

PharmAla Biotech to form Australian Psychedelics Joint Venture with Vitura Health

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Psychedelics are a group of drugs that alter perception, mood, and thought processing while a person is still clearly conscious



Canadian firm PharmAla Biotech Holdings Inc. has announced the establishment of a 50:50 joint venture, Cortexa, with Australian startup Vitura Health.

Cortexa is an Australian company, jointly owned by Vitura and PharmAla and with equal board representation. Supported by exceptional domestic distribution provided by the Vitura group, Cortexa will be able to provide MDMA (3,4-methylenedioxymethamphetamine) and Psilocybin products for clinical use to be prescribed by Authorised Prescribers and for use in clinical trials undertaken by academic and commercial researchers.

PharmAla's MDMA and Psilocybin Products are already being supplied to numerous Australian clinical trials. Under the terms of the Agreements, the benefit of any sale orders for the Products received by PharmAla from the date of signing the letter of intent in February have been transferred to Cortexa, ensuring that the joint venture will generate revenues from the outset.

A break fee of \$500,000 will be payable by PharmAla or Vitura, whichever is the breaching party, in the event of certain incurable breaches of the Agreements that result in the termination of the JV Agreement.

In order to provide Cortexa with sufficient working capital in its initial stage of development, Vitura has agreed to advance loan funds to Cortexa of up to \$2,200,000 at an interest rate equal to the official cash rate +5% per annum, should they be required. Vitura will advance any such loan funds to Cortexa from its cash reserves.