PREV: CN PRVCF: OTC 18H: SG

PreveCeutical Medical, Inc.

RECENT PROGRESS

PreveCeutical Medical is an early stage biotechnology company with one marketed product and an attractive early stage research pipeline focused on preventative medicine. The Company has several major achievements in recent months, moving the research and development pipeline closer to goals and objectives.

Drug Delivery System - In March 2018, the Company's research and development partner UniQuest Pty. Ltd. began testing dried cannabis flower shipped from the Company's U.S. supplier under strict restricted substance laws in effect in the U.S. and Australia. Scientists at UniQuest will be using extraction techniques and performing 'fingerprinting' using high-performance liquid chromatography. Once the cannabis material is fully analyzed its cannabidiol features will be used as the first therapeutic compound developed for the Company's *Sol-Gel* nose-to-brain drug delivery system. Formulation of an effective compound will follow initial testing and is expected to require additional eighteen months.

The Company has also begun a search for a compatible delivery device that patients will use to apply *Sol-Gel*. At least one manufacturer has signed a letter of non-disclosure to enable detailed discussions about its own device development capabilities and compatibility with *Sol-Gel*.

Gene Therapy - The Company also moved forward with its *Smart siRNA* program to develop an effective treatment for obesity and diabetes. Staffing and organizational efforts begin in the first quarter 2018. Laboratory equipment appropriate for the first steps in identifying target diseased genes is already in place. The Company and its partner UniQuest aspire to find a single gene responsible for both obesity and diabetes. This is the first of three phases in the project that together are expected to require at least three years.

Peptides - In January 2018, PreveCeutical extended the pact with UniQuest to access it's disulfide linker technology. It will be used to identify blue scorpion venom peptides for non-addictive analgesics.

PIPELINE

Commercial Stage

- *CELLB9* - oral solution of blue scorpion venom

Development Stage

- Concussion Therapy - based on peptides in blue scorpion venom

Research Projects

- *Sol-Gel* Delivery System - cannabinoid compound
- Smart RNA Gene Therapy - obesity and diabetes therapy
- Venom Peptide Identification - non-addictive analgesics

MARKET DATA

Price:	$0.25 (5/21/18)
52 Wk Hi-Lo:	$0.80 - $0.01
Ave. Volume:	21K
Short Interest:	<1%
Beta:	NA

All Market Data in US$

VALUATION

Price/Sales:	nm
Price/CFO:	nm
Price/EPS:	nm
Price/Book Value:	nm

Based on TTM ending 12/31/17

Consensus EPS FY2018: NA

Forward PE: NA

EQUITY SECURITIES

Common Shares Out: 49.2 M

Insiders:	35.2%
Float:	25.12 M
Institutional:	-0-
5% Holders:	-0-

Warrants and Options Outstanding: 15.9 M

Convertible Debt Equivalent Shares: 10.0 M

As of 4/24/18

Excludes pending private placement of 16.0 million units as amended in Jan. 2018 & Apr. 2018.

Source: Company Reports and Crystal Equity Research estimates

Please read the important disclosures on page 10 of this report.

