



Q&A with Aras Azadian, CEO of Avicanna with their Transdermal Patch is leading the way in Developing Innovative Delivery Systems and Cannabinoid-based Therapies for the Medical Cannabis Industry



Aras Azadian MBA
Chief Executive Officer

Avicanna Inc.
www.avicanna.com

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine

CEOCFO: Mr. Azadian, what is the idea behind Avicanna?

Mr. Azadian: Avicanna is a biotech company in the cannabinoid space. Our focus is to optimize and deliver cannabinoids in a more efficient and

controlled manner by avoiding smoking, and understanding our delivery mechanisms. Additionally we are looking to further R&D and develop ailment specific products and formulations.

CEOCFO: What are you working on now to get towards the end goal?

Mr. Azadian: We are working on cannabinoid formulations and delivery mechanisms with our Canadian scientific team that will be optimized for increased bio-availability. We also plan to attain as much pre-clinical and clinical data on our products before introducing them into the market.

In addition to that, we have a very deep scientific team that is focused on further development of pipeline of products which are going to have different formulations, different carriers and essentially different characteristics.

“There are two major competitive advantages we offer. First our approach is geared towards a scientific and clinical approach in the cannabis space. Second, we are not confining ourselves to the Canadian market, instead focusing on a more multifaceted and multi-market approach. Today, we have an active footprint in over 20 countries worldwide.”- Aras Azadian MBA

CEOCFO: What can you share about what you have learned so far?

Mr. Azadian: There is very little actually known about cannabinoids. Given the clinical gap in the market especially in the United States, it is very difficult if not impossible to conduct any kind of clinical development. There is an opportunity for us here in Canada to utilize the federal approvals to perform deeper clinical development and really understand how the cannabinoids work from a medicinal point of view. The more we understand the industry, we have realized the potential benefits of cannabinoids for a range of ailments.

CEOCFO: Does the medical community really want to know? What is the state of the thinking in the industry?

Mr. Azadian: I believe the medical community has a strong appetite for more evidence and clinical data for the medicinal use of cannabinoids. I have experienced this through several conferences I have attended, in addition to many conversations with our scientists and scientific collaborators as well. With cannabinoids, we have taken a different route to market.

We have witnessed that cannabinoids that have been helpful for self-medicating patients. I believe we have an opportunity to now take the appropriate steps to understand the safe and effective way of offering such medicine.

These are the questions that we would like to answer over the next few years within our own organization and within the collaborative efforts that we have in place with a number of CROs in medical and academic institutions. What is going to be the most suitable product for specific ailments? In the future, we would love to see a product where you have an anxiety specific patch, which may be high CBD, for example an acute pain specific cream which would be more localized. These are the kinds of methods we would like to understand better in order to provide patients in the future.

CEOCFO: *Do you have a product available today?*

Mr. Azadian: We do have our products available for export from Canada today. We are in several joint ventures abroad where utilizing the Canadian federal approval allows us to export our products to countries with appropriate import permissions.

CEOCFO: *Would you tell us about your current products?*

Mr. Azadian: Currently we have our product line called Pura Elements featuring our transdermal patch. Our patches are categorized into four different products. We have a 10 milligram THC patch, a 30 milligram THC patch, a 40 milligram CBD patch and we have a 20/20, which 20 milligrams CBD and 20 milligrams THC. Our patches are available to be exported today also including several other products in our pipeline. We are also attaining permission hopefully in the next few months to start selling our patches to medical patients here in Canada. In addition, we have a number of creams that are THC, CBD or a combination of THC and CBD.

CEOCFO: *How do your products from what else might be available?*

Mr. Azadian: First, the quality of the APIs within the formulation are derived from the highest standards and whole plant extracts. They are produced either in Canada or Switzerland where the products meet the highest level of standard possible within the cannabinoid industry today. They are tested for heavy metal, pesticides and herbicides, and they are manufactured and formulated within GMP standards. Once the formulation is completed, they are tested for quality control. A number of quality assurance and quality control measures are in place. The potency and the accuracy of formulation are confirmed through analytical testing to ensure precision and consistency of our products. Once the products are ready, they are packaged and manufactured with the highest quality standard possible and are exported within a legal international framework. In addition, while these products are waiting to be distributed, they are all going through significant testing with respect to stability and understanding of how they work; their bioavailability and their pharmacokinetics. We can provide that kind of information to doctors who will be prescribing these products.

