



Phivida Signs Brand Licensing Agreement in Oregon

Phivida prepares to access an additional 500 retail locations

VANCOUVER, Jan. 10, 2018 /CNW/ - Phivida Holdings Inc. ("**Phivida**" or the "**Company**" traded as ("**VIDA:CNX**") or ("**PHVAF**") is proud to announce that it has entered into a brand licensing agreement with Nova Paths, LLC ("**Nova Paths**") to license Phivida's proprietary cannabidiol ("CBD") infused functional foods, beverages and clinical formulas. Nova Paths LLC is a manufacturing facility located in Portland, Oregon USA and is OLCC state licensed for the distribution of cannabinoid infused retail products.

Key terms of the agreement include a non-exclusive license of Phivida's proprietary formulas and trademarks for manufacturing and distribution within the state of Oregon. In exchange, Nova Paths will provide Phivida with a brand licensing unit fee due on every unit sold within the OLCC marketplace. Next steps in the process of launching Phivida branded CBD products through the Nova Paths licensing agreement is to adjust Phivida's product labels for Oregon state compliance and to submit these adjusted labels to the OLCC for approval.

Phivida intends to continue sourcing CBD hemp oil from state permitted hemp farms. The OLCC program was recently amended to include co-mingling of extracts from Oregon State Department of Agriculture permitted hemp farms. This policy shift provided an ideal platform for Phivida to license its CBD products to a reputable state licensed manufacturer and distributor like Nova Paths LLC. Oregon state also recently approved CBD to be packaged with alcoholic beverage products — providing the potential for Phivida to develop new cannabinoid infused beverage product innovations such as CBD infused beers and wines.

According to a recent sector report, the US market for hemp-derived CBD is growing at 55% per annum, and is now on pace to hit the \$1 billion USD mark by 2020ⁱ. In the state of Oregon, total sales from more than 300 OLCC licensed retail locations was up to \$365 million USD in 2016. As of the third quarter of 2017, Oregon was on pace to increase sales volumes in all cannabinoid infused categories by over 33% as the number of state licensed retail locations has grown to over 500.ⁱⁱ A recent local news report identified more OLCC licensed retail locations in the state of Oregon "*than all of the Starbucks and the McDonalds locations, combined*".

The CBD edibles category has led the medicinal cannabis market for years in the USA. The Oregon edibles market has grew by an estimated 104% from 2016 to 2017ⁱⁱⁱ. In 2015, Leafly cited edibles as the most popular category of cannabinoid infused products across the USA, and the foundation of the most powerful brands^{iv}. In 2016, Hightimes published its top 10 edibles list, with cannabinoid infused beverages leading the pack^v.

"We are thrilled to license Phivida's unique portfolio of CBD-hemp oil infused products for the OLCC retail market," said Ash Gupte, CEO and President of Nova Paths. "Phivida is recognized as a premium CBD brand dedicated to quality which is an excellent fit with our own internal standards and serves a growing need for professional grade products among Oregon based consumers. We are excited to bring Phivida's high-quality CBD foods, beverages and clinical products to Oregonians – and we expect great success for the Phivida brand within the state, as cannabinoid infused functional beverages continue to grow in popularity."

"Following our distribution agreement to distribute across the state of California, launching into the Oregon market is the next logical step in our strategy to capture the US Pacific Coast market," said John-

David Belfontaine, President and CEO of Phivida. "The Nova Path agreement also builds on local partnerships in Oregon, such as our sponsorship of the National University of Natural Medicine (NUNM) in Portland, where we will continue to serve the clinical marketplace through education, research, sponsorship and merchandising."

About Nova Paths, LLC:

Nova Paths is a growing OLCC licensed cannabis processor and manufacturer which currently acts as a distributor to almost 75% of the OLCC retail locations. Nova Paths provides traditional product manufacturing and distribution to retailers as well as the integration of an OLCC licensed commercial kitchen, packaging and redistribution facilities. Nova Paths provides a value added, full service platform for the incubation and growth of premium cannabinoid infused edibles brands, within the state of Oregon.

For investor relations inquiries, and future updates, please contact Phivida via the information listed below.

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About Phivida

Phivida ["fiii-vee-daa"] is a publicly traded company listed on the Canadian Securities Exchange under the ticker symbol "VIDA". Phivida is a premiere brand of cannabidiol ("**CBD**") infused functional foods, beverages and clinical health products, poised for global distribution. Using nanoencapsulation technology, Phivida converts lipid based cannabinoids into water soluble delivery format, enhancing bioavailability, and timed released within the body. Phivida's nanoencapsulated CBD is infused into CBD beverages, foods and supplements containing a proprietary blend of phytonutraceuticals studied to target a range of health conditions, from chronic pain to terminal diseases. Phivida Enhanced Inc. (a wholly owned subsidiary of Phivida Holdings Inc.) is the clinical division of Phivida responsible for the formulation, manufacturing and distribution of the professional line clinical products under the brand name Vida+. These clinical grade CBD products include sublingual's, hard capsules and other full spectrum CBD-hemp oil extract infused nutraceuticals and natural health products. The Vida+ label is a professional line of products clinical grade for higher potency and are third party laboratory tested for cannabinoid potency, terpenes, residual solvents, bacteria and pesticides. Celebrating; Health and Wellness, In Harmony™, Phivida's mission is to lead the alternative health care sector as the benchmark quality standard in premium cannabinoid infused foods, beverages and clinical products, with a dedication to research, education and investing back into the communities that we so proudly serve.

ⁱ <https://technical420.com/cannabis-article/state-cbd-market>

ⁱⁱ <http://www.bdsanalytics.com/2016-oregon-cannabis-market-synopsis-top-brands-biggest-opportunities-ahead-customer-preferences/>

ⁱⁱⁱ <https://www.cannabisbusinessexecutive.com/2017/08/year-oregon-edibles/>

^{iv} <https://www.leafly.ca/news/industry/leafly-chart-of-the-month-whats-the-most-popular-form-of-cannabis>

^v <https://hightimes.com/edibles/2017-socal-cannabis-cup-top-10-edibles/>

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