

**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 28, February 5, April 17 and April 28, 2020.

**Item 3.      *News Release***

The news release disclosing the material change dated January 28, 2020 was issued on January 28, 2020 through the facilities of Accesswire; the news release disclosing the material change dated February 5, 2020 was issued on February 5, 2020 through the facilities of Newsfile Corp; the news release disclosing the material change dated April 17, 2020 was issued on April 17, 2020 through the facilities of Newsfile Corp.; and the news release disclosing the material change dated April 28, 2020 was issued on April 28, 2020 through the facilities of Newsfile Corp.

**Item 4.      *Summary of Material Change***

- On January 28, 2020 the Company announced that it has signed a distribution agreement with Active Therapeutics Ltd., part of Natural Resources (NW) LTD of Lancashire, United Kingdom, to distribute InnoCan’s scientifically cutting edge CBD-based Derma Cosmetic products in the United Kingdom and Ireland markets.
- On February 5, 2020 the Company announced the filing of a new patent application for a cannabis-based formula targeting the pain, swelling and inflammation associated with hemorrhoids.
- On April 17, 2020 the Company announced that its wholly-owned subsidiary, InnoCan Pharma Ltd. of Herzliya, Israel (“**InnoCan Pharma**”), has entered into a research agreement with Ramot at Tel Aviv University to collaborate with Tel Aviv University to develop a novel, revolutionary approach to treat the COVID-19 coronavirus by using Cannabidiol (CBD) loaded Exosomes.
- On April 28, 2020 the Company announced that its major shareholder Tamar Technologies Ltd. (formerly Solsken Ltd.) (“**Tamar**”), had notified InnoCan of its intention to exercise its rights to license InnoCan's formulations and know-how for existing CBD products and new CBD formulations pursuant to the cooperation agreement between Tamar and InnoCan's wholly-owned subsidiary, InnoCan Pharma dated April 15, 2019 (the “**Cooperation Agreement**”).

- The Company also announced that it has entered into an investor relations consulting agreement (the “**Consulting Agreement**”) with Green Times Consulting Ltd. (“**Green Times**”) pursuant to which Green Times will render certain investor relations consulting services to the Company for a two (2) month term. The Company has agreed to issue 1,437,661 common shares to Green Times at a price of \$0.1725 per share as partial consideration for entering into the Consulting Agreement and for the services rendered thereunder.

**Item 5. Full Description of Material Change**

**5.1 Full Description of Material Change**

**A. Active Therapeutics Distribution Agreement**

On January 28, 2020 the Company announced that it has signed a distribution agreement with Active Therapeutics Ltd. (“**Active Therapeutics**”), part of Natural Resources (NW) LTD (“**Natural Resources**”) of Lancashire, United Kingdom to distribute InnoCan’s scientifically cutting edge CBD-based Derma Cosmetic products in the United Kingdom and Ireland markets.

Active Therapeutics has vast experience in the pharmaceutical and healthcare sectors, including with the brand portfolios of Merck, GSK, Astra Zeneca, 3M, and STADA. This experience has enabled Active Therapeutics to view the market with a long-term vision and introduce innovative and technologically advanced CBD-based products to the growing demands of the United Kingdom and Ireland markets.

The CBD skincare market is projected to generate US\$959 million in sales by 2024 according to the latest report by leading cannabis market intelligence and strategic consultancy firm, Prohibition Partners titled “The Impact Series: Disrupting Beauty”, which was released on January 23, 2020. According to the report, the largest CBD markets in Europe today are the United Kingdom and Austria, each of which made up an US\$80 million market in 2018. The United Kingdom is expected to remain a market leader over the medium-term. Source: Bright field group, Press Release, Europe CBD Market through 2023.

**B. New Patent Application**

On February 5, 2020 InnoCan announced the filing of a new patent application for a cannabis- based formula targeting the pain, swelling and inflammation associated with hemorrhoids.

Hemorrhoids are the fourth leading gastrointestinal disease diagnosed in outpatient settings. This accounts for approximately 3.3 million ambulatory care visits. Furthermore 10 million cases per year are self-reported in the United States (over 4% of the United States population). The latest market report published by Credence Research, Inc. on March 13, 2019, the global market for hemorrhoid treatment devices was estimated to be US\$616.2 million in 2017 and expected to reach US\$963.1 million by 2026, expanding at a CAGR of 4.9% from 2018 to 2026.

