



Avicanna (TSX: AVCN) Further Strengthens its Position as a Canadian Leader in Cannabinoid Based Research and Development with Expansion of University of Toronto Collaboration and Execution of University of Guelph Research Agreement

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Toronto, Ontario – August 30, 2019 – Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) a biopharmaceutical company focused on the development, manufacturing and commercialization of plant-derived cannabinoid-based products is pleased to announce that it has expanded the scope and duration of its research and collaboration agreement with Dr. Christine Allen's research group at the University of Toronto. Additionally, Dr. Allen has stepped down as Avicanna's Chief Scientific Officer, having accepted a prominent role with the University of Toronto, however, Dr. Allen will increase her involvement in Avicanna's pharmaceutical development and optimization through the expanded collaboration between Avicanna and Dr. Allen's research group. Avicanna further announces that it has entered into a research agreement with the University of Guelph. The total amount that the Company expects to spend on its research and development activities in connection with these agreements is approximately as follows: (i) \$257,000 in 2019; (ii) \$410,000 in 2020; (iii) \$395,000 in 2021 and (iv) \$198,000 in 2022.

University of Toronto

Avicanna has amended its sponsored research and collaboration agreement with the University of Toronto to extend its partnership with Dr. Christine Allen's research group to November 2022. The expanded scope of the sponsored research and collaboration agreement outlines several projects including the characterization and pre-clinical analysis of Avicanna's pipeline of phyto-therapeutic & pharmaceutical products and the development of other pharmaceutical dosage forms including sustained release formulations. Additional projects under the research and collaboration agreement include analysis of the safety, efficacy and potential synergies of cannabinoids and other therapeutic agents.

Additionally, Avicanna will collaborate with the University of Toronto to design and develop advanced nanoparticle and microparticle-based pharmaceutical formulations comprised of cannabinoid/terpene-based therapies with a specific focus on applications in cancer, osteoarthritis and inflammatory bowel disease.

In addition, Dr. Allen has accepted a role as Associate Vice-President & Vice-Provost, Strategic Initiatives at the University of Toronto. In connection with her appointment, Dr. Allen has stepped down as the Company's Chief Scientific Officer but will continue to lead Avicanna's pharmaceutical development efforts through the extended research & collaboration agreement.

Dr. Justin Grant, Avicanna's Executive Vice-President of Scientific Affairs added "The scientific rigor and advanced drug delivery research in Dr. Christine Allen's laboratory aligns with Avicanna's goal to develop safe, high quality and effective cannabis-based pharmaceutical products tailored for specific symptoms and indications."



"I would like to take this opportunity to thank Dr. Christine Allen for her leadership in the establishment of our research and development practices, which now extend globally across four active laboratories, and the completion of several product categories including derma-cosmetics, phyto-therapeutic and specific pharmaceuticals. As we proceed to the next stage, which is commercialization, we are grateful to have Dr. Allen's continued support in development of the more advanced pharmaceutical products where she is a world-renowned expert." said Aras Azadian, Chief Executive Officer of Avicanna.

Dr. Allen commented, "My laboratory is delighted to continue to work with Avicanna and remains committed to the evidence-based development of advanced dosage forms of cannabinoids with targeted safety and efficacy profiles."

University of Guelph

Avicanna has entered into a research agreement (the "**Research Agreement**") with the University of Guelph for a project to be performed by Dr. Max Jones, Associate Professor, Department of Plant Agriculture, as principal investigator. Dr. Jones has been involved in the development of Avicanna's long term genetics and breeding program over the past six (6) months. The program is focused on the stabilization of unique commercial strains, long term selective breeding programs to develop genetics with increased efficiency and also increased expression and characterization of rare cannabinoids. The project to be performed under the Research Agreement is expected to provide genetic analysis of Avicanna's cultivars to provide a genetic "fingerprint" for each cultivar and determine their relative relationships (i.e. genetic distance) to one another. Additionally, Dr. Jones' group is hopeful to produce polyploid plants for Avicanna's breeding program and establish and optimize tissue culture and micropropagation methods that can be utilized in Avicanna's cultivation sites in Colombia. All research data and research reports created under the Research Agreement will remain the sole property of Avicanna, however, Avicanna has granted a license to the University of Guelph to use such reports and data for research and academic purposes. The study is expected to be completed in two (2) phases and will continue for a period of one (1) year from the date the University of Guelph obtains a permit from Health Canada to import certain plant material from the Company's subsidiaries in Colombia. The cost of the study is expected to be approximately \$59,360.

Aras Azadian, the Company's Chief Executive Officer, stated "As a leading company focused on research and development and intellectual property development in the cannabinoid industry, we believe it is imperative to have this evidence-based philosophy in all of our business units including our cultivation projects, and its genetics and seed programs. With this collaboration we aim to ensure that Avicanna is prepared for the future of this emerging industry by staying ahead of the curve through our advanced genetic development and breeding programs."

About Avicanna

Avicanna is an Ontario corporation focused on the development, manufacturing and commercialization of plant-derived cannabinoid-based products through its two main business segments, cultivation and research and development.

Avicanna's two majority-owned subsidiaries, Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S., both located in Santa Marta, Colombia are the base for Avicanna's cultivation activities. These two



companies are licensed to cultivate and process cannabis for the production of cannabis extracts and purified cannabinoids including cannabidiol (CBD) and tetrahydrocannabinol (THC).

Avicanna's research and development business is primarily conducted out of Canada at its headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto. Avicanna's scientific team develops products, and Avicanna has also engaged the services of researchers at the Leslie Dan Faculty of Pharmacy at the University of Toronto for the purpose of optimizing and improving upon its products.

Avicanna's research and development and cultivation activities are focused on the development of its key products, including plant-derived cannabinoid pharmaceuticals, phyto-therapeutics, derma-cosmetics and Extracts (defined as plant-derived cannabinoid extracts and purified cannabinoids, including distillates and isolates), with a goal of eventually having these products manufactured and distributed through various markets.

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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 info@avicanna.com.

Cautionary Note Regarding Forward-Looking Information and Statements

Certain information in this press release contains forward-looking statements. Such statements include but are not limited to the intended outcomes of the studies to be conducted under the research and collaboration agreement with the University of Toronto and the expected outcomes of the studies to be conducted under the Research Agreement. This information is based on current expectations that are subject to significant risks and uncertainties that are difficult to predict, including the risk factors set out under the heading "Risk Factors" in the Company's long form final prospectus dated July 8, 2019. Actual results might differ materially from results suggested in any forward-looking statements. The Company assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements, unless and until required by securities laws applicable to the Company.