



Avicanna Provides Q4-2021 Results and Corporate Highlights as well as Fiscal 2022 Guidance

Projected revenue of \$9M for fiscal 2022 through its Canadian and global operations, including the international commercialization of cannabinoid-based pharmaceuticals

TORONTO, February 2nd, 2022 (GLOBE NEWSWIRE) — 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 provide fourth quarter 2021 results and highlights, as well as fiscal 2022 guidance.

Aras Azadian, CEO stated, “During 2021 we forged our path within the Canadian market and demonstrated our potential as a biopharmaceutical company with the commercialization of our proprietary wellness and medical products at a global level. We are optimistic about the early commercial success we have attained from our vertical integration which synergistically combines our sustainable input materials with our proprietary formulations to deliver a diverse portfolio of products competitively on the global stage.”

Q4 2021 Highlights and Guidance

- Projected record revenue of \$1.3M, representing the fourth consecutive quarter over quarter increase of at least 30%.
- Projected total fiscal 2021 revenue of \$3.3M, representing a 133% growth from \$1.5M in 2020.
- 70,000 units of proprietary cannabinoid-based product sold across global channels, representing a 160% growth from Q3, resulting in 124,000 units during 2021 versus 4,100 units in 2020.
- A total of 34 “cannabis 2.0” product listings across medical and adult-use channels in Canada, signifying an increase of 36% from the Q3-21.
- Total of 18 “cannabis 2.0” SKUs launched in Canada, through four brands which included the successful launch of Viola and re+Play brands during the quarter.
- Strengthened its position with the Medical Cannabis by Shoppers™ online portal with a total of 12 SKUs available to patients and the medical community by the end of fiscal 2021.
- The Company’s international distribution channels also progressed during the quarter with the opening of the Company’s 14th international market across four continents.
- The export and commercialization of its CBD skin care line Pura H&W™ in the United States and its medical cannabis brand RHO Phyto™ into the Caribbean region.

2022 Strategy and Guidance

2022 is expected to be a pivotal year for the Company, where it’s focus on commercial initiatives through its proprietary medical, wellness, skincare and pharmaceutical products are expected to yield more quantitative milestones across its international commercial channels.

- Projected \$9M in consolidated revenue from global operations, which is expected to be led by the anticipated sales of approximately 300,000 units of proprietary cannabinoid-based products.
- Anticipated increase in the number of “cannabis 2.0” SKUs across all four brands, coupled with additional listings that are expected to reach 60 by the end of 2022 in Canada.
- Expected expansion of existing evidence-based products to new medical channels and market share in Canada, motivated by the initial successful outcome of the partnership with Medical Cannabis by Shoppers™.



The Company is very optimistic about the combination of its market-tested intellectual property with its Latin American operations, which are transforming into a global supply and manufacturing infrastructure for its active pharmaceutical ingredients (API) and finished products. This is further encouraged by the progressive regulations towards medical and pharmaceutical applications of cannabinoid-based products at a global level. It is expected that the Company's international operations will achieve significant growth, fortify its brands, achieve operational efficiencies, and facilitate new international market entrances, all while advancing commercialization efforts in existing markets.

- Anticipated marketing authorization and commercialization of its first pharmaceutical preparation into three new international markets.
- Anticipated expansion of proprietary and evidence-based skincare and wellness topical products into new international markets including the United Kingdom, European Union, and South America.
- New international markets expected for Aureus™ branded raw-material business units, including its standardized seeds and API, while delivering to existing partners.
- Projected progression of innovation and advancements of its scientific platform, product pipeline and Intellectual property portfolio, which is expected to be further secured with the expected scientific evidence yielded through several clinical collaborations with leading Canadian institutions.
- Management expected to concentrate on further operational efficiencies and optimization of the Company's commercial activities by focusing on strategic and market-tested business models with the aim of achieving self sufficiency towards the end of 2022.

Guidance webinar

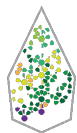
On February 3rd, 2022 at 11:00m EST, the Company will be hosting a webinar where CEO, Aras Azadian will be providing further details related to the Q4-21 and 2022 guidance and expectations. This event will feature a Q&A whereby participants will get an opportunity to submit their inquiries in advance for potential discussion during the event. To join this webinar, please register [here](#). For more information or to submit question to the Company in advance, please contact [Jordan Shafi](#) at CHF Capital Markets.

