



## NEWS RELEASE

### **EXMceuticals Inc. Announces Advancement of R&D Operations in Portugal and Efforts to Fight COVID-19 Pandemic**

VANCOUVER, BRITISH COLUMBIA, August 25th, 2020 – [EXMceuticals Inc. \(CSE: EXM\) \(FSE: A2PAW2\)](#), (the "Company" or "EXM"), an emerging bio-science company specializing in the production of unique cannabinoid formulations, is pleased to announce the advancement of its R&D operations at its Lisbon, Portugal, facility. The Company wishes to provide the following updates with respect to ongoing R&D operations:

Earlier this year, EXM has applied for a P2020 Research Grant under the project name SkanABility for a proof-of-concept study of the biological activity of cannabinoids and terpenes in cosmeceutical applications. The project seeks to demonstrate the commercial viability of cannabis compounds in cosmetic and aromatherapy products, as well as develop sustainable, functional packaging based on biodegradable cannabis materials (fibres and waxes), which will allow for the extension of product shelf-life and the preservation of formulations and properties. SkanABility will develop formulations for different types of cosmetics and aromatherapies (acne face cleansers, anti-proliferative/regenerative, anti-inflammatory/hypoallergenic, essential oils for aromatherapy, etc.) that EXM plans to sell to industrial and pharmaceutical companies through a royalty-based business model.

Recently, EXM submitted an application to the Portuguese Government through the I&D COVID-19 initiative and has begun investigating the virucidal efficacy of cannabis and terpene molecules in combatting SARS-CoV-2, the virus that causes COVID-19. Early indications suggest that the molecules may inhibit the virus' permanence on surfaces by attacking its cellular structure. If proven effective, these molecules could become key elements in commercial solutions used to combat the spread of the virus.

EXM believes that these molecules will be effective in reducing the spread of the virus and will be applicable in the following key areas:

- The disinfection of surfaces and goods
- Hand and body disinfection
- The additional coating on social and surgical protective masks

Currently available disinfectants often have high alcohol contents of 60% or higher, which can be damaging to fabrics, irritate skin, and can lead to illness if accidentally ingested. Additionally, Hydrogen peroxide-based solutions are flammable and corrosive to skin, eyes, and mucous membranes at high concentrations (>10%) and may cause irritation. Disinfectants containing natural cannabis and wild plant ingredients have numerous potential advantages given that they are gentler on skin and surfaces and more environmentally sustainable.

COVID-19 is an inflection point in our history and has changed the way we view hygiene and cleanliness standards. It created ultra-high demand for cleaning products across industries, and consumers will



seek out natural and effective alternatives, such as the ones being explored by EXM, that are less irritating to skin, less damaging to fabrics and surfaces, and the most sustainable for the environment.

#### **ON BEHALF OF THE BOARD OF DIRECTORS OF EXMCEUTICALS INC.**

Jonathan Summers, Chairman and Chief Executive Officer

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#### **ABOUT EXMCEUTICALS**

EXM's core activities are centred around the strategic matching of natural bioactive ingredients extracted from the cannabis plant with the needs of the nutraceutical, cosmeceutical, and therapeutic industries. EXMceuticals Portugal, obtained from INFARMED in November 2019, possesses unique authorization for cannabis importation and research and development at its specially equipped laboratory in Lisbon, Portugal. EXM's team comprises highly qualified scientific and management professionals covering all areas demanded by the cannabis industry - organic and analytical chemistry, biology, biochemistry, genetics, compliance, IP, partnerships, and legal and regulatory issues.

EXM is in the final stages of detailed planning for an industrial-scale pharmaceutical standard facility in Portugal which will complement its existing R&D lab and pilot refinery. An existing property has been secured in Setubal, south of Lisbon, which requires retro-fitting to EU-GMP / API standards. Once complete, the facility will contain extraction, purification, and refining capabilities, as well as a Q&A laboratory. Once built, we believe the Setubal facility will be the largest cannabinoids and terpenes extraction, purification, and refining facility in the European Union.

The refinery will be able to process cannabis biomass, extracts, and distillates from Portugal, as well as from international sources where the regulatory import requirements of INFARMED have been met. EXM has multiple MOU's in place which will ensure the refinery can be operated to initial capacity from day 1 and then scaled further. This refinery, once licensed, will distribute medical cannabis ingredients on a B2B basis, to produce API's and cannabis-based compounds in a reliable, consistent, and standardized process. EXM targets and maintains the highest certification standards to meet the needs of the pharmaceutical, nutraceutical, and cosmetic industries worldwide

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