

11 February 2016

## COMPLETION OF PHASE 1 CLINICAL TRIALS YIELD HIGHLY SUCCESSFUL SAFETY AND PERFORMANCE RESULTS – THE FIRST ORAL PILL SHOWING SUPERIORITY OVER COMMERCIAL NON-ORAL DRUGS

**MMJ PhytoTech Limited (ASX:MMJ) (the “Company”)** are pleased to announce that on 11 February 2016 the Company’s Israeli subsidiary, Phytotech Therapeutics Ltd, received very successful results from its Phase 1 clinical trial (Trial) being undertaken on two medicinal cannabis (MC) oral capsule formulations licensed exclusively from Yissum, the commercialisation arm of the Hebrew University of Jerusalem.

### Phase 1 Clinical Trial Results

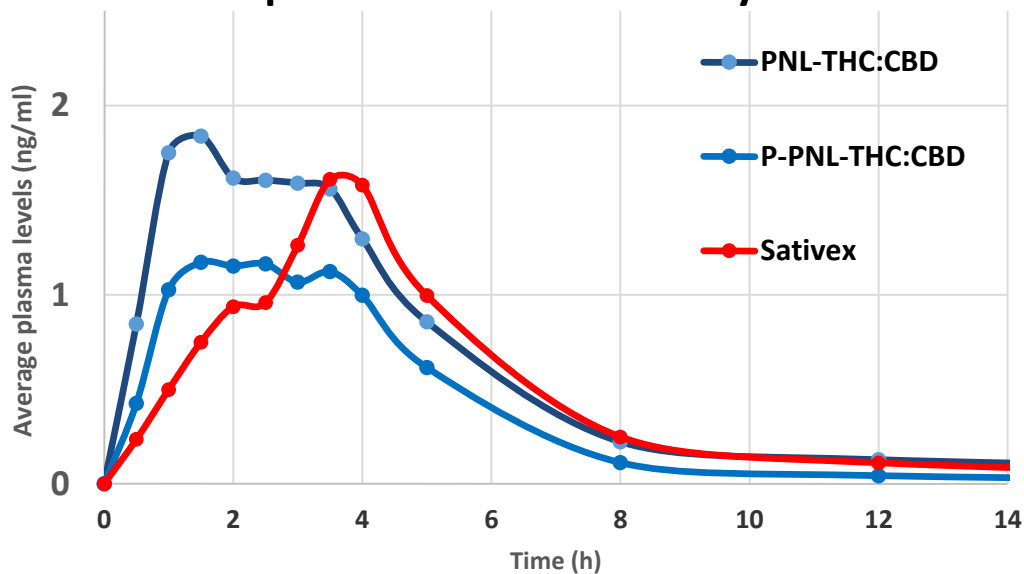
The results of the Trials are extremely positive with consistent results among all 14 completers (14/15 initiating test subjects).

The Trial yielded the following promising results;

- Demonstrable safety and tolerability profile with no significant side effects;
- Higher bioavailability of active compounds in comparison to GW Pharmaceuticals oromucosal spray – Sativex;
- Very rapid onset; and
- 8 hours exposure time in the blood.

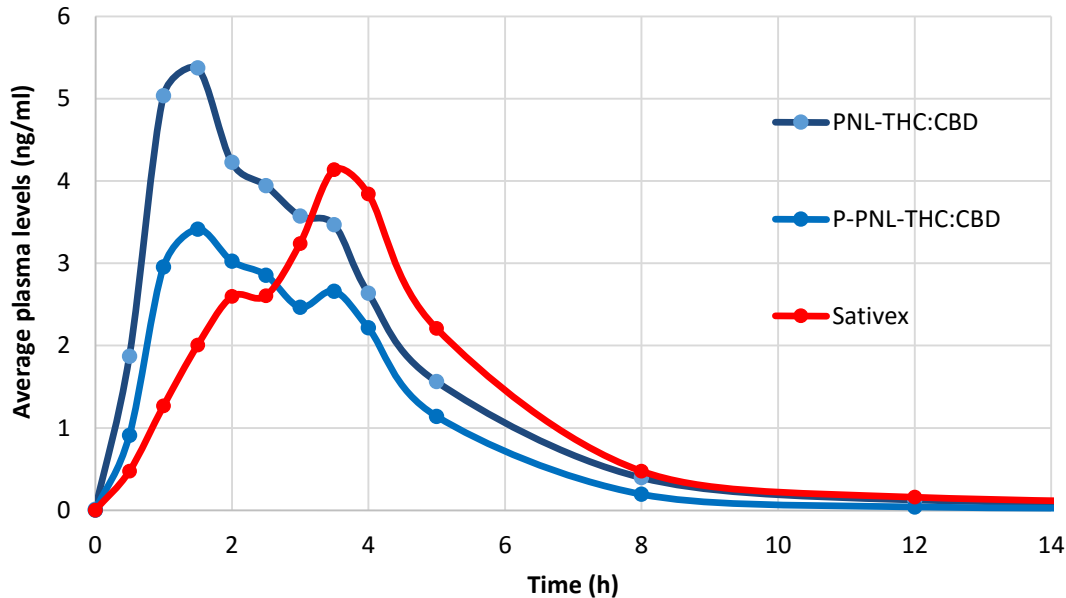
Graph 1 and Graph 2 below provide a comparison of plasma concentration over time of CBD and THC for the two doses of the Company’s formulations versus GW Pharmaceutical’s Sativex.

