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Avicanna Initiates Pre-Clinical and Behavioural Studies on its RHO Phyto™ Formulary with University of Guelph and Provides Research and Management Team Updates

TORONTO, Jan. 21, 2021 (GLOBE NEWSWIRE) – 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 has updated and amended its collaboration with Dr. Jibrán Khokhar, Assistant Professor at the University of Guelph, and initiated prioritized pre-clinical studies on the RHO Phyto formulations that are commercialized in Canada and Colombia. Additionally, the Company provides an update on research projects with the University of Toronto and Thompson Rivers University as well as a change to its management team.

Initiation of pre-clinical studies on RHO Phyto in collaboration with University of Guelph

Further to Avicanna’s previous announcement regarding Dr. Khokhar’s research team at the University of Guelph being awarded a Natural Sciences and Engineering Research Council of Canada (“**NSERC**”) Alliance grant focused on the neurobiological underpinnings of cannabis toxicosis with the aim to evaluate Avicanna’s formulations in the treatment of cannabis-induced toxicosis, the project is now being expanded. The expansion of the project includes pharmacokinetic and behavioural testing of Avicanna’s RHO Phyto™ formulations as well as studying their efficacy in alleviating neuropathic pain and addiction. The data generated from the research will help guide Avicanna’s clinical development, including the pharmaceutical and real-world evidence studies related to the RHO Phyto formulations, and will provide additional information to health care practitioners who are recommending and prescribing the products in several markets.

COVID-19 drug candidate project update

The research collaboration with the University of Toronto on the development of a drug candidate to treat lung inflammation caused by COVID-19, with funding support from an NSERC Alliance grant and a MITACS Alliance grant, is complete. The peer-reviewed grants were focused on the development of a cannabinoid formulation to be used for further research on COVID-19. The physical and chemical characterization of the optimized cannabinoid formulation is complete, which included its stability and drug release properties in relevant conditions.

COVID-19 and anti-inflammatory related research collaboration with TRU with non-dilutive funding

In partnership with Avicanna, Dr. Kingsley Donkor and collaborators from Thompson Rivers University (“**TRU**”), will be evaluating naturally derived cannabinoids and candidate formulations for their efficacy to modulate the receiving receptor of COVID-19 (angiotensin-converting ACE2 gene expression). This project will focus on elucidating the mechanism of action of novel prophylactic nasal and oral cannabinoid products for humans that target ACE2 viral gateways. Candidate formulations, once identified, will be evaluated for anti-inflammatory effects in human-derived lung tissue models. The research with TRU is supported by an NSERC grant and a MITACS Internship.

Management change

Avicanna further announces the resignation of Dr. Amza Ali from his role of Chief Medical Officer so that he may focus more on his medical, academic, and other research pursuits and to dedicate more time to his

family. Dr. Ali's resignation will be effective January 28, 2021. Dr. Ali will continue to advise on the Company's neurology-related projects including the recently announced epilepsy collaboration with UHN. Avicanna's extensive medical and R&D team continues advancing the Company's clinical projects and will maintain its scientific leadership position within the cannabinoid industry.

Aras Azadian, CEO of Avicanna, commented: "I want to thank Dr. Ali for his contributions during his tenure with Avicanna. He has been instrumental in establishing our medical guidelines and enhancing our clinical plans and we look forward to continuing to build on the medical and scientific platforms and best practices we have established. We also look forward to his continuous guidance on our neurological projects, including the very important epilepsy research we have recently embarked on."

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.

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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.

The company posts updates through videos from the official company YouTube channel <https://www.youtube.com/channel/UC5yBclNIsNf7VrE34iwt8OA>.

Please join the conversation on our Avicanna supporter's telegram group at <https://t.me/Avicannainc>.

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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 Company's ability to complete the various studies, the Company's and the research institutions' abilities to maintain any and all required licenses or authorizations to perform the studies, and the Company's ability to market and/or publish any data resulting from the studies. 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.

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