



Avicanna Reports Q1 2023 Financial Statement

TORONTO, May 16, 2023 -- 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 interim financial statements for the three-month period ending March 31, 2023 ("Q1 2023").

Aras Azadian, CEO stated, "We are pleased to report on our continued progress related to our optimization of operations in addition to Canadian commercialization during the first quarter of 2023. We have achieved operational efficiencies that enables us to now focus on scaling our revenues which we expect to be growing during 2023 through our Canadian and international efforts."

Q1 2023 highlights:

- **Shoppers Drug Mart partnership to transition Medical Cannabis by Shoppers to Avicanna.** On March 28, 2023, Shoppers Drug Mart and the Company announced that Shoppers Drug Mart will transition the Medical Cannabis by Shoppers business to Avicanna. As part of the transition, Avicanna will introduce MyMedi.ca, a new medical cannabis care platform.
- **Financial highlights:** Revenue of \$1.2 million, an increase of 13% over the first quarter of 2022. On-going cost saving initiatives resulted in a 13% decrease in general and administrative expenses. These improvements resulted in a 22% improvement in adjusted EBITDA over the last quarter.
- **Progress in Canadian commercialization efforts.** The Company continued its expansion efforts related Canadian product offerings that now includes 25 commercial SKUs and furthering 117 commercial listings across medical and provincial channels in Canada.

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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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 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

[NTD: Include any forward looking statement that may be contained in the corporate update.], 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 March 31, 2022 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.