33.6	43.6
Share capital	13.2	14.4	17.1	17.6	18.1	18.1	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4	18.4
Additional paid-in capital	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	9.5	9.5	9.5	33.3	128.3	223.3	318.3	413.3
Shares to be issued	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contributed surplus	8.0	11.8	12.4	12.3	12.1	12.1	11.9	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4	10.4
Accumulated deficit	(12.1)	(20.0)	(26.8)	(28.1)	(28.7)	(28.7)	(29.1)	(29.7)	(32.9)	(36.3)	(36.3)	(57.3)	(91.3)	(152.4)	(194.6)	(198.5)
Total stockholders' equity (deficit)	9.0	6.3	2.7	1.7	1.5	1.5	1.3	(0.8)	5.4	2.1	2.1	4.9	65.8	99.8	152.5	243.7
Total liabilities + stockholders' equity	10.1	7.9	4.4	12.2	9.8	9.8	11.6	10.4	16.8	13.7	13.7	17.4	79.4	123.3	186.1	287.3

Source: Company filings, H.C. Wainwright & Co. estimates

Important Disclaimers

This material is confidential and intended for use by Institutional Accounts as defined in FINRA Rule 4512(c). It may also be privileged or otherwise protected by work product immunity or other legal rules. If you have received it by mistake, please let us know by e-mail reply to unsubscribe@hcwresearch.com and delete it from your system; you may not copy this message or disclose its contents to anyone. The integrity and security of this message cannot be guaranteed on the Internet.

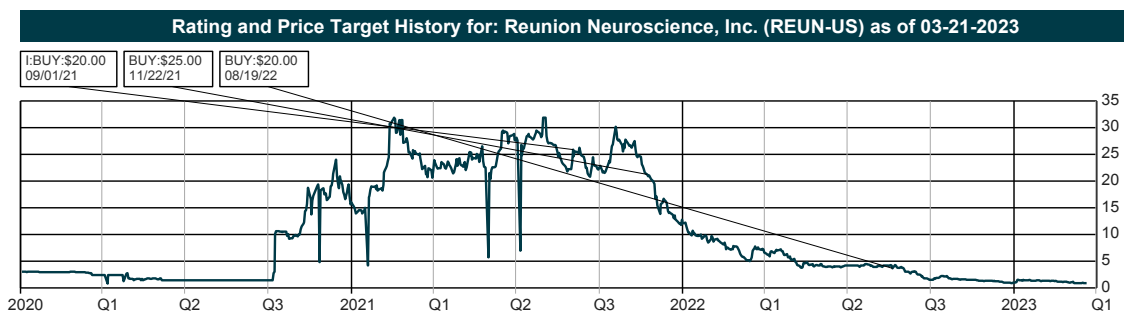
H.C. WAINWRIGHT & CO, LLC RATING SYSTEM: H.C. Wainwright employs a three tier rating system for evaluating both the potential return and risk associated with owning common equity shares of rated firms. The expected return of any given equity is measured on a RELATIVE basis of other companies in the same sector. The price objective is calculated to estimate the potential movements in price that a given equity could reach provided certain targets are met over a defined time horizon. Price objectives are subject to external factors including industry events and market volatility.

RETURN ASSESSMENT

Market Outperform (Buy): The common stock of the company is expected to outperform a passive index comprised of all the common stock of companies within the same sector.

Market Perform (Neutral): The common stock of the company is expected to mimic the performance of a passive index comprised of all the common stock of companies within the same sector.

Market Underperform (Sell): The common stock of the company is expected to underperform a passive index comprised of all the common stock of companies within the same sector.



Related Companies Mentioned in this Report as of Mar/22/2023

Company	Ticker	H.C. Wainwright Rating	12 Month Price Target	Price	Market Cap
Reunion Neuroscience, Inc.	REUN	Buy	\$20.00	\$0.83	\$9

Investment Banking Services include, but are not limited to, acting as a manager/co-manager in the underwriting or placement of securities, acting as financial advisor, and/or providing corporate finance or capital markets-related services to a company or one of its affiliates or subsidiaries within the past 12 months.

