



## ASX RELEASE

7 May 2015

### **LICENSING AGREEMENT WITH YISSUM EXTENDED TO INCLUDE IMPROVED CANNABIS ORAL DELIVERY FORMULATION**

#### **Highlights**

- Extension of exclusive licensing agreement with Yissum to include a third patent application claiming an additional new innovative nanoparticle formulation, with an improved bioavailability capacity
- The proprietary formulation is intended to further enhance the oral bioavailability of cannabinoids, addressing the currently inherent problem of very low bioavailability of cannabinoids, when administered orally
- This formulation is designed to increase the potential of developing superior products under Phytotech's portfolio, which now comprises an Oral capsule, with two unique formulations, a Transbuccal patch and a Vaporiser device



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- PhytoTech intends to test the two licensed formulations on patients in a Phase 1 clinical study, due to commence by Q4 2015
- Transfer of license agreement to PhytoTech Therapeutics Ltd, the Israel based wholly owned subsidiary of PhytoTech Medical Limited, to take immediate effect to enable the company to take advantage of available R&D grants in the region
- Further solidifies the partnership with Yissum, Hebrew University's prestigious technology transfer company, which has successfully commercialised intellectual properties, which commercial companies have developed into products the sale of which have US\$2Bn in revenues annually

PhytoTech Medical Limited (ASX:PYL) (the 'Company') today announces a favourable addition to its licensing and collaboration agreement with Yissum Research Development Company of the Hebrew University of Jerusalem Ltd ('Yissum').

The agreement has been extended to include the exclusive licensing rights of an improved nanoparticle delivery formulation, developed by Profs' Abraham Domb and Amnon Hoffman both from The Institute for Drug Research at The Hebrew University of Jerusalem, intended to further increase the oral bioavailability of drugs with poor water solubility and limited bioavailability.

The active ingredients in cannabis, Cannabidiol (CBD) and Tetrahydrocannabidiol (THC), typically show very low levels of oral bioavailability (approximately 6%), which has led to the drug historically being unsuitable for oral administration.

The newly added proprietary formulation contains a modification to the formulation already licensed by PhytoTech to further enhance the bioavailability by increasing the absorption of the drug from the



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gastrointestinal tracts, thereby reducing the required dose of the drug and enhancing its reproducibility.

The two formulations will begin patient testing in a Phase 1 clinical study, which is due to commence by Q4 2015. The purpose of the clinical study is to test the formulations and determine the one with the greatest performance in delivering THC and CBD. It will be the first study in a series of studies aimed at developing a product for the treatment of pain and spasticity in Multiple Sclerosis patients.

In addition, pursuant to this amendment with Yisum, PhytoTech Medical Limited will assign the rights and obligations to its wholly owned subsidiary PhytoTech Therapeutics Ltd, allowing the Israeli business to exploit the license and the product once developed.

Once the license is transferred, the Israeli company will be eligible to apply for R&D grants from the Israeli Office of the Chief Scientist (OCS), which provides financing of 20 to 50 percent to approved R&D programs, and from Horizon 2020, the largest EU Research and Innovation program with nearly €80 billion of funding available over a 7 year period, which commenced in 2014.

Boaz Wachtel, Managing Director of PhytoTech Medical Limited commented:

*"We are very pleased to be able to extend our agreement with Yisum, a leader in transfer of innovative medical technologies from academia to industry, to include another innovative and significant formulation. The bioavailability of CBD and THC when administered orally is inherently low, and by utilising this new formulation we believe there will be synergistic enhancements, improving the bioavailability of the cannabis when administered to patients. This development will further increase our ability to effectively compete with, and hopefully one day replace, existing medical cannabis pharmaceutical products in the market"*



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**About PhytoTech Medical Limited**

PhytoTech Medical Limited is a medical cannabis company, which aims to commercialise Medical Grade Cannabis (MGC) and high potential cannabis based therapeutics products to the rapidly growing international market with regulated medical cannabis laws. With research facilities located in Israel, a global leader in medical cannabis research, the Company is strategically positioned to become a key player in the global MGC market.

The Company is focused on the research, development and commercialisation of products for administering MGC, and on new treatments utilizing MGC therapeutic components for various medical conditions. In addition, the Company aims to grow proprietary strains of MGC in California, Uruguay and other jurisdictions.



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Using proprietary technology, PhytoTech's vision is to administer ground breaking health benefits of cannabinoids in oral preparations, vapor form, and other routes of administration, in safe and effective ways.

### **About Yissum Research and Development Company**

Yissum is the prestigious research, development and technology transfer company of Hebrew University in Jerusalem, Israel. Yissum was founded in 1964 to protect and to commercialise the Hebrew University's intellectual property. Products based on Hebrew University technologies that have been commercialised by Yissum currently generate US\$2 Billion in annual sales. Ranked among the top technology transfer companies in the world, Yissum has registered over 8,500 patents covering 2,400 inventions; has licensed out 750 technologies and has spun out 90 companies. Yissum's partners span the globe and include names such as Microsoft, Johnson & Johnson, Syngenta, Monsanto, Roche, Novartis, Merck, Teva and many more.