

15 August 2016

## MMJ PHYTOTECH TO COMMENCE PHASE 2 CLINICAL TRIAL FOR TREATMENT OF PEDIATRIC EPILEPSY

### Highlights:

- Phase 2 clinical trial of PTL101 capsules to commence Q4 2016 following completion of successful Phase 1 trial in Q1 2016
- Phase 2 clinical trial is aimed at measuring efficacy of the capsules for reducing seizures in children with intractable epilepsy
- Successful Phase 2 clinical trial will be a major step towards commercial development of PTL101 capsules for epilepsy treatment
- Planning for an additional Phase 2 study to treat spasticity related symptoms of multiple sclerosis patients utilising PTL201 is well advanced
- MMJ is a leading, vertically integrated biopharmaceutical company, with three key operating divisions securing entire medical cannabis supply chain

**MMJ PhytoTech Limited (ASX: MMJ)** (“MMJ” or “the Company”) is pleased to advise that its wholly-owned, Israeli-based subsidiary PhytoTech Therapeutics Limited (“PTL”), will commence a Phase 2 clinical study into the efficacy of the its PTL101 capsules in treating intractable epilepsy in children.

The PTL101 capsules contain organically derived, highly purified CBD (cannabidiol) and are utilising proprietary formulation developed through the Company’s Gelpell™ product technology.

The Phase 2 study is scheduled to commence in Q4 2016 and will be undertaken at a leading healthcare facility in Israel. This follows the highly successful Phase 1 study (announced 3 March 2016), which highlighted the safety and high performance of the Gelpell-CBD capsules. The capsules successfully demonstrated the effective delivery profile of CBD compound to trial subjects. Importantly, the Phase 1 study also highlighted the favourable bioavailability of the capsules in comparison to Sativex – a well-known, commercially available cannabinoid oral spray produced by GW Pharmaceuticals (LON: GWP) (NASDAQ: GWPH).

It is estimated that approximately 100,000 children in North America suffer from intractable epilepsy – a treatment resistant category of the disease, causing uncontrollable seizures.

To date, drug therapy remains ineffective in the treatment of epileptic seizures for approximately 30% of intractable epilepsy patients in North America alone, due to the drug failing to control the frequency of seizures or patients not being able to tolerate the related side effects. A number of currently available epilepsy drugs have been found to have significant side effects including the impairment of a patient’s motor skills and cognitive abilities.

## ASX RELEASE

If successful, the Phase 2 clinical trial results will serve as a key catalyst towards the commercial development of the PTL101 prescription drug for the treatment of intractable epilepsy in children.

MMJ would also like to advise that it is in the final stages of preparing for the commencement of a Phase 2 clinical study into the ability of its PTL201 capsules to treat spasticity related symptoms associated with multiple sclerosis patients.

### **Characterization of the PTL 101 capsules**

Satipharm's flagship, Gelpell™ technology, used as a presentation of our PTL101 capsules, are seamless natural gelatin pellets under 2mm that bound and protect the active compound. The natural pellets do not contain filling and or any emulsifiers which help to avoid irritation of gastric mucosa. The gelatin matrix pellets dispense over the gastrointestinal (GI) system to achieve a constant GI-transit time. Maximised surface to volume ratio also contributes to enhanced bioavailability. The pellets are packed in hard gastro-resistant capsules or can be mixed directly with foods such as yogurts if required.

### **MMJ PhytoTech's Managing Director, Andreas Gedeon, commented:**

"We are very pleased to be commencing the Phase 2 clinical trial of our PTL101 capsules, as it marks another critical milestone in the Company's evolution. To my knowledge, MMJ is the only other company than GW Pharmaceuticals who is actively entering a meaningful Phase 2 clinical trial based on an organically derived cannabis formulation.

While many other companies try and fail in attempting to reach this stage, our ability to compete with a large pharmaceutical player like GW results from the synergies of our vertically integrated global supply chain.

Recent developments, including the granting of an MMPR production licence for our flagship Duncan Facility in Canada, have further underpinned this internal supply chain, allowing the business to accelerate growth across each of our three operating divisions.

We look forward to providing our shareholders with updates on the progress of our Phase 2 clinical trial, along with further operational from our Duncan Facility in Canada, as we ramp up production over the coming months."

**– ENDS –**

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

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