



AYURCANN

AYURCANN HOLDINGS CORP. REPORTS RECORD SALES AND FOURTH CONSECUTIVE QUARTER OF POSITIVE OPERATING INCOME

Toronto, Ontario, February 22, 2022 - Ayurcann Holdings Corp. (CSE:AYUR, OTCQB:AYURF, FSE:3ZQ0) (“Ayurcann” or the “Company”), a leading Canadian cannabis extraction company specializing in the processing and co-manufacturing of pharma grade cannabis and hemp to produce various derivative cannabis 2.0 and 3.0 products in the medical and recreational market, is pleased to report its financial and operating results for its second quarter ending December 31, 2021. All figures reported are in Canadian dollars.

HIGHLIGHTS OF THE QUARTER ENDED DECEMBER 31, 2021:

- Ayurcann reported revenues of \$3.2 million for the three-months ended December 31, 2021, compared to \$1.5 million for the three-months ended December 31, 2020, an increase of 106% year-over-year and 71% increase over the Q1 for the three-months ended September 30, 2021. Revenues for the six months ended December 31, 2021, were \$5.1 million, a 115% increase over the similar period in 2020.
- Ayurcann reported gross margins of \$1.8 million, for the three-months ended December 31, 2021, compared to \$302,000 for the three-months ended December 31, 2020, an increase of approximately 500% year-over-year, maintaining strong control over sales and operating income. Gross margins for the six months ended December 31, 2021, were \$2.7 million, compared to \$408,000 in 2020, a 569% year over year increase.
- Ayurcann finished its Phase-2 expansion at the Pickering facility, and started production, increasing extraction capacity of up to 300,000 kilograms of biomass and up to 3 million filling and co-packaging capability for cannabis 2.0 and 3.0 products, providing Canadian licensed producers with a one-stop extraction facility and offering international brands seeking a go to market strategy.
- Ayurcann was nominated for and won two leading awards in Canada for Best Extraction and Best Toll Processing facility of the year.
- Ayurcann maintains one of the largest inventories of THC and CBD crude, THC and CBD distillate and pharma-grade CBD isolate for use in cannabis 2.0 and 3.0 products available for its co-manufacturing and brand partnerships.

- Ayurcann has expanded into the most of recreational markets throughout Canada and has over 150 SKU's available of cannabis 2.0 and 3.0 products, with Fuego-branded vapes, Vida-branded tinctures and Glow-branded topicals having been shipped to Ontario, New Brunswick, Saskatchewan, Manitoba, and Alberta.
- Ayurcann is expecting further sales with its exclusive partnership brands such as; Innocan Pharma, Her Highness, Joints, Hustle & Shake, Bravo6 and Lucky Dragon. creating products to meet the demand of Canadian consumers.

Igal Sudman, Chief Executive Officer of Ayurcann, said, "this quarter we have shown and have proven again that Ayurcann is able to maintain a profitable business and expand its market share. Ayurcann works diligently to serve its clients and continues to grow its revenues, while keeping an eye on its bottom line."

Mr. Sudman added: "we are thrilled to see our revenues grow at a steady pace while maintaining strong margins and being responsible to our shareholders. We can confidently say that we fully expect to show continued growth and build on our momentum."

About Ayurcann

Ayurcann is a leading post-harvest solution provider with a focus on providing and creating custom processes and pharma grade products for the adult use and medical cannabis industry in Canada. Ayurcann is striving to become a partner of choice for leading Canadian and international cannabis brands by providing best-in-class, proprietary services including extraction, formulation, product development and custom manufacturing.

For additional information, please contact:

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The Company's unaudited interim financial statements and management's discussion and analysis for the three-month and six-month periods ended December 31, 2021, are available under the Company's SEDAR profile at www.sedar.com.

Neither the Canadian Securities Exchange nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.

Forward-Looking Statements

This news release contains “forward-looking statements” within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as “plans”, “expects” or “does not expect”, “is expected”, “budget”, “scheduled”, “estimates”, “forecasts”, “intends”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “may”, “could”, “would”, “might” or “will be taken”, “will continue”, “will occur” or “will be achieved”. The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding Company generating further sales with its exclusive partnership brands; the Company continuing to grow and show positive operating income; and the ability of the Company to become the partner of choice for leading Canadian cannabis brands.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company will expand and be able to maintain production capacity; the Company’s ability to continue as a going concern; continued approval of the Company’s activities by the relevant governmental and/or regulatory authorities; the continued growth of the Company; the Company generating further sales with its exclusive partnership brands; the Company continuing to show positive operating income; and the Company becoming the partner of choice for leading Canadian cannabis brands.

These statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance or achievements to differ materially from those expressed or implied by such statements, including but not limited to: the Company’s inability to expand and/or maintain production capacity; the potential inability of the Company to continue as a going concern; the risks associated with the cannabis industry in general; increased competition in the cannabis extraction market; the potential future unviability of the cannabis market; risks associated with potential governmental and/or regulatory action with respect to the cannabis industry; the Company’s inability to generate further sales with its exclusive partnership brands; the Company being unable to grow and / or show positive operating income in future quarters and the inability of the Company to become the partner of choice for leading Canadian cannabis brands and other risks, uncertainties and factors set out under the heading “Risk Factors” in the Company’s management’s discussion and analysis dated February 22, 2022 (“MD&A”) and filed with Canadian securities regulators available on the Company’s issuer profile on SEDAR at www.sedar.com.

Readers are cautioned that the foregoing list is not exhaustive. Readers are further cautioned not to place undue reliance on forward-looking statements, as there can be no assurance that the plans, intentions or expectations upon which they are placed will occur. Such information, although considered reasonable by management at the time of preparation, may prove to be incorrect and actual results may differ materially from those anticipated.

Forward-looking statements contained in this news release are expressly qualified by this cautionary statement and reflect the Company’s expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.