AVICANNA™

Avicanna Reports Q2 2024

Q2 2024 revenue of $6.1 million an increase of 85% over Q2 2023
Completion of two real world evidence trials on Epidermolysis Bullosa and Musculoskeletal Pain

TORONTO, August 14, 2024 (GLOBE NEWSWIRE) – Avicanna Inc. ("**Avicanna**" or "**Company**) (TSX: AVCN) (OTCQX: AVCNF) (FSE: 0NN) a biopharmaceutical company focused on the development, manufacturing, and commercialization of plant-derived cannabinoid-based products reports the results of Q2 2024.

"We are happy to deliver another progressive quarter where we solidified our position in the medical cannabis space, enhanced relationships with the medical community, and stabilized our commercial operations in Canada. In addition, we are happy to report that during the second quarter, we saw the completion of two separate real world evidence trials focused on two of our drug candidates in line with our long-term growth strategy" stated Aras Azadian, CEO of Avicanna Inc.

Financial highlights:

- Revenue of $6.1 million for the three months ended June 30, 2024, an increase of 85% over the same period in 2023 and $12.6 million in revenue for six months ended June 30, 2024, an increase of 180% over 2023 revenue of $4.5 million.

- Gross profit of $2.8 million and $5.9 million, respectively, for the three and six months ended June 30, 2024, compared to $1.5 million and $2 million for the same periods in 2023, an increase of 94% and 183%, respectively.

- Adjusted EBITDA loss for the three months ended June 30, 2024, narrowed to $442,310, a 65% decrease from an adjusted EBITDA loss of $1.3 million in the same period last year.

Other highlights:

- Completion of Study in Patients with Epidermolysis Bullosa at The Hospital for Sick Children evaluating wound healing, pain, and itch ("Study"). The Study led by Elena Pope, MD, M.Sc., FRCPC, Head of Dermatology at The Hospital for Sick Children in Toronto, evaluated the tolerability and efficacy of RHO Phyto™ branded Ultra CBD Topical Cream in patients with epidermolysis bullosa. 55% of patients enrolled in Study reported improvements in wound healing, 45% displayed wound stability. The RHO Phyto™ branded Ultra CBD Topical Cream is an oil based 3% CBD localized cream developed with the goal to target such dermatology condition.

- Completion of Topical Gel Observational Real-World Evidence Study in patients with musculoskeletal pain and inflammation ("RWE Study"). The RWE Study evaluated patient-reported efficacy of the RHO Phyto CBG Transdermal Gel containing 2% CBD and 1% CBG on a range of clinical conditions including arthritis, osteoarthritis, rheumatoid arthritis, fibromyalgia, muscle and joint pain, localized pain, and post-surgical pain. The RWE Study reported a meaningful improvement in overall Musculoskeletal Health Questionnaire scores ($p<0.001$) as compared from baseline to one month, specifically, there was a 35.4% improvement reported in health-related domains including symptoms, physical functioning, daily activities and work.

- United States Patent and Trademark Office ("USPTO") issuance of Patent No. US 11,998,632 B2 covering the Corporation's SEDDS Technology ("Patent"). "SEDDS" or the self-emulsifying drug delivery system is the Company's drug delivery system technology for oral cannabinoid composition and methods of treating neuropathic pain. Due to the highly lipophilic nature and poor water-solubility of cannabinoids, the formulations currently available in the Canadian market have been generally described as having poor absorption and high variability of onset, and SEDDS offers a route for non-invasive and non-inhalation administration of cannabinoids.

- Symposium on Cannabinoid-based Medicine during May 2024 ("Symposium"). The Symposium brought key opinion leaders and health care providers to explore cannabinoid-based R&D, medicine, and clinical adoption that was hosted at the MaRS Discovery District, Toronto. The Symposium was limited to key opinion leaders, health care practitioners and researchers, covered a range of topics including emerging evidence and practical clinical applications of cannabinoid-based medicine and featured key opinion leaders, clinicians, researchers, and scientists from various academic, research and clinical organizations and hospitals and scientific members of industry.

- The Company completed the Q2 2024 with 32 commercial SKUs and 145 commercial listings representing a 23% growth in listings from Q2 2023. The Company also sold approximately 99,000 units representing a 15% growth in total finished goods sold compared to Q2 2023. Commercial results of the MyMedi.ca medical cannabis care platform combined with optimization of sales on other channels contributed to margin improvements that yielded consolidated margins of 49% in Canada.

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 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 in Colombia. Trunerox™ has not been approved as a drug in Canada by Health Canada.

- **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.

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The Company posts updates through videos from the Company YouTube channel.

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