



## **AVICANNA TO POSTPONE REPORTING FOURTH QUARTER AND FULL YEAR 2019 RESULTS DUE TO DELAYS CAUSED BY COVID-19**

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 – March 30, 2020** – Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN) announces that due to logistics and delays caused by the COVID-19 virus, it is relying on the exemption provided in Ontario Instrument 51-502 - *Temporary Exemption from Certain Corporate Finance Requirements* (the "**Ontario Instrument**") of the Ontario Securities Commission (and similar exemptions provided by the securities commissions in British Columbia and Alberta) to postpone the filing of the following continuous disclosure documents (collectively the "**Documents**"):

- the Company's Annual Audited Financial Statements for the twelve-month period ended December 31, 2019 as required by section 4.2 of National Instrument 51-102 - *Continuous Disclosure Obligations* ("**NI 51-102**");
- the Company's Management Discussion & Analysis for the twelve-month period ended December 31, 2019 as required by section 5.1(2) of NI 51-102; and
- the Company's Annual Information Form for the twelve-month period ended December 31, 2019 as required by section 6.2 of NI 51-102.

According to the Ontario Instrument, during the period from March 23, 2020, to June 1, 2020, a person or company required to make certain filings as described in the Ontario Instrument has an additional 45 days from the deadline otherwise applicable under Ontario securities laws to make the filing. Until the Company has filed the required financial statements, management's discussion and analysis and annual information form, members of the Company's management and other insiders are subject to a insider trading black-out policy that reflects the principles in section 9 of National Policy 11-207 - *Failure-to-File Cease Trade Orders and Revocations in Multiple Jurisdictions*.

The Company expects to file the Documents by no later than April 29, 2020.

Below, the Company has provided an update on material business developments since the date of the Company's latest interim financial reports, certain of which have already been disclosed in prior press releases:

- On October 15, 2019, the Company's common shares commenced trading on the OTCQX® Best Market in the United States under the symbol "AVCNF";
- On October 18, 2019, the Company announced that Santa Marta Golden Hemp S.A.S. ("**SMGH**") obtained a United States Department of Agriculture ("**USDA**") National Organic Program ("**NOP**") certification from Control Union Certifications, for its hemp cultivar and obtained registration for an additional 11 strains of psychoactive cannabis and 4 strains of non-psychoactive cannabis, resulting in SMGH having a total of 14 registered strains of psychoactive cannabis and 5 registered strains of non-psychoactive cannabis;



- On October 21, 2019, the Company announced the retail launch of its Pura Earth™ derma-cosmetics line of CBD products in approximately 59 high-end retail locations throughout Colombia, including Blind prestige beauty shops and Cromantic professional beauty markets;
- On October 24, 2019, the Company announced that SMGH, its majority owned subsidiary, completed commercial exports of its Aureus™ brand of CBD-based products to South Africa and the United Kingdom;
- On November 12, 2019, the Company's common shares commenced trading on the Frankfurt Stock Exchange under the ticker symbol "ONN";
- On November 26, 2019, the Company entered into a license agreement (the "**License Agreement**") whereby it licensed the use of certain intellectual property including its proprietary product formulations, Rho Phyto™ trademarks, to LC2019 Inc. ("**LC2019**") for commercialization in the U.S. As consideration for entering into the License Agreement, LC2019 and its shareholders entered in to an option agreement with Avicanna (the "**Option Agreement**") that grants Avicanna the option (the "**Option**") to acquire 100 percent of the issued and outstanding shares of LC2019, with such Option to be exercisable on the occurrence of changes in U.S. federal law to permit the general cultivation, distribution, and possession of marijuana or to remove the regulation of such activities from the federal laws of the United States (the "**Triggering Event**"). Avicanna may elect to waive the Triggering Event and exercise the Option at any time. The License Agreement will enable LC2019 to commercialize Avicanna's Rho Phyto products and proprietary research-backed formulations in the U.S. marketplace;
- On December 3, 2019, the Company announced that it entered into an importation and distribution agreement with Astral Health Ltd., the operating subsidiary of the LYPHE Group Ltd., to supply its cannabis-based medicinal products to patients in the United Kingdom under the Medicines and Healthcare products Regulatory Agency 'specials' programme;
- On December 5, 2019, the Company announced that it obtained eligibility with the Depository Trust Company ("**DTC**") for its common shares listed in the United States on the OTCQX® Best Market, allowing its securities to be electronically cleared and settled through DTC;
- On December 27, 2019, the Company announced that it entered into a credit facility (the "**Credit Facility**") with Inmobiliaria Bondue S.A.S. ("**Bondue**") pursuant to which Avicanna will be entitled to borrow up to USD\$5,000,000. Advances made under the Credit Facility will bear interest at a rate of 8.0% per annum. The Credit Facility is unsecured and is repayable upon a default by Avicanna or the demand of Bondue. The Credit Facility is intended to be used for general working capital purposes;
- On January 7, 2020, the Company entered into an exclusive distribution agreement with Medical Cannabis by Shoppers, a subsidiary of Shoppers Drug Mart Inc., to distribute the Corporation's Rho Phyto™ medical cannabis and Pura Earth™ derma-cosmetic (consumer retail) product lines in Canada, which include sublingual sprays, oil drops, gels, creams, tablets and capsules;



