



AVICANNA TO EXPAND ACCESS TO ITS ADVANCED AND EVIDENCE-BASED RHO PHYTO MEDICAL PRODUCTS THROUGH PROVINCIAL RETAILERS ACROSS CANADA

- *Expanding from the successful launch in medical-only channels in partnership with Medical Cannabis by Shoppers, Avicanna will now offer RHO Phyto™ nationwide through provincial retailers*
- *RHO Phyto products will include its advanced formulary of sublingual sprays, oil drops and topicals through retail sales channels estimated at \$3 billion dollars* in Canada*

/NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS/

Toronto, Ontario – December 23, 2020 – Avicanna Inc. (“Avicanna” or the “Company”) (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN), a biopharmaceutical company focused on the development, manufacturing and commercialization of plant-derived cannabinoid-based products, announces that the full formulary of RHO Phyto products will be available through retail channels in early 2021 in Canada.

A successful proof of concept and partnership with Medical Cannabis by Shoppers

During the past four months, the RHO Phyto medical formulary has experienced an incredibly successful launch with overwhelming positive support by the medical community including 300 prescribers and 20 clinics. RHO Phyto sales have increased 100%+ month over month in all product categories. The early results show the product formulary key demographics are 55% women, 47% are 51-75 years of age and 90% of consumers are 30+ years old. Avicanna will remain exclusive to Medical Cannabis by Shoppers for medical/prescription use and intends to increase its current commercial SKU's from 4 to 10 in 2021.



Expansion to retail sales to provide consumers with low barrier access to the same industry leading formulary of medical cannabis products

It has become evident that many consumers who seek cannabis for medical purposes are not going through medical channels, with nearly 44% purchasing from legal storefronts (adult-use). According to the 2020 Canadian Cannabis Survey, 76% of medical cannabis users do not have a medical document - such as a prescription - from a healthcare professional. The ease of access to store-fronts and systemic barriers to connecting with a health care professional who may provide a medical document have continued to impact medical user numbers year over year, which have remained largely the same around 350,000 active registered medical users in Canada since 2018*.

Aras Azadian, Avicanna's Chief Executive Officer, stated: "The existing stigma around medical cannabis and the barriers to obtain a medical document make it particularly challenging for some patients to access medical cannabis through the appropriate channels with the support of a health care practitioner. We believe that by expanding the RHO Phyto portfolio into retail sales channels we will provide consumers with easier and low barrier access to standardized medical products they seek. For a biopharmaceutical company like Avicanna, this expansion of our medical products into retail channels is in many ways similar to accessing over-the-counter medical products." Aras Azadian, the company's Chief Executive Officer.

RHO Phyto product attributes and retail sales strategy

The advanced and standardized products are offered in various doses of CBD, THC and THC-Free formulations to provide consumers with a range of inhalation-free cannabinoids-based solutions. The advanced formulations are developed and optimized by Avicanna to provide enhanced absorption versus basic MCT (medium-chain triglyceride) oil formulations while providing a consistent experience with a pleasant taste and smell. The RHO Phyto products are delivered with accurate dosing which also allows for easy titration and dosing by consumers.

Avicanna's RHO Phyto strategy to leverage retail sales channels is consistent with the company's vision to provide education and safe delivery of its products through evidenced-based training and education to the consumers, retailers and the medical community. Avicanna aims to establish RHO Phyto as the doctor recommended brand within the cannabis industry and has initiated several pre-clinical and real-world evidence clinical trials on the products with leading Canadian medical institutions.

*source: Statistics Canada

About Avicanna Inc.

Avicanna is a diversified and vertically integrated Canadian biopharmaceutical company focused on the research, development, and commercialization of plant-derived cannabinoid-based products for the global consumer, medical, and pharmaceutical market segments.

Avicanna is an established leader in cannabinoid research and development, which it primarily conducts at its R&D headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto, Canada and in collaboration with leading Canadian academic and medical institutions. In addition to its developing pharmaceutical pipeline, Avicanna's team of experts have developed and commercialized several industry leading product lines, including:

- Pura Earth™ or Pura H&W™: an advanced and clinically tested line of CBD consumer derma-cosmetic products; and,
- RHO Phyto™: an advanced line of medical cannabis products containing varying ratios of CBD and THC currently available nation-wide across Canada in partnership with Medical Cannabis by

Shoppers™, a subsidiary of Shoppers Drug Mart. RHO Phyto is the first strictly medical formulary of advanced “Cannabis 2.0” products, containing oils, sprays, capsules, creams, and gels, all 2 developed with scientific rigour, manufactured under GMP standards and supported by pre-clinical data.

With ongoing clinical trials on its derma-cosmetic (branded as Pura Earth or Pura H&W), medical cannabis (branded as RHO Phyto) and a pipeline of pharmaceutical products, Avicanna’s dedication to researching the important role that cannabinoids play in an increasingly wider scope of products has been at the core of the Company’s vision since its inception. Furthermore, Avicanna’s commitment to education is demonstrated through its annual medical symposium, the Avicanna Academy educational platform, and the My Cannabis Clinic patient program through its subsidiary company.

Avicanna manages its own supply chain including cultivation and extraction through its two majority-owned subsidiaries, Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S., both located in Santa Marta, Colombia. Through these sustainable, economical, and industrial scale subsidiaries, Avicanna cultivates, processes, and commercializes a range of cannabis and hemp cultivars dominant in CBD, CBG, THC, and other cannabinoids for use as active pharmaceutical ingredients. Avicanna’s Avesta Genetica program specializes in the development and optimization of rare cultivars for commercial production along with feminized seeds for global export. In June 2020, Avicanna made history with a shipment of hemp seeds to the United States of America by completing the first ever export of hemp seeds from Colombia.

SOURCE Avicanna Inc.

Stay Connected

For more information about Avicanna, visit www.avicanna.com, call 1-647-243-5283, or contact Setu Purohit, President by email at info@avicanna.com.

Cautionary Note Regarding Forward-Looking Information and Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, and includes statements with respect to the ability of the Company to manufacture any of the products, and the ability of the Company to sell any of the products in retail channels in Canada. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment; and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to current and future market conditions, including the market price of the common shares of the Company, and the risk factors set out in the Company's annual information form dated April 15, 2020

and final short form prospectus dated November 27, 2020, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.