Avivagen Inc. Announces Results for the First Quarter Ending January 31, 2021

OTTAWA, Ontario--(BUSINESS WIRE)--March 3, 2021--Avivagen Inc. (TSXV:VIV, OTCQB:VIVXF) ("Avivagen" or the "Corporation"), a life sciences corporation focused on developing and commercializing products for livestock, companion animal and human applications that enhance feed intake and safely support immune function, thereby supporting general health and performance, has announced its unaudited financial results for the first quarter of 2021. Unless otherwise noted, all figures are in Canadian currency.

Milestones achieved during Q1 2021 include:

- Secured sizeable recurring order (6 tonne total at 500kg/month) with Transformadora Agricola de Alimentos S.A. de C.V in Mexico. Product will begin shipping to the customer in April, 2021.
- Finalized shipping arrangements for previously announced 10 tonne order with Industrias Melder in Mexico.
    - Product to be shipped commencing Q2, 2021, resulting in 1.5 tonnes of orders from Mexico-based clients (Melder & Transformadora) per month, a dramatic increase from total fiscal 2020 sales.

- Fulfilled more than 2 tonnes in orders with customers in the Philippines, Taiwan and Thailand.

Subsequent to the quarter Avivagen also announced it had:

- Completed an oversubscribed bought deal financing of $7.5 million.
- Signed an agreement with Meyenberg International Group to expand efforts into five Central and South American markets, building on accelerating growth in the Mexican market to date.
- Launched *Dr. Tobias Beta Blend*, Avivagen's first nutraceutical, designed and developed to promote advanced immune support for humans, with Mimi's Rock Corp. on Amazon.com.

"We have just finished our largest volume and sales year for OxC-beta™ and have already announced order volumes for the upcoming year that are larger than all of 2021. As timing of orders and shipping realities mean these numbers aren't reflected in our Q1 results, what these accomplishments show is that the year ahead is very bright for Avivagen," says Kym Anthony, Chief Executive Officer, Avivagen Inc.

"Subsequent to quarter end we completed the largest bought deal financing in our history. We are continuing to grow important client relationships and sales volume in Mexico, and recently expanded our efforts in Central and South America, spearheaded by Meyenberg International Group," added Anthony. "We are grateful to our shareholders for their role in the important work we are doing to remove antibiotics from the food chain, and we look forward to rewarding their faith in Avivagen."

First Quarter January 31, 2021 Financial Results

The Company's unaudited Financial Statements for the first quarter ended January 31, 2021 and the accompanying Management's Discussion and Analysis have been filed on the System for Electronic Document Analysis and Retrieval and are available via its website (www.sedar.com). The financial information for the first quarter ended January 31, 2021 should be read in conjunction with the Company's unaudited Financial Statements as well as its Management's Discussion and Analysis for the first quarter ended January 31, 2021.

The Company reported revenues of $261,987 ($247,805 in the quarter ending January 31, 2020) and a comprehensive loss of $(1,266,300) for the quarter ending January 31, 2021. This compares to a comprehensive loss in the quarter ending January 31, 2020 of $(1,331,780). Revenues in the quarter do not include recent large orders of OxC-beta™ Livestock from Industrias Melder (10 tonnes) and Transformadora Agricola de Alimentos S.A. de C.V in Mexico (six tonnes), both which should commence shipping in Q2 and will begin to be reported in the Company's financial results in Q2 2021. As at January 31, 2021, the Company reported total assets of $1,424,927 (current assets of $1,064,378), total liabilities of $7,476,587, and shareholders' deficit of ($6,051,660).

Significant financing inflows after the quarter ending January 31, 2021, was an offering of 15,000,000 units of the Company at $0.50 per unit for aggregate gross proceeds of $7,500,000. The offering closed on February 16th, 2021.

Each unit consisted of one common share in the capital of the Company (each a "Common Share") and one half of one Common Share purchase warrant (each whole warrant, a "Warrant"). Each Warrant will be exercisable to acquire one Common Share until February 16, 2024 at an exercise price of $0.75 per share. The net proceeds of the Offering will be used to fund research and development expenses, sales and marketing costs, product registration, interest expense, working capital and general corporate purposes.

About Avivagen

Avivagen is a life sciences corporation focused on developing and commercializing products for livestock, companion animal and human applications. By unlocking an overlooked facet of β-carotene activity, a path has been opened to safely and economically support immune function, thereby promoting general health and performance in animals. Avivagen is a public corporation traded on the TSX Venture Exchange under the symbol VIV and on the OTCQB Exchange in the U.S. under the symbol VIVXF, and is headquartered in Ottawa, Canada, based in partnership facilities of the National Research Council of Canada. For more information, visit www.avivagen.com. The contents of the website are expressly not incorporated by reference in this press release.

About OxC-beta™ Technology and OxC-beta™ Livestock

Avivagen's OxC-beta™ technology is derived from Avivagen discoveries about β-carotene and other carotenoids, compounds that give certain fruits and vegetables their bright colours. Through support of immune function the technology provides a non-antibiotic means of promoting health and growth. OxC-beta™ Livestock is a proprietary product shown to be an effective and economic alternative to the antibiotics commonly added to livestock feeds. The product is currently available for sale in the United States, Philippines, Taiwan, New Zealand, Thailand, Mexico, Brazil, Australia and Malaysia.

Avivagen's OxC-beta™ Livestock product is safe, effective and could fulfill the global mandate to remove all in-feed antibiotics as growth promoters. Numerous international livestock trials with poultry and swine using OxC-beta™ Livestock have proven that the product performs as well as, and, sometimes, in some aspects, better than in-feed antibiotics.

Forward Looking Statements
This news release includes certain forward-looking statements that are based upon the current expectations of management. Forward-looking statements involve risks and uncertainties associated with the business of Avivagen Inc. and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking, including those identified by the expressions "aim", "anticipate", "appear", "believe", "consider", "could", "estimate", "expect", "if", "intend", "goal", "hope", "likely", "may", "plan", "possibly", "potentially", "pursue", "seem", "should", "whether", "will", "would" and similar expressions. Statements set out in this news release relating to the anticipated shipment date, revenue recognition timing and total size of recurring orders received from customers, anticipated sales volumes for 2021, Avivagen Inc.'s expected financial performance in 2021, the possibility for OxC-beta™ Livestock to replace antibiotics in livestock feeds as well as fill a critical need for health support in certain livestock applications where antibiotics are precluded and the size of market opportunities are all forward-looking statements. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations. For instance, demand for Avivagen's products may not continue to grow and could decline, Avivagen's products may not be widely accepted as a replacement for antibiotics in livestock feeds, despite receipt of purchase orders delivery or fulfillment of orders of product could be delayed for a number of reasons, some of which are outside of Avivagen' s control, which could result in anticipated future *shipments* and revenues from such sales being delayed or in the most serious cases eliminated, actions taken by Avivagen' s customers and factors affecting the business and financial viability of Avivagen' s customers can have a negative impact on the expectation of future sales and revenues*, and market opportunities may not be as large as Avivagen anticipates, all due to many factors, many of which are outside of Avivagen's control. Readers are referred to the risk factors associated with the business of Avivagen set out in Avivagen's most recent management's discussion and analysis of financial condition available at www.SEDAR.com. Except as required by law, Avivagen assumes no obligation to update the forward-looking statements, or to update the reasons why actual results could differ from those reflected in the forward-looking statements.*

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