Pharmather Secures Exclusive Rights to Novel Microneedle Delivery Technology for Psychedelic Pharmaceuticals

TORONTO, October 22, 2020 (GlobeNewswire) -- Pharmather Inc., a wholly-owned subsidiary of Newscope Capital Corporation ("**Pharmather**" or the "**Company**") (CSE: PHRM) and a specialty life sciences company focused on the research and development of psychedelic pharmaceuticals, is pleased to announce that the Company has entered into an exclusive license agreement (the "Agreement") with BioRAE, Inc., for the development and commercialization of a novel biocompatible and biodegradable gelatin methacryloyl microneedle ("GelMA-MN") delivery technology developed at the University of California, Los Angeles ("UCLA") for use with psychedelic pharmaceuticals, including, but not limited to Psilocybin, Ketamine, Ibogaine, LSD, MDMA, DMT, and Cannabinoids.

"We are very pleased to have acquired the rights to this novel microneedle delivery technology as it strengthens the foundation of our strategy to develop and commercialize a unique pipeline of psychedelic pharmaceuticals for FDA approval and I believe puts us in the conversation with companies such as Compass Pathways and Mind Medicine, who are leading the way in psychedelic medicines," said Fabio Chianelli, Chief Executive Officer of Pharmather. "The GelMA-MN delivery technology is complementary to our approach in finding new uses and combinations of psychedelics to improve therapeutic and safety outcomes while potentially offering a differentiated product profile, improving patient compliance and enabling out-patient treatment options. We are focused on realizing the potential of the GelMA-MN delivery technology and it will open up new market opportunities in multi-billion dollar categories such as mental health, nervous system disorders, pain, skin cancer, wounds, mucosal diseases and surgical applications."

"We are pleased to partner with Pharmather and to realize the commercial potential of the GelMA-MN delivery technology as a unique delivery system for treating unmet medical needs," said Dr. Ali Khademhosseini, Co-Founder of BioRAE, Inc. and Co-Inventor of GelMA-MN delivery technology.

About GelMA-MN Delivery Technology

The GelMA-MN (*Figure 1*) delivery technology was invented and developed by the members of the Khademhosseini Lab at UCLA. Studies have shown that GelMA can be used for the fabrication of MN arrays and the delivery of both water-soluble and insoluble drugs with desirable release profiles. GelMA is derived from the natural polymer gelatin with crosslinkable methacrylate group making it an ideal candidate for MN fabrication and various other biomedical applications. The GelMA-MNs are biocompatible and biodegradable, can efficiently penetrate the stratum corneum layer (outer layer of the skin), enable flexible drug load capacity and combinations, and control-release delivery. MNs are considered as a promising way to achieve systemic effects by transdermal delivery of drugs. In addition to applications on the skin, MNs may be applied in other

organs and tissues like the eyes and mucosal surfaces. MNs are minimally invasive, painless, and may overcome the potential drawbacks of oral administration, subcutaneous injections and other transdermal delivery systems.[1] [2] [3]

