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Evogene to develop medical cannabis products through Canonic Ltd

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Decision to form subsidiary follows more than a year of market evaluation, obtaining required governmental approvals, technology assessment and initial product line planning



Evogene Ltd., a leading biotechnology company developing novel products for life science markets, announced that it has established a new subsidiary – Canonic Ltd – to develop next generation medical cannabis products.

Evogene has been evaluating the medical cannabis field for more than a year, including market evaluation, obtaining governmental approvals for its research program and the establishment of a research facility, technology assessment and initial product line planning. Canonic's initial activities will focus on creating improved cannabis varieties by addressing the current developmental roadblocks of yield, stability and specific metabolite composition. These development efforts will be based on the utilization of Evogene's broadly applicable leading Computational Predictive Biology (CPB) platform, which has in the past demonstrated success in addressing similar objectives for other crops.

The current cannabis market is estimated at ~$13 billion and is expected to grow to ~$24 billion by 2025. Although the cannabis market is growing rapidly, it is well recognized that next generation products will need to address the current limitations of: (i) low metabolite yield – causing high costs for patients, (ii) low variety stability – causing inconsistent products that have become unreliable as a medical treatment and (iii) uncertainty in connecting cannabis metabolite profile to specific medical indications.

Canonic's current workplan focuses on three main product types, through a non-GMO approach: (i) high metabolite yield cannabis varieties (ii) stable varieties with consistent metabolite performance and (iii) cannabis varieties with a unique metabolite profile tailored to specific medical indications. The indications that the company will currently address are: post-traumatic stress disorder (PTSD), severe chronic pain and cancer.

Dr. Arnon Heyman, Canonic CEO stated: "Having led Evogene's Ag-Seeds division for the past few years, I am proud to now lead Evogene's cannabis activity as Canonic's CEO. Evogene's cutting edge genomic technology, alongside our multidisciplinary team of professionals, uniquely positions Canonic to bring to market the most advanced, stable and consistent next-generation medical cannabis products, and I am confident we can make a significant impact in the world of

medical grade cannabis."

Ofer Haviv, Evogene President and CEO: "The field of medical cannabis fits perfectly within both our plant genomics activities and our human therapeutics activities. We have been evaluating this field and our relevant competitive advantages for over a year, and now, with the establishment of Canonic, we expect the new company to advance rapidly in executing its mission of developing next generation medical cannabis products and to create substantial value in a relatively short time. This expectation is based largely on Evogene's capabilities in plant genomics and computational know-how that will allow Canonic to uniquely address the major challenges in this large and rapidly growing field. We look forward to updating you with respect to Canonic's progress."

Canonic, as a wholly owned Evogene subsidiary, will have full corporate capabilities while continuing to have access to Evogene's CPB platform for its market area of medical cannabis. In addition, Canonic will have the right to pursue its own business strategy and secure additional financial resources at appropriate times in the future.