



FOR IMMEDIATE RELEASE
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**Phytecs, Leading U.S. Biotech Focused on the Endocannabinoid System,
Partners with Yissum to Discover New ECS-Targeting Compounds, Test
Potential of Fluorinated CBD**

***Professor Raphael Mechoulam, cannabinoid science pioneer, will lead team testing
potential of existing proprietary compounds and identifying new compounds targeting
specific elements of ECS***

Los Angeles / Jerusalem, Israel – Phytecs Inc., a biotechnology company exploring innovative research into and potential treatments targeting the endocannabinoid system (ECS), together with Yissum Research Development Company, the technology-transfer company of the Hebrew University of Jerusalem, announced a new partnership with two aims: to synthesize novel compounds that show increased efficacy over existing phytocannabinoids in targeting specific elements of the ECS, a key homeostatic regulator of the human body; and to continue testing semi-synthetic, patented fluorinated cannabidiol (F-CBD) compounds developed under a previous licensing agreement, which was signed with Yissum, University of São Paulo (USP) and Federal University of Rio Grande Do Sul (UFRGS). Work conducted under the new partnership will complement Phytecs' existing research into therapeutic applications for various phytocannabinoids and terpenoids sourced from cannabis, and combinations thereof.

A Hebrew University research team led by Professor Raphael Mechoulam, MS, PhD, working closely with Tamás Bíró, MD, PhD, DSc, director of applied research for Phytecs, and other members of the Phytecs Scientific Advisory Board, will explore new therapeutic opportunities offered by these compounds for certain health conditions, with an initial focus on mental and immune disorders. The new Phytecs-Yissum partnership will also build on previous licenses between the two organizations that led to compounds currently under investigation as treatments for central nervous system (CNS) and skin disorders.

Financial details of the partnership were not disclosed.

Professor Mechoulam, whose pioneering work during the past half-century has supported a global expansion of research into phyto-cannabinoids from cannabis and other plants, said: "I am gratified to see the growing understanding among physicians and researchers of the body's native ECS and its role in homeostatic regulation. Since ECS dysregulation is implicated in multiple pathological conditions, data suggests that modulating the ECS may have benefits across a huge range of human diseases.

My team at Hebrew University shares confidence with Yissum and Phytecs that our work will identify compounds with even greater therapeutic promise than the naturally occurring cannabis compounds (e.g. THC or CBD) my lab identified decades ago. We are particularly excited to extend our already productive partnership with testing on the patented F-CBD compounds licensed exclusively by Phytecs."

Dr. Bíró said: "Data from preclinical work previously conducted by Phytecs in partnership with Yissum is already encouraging in assays for epilepsy, schizophrenia, anxiety and depression, among other areas. For example, we are hopeful that F-CBD compounds, which exhibit greater efficacies and potencies than CBD, will one day deliver the same or greater benefits to patients with CNS disorders as may be possible with CBD, at lower therapeutic doses. We are thrilled to be

able to build upon this in close collaboration with Professor Mechoulam as we apply his and his team's deep expertise."

Gary Hiller, president and COO of Phytects, said: "We are excited to be building upon the data generated from our work with F-CBD by expanding our research slate, creating a pipeline of semi-synthetics and identifying new and more effective compounds – as well as putting together a world-leading team to translate ECS knowledge into value for patients. This pipeline correlates perfectly with our continued work on phytocannabinoids and reflects our focus on developing effective, efficient, accessible ECS therapeutic agents, regardless of their source."

Dr. Shoshi Keynan, vice president of healthcare business development at Yissum, said: "New cannabinoid research under the Phytects-Yissum partnership promises to yield significant commercial opportunities and solutions for patients in the coming decade, not just in well-known areas such as treatment-resistant childhood epilepsy and pain relief, but in other disorders across a wide range of health areas including dermatology and mental health."

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About Phytects

Phytects is a biotechnology company developing interventions that address the endocannabinoid system (ECS). The Phytects team pioneered the modern understanding of how the ECS regulates aspects of physiology including immunity, pain, inflammation, mood, emotion, learning, memory, metabolism, appetite, weight, sleep, embryo development, neuroprotection and stress response; and how dysregulation of the system affects human health and disease. The unique Phytects R&D and product development platform includes not only compounds isolated from the Cannabis plant but also novel, highly effective synthetic and semi-synthetic cannabinoid agents. Phytects is currently conducting research in the United States, Hungary, Israel and Switzerland. www.phytects.com

The Phytects logo is a registered trademark of Phytects, Inc.

About Yissum

Yissum Research Development Company of the Hebrew University of Jerusalem Ltd. was founded in 1964 to protect and commercialize the Hebrew University's intellectual property. Products based on Hebrew University technologies that have been commercialized by Yissum currently generate \$2 billion in annual sales. Ranked among the top technology transfer companies in the world, Yissum has registered over 9,325 patents covering 2,600 inventions; has licensed out 880 technologies and has spun out 110 companies including Mobileye, Briefcam, Orcam, Avraham Pharmaceuticals, Betalin Therapeutics, CollPlant and Qlight Nanotech. Yissum's business partners span the globe and include companies such as Microsoft, Intel, Johnson & Johnson, Novartis, Roche, Merck, Teva, Syngenta, Monsanto and many more. For further information please visit www.yissum.co.il.



Photo Credit (hi-res available upon request):

(L-R) Tamás Bíró, Gary Hiller, Raphael Mechoulam, Shoshi Keynan. Courtesy Phytecs and Yissum. Copyright: Debbi Cooper.

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