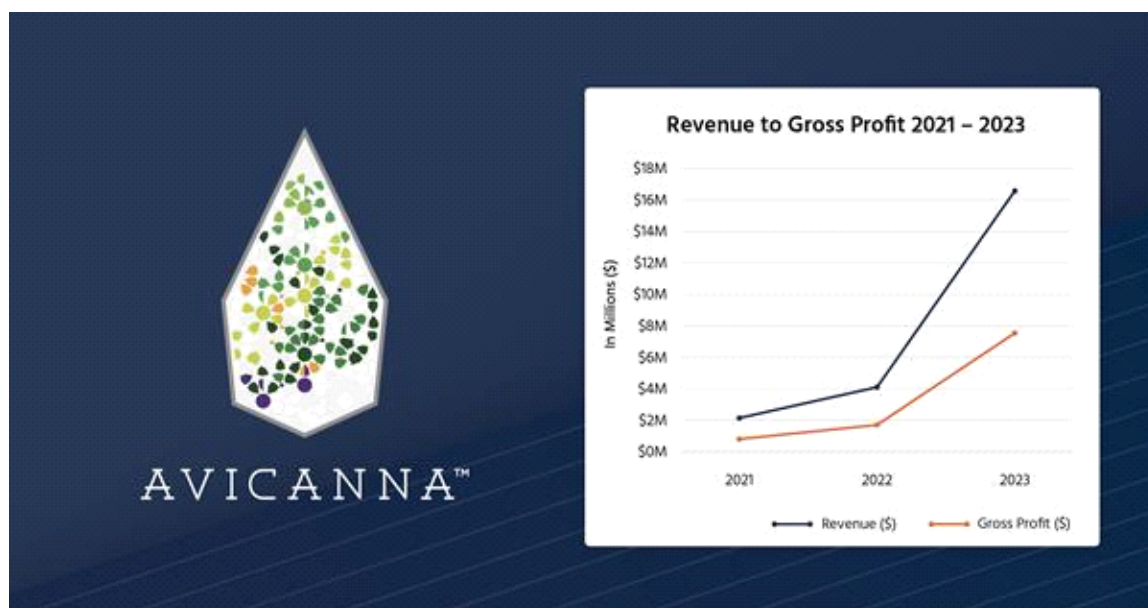




Avicanna Reports Full Year 2023 Audited Financial Results

\$16.8M in Revenue, representing an increase of 314% from 2022
\$6.7M Consolidated gross Profit, representing an increase of 500% from 2022

TORONTO, April 02, 2024 -- Avicanna Inc. (“**Avicanna**” or the “**Company**”) (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN) a biopharmaceutical company focused on the development, manufacturing, and commercialization of plant-derived cannabinoid-based products is pleased to announce year end 2023 results and audited financial statements.



2023 FINANCIAL HIGHLIGHTS

- Revenue growth of 314%, from \$4 million in 2022 to \$16.8 million in 2023, largely driven by the acquisition of Medical Cannabis by Shoppers from Shoppers Drug Mart and the launch of MyMedi.ca.
- Substantial revenue growth was achieved with a 19% increase in operational expenses.
- North American gross margins improvement of 28%, to reach 45%, when compared to 2022.
- Consolidated gross profits increased by 500%, from \$1.1 million in 2022 to \$6.7 million in 2023,
- Adjusted EBITDA loss of \$4.2 million, a 49% improvement from a loss of \$8.3 million in 2022.
- Cash used in operations of \$1.38 million; an 81% reduction compared to \$7.4 million in 2022.

“2023 was a tremendous year for Avicanna where we solidified our leadership position in the Canadian medical cannabis sector through our proprietary products and the launch of MyMedi.ca. We have successfully demonstrated the scalability of our revenues and made significant improvements in our fundamentals while advancing all our business pillars. Additionally, we demonstrated consistent progress on our R&D and pharmaceutical initiatives, which as a result rewarded us with significant new opportunities including the approval of our first indication specific drug in early 2024,” stated Aras Azadian, CEO at Avicanna.

Additional Highlights:

Acquisition of Medical Cannabis by Shoppers (“Business”): On July 31, 2023, Avicanna acquired specific assets of the Business from Shoppers Drug Mart, Canada’s largest retail pharmacy chain, including inventory and equipment, for approximately \$2.6 million and an earnout, based on net revenues, for a period of two years. First launched in Ontario in January 2019, the Business provided patients access to medical cannabis products from more than 30 cannabis brands. Over the past four years, the Business supported tens of thousands of patients and worked with patient groups to facilitate access to medical cannabis.

Over 96% of active patients from Medical Cannabis by Shoppers transitioned to MyMedi.ca. The Company developed

infrastructure to offer insurance reimbursement services for patients through several private insurance providers and public institutions, including 8 provincial worker safety boards - these account for over 65% of the platform's revenue combined.

Canadian commercial advancements: The Company introduced new proprietary formulations resulting in a 51% year over year increase in the number of finished products sold during 2023. The Company closed the year with 27 commercially active SKUs in Canada, across 133 total commercial listings, an increase of 131% from the year-ended in 2022. Commercial listings were concentrated primarily in the medical channels where the Company had 81 listings across 7 different medical platforms including MyMedi.ca. Expansion onto new medical platforms including Spectrum Therapeutics and Canna Farms substantially improved access to the Company's own proprietary medical products for patients across Canada.

