



MYnd Analytics, Inc.

OTC MYND

We believe MYnd Analytics is commercializing a very valuable predictive technology in a field of medicine, mental disorders, where decisions to prescribe psychotropic medications have sorely needed better guidance than has been available to have higher success rates, lower rates of negative side effects and lower costs.

Description. MYnd Analytics is a predictive analytics company in the field of mental health that has developed PEER Interactive, a tool that helps guide psychiatrists to greatly improve their choices of effective medication to treat mental health disorders, which have suffered from poor diagnostics.

Investment Thesis

- MYnd added the highly synergistic capability of telepsychiatry by exercising its option to acquire the 81% of Arcadian Telepsychiatry Services LLC it did not already own, completing one of its stated milestones.
- The acquisition expands MYnd's service offering as Arcadian delivers telepsychiatry and telemental health services via video-conferencing through a network of psychiatrists and licensed therapists throughout the U.S. Its services also include digital patient screening, on-demand services, curbside consultation and scheduled encounters 24 hours/day, 7 days/week.
- Arcadian's services will benefit from MYnd's PEER report capabilities in providing the best assistive guidance to psychiatrists to choose the best psychotropic medication.
- The trend towards acceptance of telemedicine, particularly in mental health, has been very strong over the past several years.
- We believe investors will recognize the potential value of MYnd Analytics approach for generating significant earnings over the next several years.

MYND Analytics, Inc



Chart by Big Charts



Rating
Risk Rating

Strong Buy
High

Current Price (Nov. 28, 2017) \$3.83
12-month Price Target \$8.00
Implied dividend yield 0.0%
Projected total return +109%

Shares outstanding (Sept 2017) 4.2M
Fully diluted 9.0M
Market capitalization (M) \$16.3 M
Total debt (MRQ) \$50.9K
Cash (MRQ) 409K
Enterprise value \$15.6M

Average daily volume (3 m) 48.3M
Float as % of shares out. 81%
Short interest as % of Float 0.3%
Insider ownership 24.8%
Institutional ownership 17.2%

Book value p/s -\$0.4
Cash/share \$0.1

Revenue (M)

	2018E	F2019E	2020E	2021E
Q1	N.A.	\$N.A.	\$N.A.	\$N.A.
Q2	\$N.A.	\$N.A.	\$N.A.	\$N.A.
Q3	\$N.A.	\$N.A.	\$N.A.	\$N.A.
Q4	\$N.A.	\$N.A.	\$N.A.	\$N.A.
FY	\$5.2E	\$17.5E	\$45.2E	\$88.8E

EBITDA (M)

	2018	2019E	2020E	2019E
Q1	\$N.A.	\$N.A.	\$N.A.	\$N.A.
Q2	\$N.A.	\$N.A.	\$N.A.	\$N.A.
Q3	\$N.A.	\$N.A.	\$N.A.	\$N.A.
Q4	\$N.A.	\$N.A.	\$N.A.	\$N.A.
FY	\$(4.8)E	\$2.4E	\$13.4E	\$31.5E

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The Acquisition of Arcadian Telepsychiatry

Arcadian telepsychiatry specializes in telemedicine for mental health and sees its mission as making mental health services more easily available to patients, especially given the shortage of psychiatrists and mental health professionals in many counties across the United States. It also functions in situations where there is an immediate need to deal with a patient with a mental health disorder but no psychiatrist is available, such as an Emergency Room situation.

Arcadian Telepsychiatry arranges for mental health professionals, psychiatrists, psychologists or licensed social workers to interact with patients with mental health problems by teleconferencing over iPads, PCs or other common videoconferencing equipment. As psychiatry is a segment of medicine that does not require the psychiatrist or mental health professional to touch the patient, videoconferencing appears to have almost no negative aspects for treatment and in many cases has very positive aspects that would not be true of face-to-face encounters. Using online video conferencing, psychiatrists can observe patients range of facial expressions, tone of voice, rate of speech, and a host of other subtle nonverbal cues and behaviors. The result is that the quality of care delivered through video conferencing is not compromised. Many health care providers see telemental services as fully as effective as face-to-face visits.

