



Avicanna Reports Q1 2026 Financial Statements

*Record revenue and gross profits driven by Canadian commercial growth and proprietary product expansion
Continued advancement of pharmaceutical pipeline, medical affairs initiatives and international platform*

TORONTO, May 14, 2026 -- Avicanna Inc. ("**Avicanna**" or the "**Company**") (TSX: AVCN) (OTCQX: AVCNF) (FSE: ONN) a biopharmaceutical company focused on the development, manufacturing and commercialisation of plant-derived cannabinoid-based products is pleased to announce its financial results for Q1 2026, including the related financial statements and management's discussion and analysis.

"The first quarter of 2026 reflects continued execution across Avicanna's integrated commercial and pharmaceutical pipeline. We delivered record quarterly revenue, gross profit and gross margins, driven by sustained growth in Canada, expansion of our proprietary product portfolio and continued momentum through MyMedi.ca. At the same time, we continued advancing the long-term foundations of the business through international commercial activities, clinical development initiatives and ongoing investment in our pharmaceutical pipeline. We believe the quarter demonstrates the increasing operational leverage of our platform and the growing alignment between our commercial execution and scientific strategy" stated Aras Azadian, CEO at Avicanna Inc.

Q1 2026 Financial Highlights:

- **Revenue:** Revenue for the first quarter of 2026 was \$6.68 million, representing the highest quarterly revenue in the Company's history and an increase of approximately 6% compared to the first quarter of 2025. Revenue growth was primarily driven by an 11% increase in MyMedi.ca revenue and a 24% increase in product sales in Canada compared to the same period in 2025.
- **Gross Profit:** The Company achieved gross profit of \$3.84 million during the first quarter of 2026, representing a 7% year-over-year increase. Consolidated gross margin improved to 58%, compared to 57% during the comparative period. The Company delivered record gross margins despite a revenue mix shift from higher-margin licensing and services revenue toward product sales during the quarter.
- **Adjusted EBITDA:** The Company reported an adjusted EBITDA loss of \$0.15 million during the quarter, compared to adjusted EBITDA income of \$0.43 million during the comparative period. The decrease in adjusted EBITDA was primarily attributable to a revenue mix shift from licensing revenue to product sales and increased SG&A expenses associated with strategic growth initiatives and corporate activities during the period.
- **Working Capital:** The Company reduced its working capital deficit by \$0.96 million to \$0.32 million, compared to a deficit of \$1.28 million during the comparative period. During the quarter, the Company utilized working capital to reduce accounts payable and support inventory growth associated with commercial expansion.

Q1 2026 Corporate Highlights:

- **Canadian Commercial Growth:** During Q1 2026, MyMedi.ca delivered its fourth consecutive quarter of growth while the Company continued expanding its Canadian commercial platform through additional SKUs, channels, and product listings. The quarter marked the highest unit sales on record for MyMedi.ca, with 220,246 units sold compared to 195,705 units sold during the first quarter of 2025. Sales of Avicanna-branded products through MyMedi.ca increased from 19,662 units in the first quarter of 2025 to 27,960 units in the first quarter of 2026, representing a 42% increase and continued growth in the contribution of proprietary products across the platform. Across all Canadian commercial channels, including MyMedi.ca, Avicanna-branded product unit sales increased from 36,624 units to 45,419 units, representing 24% year-over-year growth. At the end of the quarter, the Company had 52 commercial SKUs and 170 commercial listings across medical and adult-use channels, representing 24% growth in proprietary commercial SKUs and 26% growth in total listings compared to the first quarter of 2025.
- **Medical Cannabis Real World Evidence Results and Publication in the Canadian Journal of Pain:** The investigator-led Medical Cannabis Real-World Evidence study that was conducted through the MyMedi.ca platform was led Dr. Hance Clarke, Director of Pain Services at University Health Network, and has been published in the peer-reviewed Canadian Journal of Pain. The prospective, observational study evaluated patient-reported outcomes among individuals with chronic pain receiving physician-authorized medical cannabis in routine clinical practice. The observational results demonstrated statistically significant improvements from baseline in measures of pain interference and pain intensity, as well as improvements in validated measures of anxiety, depressive symptoms, and overall quality of life over the 24-week observation period.
- **Initiation of a Phase I Dose Finding Clinical Trial with University of Calgary:** The randomized controlled trial will

