



Avicanna Completes First Commercial Export of Aureus™ Branded THC Extracts to Austria and Welcomes Colombian Government's Progressive New Regulation on Cannabis

- *This initial export to Austria marks Avicanna's first commercial export of psychoactive THC Cannabis Extracts into the emerging European medicinal cannabis market.*
- *The new decree by the Colombian government is designed to progress commercial initiatives related to the cannabis sector and fortify Colombia's competitive advantages at a global level*
- *Several business units of Avicanna's vertically integrated infrastructure are positioned to benefit from the new regulatory framework set out in Decree 811 of 2021*

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TORONTO, July 28, 2021 (GLOBE NEWSWIRE) -- Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN) a biopharmaceutical company focused on the development, manufacturing and commercialization of plant-derived cannabinoid-based products is pleased to announce that, through its majority owned Colombian subsidiary, Santa Marta Golden Hemp S.A.S. ("**SMGH**"), it has completed its first commercial export of high concentration THC full spectrum psychoactive cannabis extracts to Austria. Additionally, the company welcomes the new Colombian regulation aimed at progressing the cannabis industry and its commercialization processes which positively impacts several of Avicanna's business units and infrastructure in Colombia.

Initial shipment of THC extracts into the European Union

This shipment marks the 9th country to which SMGH has exported the Aureus™ branded products, which include a range of CBD, THC and CBG extracts and feminised seeds. Avicanna's SVP, European Operations, Jens Kramer, commented: "We are very happy to further progress our long-term strategy to expand our API business into the emerging European market. With Avicanna's dedication to quality standards and pharmaceutical positioning we are poised to be a significant long-term player in the European medical market that is predominantly focused on medical utility of cannabinoids and where meeting EU pharmacopeia standards are essential."

Avicanna Completes First
Commercial Export of Aureus™
Branded THC Extracts to Austria



New progressive regulation on cannabis in Colombia

Decree number 811, which was issued on July 23, 2021, modifies the regulatory framework and establishes a new and more progressive framework that will revitalize and industrialize the Colombian cannabis industry. The new regulatory framework brings new dispositions and mechanisms that: (i) improve approval times for cultivation and manufacturing quotas; (ii) create the possibility to develop and commercialize food products with cannabis; (iii) remove the prohibition to export cannabis dry flower; (iv) broaden the authorized dispensation mechanisms for cannabis compound formulas; and (v) removes the prohibition regarding the promotion or advertisement of cannabis, cannabis by-products, and products containing cannabis.

Expected benefits to Avicanna's business units and infrastructure in Colombia

The improvements brought upon by this new regulatory framework are expected to have a positive impact in several segments of the cannabis industry in Colombia, and more specifically in several business units of Avicanna's vertically integrated infrastructure in Colombia:

- The increase in efficiency in the quota approval process for cultivation and manufacturing and the possibility to export cannabis dry flower is expected to enhance the market opportunity for Avicanna's supply chain business under the Aureus™ brand that has been shipping cannabinoid extracts and feminized seeds into 4 continents from its Colombian base, as well as generate a new demand for Avesta Genetica's feminized seeds catalog among the approximately 700 licensed cannabis cultivators in Colombia.
- Creation of a new category of food products for B-B and finished products that can also benefit from Avicanna's proprietary water soluble and highly bio-available formulations
- The inclusion of drugstores as viable dispensation locations for cannabis compound formulas is expected to invigorate Avicanna's currently commercial compound pharmacy business unit by creating thousands of potential dispensation establishments.
- The removal of the prohibition regarding the promotion or advertisement of products containing cannabis, is expected to stimulate Avicanna's finished product segment by permitting a more direct and comprehensive marketing approach for brands such as Pura H&W™ and RHO Phyto™ in Colombia.

Lucas Nosiglia, President of Avicanna LATAM, commented: "We are pleased to see Colombian cannabis regulations progressing, opening new opportunities in addition to fortifying the existing business models we have already established with strict limitation. This further validates our vision and decision to build our infrastructure in Colombia where we expect to be able to supply our partners and all Avicanna's cannabinoid needs."

To the knowledge of the Company, it carries out its operations in compliance with all applicable laws in the jurisdictions in which it operates.

About Aureus™

Avicanna's supply chain business units are based out of Santa Marta, Colombia and are primarily dedicated to providing consistent source of cannabinoid raw materials for Avicanna's current commercial products and pharmaceutical pipeline for the global marketplace.

Additionally, under the Aureus™ brand, standardized cannabis extracts and feminized seeds are made available to cultivation, cosmetic and pharmaceutical partners around the world. Aureus branded products are cultivated, extracted, and manufactured by Avicanna's subsidiaries in Colombia where they benefit from optimal environmental conditions to produce cannabinoid active pharmaceutical ingredients economically and sustainably and include a range of extracts of CBD, THC and rare cannabinoids such as CBG. Avicanna's supply chain business also benefits from federally regulated legislation in Colombia where the company is well positioned to be a global supplier of the less competitive psychoactive extracts including CBD and THC crude oil to meet the growing global demand.

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 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 developed with scientific rigour, manufactured under GMP standards and supported by pre-clinical data.

With ongoing clinical studies on its derma-cosmetic (Pura H&W), medical cannabis (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.

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 SMGH to complete additional exports of Cannabis Extracts to Austria, the ability of SMGH to continue to cultivate, extract, and manufacture the Cannabis Extracts and the ability of SMGH to supply drugstores, pharmacies, and pharmaceutical and cosmetic companies with cannabinoids (including rare cannabinoids) and cannabis-derived products, in addition to supplying global cultivation companies with standardized and feminized seeds. 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.

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