

# PharmaDrug Inc. Enters into Definitive Agreement to Acquire First Smart Shop in the Netherlands

Toronto, Ontario--(Newsfile Corp. - August 11, 2020) - PharmaDrug Inc. (CSE: BUZZ) (OTC Pink: LMLLF) ("**PharmaDrug**" or the "**Company**") is pleased to announce that its wholly-owned subsidiary Interrobang Ltd. (doing business as Super Smart) ("**Super Smart**") has entered into a definitive agreement to acquire (the "**Acquisition**") a retail establishment specializing in the sale of psychedelic products (the "**Target Smart Shop**").

The Target Smart Shop is located in the Town of Tiel, a municipality in central Netherlands, and will serve as an initial platform for Super Smart to build out and refine its new smart shop vision and a springboard to develop its brand and operations. The agreement follows Super Smart's strategy of targeting stores that have experienced some distress due to the recent COVID pandemic. As such, the acquisition price was quite modest and we believe that transaction price, related costs and initial investment will be less than material and can easily be funded with cash on hand.

In connection with the Acquisition, Super Smart has identified and retained both a Retail Manager who will oversee the first store's operations and a Country Manager who will assist in finding and integrating additional locations throughout the Netherlands into a centralised operation. Upon closing of the Acquisition, the Target Smart Shop will be renovated and rebranded to reflect Super Smart's vision for the optimal retail environment for psychedelics. Moreover, Super Smart will initiate an analytical process to assess and optimize the Target Smart Shop's supply chain, logistics and product offering. Overall, these efforts will form the basis upon which Super Smart will create the necessary management controls and systems to rapidly scale across multiple retail locations.

Super Smart is involved in active discussions with three additional smart shop owners in the Netherlands. Once Super Smart secures at least three operational retail locations, management intends to roll-out an online retail platform as well as potentially establish greenfield locations. Management maintains its view that it can acquire approximately ten smart shops within the twelve-month period following the closing of the Super Smart acquisition which occurred on June 15, 2020.

Daniel Cohen, CEO of PharmaDrug, commented, "We are delighted to take this concrete step towards our goal of becoming a leading European retailer of psychedelic products. We look forward to continuing to expand and have our sights set on additional retail locations within the Netherlands. The Tiel smart shop represents an anchor store in what will be our cluster of operations in the Netherlands and we anticipate it will propel our continued success in the psychedelics space."

The Acquisition is expected to close before the end of August 2020.

## About PharmaDrug Inc.

PharmaDrug Inc. is building an international controlled substance and natural medicine company with a focus 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. The Company also owns 100% of Super Smart, 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.

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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 integration of the Smart Shop business, 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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