

Pharmadrug Inc. Unveils Roadmap for European Psilocybin Business

Toronto, Ontario--(Newsfile Corp. - May 29, 2020) - [Pharmadrug Inc.](#) (CSE: BUZZ) (OTC: LMLLF) ("PharmaDrug" or the "Company") has released an overview of their plans to enter the European psilocybin marketplace via the pending closing of the acquisition of Interrobang LTD. currently doing business as Super Smart (herein referred to as "Super Smart"). The Company intends to utilize a unique two-prong approach, capitalizing on markets in The Netherlands through "smart shop" consolidation and the entire European Union by way of PharmaDrug's controlled substance importation and distribution license.

Super Smart to First Focus on €100 million Dutch 'Smart Shop' Marketplace

Super Smart is an early-stage retail company focused on consolidating the fragmented Dutch smartshop market. Smartshops are retail establishments in The Netherlands that specialize in the sale of psychoactive substances including psychedelic truffles, the hardened masses of mycelium that grow underground. This variety of magic mushrooms has psilocybin and is legal in The Netherlands. Super Smart will seek to acquire smartshops and deploy disciplined business expertise, retail best practices and consistent branding across multiple locations to capture in market share and improve margins in this rapidly growing segment.

There are roughly 100 smart shops currently spread throughout The Netherlands with an annual market value of approximately €100 million. Unlike coffee-shops, they have a legal framework that allows them to sell entheogenic plants, which are plants containing substances that have hallucinogenic properties. The bulk of what is sold in smart shops are truffles that contain psilocybin, the active component of "magic" mushrooms.

Using The Netherlands as the initial geographic focus, the Company will establish a business that is firmly driven by retail revenue. Due to the fragmented nature of the stores currently in existence, there is little brand loyalty and no clear vision across various storefronts. The industry is ripe for consolidation. Furthermore, the recent COVID-19 lockdowns have put many of the independent store owners in a position where they are motivated to sell. Super Smart's goal will be to purchase approximately ten smart shops within the first 12 months of operation, rebranding them under their "Slim" concept store identity, "Slim Winkel" being the Dutch word for Smart Shop.

Super Smart will look to acquire shops spread out across the country, sharing the focus on both the tourist consumer and also local residents. This means establishing shops in more populous urban centers like Amsterdam and Rotterdam, but also spreading to border towns that attract customers from various geographic locations. Cities with big student populations are also important to Super Smart's retail positioning and strategy.

Branding and unity will be key as this will allow Super Smart to create a unified story that brings together all retail locations and patrons, creating a community and imbuing a sense of brand loyalty into customers. Consolidation will increase margins by negotiating better discounts on inventory at larger volumes. By eventually adding an online component through a digital marketplace, Super Smart will look to further increase its customer base and grow revenues. PharmaDrug will use the model to eventually expand into other countries and regions as they legalize.

"We believe that mushrooms will play an important part next to cannabis in the shift from counterculture to the mainstream," said Super Smart CEO Harry Resin. "As 'magic' mushrooms become more and more tolerated globally we will be poised to capture significant market share due to us being an early adopter."

PharmaDrug's Psychedelic Business

The Company plans to establish an advisory committee to focus on PharmaDrug's psychedelic business. The committee will consist of a mix of business and scientific people. The former can help the company establish a retail business in the recreational substance retail industry while the latter can assist in staying at the forefront of new products in the entheogenic space be it on the commercial side for Super Smart or on the emerging pharmaceutical psychedelic space for PharmaDrug Production as products get developed and achieve regulatory approval or get legalized in jurisdictions across the Eurozone.

Further Information

Although Pharmadrug and Super Smart have entered into a definitive Acquisition Agreement, the completion of the Proposed Transaction remains subject to a number of conditions as set forth in the press release dated May 25, 2020. If such conditions are not satisfied it is possible that the Proposed Transaction will not be completed on the terms set forth in the aforementioned press release.

About PharmaDrug Inc.

PharmaDrug Inc. is building an internationally focused cannabis business focused on Europe. The Company owns 80% of Pharmadrug GmbH, a German medical cannabis distributor, with a Schedule I European Union narcotics license allowing for the importation and distribution of medical cannabis to pharmacies in Germany and throughout the EU.

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This news release may contain forward-looking statements and information based on current expectations. These statements should not be read as guarantees of future performance or results of the Company. Forward looking statements in this press release relate to the potential to complete the Proposed Transaction and the timing thereof, the integration of the Smart Shop business and the completion of the debt restructuring, anticipated volume growth in the Company's German business and the introduction by the Company of its own brand of medical cannabis. Such statements involve known and unknown risks, uncertainties and other factors that may cause actual results, performance or achievements to be materially different from those implied by such statements. Although such statements are based on management's reasonable assumptions, there can be no assurance that such assumptions will prove to be correct. We assume no responsibility to update or revise them to reflect new events or circumstances. The Company's securities have not been registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or applicable state securities laws, and may not be offered or sold to, or for the account or benefit of, persons in the United States or "U.S. Persons", as such term is defined in Regulations under the U.S. Securities Act, absent registration or an applicable exemption from such registration requirements. This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in the United States or any jurisdiction in which such offer, solicitation or sale would be unlawful. Additionally, there are known and unknown risk factors which could cause the Company's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein, such as, but not limited to dependence on obtaining regulatory approvals; the ability to locate additional supply of medical cannabis, owning interests in companies or projects that are engaged in activities currently considered illegal under United States federal law; changes in laws; limited operating history, reliance on management, requirements for additional financing, competition, hindering market growth; regulatory and political change. All forward-looking information herein is qualified in its entirety by this cautionary statement, and the Company disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.



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