



FSD Pharma Monetizes Non-Core Asset with Sale of Partial Equity Stake in Pharmadrug Inc.

- Buyer Holds Option to Purchase Additional Shares -

TORONTO, May 21, 2020 /CNW/ - **FSD Pharma Inc. (NASDAQ: HUGE) (CSE: HUGE.CN) (FRA: 0K9A)** ("FSD Pharma" or the "Company") today announced the sale of 5.0 million common shares of Pharmadrug Inc. (CSE: BUZZ) (formerly Aura Health) in a privately negotiated transaction at C\$0.08 per share for cash proceeds of C\$400,000. Under the terms of the sale, the buyer has the option through June 26, 2020 to purchase an additional 5.0 million shares of Pharmadrug at C\$0.10 per share from FSD Pharma for cash proceeds of C\$500,000. Additional transaction details can be found on the SEDI website at www.sedi.ca/sedi/.

FSD Pharma's equity position of 13.5 million Pharmadrug shares was established in April 2019 as part of a share exchange transaction. The Company may consider the divestiture of the balance of its equity stake in Pharmadrug through open market transactions.

"We are pleased to finalize this transaction as part of our continuing efforts to strengthen disposable cash on our balance sheet primarily to support our pharmaceutical R&D program. We plan to continue to shore up our cash position by strategically divesting non-cash assets, and raising new capital, either through private placement, debt financing or registered offering of our Class B subordinate voting stock," stated Raza Bokhari, MD, Executive Co-Chairman & CEO.

About FSD Pharma

FSD Pharma Inc. (NASDAQ: HUGE; CSE: HUGE.CN; FRA: 0K9A) is a publicly traded holding company, since May 2018.

FSD BioSciences Inc., a wholly-owned subsidiary, is a specialty biotech pharmaceutical R&D company focused on developing over time a robust pipeline of FDA-approved synthetic compounds targeting the endocannabinoid system of the human body to treat certain diseases of the central nervous system and autoimmune disorders of the skin, GI tract, and the musculoskeletal system.

Through its acquisition of Prismic Pharmaceuticals in 2Q19, FSD BioSciences Inc. is also making an effort to help address the opioid crisis by developing opioid-sparing prescription drugs utilizing the ultra micronized formulations of PEA.

The Company has Phase 1 first-in-human safety and tolerability trials for its lead candidate, FSD 201 micro-PEA, currently underway in Australia by principal researcher Jason Licklitter, MD, Chief Medical Officer of Nucleus Network.

FSD's wholly-owned subsidiary, FV Pharma, is a licensed producer under Canada's Cannabis Act and Regulations, having received its cultivation license on October 13, 2017, and its full Sale for Medical Purposes license on June 21, 2019. The Company is licensed to cultivate cannabis in approximately 25,000 square feet of its facility in Cobourg, Ontario.


Cautionary Note Regarding Forward-Looking Statements

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" and "forward-looking statements" within the meaning of applicable Canadian and U.S. securities laws (collectively, "Forward-Looking Information"). Forward-Looking Information includes, but is not limited to, information with respect to FSD Pharma's strategy, plans or future financial or operating performance, receipt of any U.S. Food and Drug Administration ("FDA") approvals, development of any FDA approved synthetic compounds, the successful treatment of diseases by such compounds, the ability to address the opioid crisis, the development of opioid sparing prescription drugs utilizing the ultra micronized formulations of PEA, the intention and timing of the initiation of Phase 1 first-in-human safety and tolerability trials for PP 101 micro-PEA, maintenance of FSD Pharma's Cannabis Act License, the ability to cultivate and sell cannabis produced in FSD Pharma's facility, the progress and funding of the CBD Research Project, the ability and technical feasibility of algae being utilized to produce pharmaceutical-grade cannabinoids and the ultimate success of the CBD Research Project, the production of prescription drugs that can treat diseases affecting the central nervous system, and related royalty fees. The use of words such as "budget", "intend", "anticipate", "believe", "expect", "plan", "forecast", "future", "target", "project", "capacity", "could", "should", "focus", "proposed", "scheduled", "outlook", "potential", "estimate" and other similar words, and similar expressions and statements relating to matters that are not historical facts, or statements that certain events or conditions "may" or "will" occur, are intended to identify Forward-Looking Information and are based on FSD Pharma's current beliefs or assumptions as to the outcome and timing of such future events. Such beliefs or assumptions necessarily involve known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied in such Forward Looking Information. Forward Looking Information is not a guarantee of performance. 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 law. 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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