



## Avicanna's Rho Phyto Branded Products to be Available in California

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**Toronto, Ontario – December 1, 2019** – Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN) today announces that LC2019, Inc. ("**LC2019**"), the entity that holds a license to Avicanna's intellectual property in the United States, has advised Avicanna that it has entered into an agreement (the "**License Agreement**") with a subsidiary of Kings Garden Inc. ("**Kings Garden**"), a California based company, manufacturing the Kings Garden brand, with extensive experience in the cultivation, processing and manufacturing of high-end cannabis products, pursuant to which LC2019 will sub-license Avicanna's Rho Phyto™ brand and proprietary formulations (collectively, the "**Rho Products**") to Kings Garden.



Rho Phyto Product Line (CNW Group/Avicanna Inc.)

As announced by Avicanna in its November 26, 2019 press release, Avicanna has an option to acquire all of the outstanding shares of LC2019, which option may be exercised by Avicanna at any time and is expected to be exercised upon cannabis cultivation, processing, distribution and possession becoming federally legal in the United States.

Under the terms of the License Agreement, LC2019, through a wholly-owned subsidiary, has provided the Kings Garden team with an exclusive license to use the Rho Phyto trademark and to manufacture, market, distribute and sell the Rho Phyto advanced formulation products in the State of California. In consideration of the license granted under the License Agreement, the Kings Garden team has agreed to pay to LC2019 a royalty equal to 40% of the net profits from the sale of the Rho Products. Kings Garden, through its licensed subsidiary, will produce, manufacture and sell the Rho Products in the State of California. The initial term of the License Agreement is three years.

"We are thrilled to see the Rho Phyto brand and advanced cannabis product offerings have their initial launch in the State of California which represents the largest and one of the most sophisticated consumer



markets in the world. We are also excited that the LC2019 team has decided to partner with the Kings Garden team which have demonstrated industry leading products, quality and execution. We hope that this launch in California will provide the Rho Phyto brand with a foothold in the US market place, help establish a leading global brand and attain both market information and efficacy data around the proprietary product lines," stated Aras Azadian, Chief Executive Officer of Avicanna.

## **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](http://www.avicanna.com), call 1-647-243-5283, or contact Setu Purohit, President by email [info@avicanna.com](mailto: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 timing of the exercise by Avicanna of its option to acquire all of the shares of LC2019 and the successful commercialization of the Rho Products in California. 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.*