



AYURCANN

AYURCANN REPORTS RECORD SALES IN Q1 2024 FEATURING A 249% INCREASE IN GROSS REVENUE

Toronto, Ontario, November 29, 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 manufacturing of 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 September 30, 2023, 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 September 30, 2023 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.sedarplus.ca.

FINANCIAL HIGHLIGHTS FOR THE THREE-MONTHS ENDED SEPTEMBER 30, 2023

- Gross revenue increased to \$11,790,915 for the period (compared to \$3,358,213 for the same period last year), representing an increase of 249%
- Gross margin, calculated based on net revenue, was 35%
- Cash on hand at the end of the period totalled \$1,490,032 (compared to \$1,016,130 compared to last year)

Corporate Update

Canadian opportunities

Ayurcann is focused on maximizing the margins and market share from every product we make, and we believe this strong market share capture is being driven by the reputation of our brands. By working with high-quality products and new innovations that complement our current production. We continue to look for new opportunities to increase our revenues with the launch of new products under our existing brands. We intend to deliver this growth without significant overhead costs to our business.

Ayurcann is pleased to announce that, during its first quarter of fiscal 2024, it has secured 12 new stock keeping units (“SKUs”) in the vape, pre-roll and flower categories in Ontario and an additional 12 SKUs are anticipated to come to market in its second fiscal quarter. The Company’s ability to consistently produce innovative and high-quality products has been a successful pathway to the growth it has been able to achieve.

Increased efficiency in our process and partnerships

We are creating efficiencies in our systems and supply chain and are able to rely on internal manufacturing capacity and processes while increasing strong relationships with key partners to reduce costs. As part of this process, Ayurcann has begun implementing new systems that will improve efficiency of the existing business and ready Ayurcann for further growth in specific business verticals.

Ayurcann is pleased to announce its entry into the infused pre-roll category. Market studies have found that pre-rolls are the fastest-growing product segment in the industry, growing 12% year-over-year (“YoY”) in the United States and 38% YoY in Canada.¹

More specifically, in 2023 infused pre-rolls have become the largest pre-roll segment with the data suggesting the average cannabis consumer is looking for fast-acting and high-potency products, with the top three product segments being mixed strain pre-rolls, disposable vape pens, and infused pre-roll.²

Pre-rolls are quickly becoming the favorite consumer product as the United States saw 22% YoY growth in infused pre-rolls, with Canada seeing an astounding 1,426% YoY growth.³

Ayurcann plans to introduce 4 infused pre-rolls SKUs in the second fiscal quarter and an additional 4 infused pre-roll SKUs in the third fiscal quarter.

Build a team and brands focused on delivering results

With the tightness of the labour market, we are very pleased with the almost incredible retention of our team, both internal and external. We believe that people make a company and in order to deliver the best product to market, our team is engaged and proud to work for and represent Ayurcann in the industry. We have been setting clear goals and objectives that are directly linked to the success of the Company and are rewarding and recognizing the hard work and accomplishments of our team.

The Fuego brand is continuing to hold its number one share position in Ontario in the 2x1G pre-rolls segment, with an approximate 40% market share⁴.

As a company Ayurcann’s branded vape products under the Fuego and Xplor band, are ranked as top 5 offerings across the country with XPLORE consistently in the top 3 in Ontario⁵ - High potency and quality is what we have become known for and with new innovation and offerings we intend to sustain and grow our market share across the country.

Ayurcann has launched several new offerings to bolster the Fuego portfolio in the first 6 months of the year, and we are excited about the growth and reception we have been experiencing in the market. Winning in the categories we choose to compete in is a top priority, and we will continue to enhance our product development capabilities to differentiate our products and to win with retailers and consumers.

Future strategies and moving forward.

Ayurcann believes that our quality, brands, and product offerings will drive growth. Price compression has affected all categories in the industry and price compression is being driven by the financial issues faced by many competitors. As companies leave the sector, the demand for products is still maintained in the marketplace. As a business focused on the quality and value, we have seen the market growth and demand for our products being translated to a strong position for Ayurcann.

“We feel that the awareness of our brands in the market and the quality and flavour profile we are introducing will enable Ayurcann to gain market share quickly. Offering value and potency in a segment that is primed to grow even more”. Said Igal Sudman, Chief Executive Officer.

For further information, please contact:

¹ <https://cannatechtoday.com/why-infused-pre-rolls-are-dominating-the-cannabis-market/>

² <https://cannatechtoday.com/why-infused-pre-rolls-are-dominating-the-cannabis-market/>

³ <https://cannatechtoday.com/why-infused-pre-rolls-are-dominating-the-cannabis-market/>

⁴ Based on reporting by Hyfyre IQ™ as of Oct 30, 2023.

⁵ Based on reporting by Hyfyre IQ™ as of Oct 30, 2023.

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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 and medical cannabis industry in Canada.

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

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’s plans to produce various derivative cannabis products; the Company’s focus on custom processes and pharma grade products for the adult use and medical cannabis industry in Canada; the Company’s focus on maximizing its margins and market share; the Company continued search for new opportunities to increase its revenues, through launches of new products under its existing brands and without significant increases to overhead costs; the Company’s securing of the stated SKUs and number of anticipated SKUs launches under the provided timelines, including the plans to introduce 4 infused pre-rolls SKUs in the second fiscal quarter and an additional 4 infused pre-roll SKUs in the third fiscal quarter; the Company’s plans to reduce cost through increased efficiency in its internal processes and partnerships; conclusions based on the quoted market studies, including, infused pre-rolls becoming the favorite consumer product, pre-rolls being the fastest-growing product segment in the industry, and that the average cannabis consumer is looking for fast-acting and high-potency pre-roll products; the Company’s belief that people make a good company and how the Company intends to reward and retain its personnel; the Company’s stated plans to sustain and grow its market share, including, the increasing of the awareness the Company’s brands, the quality and flavour profile of its products, offering value and potency; and the Company’s plans to enhance its product development capabilities by differentiating its products with its competitors.

Forward-looking information in this news release are based on certain assumptions and expected future events, namely: the Company has the ability to produce various derivative cannabis products; the Company will focus on custom processes and pharma grade products for the adult use and medical cannabis industry in Canada; the Company will focus on maximizing its margins and market share; the Company will continue its search for new opportunities to increase its revenues; the Company has the ability to carry out its anticipated SKUs launches under the provided timelines; the Company has the ability to reduce cost through increased efficiency in its internal processes and partnerships; the accuracy of the conclusions based on the quoted market studies; the Company has the ability to reward and retain its personnel; the Company has the ability to carry out its stated plans to sustain and

grow its market share; and the Company has the ability to enhance its product development capabilities by differentiating its products with its competitors.

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 produce various derivative cannabis products; the Company's inability to focus on custom processes and pharma grade products for the adult use and medical cannabis industry in Canada; the Company's inability to focus on maximizing its margins and market share; the Company's inability to continue its search for new opportunities to increase its revenues; the Company's inability to carry out its anticipated SKUs launches under the provided timelines; the Company's inability to reduce cost through increased efficiency in its internal processes and partnerships; the inaccuracy of the conclusions based on the quoted market studies; the Company's inability to reward and retain its personnel; the Company's inability to carry out its stated plans to sustain and grow its market share; and the Company's inability to enhance its product development capabilities by differentiating its products with its competitors.

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.