The Writing on the Wall – Part 1

Perspectives: July 18th, 2024

"Have you seen the writing on the wall?
Have you seen that writing?
Can you see the riders on the storm?
Can you see them riding? Can you see them riding ?"

Source: Iron Maiden – The Writing on the Wall

The oddly named **Cilo Cybin** made its listing debut on the AltX stock exchange [a subsection of the JSE] on June 25th, 2024.

Its legal structure is a SPAC – a Special Purpose Acquisition Vehicle. This is new jargon for one of the oldest tricks in the book. The trick boils down to this recipe (a) spot the latest hot trend, (b) create a sexy looking vehicle that can raise money quickly, (c) offer this opportunity to the public, together with (d) a hyped up sales pitch filled with presidential campaign-like promises but without any concrete details.

SPACs remind me of a listing during the infamous South Sea Company Bubble in 1720 of a newly formed company officially named '*A company for carrying out an undertaking of great advantage, but nobody to know what it is*'. Unsurprisingly, that ended in total disaster for its shareholders.

The 145 page prospectus of Cilo Cybin is filled with all sorts of interesting things. Just a couple highlights:

- "*The company was incorporated by the founder for the purposes of being listed as a SPAC to pursue acquisitions of, and investments in, commercial enterprises operating in the Biotech, Biohacking or Pharmaceutical sector that will enable it to develop and expand methodologies by utilising Artificial Intelligence (AI) and expertise of medical specialists to deliver holistic and individualised solutions to customers to better their health, performance and increase their longevity*"
- "*…aims to revolutionise the manufacturing and processing of products such as cannabis, psilocybin, LSD, MDMA, and ketamine*"

- *“The Company's investment strategy centers around the development and utilisation of substances derived from plants, especially cannabis and psychedelic mushrooms. These substances are known to induce various effects such as a heightened state of consciousness, hallucinations, feelings of euphoria, a sense of connectedness, relaxation, and the alleviation of pain”*

Cannabis and LSD are fairly well known. **MDMA** is more commonly known as ecstasy, **Ketamine** is a powerful dissociative anaesthetic more commonly known as the date rape drug, and **Psilocybin** is more commonly known as magic mushrooms.

The company name Cilo Cybin and Psilocybin is pronounced *exactly* the same. So at least we now know what the odd name stands for.

Cilo Cybin’s stock exchange ticker code is CCC – it might just be a coincidence, but CCC is referred to as Triple C or Poorman’s X by people who drink a type of cough syrup reputed to give them a psychedelic trip.

The updated share price chart of the Canadian listed cannabis producer **Canopy Growth** [the stock code is WEED] speaks volumes. The legalisation of cannabis in Canada created much excitement, but it has clearly not translated to sustainable long-term shareholder value creation.

Source: Google Finance

There are plenty of contenders, but the cherry on top of this one is the blatant reference to artificial intelligence in the prospectus.

Our work continues…

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