

ABcann Provides Business Update

NAPANEE, Ontario, May 3, 2018 (GLOBE NEWSWIRE) -- ABcann Global Corporation (TSXV:ABCN) (“ABcann” or the “Company”) is pleased to provide the following business update.

“Over the past two quarters, we have enhanced our leadership team, strengthened our balance sheet, improved operational effectiveness, and made significant commercial advancements. ABcann is well-positioned, with approximately \$130 million in cash, to accelerate the growth of our business,” commented Barry Fishman, Chief Executive Officer of ABcann.

ABcann’s 2017 audited annual financial statements showed a cash balance at December 31, 2017 of \$70.8 million, annual net sales of \$0.9 million and operating expenses totalling \$27.5 million. These expenses included very substantial one-time costs related to taking ABcann public and internal restructuring matters. While the restructuring continued into Q1 of 2018, the impact of these costs is expected to have a far lesser impact on the Company’s financial statements for that period.

In Q1, ABcann’s new management team formulated a growth strategy for 2018 that is focused on several key areas:

1. Production Capacity and Capability

- 2018 capacity – 800 kilograms of indoor grown premium dry flower and 1,500 kilograms of seasonal greenhouse cannabis
- 2019 capacity – 1,500 kilograms of indoor grown premium bud and 14,000 kilograms of seasonal greenhouse cannabis to be used primarily in finished medical and adult-use products

Targeted for completion in late Q3 2018, the Company’s Vanluven expansion includes state-of-the-art areas for cultivation, extraction, formulation and packaging. ABcann is expecting to receive GMP certification in late Q4 2018 or early Q1 2019, facilitating the export of products to certain international markets.

The Company is developing a plan for the construction of its Kimmitt facility. The macro plan and budget for the facility are not expected to be completed until later this year, however the Company has developed the following three-phased approach to begin to generate revenue from the facility prior to its completion:

- Phase 1, which has recently commenced, consists of the construction of seasonal greenhouses and a header house with an annual production capacity of approximately 4,000 kilograms. Subject to receipt of necessary Health Canada approvals, this innovative design is expected to result in one of the lowest capital and operating costs per gram in the industry. It is estimated that cannabis

produced from these seasonal greenhouses will be produced for less than \$0.50 per gram.

- Phase 2, consisting of additional seasonal greenhouses with annual production capacity of approximately 10,000 kilograms, is expected to begin production in Q2 2019 and to bring the Company's total annual production capacity to approximately 15,500 kilograms.
- Phase 3, which will include the Cannabis Wheaton expansion area, is expected to be a hybrid production facility with 17,000 kilograms of capacity and is expected to commence production in late 2019. The Company continues to work with Cannabis Wheaton on the Phase 3 facility design, with the intent of completing an agreed-upon project plan by Q3 2018, as per the amending agreement between the parties, which is further described in ABCann's management's discussion and analysis for the year ended December 31, 2017 (the "MD&A"). Upon completion of the Kimmitt facility, the Company is expected to have a total annual production capacity of approximately 32,500 kilograms.

2. Go-to-Market Strategy

- Company to be rebranded and new consumer brands to be rolled out mid-year 2018
- Harvest Medicine to open second clinic in Edmonton in early Q3 2018
- Harvest Medicine to launch a telemedicine platform in Q3 2018 to provide access to patients seeking medical cannabis in underserved communities.

In the near future, subject to the receipt of all necessary approvals, the Company expects to announce a new company name, a new medical brand, and two new adult-use brands, each targeting a distinct segment of the soon-to-be-legalized recreational market.

To drive revenue growth and improve the customer experience, ABCann is focused on:

- securing distribution agreements for its adult-use products
- increasing its promotional interactions with cannabis clinic prescribers
- increasing the frequency and impact of its marketing and communications
- upgrading its product line and service offerings, including an innovative first-of-its-kind vaporizer access program and a Q3 2018 oils launch
- introducing innovative first-to-market products that meet unmet customer needs.

ABcann's current product development focus is on producing extracted oil products and the Company is targeting launch of three different formulations of oils in Q3 2018. The Company expects to expand its product offering to include soft gels, oral strips, patches, inhalers, and topical products when permitted by Health Canada.

In Q1 of 2018, the Company made two strategic investments: the acquisition of Harvest Medicine, a proven, scalable medical cannabis clinic business that is on track to add at least four additional locations over the next 12 months; and an investment in Choom, a Vancouver-based company focused on retail distribution in the adult-use market. The Choom investment is accompanied by a product supply agreement for their retail operations. Additional details with respect to these investments are included in the MD&A.