INVESTMENT HIGHLIGHTS

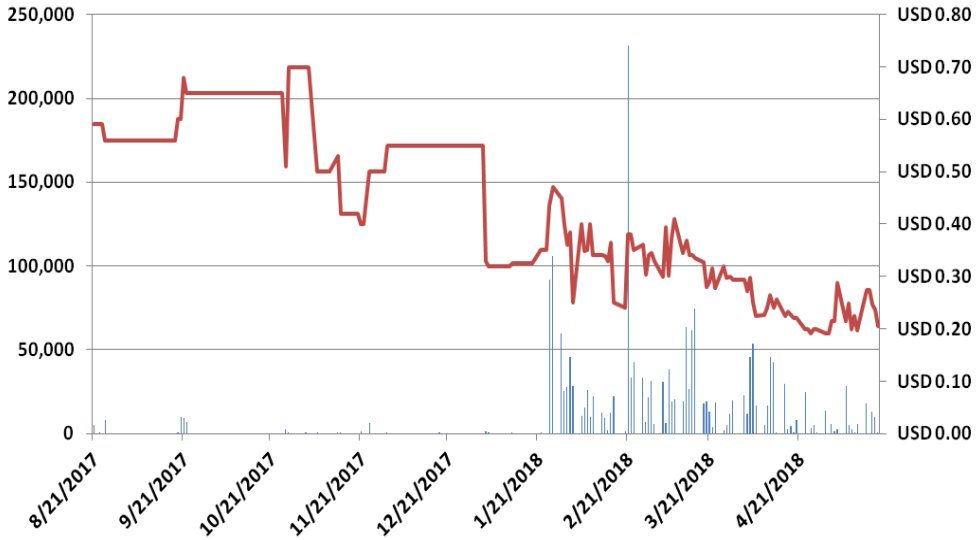
Positives

- Lucrative market for preventative healthcare, valued at $196.9 billion by 2024, and growing by 15% annually according to industry analysts at Grand View Research
- Highly differentiated portfolio of novel therapeutic compounds and products; opportunity to compete effectively as relatively small biotechnology developer in preventative healthcare market
- Research and development relationship with established and reputable university sponsored scientific team at University of Queensland in Australia
- Revenue and profits from first commercially available product *CELLB9* helping to offset research and development spending
- Capital infusion from pending private placement of common stock and warrants valued at CA$4.0 million (US$3.1 million)
- Potential for improved liquidity following five-for-one stock split and expansion of constructive float in common stock

Negatives

- Few barriers to entry for competing health science developers and marketers in already well populated preventative health care market
- Significant business execution risks inherent in ambitious research and development program of several mutually exclusive projects
- Need to raise additional, potentially dilutive capital to achieve commercial stage with each project in current development pipeline
- Possible price volatility in unseasoned common stock and derivative securities with limited trading history
- Potential for immediate loss of capital due to wide bid-ask spread and relatively low daily trading volume

STOCK CHART



Source: Yahoo! Finance

OUTLOOK

We expect 2018 will be a significant year for PreveCeutical Medical with numerous value-driving catalysts unfolding. The Company's research and development partner, UniQuest, has commenced work on three of the Company's R&D projects. Granted in each case the work at the current stage is painstaking and detailed. This is not always conducive to flashy press releases. However, the Company's chief research scientist and newly appointed regional leadership have both proven to be strong communicators, providing visibility into the development pipeline.

The Company appears closer to securing capital through a private placement of common stocks and warrants. Gross proceeds of CA$4.0 million (US$3.1 million) is expected to support development work at least through the end of 2018. While dilutive, this infusion of capital is critical to moving the Company forward and could be considered a value-creating step.

Trading volume has increased in recent months and liquidity could improve even more with an increase in the constructive float following a stock split. We continue to view PRVCF shares as speculative and suitable for investors with a high tolerance for risk. There is a potential for immediate loss of capital due to wide bid-ask spread.

RELATIONSHIPS

- **Samson Pharmaceutical** - manufacturer of *CELLB9* immune system booster
- **UniQuest Pty. Ltd.**, **University of Queensland** - research agreement and technology license
- **Aurora Cannabis** - licensed supplier of medical cannabis
- **Sports1 Marketing -** joint venture partner in project to develop therapy for treatment of concussion
- **Cornerstone Global Partners, Inc.** - creditor
- **Susan Bond Group** - publicity representative

