



Avicanna Completes First Commercial Export of Aureus Branded Full Spectrum Psychoactive CBD Cannabis Extracts to Brazil

- *This initial export to Brazil marks Avicanna's first commercial export of psychoactive Cannabis Extracts into the emerging Brazilian medicinal cannabis market and the delivery of the initial purchase order from the previously announced three (3) year master supply agreement.*
- *This shipment also marks the 11th country to which SMGH has exported the Aureus™ branded products, which include a range of CBD, THC and CBG extracts and feminized seeds.*

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TORONTO, August 27, 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**"), it has completed its first commercial export of 20 kg of high CBD full spectrum psychoactive cannabis extracts (the "**Cannabis Extracts**") to Brazil in connection with the previously announced three (3) year master supply agreement that SMGH executed with a leading Brazilian pharmaceutical in July, 2021.

This marks the 11th country to which Avicanna has successfully completed export of Aureus-branded products in what stands as a demonstration of the Company's capabilities, innovation, and regulatory expertise. This export also validates the emergence of the global cannabinoid sector with reliance on quality, traceability and sustainability that Avicanna's Aureus products offer.

With a forecasted total market size of approximately USD \$9 billion by 2025¹, Brazil is expected to be one of the biggest cannabis markets globally and the largest in Latin America, particularly for medicinal cannabis products. 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.

Lucas Nosiglia, President of Avicanna LATAM, commented: "This export represents a key milestone for our team and a validation of our capabilities as we continue to lead the way with our products and have now entered our 11th country with the Aureus brand. The export to Brazil also confirms the regulatory pathway and acts as a proof of concept in the largest market in South America where we aim to establish long-lasting supply relationships with our Brazilian 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.

¹ Source: Passport, Euromonitor International, Cannabis in Latin America, July 2021

About Aureus™

Avicanna's supply chain business units are based out of Santa Marta, Colombia and are primarily dedicated to providing consistent source of cannabinoid raw materials for Avicanna's current commercial products and pharmaceutical pipeline for the global marketplace.

Additionally, under the Aureus™ brand, standardized cannabis extracts and feminized seeds are made available to cultivation, cosmetic and pharmaceutical partners around the world. Aureus branded products are cultivated, extracted, and manufactured by Avicanna's subsidiaries in Colombia where they benefit from optimal environmental conditions to produce cannabinoid active pharmaceutical ingredients economically and sustainably and include a range of extracts of CBD, THC and rare cannabinoids such as CBG. Avicanna's supply chain business also benefits from federally regulated legislation in Colombia where the Company is well positioned to be a global supplier of the less competitive psychoactive extracts including CBD and THC crude oil to meet the growing global demand.

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:

- RHO Phyto™: an advanced line of medical cannabis products containing varying ratios of CBD and THC currently available nationwide across Canada in medical channels in partnership with Medical Cannabis by Shoppers™, a subsidiary of Shoppers Drug Mart, and in adult use channels through provincial retailers. RHO Phyto is the first 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; and,
- Pura H&W™: an advanced and clinically tested line of functional CBD consumer derma-cosmetic products currently available nationwide across Canada in medical channels in partnership with Medical Cannabis by Shoppers™, a subsidiary of Shoppers Drug Mart, in adult use channels through provincial retailers in Canada and nation-wide across Colombia.

With ongoing clinical studies 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 Iryna Zheliasko by email at iryna@chfir.com.

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

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 ability of SMGH to continue to cultivate, extract, and manufacture the Cannabis Extracts 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.