



AVICANNA™

## **AVICANNA ADVANCES PHARMACEUTICAL EPILEPSY PROGRAM WITH COLLABORATION WITH THE UNIVERSITY HEALTH NETWORK AND GMP MANUFACTURING OF ITS FIRST PHARMACEUTICAL PREPARATION**

*The multi-level cannabinoid-based collaboration with leading epilepsy researcher Dr. Peter Carlen at the world-renowned Krembil Research Institute at UHN is also supported by a Mitacs Accelerate program grant.*

*UHN scientists will be analyzing Avicanna's RHO Phyto™ cannabinoid-based products for their efficacy on comorbidities and seizure control in addition to identifying optimized cannabinoid and non-cannabinoid ratios for future drug development.*

*First fully GMP and ICH compliant manufacturing of Avicanna's proprietary pharmaceutical preparation to treat epilepsy has been completed by Altea Farmaceutica S.A. in preparation for registration and commercialization in South America.*

Toronto, Ontario – January 6, 2021 – 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, is pleased to announce that the Company has entered into a master services agreement (the “**Master Services Agreement**”) with the University Health Network (“**UHN**”) for projects to be performed by Dr. Peter Carlen as the principal investigator related to epilepsy. Additionally, the company has completed the technical transfer and first pharmaceutical pilot production of its epilepsy drug candidate at Altea Farmaceutica S.A. (“**Altea**”) in Bogota, Colombia, a major step required for the final preparation for its registration and commercialization in South America.

The epilepsy research collaboration is lead by Dr. Peter Carlen, who is a Senior Scientist at the Krembil Research Institute at UHN and a world-renowned researcher in the field of epilepsy. Dr. Carlen's laboratory will be analyzing Avicanna's RHO Phyto and pharmaceutical cannabinoid-based products (the “**Products**”) for their efficacy in the treatment of seizures. The partnership will also co-develop a high throughput electrophysiological testing system for the evaluation of multiple cannabinoid ratios and in combination with standard epileptic drugs. In addition, the system will examine standard anti-seizure drugs for their efficacy in the model and determine the potential synergistic value of adjunctive cannabinoids, and cannabinoids as monotherapy in treating seizures in this *in vitro* setting.

Dr. Peter Carlen commented: “The Carlen lab is very pleased to research the relationships between the premium medicinal cannabinoid products of Avicanna and their effects on epilepsy. Also, in collaboration with Avicanna, we are developing a high-throughput platform to assess these interactions. We think that medical cannabinoids will have a major impact on brain health, particularly as we gain greater understanding of their effects on brain function in health and disease.”

The services to be performed under the Master Services Agreement will be provided on an exclusive basis and Dr. Carlen's laboratory has agreed to not conduct testing on any formulations or products similar to the Products for a period of two (2) years. All intellectual property created under the Master Services Agreement will remain the sole property of Avicanna. The research collaboration is further expanded to include electrophysiological studies of medical cannabinoids on 3D human cerebral organoids and neuroglial cultures with the support of a two-year Mitacs Accelerate program grant.

Avicanna also completed its first pharmaceutical level production of its first epilepsy drug candidate under GMP and ICH guidelines which are necessary for sanitary drug registration. The formulation developed by Avicanna includes active pharmaceutical ingredients which are cannabinoids produced by Avicanna's subsidiary Santa Marta Golden Hemp S.A.S. The final GMP manufacturing took place at Avicanna's exclusive manufacturing partner's, Altea's, facility in Bogota, which is a Health Canada and ANVISA (Brazil) approved GMP facility. The completion of this pharmaceutical production now allows Avicanna to proceed with drug registrations for epilepsy across several markets in South America including Colombia and Brazil.

Aras Azadian, CEO of Avicanna, commented: "We are pleased to demonstrate our dedication to world-class research and to take this stride in our epilepsy research program with a leading Canadian research institute and Dr. Carlen. This multi-level partnership will help to further study our current medical cannabis and pharmaceutical products, and will support the development and increase the depth of our pharmaceutical pipeline. Additionally, the completion of our first pharmaceutical production marks a milestone event in our drug development plans and highlights our capabilities to scale our drug formulations from bench top to industrial manufacturing."

### **About the Krembil Research Institute at UHN**

The Krembil Research Institute at Toronto Western Hospital at UHN is home to one of the world's largest and most comprehensive teams of physicians and scientists uniquely working hand-in-hand to prevent and confront problems of the brain and spine. One in three Canadians will experience a brain-related condition such as Parkinson's, Alzheimer's or Stroke in their lifetime. Through state-of-the-art patient care and advanced research, we are working relentlessly toward finding new treatments and cures.

### **About Mitacs**

Mitacs is a not-for-profit organization that fosters growth and innovation in Canada by solving business challenges with research solutions from academic institutions. Mitacs is funded by the Government of Canada, the Government of Alberta, the Government of British Columbia, Research Manitoba, the Government of New Brunswick, the Government of Newfoundland and Labrador, the Government of Nova Scotia, the Government of Ontario, Innovation PEI, the Government of Quebec, and the Government of Saskatchewan.

### **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](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 carry on its obligations with UHN, Mitacs, or Altea, the ability of UHN or its staff to perform the studies referred to in this news release, or the potential outcomes of such studies referred to herein. 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.*

