

# InnoCan Pharma Enters into Letter of Intent to Develop and Produce Exosomes for Use in its CBD-Loaded Exosome (CLX) Treatments

**Calgary, Alberta and Tel Aviv, Israel—(Newsfile Corp. - May 22, 2020)** - InnoCan Pharma Corporation (CSE: INNO) (FSE: IP4) (the "Company" or "Innocan"), is pleased to announce that its wholly-owned subsidiary, Innocan Pharma Ltd. ("Innocan Israel"), has entered into a letter of intent ("LOI") with Adva Biotechnology Ltd. ("ADVA") dated May 21, 2020. The LOI sets out the indicative terms of an exosome production and development agreement (the "Exosome Production Agreement") which the parties intend to negotiate and conclude within 120 days from the date of the LOI. ADVA is an Israeli company that specializes in the development of end-to-end advanced therapy manufacturing solutions.

The Exosome Production Agreement will provide a framework for the production of exosomes and related development services by ADVA. As part of Innocan's research and development activities with the Tel Aviv University led by Prof. Daniel Offen, Innocan intends to load the produced exosomes with CBD ("CLX") to be used towards its efforts to develop a treatment for COVID-19 and additional central nervous system indications.

The services to be provided by ADVA will be provided in three stages:

- **Stage 1:** pilot study involving producing exosomes from 4 to 6 production runs according to the specifications of Innocan, expected to be completed in 6 to 8 weeks.
- **Stage 2:** production of exosomes from 4 to 5 different donors, conducting comparable tests, production process optimization and characterization of the final exosome product.
- **Stage 3:** upscaling the finalized exosome product for commercial production.

Pursuant to the LOI, the requirement to complete Stage 1 of the services is immediately binding on the parties. Innocan is required to make certain payments to ADVA: (i) within 5 days following the signing of the LOI, and (ii) upon the successful completion of Stage 1. The immediate impact of the LOI is that ADVA will commence production of the exosomes, thereby accelerating the research and development of CLX prior to entering into the Exosome Production Agreement.

Iris Bincovich, CEO of Innocan, stated: "we are looking forward to working with the ADVA team, a team that brings experience of many years in development of bioreactors at the highest level of mesenchymal stem cell production in various companies. The uniqueness of the mesenchymal stem cell production unit to be developed by ADVA under the LOI and the Exosome Production Agreement is expected to provide Innocan with full control of many important parameters of the exosome production process, allowing Innocan and Prof. Offen's team to optimize the exosome and production system."

Dr. Ohad Karnieli, ADVA founder and CEO stated: "we are very pleased to collaborate with Innocan and Prof. Offen's team on the CLX project. Our technology is an excellent fit to Innocan's needs and the ability of having full control and high flexibility at the production process may lead to better, faster and high yield production of the exosomes and cells."

## About Adva Biotechnology Ltd.

ADVA is an Israeli based private company focused on developing technologies for cell therapy manufacturing. ADVA developed an automated, controlled and simple to use platform for cell manufacturing - initially for immune cell therapies (ICT) such as Chimeric Antigen Receptor (CAR T), T Cell Receptor (TCR), Natural Killer cells (NK) and T infiltrating Lymphocytes (TIL's). The automated platform is designed to allow autologous manufacturing of additional types of cells with a change in the disposable chamber allowing efficiency and flexibility with a long pipeline of products.

## About Innocan Pharma Corporation

The Company, through its wholly-owned subsidiary, Innocan 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. The Company believes that 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 Israel has entered into a worldwide exclusive research and license agreement with Yisum 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:**

For InnoCan Pharma Corporation:  
Iris Bincovich, CEO  
+972-54-3012842  
[info@innocanpharma.com](mailto:info@innocanpharma.com)

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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 the entering into of the Exosome Production Agreement within the time frames set out in the LOI or at all, the exosomes produced under the Exosome Production Agreement being successfully loaded with CBD and/or successfully deployed towards the treatments of COVID-19 or other indications, expectations and assumptions concerning the anticipated benefits of the product markets, satisfaction of regulatory requirements in various jurisdictions and satisfactory completion of requisite production and distribution arrangements. 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 InnoCan's public reports and filings 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.



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