



NEWS RELEASE

EXMceuticals Inc. Announces Receipt of Landmark COVID-19 Research Grant and Acceleration of Portuguese Activities

VANCOUVER, BRITISH COLUMBIA, September 8th, 2020 – [EXMceuticals Inc. \(CSE: EXM\) \(FSE: A2PAW2\)](#), (the "Company" or "EXM"), an emerging bio-sciences company specializing in the production of unique cannabinoid formulations, is pleased to announce its success in securing COVID-19 R&D-focused grant from the European Union and the Portuguese Government, detailing a landmark event for the Company.

A Consortium led by EXMceuticals Portugal Lda, operating under the Project name "BioBlockCOVID" and consisting of EXMceuticals Portugal Lda, Cosmetek Lda, and the Universidade de Coimbra has been awarded EUR 302.000 by the European Regional Development Fund and the Portuguese Government to study further and develop disinfectants to combat SARS-CoV-2, the virus that causes COVID-19.

The BioBlockCOVID project aims to create functional, natural and innovative biocide formulations that will specifically target and attack the molecules that make up COVID-19. The research will focus on the virucidal action of naturally occurring bioactive compounds from the cannabis plant, in addition to others. The funding award comes from the competitive tender opened by the European Regional Development Fund, which finances two Portuguese funds named Programa Operacional Competitividade e Internacionalização and Programa Operacional Regional de Lisboa, to support Companies and R&D entities based in Portugal. The grant aims to create an incentive system for R&D activities and investment in testing and optimization infrastructure of relevant products in combating COVID-19. All required efficacy, performance and toxicity assessments will be tested in a laboratory environment, all with a view to the planned industrial upscaling.

Project lead, Susana Santos, Chief Innovation Officer at EXMceuticals Portugal, commented: "We are very confident that the concepts outlined in BioBlockCovid will result in new practical and state of the art solutions to help control the pandemic. Alongside our partners working in therapies and vaccines, we intend to contribute with practical solutions to this very serious global problem. EXM's overall mission is to combine safe, natural and bioactive materials with advanced and sustainable technologies to create products with significant health and wellness benefits."

The Consortium believes that the BioBlockCOVID project will result in a set of technical and scientific advances, specifically combatting the propagation of SARS-CoV2 and similar viruses. The use of natural materials will increase efficacy and also reduce the environmental impact of the currently used chemical compounds not only found in the production process but also their end usage.

EXMceuticals Portugal CEO, Paulo Martins, noted: "We are very pleased to reach this landmark recognition for our activities in Portugal. I'm very confident and *excited with this new project, which is one of several varied R&D and grant initiatives that we now have in progress. This grant will enable EXM Portugal to greatly expand the ongoing work of our research team on the product innovation side. We will also now accelerate the operations and projects on our existing pilot cannabinoid refinery, particularly standardizing and optimizing extraction and refining protocols. In the coming months, this will allow us to scale up to the full industrial-scale EU-GMP, pharmaceutical-grade extraction, refining and purification facility in Portugal.*"



ON BEHALF OF THE BOARD OF DIRECTORS OF EXMCEUTICALS INC.

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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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