

ABcann to Acquire Leading B.C. Producer Canna Farms

Creating a leading fully-integrated international cannabis company with:

- **57,000 kilograms of funded annual domestic production capacity**
- **\$110 million in cash to fund the execution of an aggressive growth strategy**
- **Five percent share of Canadian medical cannabis market**

NAPANEE, Ontario, and HOPE, British Columbia, (GLOBE NEWSWIRE) July 30, 2018 -- ABcann Global Corporation (TSX-V:ABCN, OTCQB: ABCCF) (“**ABcann**” or the “**Company**”) is pleased to announce that it has entered into a definitive agreement to acquire 100% of the issued and outstanding share capital of Canna Farms Limited (“**Canna Farms**”), a premium cannabis company in British Columbia (the “**Transaction**”). Canna Farms was the first Licensed Producer in B.C. and has many years of craft cultivation experience and expertise, as well as a significant patient base and positive cash flow. A conference call to discuss the Transaction will take place on Tuesday July 31, 2018 at 9:00 a.m. ET (details below).

“This is a transformational acquisition, and key benefits include increased production capacity, an expanded product offering, operational efficiencies, and a more robust platform to accelerate our growth,” commented Barry Fishman, CEO of ABcann. “We will maximize operational and financial synergies, so that the combined company will be greater than the sum of its parts.”

Transaction Highlights – Combining our Strengths

- **Increased Capacity and Scale:** Annual fully funded production capacity of 57,000 kilograms¹, with multiple provincial supply agreements already secured.
- **Diverse Production Capability:** State-of-the-art indoor facilities in Ontario and British Columbia, extraction capability and expected GMP certification in Ontario by the end of 2018.
- **Expanded Product Line:** With over 15,000 medical cannabis patients, the combined company plans to leverage strong anticipated adult-use demand for premium products, including Canna Farms’ award-winning B.C. Bud and ABcann’s new Beacon, FIRESIDE and Lumina product lines.
- **Strengthened Leadership Team:** A seasoned and diverse leadership team with experience in all aspects of the business, including cultivation, product development, branding, capital markets, and demand creation.
- **International Leverage:** Canna Farms’ Dealers License, combined with ABcann’s international partnerships and expertise, are expected to expedite the combined company’s expansion strategy in international markets, with a focus on Germany and Australia.
- **New Product Development:** A strengthened foundation will facilitate a continuous stream of novel product offerings for both domestic and international markets.
- **Enhanced Financial and Capital Markets Profile:** The enhanced market capitalization and strong cash position of \$110 million, combined with Canna Farms’ positive operating cash flow and trailing adjusted EBITDA² margins of 46% are expected to result in a more robust capital markets profile.
- **Immediately Accretive:** The Transaction will be immediately accretive to ABcann. For the twelve months ending June 30, 2018, Canna Farms generated unaudited revenue and adjusted EBITDA² of \$9.4 million and \$4.3 million, respectively. For the fiscal year ending September 30, 2017, Canna Farms generated audited revenue of \$5.8 million and adjusted EBITDA² of \$2.8 million.

- **Cost and Operational Synergies:** Having realized a positive return on invested capital since inception, Canna Farms brings an industry-leading cost structure with strong adjusted EBITDA margins. The combined company is expected to benefit from anticipated yield improvements and cost and operational synergies.

Transaction Summary

The value of the Transaction is approximately \$133 million, comprised of \$22 million in cash and 92.5 million ABcann shares, based on ABcann's 20-day VWAP of \$1.20 as of July 27, 2018. The share consideration will be released from escrow in six month increments over 30 months.

Upon completion of the Transaction, the two co-founders of Canna Farms, Daniel Laflamme and Raymond Laflamme, will each own 16.1% of ABcann's outstanding shares. They will remain with the combined company as President, Canna Farms and Senior Vice President, Facilities and Engineering, respectively. Daniel Laflamme will be appointed to the ABcann Board of Directors, increasing the total number of ABcann directors to seven.

The Transaction is expected to close in August 2018 and allows the two complementary businesses to leverage each other's strengths prior to the opening of the adult-use market in the fall. The completion of the Transaction is subject to the satisfaction of customary closing conditions, including the conditional approval of the TSXV and applicable regulatory approvals.