POST YEAR-END HIGHLIGHTS

[Avicanna obtained its first indication-specific drug registration with Trunerox™.](#) Trunerox™ was approved in Colombia by the Colombian National Institute of Drug and Food Surveillance (El Instituto Nacional de Vigilancia de Medicamentos y Alimentos – "INVIMA") as a drug for the treatment for severe seizures related to Lennox-Gastaut Syndrome ("LGS") and Dravet Syndrome ("DS"). The approval allows Avicanna to manufacture and commercialize Trunerox™ in Colombia for the approved indications which are two rare epileptic disorders classified as epileptic encephalopathies. Trunerox™ is Avicanna's proprietary oral formulation with 10% cannabidiol ("CBD") and is manufactured with under Good Manufacturing Practices ("GMP") utilizing CBD manufactured at Santa Marta Golden Hemp S.A.S. ("SMGH"). Trunerox™ has not been approved as a drug in Canada by Health Canada.

[Avicanna announced a supply and licensing agreement with a multi-national pharmaceutical company.](#) The exclusive supply agreement is for two of Avicanna's proprietary topical products including the Ultra CBD Cream, which is a 3% CBD localized cream developed for dermatology conditions and the CBG Transdermal Gel which is a 2% CBD and 0.5% Cannabigerol ("CBG") gel targeting local inflammatory and pain conditions. The exclusive supply agreement for the European region is expected to launch these products in 6 European countries during 2024.

[Avicanna announced a new research collaboration with a multi-national European-based pharmaceutical company.](#) The research collaboration is to initially assess the Company's proprietary SEDDS technology in combination with the multi-national European-based pharmaceutical company's various drug delivery and pharmaceutical formats. The collaboration will gain a better understanding of proprietary dosage forms with precisely standardized delivery and enhanced bioavailability of cannabinoids.

[Avicanna and Ease Labs Pharma granted commercialization approval for a pharmaceutical preparation in Brazil.](#) The first pharmaceutical preparations containing tetrahydrocannabinol ("THC") produced in Brazil were approved by the Brazilian Health Regulatory Agency ("ANVISA"), under the RDC 327 regulation and GMP-certified manufacturing standards in Brazil. The full spectrum active pharmaceutical ingredients ("API") are to be supplied by SMGH, under a multi-year Active Pharmaceutical Ingredients ("API") supply agreement entered in 2021. Ease Labs is expected to make the product available in pharmacies with a medical prescription by the end of June 2024.

The Company will host an earnings call at 8:30 am ET on April 2, 2024. Interested parties may join the earnings call by logging onto the following link: <https://www.bigmarker.com/avicanna/Avicanna-2023-Year-End-Earnings-Call>.

About Avicanna Inc.

Avicanna is a commercial-stage international biopharmaceutical company focused on the advancement and commercialization of cannabinoid-based products and formulations for the global medical and pharmaceutical market segments. Avicanna has an established scientific platform including R&D and clinical development leading to the commercialization of more than thirty proprietary, evidence-based finished products and supporting four commercial stage business pillars.

- **[Medical Cannabis formulary \(RHO Phyto™\):](#)** The formulary offers a diverse range of proprietary products including oral, sublingual, topical, and transdermal deliveries with varying ratios of cannabinoids, supported by ongoing patient, and medical community education. RHO Phyto is an established leading medical brand in Canada currently available nationwide to patients across several medical channels and continues to expand into new international markets.
- **[Medical cannabis care platform \(MyMedi.ca\):](#)** MyMedi.ca is a medical cannabis care platform formed with the aim to better serve medical cannabis patients' needs and enhance the patient journey. MyMedi.ca is operated by Northern Green Canada Inc. and features a diverse portfolio of products and bilingual pharmacist-led patient support programs. MyMedi.ca also provides specialty services to distinct patient groups such as veterans and collaborates with public and private payers for adjudication and reimbursement. MyMedi.ca provides educational resources to the medical community to facilitate the incorporation of medical cannabis into health care regimens.
- **[Pharmaceutical products \(Trunerox™\) and pipeline:](#)** Leveraging Avicanna's scientific platform, vertical integration, and real-world evidence, Avicanna has developed a pipeline of proprietary, indication-specific pharmaceutical products that are in various stages of clinical development and commercialization. These cannabinoid-based drug candidates aim to address unmet medical needs in the areas of dermatology, chronic pain, and various neurological disorders. Avicanna's first indication-specific pharmaceutical drug, Trunerox™, was approved Q1 2024 by the Health Authority of Colombia INVIMA as an adjuvant treatment for seizures associated with Lennox-Gastaut Syndrome and Dravet Syndrome.
- **[Active pharmaceutical ingredients \(Aureus Santa Marta™\):](#)** Active pharmaceutical ingredients ("API") supplied by the Company's majority owned subsidiary Santa Marta Golden Hemp SAS ("SMGH") is a commercial-stage business dedicated to providing a various forms high-quality CBD, THC and CBG to the Company's international partners for use in the development and production of food, cosmetics, medical, and pharmaceutical products. The business unit also

forms part of the Company's supply chain and is a source of reliable input products for its consumer retail, medical cannabis, and pharmaceutical products for globally.

SOURCE Avicanna Inc.

Stay Connected

For more information about Avicanna, visit [our website](#), 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 Company [YouTube](#) channel.

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 using words such as, "may", "would", "could", "will", "likely", "expect", "anticipate", "believe", "intend", "plan", "forecast", "project", "estimate", "outlook" and other similar expressions. 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 April 1, 2024 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.

A photo accompanying this announcement is available at

<https://www.globenewswire.com/NewsRoom/AttachmentNg/939a98e0-8644-47af-ae8e-f2febb6d4f64>