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Avicanna Enters Master Supply Agreement with Chilean Pharmaceutical Pioneer Knop Laboratorios S.A.

Expansion and fortification of relationship since 2020 with established pharmaceutical company in Chile

Supply of Avicanna's active pharmaceutical ingredients for existing commercial and pipeline of pharmaceutical products in South America

TORONTO, January 14th, 2022 (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 subsidiary Santa Marta Golden Hemp (“SMGH”) the company has entered into a Master Supply Agreement with established Chilean pharmaceutical company Knop Laboratorios S.A. (“Knop”) to supply a range of cannabinoid-based active pharmaceutical ingredients (“API”) for the manufacturing, and commercialization of proprietary cannabinoid-based pharmaceutical products in Latin America.

Since 2018, Avicanna and Knop have developed a collaborative enterprise which has led to commercial imports of Avicanna’s API, including CBD and THC, which has been used in the development, production and commercialization of several cannabinoid-based products. Through this Master Supply Agreement between SMGH and Knop the two companies are further fortifying their commitments to a fruitful partnership and preparing for industrialization of Knop’s cannabinoid-based pharmaceuticals manufactured using Avicanna’s organic, sustainable inputs.



About Knop Laboratorios S.A.

Knop Laboratorios S.A. is a Chilean pharmaceutical company and pioneer in herbal medicine with more than 90 years of experience in the field and active presence in several Latin American countries including Chile, Ecuador, Colombia, Bolivia, Paraguay, and Peru. With a GMP certified plant located in Quilpué, Chile, Knop Laboratorios serves its markets with high-quality pharmaceutical products. Knop has a wide



portfolio of registered products, including Cannabiol®, a cannabinoid-based product already registered in Perú, and its own commercial infrastructure including strategic partnerships with 80+ “Knop Pharmacies” in Chile. In 2021, Knop opened the first R&D Center in Chile for phytomedicines and active ingredients of natural origin.

Knop is carrying out various Clinical Studies for their cannabinoid-based products, with authorization from the appropriate health authorities.

“We are happy to announce the fortification of our partnership with Knop and further expand into the Chilean market through our active pharmaceutical ingredient (API) offerings with an established pharmaceutical leader and pioneer in the cannabinoid sector in Chile. Over the past few years, we have worked closely together and are thrilled about the potential of what the two companies can accomplish jointly in the emerging medical and pharmaceutical industry, of the Southern Cone of Latin America.” stated Lucas Nosiglia, President of Avicanna LATAM.

About Avicanna

Avicanna is a Canadian commercial-stage biopharmaceutical company established in cannabinoid research, development, and evidence-based products for the global consumer, as well as medical and pharmaceutical market segments. In leading global cannabinoid advancements, Avicanna conducts most of its research in Canada at its R&D headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto, located in the MaRS Discovery District. The company actively collaborates with leading Canadian academic and medical institutions. Avicanna has established an industry-leading scientific platform including advanced R&D and clinical development which has led to the commercialization of over twenty products across four main market segments:

- **Medical Cannabis & Wellness Products:** Marketed under the RHO Phyto™ brand, or Magisterial Preparations, these medical and wellness products are an advanced line of pharmaceutical-grade cannabis products containing varying ratios of cannabidiol (“CBD”) and tetrahydrocannabinol (“THC”). The product portfolio contains a full formulary of products including oral, sublingual, topical, and transdermal deliveries that have controlled dosing, enhanced absorption and stability studies supported by pre-clinical data. The advanced formulary is marketed with consumer, patient and medical community education and training. Avicanna’s medical and wellness product portfolio also forms the foundation of the Company’s pharmaceutical pipeline with the contribution of the formulations that form the basis of the products as well as the data generated from sales and participation of the products in real world evidence studies.
- **CBD Derma-Cosmetic Products:** Marketed under the Pura H&W™ or Pura Earth™ brands, these registered, clinically tested, derma-cosmetic products include a portfolio of functional CBD topical products.
- **Pharmaceutical Pipeline:** Leveraging Avicanna’s scientific platform, vertical integration, and real-world evidence, Avicanna has created a pipeline of patent-pending drug candidates which are indication-specific and in various stages of clinical development and commercialization. These cannabinoid-based drug candidates provide solutions for unmet medical needs in the areas of dermatology, chronic pain, and various neurological disorders. Avicanna’s first pharmaceutical preparation (Trunerox) is in the drug registration stage in South America.
- **Cannabis Raw Materials, Seeds, and Bulk Formulations:** Marketed under the Aureus™ brand, the Company’s raw material business has successfully completed sales to 11 countries. Aureus offers cannabis dried flower, standardized seeds, full spectrum extracts, and cannabinoid distillates, isolated cannabinoids (CBD, THC, cannabigerol (“CBG”) and other rare cannabinoids), and bulk formulations derived from hemp and cannabis cultivars through its sustainable, economical, and



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industrial-scale subsidiaries based in Colombia. The majority of the Aureus products are produced at Santa Marta Golden Hemp S.A.S. ("SMGH"), the Company's majority-owned subsidiary, which is also Good Agricultural and Collection Practices ("GACP") certified and has United States Department of Agriculture ("USDA") National Organic Program certification for its hemp cultivar.

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For more information about Avicanna, visit www.avicanna.com, contact Ivana Maric by email at info@avicanna.com or follow us on social media on [LinkedIn](#), [Twitter](#), [Facebook](#) or [Instagram](#).

The Company posts updates through videos from the official company YouTube channel https://www.youtube.com/channel/UCFXPBGdKSxOUof_VZoSFSUA.

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. 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, the availability of licenses, approvals and permits, and the utility and potential application of certain drugs, cannabinoids, compounds and products. 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 September 3, 2021 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.