

# ENTERPRISE

## HEALTHCARE

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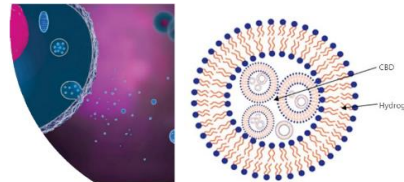
At Mackie Research Capital Corporation, our mandate is to add value to the services we offer investors with new and creative ideas. The Enterprise publication provides valuable insight into companies that embody add value for investors, have distinguished themselves among their peers and are bringing innovative and creative ideas into action.

This publication is not research and any companies mentioned are not rated.

**COMPANY PROFILE**

Innocan (INNO-CSE) is a drug delivery company that is focused on developing cannabidiol (CBD) based products. The company has three verticals: (i) a CBD-loaded exosome product (termed CLX) in pre-clinical development for lung and CNS disorders, (ii) a CBD-loaded liposome product in the discovery stage for pain and epilepsy, and (iii) a consumer health business that is expected to market two lines of CBD products in global markets soon. As of Q2 end, Innocan had US\$3.3M in cash – sufficient to fund its operations into 2021.

Figures: Exosomes Being Released by Cells (Left) & Liposomes Loaded with CBD (Right)



Source: Innocan Presentation

**INNOCAN IS BUILT ON THREE BUSINESS VERTICALS**

- **CLX – Addressing Inflammation-related Disorders.** Obtained through a collaboration with Tel Aviv University, CLX is an intranasal formulated CBD product using an exosome vector. There has been much research demonstrating that CBD has anti-inflammatory properties. Exosomes are small nano-vesicles that are released by cells to communicate with other cells. Recent studies have shown exosomes are tropistic to inflammatory sites where they can heal and regenerate damaged tissue by releasing endogenous anti-inflammatory compounds, as well as, exogenous agents that are loaded during exosome manufacturing. CLX is in pre-clinical development for multiple lung and CNS disorders, including COVID-19, Alzheimer’s and epilepsy.
- **Exosome Technology Continues Gaining Traction.** In our previous enterprise report published on June 15<sup>th</sup>, 2020, we highlighted 4 exosome-related licensing transactions. On June 22<sup>nd</sup>, 2020, Sarepta (SRPT-NASDAQ) and Codiak BioSciences forged a global research and option agreement, pursuant to which Sarepta gained the exclusive option to license Codiak’s exosome technology to develop up to five neuromuscular therapeutics for US\$72.5M upfront and undisclosed milestones and royalties.
- **Liposome Technology – Enabling an Injectable Formulation of CBD.** Obtained through a collaboration with the Hebrew University of Jerusalem, Innocan’s liposome CBD formulation is for pain and epilepsy indications. Liposomes are spherical vesicles composed of one or more layers of lipids that can carry drugs through the circulation system. CBD has a short half life in the blood – formulating it with liposomes should prolong CBD’s existence in the circulation and improve its distribution to target organs.
- **Two Lines of CBD-Based Consumer Health Products Ready to Enter the Market.** Relief&Go is a pain relief product containing three ingredients: menthol and methyl salicylate (a topical analgesic), magnesium (a muscle relaxant) and CBD. SHIR is a derma cosmetic product containing a tailored blend of highly concentrated ingredients formulated with CBD. Innocan has forged several regional distribution agreements.

**POTENTIAL CATALYSTS**

- **Clinical Catalyst:** Pre-clinical data of CLX in COVID-19 is expected in 9 to 12 months.
- **Licensing Catalyst:** Innocan is looking to out-license CLX and the liposome product before Phase 1 trials.
- **Commercial Catalyst:** Innocan’s CBD-based consumer health products are expected to be launched in several international markets in Q4 2020. The company is looking to sign more regional distribution agreements going forward.

**FINANCIAL METRICS (C\$)**

**INNO-CSE: \$0.19**

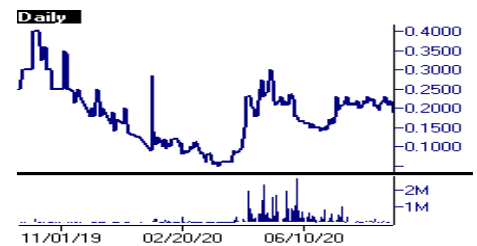
**Share Data**

Basic Shares O/S (mm)	175.7
Fully Diluted (mm)	227.3
Market Cap (basic) (\$mm)	\$33.4

**Financial Data**

Enterprise Value (C\$mm)	\$29.1
Cash (C\$mm)	\$4.3
Debt (C\$mm)	\$0.0

**Next Reporting Date NOV**



Source: Thomson One



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