



## **Avicanna Executes Multi Year Agreement to Supply Brazilian Pharmaceutical Company with THC and CBD Cannabis Extracts**

- *Avicanna's standardized CBD and THC Cannabis Extracts are to be utilized to produce a range of cannabis-derived products for the Brazilian market of 211 million people.*
- *Fulfillment of purchase orders based on preliminary forecasts for 2022 is expected to generate approximately CAD\$4 million in revenue for Avicanna.*

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TORONTO, July 07, 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 its majority owned Colombian subsidiary, Santa Marta Golden Hemp S.A.S. ("**SMGH**"), has executed a three (3) year master supply agreement with a leading Brazilian pharmaceutical company to supply industrial volumes of high THC and high CBD full spectrum psychoactive cannabis resin (the "**Cannabis Extracts**").

The Cannabis Extracts will be used in the production of several products which will be registered and commercialized in Brazil through RDC 327/19 that regulates manufacturing, registration, importation and dispensing of cannabis-derived products.

Fulfillment of purchase orders under the agreement is expected to commence in 2021 for pilot batches. Fulfillment of purchase orders for commercial batches in 2022, based on initial forecasts made by the Brazilian pharmaceutical company pursuant to the agreement, is expected to generate approximately CAD\$4 million in revenue for Avicanna.

The Cannabis Extracts are cultivated, extracted and manufactured by SMGH pursuant to US and European pharmacopeia standards, the leading standards for the quality of products that may be used as active pharmaceutical ingredients ("**API**"). SMGH's product offerings include Cannabis Extracts as well as isolated CBD, THC, and CBG and standardized seeds, which are marketed under the Company's brand, Aureus™.

Aras Azadian, CEO of Avicanna, commented: "This first of its kind partnership for Avicanna further validates the company's competitive advantages and capability of producing sustainable, standardized and economical source cannabinoid API for our own product pipeline in addition to supplying our global pharmaceutical partners."

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](http://www.avicanna.com), call 1-647-243-5283, or contact Setu Purohit, President by email at [info@avicanna.com](mailto: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 complete additional exports of Cannabis Extracts to Brazil, the Brazilian pharmaceutical company*

*continuing to purchase the Cannabis Extracts from SMGH, and the ability of SMGH to continue to cultivate, extract, and manufacture the Cannabis Extracts. 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.*