evaluate dose-dependent effects of oral THC on anxiety and stress using Avicanna's proprietary capsules. The trial is led by Dr. Leah Mayo, Assistant Professor, and supported by Dr. Matthew Hill, Professor at the University of Calgary. Primary endpoints focus on validated psychometric assessments of anxiety and subjective response. Secondary endpoints include measures of mood and intoxication, cardiovascular parameters, circulating stress biomarkers, endocannabinoid system markers, and pharmacokinetic profiling. The trial is designed to generate high resolution dose response data to better define the therapeutic window of oral THC and to characterize interindividual variability in response. The trial utilizes Avicanna's proprietary AVCN319301b THC capsules which utilize the Company's Solid Self-Emulsifying Drug Delivery System.

- **Avicanna Subsidiary SMGH Completed First Commercial Export to Australia:** Avicanna's majority own subsidiary Santa Marta Golden Hemp SAS (SMGH) export to Australia marked the first commercial export of organic certified flower for SMGH, the 21st market for SMGH and 24th market for all Avicanna products. The export followed successful improvements in process development, infrastructure, and quality systems that took place at SMGH and validate its competitive position to produce consistent, standardized cannabis flower at commercial scale, with a focus on cannabinoid-specific chemotypes, traceability, and compliance with Good Agricultural and Collection Practices and organic certification standards.

Subsequent to Q1 2026 Highlights

- **Board of Directors Changes:** Earlier in 2026, the Company underwent evolutionary changes to its Board of Directors through the appointment and re-election of two new, and election of one new, global business leaders with experience spanning capital markets, governance, regulated industries, international commercialization, and pharmaceutical operations. Michael Kott was appointed in January 2026, bringing in more than 35 years of experience in international capital markets, corporate finance, governance, and cross-border investments. Ozgur Kilic was appointed in April 2026, with more than 20 years of senior executive experience across global pharmaceutical companies and private equity-backed healthcare businesses, including leadership roles as Chief Executive Officer, Chief Financial Officer, and Chief Operating Officer across multiple international markets. Lisa McCormack was elected by the shareholders in May 2026, with over 25 years of leadership experience in regulated industries, including Founder and Chief Executive Officer of Northern Green Canada.
- **Avicanna Welcomed Initial U.S. Rescheduling of Medical Cannabis & Provided Strategic Update:** U.S. rescheduling of medical cannabis from Schedule I to Schedule III aligns with Avicanna's established pharmaceutical and medical cannabis strategy and supports advancement of R&D, clinical development, and medical affairs initiatives. Avicanna will continue to monitor regulatory developments and assess pathways to leverage its scientific platform, proprietary formulations, and clinical data in support of future U.S. market entry, with a focus on pharmaceutical development and FDA-aligned pathways, evidence-driven and Federal or State level medical cannabis models and strategic partnerships and licensing opportunities.
- **Avicanna Announced Agenda for 6th Annual Clinical Symposium on Cannabinoid Therapeutics:** The established forum for evidence-based clinical discussion, interdisciplinary dialogue, and patient considerations is expanded from one day to two days, and offered both live and virtually on June 11-12, 2026, at the MaRS Discovery District, Toronto, Ontario Canada. Researchers, industry professionals, and healthcare practitioners internationally will convene with an expanded agenda including new research findings, case-based clinical discussions, and multidisciplinary panels focused on prescribing practices, treatment planning, and patient management. The program reflects ongoing developments in cannabinoid-based therapies and its increasing integration into clinical practice, alongside recognition of existing evidence gaps and variability in clinical guidance.

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For more information about Avicanna, visit our website or contact Ivana Maric by email at ir@avicanna.com.

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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 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, 2026, filed with the Canadian securities regulators and available under the Company's profile on SEDAR+ at www.sedarplus.ca. 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.