

PRESS RELEASE



MEDCOLCANNA ORGANICS INC. AND GRUPO CURATIVA SAS ENTERED INTO A JOINT VENTURE AGREEMENT FOR THE DEVELOPMENT AND COMERCIALIZATION OF CANNABIS BASED PHARMACEUTICAL PRODUCTS

Bogota - Colombia

Sep 10, 2020

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Bogotá, Colombia, September 10, 2020 – Medcolcanna Organics Inc. (TSXV: MCCN) through its wholly-owned subsidiary Medcolcanna SAS (“**Medcolcanna**”, “**MCCN**” or the “**Company**”), a leading Colombian integrated cannabis company, is pleased to announce that it has entered into a joint venture agreement for the development and commercialization of cannabis based pharmaceutical products with Grupo Curativa SAS (“**Curativa**”), an interdisciplinary group of physicians and scientists, internationally recognized for their development and commercialization of various carefully researched products with varying ratios of THC, CBD and other cannabinoids across human and veterinary populations. These formulas have been tested for numerous clinical conditions in over 4,000 patients over the past six years in Colombia, as well as internationally.

MCCN’s proprietary formulations are expected to be distributed through Curativa’s network of doctors to benefit the growing patient base they have created since 2014. MCCN’s product portfolio of 12 base formulations are expected to be augmented by Curativa’s recognized 17 formulations allowing MCCN to offer science-backed products to its own network of patient clinics in Colombia as well as its other medical cannabis distribution channels around the world. Along with its 17 formulations for humans, Curativa has also developed 7 formulations for pets. MCCN will collaborate with the Curativa technical teams for reformulations and the development of new formulations.

The joint venture expects to launch the first products in October 2020 and at such time MCCN will be producing at a commercial level. The products will be sold as

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magistral preparations in Colombia and MCCN will start providing its proprietary formulations to the existing network of 4,000 recurring patients under treatment by Curativa thus providing MCCN entry to an existing and rapidly growing client base.

Average final approximate price for each product sold is estimated to be between \$50 to \$60 USD (\$66 to \$79 CAD), with total sales having the estimated potential to reach ~ 2 Million USD (2.645 M CAD) in the first full fiscal year of operation (2021). Due to the supply limitation that Curativa had, they were unable to increase the patients that they service. MCCN and Curativa are optimistic of the growth potential to satisfy a larger patient base now that supply will not be limited to the patients that can be serviced. MCCN and Curativa are also pleased to announce that they will be able to make a positive impact on patients that were not serviced in the past, and hope that they can make a positive impact on their lives. The agreement establishes cost-plus wholesale pricing, protects innovation and intellectual property with royalty payments and sets both minimum retail pricing and suggested retail pricing. The agreement also allows for up to 10% of certain retail margins to go to a foundation for the purpose of serving low-income communities.

This joint venture agreement between MCCN and Curativa is expected to leverage MCCN's wholly-owned subsidiary Extralia Labs' extraction capacity to manufacture all of Curativa's products to augment its capacity to reach its fast-growing patient network.

The joint venture draws on Curativa's extensive scientific and medical experience to support the development of educational programs that will expand the knowledge base about the cannabis industry and the specific nature of the benefit of some products to affect certain conditions.

The partnership with Curativa underscores the group's confidence in the MCCN team and its focus on establishing a best-in-class manufacturing operation with the goal of becoming a leading extraction and high-quality product formulation center in Latin America and an international supplier of medicinal-grade cannabis oil extracts, active pharmaceutical ingredients (API) and related products.

Management Commentary

Felipe de la Vega, CEO of Medcolcanna, commented: *"This strategic alliance comes at a time when the Company has finalized its first stage in becoming a global leader in the cannabis industry by developing state of the art cultivation and extraction*