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## Stanford Medical Pioneers Form Katexco Pharmaceuticals to Develop Innovative CBD Therapies to Treat Inflammatory Diseases

*Katexco Developing First Drug to Exploit Brain Receptor to Treat Crohn's Disease, Rheumatoid Arthritis, Multiple Sclerosis and More*

TORONTO, Oct. 24, 2018 – As more and more pharmaceutical companies tap into the potential of medical cannabis to treat patients with high unmet medical needs, Dr. Jonathan Rothbard and Dr. Lawrence Steinman today announced the formation of Katexco Pharmaceuticals, a medical cannabis company developing innovative, orally available therapies harnessing endocannabinoid and nicotine receptors to treat inflammatory diseases.

Specifically, the Company is developing the world's first drug to exploit a key receptor on immune cells in the brain with the ability to treat inflammatory diseases. Initial primary target indications include gastrointestinal disorders (like Crohn's disease), gout and multiple sclerosis. Katexco has exclusive licenses from Stanford University on key technology necessary for the development of its proprietary pharmaceutical. The licenses are based on 10 years of research at Stanford in the laboratory of Drs. Rothbard and Steinman.

"Katexco's work has clearly established that the brain is hard-wired to the immune system, and the high-level science that has led to the creation of this company came from 10 years of previous in-depth research," said Dr. Rothbard, Chief Executive Officer and Chief Scientific Officer, Katexco. "Furthermore, the link between the cannabinoid pathway and anti-inflammatory effects is unprecedented, and we are beginning to understand more fully just how the body regulates itself. The goal is to ultimately develop a whole new class of compounds that target several disorders with anti-inflammatory indications."

"Katexco is confident that we will be successful since we are stimulating a naturally occurring neuro-immunological pathway that will allow our treatment to be safe, widely effective and significantly more cost-effective, compared with current therapies for inflammatory diseases," added Professor Steinman, Director and Chairman, Katexco. "Additionally, given that the medical cannabis industry is currently valued at \$14.3 billion and estimated to reach a market value of \$74.3 billion by 2027 – coupled with cannabis' enormous therapeutic benefits across the board – Katexco's work is a game-changer for both doctors and patients across the world."

### About Katexco Pharmaceuticals

Katexco Pharmaceuticals is a medical cannabis company developing innovative, orally available therapies harnessing endocannabinoid and nicotine receptors to treat inflammatory diseases. Formed by Dr. Jonathan Rothbard and Professor Lawrence Steinman, the Company is developing the world's first drug to exploit a key receptor on immune cells in the brain with the ability to treat inflammatory diseases.

### About Dr. Jonathan Rothbard

Dr. Rothbard, PhD, received his BA from Hamilton College (1973) and PhD from Columbia University with Ronald Breslow (1977). His post-doctoral fellowship was with Gerald Edelman at The Rockefeller University, after which he was with Gary Schoolnik at Stanford University Medical School, where he published the first of 26 manuscripts with Lawrence Steinman in 1986. Subsequently, he was head of the Molecular Immunology Laboratory at the Imperial Cancer Research Fund in London, where he first collaborated with Professor Sir Marc Feldman (1990). He left academia to help establish ImmuLogic in Palo Alto, Calif., and found Amylin in San Diego, which led to another appointment at Stanford, followed by the founding of CellGate. Leaving CellGate, he returned to an appointment at Stanford, first in the department of chemistry, then rheumatology, and currently in neurology.

**About Professor Lawrence Steinman**

Lawrence Steinman, MD, received his BA (physics) from Dartmouth in 1968 and MD from Harvard in 1973. He had a fellowship in chemical immunology at the Weizmann Institute (1974-1977) and was an intern and resident at Stanford University Medical School. Steinman served as Chair of the Interdepartmental Program in Immunology at Stanford from 2003-2011 and is currently the George A. Zimmermann Endowed Chair in the Neurology Department at Stanford. He is a member of the Institute of Medicine, National Academy of Medicine and National Academy of Sciences. Steinman received the Frederic Sasse Award from the Free University of Berlin in 1994, John Dystel Prize in 2004 from the National MS Society, Charcot Prize for Lifetime Achievement in Multiple Sclerosis Research in 2011 from the International Federation of MS Societies and Cerami Prize for Translational Research in 2015. Steinman served on the Board of Directors of Centocor, which was sold to Johnson and Johnson for \$4.9B in 1998. He also founded Neurocrine Biosciences in 1992 and served on its Board of Directors. Lastly, he has founded three other companies: Tolerion, Transparency Life Sciences and Atreca. Steinman heads the Scientific Advisory Board at Transparency Life Sciences and also serves on the Board of Directors at Atreca and Tolerion.