INDUSTRY PEERS

- **AcelRX Pharmaceuticals** (ACRX: Nasdaq)
- **BioDelivery Sciences** (BDSI: Nasdaq)
- **Cara Therapeutics** (CARA: Nasdaq)
- **Corium International** (CORI: Nasdaq)
- **Cumberland Pharmaceuticals** (CPIX: Nasdaq)
- **Egalet** (EGLT: Nasdaq)
- **Elite Pharmaceuticals** (ELTP: OTC)
- **Immune Pharmaceuticals** (IMNP: Nasdaq)
- **Pivot Pharmaceuticals** (PVOTF: OTC/PK)
- **PLx Pharma** (PLXP: Nasdaq)
- **Zealand Pharma** (ZEAL: Nasdaq)

BUSINESS DESCRIPTION

PreveCeutical is an early stage life sciences company focused on compounds using natural substances for preventative therapies and supplements. The Company's first commercial product is *CELLB9*, an oral solution of essential materials extracted from a novel peptide in the venom of scorpions that has been found helpful with the immune system.

A wide ranging development program is in place to expand the Company's product line. Scientific efforts for each program are being undertaken at the University of Queensland in Australia by teams led by Dr. Harry Parekh, the Company's Chief Research Officer. PreveCeutical has a development and licensing agreement in place with UniQuest Pty. Ltd., the commercial arm of the University of Queensland. The agreement ensures PreveCeutical has licensure rights to all intellectual innovations created through joint research projects.

Research and development pipeline:

- *Sol-Gel* drug delivery system based on nose-to-brain process; cannabinoids are among first compounds under testing
- Smart RNA Gene Therapy for the treatment of obesity and early stage diabetes
- Peptide and protein identification in the venom of Caribbean blue scorpion venom for the purposes of engineering 'nature identical' compounds
- Non-addictive analgesics based a new the peptide library using UniQuest's proprietary 'disulfide linker' technology

MARKET OPPORTUNITY

According to Grandview Research, the alternative and complementary medicine market was valued at $40.3 billion in 2015. The group determined that at least 60% of the global population uses some form of traditional or non-conventional medicine. In the U.S. market The National Center for Disease Control found that one in five Americans use alternative therapies. These methods involve a variety of traditional medicines and mind or body healing techniques.

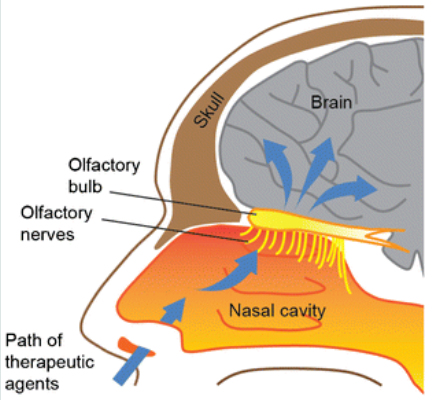
Most of these approaches have no regulatory approval or clinical trial backing. Lack of regulatory endorsement does not appear to dissuade patients and consumers. Grandview estimates the market could grow at an annual compound rate of 15% to reach $196.9 billion by 2024.

One element in the building demand is an aging population that is more prone in later life to chronic disease. Persistent and lingering disease can often be managed better or at lower cost with alternative medicines. There is a building body of anecdotal evidence that alternative medicines can be promising treatments for chronic pain.

Early detection, screening and diagnostic techniques are critical components of preventative health and key drivers of growth in the market. All over the world governments and non-profit organization are focusing programs on improving the life expectancy and quality through preventative health practices and medicines.

DRUG DELIVERY

Many potentially valuable drugs for treating neurological disorders are unable to reach the brain in sufficient concentration to be therapeutically valuable because of the blood brain barrier. The use of intranasal delivery of therapeutic agents is one method to bypass the blood brain barrier in a non-invasive manner.



The nose-to-brain pathway is lined with olfactory mucosa that are in direct contact with the brain and cerebrospinal fluid. Medications absorbed across the olfactory mucosa can directly and rapidly enter the brain.

Unlike oral medications, intranasal delivery bypasses the gastrointestinal tract and directly enters the bloodstream, avoiding digestive side effects and upset. Nasal delivery also provides a predictable absorption timeline not dependent upon gastric processes. Direct nose-to-brain transport also offers enhanced targeting and reduced systemic side effects often found in pharmaceutical compounds.

