



Avicanna Sells Stake in Majority-Owned Colombian Subsidiary Sativa Nativa

The company is maintaining operations and its shares in its primary Majority-Owned Subsidiary, Santa Marta Golden Hemp, also based in Santa Marta Colombia

TORONTO, June 24th, 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 the sale of its stake in Sativa Nativa S.A.S. ("**Sativa Nativa**"), which was the Company's secondary majority owned Colombian subsidiary.

The aggregate price paid by the purchaser for the Company's shares in Sativa Nativa was approximately CAD \$675,000 in addition to a potential premium of CAD \$130,000 subject to the accomplishment of specific short-term milestones. The transaction allows the Company to eliminate redundancies, reduce its operational costs and generate efficiencies across its South American operations by focusing its supply chain efforts at its much larger and more operationally advanced majority owned subsidiary Santa Marta Golden Hemp ("SMGH"). The operations at SMGH have been the source of the company's Aureus-branded commercial exports to 16 countries and include the cultivation, extraction and production of cannabinoid raw materials including active pharmaceutical ingredients and seeds. SMGH is also the source of the Company's cannabinoids for most of its cosmetic and pharmaceutical preparations.

Lucas Nosiglia, President of Avicanna LATAM, commented: "We are happy to announce this strategic transaction which allows us to increase efficiencies throughout our supply chain infrastructure and re-focus resources on our core business units including our pharmaceutical preparations. In parallel we continue to make progress in our supply chain business at SMGH through which we have the capacity to continue to supply Avicanna and its global partners with high quality inputs".

About Aureus™

Avicanna's supply chain business unit is based in Santa Marta, Colombia and provides a consistent source of cannabinoid raw materials for the global marketplace. These include active pharmaceutical ingredients and feminized seeds, for Avicanna's cosmetic, medical, and pharmaceutical products, in addition to supplying the company's partners around the world. Aureus-branded products are cultivated, extracted, and manufactured by Avicanna's subsidiaries in Colombia where they leverage optimal environmental conditions to produce cannabinoid active pharmaceutical ingredients economically and sustainably with USDA organic and GACP certifications.

About Avicanna Inc.

Avicanna is a commercial-stage international biopharmaceutical company focused on the advancement and commercialization of evidence-based cannabinoid-based products for the global medical and pharmaceutical market segments. Avicanna has an established scientific platform including R&D and clinical development that has led to the commercialization of more than thirty products across various market segments:

Medical Cannabis & Wellness Products: Marketed under the RHO Phyto™ brand these medical and wellness products are a line of pharmaceutical-grade cannabinoid 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 formulary is marketed with consumer, patient and medical-community education and training.

Pharmaceutical Pipeline: Leveraging Avicanna’s scientific platform, vertical integration, and real-world evidence, Avicanna has created a pipeline of patent-pending drug candidates that are indication-specific and in various stages of clinical development and commercialization. These cannabinoid-based drug candidates look to address 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.

[Click to watch Avicanna’s Corporate Video 2022](#)

SOURCE Avicanna Inc.

Stay Connected

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.

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 news release may be identified using words such as, “may”, “would”, “could”, “will”, “likely”, “expect”, “anticipate”, “believe”, “intend”, “plan”, “forecast”, “project”, “estimate”, “outlook” and other similar expressions. 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 March 31, 2022 filed with the Canadian securities regulators and available under the Company’s profile on SEDAR at www.sedar.com. The statements in this news 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.