AVICANNA™

AVICANNA ADVANCES ITS SUPPLY CHAIN BUSINESS AND ANNOUNCES FILING OF AMENDED INTERIM FINANCIAL STATEMENTS

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Toronto, Ontario – September 4, 2020 – 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 announces that through its majority owned subsidiary, Santa Marta Golden Hemp S.A.S. ("**SMGH**"), the Company has completed exports of CBD water soluble formula into the United States and CBD-based cosmetics into the United Kingdom. The Company is also pleased to announce that the Colombian Ministry of Health has granted SMGH a commercial and industrial fabrication quota to produce psychoactive THC derivatives.

The Company also announces that it has amended and refiled its interim financial statements for the period ended June 30, 2020 (the "Interim Financial Statements") which amend the Company's interim financial statements for the same period originally filed on SEDAR on August 14, 2020. At the request of the Ontario Securities Commission, the Interim Financial Statements have been updated to include comparative financial information for the corresponding interim period in the immediately preceding financial year as such information was inadvertently omitted in the initial filing. The changes are for presentation purposes and no figures have been restated. The Company has updated the Statement of Changes in Equity to include the immediately preceding financial year June 30, 2019 balances as required by Section 4.3(2)(b) of National Instrument 51-102 - Continuous Disclosure Obligations.

The export and sale of the commercial lot of isolated CBD water soluble formula into the United States was completed in parallel with an export of CBD-based cosmetics into the United Kingdom. The cultivation, extraction and purification of these products were all completed through Avicanna's vertical integration at SMGH and validate the Company's innovation and leadership in natural rare cannabinoid production. The CBD water soluble formula is part of the Aureus™ product portfolio that now includes feminized seeds and advanced formulations as well as CBD, CBG and THC API products. The CBD-based cosmetics were manufactured using CBD produced by SMGH and formulas developed by Avicanna.

The Colombian Ministry of Health granted SMGH a supplementary fabrication quota to receive 1.4 tons of dry flower and transform them into approximately 150 kg of psychoactive derivatives which will be used for commercial exports.

To the knowledge of the Company, it carries out its operations in compliance with all applicable laws in the jurisdictions in which it operates.

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, which it primarily conducts 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 GMP 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 symposium, 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 a 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, call 1-647-243-5283, or contact Setu Purohit, President by email at info@avicanna.com.

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 ability of the Company to complete additional exports of CBD water soluble formula to the United States, the ability of the Company to complete additional exports of CBD-based cosmetics in to the United Kingdom, the ability of the Company to continue manufacturing CBD-based cosmetics using CBD produced by SMGH, the ability of SMGH to receive 1.4 tons of dry flower for the purposes of extracting psychoactive derivatives, and the ability of SMGH to produce 150 kg of psychoactive derivatives. 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, 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.