



Avicanna's Majority Owned Colombian Subsidiary Attains 2021 THC Production Quota and Completes First Commercial Export of Aureus™ Branded THC Active Pharmaceutical Ingredients to Chile

- *Avicanna has been granted its 2021 quota from the Colombian government to cultivate and process up to 10,267 kg of dry flower for exports in the form of crude and standardized extracts and final phyto-therapeutic pharmaceutical products and to produce seeds from registered psychoactive varieties for commercial purposes.*
- *This is the first known import of THC Cannabis Extracts into Chile and will be utilized for pharmaceutical drug registration and commercialization.*
- *This marks the first export of psychoactive Cannabis Extract as a part of the Aureus™ branded product offerings which have been successfully exported into 7 other countries.*

TORONTO, March 29, 2021 (GLOBE NEWSWIRE) -- 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 through its majority owned Colombian subsidiary, Santa Marta Golden Hemp S.A.S. ("**SMGH**"), the Company has been granted a quota by the Colombian government to cultivate and process up to 10,267 kg of dry flower to manufacture psychoactive (THC) crude and standardized extracts and final phyto-therapeutic pharmaceutical products for export purposes and to produce seeds from registered psychoactive varieties for commercial purposes. The Company also announces that through SMGH it has completed its first commercial export to Chile. SMGH has successfully completed the export of 20.75 kilograms of high THC and high CBD full spectrum psychoactive cannabis resin (the "**Cannabis Extracts**") to a leading Chilean homeopathic and naturopathic pharmaceutical company.

Substantial 2021 quota for THC

SMGH has been granted a cultivation manufacturing quota by the Colombian government permitting the company to process up to 10,267 kg of dry flower from its registered and optimized genetics to produce psychoactive derivatives. This substantial sum will be collectively utilized for the exports of crude and standardized extracts and finished phyto-therapeutic pharmaceutical forms. The quotas also allow SMGH to cultivate up to 1,720 cannabis plants to produce seeds from four of SMGH's registered genetics. These seeds can be utilized to supply other licensed companies either inside Colombia or in foreign markets that permit the import, commercialization, and cultivation of cannabis. This positions the Company to be a supplier of THC-containing active pharmaceutical ingredients and finished products for medical purposes to several markets around the world that are welcoming such imports.

Commercial export into Chile

The Cannabis Extracts will be utilized for the manufacturing of cannabinoid-based pharmaceutical products which are currently in the final stages of clinical development and registration before being commercialized in South America.

The Cannabis Extracts branded as Aureus™ are cultivated, extracted, and manufactured by SMGH. SMGH also supplies pharmaceutical and cosmetics companies with cannabinoids including CBD, THC and rare cannabinoids such as CBG in addition to supplying global cultivation companies with standardized and feminized seeds.

Lucas Nosiglia, President of Avicanna LATAM commented: “We continue to set the standards, pioneer and establish our footprint in South America across our different business units. This milestone acts as Avicanna’s first commercial export of standardized psychoactive extracts into South America and evidence that the industry is evolving towards the need for quality standards and full traceability of input materials for cannabinoid-based pharmaceutical products. We are pleased to see legislation and opportunities related to cannabinoids-based cosmetics, medical and pharmaceutical products evolve at a rapid rate and believe we are in a great position to fortify our leadership position in the region.”

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 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.

The company posts updates through videos from the official company YouTube channel <https://www.youtube.com/channel/UC5yBcINIsNf7VrE34iwt8OA>.

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 ability of SMGH to produce seeds from registered psychoactive varieties for commercial purposes, the ability of SMGH to cultivate and process up to 10,267kg of psychoactive flower, the ability of SMGH to produce psychoactive derivatives, the ability of SMGH to cultivate up to 1,720 cannabis plants to produce seeds. The ability of the Company to supply other licensed companies in Colombia or globally with cannabis seeds, the Company being positioned to be a supplier of THC-containing active pharmaceutical ingredients and finished products for medical purposes around the world, the ability of the Company to export crude extracts and finished phyto-therapeutic pharmaceutical products, the ability of SMGH to complete additional exports of Cannabis Extracts to Chile, the ability of SMGH to continue to cultivate, extract, and manufacture the Cannabis Extracts, the ability of Avicanna to use the Cannabis Extracts for the production and manufacture of finished products, and the ability of SMGH to supply pharmaceutical and cosmetic companies with cannabinoids (including rare cannabinoids) in addition to supplying global cultivation companies with standardized and feminized seeds. 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 by applicable securities laws.