With this filing, the Company, by its wholly owned subsidiary that filed the patent application, is expanding its intellectual property estate for cannabis-integrated pain

relief products as a source of potentially exciting breakthroughs in pain therapy and an engine for additional products for a broad spectrum of pain indications with currently unmet medical needs.

### **C. Collaboration with Tel Aviv University**

On April 17, 2020 the Company announced that its wholly-owned subsidiary, InnoCan Pharma, has entered into a sponsored research agreement dated April 17, 2020 (the “**Research Agreement**”) with Ramot at Tel Aviv University (“**Ramot**”) to collaborate with Tel Aviv University to develop a novel, revolutionary approach to treat COVID-19 by using Cannabidiol (CBD) loaded Exosomes (“**ICLX**”).

Under the terms of the Research Agreement, InnoCan Pharma and a team led by Professor Daniel Offen, a leading researcher specializing in Neuroscience and Exosome technology at Tel Aviv University, will collaborate to develop the cell therapy product, based on Professor Offen’s work in the field. InnoCan Pharma has agreed to fund the research based on agreed milestones, in the aggregate amount of approximately US\$447,000, payment of which is to be made over a period of thirteen (13) months, and are less any deductions or withholding taxes, as applicable.

InnoCan Pharma and Ramot are collaborating on a new, revolutionary exosome-based technology that targets both central nervous system (CNS) indications and the COVID-19 coronavirus. CBD-Loaded Exosomes hold the potential to provide a highly synergistic effect of anti-inflammatory properties and help in the recovery of infected lung cells. This product, which is expected to be administered by inhalation, will be tested against a variety of lung infections.

Exosomes are small particles created when stem cells are multiplied. Exosomes can act as “homing missiles”, targeting specific damaged organs and have an important role in cell-to-cell communication. When the cell healing properties of the exosomes are combined with the anti-inflammatory properties of CBD, it is expected to reach high synergistic effect. The research results may be beneficial to additional treatments for Central Nervous System (CNS) indications such as epilepsy and Alzheimer’s Disease.

The Research Agreement also gives InnoCan Pharma the exclusive option to receive an exclusive worldwide royalty-bearing license to Ramot’s background technology and the research results to allow InnoCan Pharma to develop and manufacture ICLX for the treatment of COVID-19 and potentially for other types of lung inflammations and additional respiratory related illnesses. Once InnoCan Pharma provides notice of intent to exercise the option, InnoCan Pharma and Ramot have agreed to negotiate the license agreement in good faith according to predefined commercial terms as annexed to the Research Agreement.

### **D. Exercise of Right to License and Consulting Agreement**

On April 28, 2020 the Company announced that Tamar, had notified InnoCan of its intention to exercise its rights to license InnoCan's formulations and know-how for existing CBD products and new CBD formulations pursuant to the previously entered into Cooperation Agreement between Tamar and InnoCan Pharma dated April 15, 2019.

The products will be developed by InnoCan in accordance with Tamar's guidelines, in

order to manufacture and market a new line of CBD products under Tamar's brand.

Tamar will be responsible for all regulatory approvals, branding, sales and distribution of the products. The development and manufacturing will be carried out pursuant to the Cooperation Agreement as well as a statement of work (SOW) entered into by the parties on April 26, 2020.

InnoCan will be entitled to upfront payments for the development of new product formulations and significant royalties based on sales, according to the parameters set out in the Cooperation Agreement and the SOW, which sets forth the pricing for the development, based on reasonable development costs as agreed by the parties.

The Company also announced that it entered into the Consulting Agreement with Green Times pursuant to which Green Times will render certain investor relations consulting services to the Company for a two (2) month term. The Company has agreed to issue 1,437,661 common shares to Green Times at a price of \$0.1725 per share as partial consideration for entering into the Consulting Agreement and for the services rendered thereunder.

**5.2 Disclosure for Restructuring Transactions**

Not Applicable

**Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102**

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**

April 30, 2020