



champignon
B R A N D S

PIONEERING POWERFUL
NEW TREATMENTS FOR
GLOBAL MENTAL HEALTH

A REVOLUTIONARY NEW PHASE IN MENTAL HEALTH TREATMENT

The treatment of mental health conditions is entering a revolutionary new phase.

Champignon Brands (CSE:SHRM | OTC:SHRMF) is at the forefront of this great movement.

The firm is a pioneer in the rapidly emerging field of “psychedelic medicines”, or “psychotherapeutic medicine” as they are otherwise known.

This may sound surprising, but there is powerful, evidence-backed scientific research behind this remarkable development.

World-class research institutions like John Hopkins University, Yale University, the University of Wisconsin, and the University of Miami have dedicated tens of millions of dollars to studying the application of psychedelic medicine in mental health.

Scientists are now working hard to explore the use of psychedelics to treat problems ranging from smoking addiction and anorexia all the way to Alzheimer’s disease and depression.

Their conclusions are definitive.

The careful administration of psychotherapeutic medicine has been shown to be the most effective method of treating mental illness.

Small, diluted doses of chemicals like ketamine and psilocybin – the active ingredient in magic mushrooms – have had success rates of up to 80% among patients.

The compounds are not toxic or addictive and are best administered in controlled therapeutic environments, such as clinics, rather than being prescribed over-the-counter.

These “rapid onset” treatments work within a matter of hours. More conventional drugs, such as the anti-depressant Prozac, can take weeks to have a positive effect. They also often cause terrible side effects, which can be worse than the underlying condition.

Conventional pharmaceutical drugs have proven to be so ineffective that medical authorities around the world have started to recognize the significant potential in psychedelic medicines.

In the US, the Food and Drug Administration (“FDA”) has granted “breakthrough therapy” status to trials investigating the use of psilocybin to treat major depressive disorders.

America’s public health regulator reserves this position only for drugs that can provide a substantial improvement over existing treatments for severe or life-threatening conditions.

With the FDA setting the global standard, it now seems inevitable that more countries will follow suit.

Health Canada, the FDA’s Canadian equivalent, has already begun to grant licenses that allow clinics to administer doses of specified psychedelics to eligible patients (more on this later).



Ketamine, psilocybin and MDMA have all been fast-tracked for research and development for drug discovery by the Food and Drug Administration (“FDA”) and Health Canada

FIRST-MOVER-ADVANTAGE IN THE RAPIDLY EMERGING PSYCHEDELIC MEDICINE MARKET

With the weight of so much supportive scientific research and growing regulatory support, psychotherapeutic medicines are set to remould the outdated model for mental health treatment.

Given that this market is expected to be worth \$240 billion globally by 2026, the successful early innovators in this megatrend stand to become immense businesses.

Yet despite this, few companies have so far emerged to seize on the massive opportunity.

Champignon Brands (CSE:SHRM | OTC:SHRME) is one of a select group that has stepped forward, and is now poised to deliver huge returns for its investors over the coming years.

The company's team of merger & acquisitions experts was quick to spot the potential for using psychedelic medicines to treat mental conditions. They set to work researching the market and quickly identified a number of companies to bring together under one umbrella.

Several deals later, and **Champignon** has developed an end-to-end treatment platform for mainstream healthcare provision.

Rapid Expansion Plan

- I. **Champignon is developing psychotherapeutic medicines that treat mental health conditions.** The firm has established a research & development ("R&D") lab alongside a Canadian craft mushroom supplier and acquired a health & wellness firm developing psychedelic treatments for brain injuries and PTSD.
- II. **Champignon is creating innovative ways to deliver these medicines.** March 2020 saw the firm buy a biotech player that is developing patches, oral strips, and other methods of administering psychotherapeutic medicines to patients reliably and effectively.
- III. **Champignon is buying clinics licensed to administer its psychotherapeutic medicines to patients.** The company's purchase of Altmed in April 2020 saw it take on Canada's only integrated clinic licensed to conduct rapid onset psychotherapeutic treatments for depression, bipolar, PTSD, and OCD. Plans are now in place to roll out five clinics across New York, Florida, and California by year-end. This will secure for Champignon a catchment area of more than 80 million people.

A WELL BALANCED RISK/REWARD

Champignon Brands (CSE:SHRM | OTC:SHRME) three-pronged strategy has positioned to profit at all stages of patient care, from initial drug discovery through to treatment delivery.

