



2020 was the Year of Psychedelics, Here's why

December 27, 2020

While many 2020 memories will be gladly left behind, that's not necessarily the case for psychedelics. There was unprecedented renaissance as psychedelic compounds, and their potential to treat mental health conditions, became one of the centerpieces of this year's public conversation. Psychedelic companies — those researching and producing these compounds — jumped into the spotlight of investment markets, with almost two dozen psychedelics companies going public between February and December. A public, institutional and financial interest in psychedelics ushered in a series of regulatory and legislative measures that opened the floodgates to levels of research never before seen in the space. The impressive amount of news related to this sector also prompted Benzinga to launch Psyched, a weekly column on psychedelics which has already reached 30 issues and thousands of readers.

Psychedelics Companies Go Public

MindMed (NEO:MMED) (OTCQB:MMEDF) became the first pure-play psychedelics company to IPO in a public exchange in Canada, debuting at the NEO exchange on March 3. Since then, at least 20 more companies hit the public exchanges. Canada's fitting environment for small-cap venture investment, laid down by the mining sector, established the perfect runway for psychedelics companies to debut in the public markets, following the steps that cannabis took back in 2014. A number of psychedelics companies went public at Canadian exchanges through reverse take-overs with "shell" companies from the mining sector. Others chose the more expensive, more reputable IPO route. Compass Pathways (NASDAQ:CMPS) became the first psychedelics company to debut on a major U.S. stock exchange in September. Other public psychedelics companies today include: Better Plant Sciences (CSE:PLNT) (OTCQB:VEGGF) Champignon Brands Inc. (CSE:SHRM) (OTCQB:SHRMF) Cybin Corp (NEO: CYBN) The Delic (CSE:DELC) Ehave Inc (OTC:EHVVF) Entheon Biomedical (CSE:ENBI) Field Trip Health (CSE:FTRP) (OTC:FTRPF) Numinus (TSXV:NUMI) Havn Life Sciences (CSE:HAVN) Lobe Sciences (CSE:LOBE) (OTC:GTSIF) Mind Cure Health (CSE:MCUR) Mydecine (CSE:MYCO) (OTC:MYCOF) New Wave Holdings (CSE:SPOR) (OTC:TRMND) Red Light Holland (CSE:TRIP) Revive Therapeutics Ltd. (CSE:RVV) (OTC:RVVTF)

MAPS Leads Legalization Race With MDMA-Assisted Therapy

The Multidisciplinary Association for Psychedelic Studies has gotten closer than ever to getting the first psychedelic drug legalized in the U.S., with the advancement of its research program on MDMA for the treatment of post-traumatic stress disorder. After 34 years of advocacy work and research, the NGO is currently leading phase 3 clinical trials for the MDMA. In August, MAPS closed a \$30 million funding round to complete the last tranche of research needed to convince the FDA to legalize the drug federally. The first part of the phase 3 trials concluded that 67% of the participating volunteers who had PTSD for an average of 18 years no longer presented PTSD symptoms at least 12-months after the treatment. According to MAPS, the FDA has been very supportive of the research, and this is evidenced by the agency's granting of Breakthrough Therapy designation to MDMA-assisted psychotherapy. The agency also approved MAPS' expanded access study and allowed it to end the first Phase 3 trials early, after overwhelming evidence of MDMA's benefits had been presented. MDMA cannot be patented. But if it's approved, MAPS would receive five to seven years of market exclusivity from the FDA to produce, sell and distribute the drug, as well as to provide therapist training. The non-profit is now looking to potential approval of the treatment by the FDA in 2022, leading to country-wide commercialization as early as 2023. Psilocybin, The Prodigal Son Of Classic Psychedelics Of the four hallucinogenic compounds referred to as classic psychedelics (namely psilocybin, LSD, mescaline and DMT), psilocybin is by far the most advanced in the path to legalization and treatment availability. Research accounts for much of this progress. 2020 recorded the highest number of published psilocybin research to date, with the NIH's pubmed registering 118 publications on the drug, almost double from the 68 publications recorded in 2019. Matt Johnson, a professor and researcher at Johns Hopkins University's psychedelics program, explained to Benzinga that psilocybin's success above other psychedelics has to do with the amount of anecdotal evidence that already existed before academic research resumed in the early 2000s. That, along with its shorter duration of effect and reduced social stigma in comparison with LSD and mescaline, took psilocybin to advance psychedelics legalization. In 2019, the Usona Institute — a Wisconsin-based non-profit — began testing psilocybin in human subjects in phase 2 trials to assess efficacy in the treatment of Major Depressive Disorder. The trials are expected to wrap in the spring of 2021. From the for-profit front, Compass Pathways is testing its own proprietary version of synthetic psilocybin,

