



## Avicanna Reports Q1 2025 Results and First Profitable Quarter

TORONTO, May 15, 2025 -- 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 to announce and report the results of Q1 2025 and the of the Company's milestone of achieving its first profitable quarter.

### Management Commentary:

"Starting 2025 with positive momentum, we are proud to report our first profitable quarter—a milestone that reflects our strategic focus and operational discipline. With this solid foundation, we are now positioned to focus on scaling our Canadian operations, international expansion, and advancing of our R&D pipeline and intellectual property" stated Aras Azadian, CEO of Avicanna.

### Q1 2025 Financial Highlights:

- **First Profitable Quarter:** Net income of \$74,154 and comprehensive income of \$876,092, driven by cost efficiencies and margin improvements.
- **Adjusted Positive EBITDA:** Adjusted positive EBITDA of approximately \$431,000, reflecting a significant year-over-year improvement from approximately \$18,000 in Q1 2024.
- **Gross Profit and Gross Margins:** Gross profit of \$3.54 million in Q1 2025, a 7% increase year-over-year. Consolidated gross margins improved to 56% in Q1 2025, up from 51% in Q1 2024, driven by portfolio optimization and a substantial increase in licensing and service revenue.
- **Revenue Performance:** Revenue of \$6.32 million for the quarter ended March 31, 2025, representing a slight 2% decrease compared to Q1 2024. This was accompanied by a 5% reduction in general and administrative (G&A) expenses.

### Other 2025 Corporate Highlights:

**Canadian Commercial Advancements:** In the first quarter of 2025, Avicanna expanded its Canadian portfolio to 42 proprietary commercial SKUs, representing a 35% increase from 31 SKUs in the same period in 2024. In parallel, the Company continued piloting innovative formulations in the Canadian market while optimizing its portfolio, maintaining a total of 135 commercial listings.

**Avicanna Announces Scientific and Medical Affairs Collaboration with Aspeya:** The scientific and medical affairs collaboration with Aspeya (formerly known as Vectura Fertin Pharma), a subsidiary of Phillip Morris International, aims to facilitate research and medical affairs initiatives related to medical cannabis in Canada. The scientific and medical affairs collaboration will prioritize engagement with the Canadian medical community, patients, patient advocacy groups, and insurers to gain insights into the challenges associated with accessing medical cannabis. The scientific and medical affairs collaboration will leverage Avicanna's medical cannabis platform, MyMedi.ca, with the aim of improving patient access and patient support.

### About Avicanna:

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 brand in Canada currently available nationwide across several channels and expanding 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 medical cannabis patients' 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 pipeline:** Leveraging Avicanna's scientific platform, vertical integration, and real-world evidence, Avicanna has developed a pipeline of proprietary, indication-specific cannabinoid-based candidates that are in various stages of clinical development. These cannabinoid-based candidates aim to address unmet needs in the areas of dermatology, chronic pain, and various neurological disorders.
- **Active pharmaceutical ingredients (Aureus Santa Marta™):** Active pharmaceutical ingredients supplied by the Company's majority owned subsidiary Santa Marta Golden Hemp SAS ("SMGH") is a commercial-stage business dedicated to providing various forms of 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. SMGH 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 globally.

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For more information about Avicanna, visit [our website](#) or contact Ivana Maric by email at [info@avicanna.com](mailto:info@avicanna.com).

### **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 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 April 11, 2025, filed with the Canadian securities regulators and available under the Company's profile on SEDAR+ at [www.sedarplus.ca](http://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.