



AYURCANN

AYURCANN HOLDINGS CORP. REPORTS THIRD QUARTER FINANCIAL RESULTS

Toronto, Ontario, May 26, 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 markets, is pleased to report its financial and operating results for the three and nine-months ended March 31, 2022. All figures reported in Canadian dollars.

HIGHLIGHTS OF THE THREE- AND NINE-MONTHS ENDED MARCH 31, 2022:

- The Company reported revenues of \$2.8 million for the three-months ended March 31, 2022, compared to \$2.6 million for the three-months ended March 31, 2021. Revenues for the nine months ended March 31, 2022, were \$7.8 million, a 57% increase over the similar period in 2021 which surpassed the total revenues for the full fiscal year 2021.
- The Company reported gross margins of \$580,000 for the three-months ended March 31, 2022, and \$3.3 million for the nine months ending March 31, 2022, maintaining strong control over its expenses
- The Company reported a loss of \$306,000 of operating income for the three-months ended March 31, 2022, which was partially due to increased inventory in anticipation of new sales and products entering the market across Canada set to begin in July 2022. The company continues to maintain a strong positive operating income of \$650,000 for the nine-months ended March 31, 2022, continuing its profitable operations.

Market Penetration and New Opportunities:

- The Company has started to concentrate on its recreational brands and expanded into the majority of recreational markets throughout Canada with its products available in over 1,000 locations. The Fuego-branded vapes are consistently ranked in the top 5 SKUs in market, Vida-branded tinctures and Glow-branded topicals having been shipped to Ontario, New Brunswick, Saskatchewan, Manitoba, and Alberta and soon across the rest of the country.
- The Company has started to manufacture and ship new products across the country including bestselling tinctures under the Joints brand. The Joint tinctures come in 15ml, 30 ml and 60ml sizes offering consumers a high potency CBD product at value. Legacy market vapes under the Hustle & Shake. The gamer vape is highlighted with Bravo6 with specific indica and sativa SKUs. For those who are looking for Harmony, CBD focused or 1:1 offering can be found with the XPLOR brands. Ayurcann is creating products to meet the demand of Canadian consumers.

- The Company has an additional 12 new SKUS accepted by the various retail boards including vapes, tinctures, dablicators, flower and pre-rolls with a goal of beginning cross country shipping in July 2022.

Igal Sudman, Chief Executive Officer of Ayurcann, said, “as we gain more traction in the market, grow our offerings, and establish ourselves as a major player in the industry, we have proven again that Ayurcann is able to maintain a growing business and expand its market share. “

About Ayurcann:

Ayurcann Holdings Corp. (CSE: AYUR, OTCQB: AYURF, FSE: 3ZQ0) 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:

Ayurcann Holdings Corp.
Igal Sudman, Chief Executive Officer
905.492.3322
info@ayurcann.com

Investor Relations:

Email: ir@ayurcann.com

The Company's unaudited interim financial statements and management's discussion and analysis for the three-month and nine-month periods ended March 31, 2022, 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 the Company generating further sales with its exclusive partnership brands; the Company continuing to grow and show positive operating income; the Company generating new sales and launching new products across Canada upon the timelines identified therein, 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; the Company generating new sales and launching new products across Canada upon the timelines identified therein 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, the Company being unable to generate new sales and/or launch new products across Canada upon the timelines identified herein; 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 May 26,, 2022 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.