This approach significantly de-risks **Champignon's** entire model. By combining short-term and stable revenue generation from its clinics with potential moon-shot R&D in its labs, the company offers a well-balanced risk/reward.

As **Champignon's** President and Director Matt Fish, explains:



We are trying to capitalize on revolutionizing and transforming mental health treatment by focusing on three areas – drug discovery, drug delivery, and drug administration.

Let's say our research efforts don't pay off, we can still show market that we now own, let's say, 10 ketamine treatment clinics, we have revenues of over \$10 million a year and our gross margin is 15-20%. We also still have our patented drug delivery system, which can now apply to another company's products and profit through collaboration.

By maintaining our operational exposure to the three primary areas of this new medical landscape, we maximize our potential to succeed, as the psychotherapeutic medicine sector evolves and grows.

BUYING IN AT THE FIRST INNINGS OF A MEDICINAL BOOM

Champignon Brands (CSE:SHRM | OTC:SHRMF) completed its listing on the Canadian Securities Exchange at the beginning of March 2020. Three weeks later, when it was already trading nearly 50% higher, the firm launched into a programme to buy back up to 5% of its shares from the market.

Buying back shares at a large premium immediately after going public is not only rare, but demonstrates **Champignon's** confidence in its model to deliver spectacular results.

Put simply; at this early stage, the company's directors wanted to maintain as much exposure as possible to the approaching psychotherapeutic medicine megatrend.

General market weakness provided the perfect chance to strike.

To show why it is critical to get in sooner rather than later, Fish points to what initially happened in the legal marijuana market – arguably psychotherapeutic medicine's most relevant comparator.

Throughout 2016-2018, huge markets like Canada and California legalized recreational cannabis. Many other countries eased their stance on medical marijuana. The therapeutic benefits had unarguably become apparent.

Speculation that this pace of deregulation would continue triggered a white-hot run for cannabis stocks and many rose by multiples in a matter of months.

If you had spotted and invested in the cannabis trend early on, you would have made a fortune.

With a similar level of official acceptance now emerging towards psychotherapeutic medicines, Fish sees a comparable opportunity opening up.

He even expects the psychotherapeutic medicine boom to be much more sustainable.

Unlike the legal marijuana sector, there will be no recreational market for these drugs.

This is pivotal.



SPECULATIVE CAPITAL FLOWING IN

Without any recreational hindrance, Fish thinks high and consistent growth rates will be realistically achievable for psychotherapeutic medicines.

After all, the sector's success hangs entirely on its ability to help a considerable percentage of the world's population – something it has already shown it is more than capable of doing.

He tells us:



When we first listed, we experienced a surge of demand as speculative capital rolled out of marijuana and into the next trend.

But the reality is that we see a much bigger opportunity than cannabis in the psychotherapeutic medicine space. This is why we launched the share buyback programme. We believe we are very undervalued because we represent a well-capitalized, expertly-managed company in a market that is not only entering its “first innings”, where the vast quantities of money can be made, but will become a long-term mainstay that improves the lives of millions of people.

To move to the next stage, **Champignon Brands'** ([CSE:SHRM](#) | [OTC:SHRMF](#)) grand plan is founded on immediate revenue generation across a network of specialist treatment clinics.

SPECIALIST CLINICS PROVIDE SUBSTANTIAL INSTANT REVENUES

To build its revenue base **Champignon Brands** ([CSE:SHRM](#) | [OTC:SHRMF](#)) has started to build its own network of dedicated treatment clinics. These specialize in the delivery of psychotherapeutic medicines to patients.

With the sector still in its formative years, this is an ambitious play.

Getting the necessary licenses in place to administer doses of prohibited dissociative chemicals not only requires a large bank of clinical evidence, but must also be backed by an expert leadership team.