3. International Expansion

- Australia sales and sales activities underway
- GMP status approval, required for European sales, targeted for late 2018

ABcann has signed an agreement to supply medicinal cannabis to the Australian Medicinal Cannabis Service, as well as a research agreement with the Metro Pain Group (the "MPG"), a prominent group of pain physicians in Melbourne. ABcann is shipping product to Australia this month that will be used in conjunction with a joint study with MPG to explore the use of cannabinoids in the management of chronic pain.

This month, ABcann will submit joint applications to the German Narcotic Agency (BfArM) and the State of Brandenburg seeking approval for a narcotic import and distribution license. This approval, expected by the end of 2018, will permit ABcann to ship medicinal cannabis to the German market. The Company aims to obtain a distribution license in Germany after GMP certification of its Vanluven facility is received and the required stability testing of its products is completed. ABcann will enter the next round of the German tender process for cultivation and continues to evaluate multiple opportunities to enter into additional European markets.

4. R&D Initiatives

- University of Guelph partnership to leverage in-house state-of-the-art research

ABcann has had an industry exclusive partnership with the University of Guelph's Controlled Environment Systems Research Facility ("CESRF") since 2015. CESRF is the world's leading controlled environment research and technology development institute. The coordinated R&D program is unique to the industry and has resulted in the first peer reviewed scientific publications on cannabis cultivation in North America.

The custom designed growth chamber technology currently housed at the Company's Vanluven facility, where trained plant scientists are extending the scope of cannabis production research, is state-of-the-art in this field globally.

ABcann is also working with an Ontario college, through a multifaceted partnership, on the implementation of optimized extraction methods at the Company's Napanee facilities and the development of novel differentiated product formulations. ABcann will announce further details of this partnership in the coming weeks.

5. Organizational Effectiveness

Through the addition of new talent with backgrounds in the beverage alcohol, pharmaceutical and agriculture industries, the Company has strengthened its leadership team. ABcann has also significantly enhanced business processes and governance across the organization. This enhanced set of internal processes and capabilities is expected to create a strong platform from which to expand, and create a foothold from which to efficiently expand globally to put ABcann at the forefront of the cannabis industry.

About ABcann:

ABcann holds production and sales licenses from Health Canada. Its flagship Vanluven facility in Napanee, Ontario contains proprietary, state-of-the-art, plant-growing technology, which allows ABcann to precisely control all environmental variables to maximize yield and produce pharmaceutical-grade cannabis. This scientific approach to production will continue to be the basis of ABcann's growing philosophy in all current and future operations.

The Company 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.

An updated Investor Presentation is available on our website at the following link:

https://www.abcannglobal.com/assets/Investor%20Presentation_April_2018.pdf

ON BEHALF OF THE BOARD OF DIRECTORS

"Barry Fishman"

Chief Executive Officer and Director

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Disclaimer for Forward-Looking Information

Certain statements in this news release are 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: ABcann's vision for the near and long-term growth and success of the Company; ABcann's ability to achieve competitive margins; ABcann's proposed re-branding and new product lines, and their respective expected launch dates; ABcann's expected timing for completion of its Vanluven expansion and three phases of its Kimmett facility, as well as the expected capacity from each; the expectation of Health Canada approval for the seasonal greenhouses; ABcann's ability to expand its medicinal business and address the adult-use market, when open; ABcann's future plans with respect to cultivation, distribution and imports into Germany, Australia and other international jurisdictions, including the timing of applications for the German market; the expected timing of receipt of the Company's GMP certification; the proposed opening of new Harvest Medicine clinics; the Company's investment in Choom; the Company's relationships with educational institutions and research activities; and the Company's intent to increase shareholder value. Such statements 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: (i) that ABcann may not be able to substantially increase its production capacity at either its current Vanluven facility or proposed Kimmett facility; (ii) that ABcann may not obtain Health Canada approval for the seasonal greenhouses or other phases of the Kimmett facility construction; (iii) that ABcann may not complete the Kimmett Phase 3 plan prior to the deadline provided in the Cannabis Wheaton agreement; (iv) that ABcann's re-branding, including the proposed change of name, may not receive the necessary approvals; (v) that the Company may not be able to launch new products in the time expected or at all; (vi) that the Company may not be able to achieve competitive margins; (vii) that ABcann may not be able to increase the sales of its products in the current domestic market or to successfully launch new product lines in the time expected or at all; (viii) that the new products, if launched, may not be accepted by the market or may become subject to product liability claims; (ix) that ABcann may not be able to obtain a distribution/import license or a cultivation license for Germany or other emerging markets it is targeting; (x) that ABcann may not be able to serve larger and broader markets as a result of its production increase; (xi) that ABcann may be unable to retain its key talent; (xii) that ABcann's management may be unsuccessful in implementing the 2018 strategic plan; and (xiii) other factors beyond the Company's control. 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.