Correction of Error in January 28, 2022 News Release

As previously announced in the Company's news release dated January 28, 2022 (the "**Closing Release**"), the Company closed a non-brokered private placement (the "**Offering**") of convertible debenture units of the Company (the "**Units**"), with each Unit consisting of an aggregate of \$1,000 principal amount of secured subordinated convertible debentures and 545 common share purchase warrants, at a price of \$800 per Unit, for aggregate gross proceeds to the Company of approximately \$1,550,400. There were a total of 1,938 Units issued on January 28, 2022 in connection with the Offering, rather than 1,626 Units as erroneously stated in the Closing Release.

About Avicanna Inc.

Avicanna is an innovative, commercial-stage, and international biopharmaceutical company focused on the development, advancement, and commercialization of evidence-based cannabinoid-based products for the global consumer, as well as medical and pharmaceutical market segments. In leading global cannabinoid advancements, Avicanna conducts most of its research in Canada at its R&D headquarters in the Johnson & Johnson Innovation Centre, JLABS @ Toronto, located in the MaRS Discovery District. The Company actively collaborates with leading Canadian academic and medical institutions. Avicanna has established an industry-leading scientific platform including advanced R&D and clinical development that has led to the commercialization of more than twenty products across four main market segments:



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- **Medical Cannabis & Wellness Products:** Marketed under the RHO Phyto™ brand, or Magisterial Preparations, these medical and wellness products are an advanced line of pharmaceutical-grade cannabis 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 advanced formulary is marketed with consumer, patient and medical-community education and training. Avicanna’s medical and wellness product portfolio also forms the foundation of the Company’s pharmaceutical pipeline with the contribution of the formulations that form the basis of the products as well as the data generated from sales and participation of the products in real-world evidence studies.
- **CBD Derma-Cosmetic Products:** Marketed under the Pura H&W™ or Pura Earth™ brands, these registered, clinically-tested, derma-cosmetic products include a portfolio of functional CBD topical products.
- **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 provide solutions for 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.
- **Cannabis Raw Materials, Seeds, and Bulk Formulations:** Marketed under the Aureus™ brand, the Company’s raw material business has successfully completed sales to 11 countries. Aureus™ offers cannabis dried flower, standardized seeds, full-spectrum extracts, and cannabinoid distillates, isolated cannabinoids such as CBD, THC, cannabigerol (“CBG”) and other rare cannabinoids, and bulk formulations derived from hemp and cannabis cultivars through its sustainable, economical, and industrial-scale subsidiaries based in Colombia. The majority of the Aureus™ products are produced at Santa Marta Golden Hemp S.A.S. (“SMGH”), the Company’s majority-owned subsidiary, which is also Good Agricultural and Collection Practices (“GACP”) certified and has United States Department of Agriculture (“USDA”) National Organic Program certification for its hemp cultivar.

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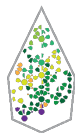
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For more information about Avicanna, visit www.avicanna.com, contact Ivana Maric by email at info@avicanna.com or follow us on social media on [LinkedIn](#), [Twitter](#), [Facebook](#) or [Instagram](#).

The Company posts updates through videos from the official Company YouTube channel https://www.youtube.com/channel/UCFXPBGdKSxOUOf_VZoSFSUA.

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 anticipated financial and/or operational results and outlook, including projected revenues, projected sales growth, anticipated expansion of product listings, the Company's anticipated application of its products, projected growth, anticipated geographical expansion, receipt of authorizations and regulatory approvals, success of clinical trials, scientific advancements and developments, successful commercialization of products, the Company's priorities,



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goals and strategies, industry trends and their anticipated impact, the anticipated impact of current market conditions on each of our segments and near term expectations, components and supply chain constraints, and the Company's financial statement estimates and assumptions. 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, the availability of licenses, approvals and permits, and the utility and potential application of certain drugs, cannabinoids, compounds and products. 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 September 3, 2021 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.

Future-oriented financial information

Financial outlook and future-oriented financial information contained in this news release about prospective financial performance, financial position or revenue is based on assumptions about future events, including economic conditions and proposed courses of action, based on management's assessment of the relevant information currently available. In particular, this presentation contains 2022 financial outlook information for the Company, including expected revenue. These projections contain forward-looking information and are based on a number of material assumptions and factors set out above and are provided to give the reader a better understanding of the potential future performance of the Company in certain areas. Actual results may differ significantly from the projections presented herein. These projections may also be considered to contain future oriented financial information or a financial outlook. The actual results of the Company's operations for any period will likely vary from the amounts set forth in these projections, and such variations may be material. See above together with the "Risk Factors" set out in the Company's annual information form dated September 3, 2021 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 for a further discussion of the risks that could cause actual results to vary. Readers are cautioned that any such financial outlook and future-oriented financial information contained herein should not be used for purposes other than those for which it is disclosed herein.