

# Innocan Pharma Announces up to \$10 Million Public Offering of Units

Toronto, Ontario--(Newsfile Corp. - May 11, 2020) - Innocan Pharma Corporation (CNSX: INNO) (FSE: IP4) (the "**Company**" or "**Innocan**") is pleased to announce that it has filed and been receipted for a preliminary short form prospectus with the securities regulatory authorities in all provinces of Canada (except Québec) in connection with a marketed public offering (the "**Offering**") of units of the Company ("**Units**") for gross proceeds of up to \$10,000,000. The Offering is being led by Mackie Research Capital Corporation, as sole bookrunner, and Canaccord Genuity Corp. as co-lead agents (the "**Lead Agents**"), together with Haywood Securities Inc. and PI Financial Corp. (together with the Lead Agents, the "**Agents**").

Each Unit shall be comprised of one common share of the Company (a "**Common Share**") and an amount of Common Share purchase warrant of the Company to be determined in the context of the market (each whole Common Share purchase warrant being a "**Warrant**"). Each Warrant is exercisable into one Common Share (a "**Warrant Share**") at an exercise price to be determined in the context of the market.

The final pricing of each Unit, the exercise price of each Warrant, the amount of Warrant to be included in each Unit, and the term of each Warrant will be determined in the context of the market prior to the filing of the final short form prospectus in respect of the Offering.

The Company has granted the Agents an option (the "**Over-Allotment Option**") to cover over-allotments and for market stabilization purposes, exercisable in whole or in part at the sole discretion of the Agents, at any time up to 30 days from the closing of the Offering, to increase the size of the Offering by up to 15% of the number of Units (and/or the components thereof) sold pursuant to the Offering, on the same terms and conditions of the Offering.

The net proceeds raised under the Offering will be used for research and product development expenses, sales and marketing expenses, operating expenses and general and administrative expenses as well as for working capital and general corporate purposes.

The closing of the Offering is currently expected to be on or about the week of May 28, 2020 and is subject to certain conditions including, but not limited to the execution of an agency agreement and the receipt of all necessary regulatory approvals including the approval of the Canadian Securities Exchange (the "**Exchange**").

The Company will use commercially reasonable efforts to list the Common Shares, and the Warrant Shares on the Exchange, subject to the Company fulfilling all of the listing requirements of the Exchange.

The Units are to be sold on a "best efforts" basis through the Agent by way of short form prospectus to be filed in each of the provinces of Canada except Québec and in other jurisdictions outside of Canada and the United States on an exempt basis in accordance with applicable securities laws. The securities described in this press release have not been and will not be registered under the United States Securities Act of 1933, as amended ("**U.S. Securities Act**") or any state securities laws. Accordingly, the securities may not be offered or sold in the United States (as such term is defined in Regulation S under the U.S. Securities Act) or to, or for the account or benefit of, a U.S. person (as such term is defined in Regulation S under the U.S. Securities Act) except pursuant to transactions exempt from registration under the U.S. Securities Act and under the securities laws of any applicable state. This press release does not constitute an offer to sell or a solicitation of an offer to buy any of these securities in the United States. Any public offering of securities in the United States must be made by means of a prospectus containing detailed information about the company and management, as well as financial statements.

## About Innocan

The Company, through its wholly-owned subsidiary, Innocan Pharma Ltd. ("**Innocan Pharma Israel**"), is a pharmaceutical tech company that focuses on the development of several drug delivery platforms combining cannabidiol ("**CBD**") with other pharmaceutical ingredients. Innocan and Ramot at Tel Aviv University are collaborating on the development of a new exosome-based technology that targets both central nervous system indications and the COVID-19 coronavirus. CBD-loaded exosomes may 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.

Innocan Pharma Israel has entered into a worldwide exclusive research and license agreement with Yissum Research and Development Company, the commercial arm of the Hebrew University of Jerusalem, to develop a CBD drug delivery platform based on a unique-controlled release liposome to be administered by injection. The Company, together with Prof. Berenholtz, Head of the Laboratory of Membrane and Liposome Research of the Hebrew University, plans to test the liposome platform on several potential indications. The Company is also working on a dermal product integrating CBD with other pharmaceutical ingredients as well as the development and sale of CBD-integrated pharmaceuticals, including, but not limited to, topical treatments for relief of psoriasis symptoms as well as the treatment of muscle pain and rheumatic pain. The founders and officers of Innocan have commercially successful track records in the pharmaceutical and technology sectors in Israel and globally.

**For further information, please contact:**

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### **Caution regarding forward-looking information**

Certain information set forth in this news release, including, without limitation, information regarding the markets, requisite regulatory approvals and the anticipated timing for market entry, is forward-looking information within the meaning of applicable securities laws. By its nature, forward-looking information is subject to numerous risks and uncertainties, some of which are beyond Innocan's control. The forward-looking information contained in this news release is based on certain key expectations and assumptions made by Innocan, including expectations and assumptions regarding the terms, timing and potential completion of the Offering, satisfaction of regulatory requirements in various jurisdictions, distribution arrangements and the use of proceeds from the Offering.

Forward-looking information is subject to various risks and uncertainties which could cause actual results and experience to differ materially from the anticipated results or expectations expressed in this news release. The key risks and uncertainties include but are not limited to: general global and local (national) economic, market and business conditions; governmental and regulatory requirements and actions by governmental authorities; and relationships with suppliers, manufacturers, customers, business partners and competitors. There are also risks that are inherent in the nature of product distribution, including failure to obtain any required regulatory and other approvals (or to do so in a timely manner) and availability in each market of product inputs and finished products. The anticipated timeline for entry to markets may change for a number of reasons, including the inability to secure necessary regulatory requirements, or the need for additional time to conclude and/or satisfy the manufacturing and distribution arrangements. As a result of the foregoing, readers should not place undue reliance on the forward-looking information contained in this news release concerning the timing of launch of product distribution. A comprehensive discussion of other risks that impact Innocan can also be found in the short form prospectus filed in respect of the Offering and the documents incorporated by reference therein which are available under Innocan's profile at [www.sedar.com](http://www.sedar.com).

Readers are cautioned that undue reliance should not be placed on forward-looking information as actual results may vary materially from the forward-looking information. Innocan Pharma does not undertake to update, correct or revise any forward-looking information as a result of any new information, future events or otherwise, except as may be required by applicable law.

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