Arcadian's business is about two-thirds telepsychiatry with the remainder teletherapy. When a prospective patient is presented to Arcadian, a professional determines whether the patient should be treated by a psychiatrist or is in a position to be treated by a psychologist or licensed social worker therapist. Psychiatrists deal with patients who have been diagnosed with severe mental health disorders and/or need in need of the highest level of care.

Psychologists and licensed social workers/therapists deal with less severe cases which nevertheless require both counselling and very often psychotropic drugs. Such drugs can be prescribed when necessary by primary care physicians as well as psychiatrists if they agree with the recommendations of the psychologists or licensed therapists.

Beyond the physical difficulties of patients arriving at a distant doctor's office, many patients feel a social stigma being seen to visit a psychiatrist's office. Many much prefer the privacy of consulting by teleconferencing. Virtual mental health sessions may actually enhance the quality of communication for many by reducing the stigma of the patient visiting mental health clinics or providers. Patients believe telemental services are creditable and effective and see little or no difference between those and face-to-face sessions.

There are also benefits in that the psychiatrist or other professional does not have to be at an office to conduct the consulting sessions, but often may choose to conduct them from home, or other locations, allowing greater flexibility in timing and allowing him to treat patients in widely dispersed locations. there are significant advantages is overcoming travel times and costs, timing face-to-face visits that do not conflict with work schedules, and other obligations.

A contributing factor to heightened demand for telemental health is the stigma often associated with mental illness which can be overcome by teleconferencing. A psychiatrist at distant location can administer care virtually to a diverse range of patient populations.

While there is an overall shortage of mental health services, there is an especially glaring shortage of psychiatric resources. About 50% of the counties in the United States have no mental health professionals at all such as psychiatrists psychologists or licensed therapists were able to treat patients with mental health problems. Beyond that approximately 70% of the counties have been rated as having shortages of mental health professionals.

Facilities located in rural areas in particular are struggling to keep up as there is a notably inadequate depth of resources for psychiatric patients in these regions. Hospitals, clinics, providers, patients and whole communities stand to benefit from psychiatric services offered via telecommunication as teleconferencing facilitates more efficient allocation of existing resources.

Flexibility in hours and location allows an improved ability to coordinate patient and physician schedules and improve access. It helps ensure regularity of appointments which has been a problem in many areas. Teleconferencing promotes a steadier stream of income for physicians and insurers consistent care for patients which improves the likelihood of treatment gains. Telepsychiatry centralizes a practitioner's practice and the elimination of travel time creates more availability in their schedule for them to actually practice psychiatry

Arcadian offers their health network to other organizations such as Humana, Aetna and Concern:EAP, an Employee Assistance Plan. There seem to be good prospects for other healthcare providers to follow. Revenues seem to be at a current run rate somewhat in excess of \$1million and projects currently being worked could double the current rate by the end of 2018.

Arcadian sees its edge in competition with larger companies as specializing in mental health with greater focus than other broadly-based telemedicine companies where mental health is of perhaps less interest and focus than physiologically-based medical specialties.

MYnd's PEER technology based on EEG brain scans is expected to add significant value to Arcadian as both psychiatrists and primary care physicians need guidance, in the form of assistive suggestions, as to which drugs are most likely to help a particular patient. As the diagnosis of a mental disorder has far less relevance to a patient's likely response to various drugs than in physiologically- based medicine, MYnd's technology clearly has the potential to cut the waste in the cost of incorrect prescriptions, doctors' time and dissatisfied patients quitting treatment.

