



AVICANNA™

## **AVICANNA EXPANDS DISTRIBUTION NETWORK IN SOUTH AMERICA THROUGH COMMERCIAL PARTNERSHIPS IN ECUADOR AND COMMERCIAL EXPORT OF FEMINIZED SEEDS TO URUGUAY**

*Partnership with Alliancepharma Technologies S.A., one of Ecuador's largest pharmaceutical companies, will take advantage of the upcoming cannabis regulations to allow for the registration and distribution of several of Avicanna's consumer and pharmaceutical products across Ecuador*

*Distribution agreement with Spenta S.A., an Ecuadorian cosmetic distributor, for the distribution of its derma-cosmetic product line branded as Pura Earth™*

*Successful registration and export of CBD and CBG dominant feminized seeds to Uruguay from Colombia*

/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 17, 2020 – Avicanna Inc. (“**Avicanna**” or the “**Company**”) (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN), a biopharmaceutical company focused on the development, manufacturing and commercialization of plant-derived cannabinoid-based products, is pleased to announce that it has entered into an importation and distribution agreement with Alliancepharma Technologies S.A. (“**Alliancepharma**”) for the distribution of Avicanna’s advanced and clinically supported medical and pharmaceutical formulations in Ecuador. Avicanna has also entered into an agreement with Spenta S.A. (“**Spenta**”), an Ecuadorian cosmetic distributor, for the distribution of its Pura Earth branded derma-cosmetic product line nationwide. As part of its commercial expansion plans, Avicanna has also completed an export of feminized seeds to Uruguay from its majority-owned cultivation subsidiary, Santa Marta Golden Hemp S.A.S. (“**SMGH**”) in Santa Marta, Colombia.

Avicanna’s exclusive agreement with Alliancepharma will take advantage of the upcoming Ecuadorian regulations of cannabis-based products and allow for the registration and commercialization of Avicanna’s advanced cannabinoid-based consumer and pharmaceutical products in the Ecuadorian market. The product offerings include Avicanna’s deep tissue topical formulations marketed as consumer products in addition to several pharmaceutical products that are intended to be registered as indication specific drugs and natural medicines. Alliancepharma, a part of the Naturex group and one of the largest pharmaceutical companies in Ecuador, is expected to leverage its in-house distribution and commercialization capabilities as well as its network of nation-wide pharmacies to bring Avicanna’s products to consumers all over the country upon the regulations in Ecuador coming into effect.

“We are very excited to enter the Ecuadorian market with the first cannabinoid-based pharmaceutical products with the support of a world class partner such as Avicanna Inc. This partnership strengthens our commitment as pioneers and leaders in the pharmaceutical industry, offering innovative phyto-therapeutic solutions to continue improving the quality of life of our patients.” Stated Diego Vega, International Business Development Director of Alliancepharma.

Avicanna’s Pura Earth branded derma-cosmetic products are expected to enter the Ecuadorian market through Spenta’s distribution nationwide network of pharmacies, beauty retailers and e-commerce platforms. The agreement with Spenta coincides with an initial purchase order of several SKU’s which is expected to be exported from Colombia in Q1-2021. This will become the second South American market

after Colombia in which the Pura Earth branded derma-cosmetic products will be available for sale. The derma-cosmetic formulations, which synergistically combine natural ingredients with hemp-derived CBD, have been developed through a rigorous scientific and evidence-based approach that includes positive results from the completion of 3 cosmetic human clinical studies.

As part of the Company's commercial expansion plans, Avicanna's majority owned subsidiary, SMGH, has completed the registration of its CBD and CBG dominant genetics in Uruguay and a commercial export of feminized non-psychoactive cannabis seeds to Uruguay. This marks three countries in which Avicanna's seeds are currently commercially sold including the United States and Colombia. As a global cannabis and hemp cultivation industry begins to emerge, Avicanna's industry leading genetics program seeds business unit is well positioned to be a reliable supplier of high quality seeds.

Lucas Nosiglia, President of Avicanna LATAM, commented: "We continue to demonstrate leadership across the LATAM markets and validate our diverse business model which is dedicated to quality cannabinoid products across the full value chain. We are optimistic about the opportunity in LATAM markets as we continue to see the regulations and business opportunities evolve and believe our medical and scientific superiority combined with our sustainable and economical costs positions us at the forefront of this emerging sector."

To the knowledge of the Company, it is in compliance with all applicable laws in the jurisdictions in which it operates.

### **About Avicanna Inc.**

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 Earth™ or 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 2 developed with scientific rigour, manufactured under GMP standards and supported by pre-clinical data.

With ongoing clinical trials on its derma-cosmetic (branded as Pura Earth or Pura H&W), medical cannabis (branded as 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.

SOURCE Avicanna Inc.

### **Stay Connected**

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 at [info@avicanna.com](mailto: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 the Company to manufacture any of the products, the ability of the Company to export any of the products, the ability of Alliancepharma or Spenta to distribute the products, the regulations coming into full force and effect in Ecuador, and the ability of SMGH to continue to complete exporting cannabis seeds to Uruguay. 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 and final short form prospectus dated November 27, 2020, filed with the Canadian securities regulators and available under the Company's profile on SEDAR at [www.sedar.com](http://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.*