



## Avicanna Reports Q1 2022 Financial Statement and Management Change

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**TORONTO, May 12, 2022 (GLOBE NEWSWIRE)** -- Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN), a commercial stage, international biopharmaceutical company focused on the commercialization of evidence-based, cannabinoid-based products, is pleased to announce the filing of its interim financial statements for the three-month period ending March 31, 2022 ("**Q1 2022**") and the transition of the role of Chief Financial Officer.

"We are pleased to report on our continued progress and global commercialization efforts where we primarily focused on, and achieved, growth of our four brands in the Canadian marketplace. We also pursued continuous optimization of our operations which was demonstrated by significant cost reductions over the quarter, with the goal of self-sufficiency." stated, Aras Azadian, CEO at Avicanna Inc.

### **Q1 2022 highlights:**

Approximately 35,000 products sold representing a 41% increase in sales over last quarter and representing a 765% increase over Q1 2021. This was driven by a 44% increase in the number of Canadian product listings over the last quarter across medical and adult use channels.

Revenue of \$1.04M, representing 283% increase in revenue over Q1 2021 and \$0.01 net income per share compared to (\$0.14) net loss per share in Q1 2021.

On-going cost reduction, resulting in \$2M SG&A and a 28% reduction compared to \$2.85M SG&A in Q1 2021.

Entered Supply Agreement with Chilean based pharmaceutical company Knop Laboratorios S.A. to supply Aureus branded products.

Changes to the board and executive team with the appointment of two experienced pharmaceutical executives, Eileen McCormack to the Board of Directors and Stephen Kim as the Chief Legal Officer.

Commenced Epidermolysis Bullosa Studies with the Hospital for Sick Children. The study led by Dr. Elena Pope is designed to analyze the efficacy of the Company's dermatological products on a rare skin disease.

Closed a \$2.5M, non-brokered private placement at \$0.35 cents per unit, where each common share would entitle the holder to half warrant exercisable at \$0.40 cents per share.

Advancements in the pharmaceutical and medical cannabis pipeline, including the completion of the company's first international drug dossier for Trunerox™ in Brazil and the advancement of several medical cannabis pipeline products including water soluble formulations.

### **Other highlights subsequent to Q1 2022**

Entered into Exclusive License and Supply Agreement with South American based pharmaceutical company, to commercialize up to four (4) of Avicanna's proprietary cannabinoid-based pharmaceutical



preparations. Avicanna may possibly earn up to \$1.3M CAD in initial licensing fees through achieving various milestones.

Closed \$1.5M strategic private placement with lead investor Ei. Ventures, Inc., a technology company which seeks to empower mental wellness through psychoactive compounds, nutraceuticals, and technology, and with participation from other investors.

Expanded RHO Phyto™ formulary with Cannabigerol-based (“**CBG**”) products into the Canadian market, including oral, sublingual, and transdermal formulations which is anticipated to be made available through various medical and adult-use channels across Canada by Q3 2022.

Entered Importation & Distribution Agreement with Bio-Gate AG in Germany, to expand derma-cosmetics Brand Pura H&W™ into the European Union. Pura H&W’s evidence-based derma-cosmetics portfolio will be commercialized through Bio-Gate’s existing distribution channels with initial launches planned for Germany, Austria, and Switzerland in Q2 2022.

### **CFO Transition**

The Company has accepted the resignation of its Chief Financial Officer, Dave Sohi effective May 18, 2022. He will leave to pursue another opportunity and will for a period provide transition advisory services to the Company. The Company is pleased to announce Mr. Phillip Cardella, CPA CA to the position of Interim Chief Financial Officer effective May 18, 2022. Previously, Mr. Cardella held the position of Senior Vice President of Finance at the Company, and prior to joining the Company practiced accounting with MNP LLP, one of the largest full service professional accountancy and business advisory firms in Canada.

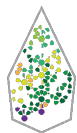
“We want to thank Dave for his 5 years of service where he helped deliver our common vision into a commercial stage multinational company and helped weather the many challenges associated with building a company operating in a novel and regulated industry. We wish Dave all the best in his future endeavours.” stated Azadian. “We are also delighted that Phil is able to assume the role of Interim CFO with the perspectives of, and familiarity with, the Company that only someone that has as already been working here can have.” continued Azadian.

### **About Avicanna Inc.**

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:** Marketed under the RHO Phyto™ brand these medical and wellness products are a line of pharmaceutical-grade cannabinoid products containing varying ratios of cannabidiol (“CBD”) and tetrahydrocannabinol (“THC”). The product portfolio contains a full formulary of products including oral, sublingual, topical, and transdermal deliveries that have controlled dosing, enhanced absorption and stability studies supported by pre-clinical data. The formulary is marketed with consumer, patient and medical-community education and training.

**Pharmaceutical Pipeline:** Leveraging Avicanna’s scientific platform, vertical integration, and real-world evidence, Avicanna has created 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



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neurological disorders. Avicanna's first pharmaceutical preparation (Trunerox™) is in the drug registration stage in South America.

[Click to watch Avicanna's Corporate Video 2022](#)

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The Company posts updates through videos from the official Company [YouTube](#) channel.

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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, the use of the proceeds of the Offering, 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, potential collaborations, 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, 2022, 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 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.