



AYURCANN

## **AYURCANN REPORTS RECORD SALES IN Q2 2024 FEATURING A 141% INCREASE IN GROSS REVENUE**

**Toronto, Ontario, February 28, 2024** – 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 and six months ended December 31, 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 and six months ended December 31, 2023 and accompanying management’s discussion and analysis can be accessed by visiting the Company’s website at [www.ayurcann.com](http://www.ayurcann.com) and its profile page on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

### **FINANCIAL HIGHLIGHTS FOR THE THREE AND SIX MONTHS ENDED DECEMBER 31, 2023**

- Gross revenue increased to \$10,740,000 for the three-month period (compared to \$4,408,000 for the same period last year), representing an increase of 141%
- Gross revenue increased to \$22,531,000 for the six-month period (compared to \$7,767,000 for the same period last year), representing an increase of 191%
- Gross margin, calculated based on net revenue, was 35%

### **Corporate Update**

#### **Canadian focus.**

Ayurcann continues to be focused on maximizing the margins and market share from every product we make, and we believe this strong market share capture is driven by the reputation of our brands. By continuously providing high-quality products and new innovations that complement our current market offerings, we continue to look for new opportunities to increase revenue under our existing brands.

Ayurcann is pleased to announce that, during the first and second of fiscal 2024, it has secured 22 new stock keeping units (“SKUs”) in the vape, pre-roll and concentrate categories in Ontario, Alberta, Manitoba, Saskatchewan and British Columbia. 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.

#### **Efficient process and partnerships.**

We are continuously looking at creating efficiencies in our systems, including better manufacturing capacities and supply chain management. Over the past few months, Ayurcann has implemented new systems to improve the efficiency of the existing business to position Ayurcann for further growth.

Flavour forward infused pre-rolls have become a large segment in the Canadian marketplace and Ayurcann has introduced 8 infused pre-roll SKUs across the country, with 4 more offerings expected to become available in the third quarter of fiscal 2024.

### **Team focused on delivering results.**

We are very pleased with our incredible team, both internal and external. People make a company and to deliver the best products to market. We set clear goals and objectives that are directly linked to the success of the Company and reward and recognize the hard work and accomplishments of our team.

As a company, Ayurcann's branded vape and pre-roll products under the Fuego and Xplor band, are ranked as top 5 offerings across the country with XPLOR vapes consistently in the top 3 in Ontario<sup>1</sup> - we intend to sustain and grow our market share across the country.

### **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. Demand for products is still maintained in the marketplace. As a business focused on the quality and value, we have seen market growth and demand for our products translate into a strong competitive position.

### **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 and medical cannabis industry in Canada.

For more information about Ayurcann, please visit [www.ayurcann.com](http://www.ayurcann.com) and its profile page on SEDAR+ at [www.sedarplus.ca](http://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*

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<sup>1</sup> Based on reporting by Hyfyre IQ™ as of Dec 31, 2023.

*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; the Company's securing of the stated SKUs and number of anticipated SKUs launches under the provided timelines; 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 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 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 because 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.*