



## **FSD Pharma Announces Share Exchange Transaction with Aura Health**

**- Intended Transaction positions FSD to establish distribution channel in Germany & Eurozone -**

TORONTO, April 24, 2019 /CNW/ - FSD Pharma Inc. (CSE: HUGE) (OTCQB: FSDDF) (FRA: 0K9) announced today that it has entered into a share exchange transaction with Aura Health Inc. ("Aura"). Pursuant to the agreement, FSD acquired 13,562,386 Aura shares valued at \$3 million issued from treasury in exchange for 13,181,019 FSD shares issued from treasury valued at \$3 million. Aura Health is a Toronto-based cannabis company building an international network of vertically integrated businesses in the medical cannabis industry.

FSD and Aura shares will be placed in escrow and released to the companies upon the Escrow Agent receiving a certificate executed by FSD and Aura that: (i) the Offering Escrow Release Conditions have been satisfied; (ii) the acquisition has closed; (iii) each of FSD and Aura are satisfied with their due diligence review of the other party; (iv) the Supply Agreement has been executed by FSD and Pharmadrug; and (v) the Consulting Agreement has been executed by FSD and Aura.

As part of the transaction, Aura and FSD will enter into a consulting agreement. Aura will assist FSD with obtaining euGMP certification at the company's existing licensed facility through Pharmadrug Production GmbH, a company for which Aura Health is in the process of acquiring an 80% equity interest.

Aura has a pre-existing supply agreement with another producer that it is required to honor in priority. It is anticipated that FSD will become a

preferred Canadian cannabis supplier to Pharmadrug for the German market. Pharmadrug will enter into a supply agreement with FSD and upon proper euGMP certification will commit to purchase 1,000 kilograms (or such greater or lesser amount as may be agreed from time to time by the parties) of Canadian produced cannabis product from FSD at a price of \$7.00 per gram FOB Germany (subject to downward adjustment should market exigencies dictate), provided that the product is saleable in the German market.

The Supply Agreement is not a "take or pay" arrangement. For greater certainty, the Supply Agreement will not limit or restrict the ability of Pharmadrug to freely source product from other suppliers in any other country, provided that the Purchase Commitment is satisfied.

Zeeshan Saeed, Founder and President of FSD commented, "This agreement with Aura Health establishes a distribution channel for FSD in Germany and the Eurozone and allows the company to expand its footprint internationally. As production at our Cobourg facility grows and following receipt of our euGMP certification, we will be able to supply our high-quality cannabis products to the medical markets in Europe."

"This is an exciting opportunity for FSD Pharma to capitalize in the global medicinal cannabis space. The global market is expected to grow and remain undersupplied for some time. In collaboration with Aura Health, we see an opportunity to increase shareholder value by establishing channel partners in Germany and the Eurozone" stated Dr. Raza Bokhari, Executive Co-Chairman & CEO.

### **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.

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. For additional information on the company, please visit our website at [www.fsdpharma.com](http://www.fsdpharma.com).

### **About Aura Health Inc.**

Aura Health is building an international network of vertically integrated cannabis assets. Through an established product line of cannabis-infused edible products and oil extracts, Aura is dedicated to building a high margin downstream business in the medical marijuana sector. The Company holds convertible debt that converts to 54% equity of HolyCanna, a cultivation and nursery license holder in Israel and is focused on acquiring strategic assets across the cannabis value chain, initially in Israel and Germany.

### **Forward-Looking Information**

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 FSD Pharma's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. Actual results and developments may differ materially from those contemplated by these. The forward-looking information contained in this press release is made as of the date hereof, and FSD Pharma is not obligated to update or revise any forward-looking information,

whether as a result of new information, future events or otherwise, except as required by applicable securities laws. Because of the risks, uncertainties and assumptions contained herein, investors should not place undue reliance on forward looking-information. The foregoing statements expressly qualify any forward-looking information contained herein.

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