



Pascal Biosciences and the University of Washington Enter Into Exclusive License Agreement to Develop Cannabinoid-based Medicine for Cancer

- *Program Developed in Lab of Renowned Cannabis Researcher Dr. Nephi Stella-*
- *Lead Candidate for Glioblastoma to Begin Clinical Testing in 2019*

VANCOUVER, B.C. and SEATTLE, Oct. 30, 2018 -- Pascal Biosciences Inc. (TSX.V:PAS) ("Pascal" or the "Company"), a drug discovery and development company, is pleased to announce that the Company has entered into an exclusive license agreement with the University of Washington (UW) in Seattle to develop a cannabinoid-based product for the treatment of glioblastoma multiforme and brain metastases. The program, developed in the lab of renowned cannabis researcher Dr. Nephi Stella, founder and co-director of the UW Center for Cannabis Research, includes a lead therapeutic, ST-403. Pascal plans to begin human clinical studies of ST-403 in 2019.

"I believe the ST-403 program has great potential to help patients diagnosed with glioblastoma, brain metastases and other devastating cancers," said Dr. Stella. "I'm excited to have Pascal advancing this promising program and, furthermore, I am honoured to help with the future development of Pascal's broad immune-oncology program, as I believe cannabinoid-based compounds have great potential when combined with checkpoint inhibitors."

Dr. Stella began developing ST compounds based on scientific reports that cannabis-derived compounds may have benefit for glioblastoma, and he collaborated with Associate Professor Dr. Philippe Diaz of the University of Montana (UM) Department of Biomedical & Pharmaceutical Sciences. CoMotion, UW's collaborative innovation hub, supported the work through two CoMotion Innovation Gap Fund grants and letters of support for a variety of other funding. CoMotion and joint owner (University of Montana), worked together in order to secure exclusive rights to license the compound to the company.

ST compounds utilize a unique mechanism of action to kill cancer cells that may prove synergistic when used in combination with chemotherapeutics. In a preclinical model of glioblastoma, mice are treated with radiation and temozolomide, which is the standard of care for human patients; ST compounds synergize with these treatments to reduce tumour size and extend life. These compounds also demonstrated a favourable safety profile. These results support Pascal's plans to begin clinical trials with ST-403 in 2019.

"ST-403 is a very promising therapeutic candidate that is an ideal fit with our cannabinoid immune activation program that we announced in February," said Dr. Patrick Gray, CEO of Pascal. "Both programs have great potential in treating cancer, and we are fortunate to have access to and support from Dr. Stella to help facilitate the advancement of this great science into meaningful therapeutics for cancer."

Pascal's exclusive license agreement with the UW covers the ST-403 program, all related compounds, and a strong patent portfolio. If ST-403 has demonstrated benefit for glioblastoma patients, its commercial potential is significant: Temozolomide is now off patent protection, but previously had sales over \$1B per year.

About ST-403

ST-403 is a mitosis inhibitor that blocks cell division. Drugs of this class disrupt microtubules, which are the structures that pull chromosomes apart during cell division. There are several mitotic inhibitors approved for cancer treatment, including paclitaxel and vinblastine, and they have substantial benefit on solid tumours when combined with other chemotherapeutics. However, unlike ST-403, none of these agents cross the blood brain barrier and therefore have no activity on glioblastoma or other brain cancers.

About Glioblastoma

Glioblastoma multiforme is a devastating disease for patients due to the high rate of recurrence, limited treatment options and aggressive nature of the disease. According to the National Brain Tumor Society, glioblastoma strikes about 15,000 patients each year in North America with a median survival rate of 12 to 17 months. Therapies to treat glioblastoma are limited to surgery, radiation and chemotherapy, and more recently tumour treating fields. The only chemotherapeutic approved for glioblastoma is temozolomide, which was developed over 50 years ago and extends survival by only two months. Temozolomide kills tumour cells by causing DNA damage, a mechanism that is different from ST compounds.

About Pascal Biosciences Inc.

Pascal Biosciences is a biotechnology company focused on advancing innovative approaches for the treatment of cancer including cannabinoid-based therapeutics and targeted therapies. The company's leading cannabinoid portfolio comprises a small molecule therapeutic, ST-403, that is advancing into clinical trials for the treatment of glioblastoma, and an immunostimulatory molecule. In addition, Pascal Biosciences is developing a B-cell targeted antibody for acute lymphoblastic leukemia and an antibody for calcium channels expressed by the immune system. For more information, visit

www.pascalbiosciences.com.

About the University of Washington and CoMotion

Recently ranked by Reuters as the #1 most innovative public university in the U.S., the University of Washington (UW) is a leading recipient of federal funding research, producing innovations that have the power to change the world—from biofuel alternatives, to more effective treatments for Alzheimer’s disease and brain cancer, to purification technology for drinking water in the developing world.

CoMotion at the UW is the collaborative innovation hub dedicated to expanding the economic and societal impact of the UW community. By developing and connecting to local and global innovation ecosystems, CoMotion helps innovators achieve the greatest impact from their ideas and discoveries.

About the University of Montana

The University of Montana receives approximately \$100M in research funding annually in areas intended for impactful societal change. Areas of national recognition include ecology, the environment, wildlife biology, and health and medicine.

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