

ASX RELEASE

3 March 2016

## **SATIPHARM GELPELL OUTPERFORMS SATIVEX IN PHASE 1 TRIAL**

### **EXCLUSIVE LICENSE AGREEMENT WITH GELPELL AG FOR DEVELOPMENT AND SALE OF MC PHARMACEUTICAL PRODUCTS**

#### **Highlights**

- Satipharm Gelpell® CBD Oral Capsules ("Capsules") Phase 1 Clinical Trial results exceed expectations
- Capsules demonstrate superior CBD plasma profile to Sativex®
- Satipharm extends existing marketing agreement with Gelpell AG with License Agreement for exclusive use of Gelpell® Microgell proprietary technology in pharmaceuticals.

**MMJ PhytoTech Limited (ASX:MMJ) (the "Company")** Management and Board are pleased to announce that the Company's Swiss subsidiary – Satipharm AG – has signed an exclusive License Agreement with Gelpell AG to develop and sell prescription MC drugs using Gelpell's proprietary technology. The agreement is the result of higher than expected safety and performance results in the Phase 1 Clinical Trial carried out on two doses of Gelpell CBD oral capsules.

This exclusive License Agreement is an extension to the existing agreement between Satipharm and Gelpell AG, which has enabled the Company to market and sell its oral CBD capsules throughout Europe.

The Company will develop and sell new MC prescription drugs using the Gelpell technology, and own all the intellectual property and rights in relation to the licensed products. Gelpell will be granted the exclusive manufacturing rights for the licensed products.

Commenting on the agreement, MMJ PhytoTech's Managing Director, Andreas Gedeon, said, "the exclusive License Agreement is another milestone in what has been a strong start to 2016 for the Company. We completed the pre-license inspection of the Duncan facility, we extended our license agreement with Yissum to include two new patent applications for oral delivery of MC, and we announced outstanding results in the Phase 1 Clinical Trial both with our PNL oral pill formulation licensed from Yissum and with the currently released results with the Gelpell oral capsules. In addition, the Australian Government passed landmark changes to medical cannabis legislation, facilitating a possible entry into the Australian market in the near future.

"The exclusive License Agreement with Gelpell AG is a reaffirmation of our Company strategy of developing MC products that deliver therapeutic benefits to patients without the adverse impacts of smoking. It is also an important addition to the Company's intellectual property portfolio, allowing us to continue to execute our growth strategy. We are looking forward to continuing and expanding our relationship with Gelpell AG and providing our customers with best in class MC products."

For more information on the Phase 1 Clinical Trial Results please see overleaf.

## ASX RELEASE

### Phase 1 Clinical Trial Results

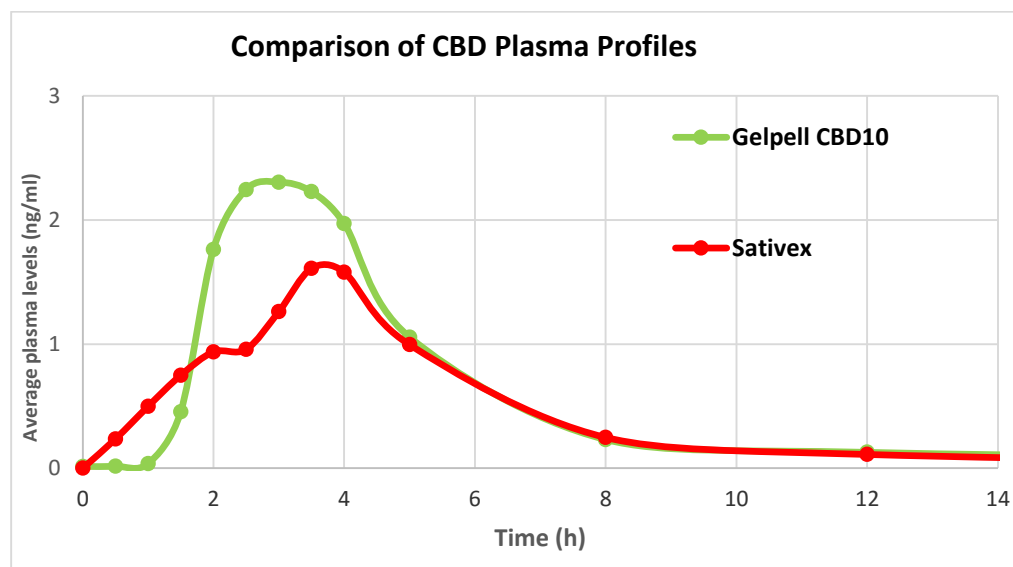
The Phase 1 clinical study assessed the safety and performance of the Gelpell CBD pills in two doses: 10 mg CBD in comparison to the GW Pharmaceuticals oromucosal spray – Sativex; and a high dose of 100 mg CBD to cover future indications requiring high doses.

