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Atai Life Sciences Is Betting BIG On The Shift In Psychedelics To Treat Mental Illness

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2020 has been a tough year for global markets and this is a trend that we have been closely following. During the last year, we have seen a rapid increase in the number of companies that are in the psychedelic market and this is a vertical that we have become excited about.

The psychedelic market is comprised of a number of small companies that are in the early stages of growth. When it comes to the psychedelic market, selectivity is more important than ever and we want to highlight a business that has caught our attention. The company, ATAI Life Sciences, is led by a management team that has a proven track record of success in the psychedelic market.

From a quality standpoint, ATAI Life Sciences represents a well-rounded growth opportunity and we are favorable on the potential catalysts in the near and long term. The management team is focused on bringing the business down a path to profitability and we are favorable on this aspect of the story.

Focused on Large Scale, High-Growth Markets

ATAI Life Sciences is focused on several major markets and is working to bring innovative solutions to the mental healthcare market. One of the reasons we are excited about the opportunity is due to the conditions that it is focused on:

1. Depression – The World Health Organization (WHO) estimates that approximately 322 million people live with depression, making it the most common mental health disorder. More than one third of the people that live with depression do not respond to currently available therapeutics and we are favorable on the opportunity that is associated with treating this condition
2. Anxiety – according to the Anxiety and Depression Association of America (ADAA), more than 40 million Americans suffer from an anxiety disorder every year. Anxiety is one of the most common mental health conditions in the world and this represents a major market opportunity for ATAI
3. Addiction – During the last decade, there has been a significant increase in the number of people who suffer from some form of addiction. In the US, we have seen a dramatic spike in the number of people who have died from an opioid addictions and this is a

trend that ATAI is focused on. The current treatment options for all types of addiction are scant and produce variable results, with relapse rates across substance use disorders estimated to be between 40 and 60%.

A Multi-Faceted Growth Opportunity

ATAI Life Sciences represents a multi-faceted growth opportunity that has an platform for growth. The company has an attractive operating structure and is comprised of seven divisions. We are favorable on the amount of value that can be created between the divisions that we have highlighted below:

1. COMPASS Pathways – the business develops psilocybin therapy for patients with treatment-resistant depression.
2. Perception Neuroscience – it develops arketamine therapy for patients with neuropsychiatric disorders.
3. DemeRx – focused on developing ibogaine and noribogaine for the treatment of opioid use disorders
4. Innoplexus – leverages the power of AI and big data analytics for a variety of applications in life sciences, including drug development.
5. GABA Therapeutics – develops GRX-917 which is a deuterated version of etifoxine for anxiety
5. EntheogeniX Biosciences – leverages the power of AI and computational biophysics to design the next generation of mental health drugs
7. Neuronasal – focused on preventing post-concussion injuries and mental health complications by novel nose-to-brain drug delivery of NAC

Forms Strategic Partnership for Growth

Earlier this year, ATAI Life Sciences announced an investment in two separate joint ventures (JV) with DemeRx, a clinical stage pharmaceutical company focused on developing ibogaine and noribogaine for the treatment of opioid use disorder (OUD). Current treatment options for OUD are limited and carry the risk of significant side effects and abuse potential. We are favorable on this focus and will monitor how the relationship evolves from here.

Ibogaine is a natural indole alkaloid derived from the West African iboga plant that has previously been marketed in France as a stimulant and an antidepressant under the brand name Lambarène. Known for its oneirophrenic and hallucinogenic properties, uncontrolled data from hundreds of patients suggest that ibogaine is effective as both an acute detoxifier and as a treatment for opioid addiction.

Given the extensive database for ibogaine, including a substantial amount of human data, ATAI and DemeRx plan to submit clinical trial applications for a Phase II study in opioid-dependent patients. We believe that the relationship provides ATAI with substantial upside potential and we are favorable on this aspect of the story.

A Growth Story to be Aware of

ATAI Life Sciences is a private company that is in the early stages of a major growth cycle and we are bullish on the growth prospects that are associated with the long-term opportunity. From a relationship standpoint, the company has partnered with leading operators in the psychedelic market and this is an important aspect of the story.

Over the next year, we expect to see the business record significant advancements and we believe that this is an opportunity to be aware of. If you are interested in learning more about the business, please reach out to support@technical420.com (<mailto:support@technical420.com>) to be added to the distribution list.