- On January 13, 2020, the Company announced the results from its first of three cosmetic clinical studies conducted by CAIMED. 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. This study achieved its primary endpoint of enhanced hydration;
- On January 24, 2020, the Company completed a private placement financing under which it issued 822,721 units at a price of \$2.50 per unit for aggregate gross proceeds of approximately \$2.06 million. Each unit issued under the offering was comprised of one common share and one-half of one warrant. Each whole warrant is exercisable into one common share at an exercise price of \$3.00 per common share for a period that expires on January 24, 2023 subject to acceleration;
- On February 7, 2020, the Company entered into an agreement with Valens Agritech Ltd. ("**Valens**") whereby Valens agreed to license the Company's intellectual property for the manufacture of Avicanna's medical cannabis products for distribution in Canada; and
- On February 24, 2020, the Company announced that it entered into an importation and distribution agreement with Cannvalate Pty Ltd. ("**Cannvalate**") to supply its Rho Phyto™ medical cannabis products to Cannvalate to provide to patients under the Australian Therapeutic Goods Administration Special Access Scheme, as well as to supply active cannabis pharmaceutical ingredients. The Company also agreed to supply Cannvalate with a line of advanced cannabinoid phyto-therapeutic products on a white-labelled basis. Under the agreement, the Company appointed Cannvalate as an exclusive distributor for the Rho Products in Australia, subject to Cannvalate meeting minimum purchase requirements.

## **About Avicanna**

Avicanna is an Ontario, Canada based 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**

*This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only Avicanna's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of Avicanna's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein includes, but is not limited to, the timing of the filing of the Documents.*

*By identifying such information and statements in this manner, Avicanna is alerting the reader that such information and statements are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of Avicanna to be materially different from those expressed or implied by such information and statements. In addition, in connection with the forward-looking information and forward-looking statements contained in this press release, Avicanna has made certain assumptions.*

*Among others, the key factors that could cause actual results to differ materially from those projected in the forward-looking information and statements are the following: decreases in the prevailing prices for cannabis and cannabis products in the markets in which the Company operates; adverse changes in applicable laws; adverse changes in the application or enforcement of current laws, including those related to taxation; increasing costs of compliance with extensive government regulation; changes in general economic, business and political conditions, including changes in the financial markets and in particular in the ability of the Company to raise debt and equity capital in the amounts and at the costs that it expects; risks related to licensing, including the ability to obtain the requisite licenses or renew existing licenses for the Company's proposed operations; dependence upon third party service providers, skilled labor and other key inputs; risks inherent in the agricultural and retail business; intellectual property risks; risks related to litigation; dependence upon senior management; and the other risks disclosed in the Company's long form final prospectus dated July 8, 2019. Should one or more of these risks, uncertainties or other factors materialize, or should assumptions underlying the forward-looking information or statements prove incorrect, actual results may vary materially from those described herein as intended, planned, anticipated, believed, estimated or expected.*

*Although Avicanna believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements*



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*will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. Key assumptions used herein are that there will not be any unexpected costs or delays in the completion of the cultivation facilities, the Company will be able to continue to harvest inventory at a rate consistent with historical capabilities, the Company will realize expected yields on expanded facilities, the Company will not encounter any delays in the launch of its phyto-therapeutic line, the completion of the laboratory with Sigma Analytical Services Inc. will proceed on time and budget, no competitors or third parties will establish a GMP and GLP compliant laboratory in Colombia prior to the launch of the Company's laboratory, the University of Guelph will be able to complete studies and generate data in accordance with the exclusive research agreement entered into with the Company and the Company will not be subject to any unforeseen delays or regulatory or contractual actions that will prevent it from completing research on cannabinoids in the MaRS Discovery District.*