



Avicanna to Supply Australian Market with Cannabis-Based Medicinal Products Through Distribution Agreement with Cannvalate

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Toronto, Ontario – February 24, 2020 – 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 Cannvalate Pty Ltd. ("**Cannvalate**"), to supply its Rho Phyto™ advanced medical cannabis products (the "**Rho Products**") to provide to patients under the Australian Therapeutic Goods Administration Special Access Scheme, as well cannabis active pharmaceutical ingredients (the "**APIs**"). Avicanna has also agreed to supply Cannvalate with a line of advanced cannabinoid phyto-therapeutic products that Avicanna has chosen to offer on a white-labelled basis (the "**White-Label Products**", collectively with the Rho Products and APIs, the "**Products**").

"After significant due diligence into the Australian market and its operators we are pleased to be able to introduce Cannvalate as our partners in the region. Our two companies are aligned on a strictly medical approach backed by sustainable processes, data driven R&D and clinical development which will be to the benefit of the Australian patients and medical community at large." stated Aras Azadian, Chief Executive Officer of Avicanna.

"We are delighted to assist Avicanna with market entry to Australia which is one of the fastest growing pureplay medicinal cannabis markets globally. We have been particularly impressed by their attention to quality processes and firm stance on providing validated clinical research. We look forward to assisting Avicanna with meeting the stringent Office of Drug Control testing requirements and designing TGA-compliant physician education/ detailing campaigns." stated Sud Agarwal, Chief Executive Officer of Cannvalate.

Under the Agreement, Avicanna has appointed Cannvalate as an exclusive distributor for the Rho Products in Australia, subject to Cannvalate meeting minimum purchase requirements. It is expected that the Products which have been developed optimized and clinically developed in Canada will be manufactured in Colombia using Avicanna's proprietary processes and 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. which follows 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 Cannvalate

Cannvalate is Australia's largest business-to-business end-to-end solution provider company helping



Licensed Producers of medicinal cannabis fast track their growth into the Australian market. Their three key services include (i) Australian Cannabis Market Access; (ii) Medicinal Cannabis Research Collaboration; and (iii) Expert Consulting.

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 source of extracts to be included in the Products, the manufacturer of the Products, the ability of Cannvalate to import the Products, 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.