SOL-GEL SYSTEM

PreveCeutical Medical has formed a partnership with UniQuest Pty. Ltd., the development arm of the University of Queensland in Australia, to develop nose-to-brain drug delivery technology. Called the *Sol-Gel* system, it is intended to deliver a therapeutic compound to a targeted diseased site at a slow, controlled rate. A solution in a liquid state is administered to the nasal passage where it turns rapidly to a gel state upon contact with mucosal tissue. The gel stays in the nasal passage, slowly releasing the compound that that has been loaded into the solution. The solution can remain active for up to seven days.

Cannabidiol or CBD is the first compound under study by PreveCeutical with its research partner UniQuest. CBD is one of over a hundred different cannabinoids in the cannabis plant. When consumed, cannabinoids bind to special cell receptor sites throughout brain and body. CBD may have a range of medicinal uses because it appears capable of mediating communications between cells. Importantly, CBD is effective in improving the endocannabindoids already produced naturally by the human body. Yet CBD lacks the psychoactive properties of the other well-known cannabinoid, tetrahydrocannabinol or THC.

UniQuest took delivery of cannabis samples in early May 2018, and will under take the 'fingerprinting' steps in the months ahead. Management has also begun vetting alternative nasal delivery devices. The plant is apparently to partner with a developer that has a strong track record for regulatory approval and manufacturing excellence.

MARKET OPPORTUNITY

The Compnay's *Sol-Gel* nose-to-brain drug delivery system is a type of controlled release therapy. There are a number of factors driving interest in such systems: reduced dosage, lower dosage frequency, fewer adverse gastrointestinal effects, improved patient compliance, more uniform drug effect, and better medication efficacy. Oral controlled release drug delivery systems appear to be the most popular because of the ease and convenient of drug delivery by mouth. However, targeted drug delivery methods are gaining ground because of the benefits in delivering highly potent medications directly to diseased tissues.

Grandview Research estimates the controlled release drug delivery market is expected to reach $90.2 billion by the year 2025. The need to offer drug delivery methods appropriate for an aging population an important demand rivers. Additionally, there is a growing interest in using alternative therapies for pediatric use as well.

The North America region is the most important market for controlled release drug therapies. This is due in part to the more advanced research and development infrastructure in place in the U.S. and Canada. However, the Asia-Pacific region, including Australia where PreveCeutical Medical has partnered with the University of Queensland, is expected to experience the fastest growth. PreveCeutical is part of the increasing pace of investment by pharmaceutical companies in the region.

VENOM APPLICATIONS

- Analgesic
- Anti-inflammatory
- Chemotherapy side-effects
- Immuno-stimulation
- Radiation side effects

PROJECT PHASES

Phase 1

- Identify and separation proteins from venom sources
- Sequencing using one and two dimensional gel electrophoresis

Phase 2

- Creation of nature identical peptides
- Based on proprietary chemistries
- Large scale automated synthesis

Phase 3

- High-throughput screening
- Identify target cancers

CELLB9

PreveCeutical markets peptides from Caribbean blue scorpion venom in an oral solution under the brand name *CELLB9*. The over-the-counter oral solution contains polarized and potentiated essential minerals extracted from a novel peptide in the venom. It is an odorless and tasteless dietary supplement that is thought to be effective in pain relief and inflammation reduction. It could also improve the body's immune response system and quality of sleep.

The product is marketed on the basis of testimonials from patients who claim to have benefited from using blue scorpion venom. In the year 2017, the Company reported sales of *CELLB9* totaling CA$22,2344 compared to CA$31,054 in the previous year.

CELLB9 is manufactured on contract by Samson Pharmaceuticals, an FDA approved facility. Samson's California plant follows cGMP quality standards. The product is made from the venom of *Rhopalurus junceus*, a rare blue scorpion species found only in Cuba.