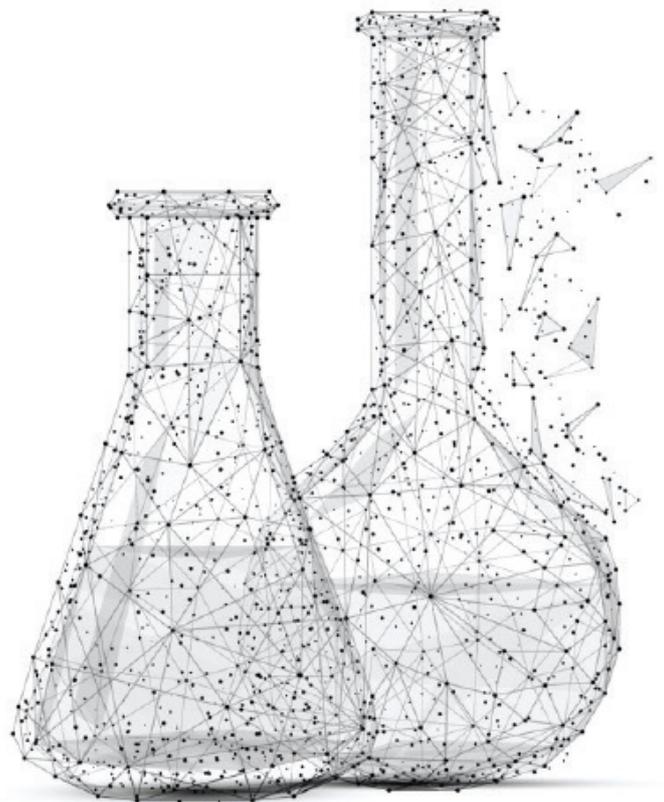
In April 2020, the company secured precisely this when it acquired AltMed Capital.



Dr Roger McIntyre, one of the world's pre-eminent mood disorder psychiatrists, founded AltMed. In May 2020, he became **Champignon's** chief executive.

Dr McIntyre is a professor of psychiatry and pharmacology at the University of Toronto and Head of the Mood Disorders Psychopharmacology Unit at the University Health Network in Toronto.

He has collaborated with private sector partners in the pharmaceutical, insurance, and health care industries in Canada, the US, and globally. He has published more than 600 articles on mood disorders and has written many books on the subject.



RAPID US EXPANSION

Through AltMed, Dr McIntyre was able to bring this lifetime of experience into a place where it could help patients the most. In 2017, he founded the CRTCE- Canada's first-ever treatment center for the provision of rapid-onset treatments to people with mood disorders. This Ontario-based facility is licensed to use doses of ketamine and psilocybin to improve the symptoms of depression, bipolar disorder, PTSD, and OCD.

Since the CRTCE opened 16 months ago, Fish tells us that AltMed's standard operating procedures have developed to encompass the entire patient lifecycle.

The goal is not just to administer psychedelic medicine; it is to ensure that the right patients get the most effective treatment and are monitored and supported until recovery.



When it comes to psychotherapeutic medicines, successful treatment requires an entire life cycle, from patient intake and monitoring all the way to the actual drug administration follow-up sessions.

This is not something you can just buy from the pharmacist and take home and try one to cure depression. It is a wholesome approach that requires end-to-end clinical infrastructure. ”

To date, the CRTCE has administered more than 1,500 ketamine treatments and serviced over 300 patients. In its first full year of operations, this translated into revenues of \$1 million.

Now that AltMed's clinics and its whole-of-lifecycle treatment style has been established, **Champignon Brands** ([CSE:SHRM](#) | [OTC:SHRMF](#)) is primed for rapid expansion.

By the end of 2020, the company plans to own five new ketamine clinics across California, Florida and New York, which will use Dr McIntyre's tested operating procedures.

BLUE SKY POTENTIAL IN DRUG DEVELOPMENT

Alongside its clinical operation, drug research and development could prove to be incredibly lucrative for **Champignon Brands'** ([CSE:SHRM](#) | [OTC:SHRMF](#)).

Scientific evidence supports the effectiveness of psychotherapeutic medicines, however, since it is a relatively new field, we are only in the early stages of drug discovery.

For psychotherapeutic medicine to become a mainstay of future treatments, a pipeline of new drugs will need to be brought to market.

To this end, **Champignon** has acquired and set up a number of R&D subsidiaries to study novel psychedelic compounds and their efficacy in clinical trials.

Unlike traditional drug development companies, **Champignon's** R&D efforts are underpinned by the revenues right now being generated at its clinics. Fish sees this as a crucial competitive advantage over peers.

The company's first step into the world of psychotherapeutic drug development came in March 2020 when it bought Artisan Growers, a craft medicinal mushroom producer.

As part of the deal, **Champignon's** plans to set up an R&D laboratory within Artisan's massive cultivation facility in British Columbia. Here, it is investigating the medicinal potential of Artisan's abundant supply of mushrooms, by formulating bioactive compounds, cultivating fungi varieties like psilocybin, and isolating and synthesizing fungi extracts.

