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Avicanna Announces Receipt of Management Cease Trade Order and Provides Bi-Weekly Status Update

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TORONTO, April 12, 2021 (GLOBE NEWSWIRE) -- Avicanna Inc. (the “**Company**” or “**Avicanna**”) (TSX: AVCN) announces that, further to its March 29, 2021 news release, its application for a management cease trade order (the “**MCTO**”) under National Policy 12-203 – *Management Cease Trade Orders* (“**NP 12-203**”) has been approved by the Ontario Securities Commission (the “**OSC**”). The MCTO does not affect the ability of investors who are not insiders to trade in the securities of the Company.

The Company announced on March 29, 2021 (the “**Default Announcement**”) that it was filing an application seeking a MCTO from the OSC because it was likely to miss its filing deadline of March 31, 2021 to file its audited annual financial statements for the year ended December 31, 2020, and accompanying management’s discussion and analysis, annual information form and related certifications (collectively, the “**Documents**”), as required under applicable securities laws. The inability to file the Documents is due, in part, to the Company’s auditors requiring additional time to complete their audit and assess the accounting and disclosure contained in the Documents related to certain revenue transactions. The Company continues to work closely with its auditor and expects to file the Documents by April 30, 2021.

The MCTO restricts trading in securities of the Company by management and certain other insiders of the Company until such time as the Documents have been filed by the Company and the MCTO is no longer in effect. The MCTO does not affect the ability of shareholders who are not insiders of the Company to trade their securities.

Until the Company has filed the Documents, members of the Company’s management and other insiders are subject to an insider trading black-out as per its internal Insider Trading and Reporting Policy. The Company confirms that, other than as disclosed in prior press releases and material change reports, there have been no material business developments since the filing on November 11, 2020 of the Company’s latest interim financial reports for the nine month period ended September 30, 2020.

The Company is not currently subject to any insolvency proceedings. If the Company becomes subject to any insolvency proceedings and provides any information to any of its creditors during the period in which it is in default of filing the Documents, the Company confirms that it will also file material change reports on SEDAR containing such information as is required.

The Company confirms that since the date of the Default Announcement: (i) there has been no material change to the information set out in the Default Announcement that has not been generally disclosed; (ii) the Company is satisfying and confirms that it intends to continue to satisfy the provisions of the alternative information guidelines under NP 12-203 and issue bi-weekly default status reports for so long as the delay in filing the Documents is continuing, each of which will be issued in the form of a press release; (iii) there has not been any other specified default by the Company under NP 12-203; (iv) the Company is not subject to any insolvency proceedings; and (v) there is no material information concerning the affairs of the Company that has not been generally disclosed.

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:



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- 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>.

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 timing for the filing of the Documents. 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. 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



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by applicable securities laws.