

FORM 51-102F3

MATERIAL CHANGE REPORT

Item 1. Name and Address of Company

Avicanna Inc. (the “**Company**”)
480 University Avenue, Suite 1502
Toronto, Ontario M5G 1V2

Item 2. Date of Material Change

May 25, 2023.

Item 3. News Release

A news release disseminated on May 29, 2023 via GlobeNewswire and filed on SEDAR.

Item 4. Summary of Material Change

The Company entered a definitive Asset Purchase Agreement (the “**Agreement**”) with Shoppers Drug Mart whereby the Company will acquire cash and assets of the Medical Cannabis by Shoppers business (the “**Business**”) with a final closing date set for July 31, 2023. As part of the Agreement’s terms, the Company will acquire specific assets of the Business, including inventory and equipment, for approximately \$2.6 million and will pay Shoppers Drug Mart an earn out, based on net revenues, for a period of two years.

Item 5. Full Description of Material Change

5.1 Full Description of Material Change

The material change is described in the news release attached hereto.

5.2 Disclosure for Restructuring Transactions

Not applicable.

Item 6. Reliance on Subsection 7.1(2) of National Instrument 51-102

Not applicable.

Item 7. Omitted Information

Not applicable.

Item 8. Senior Officer

For additional information, please contact Phillip Cardella, Chief Financial Officer of the Company at 1-647-243-5283 or info@avicanna.com.

Item 9. Date of Report

June 2, 2023