The Company has not completed clinical trials on *CELLB9* or the peptides that represent the product's active ingredient. A commercial product called Escozul is made by the Cuban company Labiofam using blue scorpion venom. A homeopathic version has been tested on more than 10,000 cancer patients who have provided anecdotal evidence of 'positive results.'

PEPTIDE RESEARCH

In partnership with UniQuest at the University of Queensland, the Company has begun a project to identify the active peptides in blue scorpion venom. The objective is to develop synthetic versions that are easier to manufacture and deliver more consistent therapeutic effect.

The research project will be completed in three phases. The first phase to identify and separate the relevant proteins is expected to be completed by the beginning of June 2018. Peptide fingerprinting with mass spectrometry will be used to determine the sequence of the peptides. Gel electrophoresis will be used to separate, count and analyze the proteins and their fragments. In the second phase over the next 9 to 12 months, the disulfide linker technology developed by UniQuest will be used to design and synthesize peptides to make them more 'drug like.'

In recent years there has been growing interest in peptides for active pharmaceutical ingredients. Peptide drugs have several advantages, including high potency and lower risk of toxicity and side effects. Synthetic versions extend the chemical diversity of peptides while increasing the stability. This enhances their utility for biological applications.

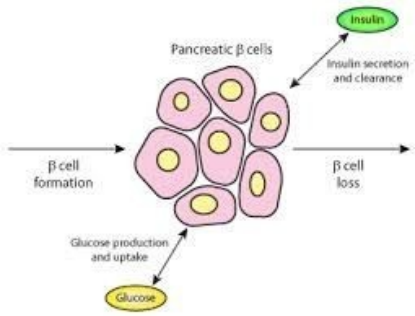
Scorpion venoms are a rich source of peptides that act as ion channel blockers. These blockers are thought to be potential immune-suppressants for the treatment of autoimmune disorders. Additionally, scorpion venoms have been found clinically important in dermatology, cancer diagnosis and as antimicrobials.

DIABETES MARKET

The industry research firm Research and Markets estimates the global diabetes care and therapeutics market could reach $85.5 billion by 2022. This represents a compound annual growth rate of 5.2% over the five years beginning 2017. It is the increasing prevalence of diabetes that is driving the growth. Sedentary lifestyles and improper diet are contributing to rising obesity rates and triggering diabetes.

Insulin products dominate the market due a relatively high price and the chronic nature of diabetes. Targeting the 'incretin' metabolic hormone system has become an important therapeutic approach for treating Type II diabetes. Two drug classes, which have been developed to improve glycemic control while reducing body weight, are gaining share in the overall diabetes care market.

Unfortunately, many of these drugs fail in the longer term because of a gradual progression in the disease as more pancreatic beta cells lose function. Thus the search continues for alternatives to prevent and treat diabetes and obesity.



GENE THERAPY

Gene therapy involves the substitution of defective genes in a cell with genetically altered genes. Defective genes can trigger malfunctions of metabolic pathways that are important for body functions. These malfunctions lead to diseases such as cancer or diabetes. The gene therapy approach has beguiled the scientific and medical communities, because it could help many patients suffering from diseases that so far can only be managed by medicines than only alleviate symptoms.

Gene therapy relies on vectors to carry the normal or good genes and transfer them to the cells that have the defective gene. Viruses are popular vectors. Unfortunately, there are drawbacks to using viruses. There is no guarantee the viral enzyme will be able to introduce the normal gene at the right point in the diseased cell. Additionally, the body's immune system may destroy the vector as an unwanted foreign body. The patient may need to undergo multiple therapy treatments to achieve a cure. However, there are options such as liposomes and 'naked DNA.' Liposomes are tiny bubbles made out of the same material as a cell membrane. Naked DNA refers to DNA that is not associated with proteins or lipids and is the result of the release of genetic information into the surrounding environment such as from bursting cells.

