



# FSD Pharma Provides Update on Operations, Strategy and Leadership

TORONTO, Feb. 14, 2019 /CNW/ - FSD Pharma Inc. (CSE: HUGE) (OTCQB: FSDDF) (FRA: 0K9) ("FSD"), a licensed producer under the *Cannabis Act*, today provided a corporate update on operations, strategy and leadership changes.

## Management Changes

On February 6, 2019, the Company announced it had implemented changes in leadership and business practices to optimize operations. Accordingly, the Company announced that Dr. Raza Bokhari, Executive Co-Chairman, has been appointed interim Chief Executive Officer of FSD Pharma.

"It is with great pleasure that I return to the role of the interim CEO at such a momentous time for the company," said Dr. Raza Bokhari, Executive Co-chairman & interim CEO.

## Operational Update

To optimize operations, FSD's Board of Directors terminated a definitive agreement with Auxly Cannabis Group Inc. ("Auxly") on February 6<sup>th</sup>, 2019. FSD believes that Auxly was under clear obligation to develop all aspects of the company's cannabis cultivation facility in mutually agreed upon staged phases. Auxly had made commitments anticipating that the first phase of construction would be completed and ready for Health Canada approval by the end of December 2018 which never materialized.

"We have unique and valuable assets poised to unlock sustainable shareholder value and reenergize execution of our company's founding vision and mission," said Dr. Raza Bokhari. "Our work is guided by our drive and passion to capitalize on the opportunities before us and ensure that our efforts serve the strategic and operational goals of the business, our employees and our shareholders."

Dr. Raza Bokhari continued: "We have a clear plan moving forward to build a global retail and medicinal cannabis footprint. We intend to continue our 220,000 phase 1 building expansion and are assessing different opportunities with other potential strategic partners and construction companies including utilizing our cash, securities and other assets on hand to continue progressing forward. We will update investors as soon as possible and only upon signing of definitive agreements. We will continue to optimize our 25,000 square foot licensed cultivation area adding high value varieties, while utilizing best practices in the latest agricultural science. We are making good progress with the much-anticipated sales license and we have a strong cash and asset position with no debt.

## Strategic Partnerships

In 2018, FSD has made strategic investments totaling CDN \$8 million in Cannara Biotech, SciCann Therapeutics ("SciCann"), Hightide Ventures, Huge Shops, and Pharmastrip Corp ("Pharmastrip"). These investments have quickly grown to nearly CDN \$25 million as per current market value. Additionally, FSD recently signed royalty agreements with Canntab Therapeutics, Pharmastrip, World Class Extractions Inc., SciCann, and Solarvest BioEnergy Inc. which FSD expects to pay dividends over time.

"Acquisition of a platform company to advance R&D of synthetic and biosynthetic cannabinoids to commercial FDA approved drugs worldwide remains our 'flagship' strategy," said Dr. Raza Bokhari. "We are confident that we will soon identify a suitable and compelling platform to execute on our strategic intent. We were disappointed that the intended acquisition of Therapix Biosciences did not materialize but are at the cusp of unlocking tremendous opportunities for the FDA approved application of synthetic and biosynthetic cannabinoids to address a variety of unmet needs in diseases of the central nervous system, sleep disorders, skin conditions, and to generate alternative treatment options to opioid based therapies."

## **Shareholder Update**

Shareholders of FSD Pharma met in a special meeting on January 22<sup>nd</sup>, 2019 and authorized the Board of Directors to consolidate class B shares and take additional steps that will enable the company to list on a major US securities exchange. The FSD Pharma Board is actively engaged in evaluating the appropriate exchange and the optimum time to do so.

The Company believes these are transformational times for the medicinal cannabis industry and for FSD Pharma shareholders, employees, and stakeholders.

"My top priority is to focus on delivering sustainable and positive shareholder value that can withstand the test of time," said Dr. Raza Bokhari. "To achieve this, we must strengthen our leadership team with gathering world class experience, expand our board with independent members and incorporate gender and cultural diversity in all of our ranks."

## **About FSD Pharma**

FSD Pharma is focused on the development of the highest quality indoor grown, pharmaceutical grade cannabis and on the research and development of novel cannabinoid-based treatments for several central nervous system disorders, including chronic pain, fibromyalgia and irritable bowel syndrome. The Company has 25,000 square feet available for production at its Ontario facility with an additional 220,000 square feet currently in development (with an estimated cost of \$250 per square foot to be completed in 2019).

FSD facilities sit on 70 acres of land with 40 acres primed for development and an expansion capability of up to 3,896,000 square feet.

FSD's wholly-owned subsidiary, FV Pharma, is a licensed producer under the Cannabis Act and Regulations, having received its cultivation license on October 13, 2017. FV Pharma's vision is to transform its current headquarters in a Kraft plant in Cobourg, Ontario into the largest hydroponic indoor grow facility in the world. FV Pharma intends to cover all aspects of this exciting new industry, including cultivation, legal, processing, manufacturing, extracts and research and development.

## **Forward-Looking Information**

*Neither the Canadian Securities Exchange nor its regulation services provider accept responsibility for the adequacy or accuracy of this release.*

*Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the company's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the development of the company's indoor cannabis facility and its business goals and objectives. The forward-looking information contained in this press*

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