Distribution of Ratings Table as of March 21, 2023				
Ratings	Count	Percent	IB Service/Past 12 Months	
			Count	Percent
Buy	563	87.29%	131	23.27%
Neutral	67	10.39%	10	14.93%
Sell	0	0.00%	0	0.00%
Under Review	15	2.33%	3	20.00%

H.C. Wainwright & Co, LLC (the "Firm") is a member of FINRA and SIPC and a registered U.S. Broker-Dealer.

I, Patrick R. Trucchio, CFA, certify that 1) all of the views expressed in this report accurately reflect my personal views about any and all subject securities or issuers discussed; and 2) no part of my compensation was, is, or will be directly or indirectly related to the specific recommendation or views expressed in this research report; and 3) neither myself nor any members of my household is an officer, director or advisory board member of these companies.

None of the research analysts or the research analyst's household has a financial interest in the securities of Mindset Pharma Inc. and Reunion Neuroscience, Inc. (including, without limitation, any option, right, warrant, future, long or short position).

As of February 28, 2023 neither the Firm nor its affiliates beneficially own 1% or more of any class of common equity securities of Mindset Pharma Inc. and Reunion Neuroscience, Inc..

Neither the research analyst nor the Firm knows or has reason to know of any other material conflict of interest at the time of publication of this research report.

The research analyst principally responsible for preparation of the report does not receive compensation that is based upon any specific investment banking services or transaction but is compensated based on factors including total revenue and profitability of the Firm, a substantial portion of which is derived from investment banking services.

The firm or its affiliates received compensation from Mindset Pharma Inc. and Reunion Neuroscience, Inc. for non-investment banking services in the previous 12 months.

The Firm or its affiliates did not receive compensation from Mindset Pharma Inc. and Reunion Neuroscience, Inc. for investment banking services within twelve months before, but will seek compensation from the companies mentioned in this report for investment banking services within three months following publication of the research report.

The Firm does not make a market in Mindset Pharma Inc. and Reunion Neuroscience, Inc. as of the date of this research report.

The securities of the company discussed in this report may be unsuitable for investors depending on their specific investment objectives and financial position. Past performance is no guarantee of future results. This report is offered for informational purposes only, and does not constitute an offer or solicitation to buy or sell any securities discussed herein in any jurisdiction where such would be prohibited. This research report is not intended to provide tax advice or to be used to provide tax advice to any person. Electronic versions of H.C. Wainwright & Co., LLC research reports are made available to all clients simultaneously. No part of this report may be reproduced in any form without the expressed permission of H.C. Wainwright & Co., LLC. Additional information available upon request.

H.C. Wainwright & Co., LLC does not provide individually tailored investment advice in research reports. This research report is not intended to provide personal investment advice and it does not take into account the specific investment objectives, financial situation and the particular needs of any specific person. Investors should seek financial advice regarding the appropriateness of investing in financial instruments and implementing investment strategies discussed or recommended in this research report.

H.C. Wainwright & Co., LLC's and its affiliates' salespeople, traders, and other professionals may provide oral or written market commentary or trading strategies that reflect opinions that are contrary to the opinions expressed in this research report.

H.C. Wainwright & Co., LLC and its affiliates, officers, directors, and employees, excluding its analysts, will from time to time have long or short positions in, act as principal in, and buy or sell, the securities or derivatives (including options and warrants) thereof of covered companies referred to in this research report.

The information contained herein is based on sources which we believe to be reliable but is not guaranteed by us as being accurate and does not purport to be a complete statement or summary of the available data on the company, industry or security discussed in the report. All opinions and estimates included in this report constitute the analyst's judgment as of the date of this report and are subject to change without notice.

Securities and other financial instruments discussed in this research report: may lose value; are not insured by the Federal Deposit Insurance Corporation; and are subject to investment risks, including possible loss of the principal amount invested.