SMART SI-RNA PROJECT

In partnership with the University of Queensland's commercial arm UniQuest, PreveCeutical Medical has begun a project to develop an effective gene therapy. The partners intend to find an effective siRNA to target genes implicated in diabetes and obesity.

Small interfering ribonucleic acids or silencing RNA (siRNA) is a class of double stranded RNA molecules. SiRNA interferes with the expression of specific genes with complementary nucleotide sequences by degrading another RNA type called micro RNA that in-turn prevents translation, a critical step in cell replication. The ability to specifically silence genes using siRNA has wide therapeutic application.

The use of siRNA in drug therapies begins with the design of siRNAs which can target mRNA of the protein that causes the disease. Then the siRNA is included in a delivery vehicle that can deliver it to the diseased tissue site.

PreveCeutical's program is to unfold in three phases over a period of at least four years. The team has already put five different genes implicated in obesity and diabetes on a target short-list. First steps will involve protein sequencing and peptide synthesis.

The group also believes it has overcome a key shortfall in gene silencing research through the use of a non-viral delivery vehicle. The research team plans to use vectors that are chemically derived from a naturally occurring substance. PreveCeutical's Director of Research, Dr. Harry Parekh, believes the novel carrier system shows particular promise for loading adequate amounts of siRNA and then achieving an easy release of its cargo at the right point.

BALANCES

Canadian Dollars	12/31/16	12/31/17
Cash	$ -0-	$ 0.10
Current assets	$0.20	$ 1.37
Long-term assets	$0.01	$ 1.20
Intangible assets	$ -0-	$ 0.03
Total assets	$0.21	$ 2.60
Accts. Payable	$0.19	$ 0.20
Current Liabilities	$0.50	$ 0.30
Conv. Debt	$ -0-	$ 2.64
Deficit	($3.25)	($10.48)
Total Equity	($0.30)	($ 0.34)
Shares Outstanding	45.58	49.10
Warrants/Options	-0-	15.93

Dollars, shares and derivatives in millions

Source: Company Reports and Crystal Equity Research Estimates

BALANCES AND CASH USAGE

PreveCeutical Medical used CN$4.3 million to support operations during the year 2017. This compares to CN$1.3 million in the previous year. The increase is due to increases in purchasing for laboratory consumables, consultants and personnel.

At the end of December 2017, the Company held CN$104,478 in cash on is balance sheet. This compares to no cash in the kitty a year earlier. Working capital increased to CN$1.1 million from a negative position a year ago. The working capital situation improved dramatically through prepayment of certain expenses and the reduction in short-term liabilities.

PreveCeutical closed out 2017 with CN$2.9 million in convertible debt pursuant to loans made to the Company by its senior officers during the years 2016 and 2017. Convertible debt is shown on the balance sheet as of December 2018 was net of an allocation to equity related to the conversion feature. The notes are convertible into 5.0 million shares of common stock.

It is noteworthy that the Company's president, Kimberly Van Deventer, is one of the three insiders who hold the convertible notes. She resigned from the Company in April 2018, under amicable circumstances and has pledged to forego interest and/or principal payment to at least January 2019.

OPERATING COMPARISONS

Canadian Dollars

As Reported

	Yr 2016	Yr 2017
Sales	$0.031	$0.022
Oper. Loss	($2.705)	($4.493)
Net Loss	($3.127)	($7.232)
CFO	($1.315)	($4.299)
LPS	($0.08)	($0.16)

As Adjusted for Non-cash Charges*

	Yr 2016	Yr 2017
Sales	$0.031	$0.022
Oper. Loss	($1.117)	($2.498)
Net Loss	($1.540)	($5.236)
CFO	($1.315)	($4.299)
LPS	($0.04)	($0.12)

Dollars in millions; Fiscal year ends December

**Crystal Equity Research Estimates*

OPERATIONS

PreveCeutical Medical recorded a total of CN$22,234 in sales of its *CELLB9* branded blue scorpion venom. This compares to sales of CN$31,054 in the previous year. While sales did not increase in the year, the Company was successful in capturing more profit in the recent year largely by offering fewer discounts and promotions. Gross profit increased to 64% in 2017 compared to a negative margin in the previous year.

