



Avicanna Announces the Successful Completion of its Clinical Study Evaluating the Effect of an Emollient Cream Containing 0.5% Cannabidiol on Skin Hydration

Expects to present additional data from this study at future medical conferences and publications

This completed study is the first known completed derma-cosmetic study on cannabinoids

Plans to announce data from additional clinical studies of two other proprietary formulas used for Pura Earth products in Q1 2020

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Toronto, Ontario – January 13, 2020 – 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, announced today its results from its first cosmetic clinical study, an open-label, randomized, passive-control study examining the impact of its Pura Earth™ topical cream containing 0.5% cannabidiol and 1% hemp oil on skin hydration.

"We are pleased to announce the successful completion of the first of three clinical studies we've conducted for select products in our Pura Earth derma-cosmetics line of CBD products. The investments that we've made in the research and development of the Pura Earth products is validated by these positive clinical results and further elevates the brand in the CBD derma-cosmetics market. As a result, we are setting a new industry standard that will help us earn the trust of retailers and customers as we expand the retail launch of Pura Earth across additional geographies in 2020," stated Aras Azadian, Chief Executive Officer of Avicanna. "We've developed our products through our leading cannabinoid research labs in Canada with the goal of offering over-the-counter products backed by evidence. In addition, we have established strict quality controls across our vertically integrated operations that allow us to offer a consistent, quality product to our customers."

As stated by Dr. Daniel Sauder (Chair of Avicanna's Dermatology Expert Committee), "The results of this study demonstrated the safety and efficacy of the Pura Earth cannabidiol cream. In particular, we achieved the primary end point of enhanced skin hydration. The new data builds upon the R&D data generated for our Pura Earth product line, and further supports our belief that this particular formulation of cannabidiol has potential efficacy in the treatment of cutaneous diseases."

Of the total 61 subjects enrolled, 49 healthy adults with modified Kligman test >0 (i.e., dry skin) successfully completed the study (details of the study can be found at clinicaltrials.gov (<https://clinicaltrials.gov/ct2/show/NCT04045314?term=avicanna&draw=2&rank=1>)). No adverse effects that required medical intervention or discontinuation were reported during the period of the study.

The Pura Earth products were produced with Avicanna's proprietary formulations using cannabidiol ("**CBD**") isolate extracted by the Company's majority owned subsidiary, Santa Marta Golden Hemp S.A.S.



("SMGH"), from cannabis grown and cultivated by SMGH in Santa Marta, Colombia. SMGH's CBD isolate is derived from its USDA organic certified hemp (non-psychoactive cannabis).

This study was conducted by CAIMED S.A.S. Medical Care and Research Center in Bogota, Colombia. Avicanna plans to present additional detailed data from the study at upcoming medical conferences and in peer-reviewed publications.

In addition, CAIMED has completed two additional studies for Avicanna: a study evaluating the effect of a facial cream containing 0.5% cannabidiol and 1% hemp oil on skin hydration and characteristics associated with acne-prone skin; and, a study evaluating the effect of a topical serum preparation containing 1% cannabidiol and apple stem cells on skin characteristics associated with aging. The Company plans on announcing top-line results from both studies once the data is compiled.

About Pura Earth™

Pura Earth is Avicanna's derma-cosmetic line which utilizes a combination of purified cannabidiol (CBD) and other synergistic botanical ingredients designed to naturally regulate and nourish the skin. The Pura Earth product line was designed by Avicanna and optimized in partnership with the University of Toronto using Avicanna's proprietary formulations.

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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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 global expansion of the Pura Earth product line and the expected announcement of results from additional studies. 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.