

**FORM 51-102F3**  
**MATERIAL CHANGE REPORT**

**Item 1           Name and Address of Company**

FSD Pharma Inc. (the “**Company**”)  
199 Bay Street  
Suite 4000  
Toronto, Ontario  
M5L 1A9

**Item 2           Date of Material Change**

September 21, 2021

**Item 3           News Release**

A news release (the “**News Release**”) describing the material change was issued by the Company through the facilities of Business Wire and subsequently filed on the SEDAR profile of the Company. A copy of the News Release is attached hereto as Schedule “A”.

**Item 4           Summary of Material Change**

On September 21, 2021, the Company completed the previously announced acquisition of 100% of the issued and outstanding shares of Lucid Psycheceuticals Inc. (“**Lucid**”), a Canadian-based specialty psychedelic pharmaceutical company focused on the development of therapies to treat critical neurodegenerative diseases, for approximately CAD\$11.3 million (US\$8.9 million) in shares of the Company (the “**Transaction**”).

**Item 5           Full Description of Material Change**

The Transaction was completed by way of a three-cornered amalgamation between Lucid, the Company and a wholly-owned subsidiary of the Company. The Transaction involved the issuance of 4,502,392 Class B subordinate voting shares in the capital of FSD Pharma (each, an “**FSD Share**”) as the acquisition consideration, with a deemed aggregate purchase price of approximately CAD\$11.3 million (US\$8.9 million based on an exchange rate of US\$1 to CAD\$1.2721) at a deemed price of CAD\$2.51 (approximately US\$1.97) per FSD Share. Shareholders of Lucid received 0.0412 FSD Shares for each Lucid common share held (the “**Exchange Ratio**”). Additionally, all of the outstanding Lucid stock options and warrants became exercisable into FSD Shares, with the number and exercise price of such securities adjusted in accordance with the Exchange Ratio.

Shareholder approval for the Transaction was obtained at a special meeting of Lucid shareholders held on September 13, 2021.

As of immediately after the completion of the Transaction, 40,557,896 FSD Shares were issued and outstanding.

Further details regarding the terms of the Transaction are set out in the Master Agreement dated August 25, 2021 among the Company, Lucid and a wholly-owned subsidiary of the Company (the “**Master Agreement**”). The Master Agreement and related documents have been filed on the Company’s profile on SEDAR at [www.sedar.com](http://www.sedar.com).

Immediately prior to closing of the Transaction, Anthony Durkacz, a director and control person of the Company, was also a shareholder and warrant holder of Lucid, through a company he beneficially owns, and consequently the Transaction constitutes a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“**MI 61-101**”). Through his ownership interest in First Republic Capital Corporation (“**FRCC**”), Mr. Durkacz held an approximately 4.5% indirect ownership interest in Lucid prior to the Transaction. As a result of the Transaction, the 7,400,000 Lucid common shares held by FRCC were exchanged for 304,880 FSD Shares. Through his indirect ownership interest in FRCC, Mr. Durkacz’s indirect ownership interest in the Company increased by 0.404% (calculated on a fully-diluted basis taking into account all outstanding Company options and warrants, FSD Shares issued in connection with the Transaction and those FSD Shares to be issued upon the exercise of the outstanding Lucid warrants). FRCC also held the following broker warrants previously granted by Lucid in connection with financing activities: (i) 1,122,392 warrants, each exercisable to acquire a Lucid common share at \$0.05 (which, as a result of the Transaction, have become 46,217 warrants, each exercisable to acquire one FSD Share for \$1.21); and (ii) 1,600,000 warrants, each exercisable to acquire a Lucid common share at \$0.10 (which, as a result of the Transaction, have become 65,885 warrants, each exercisable to acquire one FSD Share for \$2.42). The warrants having an exercise price of \$2.42 per FSD Share are not currently in the money. If FRCC were to exercise all of the warrants held by it, it would acquire an additional 112,260 FSD Shares. Through his indirect ownership interest in FRCC, Mr. Durkacz’s indirect ownership interest in the Company would increase by a further 0.135% (calculated on a fully-diluted basis in the manner described above).

Mr. Durkacz declared his interest to the Company’s board of directors (“**Board**”) and recused himself from the Board’s consideration and approval of the Transaction. Mr. Durkacz did not participate in the negotiation of the Transaction. The Board considered the possible Transaction in the context of evaluating the Company’s existing business and strategic options. These considerations took place over the course of five formal board meetings and an informal strategic planning session. The Board determined that the Transaction would be exempt from the formal valuation and minority approval requirements of MI 61-101 on the basis of the exemptions in Sections 5.5(a) and 5.7(1)(a) of MI 61-101; however, prior to reaching its decision to proceed with the Transaction, the Board obtained an opinion from an independent financial advisor that the consideration to be paid by the Company in the Transaction was fair to the Company, from a financial perspective.

**Item 6            Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

**Item 7            Omitted Information**

Not applicable.

**Item 8            Executive Officer**

Further information regarding the matters described in this report may be obtained from Anthony Durkacz, Co-Executive Chair of the Board of Directors of FSD Pharma Inc., who is knowledgeable about the details of this material change and may be contacted at 1-844-978-3540 or [adurkacz@fsdpharma.com](mailto:adurkacz@fsdpharma.com).

**Item 9            Date of Report**

September 24, 2020

**SCHEDULE “A”**

(see attached)