

FSD Pharma

08:10 02 Dec 2019

FSD Pharma to initiate Phase 1 safety trials for its lead drug candidate PP 101 micro-PEA in 1Q 2020

FSD Pharma Inc (CSE:HUGE) (OTCMKTS:FSDDF) said it would initiate Phase 1 safety trials in patients for its lead drug candidate PP 101 micro-PEA in the first quarter of 2020, while reporting financial results for the three and nine months ended September 30.

In a statement accompanying the Canadian company's latest numbers on Friday, FSD Pharma CEO Raza Bokhari said: "During the third quarter, we continued to advance our efforts to transform into a specialty, biotech pharmaceutical R&D company focused on developing over time a robust pipeline of FDA approved synthetic compounds targeting the endocannabinoid system of the human body to treat certain diseases of the central nervous system and autoimmune disorders of the skin, GI tract and the musculoskeletal system."

"The company intends to initiate Phase 1 first-in-human safety and tolerability trials for its lead candidate, PP 101 micro-PEA during first quarter 2020," he added.

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The company said that in the third quarter, it closed the second tranche of a previously announced placing, raising a total of nearly C\$4.6 million gross and is planning to close a third tranche.

Net proceeds will be used for the expansion of the group's biosciences division, including the research and development of PP-101 (micro-palmitoylethanolamide [micro-PEA] plus pregabalin).

This is the firm's pre-clinical drug candidate for the treatment of symptoms related to fibromyalgia, a disorder characterized by widespread musculoskeletal pain accompanied by fatigue, sleep, memory and mood issues.

Bokhari also said that the capital raise at a premium had increased the visibility of the company among institutional investors and was an "important milestone" towards the company's effort to list on a major US stock exchange.

"In addition, the company accelerated set-up activities to commence medical cannabis sales in August from our Cobourg facility," said Bokhari.

"To date in the fourth quarter, we have generated \$260,000 from the sale of medical cannabis, which represents a meaningful increase in our revenue from our core business. With more than \$70 million in cash and non-cash assets, we believe we have reasonable financial means to advance the strategic objectives of FSD Pharma to transform into a specialty, biotech pharmaceutical R&D company," he added.

For the third quarter ended September, FSD Pharma posted revenue of \$12,805 compared to \$13,833 in the same

Price: 5.3

Market Cap: \$42.71 m

1 Year Share Price Graph



March 2019 September 2019 March 2020

Share Information

Code: HUGE

Listing: CSE

52 week	High	Low
	63.315	3.51

Sector: Cannabis

Website: fsdpharma.com

Company Synopsis:

FSD Pharma is a publicly traded company on the Canadian Securities Exchange under the symbol HUGE. The Company, through its wholly-owned subsidiary FV Pharma Inc., holds an ACMPR license to cultivate cannabis under the Access to Cannabis for Medical Purposes Regulations (ACMPR).

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period a year earlier. The company explained that it started medical cannabis sales in August, generating nominal revenue during the third quarter.

"Revenue during the prior-year quarter was primarily from subleasing a portion of the Cobourg facility to unrelated third parties," said the company.

The company said it had a net loss of \$16.7 million or \$2.20 per share, compared with net income of \$3.9 million or \$0.50 per diluted share. The third quarter included a \$1.7 million loss on change in fair value of derivative liability and a \$2.1 million loss on changes in fair value of other investments, said the company.

FSD Pharma had cash and equivalents of \$7.3 million as of September 30, while most significantly, it had non-cash assets of \$62.8 million.

FSD Pharma is focused on the research and development of cannabinoid-based treatments for several central nervous system disorders including fibromyalgia, and irritable bowel syndrome. It also grows medical-grade cannabis at its 25,000 square foot facility in Ontario.

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