

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

InnoCan Pharma Corporation (the "Company" or "InnoCan")
10 Hamenofim Street
Herzliya, Israel 4672561

Item 2. Date of Material Change

January 13, 21 and 22, 2020

Item 3. News Release

The press releases disclosing the material changes were released on January 13, 21 and 23, 2020 through the facilities of Accesswire.

Item 4. Summary of Material Change

- On January 13, 2020, the Company announced successful research study advancing its development of Cannabidiol targeted injection delivery platform.
- On January 21, 2020, the Company announced that it has executed a Research & License Agreement with the commercial arm of The Hebrew University. The expanded Agreement was signed January 21, 2020.
- On January 23, 2020, the Company announced the appointment of prominent healthcare executive, Peter Bloch as a Director of the Company, replacing Daryl Fridhandler who resigned from the position of Director and Corporate Secretary, on January 22, 2020. Eyal Flom, a current director of the Company, replaced Mr. Fridhandler as Corporate Secretary.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

A. Research Study

On **13 January 2020**, the Company announced that test results of its unique cannabidiol (CBD) loaded liposomal platform technology developed under the Company's previously announced funded research agreement (the "**Yissum Agreement**") with Yissum Research and Development Company ("**Yissum**"), the commercial arm of Hebrew University (Jerusalem), demonstrated high loading of CBD, having the potential of a new way of administration by injection. The technology is the subject of a previously announced provisional patent application.

Development efforts and tests for the CBD loaded liposomes were performed over several months by Prof. Chezy Barenholz, Head of Membrane and Liposome Research Lab, Hebrew University Hadassah Medical School, Jerusalem and head researcher and supervisor under the Yissum Agreement and the following results were achieved:

- High loading of CBD was achieved. The loaded amount is sufficient for administration of a therapeutic dose.
- Several types of CBD liposomal formulations were developed having potential of targeting a variety of clinical indications for CBD injection administration.
- The liposomal formulations may have the potential to enable a controlled release delivery of injectable CBD.

InnoCan's project with Yissum is targeted at developing a breakthrough technology platform

that enables the delivery of cannabinoids by injection of hydrogel-cannabinoid-loaded (such as CBD) liposomes into the blood stream or to a specific body part. The controlled release of CBD (or other cannabinoids) from the liposomes may allow continuous exposure of the patient to the cannabinoid and decreases the variations of CBD concentration in the blood caused by food intake or other physiological condition. Moreover, through injection of loaded liposomes, a greater portion of intact CBD can reach its target site, decreasing the total amount of CBD needed to achieve the desired therapeutic effect. The use of the technology is versatile and may be tailored to the development of different cannabinoids.

B. Research & License Agreement

On **21 January, 2020**, the Company announced that after the early substantial success of their flagship Injectable CBD research project, the Company's wholly-owned subsidiary, InnoCan Pharma Ltd. ("**InnoCan Israel**"), has signed a Research and License Agreement ("**Agreement**") with Yissum Research and Development Company, the commercial arm of Hebrew University (Jerusalem) (HUJ), to extend the previously announced Research and Option agreement InnoCan Israel, and Yissum dated August 26, 2018 (the "**Yissum Agreement**").

The execution of the new Agreement represents another significant milestone in the Company's original strategic plan. The expanded Agreement was signed January 21, 2020.

The new Agreement finalizes the terms of contracts, including the scope of business, the terms of license and defines the specific royalties Yissum would receive in various scenarios (all within the borders previously agreed upon in the Yissum Agreement the terms of which are described in the Company's Final Prospectus dated September 12, 2019).

The Agreement includes a new and broader research work plan for the next 18 months, that will expand the potential applications of the technology being developed in the HUJ. The cost of the work plan will be about US\$1.6 million which will be paid on a quarterly basis over the 18 months.

The Agreement grants InnoCan Israel a worldwide exclusive license to commercialize the research results and the products which will be developed from the technology.

The new agreement extends the license to include the new provisional patent filed on October 7, 2019. As a result, the new agreement expands the research done under the option agreement and provides for a broader application of the technology.

InnoCan's project with Yissum is targeted at developing a breakthrough technology platform that enables the delivery of cannabinoids by injection of hydrogel-cannabinoid-loaded (such as CBD) liposomes into the blood stream or to a specific body part. The controlled release of CBD (or other cannabinoids) from the liposomes may allow continuous exposure of the patient to the cannabinoid and decreases the variations of CBD concentration in the blood caused by food intake or other physiological condition. Moreover, through injection of loaded liposomes, a greater portion of intact CBD can reach its target site, decreasing the total amount of CBD needed to achieve the desired therapeutic effect. The use of the technology is versatile and may be tailored to the development of different cannabinoids.

C. New Director and Corporate Secretary

On **23 January, 2020**, the Company announced that it has added Peter Bloch to its Board of Directors. Mr. Bloch is a Chartered Accountant with an extensive record of entrepreneurial and executive successes. He has held senior management positions with Sanofi-Aventis Canada, Intellivax International Inc., Gennum Corporation and Tribute Pharmaceuticals. Mr. Bloch is currently the CEO of Bresotec Inc., a Medical device company developing and commercializing easy to use and accurate technologies for the diagnosis and treatment of sleep apnea and

related health conditions through acoustic analysis. Mr. Bloch was previously CEO and Chairman of Bionik Laboratories, a publicly listed company and was a member of the Dean's Advisory Council at the Ted Rogers School of Management, Ryerson University.

Peter Bloch replaces Daryl Fridhandler as a director of the Company who resigned from this position on January 22, 2020. Eyal Flom, a current director of the Company, replaces Mr. Fridhandler as Corporate Secretary of the Company.

5.2 Disclosure for Restructuring Transactions

Not Applicable

Item 6. Reliance on Subsection 7.1(2) or (3) of National Instrument 51-102 – Continuous Disclosure Obligations

Not Applicable

Item 7. Omitted Information

No information has been omitted from this material change report.

Item 8. Executive Officer

Iris Bincovich, Chief Executive Officer
+972-54-3012842

Item 9. Date of Report

January 27, 2020