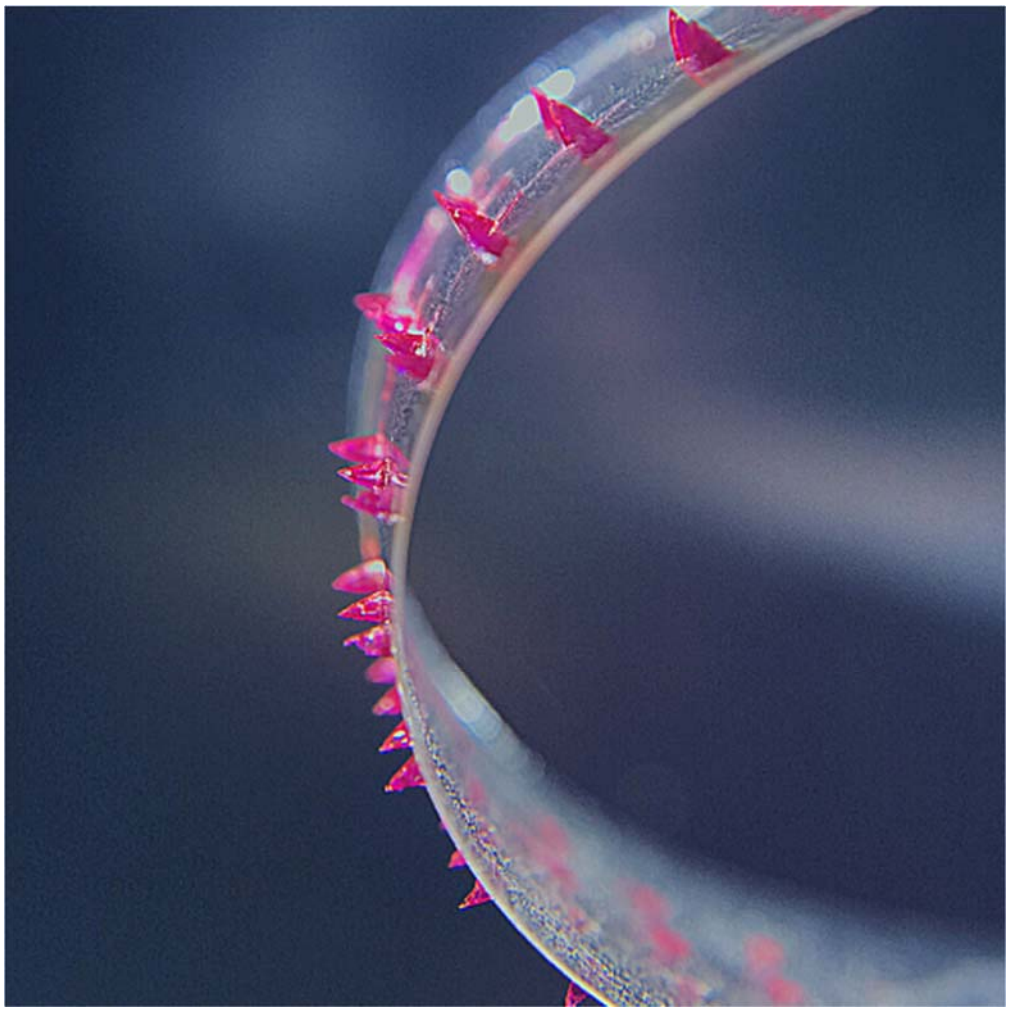

Figure 1: Actual GelMA-MN patch (10x close up)

Under the terms of the Agreement, the Company gained exclusive worldwide rights to intellectual property to develop and commercialize the GelMA-MN delivery technology with psychedelics, cannabinoids, and various compounds for therapeutic uses. Consistent with industry standards, Pharmather will pay a one-time fee for entering into the Agreement and all other future payments will be based on clinical trial and revenue milestones reached by Pharmather in the future.

About Pharmather Inc.

Pharmather Inc., a wholly-owned subsidiary of Newscope Capital Corporation (CSE: PHRM), is a specialty life sciences company focused on the research and development of psychedelic pharmaceuticals. Pharmather repurposes psychedelic pharmaceuticals, such as ketamine and

psilocybin, for FDA approval to treat disorders of the brain and nervous system. Our team includes world-class strategic partners, advisors and a strong leadership team with a proven track record of success in drug development, business development and capital markets. Our goal is to advance the development of panaceAI™, our drug repurposing artificial intelligence platform, and our clinical product pipeline with ketamine and psilocybin in the treatment of Parkinson's Disease, depression, traumatic brain injury and stroke. Learn more at: **pharmather.com** and follow us on **Facebook**, **Twitter** and **LinkedIn**.

For more information, please contact:

Fabio Chianelli
Chief Executive Officer
Pharmather Inc.
Tel: 1-888-846-3171
Email: info@pharmather.com
Website: www.pharmather.com

Neither the Canadian Securities Exchange nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.

Cautionary Statement

*This press release contains 'forward-looking information' within the meaning of applicable Canadian securities legislation. These statements relate to future events or future performance. The use of any of the words "could", "intend", "expect", "believe", "will", "projected", "estimated", "potential" and similar expressions and statements relating to matters that are not historical facts are intended to identify forward-looking information and are based on the Company's current belief or assumptions as to the outcome and timing of such future events. Forward-looking information in this press release includes information with respect to the GelMA-MN and product developments. Forward-looking information is based on reasonable assumptions that have been made by the Company at the date of the information and is subject to known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in the forward-looking information. Given these risks, uncertainties and assumptions, you should not unduly rely on these forward-looking statements. The forward-looking information contained in this press release is made as of the date hereof, and Company is not obligated to update or revise any forward-looking information, whether as a result of new information, future events or otherwise, except as required by applicable securities laws. The foregoing statements expressly qualify any forward-looking information contained herein. Factors that could cause actual results to differ materially from those anticipated in these forward-looking statements are described under the caption "Risk Factors" in Company's management's discussion and analysis for the period of August 30, 2020 ("MD&A"), dated October 1, 2020, which is available on the Company's profile at **www.sedar.com**.*

References:

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2. Zhou X, Luo Z, Baidya A, et al. Biodegradable β-Cyclodextrin Conjugated Gelatin Methacryloyl Microneedle for Delivery of Water-Insoluble Drug. Adv Healthc Mater. 2020;9(11):e2000527.

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3. Guillot AJ, Cordeiro AS, Donnelly RF, Montesinos MC, Garrigues TM, Melero A. Microneedle-Based Delivery: An Overview of Current Applications and Trends. Pharmaceutics. 2020;12(6):569. Published 2020 Jun 19. doi:10.3390/pharmaceutics12060569