



Avicanna and Bio-Gate Complete First Phase of Development on Cannabidiol (CBD) and MicroSilver BG™ Based Skin Care Products for Global Commercialization

- *Initial development is part of a licensing and development agreement between the two companies to develop and deliver dermatology and cosmetic products.*
- *Combination of Avicanna's intellectual property and Bio-Gate's MicroSilver BG™ technology is aimed to target indications including eczema, acne, and atopic dermatitis.*

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TORONTO, June 29, 2021 (GLOBE NEWSWIRE) -- 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 is pleased to announce that the initial development phase for prospective products has been completed through a licensing and development agreement with Bio-Gate AG (ISIN DE000BGAG981) ("Bio-Gate"), a German bio-medical company with a focus on health technologies such as cosmetics and dermatology products.

As part of the collaboration, Bio-Gate is developing active cosmetic and dermatology products, in collaboration with Avicanna, that combine MicroSilver BG™ and hemp derived CBD. Bio-Gate and Avicanna hope to discover that the combination of MicroSilver BG™ and hemp derived CBD will have synergistic anti-inflammatory and antibacterial effects. Following the development and *in vitro* studies, Bio-Gate and Avicanna aim to have the products available for human applications and further studies of target indications including acne, eczema, and atopic dermatitis. Avicanna and Bio-Gate intend to initially market the products in Europe and North America.

Marc Lloret-Grau, CEO of Bio-Gate AG, on the new cooperation: "We are delighted to have Avicanna as our strategic partner as a leading cannabinoid biopharmaceutical company that focuses on cosmetics, skincare and medical based product applications. The collaboration represents a bridge for Bio-Gate to further new technologies. We are once again expanding our product range and thus tapping into a new and extremely high-growth market."

Aras Azadian, CEO of Avicanna Inc., stated: "We are thrilled to announce our partnership and achievement of our initial milestones with Bio-Gate, a European bio-medical company with focus on health technologies like dermatology and skin care. We are also optimistic about the potential combination of Avicanna's intellectual property with that of Bio-Gate's in addition to the market access and expertise that the two companies can provide in this collaboration."

About Avicanna

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

With ongoing clinical studies 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.

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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.

The company posts updates through videos from the official company YouTube channel https://www.youtube.com/channel/UCFXPBGdKSxOUOf_VZoSFSUA

Please join the conversation on our Avicanna supporter's telegram group at <https://t.me/Avicannainc>.

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 combination of MicroSilver BG™ and hemp derived CBD having synergistic anti-inflammatory and antibacterial effects, the products becoming available for human applications, and the ability of Avicanna to initially market the products in Europe and North America. 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.

1. Deloitte Canada (2021). Seeding New Opportunities Listening to Canada's Cannabis Consumer – Cannabis Consumer Report (2021). Available at https://www2.deloitte.com/ca/en/pages/consumer-business/articles/listening-to-canadas-cannabis-consumer.html?icid=listening-to-canadas-cannabis-consumer_en