



Avicanna Announces Filing of Annual Financial Statements for Year Ended December 31, 2021

\$3.3M in revenue representing 108% Y-Y growth, significant growth in finished product sales

Total of 4 brands, 16 SKU's and 35 "cannabis 2.0" listings across medical and retail channels in Canada

Expansion of international footprint with entrance into Avicanna's 14th international market

TORONTO, March 31st, 2022 (GLOBE NEWSWIRE) — 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 announce the filing of its annual financial statements for the year ended December 31st, 2021 and provide a corporate update.

Aras Azadian, CEO stated, "2021 was the most progressive and successful year for our team which managed to accomplish numerous remarkable milestones while navigating unprecedented internal and external challenges. We have successfully commercialized and demonstrated the differentiated value of our proprietary products through four brands across both medical and retail channels in Canada and in parallel have established strategic footprints across several international markets."

2021 corporate highlights

- **Total fiscal 2021 revenue of \$3.3M representing growth of 108% from fiscal 2020 (\$1.57M).** Record quarterly revenue of approximately \$1.2M in the fourth quarter of 2021, representing the fourth consecutive quarter-over-quarter increase of approximately 20%, minimum.
- **Revenue growth driven by sales of proprietary cannabinoid-based products sold across global sales channels.** This includes 69,000 units sold in the fourth quarter of 2021, representing a 160% growth from the third quarter 2021. A total of 124,000 units was delivered in fiscal 2021 compared to 4,100 units delivered in fiscal 2020.
- **Launched a total of 16 "cannabis 2.0" proprietary product SKUs** as of December 31, 2021, in Canada including RHO Phyto, Pura HW, Viola, and re+Play branded products. Expanded distribution channels through a total of 35 "cannabis 2.0" product listings across medical and adult-use channels in Canada, signifying an increase of 37% from the third quarter of 2021.
- **Expanded its partnership with the Medical Cannabis by Shoppers™** online portal with a total of 13 SKUs available to patients and the medical community including all four commercial brands as at December 31, 2021.
- **The launch of re+Play branded CBD topicals across medical and adult use channels in Canada.** re+PLAY is a sports performance and recovery-focused brand founded by National Basketball Association ("NBA") veteran Al Harrington with evidence-based CBD formulations developed in partnership with Avicanna.
- **Viola Brands Nationwide launch in Canada** through medical channels in partnership with Medical Cannabis by Shoppers™ and across adult use channels in Ontario, New Brunswick, and



Saskatchewan. Avicanna's partnership with Viola brings the US equity-focused brand founded by NBA veteran, Al Harrington, to Canada for the first time.

- **The Company filed a patent on its advanced oral cannabinoid drug delivery system** related to neurological disorders including a range of liquids, capsules, powders, and controlled release tablets utilizing proprietary self-emulsifying drug delivery systems (SEDDS) technology. The formulations offer enhanced stability, bioavailability and controlled release of cannabinoids including (CBD, THC, CBG, CBN and THCV) and are intended to be utilized in global medical and pharmaceutical products.
- **IP licensing and distribution partnership with established Argentinian pharmaceutical company.** The partnership will focus on the licensing, supply and expected commercialization of the Company's drug candidate Trunerox™ in Argentina in the second half of fiscal 2022.
- **Avicanna's subsidiary obtains Good Agricultural and Collection Practices ("GACP") Certification in Colombia,** which will allow the Company's Aureus-branded raw material include low cost and sustainable cannabis biomass and flower for sale and export to the global marketplace.
- **The opening of the Company's 14th international market** across four continents including the initial 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.
- **International expansion of Aureus branded products** including the first commercial export of CBG, a rare cannabinoid, into the European Union and initial export of psychoactive cannabinoids into Chile. Additionally, the Company completed initial exports of its proprietary genetics with completed exports of feminized seeds into Argentina and Peru.

Other highlights subsequent to Q4 2021

- **2022 strategy and guidance release including the Company's forecasted revenue of \$9M** from global operations, which is expected to be led by the anticipated sales of approximately 310,000 units of proprietary cannabinoid-based products.
- **Supply Agreement with Chilean Pharmaceutical Pioneer Knop Laboratorios S.A.** Expansion of the relationship, originally established in 2020. Supply of Avicanna's active pharmaceutical ingredients for existing commercial and pipeline of pharmaceutical products in South America.
- **Changes to the Board of Directors and executive team** with two experienced pharmaceutical executives including the appointment of Eileen McCormack to the Board of Directors and Stephen Kim as the Chief Legal Officer.
- **Strategic Partnership with Tetra Bio-Pharma,** which will encompass three potential strategic pillars across supply of API, commercialization of prescription products, and co-development of pharmaceutical drug candidates.



- **Commenced of Epidermolysis Bullosa studies with the Hospital for Sick Children**, the study led by Dr. Elena Pope is analyzing the efficacy of the company's dermatological pharmaceutical product on rare skin disease.

The Company is also hosting an update webinar on Tuesday April 5th in collaboration with CHFIR, if you are interested in attending, please sign up through the provided link. <https://tinyurl.com/AVCN050422>

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, the Company actively collaborates with leading Canadian academic and medical institutions. Avicanna has established a scientific platform including R&D and clinical development that has led to the commercialization of more than thirty products across four main 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 been designed for 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.

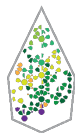
CBD Derma-Cosmetic Products: Marketed under the Pura H&W™ or Pura Earth™ brands, these registered, clinically tested, derma-cosmetic products include a portfolio of functional CBD topical products.

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 look to address 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.

Cannabinoid Raw Materials: Marketed under the Aureus™ brand, the Company's raw material business has successfully completed sales to 12 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. Aureus™ products are produced at Santa Marta Golden Hemp S.A.S, the Company's majority-owned subsidiary in Colombia, which is also GACP certified and has United States Department of Agriculture USDA National Organic Program certification for its hemp cultivar.

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For more information about Avicanna, visit www.avicanna.com, contact Ivana Maric by email at info@avicanna.com or Perry Rapagnap at perry@chfir.com or 416-868-1079 x 230.

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.

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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, 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 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.