



AVICANNA™

## Avicanna Announces Initial Listings and Sales for Evidence-Based RHO Phyto™ Products in Canada's Adult Use Channels Including Ontario, Manitoba, Saskatchewan, and New Brunswick

- Expanding from the successful nation-wide launch in medical-only channels through Medical Cannabis by Shoppers Drug Mart™ the company set out to rapidly commercialize its RHO Phyto products through retail channels and has succeeded in doing so within a three-month period.
- In collaboration with Velvet's sale infrastructure, the RHO Phyto products which include its advanced formulary of sublingual sprays, oil drops and topicals, are launching into retail sales channels valued at \$2.6 billion in 2020<sup>1</sup> in Canada.
- The initial listings across four provinces and start of retail channel sales validate market demand for the growing segment in Avicanna's advanced medical and wellness products within the retail channels.

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**Toronto, Ontario – April 20, 2021–** 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 listing of certain RHO Phyto products with the Ontario, Manitoba, Saskatchewan and New Brunswick provincial retailers (the "**Initial Listing**").



### ***Establishing a Leadership Position Within the Medical Community and Patients***

Since its launch in Medical Cannabis by Shoppers Drug Mart™ in Q3 2020, the RHO Phyto product line has experienced incredible success with overwhelming positive support from the medical community including 500+ prescribers and 30 medical cannabis clinics. RHO Phyto sales have increased over 40% month over month in all product categories and have successfully segmented and targeted medical and wellness consumers. Nearly 90% of the consumers of the RHO Phyto oral products including sublingual sprays and oral drops are over the age of 31 and 52% are female.

Avicanna will remain exclusive to Medical Cannabis by Shoppers Drug Mart for medical-only channels and has increased its current commercial offering from 2 to 7 SKU's in response to high demand from patients.

### **Successful Expansion into Retail Channels Provides a Low Barrier to Consumers Accessing the Industry's Leading Formulary of Medical and Wellness Products.**

It has become evident that many consumers who seek cannabis for medical and wellness purposes are not necessarily going through medical channels, with nearly 44% purchasing from adult use channels<sup>2</sup>. According to the 2020 Canadian Cannabis Survey, 76% of medical cannabis users do not have a medical document from a healthcare practitioner<sup>3</sup>. The systemic barriers to connecting with health care professionals, ease of access to storefronts and e-commerce channels, and expansion of the wellness category product offerings have all contributed to the increase in consumer demand for cannabinoid based medical and wellness products across adult use channels.

Within a short 3-month time frame, the Company has successfully established its production infrastructure, expanded the RHO Phyto product portfolio, and obtained the Initial Listings from four Canadian provinces. RHO Phyto products have already been delivered to the provincial retailers, including Ontario which represents the largest Canadian market opportunity.

"The initial demand and provincial listings in such a saturated market is a fantastic validation of the differentiation and market acceptance of the RHO Phyto product line beyond the medical cannabis channels. The rapid execution by our team will allow us to capture market share in the evolving medical and wellness categories within the adult use channels and is expected to be a significant revenue driver for the company in 2021." commented Aras Azadian, CEO of Avicanna.

The sales and distribution of RHO Phyto is completed in collaboration with Velvet Management Inc. which is a national sales and marketing agency with 100% focus on adult use cannabis. Velvet was created by the largest importer of alcohol in Canada, Groupe Dandurand, responsible for \$1.2 billion in retail sales. Velvet Management Inc., with 40+ employees, has become one of largest sales and marketing agencies in Canada with offices in Montreal, Toronto, Calgary, and Vancouver.

### **RHO Phyto Product Attributes and Retail Sales Strategy**

The advanced and standardized products are offered in various doses of CBD, THC and THC-Free formulations to provide consumers with a range of inhalation-free cannabinoid-based solutions. The advanced formulations are developed and optimized by Avicanna to provide enhanced absorption versus basic medium-chain triglyceride (MCT) oil formulations while providing a consistent experience with a pleasant taste and smell. The RHO Phyto products are delivered with accurate dosing which also allows for easy titration and dosing by consumers.

Avicanna's RHO Phyto strategy to leverage retail sales channels is consistent with the Company's vision to provide education and safe delivery of its products through evidence-based training and education to consumers, retailers and the medical community. Avicanna aims to establish RHO Phyto as a recommended brand within the cannabis industry and has initiated several pre-clinical and real-world evidence clinical trials on the products with leading Canadian medical institutions.

<sup>1</sup> Statistics Canada. [Table 20-10-0008-01 Retail trade sales by province and territory \(x 1,000\)](#)

<sup>2</sup> Health Canada. (2021). Canadian Cannabis Survey 2020 Survey.

<sup>3</sup> Idem.

### **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, with its research conducted primarily 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:

- Pura H&W™: an advanced and clinically tested line of CBD consumer derma-cosmetic products; and,
- RHO Phyto™: an advanced line of medical cannabis products containing varying ratios of CBD and THC currently available nation-wide across Canada in partnership with Medical Cannabis by Shoppers™, a subsidiary of Shoppers Drug Mart. RHO Phyto is the first strictly medical formulary of advanced "Cannabis 2.0" products, containing oils, sprays, capsules, creams, and gels, all developed with scientific rigour, manufactured under GPP standards and supported by pre-clinical data.

With ongoing clinical trials 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 symposiums, 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 its 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](http://www.avicanna.com), call 1-647-243-5283, or contact Setu Purohit, President by email at [info@avicanna.com](mailto:info@avicanna.com).

The company posts updates through videos from the official company YouTube channel <https://www.youtube.com/channel/UC5yBcINIsNf7VrE34iwt80A>.

### **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 incredible success of the RHO Phyto product line, sales of the RHO Phyto products increasing month over month in all product categories, the Company's ability to successfully segment and target medical and wellness*

*consumers, the high demand for the RHO Phyto products, the increase in consumer demand for cannabinoid based medical and wellness products across adult use channels, the Company's ability to maintain positive support of the RHO Phyto products from the medical community including 500+ prescribers and 30 medical cannabis clinics, the Company's ability to continue to deliver RHO Phyto products to provincial retailers, the differentiation and market acceptance of the RHO Phyto product line, the Company's ability to capture market share in the evolving medical and wellness categories within the adult use channels, the likelihood that RHO Phyto will be a significant revenue driver for the company in 2021, the ability of the Company to establish RHO Phyto as a recommended brand within the cannabis industry. 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](http://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.*