

PharmaDrug Announces LOI to Acquire Sairiyo Therapeutics Inc.

Toronto, Ontario--(Newsfile Corp. - January 12, 2021) - PharmaDrug Inc. (CSE: BUZZ) (OTC Pink: LMLLF) ("**PharmaDrug**" or the "**Company**"), a specialty pharmaceutical company focused on the development and commercialization of controlled-substances and natural medicines such as psychedelics, cannabis and naturally-derived approved drugs, is pleased to announce that it has entered into a binding letter of intent (the "**LOI**"), dated January 11, 2021, to acquire Sairiyo Therapeutics Inc. ("**Sairiyo**") (the "**Acquisition**").

Sairiyo is a biotechnology company focused on repurposing and developing improved formulations of naturally derived compounds for serious, rare, and life-threatening diseases with the aim to obtain European Medicines Evaluation Agency and U.S. Food and Drug Administration ("**FDA**") approval.

Sairiyo is advancing the clinical development of its lead drug candidate, Cepharanthine, a repurposed and reformulated naturally-derived compound for the potential treatment of cancer, neurological, inflammatory and infectious diseases. Cepharanthine is a natural product and an approved drug used for more than 70 years in Japan to treat a variety of acute and chronic diseases. In clinical research, Cepharanthine exhibits multiple pharmacological properties including anti-oxidative, anti-inflammatory, immuno-regulatory, anti-cancer, anti-viral and anti-parasitic properties.¹ Sairiyo has an exclusive license from a research and development organization to develop and commercialize reformulated Cepharanthine for all diseases and exclusive rights to the patent, method of manufacturing, clinical supply, pre-clinical data and know-how to support FDA clinical trials. Sairiyo has applied for FDA orphan drug designation of Cepharanthine in certain cancer indications and is also leveraging its expertise in drug discovery by evaluating novel uses of psychedelic and cannabinoid compounds for unmet medical needs.

"The proposed acquisition of Sairiyo Therapeutics builds on our foundation of developing and commercializing controlled substances and naturally-derived medicines in Europe while expanding our opportunities with an FDA focused strategy and leveraging Sairiyo's expertise in the discovery and development of novel uses and reformulations of naturally-derived compounds for significant clinical unmet needs, thus paving the way for PharmaDrug to become a fully-integrated specialty pharmaceutical company," said Daniel Cohen, Chairman and CEO of PharmaDrug.

Under the terms of the LOI, PharmaDrug proposes to acquire all of the issued and outstanding shares of Sairiyo in consideration for the issuance of an aggregate of 75,000,000 units of PharmaDrug ("**Units**"). Each Unit will be comprised of one common share of PharmaDrug and one common share purchase warrant (a "**Warrant**") of PharmaDrug. Each Warrant will entitle the holder thereof to acquire one common share in the capital of PharmaDrug at any time on or before the 18 month anniversary of the issuance of the Warrants at an exercise price of \$0.10 per share. Following completion of the transaction Sairiyo will be a wholly-owned subsidiary of the Company.

Completion of the transaction is subject to customary closing conditions, including completion of due diligence, negotiation of definitive agreements and receipt of all necessary approvals. If such conditions are not satisfied it is possible that the proposed transaction will not be completed on the terms set forth herein or at all. The parties anticipate completing the definitive agreements within the next 30 days, and anticipate that the transaction will be completed in the first quarter of 2021.

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.

For further information, please contact:

Daniel Cohen, Chairman and CEO

dcohen@pharmadrug.co

(647) 202-1824

Caution Regarding Forward-Looking Information:

THE CANADIAN SECURITIES EXCHANGE HAS NOT REVIEWED NOR DOES IT ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.

This press release contains "forward-looking information" within the meaning of applicable securities legislation. All statements, other than statements of historical fact, included herein is forward-looking information. Generally, forward-looking information may be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, this press release contains forward-looking information in relation to: the timing and ability to close the proposed transaction; the anticipated development of the Sairiyo business; the ability to get FDA approvals for Sairiyo's products; the ability for the Company to be able to execute on its plans; and the Company's current liquidity. This forward-looking information reflects the Company's current beliefs and is based on information currently available to the Company and on assumptions the Company believes are reasonable. These assumptions include, but are not limited to: the ability of the Company to successfully satisfy the conditions to closing the proposed transaction; the ability of the Company to successfully execute on its plans for the Company and Sairiyo; and the Company's continued response and ability to navigate the COVID-19 pandemic being consistent with, or better than, its ability and response to date.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Company to be materially different from those expressed or implied by such forward-looking information. Such risks and other factors may include, but are not limited to: general business, economic, competitive, political and social uncertainties; general capital market conditions and market prices for securities; the actual results of the Company's future operations; competition; changes in legislation affecting the Company; the ability to obtain and maintain required permits and approvals, the timing and availability of external financing on acceptable terms; lack of qualified, skilled labour or loss of key individuals; risks related to the COVID-19 pandemic including various recommendations, orders and measures of governmental authorities to try to limit the pandemic, including travel restrictions, border closures, non-essential business closures, service disruptions, quarantines, self-isolations, shelters-in-place and social distancing, disruptions to markets, economic activity, financing, supply chains and sales channels, and a deterioration of general economic conditions including a possible national or global recession; and a deterioration of financial markets that could limit the Company's ability to obtain external financing.

A description of additional risk factors that may cause actual results to differ materially from forward-looking information can be found in the Company's disclosure documents on the SEDAR website at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information, there may be

other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information. Readers are cautioned that the foregoing list of factors is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking information as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

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.

Forward-looking information contained in this press release is expressly qualified by this cautionary statement. The forward-looking information contained in this press release represents the expectations of the Company as of the date of this press release and, accordingly, are subject to change after such date. However, the Company expressly disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as expressly required by applicable securities law.

References:

1. [Bailly, C., 2019. Cepharanthine: An update of its mode of action, pharmacological properties and medical applications. *Phytomedicine* 62, 152956.](#)



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/71798>