



## PRESS RELEASE

### FSD Pharma Announces Strategic Investment in Huge Shops

- Huge Shops forms alliance with Coffee Time's parent company Chairman's Brands to establish retail distribution network -

**TORONTO – December 20, 2018** – FSD Pharma Inc. ("FSD Pharma" or "FSD") (CSE: HUGE) (OTCQB: FSDDF) (FRA: 0K9) has completed a strategic investment of \$1.3 million or just under 9.9% in Huge Shops, a Toronto-based cannabis retailer. Huge Shops has a strategic alliance with Chairman's Brands, parent company of Coffee Time, a well-established operator of retail coffee shops with more than 75 locations in Canada and other locations worldwide.

As part of the investment, Huge Shops has the option to acquire a minimum of ten retail locations under Chairman's umbrella of properties, and, subject to availability and further negotiation, purchase additional Coffee Time sites. Huge Shops has identified ten initial key locations across Ontario, which meet the company's strategic objective to become a premiere recreational cannabis supplier. Under the province's current model for recreational cannabis, Huge Shops will file expressions of interest with the Alcohol and Gaming Commission of Ontario (AGCO) in the five designated regions across Ontario in order to obtain one of the province's first retail locations while strengthening its foothold in Canada's largest market. Huge Shops stores will be branded and operated independently of Coffee Time shops, but the agreement provides access to the Coffee Time's highly experienced retail management team and large commercial real estate portfolio.

FSD Pharma Executive Co-Chairman and Co-Founder, Anthony Durkacz, says, "Huge Shops' strategic alliance with Chairman's Brands enables the company the ability to quickly create a network, with a well-established consumer base, in key demographic areas throughout the province. FSD Pharma, through its investment in Huge Shops, will offer leading cannabis products to consumers in the province."

As the province rolls out its private retail model, Huge Shops is planning rapid expansion in key markets throughout Ontario to meet its target of operating 75 locations pursuant to the company receiving its retail operator license.

Huge Shops President and Director, Michael Potts, says, "FSD's investment and our partnership Chairman's Brands will help us achieve our goal of rapidly reaching Ontario's 14 million consumers (1), an estimated CAD \$2.3 billion opportunity (2). The strategic alliance gives us an advantage by allowing us to avoid cumbersome leasing arrangements, a problem facing many competitors in our industry."



Steve Michalopoulos, Vice President of Brand Development at Chairman's Brands stated, "The legalization of cannabis in Canada presents tremendous opportunity for companies across a number of industries that have a retail footprint. We've been observing closely what's been happening in the Cannabis space and what other brands have been doing within the coffee space. Aligning our coffee brand with Huge Shops presents opportunity to carefully evaluate our real estate network and potentially maximize the real estate to the benefit of all stakeholders. We were very careful to strategically align ourselves with a group that has the wherewithal and capability of building a sustainable long term business".

The first retail shop is expected to open by April 1, 2019, pending receipt of a retail operator's license.

1: <https://www.cbc.ca/news/canada/toronto/marijuana-ontario-price-market-sales-1.4298311>

2: <https://www150.statcan.gc.ca/n1/daily-quotidien/180418/cg-b001-eng.htm>

#### **About FSD Pharma**

FSD Pharma is focused on the development of the highest quality indoor grown, pharmaceutical grade cannabis and on the research and development of novel cannabinoid-based treatments for several central nervous system disorders, including chronic pain, fibromyalgia and irritable bowel syndrome. The Company's phase one growth plan involves the development of 25,000 square feet of indoor grow space at its Ontario facility and an additional 220,000 square feet, which pending approval by Health Canada, is expected to be operational in the first quarter 2019.

FSD facilities sit on 72 acres of land with 40 acres primed for development and an expansion capability of up to 3,896,000 square feet.

FSD's wholly-owned subsidiary, FV Pharma, is a licensed producer of cannabis having received its cultivation license under the Access to Cannabis for Medical Purposes Regulations (ACMPR) on October 13, 2017 and is now operating under the recently enacted Cannabis Act. FV Pharma vision is to transform its current headquarters in a Kraft plant in Cobourg, Ontario into the largest hydroponic indoor grow facility in the world. FV Pharma intends to cover all aspects of this exciting, new industry, including cultivation, legal, processing, manufacturing, extracts and research and development.

#### **About Chairman's Brands**

Headquartered in Toronto, ON, the privately held Chairman's Brand Corporation is one of the largest and fastest growing franchising companies in Canada, with a global presence in Europe and the Middle East. The Chairman's Brands family includes 241 Pizza®, Coffee Time Donuts®, Robin's Donuts®, Eggsmart®, New Orleans Pizza®, The Friendly Greek® and Mia Fresco®. For more information visit [www.chairmansbrands.com](http://www.chairmansbrands.com)



### **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. 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.

Neither the Canadian Securities Exchange nor its regulation services provider accept responsibility for the adequacy or accuracy of this release.

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