### Comparison of bioavailability of CBD



**Graph 1** – Comparison of bioavailability of Cannabidiol (CBD) in Subjects’ plasma for the two doses of the Company’s Pro-Nano-Lipospheres and Sativex.

## Comparison of bioavailability of THC



**Graph 2** – Comparison of bioavailability of Tetrahydrocannabinol (THC) in subjects' plasma for the two doses of the Company's Pro-Nano-Lipospheres and Sativex.

The oral capsules are also showing very good on-going stability results at room temperature, leading to a cost effective and consumer friendly product.

The Company is developing oral capsules containing a standardized combination of Tetrahydrocannabinol (THC) and Cannabidiol (CBD) for various clinical indications. The first product in development is for relief of pain and spasticity of Multiple Sclerosis (MS) patients which will be the subject of a Phase 2 Clinical trial to be undertaken later in 2016.

### Oral Capsules and Market Growth

Oral administration is regarded as the best route of delivery of MC compounds due to;

- Administration simplicity;
- No side effects of delivery route;
- Extended shelf life;
- Ability to store at room temperature; and
- Low cost.

The results demonstrate the ability of MMJ's proprietary oral formulation to overcome the conventional challenges of delivery of compounds through an oral delivery system. Trial results indicate that MMJ's formulations perform at the same or even higher level when compared to GW Pharmaceutical's product.

Oral capsule delivery is expected to be a significant driver of growth in the global MC market. The strong results from the Phase 1 Trials on MMJ's oral capsule place the Company in a very strong position to continue to meet demands of patients and consumers.

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### Phase 1 Clinical Study overview

The Trial was a single-centre, multi-arm, randomised, crossover study to assess the safety, tolerability and pharmacokinetics (cannabinoid dose and profile in the blood) undertaken at the Sourasky Medical Clinical Research Center, a highly regarded clinical site in Israel. The trial was focused on the study of two of the Company's THC:CBD Pro-Nano-Lipospheres (PNL) oral capsules licensed from Yissum.

The study was designed to fulfil all the regulatory requirements needed for the New Drug Application (NDA) to the Food and Drug Administration (FDA).

The trial involved administering dosages of MC to 15 healthy volunteers of two oral THC:CBD formulations in comparison to Sativex, the leading oromucosal MC spray of GW Pharmaceuticals.

### Phase 2 Clinical Study on Multiple Sclerosis

Following the successful completion of the Phase 1 Trial, MMJ plan to undertake a Phase 2 Trial commencing in the second half of 2016. The Phase 2 Trial will assess the efficacy of the oral capsules for treating pain and spasticity in patients who suffer from multiple sclerosis, with results expected in the first half of 2017.

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### About MMJ PhytoTech Limited

MMJ PhytoTech 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. The Company operates three subsidiaries with operations across the entire Medical Cannabis value chain, encompassing the Company's "Farm to Pharma" strategy.

Its **United Greeneries** subsidiary has growing facilities in Canada and is fully integrated with Agrichem Analytical, its quality control and testing laboratory. **Satipharm** has a number of key international distribution partnerships for the distribution of cannabinoid-based pharmaceutical, nutraceutical and wellness products.

Through its **PhytoTech Therapeutics** subsidiary in Israel the Company has an exclusive research and licensing agreement with Yissum, the prestigious Research Development and



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technology transfer Company of Hebrew University in Jerusalem, Israel, a global leader in medical cannabis research.

<http://www.mmjphytotech.com.au>