



Avicanna Announces Closing of Non-Brokered Private Placement of Debenture Units

NOT FOR DISTRIBUTION TO UNITED STATES NEWSWIRE SERVICES OR FOR DISSEMINATION IN THE UNITED STATES. ANY FAILURE TO COMPLY WITH THIS RESTRICTION MAY CONSTITUTE A VIOLATION OF UNITED STATES SECURITIES LAWS

TORONTO, Aug. 02, 2023 -- Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN), an innovative, commercial stage, and international biopharmaceutical company focused on the development advancement, and commercialization of evidence-based, cannabinoid-based products, is pleased to announce that it has closed a non-brokered private placement (the "**Offering**") of 1,455,000 debenture units of the Company (the "**Units**") at a price of \$1 per Unit, for aggregate gross proceeds of approximately \$1,455,000. Each Unit consists of an aggregate of \$1 principal amount of secured subordinated debentures (the "**Debentures**") and 1 common share purchase warrant (each, a "**Warrant**").

The Debentures will mature one year following the closing of the Offering (the "**Maturity Date**") and are not convertible into equity securities of the Company. The Debentures will bear interest at a rate of 18% per annum until the Maturity Date. The Debentures are subject to a 2% administration fee. The Company may prepay the Debentures at any time prior to the Maturity Date subject to a one-time prepayment fee of 1.5% of the principal amount.

The Debentures will rank *pari passu* in right of payment of principal with all other Debentures issued under the Offering and will be subordinated to the then currently outstanding convertible debentures issued on January 28, 2022, as amended on January 28, 2023 (the "**Senior Debentures**").

Each Warrant is exercisable into one common share in the capital of the Company (each a "**Warrant Share**") at a price of \$0.35 per share for a period of three years from the closing of the Offering.

The Company intends to use the proceeds from the Offering for the ongoing development of the Company's business model and for general working capital purposes, general and administrative expenses, repayment of debt, expenditures related to production and manufacturing, and research and clinical development. All securities issued under the Offering, including securities issuable on exercise thereof, are subject to a hold period expiring four months and one day from the date hereof.

The Offering is subject to certain conditions including, but not limited to, the receipt of all necessary approvals, including the approval of the TSX.

The Company has also entered into amending agreements with certain holders of Senior Debentures bearing an outstanding principal amount of \$562,000 (the "**Amending Agreements**"). Pursuant to the Amending Agreements, the term of the Senior Debentures has been extended to October 28, 2023, the Company will pay to the holders of Senior Debentures a one-time extension fee equal to 5% of the principal amount of Senior Debentures outstanding, and the Senior Debentures will bear interest at a rate of 20% per annum from and after July 28, 2023. If the Debentures are not repaid by the Maturity Date or if there is a default under the Senior Debentures, there will be a one-time penalty fee of 5% of the outstanding principal amount and the Debentures will bear interest at a rate of 22% per annum.

About Avicanna

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 \(RHO Phyto™\)](#): The formulary offers a diverse range of proprietary formulations including oral, sublingual, topical, and transdermal deliveries with varying ratios of cannabinoids and is supported with ongoing patient, and medical community education. RHO Phyto has been established as a leading medical brand in Canada and is currently available nationwide to patients across several medical channels and continues to expand into new international markets.
- [Pharmaceutical Preparations and Pipeline](#): Leveraging Avicanna's scientific platform, vertical integration, and real-world evidence, Avicanna has developed an extensive 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.

- [MyMedi.ca Medical Cannabis Care](#): MyMedi.ca is Avicanna's medical cannabis care platform that is formed with the aim to better serve medical cannabis patients' needs and enhance the patient journey. MyMedi.ca features diverse and scientifically curated products from leading Canadian licensed producers in addition to pharmacist led patient support programs and educational resources to facilitate the incorporation of medical cannabis into health care regimens. MyMedi.ca also provides specialty services to distinct patient groups such as veterans and collaborating with public and private providers for adjudication and reimbursement.

[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](#).

If you are a Healthcare Professional and would like to learn more about using medical cannabis in your practice, please visit [Avicenna Academy](#).

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 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 contained in this news release includes, without limitation, statements related to the Offering, including the use of proceeds, the receipt of all approvals of the Toronto Stock Exchange in connection with the Offering, statements with respect to the Company's future business operations, the opinions or beliefs of management and future business goals. 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, 2023 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 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.