CEOCFO: *Would you tell us about being accepted into the J&J Innovation Lab?*

Mr. Azadian: That was a massive milestone for us. We are first Canadian cannabinoid company to be approved and accepted into the J&J Innovation Lab in Toronto called JLABS. Given the stigma within the industry, J&J did their due diligence before approving Avicanna into JLABS in Toronto. We met with both J&J executives and the JLAB executive team informing them of our mission and approach is a bio-tech / clinical development company in the cannabis space.

CEOCFO: *What do you understand about the business side as a company so you can rise above all the noise in the industry so people will look at the quality and science at Avicanna?*

Mr. Azadian: There are two major competitive advantages we offer. First our approach is geared towards a scientific and clinical approach in the cannabis space. Second, we are not confining ourselves to the Canadian market, instead focusing on a more multifaceted and multi-market approach. Today, we have an active footprint in over 20 countries worldwide. Our approach is to take advantage of the competitive advantages. We are not licensed producers in Canada, which means we are not limited to the supply chains in Canada. We are working in different markets for different purposes. In some markets, we are providing regulatory support and advice to the governments that are going moving towards the legalization of medicinal cannabis. In other markets we have developed cultivation partnerships to develop a supply chain. And in parallel we are also distributing CBD products and establishing partnerships and licensing deals for our extended product line. Our multifaceted and multinational approach allows us to partake a more diverse business model which makes us unique in the cannabis space.

CEOCFO: *When you are working with other countries, how do you maintain quality control? Is that an issue or are you vetting partners well enough that nobody should be concerned?*

Mr. Azadian: It is a significant concern and always will be but if you select the appropriate partners, for example some of our partnerships are with governments and in other places are with large pharmaceutical companies. We carry high

standards for our products, therefore, in selecting our partners we look to ensure they are able to carry forward our SOPs (Standard Operating Procedures) and abide by our quality assurance and quality control measures. Our task today with our scientists is to continue to improve and develop these SOPs and procedures to ensure we hold the highest standard in conjunction with GMP guidelines so we can seamlessly conduct technology transfers in other countries which is very common in the pharmaceutical world.

CEOCFO: Are you seeking funding or investment?

Mr. Azadian: We completed our Seed Round in May 2017. We relayed \$1.6 million Canadian. We are looking to do another round in the fall but we are essentially just raising what is necessary for our short-term business model. We have discussed going public next year or seek another round of financing.

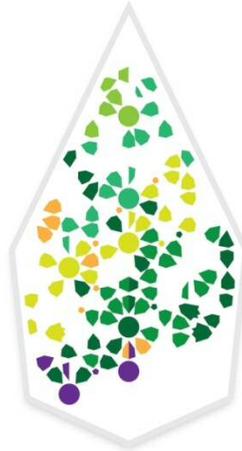
CEOCFO: What is your focus and how do you spend your time as CEO?

Mr. Azadian: I have a great team, so my focus is to ensure myself and the team are all aligned within our strategies. We have about twenty different verticals that we are operating at the same time while we are a small team, my job is to ensure everyone is on the same page and while I macro manage our initiatives and continue to look to grow our valuation. I tend to step in when necessary, especially with respect to the scientific and financial laterals.

I spend most of my time the team and essentially macro-managing everything.

CEOCFO: Why pay attention to Avicanna, from the investment perspective, product perspective and health perspective?

Mr. Azadian: I think much of the focus in the industry today especially in Canada has been on cultivating, even given the limitation in the market. I think a lot of the focus in the United States has been on consumer products with respect to cannabinoids and delivering them without the clinical evidence. I think Avicanna is essentially bridging these gaps where we are looking past cultivation, past the commodification of cannabinoids and to look past what I would call an unproven delivery of the cannabinoids in the United States. My perspective is to bridge these gaps and leverage from them. Once we can bridge the gap and develop products that do have the sophistication, we are looking to utilize different competitive advantages in the global market so that we can have a much more competitive and efficient business model.



AVICANNA INC.