Operating expenses increased significantly in 2017, as the Company moved forward with research and development projects and accelerated business development work. Business development expenses, marketing and promotional spending all increased in 2017 compared to the previous year. In total operating expenses were CN$4.5 million compared to CN$2.7 million in the previous year. Accordingly, the operating loss for the recent year was CN$4.5 million or 66% deeper than 2016.

The net loss in 2017 was impacted by a one-time charge of CN$2.6 million related to the accounting treatment for the acquisition of the predecessor company to PreveCeutical Medical. The predecessor was not considered an operating business and thus the excess of the purchase price over net assets was treated as an expense. Net assets totaled CN$1.8 million.

BALANCES

US Dollars	12/31/16	12/31/17
Cash	$ -0-	$0.08
Current assets	$0.16	$1.07
Long-term assets	$0.01	$0.94
Intangible assets	$ -0-	$0.02
Total assets	$0.16	$2.03
Accts. Payable	$0.15	$0.16
Current Liabilities	$0.39	$0.23
Conv. Debt	$ -0-	$2.07
Deficit	($2.54)	($8.20)
Total Equity	($0.23)	($0.27)
Shares Outstanding	45.58	49.10
Warrants/Options	-0-	15.93

Dollars, shares and derivatives in millions

Source: Company Reports and Crystal Equity Research Estimates

EARNINGS COMPARISONS

US Dollars

As Reported

	Yr 2016	Yr 2017
Sales	$0.024	$0.017
Oper. Loss	($2.116)	($3.515)
Net Loss	($2.446)	($5.658)
CFO	($1.029)	($3.363)
LPS	($0.06)	($0.13)

As Adjusted for Non-cash Charges*

	Yr 2016	Yr 2017
Sales	$0.024	$0.017
Oper. Loss	(0.874)	($1.954)
Net Loss	($1.205)	($4.096)
CFO	($1.029)	($3.363)
LPS	($0.03)	($0.09)

Dollars in millions; Fiscal year ends December

**Crystal Equity Research Estimates*

CAPITALIZATION

PreveCeutical Medical has relied exclusively on debt and equity capital provided by its chief executive officer and now former president. At the end of December 2017, the Company had net equity deficiency of US$270,000 (CN$344,340). Share capital totaling US$4.7 (CN$6.0 million) was exceeded by the accumulated deficit of US$8.2 million (CN$10.5 million).

The Company's equity position is boosted the payment of some compensation through awards of common stock. Share-based compensation had accumulated to US$2.9 million (CN$3.7 million) by the end of December 2017.

The deficit is also offset by an allocation of US$327,340 (CN$418,688) for the equity portion of convertible debt. Should the note holders, who are the chief executive officer and former president of the Company, elect to convert the debt to common stock, the equity deficit would be cured. Assuming full conversion of debt, we estimate *pro forma* shareholder equity would have been US$1.7 million (CN$2.3 million) at the end December 2017. Notably a full conversion at US$0.23 (CN$0.30) would result in the issuance of an estimated 10 million additional shares of common stock.

In recent months PreveCeutical has sought new capital. In January 2018, the Company again borrowed US$390,912 (CN$500,000) from its chief executive officer and then president. In March 2018, the Company established a new convertible debt credit facility for US$547,277 (CN$700,000) through the then president. The outstanding balance was US$54,728 (CN$70,000) at the end of April 2018, leaving US$492,549 (CN$630,000) available to support operations in the near-term. Based on recently reported cash usage rates, we estimate the Company has nominal cash resources.