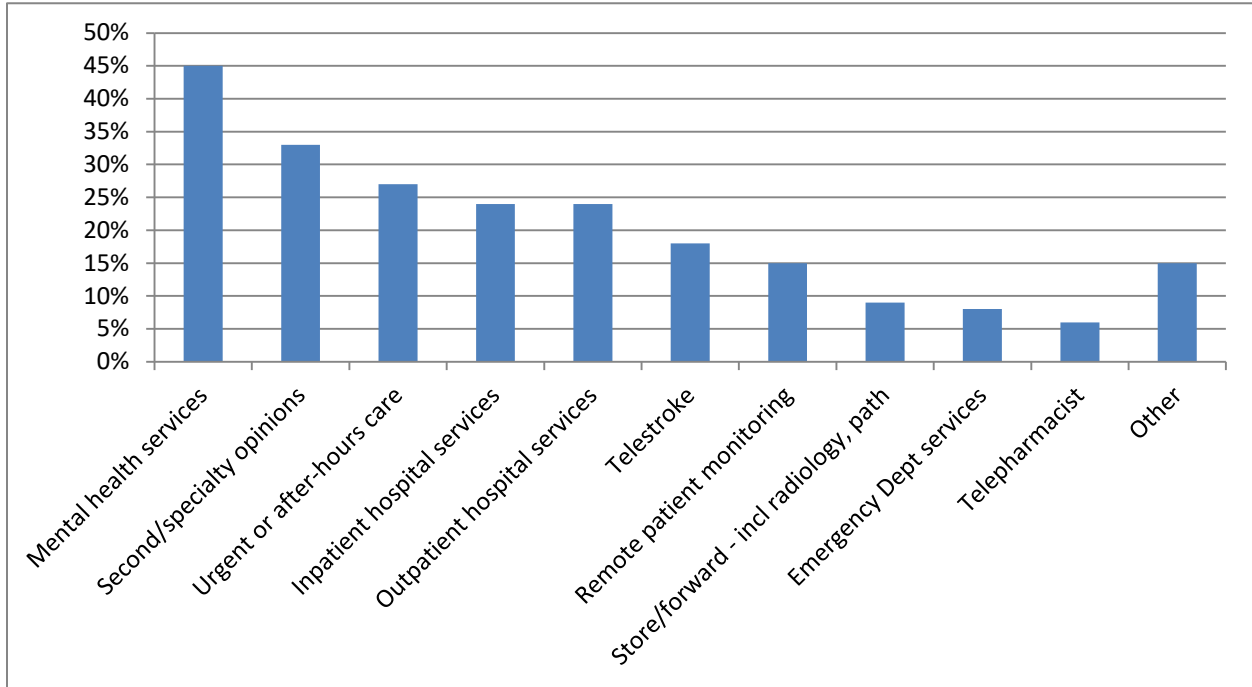
Thus far Arcadian Telepsychiatry has made little use of MYnd's PEER reports. Adding this capability to their services should benefit both patients as well as psychiatrists and other healthcare professionals with higher success rates.

Acceptance of telemedicine and particularly telemental healthcare has been rising dramatically, The 2017 Telemedicine and Digital Health Survey found a great distinction between healthcare executives' attitudes toward telemedicine in 2014 as compared with their attitudes in 2017. There was a great increase in positive attitudes and potential demand. In 2014, 87% of the respondents did not expect their patients to be using telemedicine services by 2017.

Attitudes have changed greatly with a surging demand for telemedicine based offerings among both providers and patients as well as broader acceptance of the technology by other major players in the healthcare industry. In 2017 approximately three quarters (76%) of the respondents, including hospitals, specialty clinics, ancillary services and related organizations, currently offer, or plan to offer, such services and have strong intentions to grow the programs in the future.

When asked to select the telemedicine subset for which their organization is reimbursed for telemedicine services it turned out that mental health services were first by a significant margin.

Reimbursement for Telemedicine Services



According to a clinical and economic analysis prepared by Cedar Associates LLC, a Stanford Health Policy Adjunct Affiliate, PEER is an excellent mental health investment. Their study showed that the cost of a PEER report typically results in a 4.7 return in cost offsets.

We see the Arcadian acquisition is an excellent fit with MYnd as it allows for treatment of many patients who because of their location or other conditions have been reluctant or have found it extremely difficult to find help with psychiatrists or other mental health professionals. Good strategic fit integrate with MYnd's customers make telepsychiatry/telemental more convenient and easier to deploy. especially true given the psychiatric shortage.