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

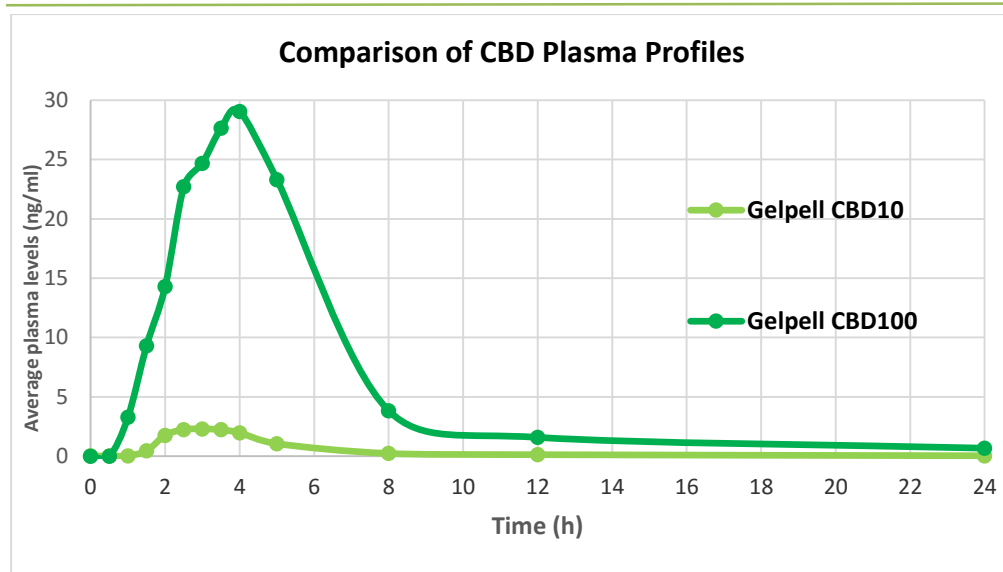
The Trial yielded the following promising results of the Gelpell CBD pills;

- Demonstrable safety and tolerability profile with no significant side effects;
- Higher bioavailability of the Gelpell CBD 10 in comparison to Sativex;
- Dose proportionality between Gelpell CBD 10mg to CBD 100mg; and
- 24 hours exposure time in the plasma for the CBD100mg.

Graph 1 and Graph 2 below provide a comparison of plasma concentration over time of Gelpell CBD 10 mg vs GW Pharmaceutical's Sativex and vs CBD 100mg respectively.



**Graph 1** – Plasma profiles of Gelpell CBD 10 and Sativex, both containing 10 mg CBD.



**Graph 2** – Plasma profiles of Gelpell CBD10 and CBD100 (containing 10mg and 100 mg CBD, respectively).

### Characterization of the Gelpell CBD Pills

Seamless natural gelatin pellets under 2 mm that bound and protect the CBD compound. The natural pellets do not contain filling and or any emulsifiers which helps to avoid irritation of gastric mucosa.

The gelatin matrix pellets dispense over the gastrointestinal (GI) system to achieve a constant GI-transit time. Maximized surface to volume ratio contribute to enhanced bioavailability.

The pellets are packed in hard gastro-resistant capsules or can be mixed directly with food like Yogurt for children and elderly people.

### MMJ PhytoTech Oral Capsule Formulations

The Licensed Gelpell oral capsule formulation is a significant addition to the Company's IP portfolio, including the Pro-nano-liposphere (PNL) oral formulation exclusively licensed from Yissum.

Together, these two formulations have demonstrated excellent safety profiles and high bioavailability as shown in the Company's Phase 1 clinical trial. Together, they expand and strengthen the range of our oral delivery technologies for the administering of MC to patients.

### Follow-on Clinical Studies

The Company is planning to develop variety of MC prescription drugs for several clinical indications using its oral formulations. The first product in development is an oral pill to treat pain and spasticity of multiple sclerosis. Phase 2 Trial is planned to commence in the second half of 2016.

### For more Media and Investor Inquiries please contact:

Rob Gundelach  
Director  
Market Eye  
+61 424 930 789

## ASX RELEASE

---

### 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 Yisum, the prestigious Research Development and technology transfer Company of Hebrew University in Jerusalem, Israel, a global leader in medical cannabis research.

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