called COMP360 in a phase 2b trial involving 20 sites across Europe and North America. A spokesperson for Compass said to Benzinga that "COMP360 can be registered as a new chemical entity and benefit from data protection for up to 8-11 years in the EU, and 5-7.5 years in the US." A number of other companies in the space are patiently waiting for either Usona or Compass to cross the FDA threshold into descheduling psilocybin, in order to patent and bring to market a number of derivative proprietary compounds, new processes for making psilocybin or new methods of treatment with the drug. Canada

Leads The Way On Federal Psychedelics Decriminalization

Canada's executive branch is slowly moving forward with a de facto decriminalization of psilocybin, through a series of exemptions granted by Minister of Health Patty Hajdu. In August, Hadju allowed four terminally-ill patients to legally use psilocybin as part of a palliative care treatment for end-of-life distress. This marked the first time in history that Canadian patients received a legal exemption from the Canadian Drugs and Substances Act to use any kind of psychedelic therapy. By December 2020, the exemption had been expanded to 14 patients. The Minister also allowed 17 healthcare professionals to possess and use psilocybin to conduct professional training in psilocybin therapy, acknowledging the importance of clinician experience with psychedelics as part of their training. TheraPsil, a nonprofit working for patient access to psilocybin in Canada, supported much of the activism behind these decisions. Following a similar path as that of cannabis legalization in Canada, Minister Hadju's decisions have now opened the door to a significant increase in the number of people applying for access to psilocybin therapy. Ronan Levy, founder and executive chairman of Field Trip Health, expects the minister of health to start approving — "on a pretty broad basis" — access to psilocybin. "[That] means you're going to have de facto legalization, or they're going to draw a line somewhere and they're going to say no to a person who's going to find it unjustifiable that they can't access this therapy when other people can," Levy said. "This is going to lead to a constitutional challenge, which is actually how cannabis came about in Canada in the first place back in 2001."

Oregon, DC And Other U.S. Jurisdictions Decriminalize Natural Psychedelics

This year, a number of U.S. jurisdictions passed measures that pulled back on penalties for the possession, use and sale of psychedelic compounds. The most important of these legislations comes from Oregon, which became the first U.S. state to regulate psilocybin, the active ingredient in "magic mushrooms." The measure, passed in a ballot vote at the 2020 presidential election, creates a state-licensed psilocybin-assisted therapy system. Patients over 21 will be allowed to buy, possess and use psilocybin under the supervision of trained facilitators. The manufacturing, delivery and administration of the drug will be allowed at licensed facilities. Measure 109 sets up a two-year period to develop the program and put it in action. It will also allow for participants to qualify for the program without the need to prove they suffer from an ailment, thus leading to a possible legal adult-use market for psilocybin in Oregon. A separate measure passed in Oregon on the same vote, decriminalizing small possession of all drugs including heroin, cocaine and methamphetamine. On the other shore, voters from the District of Columbia passed an initiative that decriminalizes the use of several natural psychedelic substances by making non-commercial possession, distribution, purchase and cultivation of psychedelic and hallucinogenic plants and fungi a lowest law enforcement priority for the Metropolitan Police Department. The measure also creates a "non-binding public call upon the DC Attorney General and U.S. Attorney for DC to cease prosecution of criminal charges involving these substances," The Ann Arbor city council approved a similar resolution in September, making the use and possession of entheogenic plants a fungi a lowest law enforcement priority in the Michigan city. A similar measure took place in Santa Cruz last February. Adding to Oakland and Denver, which passed legislations of the sort in 2019, the country now counts six separate jurisdictions that have decriminalized psychedelics in some form a number that's only expected to keep on rising.