



AYURCANN

AYURCANN REPORTS Q2 2023 FINANCIAL RESULTS FEATURING A 37% INCREASE IN YEAR-OVER-YEAR GROSS REVENUE

Toronto, Ontario, February 27, 2023 – 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 recreational market, is pleased to announce its financial and operational results for the three-months ended December 31, 2022, the highlights of which are included in this news release. All figures are reported in Canadian dollars. The Company’s full set of consolidated financial statements for the three-months ended December 31, 2022 and accompanying management’s discussion and analysis can be accessed by visiting the Company’s website at www.ayurcann.com and its profile page on SEDAR at www.sedar.com.

FINANCIAL HIGHLIGHTS FOR THE THREE-MONTHS ENDED DECEMBER 31, 2022

- Gross revenue increased to \$4,408,997 for the period (compared to \$3,211,244 for the same period last year), representing an increase of 37%
- Gross margin, calculated based on net revenue, was 44%
- Continued sales growth quarter-over-quarter with gross revenue \$4,408,997 for Q2 2023 (compared to \$3,358,213 for Q1 2023), representing an increase of 31%
- Expanded team and new partnerships, adding expertise to enable innovation and production efficiencies.
- Successfully grew our product offerings to 50 stock keeping units (“SKUs”) across the country and became a top seller of new and existing innovation including¹:
 - **In the 1G VAPE Category:**
 - ACROSS CANADA - #8
 - ONTARIO - #5
 - ALBERTA - #9
 - SASKATCHEWAN - #3
 - **In the 1x0.5G PREROLLS:**
 - ACROSS CANADA - #1
 - ONTARIO - #1 (Supplier and SKU)

¹ Based on reporting by Hyfyre IQ™ as of February 23, 2023.

- SASKATCHEWAN - #3 (Supplier and SKU)
- MANITOBA - #3 Supplier / #2 SKU

“As we continue to expand to more markets across the country with our offerings, we are thrilled to report consistent growth in our revenue and market share despite the price compression that continues to impact the cannabis industry. Ayurcann is proud to have generated an increase in revenue from its business-to-consumer strategy. Ayurcann is selling products across the country and has 6,500 products listed for sale (the “**Product Offerings**”) throughout the vape, concentrate, oil and flower sectors (the “**Sectors**”). The increase in revenue, combined with the growth of our in-house brands, continues to have a positive impact on the future development of Ayurcann,” said Igal Sudman, Chief Executive Officer of Ayurcann.

OPERATIONAL HIGHLIGHTS FOR THE THREE-MONTHS ENDED DECEMBER 31, 2022

- Over 6,500 Product Offerings throughout New Brunswick, Ontario, Manitoba, Saskatchewan, Alberta, and British Columbia with over 40 new SKUs being launched over the next three to six months, continuing to provide innovation to consumers.
- Top selling Company brands: Fuego, Hustle & Shake, and Xplor, are consistent performers in the provinces they are listed in.
- Consistently offered new SKUs to the market, reflecting the reliability and value that Ayurcann has brought to the recreational cannabis market in Canada.

“With a focus for innovation and growth of new product offerings, combined with our current Product Offerings, we are confident that we can grow market share in the Sectors across the country to help grow our top line revenues,” further added Mr. Sudman.

For further information, please contact:

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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 cannabis industry in Canada. Ayurcann is striving to become a partner of choice for leading Canadian cannabis brands by providing best-in-class, proprietary services including ethanol extraction, formulation, product development and custom manufacturing.

For more information about Ayurcann, please visit www.ayurcann.com and its profile page on SEDAR 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.

Cautionary Note Regarding Forward-Looking Statements

This press 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”, “strategy”, “expects” or “does not expect”, “intends”, “continues”, “anticipates” or “does not anticipate”, or “believes”, or variations of such words and phrases or may contain statements that certain actions, events or results “will be taken”, “will launch” or “will be launching”, “will include”, “will allow”, “will be made” “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 launching new SKUs upon the timelines disclosed herein; the Company gaining market share across the country, allowing the Company to grow its revenue; the Company’s expanded team providing innovation and product efficiencies; automation tools increasing workflow and efficiencies; and the ability of the Company to become the partner of choice for leading Canadian and international 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; continued approval of the Company’s activities by the relevant governmental and regulatory authorities; the continued growth of the Company, including its in-house brands and top-line revenue; the Company’s successful implementation of its strategy to expand market share in the cannabis industry; the Company’s continuing ability to meet the requirements necessary to remain listed on the Canadian Securities Exchange and alternative exchanges; the Company selling its products in compliance with applicable laws and regulations; the Company successfully launching and distributing the new SKUs; the Company growing its exposure, consumer and retail partnerships and securing additional product listings and market share throughout the country; the Company maintaining a continuous path of growth; the Company’s in-house brands and revenue having a positive impact on the Company’s future development; the Company maintaining and creating new relationships with retail distributors; the Company’s expanded team and automation tools providing innovation, increasing workflow and efficiencies; and the Company becoming the partner of choice for leading Canadian and international 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 obtain continued regulatory approvals; the Company’s inability to meet the requirements necessary to remain listed on the Canadian Securities Exchange and alternative exchanges; the Company’s inability to sell its cannabis flower products pursuant to applicable laws and regulations; the Company’s inability to grow and/or increase sales and/or revenue and/or its in-house brands; the Company’s inability to secure funds for the integration, development and distribution of new and existing SKUs; the Company’s inability to secure additional product listings for its new SKUs and grow its market share across the country; the Company’s inability to secure additional partnerships; the Company’s inability to innovate, increase workflows and/or create efficiencies; and the Company’s inability to become the partner of choice for leading Canadian and international cannabis brands.

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.