



Avicanna to Supply UK Market with Cannabis-Based Medicinal Products Through Distribution Agreement with the LYPHE Group

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS

Toronto, Ontario – December 3, 2019 – Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN), a biopharmaceutical company focused on the development, manufacturing and commercialization of organic and sustainable plant-derived cannabinoid-based products, is pleased to announce that the Company has entered into an importation and distribution agreement (the "**Agreement**") with Astral Health Ltd. ("**Astral**"), the operating subsidiary of the LYPHE Group Ltd ("**LYPHE Group**" or "**LYPHE**") to supply its cannabis-based medicinal products ("**CBMPs**") to patients in the United Kingdom under the MHRA 'specials' programme.

"We look forward to the opportunity to provide access to our cannabis-based medicinal formulations to a population and medical community that is seeing increased demand for quality evidence-based products, such as our proprietary research-backed formulations. Both the Astral and Avicanna teams are aligned on the long-term vision and more importantly are qualified to provide the medical community in the United Kingdom with safe, effective and superior cannabinoid-based solutions, education and training," stated Aras Azadian, Chief Executive Officer.

Dean Friday, Chief Executive Officer of LYPHE, commented "We are very proud to be partnering with Avicanna in bringing their products to the UK market. Avicanna are market-leaders in terms of product quality, and their research-backed formulations give the company a distinct advantage in the UK market".

Under the Agreement, Avicanna will supply Astral with CBMPs, and both Avicanna and Astral will work together to achieve key strategic milestones in the United Kingdom related to market activation, market access and safety. The parties will also work together to collaborate on medical education programs with a focus on safety, dose guidance and efficacy. The Agreement will allow Avicanna to begin generating revenue from a growing UK market, while providing patients with increased access to the life-changing medicines they require.

It is expected that the CBMPs will be prepared in Colombia using Avicanna's proprietary research-backed formulations, using cannabis extracts from Santa Marta Golden Hemp S.A.S., a subsidiary of Avicanna, and manufactured at the facilities of Avicanna's exclusive Colombian manufacturer, Altea Farmaceutica S.A. using Good Manufacturing Practices (GMP).

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 Astral & LYPHE GROUP

Astral is a Europe focused importer and distributor of medical cannabis, and forms part of the LYPHE Group. LYPHE has developed a patient-access ecosystem, which has laid the foundations for the medical



cannabis industry in the UK, and has enabled the company to become the market leader in the country's rapidly expanding market.

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.

SOURCE Avicanna Inc.

Stay Connected

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 source of extracts to be included in the CBMPs, the manufacturer of the CBMPs, the ability of Avicanna to import the CBMPs, the ability of Avicanna and Astral to achieve the strategic milestones contemplated in the Agreement and the ability of Avicanna to generate revenue from the 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.