For longer term capital, the Company is negotiating a private placement of US$3.1 million (CN$4.0 million) for common stock. After reaching a preliminary agreement in January 2018, it has been necessary to adjust the terms to reflect lack of liquidity in the Company's stock. The Company agreed to a stock split to increase floation. PreveCeutical is a closely held company, wherein management and related parties hold a significant portion of the outstanding shares. We estimate the constructive float, that is the shares that are likely to be placed on the market for trade, may be less than 25 million shares. The adjusted terms call for the issuance of 16 million units composed of one common share and one warrant with an exercise price of US$0.39 (CN$0.50). We estimate the net proceeds will be sufficient to support planned research and development activity through the end of 2018.

LEADERSHIP CHANGES

PreveCeutical Medical is led by **Stephen Van Deventer** as Chief Executive Officer. He is an experienced executive with over twenty-five years work in early stage operations of public and private companies. He recently assumed the position of President following the resignation of Kimberly Van Deventer in April 2018. Ms. Van Deventer has indicated continued interest in the success of the Company.

Shabira Rajan is the Chief Financial Officer. She has over twenty years experienced in corporate finance for both public and private companies. She was previously the Director of Finance at Canada Line Rapid Transit, Inc.

The Chief Science Officer is **Dr. Mak Jawadekar**, who is responsible for coordinating the Company's research and development effort. He was most recently the Director of Portfolio Management at Pfizer, where he was involved with drug delivery technology assessment. He has a Doctorate in Pharmaceutics from the University of Minnesota.

Dr. Harry Parekh is the Chief Research Officer. He is based at the University of Queensland Pharmacy Australia Centre of Excellence (PACE) where he leads the Drug/Gene Delivery Group. He is responsible for execution of the Company's research and development program.

The most recent addition to the Company's team is **Dr. Maher Khaled** as Director of International Operations. He brings to PreveCeutical vital experience in the commercialization of therapeutic and diagnostic technologies. Khaled also is knowledgeable in financing for early stage companies. He hold a doctorate in biotechnology and bachelor degrees law and biomedical science from the University of Queensland.

CORPORATE CHANGES

In March 2018, PreveCeutical Medical announced the formation of a new corporate presence in Australia. PreveCeutical Pty. Ltd. has been established as a wholly-owned subsidiary of the parent corporation. The subsidiary may qualify for government tax incentives or grants extended to research and development companies. For example, Australia offers a tax offset program on qualifying research projects. Having a formal corporate presence in Australia may also facilitate the formation of research partnerships and clinical relationships.

PreveCeutical's research and development activities are carried out by employees and affiliates of UniQuest Pty. Ltd., the Company's primary research partner. The scientific team is coordinated by Dr.Parekh, who overseas all of PreveCeutical Medical's research projects. We note that the Company's relationship with UniQuest is strengthened by the addition of Dr. Khaled, who was previously affiliated with UniQuest.

CAPITALIZATION

Recent Price:	$0.25
Shares Out:	49.2 M
Market Capital:	$12.3 M
+ Preferred Stock	-0- M
+ Conv. Debt	2.1 M
- Cash	0.1 M
Enterprise Val:	$14.3 M
Book Value:	($ 0.27) M
Working Capital:	$ 0.83 M

Balances as of 12/31/17

Excludes impacts of recent convertible note issuances and pending private placement as amended in Jan. and Apr. 2018.

All figures in US Dollars

Source: Company Reports and Crystal Equity Research Estimates

OWNERSHIP

	Common Stock (in Millions)
Insiders:	
S. Van Deventer, CEO	17.3*
S. Rajan, CFO	-0-
M. Jawadekar, CSO	-0-
H. Parekh, CRD	-0-
G. Reid, Dir.	-0-
N. Coltura, Dir.	-0-
Total Insiders**	17.3
As % of Shares Outstanding	35.2%

**Includes 9.172 million shares held by Cornerstone Global Partners, of which S. Van Deventer is a principal*

***Insiders hold warrants and options for an additional 1.81 million shares*

Source: Company Reports and Crystal Equity Research estimates

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