



AVICANNA ADVANCES ITS SUPPLY CHAIN BUSINESS WITH COMMERCIAL EXPORTS OF CBG AND CBD INTO THE UNITED STATES AND GERMANY AS WELL AS INDUSTRIAL SCALE THC QUOTA GRANTED BY THE COLOMBIAN AUTHORITIES

- *The export of the CBG isolates into the United States is part of the first known industrial cultivation, extraction, and purification of cannabigerol (“CBG”) in Colombia, validating the Company’s early mover advantage in proprietary genetics, extraction, and high margin input materials.*
- *The commercial THC cultivation quota for 11,587 psychoactive plants will be used for commercial production of THC derivatives for exports.*
- *The group of exports into the United States were also piloted as a part of a global tracking system through StrainSecure™, a brand of TruTrace Technologies.*

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Toronto, Ontario – Aug 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 plant-derived cannabinoid-based products announces that through its majority owned subsidiary, Santa Marta Golden Hemp S.A.S. ("**SMGH**"), the Company has completed exports of CBG and CBD isolates into the United States, CBD isolate into Germany and the commencement of a pilot tracking system for the export of its active pharmaceutical ingredient ("**API**") products in partnership with TruTrace Technologies Inc. ("**TruTrace**") (CSE: TTT) (OTCQB: TTTSF). The Company is also pleased to announce that the Colombian Ministry of Justice and Law has granted SMGH a commercial and industrial cultivation quota for 12,264 THC plants by.

The export and sale of the commercial lot of isolated CBG into the United States was completed in parallel with commercial export of isolated CBD into the United States, as well as a pilot export for R&D purposes of CBD into Germany. The cultivation, extraction and purification of these cannabinoids including the rare cannabinoid, CBG, were all completed through Avicanna’s vertical integration at SMGH and validate the company’s innovation and leadership in natural rare cannabinoid production. The products are part of the Aureus™ product portfolio that now includes feminized seeds and advanced formulations as well as CBD, CBG and THC API products.

“This is another massive accomplishment for our team in Colombia as we enter the largest market in the world for non-psychoactive cannabinoids with our proprietary CBG offering. As the cannabinoid-derived products sector continues to evolve, our Aureus branded portfolio continues to advance in order to cater to the needs of our cosmetics and pharmaceutical partners, which require an innovative, credible, thoroughly-tested, organic, sustainable and economical source of input materials. Additionally, with the support of TruTrace, the Aureus products will be provided with traceability and trackability all the way back to the seed through a secured blockchain system.” - Aras Azadian, Chief Executive Officer of Avicanna.

The Colombian Ministry of Justice and Law granted SMGH a supplementary cultivation quota to cultivate 12,264 psychoactive cannabis plants. 11,587 plants will be destined to produce dry flower which will then be used to manufacture psychoactive derivatives for commercial production for export. The remaining 677 plants will be utilized for psychoactive derivatives for the purposes of research and development and pilot production of Avicanna's RHO Phyto™ branded products in Colombia.

Lucas Nosiglia, President of Avicanna LATAM commented: "This achievement took years of characterization, evaluation and planning which will finally allow Avicanna to produce our THC products and export THC derivatives to our international partners. As one of the only companies permitted to produce THC commercially for the global market, we can focus on less competitive and high margin products."

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 StrainSecure™ by TruTrace

Designed specifically by TruTrace for the cannabis industry, StrainSecure™ is a fully integrated software platform, secured on blockchain which aggregates and authenticates all testing and quality assurance data on products and verifies the quality of each batch and lot in distribution. Furthermore, this deployment will mark the first utilization by TruTrace of the OrionOne™ global freight and logistics solution in the cannabis sector thereby providing dynamic visibility of verified Aureus products through the entire international shipping process.

About Avicanna

Avicanna is a diversified and vertically integrated Canadian biopharmaceutical company focused on the research, development and commercialization of plant-derived cannabinoid-based products for the global consumer, medical, and pharmaceutical market segments.

Avicanna is an established leader in cannabinoid research and development, which it primarily conducts at its R&D headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto, Canada and in collaboration with leading Canadian academic and medical institutions. In addition to its developing pharmaceutical pipeline, Avicanna's team of experts have developed and commercialized several industry leading product lines, including:

- Pura H&W™: an advanced and clinically tested line of CBD consumer derma-cosmetic products; and,
- RHO Phyto™: an advanced line of medical cannabis products containing varying ratios of CBD and THC currently available nation-wide across Canada in partnership with Medical Cannabis by Shoppers™, a subsidiary of Shoppers Drug Mart. RHO Phyto is the first strictly medical formulary of advanced "Cannabis 2.0" products, containing oils, sprays, capsules, creams, and gels, all developed with scientific rigour, manufactured under GMP standards and supported by pre-clinical data.

With ongoing clinical trials on its derma-cosmetic (Pura H&W), medical cannabis (RHO Phyto) and a pipeline of pharmaceutical products, Avicanna's dedication to researching the important role that cannabinoids play in an increasingly wider scope of products has been at the core of the Company's vision since its inception. Furthermore, Avicanna's commitment to education is demonstrated through its annual medical symposium, the Avicanna Academy educational platform, and the My Cannabis Clinic patient program through its subsidiary company.

Avicanna manages its own supply chain including cultivation and extraction through its two majority-owned subsidiaries, Sativa Nativa S.A.S. and Santa Marta Golden Hemp S.A.S., both located in Santa Marta,

Colombia. Through these sustainable, economical, and industrial scale subsidiaries, Avicanna cultivates, processes, and commercializes a range of cannabis and hemp cultivars dominant in CBD, CBG, THC, and other cannabinoids for use as active pharmaceutical ingredients. Avicanna's Avesta Genetica program specializes in the development and optimization of rare cultivars for commercial production along with feminized seeds for global export. In June 2020, Avicanna made history with a shipment of hemp seeds to the United States of America by completing the first ever export of hemp seeds from Colombia.

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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 at info@avicanna.com.

Cautionary Note Regarding Forward-Looking Information and Statements

This news release contains "forward-looking information" within the meaning of applicable securities laws. Forward-looking information contained in this press release may be identified by the use of words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions, and includes statements with respect to the ability of SMGH to continue to complete exports of CBD and CBG isolates to the United States and Germany, SMGH's ability to continue selling CBD and CBG isolates in the United States and Germany, SMGH's ability to make use of the supplementary cultivation quota granted by the Colombian Ministry of Justice and Law, the ability of the Company to produce THC products using API produced by SMGH, and the ability of SMGH to export THC derivatives internationally. Forward-looking information is not a guarantee of future performance and is based upon a number of estimates and assumptions of management in light of management's experience and perception of trends, current conditions and expected developments, as well as other factors relevant in the circumstances, including assumptions in respect of current and future market conditions, the current and future regulatory environment; and the availability of licenses, approvals and permits.

Although the Company believes that the expectations and assumptions on which such forward-looking information is based are reasonable, undue reliance should not be placed on the forward-looking information because the Company can give no assurance that they will prove to be correct. Actual results and developments may differ materially from those contemplated by these statements. Forward-looking information is subject to a variety of risks and uncertainties that could cause actual events or results to differ materially from those projected in the forward-looking information. Such risks and uncertainties include, but are not limited to current and future market conditions, including the market price of the common shares of the Company, and the risk factors set out in the Company's annual information form dated April 15, 2020, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at www.sedar.com.

The statements in this press release are made as of the date of this release. The Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise, other than as required by applicable securities laws.