"The ABcann team welcomes Raymond, Daniel and the rest of the Canna Farms family. We are excited about the tremendous potential that combining the strengths our two organizations will provide to our shareholders, employees and customers," Fishman says.

"I am thrilled to bring Canna Farms together with ABcann, a respected organization that has great leadership and quality products, and is well-capitalized for future growth," commented Daniel Laflamme, President of Canna Farms. "ABcann and Canna Farms share the same mission to provide trusted cannabis products to our valued patients and customers and are aligned on the corporate values of integrity and strong entrepreneurial spirit."

¹ Current capacity: Napanee, ON 1,500 KG; Hope, BC 2,700 KG; End of 2018: Napanee, ON 5,500 KG; Hope, BC 6,900 KG; Estimated mid-2020: Napanee, ON 32,500 KG, Hope, BC 24,500 KG

² Adjusted EBITDA is earnings before interest, taxes, depreciation and amortization excluding any changes in fair value of biological assets

Financial and Legal Advisors

Canaccord Genuity Corp. is acting as financial advisor and Bennett Jones LLP is acting as legal advisor to ABcann. Stoic Advisory Inc. is acting as financial advisor and Aydin Bird Business Lawyers and Borden Ladner Gervais LLP are acting as legal advisors to Canna Farms.

July 31, 2018 Conference Call Information:

ABcann will host a conference call, including a slide presentation that will be posted on the Company's website (www.abcannglobal.com), to discuss the Transaction on Tuesday, July 31, 2018 at 9:00 a.m. ET. Participants may join the conference call by dialing 1-855-353-9183 from Canada or the USA using the participant passcode 45136#.

About ABcann

ABcann is recognized for high-quality, trusted products and services. It holds production and sales licences from Health Canada, and its world-class indoor cultivation facility in Napanee, Ontario contains proprietary plant-growing technology, centred on its specially designed, environmentally-controlled growing chambers. This approach results in the production of pharmaceutical-grade cannabis products. ABcann is expanding its production capacity and pursuing partnership and product development opportunities domestically, as well as in select international markets, such as Germany, Australia and Israel.

About Canna Farms

Canna Farms, located in Hope, B.C. was the first LP in British Columbia and the fifth in Canada to receive an ACMPR license. Canna Farms prides itself on running a lean, efficient operation with a dedicated and talented team and offering a large selection of award-winning strains and hand-trimmed cannabis flower, as well as a line of cannabis oils. Canna Farms currently has the largest active medical patient base for a privately-held company in the industry.

For More Information:

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ON BEHALF OF THE BOARD OF DIRECTORS

Barry Fishman
CEO and Director

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Disclaimer for Forward-Looking Information

Certain statements in this news release may be considered forward-looking statements, which are statements that are not purely historical, including statements regarding the beliefs, plans, expectations or intentions of ABCann and its management regarding the future. Forward looking statements in this news release include statements relating to the expected timing of closing of the Transaction, future expected production capacity, expected pro forma capitalization, and the expected benefits of the Transaction. Such statements are based on management's current assumptions regarding the combined company, derived from due diligence conducted in connection with the Transaction, and are subject to risks and uncertainties that may cause actual results, performance or developments to differ materially from those contained in the forward-looking statements, including the possibility that the Transaction will not be completed on the expected terms or at all, that the combined company's production capacity, financial position or market performance may not be as expected, or that ABCann may not derive the expected benefits from the Transaction described in this news release. No assurance can be given that any of the events anticipated by the forward-looking statements will occur or, if they do occur, what benefits the Company will obtain from them. Readers are urged to consider these factors, and the more extensive risk factors included in the Company's annual information form dated April 30, 2018, which is available on SEDAR, carefully in evaluating the forward-looking statements contained in this news release and are cautioned not to place undue reliance on such forward-looking statements, which are qualified in their entirety by these cautionary statements. The forward-looking statements in this news release are made as of the date hereof and the Company disclaims any intent or obligation to update publicly any such forward-looking statements, whether as a result of new information, future events or results or otherwise, except as required by applicable securities laws.