Shortly after, the company followed this up with the acquisition of Tassili Life Sciences.

Tassili is working alongside a team of scientists and physicians at the University of Miami to show that psychotherapeutic medicines can be used effectively in the treatment of mild traumatic brain injuries, PTSD, and OCD. The firm owns the commercial rights to four patents for the administration of measured doses of psilocybin alongside cannabis compound cannabidiol ("CBD").

Tassili's long-term goal is for its approach to be administered in drug and psycho-therapeutic clinics once it has completed preclinical and human clinical trials, and secured the necessary regulatory approvals.

A GROWING PIPELINE OF TREATMENTS

Champignon Brands' (CSE:SHRM | OTC:SHRMF) AltMed acquisition also bolted a third drug development capability onto its business.

AltMed maintains a preferred commercial relationship with InterVivo Solutions - Canada's largest neuroscience-focused preclinical contract research organization. Together, the firms are working to advance their psychedelic molecules through the phase one testing and drug development stages so they can be used in the treatment of depression, addiction, PTSD, OCD, and dementia.

Champignon's drug development strategy has come together extremely quickly.

By April 2020, the company had three drug trials in the phase one stage and three trials in the preclinical stage. In the second half of 2020, Fish expects to see **Champignon** build upon this research base, as the use of psychotherapeutic medicines grows.



A NOVEL APPROACH TO PSYCHO-THERAPEUTIC DRUG DELIVERY

Alongside drug development, **Champignon Brands'** (CSE:SHRM | OTC:SHRME) is heavily focussed on the development of innovative delivery methods for psycho-therapeutic medicines.

Tassili and AltMed are both dedicating research to the administration of their own medicines. However, by far and away the most exciting opportunity here lies with Novo Formulations, a health-and-wellness company purchased by Champignon in March 2020.

Novo's team of scientists is looking at emerging "novel" delivery methods for chemicals like ketamine, psilocybin, and MDM, beyond traditional treatments like pills, oils, and capsules. Many of these "novel" approaches are expected to be much more medically effective, and include:

- **Transdermal administration:** Sticky patches containing a dose of a psychotherapeutic drug that is absorbed when placed on the skin.
- **Intranasal administration:** Sprays containing an amount of a psychotherapeutic drug that are administered via the nose.
- **Sublingual administration:** A dose of psychotherapeutic medicine is placed under the tongue where it diffuses into the bloodstream.

Novo is well positioned to research these delivery systems for psychotherapeutic medicines and manufacture them into marketable end products. In Quebec, the company works with a purpose-built GMP formulation facility and has partnered with a firm that owns a 40,000-square-foot, GMP, Health Canada and FDA-approved manufacturing facility.



THE BUY CASE FOR CHAMPIGNON BRANDS

Since it listed in March, appetite for **Champignon Brands** ([CSE:SHRM](#) | [OTC:SHRMF](#)) has been immense. The demand shows every sign of growing. This company's blue-sky potential is clear for all to see. The market for psychotherapeutic medicines is in its early stages, but promises to become a global phenomenon in the next medical mega-trend.

Millions of patients worldwide stand to benefit. Here's why you should add this stock to your portfolio. The investment case for **Champignon** writes itself:

1. **Champignon** is one of the first to have developed a complete, rapid-onset treatment pathway for mental health conditions using psychotherapeutic medicines.
2. Psychotherapeutic medicines are much more effective treatments, they are quicker to act and boast fewer unpleasant side effects than traditional antidepressants.
3. The FDA has granted 'breakthrough therapy' status to psychotherapeutic treatments due to the highly promising and comprehensive clinical evidence supporting their efficacy.
4. **Champignon** has clear first-mover advantage in this rapidly emerging market.
5. Through its acquisition of AltMed, the company has developed an innovative delivery network of specialised clinics already generating significant income.
6. The AltMed purchase also brought in the expertise of Dr. Roger McIntyre - one of the world's pre-eminent psychiatrists – who is now **Champignon's** CEO
7. Beyond clinics, **Champignon** now has the capacity to deliver the complete product lifecycle for psychotherapeutic medicines, from R&D and drug discovery, through clinical trials, to manufacturing and administration to patients.
8. **Champignon** recently announced an underwritten C\$10 million private placement, with Canaccord Genuity and Eight Capital. Fully funded to deliver its medium term objective, appetite for the company's stock is fierce, and the gains to be made moving forward could be spectacular.

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