PROJECTED SALES

<u>MYnd PEER Reports</u>	<u>2017E</u>	<u>2018E</u>	<u>2019E</u>	<u>2020E</u>	<u>2021E</u>
Provider Direct (Units)	45	3500	13000	23000	43000
Managed Care	140	1300	3000	13000	37000
Patient Direct	185	2600	6000	13000	23000
Government/VA	0	100	2000	9000	17000
International	0	150	1500	8000	12000
Academic & Industry	0	0	200	400	600
Total PEER Reports (Units)	370	7650	25700	66400	132600
Average selling price (\$)	685	685	680	680	670
PEER Report Revenues (\$)	253,450	5,240,250	17,476,000	45,152,000	88,842,000

MYND ANALYTICS
PROJECTED INCOME STATEMENT

Fiscal Year Sept 30	2017E	2018E	2019E	2020E	2021E	2022E
Revenues:						
Total Revenues	251	5,240	17,475	45,152	88,842	140,000
% Change Total Revenues		1988%	233%	158%	97%	58%
Expenses:						
Cost of Goods Sold	65	1120	2900	7300	13000	21000
% COGS	26%	19%	17%	15%	15%	15%
Research	215	1000	1100	2000	2205	2315
Product Development	760	1900	2000	2500	3600	5500
Res & Prod Devel.		197%	6.9%	45.2%	29.0%	34.6%
Sales & Marketing	550	3200	5900	15500	33000	52000
General & Administrative	2600	2832	3200	4500	5500	7500
Total Expenses	4190	10052	15100	31800	57305	88315
Operating Income (Loss)	(3939)	(4812)	2375	13352	31537	51685
Interest Income (Expenses) net	(4)					
Financing Expenses	(24)					
Total Other Income	(28)					
Pretax Income	(3967)	(4812)	2375	13,352	31,537	51,685
Income Tax Benefit (Provision)	33	(481)	475	3338	9461	18090
	0%	10%	20%	25%	30%	35%
GAAP Net Income (Loss)	(3934)	(4,331)	1,900	10,014	22,076	33,595
GAAP - EPS	(0.70)	(0.48)	0.21	1.11	2.45	3.73
GAAP - EPS (Diluted)	(0.70)	(0.48)	0.21	1.11	2.45	3.73
Weighted Aver. Shs (Basic) (000)	5611	8950	9000	9000	9000	9000
Weighted Aver. Shs (Diluted) (000)	5611	8950	9000	9000	9000	9000

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Rating	Rating Description	Number of Companies Covered	Midtown Partners & Co. LLC Rating Distribution Percentage	Investment Banking Clients	Percent Banking Clients
Strong Buy	We expect these shares to increase in value by at least 20% over the next 12 months.	9		1	5.4%
Buy	We expect these shares to increase in value by at least 10% over the next 12 months	3		0	0%
Neutral	We expect these shares to remain within a range +/- 10% within the next 12 months	7		0	0%
Sell	We expect these shares to decrease in value by at least 10% over the next 12 months				
Not Rated	The ratings for the subject company have been temporarily suspended by Midtown Partners & Co. LLC				

Midtown Partners & Co. LLC & Co., Inc. - Risk Ratings

Rating	Rating Description
Low	Financial results of companies with a "Low" risk rating have a high level of predictability and / or their share prices are subject to low volatility as measured by Beta
Moderate	Financial results of companies with a "Moderate" risk rating have a moderate level of predictability and / or their share prices are subject to moderate volatility as measured by Beta.
High	Financial results of companies with a "High" risk rating have a low level of predictability and / or their share prices are subject to high volatility as measured by Beta.
Speculative	Financial results of companies with a "Speculative" risk rating have a very low level of predictability and / or their share prices are subject to high volatility as measured by Beta. Investments in these shares carry very high risk.

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Additional information on the securities mentioned herein is available to Midtown Partners & Co. LLC clients on request by William Relyea at the e-mail address indicated on the cover page of this report or mailing address and phone number indicated below.

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