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Avicanna Announces Late Filing of Financial Statements and Application for Management Cease Trade Order

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TORONTO, March 29, 2021 (GLOBE NEWSWIRE) -- Avicanna Inc. (the “**Company**” or “**Avicanna**”) (TSX: AVCN) announces that it will miss the deadline (the “**Filing Deadline**”) of March 31, 2021 to file the following (collectively, the “**Documents**”):

- the Company’s audited annual financial statements for the years ended December 31, 2020 and 2019, as required by section 4.2 of National Instrument 51-102 - *Continuous Disclosure Obligations* (“**NI 51-102**”); and
- the Company’s Management Discussion & Analysis for the corresponding years ended December 31, 2020 and 2019, as required by section 5.1(2) of NI 51-102; and
- the CEO and CFO certificates relating to the interim financial report, as required by National Instrument 52-109 - *Certification of Disclosure in Issuers’ Annual and Interim Filings*.

The default 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.

Accordingly, the Company has informed staff of the Ontario Securities Commission about its anticipated delay in filing the Documents and has applied to the Ontario Securities Commission pursuant to Part 4 of National Policy 12-203 - *Management Cease Trade Orders* (“**NP 12-203**”) for a Management Cease Trade Order (“**MCTO**”) pending the filing of the Documents, which MCTO will prohibit the Company’s management from trading in the securities of the Company until such time as the Documents are filed. No decision has yet been made by the Ontario Securities Commission on this application. The Ontario Securities Commission may grant the application and issue the Management Cease Trade Order or it may impose an issuer cease trade order if the Documents are not filed on or before March 31, 2021.

The Company will comply with the alternative information guidelines set out in Section 9 of NP 12-203 and will file bi-weekly default status reports in the form of press releases. The Company anticipates and expects to file the Documents by April 30, 2021.

If a MCTO is issued, during the period of default and until filing of the Documents, the Company intends to satisfy the provisions of the “alternative information guidelines” as set out in NP 12-203, including the requirement to file bi-weekly status reports in the form of news releases containing prescribed updating information. There can be no assurance that a MCTO will be issued.

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 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.

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



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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/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 issuance of a Management Cease Trade Order in respect of Avicanna. 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



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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.