

HORIZONS ETFs TO LAUNCH WORLD'S FIRST PSYCHEDELICS-FOCUSED ETF

TORONTO – January 22, 2021 – Horizons ETFs Management (Canada) Inc. (“**Horizons ETFs**”) is pleased to announce that it has filed its final prospectus to launch the Horizons Psychedelic Stock Index ETF (“**PSYK**”). Units of PSYK have been conditionally approved for listing by the NEO Exchange (“**NEO**”) and are slated to begin trading on January 27, 2021, under the ticker symbol PSYK:NEO.

PSYK will be the world’s first exchange traded fund (“**ETF**”) focused on the emerging psychedelics opportunity led by life science and pharmaceutical companies. A growing body of clinical research has demonstrated the potential use of psychedelic compounds, such as psilocybin and ketamine, as treatment for mental illness, depression, addiction, post-traumatic stress disorder (PTSD), and other medical conditions. This has resulted in a growing number of public companies listed in North America that are focussed on the development of therapeutic solutions using psychedelics, which now provides the breadth of portfolio necessary for an ETF.

PSYK will seek to replicate, to the extent possible and net of expenses, the performance of a market index that is designed to provide exposure to the performance of a basket of North American publicly-listed life sciences companies having significant business activities in, or significant exposure to, the psychedelics industry. PSYK will be using the North American Psychedelics Index (the “**Index**”) as its market index. The Index is a proprietary index owned and operated by Horizons ETFs, and Solactive AG is the independent calculation agent for the Index.

The Index is designed to provide a measure of the performance of North American publicly-listed life sciences companies focused on psychedelic medicines, and other companies with business activities in the psychedelics industry. The Index has been designed to provide diversified exposure to the psychedelics industry and also to be adaptive to the evolution of the industry in a timely fashion.

Subject to certain size and liquidity minimums, generally, a company is deemed to be eligible to be included in the Index if the company is listed on a regulated stock exchange in Canada or in the United States, and is a producer and/or a supplier of psychedelic medicines; a biotechnology company that is engaged in research and development of psychedelic medicines; or a company that is part of the supply chain for, or a distributor of, psychedelics.

“After decades of restrictions, recent policy changes and exemptions in Canada and the United States have allowed for increased research in the therapeutic application of psychedelic compounds, and the potential to create an entirely new marketplace for drugs derived from psychedelics,” said Steve Hawkins, President and CEO of Horizons ETFs. *“PSYK will give investors exposure to the leading public companies undertaking this important research and development of treatments for the more than 700 million people globally that, according to the World Health Organization, suffer from some sort of mental illness, addiction or eating disorder.”*



While many of the organizations engaged in psychedelics-based clinical research are small but growing life sciences companies pursuing novel research, there are a few global multinationals that have developed in-market applications, including the world's largest health company, Johnson & Johnson, which received FDA approval for Spravato, a ketamine-based nasal spray for treatment of depression.

“We launched the world’s first Cannabis-focused ETF in 2017, the Horizons Marijuana Life Sciences Index ETF (HMMJ), and we see many similarities between that industry in 2017 when it was in its infancy to the psychedelics industry now. We see the potential for significant growth from this new sector like what we have witnessed with the Cannabis industry during the last few years.” said Mr. Hawkins. *“At Horizons ETFs we strive to be at the forefront of key global transformative investment themes. We believe the opportunities with psychedelics not only provide a compelling investment case, but also the potential to provide life-changing impact for those suffering with mental illness.”*

PSYK will close the initial offering of units to its designated broker at the close of business on January 26, 2021, prior to its initial listing of units on NEO on January 27, 2021.

For further information about PSYK, please visit: www.HorizonsETFs.com/PSYK

About Horizons ETFs Management (Canada) Inc. (www.HorizonsETFs.com)

Horizons ETFs Management (Canada) Inc. is an innovative financial services company and offers one of the largest suites of exchange traded funds in Canada. The Horizons ETFs product family includes a broadly diversified range of solutions for investors of all experience levels to meet their investment objectives in a variety of market conditions. Horizons ETFs has over \$17 billion of assets under management and 93 ETFs listed on major Canadian stock exchanges.

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*Commissions, management fees and expenses all may be associated with an investment in exchange traded products (the "Horizons Exchange Traded Products") managed by Horizons ETFs Management (Canada) Inc. The Horizons Exchange Traded Products are not guaranteed, their values change frequently and past performance may not be repeated. The prospectus contains important detailed information about the Horizons Exchange Traded Products. **Please read the relevant prospectus before investing.***

There are risks associated with this product. PSYK is expected to invest in, and indirectly derive revenues from, companies in the psychedelics industry engaged in legal activities involving psychedelic drugs and substances. While the medical and adult use of certain psychedelic drugs and substances are generally prohibited under U.S. federal law, despite this prohibition, a limited number of states have either sought to decriminalize or authorize the medical use of certain psychedelic drugs and substances in limited



circumstances. Clinical trials involving psychedelic drugs and substances are, however, permitted, provided they comply with both state and federal laws applicable to such trials. Psychedelic drugs and substances in Canada are primarily regulated under the Controlled Drugs and Substances Act (the “CDSA”), the Food and Drug Act and the regulations promulgated thereunder. The medical use of certain psychedelic drugs and substances remain illegal under Canadian federal law unless discretionary exemptions are granted under the CDSA, while a limited number of other drugs and substances may be prescribed by a health care practitioner to patients under their care. Adult recreational use of psychedelic drugs and substances remains generally prohibited under the CDSA. Commercial activities involving psychedelic drugs and substances are permitted in Canada by parties who hold the required federal regulatory approvals and licences; however, distribution and sales opportunities for psychedelic drugs and substances are heavily restricted at this time. PSYK will passively invest in companies engaged in legal activities involving psychedelic drugs and substances in Canada and the U.S. where applicable laws permit such activities. PSYK will not be directly engaged in the manufacture, importation, possession, use, sale or distribution of psychedelic drugs or substances in either Canada or the U.S.

Certain statements herein may constitute a forward-looking statement, including those identified by the expression “expect” and similar expressions (including grammatical variations thereof). The forward-looking statements are not historical facts but reflect the author's current expectations regarding future results or events. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. These and other factors should be considered carefully and readers should not place undue reliance on such forward looking statements. These forward-looking statements are made as of the date hereof and the authors do not undertake to update any forward-looking statement that is contained herein, whether as a result of new information, future events or otherwise, unless required by applicable law.

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