



AVICANNA™

## **Avicanna Reports Q3 2022 Financial Statement**

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TORONTO, November 14, 2022 (GLOBE NEWSWIRE) — Avicanna Inc. (“**Avicanna**” or the “**Company**”) (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN), 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 September 30, 2022 (“**Q3 2022**”).

### ***Management commentary***

During the third quarter we successfully completed a complex technical and regulatory transfer of a sizable portion of our Canadian products, which we deemed necessary for scale-up and improvement of margins in the long term. Additionally, we prepared for the launch of several new proprietary SKUs and attained several new commercial listings which, combined with production enhancement efforts, are expected to yield significant commercial progress during the fourth quarter. In parallel, we continued to work on our intellectual property portfolio and made progress on our R&D and clinical development efforts related to developing our pharmaceutical pipeline, which remains our long-term focus.

Internationally we continued to make progress through new partnerships and international markets for our portfolio of products and are making progress towards regulatory approvals of our sanitary pharmaceutical preparations in South America, stated Aras Azadian, CEO at Avicanna Inc.

### ***Q3 2022 highlights:***

- Financial highlights, while the company faced stocking gaps caused by the tech transfers in Canada during Q3 the company is pleased to report a 42% growth in revenue year-to-year coupled with a 16% reduction of SG&A over the same period. The company has also realized significant improvement in margins through its scale up efforts and through licensing revenues.
- Transfer of manufacturing in preparation for scale up in Canada, with a view towards supporting long term Canadian commercialization plans and to diversify sources of production, the Company transferred the manufacturing of 14 of its SKUs to three different licensed producers based in Ontario. The process of technical transfer and product re-registrations however, resulted in short term stocking gaps and lower than expected revenues in late Q2 and Q3. The company is pleased to announce the issues have been

variously addressed, with technical transfer, re-stocking of SKUs, in addition to several new product launches completed by early Q4.

- Progression of Epilepsy research including the initiation of pre-clinical research collaboration with Dr. Mac Burnham and the University of Toronto to analyze the potential role of specific rare cannabinoids in epilepsy models. The on-going research on epilepsy is coupled with the launch of its RHO Phyto Micro drop 50 formulation, which is currently the company's best performing SKU on the Medical Cannabis by Shoppers™ platform.
- Agreement to Develop and Commercialize Adaptogen Nutraceuticals. Agreement with Ei. Ventures, Inc. for Avicanna to utilize its existing scientific platform and drug delivery systems to develop and commercialize Psilly™ branded functional fungi-based products. The initial focus of the research and development efforts will be on functional, apoptogenic, fungi-based formulations in the form of consumer friendly and single dosed products.

### ***Other highlights subsequent to Q3 2022***

- Filing of complete Patent Specifications Relating to a Novel Cannabinoid Formulation for Reducing Incidence of Seizures and Sudden Unexpected Death in Epilepsy. Recent in-vivo animal studies conducted in partnership with the University of Toronto confirm Formulation Candidate's anti-seizure properties allowing for formalization of the patent application
- Launch of Medical Cannabis Education Online Portal, "Avicenna Academy" for Health Care Professionals. The education portal provides modules, case studies and other medical education information and resources related to medical cannabis for Health Care Professionals. Established with the support of experts in the fields of pain management, neurology, and dermatology, the portal is designed to address potential gaps in knowledge and training related to the potential use of cannabis in a medical context
- Expansion of its Epilepsy Research Program with a New Collaboration with the University of Toronto. In collaboration Dr. Mac Burnham's team Avicanna's drug candidate and its proprietary combination of cannabinoids will be assessed pre-clinical model for seizures. Avicanna further expands its current research and commercial focus in Epilepsy which is supported by current medical cannabis sales and on-going research with UHN

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

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

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