



FSD Pharma reports positive pre-clinical results for proprietary CBD combination product

CSE: HUGE
OTC: FSDDF
FRA: 0K9

Toronto – August 23, 2018 – FSD Pharma Inc. (“FSD Pharma” or “FSD”) (CSE: HUGE) (OTC: FSDDF) (FRA: 0K9) reports today that its strategic R&D partner, SciCann Therapeutics Inc. (“SciCann”), has achieved positive results in a pre-clinical efficacy study of its proprietary “Steady Stomach” CBD combination product for Inflammatory Bowel Disease (IBD). Under the terms of the agreement between FSD and SciCann, FSD Pharma holds exclusive marketing and distribution rights for the “Steady Stomach” product in Canada.

The “Steady Stomach” product is a patent-pending combination of Cannabidiol (CBD) together with additional synergistic factors that potentiate and activate the anti-inflammatory properties of CBD, thus making it more effective as a potential treatment for IBD disorders. All active ingredients of the “Steady Stomach” formulation are natural food-grade compounds, thus qualifying it as a CBD food supplement product. Previously completed tox studies in rodents performed by SciCann has demonstrated very high safety profile for the combination product, without any observed adverse events.

The pre-clinical study used a gold standard rodent model of Ulcerative Colitis, and demonstrated a significant 3-fold improved efficacy for the combination product, as compared to CBD alone, in reversing the deleterious effects caused by the colitis induction agent in the study model. Specifically, while the CBD alone arm achieved only a 27% improvement score as compared to the non-treated control arm, the “Steady Stomach” combination treatment arm achieved a 79% improvement score, thus almost completely alleviating the Colitis symptoms induced in the model animals.

Dr. Zohar Koren, Co-founder and CEO of SciCann Therapeutics, stated “We are highly encouraged and excited to see the positive results of this pre-clinical study. Inflammatory Bowel Disease is a prevalent and debilitating disorder, that presents a high level of unmet need for an efficient treatment that is devoid of undesirable side effects. CBD has been shown in the past to possess a mild effect of alleviating IBD symptoms and pathology, but the amplification and potentiation of these therapeutic effects by the synergistic factors that we have introduced into the “Steady Stomach”

combination product, may turn out as the much-needed key to enlarging the therapeutic window of CBD and harnessing it as an efficient and safe therapy for IBD. The positive results of this pre-clinical study pave our way forward to launching a comprehensive and rigorous clinical research program with this unique product, which we are now preparing for execution through our strategic alliance with Mor Research Applications – the commercial arm of Clalit Healthcare services, Israel’s largest HMO and hospital network.”

Thomas Fairfull, President and CEO of FSD Pharma, stated “The achievement of these encouraging pre-clinical results with the proprietary “Steady Stomach” product marks a very important milestone for FSD on its way to becoming a leading supplier of superior and differentiated medical cannabis therapies for patients throughout Canada. It has been estimated in the past that there are approximately 233,000 Canadians suffering from IBD, and the Canadian market for IBD medications is above \$500M annually¹. FSD Pharma plans to tap into this large market offering a natural, safe and effective CBD enhanced therapy as an alternative to prescription drugs.”

[1] Inflammatory bowel disease: A Canadian burden of illness review, *Can J Gastroenterol*. 2012 Nov; 26(11): 811–817

About FSD Pharma (CSE: HUGE) (OTC: FSDDF) (FRA: 0K9)

FSD Pharma through its wholly-owned subsidiary FV Pharma, is a licensed producer of marijuana under the Access to Cannabis for Medical Purposes Regulations (ACMPR) having received its cultivation license on October 13, 2017. Headquartered at the former Kraft plant in Cobourg, Ontario, approximately an hour's drive from Toronto, FV Pharma management's mission is to transform the facility into the largest hydroponic indoor cannabis facility in the world. FV Pharma intends to target all legal aspects of the cannabis industry, including cultivation, processing, manufacturing, extracts and research and development.

About SciCann Therapeutics

SciCann Therapeutics is a Canadian-Israeli specialty pharmaceutical company, dedicated to the development and commercialization of novel and disruptive pharmaceutical products that target and modulate the endocannabinoid system. SciCann Therapeutics is active in the fields of oncology, pain management, neurodegenerative diseases and inflammatory disorders, and develops a line of proprietary products for the treatment of chosen life- threatening conditions that present a high level of unmet need.

SciCann has created a network of collaborations with leading academic centers and medical institutions in Israel in order to engage in cutting edge science and rigorous clinical studies to develop its products, while using the permissive regulatory climate in Israel for performing its R&D programs quickly and efficiently.

Forward-Looking Information

Certain statements contained in this press release constitute forward-looking information. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Corporation's current belief or assumptions as to the outcome and timing of such future events. Actual future results may differ materially. In particular, this release contains forward-looking information relating to the development of the Corporation's indoor cannabis facility and its business goals and objectives. The forward-looking information contained in this press release is made as of the date hereof, and the Corporation 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 applicable securities laws. 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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