

AMP German Cannabis Group Provides Year-end Letter to Shareholders

ERFURT, Germany and BERLIN, Dec. 16, 2020 /CNW/ - AMP German Cannabis Group Inc. ("AMP") (CSE: XCX) (Frankfurt: C4T) (ISIN: CA00176G1028) is pleased to provide a letter to its shareholders.

Dear Shareholders,

The upcoming year will be transformational for AMP and the medical cannabis industry in Germany and globally.

AMP's focus has always been to supply German patients with the highest quality cannabis products available. Our strength is having front-line relationships with the distributors of medical cannabis to pharmacies, the only point-of-sale for medical cannabis to German patients, which allows us to respond to market changes quickly.

In December 2020, the United Nations (UN) removed cannabis and cannabis resin from Schedule IV of the 1961 Single Convention on Narcotic Drugs, where it had been listed alongside opioids such as heroin. Also, in December, the European Union (EU) removed all uncertainty that cannabis with CBD and THC below 0.2% is not a narcotic, which may result in these wellness products being sold without a prescription in Germany and Europe.

These milestone announcements from the UN and the EU establish that cannabis has medical and wellness benefits for patients and significantly broadens its medical applications. This is a turning point where the education and knowledge will increase dramatically among the community of doctors, pharmacists, and other practitioners about the medical benefits of cannabis for their patients.

This year, Germany saw a 50% increase in patients to 120,000 or 0.15% of the population covered by statutory health coverage, which we estimate to be €150-million this year. The highly regulated prescription standards for narcotics limited what medical conditions cannabis could be prescribed before in Germany. We expect patient growth and coverage of medical conditions to increase significantly as the UN's decision to declassify cannabis as a narcotic opens it as a possible medication to a variety of new medical conditions for patients. We do not expect the demand for cannabis products to be impacted by the effects of the pandemic in Germany next year.

This year, AMP reached an important milestone when we generated our first sales in July from the Netherlands' import. To reach this milestone, we spent a year applying for the required licenses to import European Union-Good Manufacturing Practices (EU-GMP) medical cannabis products into Germany. At the same time, we also built and had EU-GMP certified our supply chain across Germany to transport, warehouse, test and distribute narcotic medicines.

The Thuringian State Office for Consumer Protection (Thüringer Landesamt fuer Verbraucherschutz) ("TLV"), which deals with consumer protection and consumer policy for the Free State of Thuringia in Germany, granted AMP import licences for medical cannabis products imported from outside and within the EU into Germany as well as a wholesaler's license for medical cannabis products (Section 72 and 52a of the German Medicine Law (Arzneimittelgesetz – AMG).

We also received an AmRadV license, which allows us to import irradiated cannabis products from within and outside the EU, which have undergone microbial germ reduction from The Federal

Institute for Drugs and Medical Devices (BfArM). EU-GMP medical cannabis imported into Germany that does not comply with microbial levels as defined in general monographies of the European Pharmacopoeia must use better microbial germ reduction before being made available for sale in Germany's medical cannabis program.

To ensure the highest quality, cultivation, and manufacturing standards, we engaged the German pharmaceutical consulting company, Diapharm GmbH & Co. KG (www.diapharm.com), to qualify all our suppliers by conducting on-site EU-GMP audits of which successful suppliers are then inspected by TLV and certified to import into Germany if they pass.

Now that we are fully licensed and have a variety of imported medical cannabis products for sale to national and specialized pharmaceutical distributors and large pharmacies that specialize in fulfilling medical cannabis prescriptions, we expect our sales to grow significantly next year. Our strategic relationship with CC Pharma, the German subsidiary of Aphria Inc. (NASDAQ: APHA), which has over 13,000 pharmacies in its network, will allow us to offer our products across Germany.

We started building a strong sales team with the objective to have national coverage to coincide with the launch of our medical and wellness brands. We have been actively recruiting salespeople who have a successful track record in pharmaceutical sales and specifically in medical cannabis. Our sales team is led by a seasoned national sales manager with extensive experience in the medical cannabis industry in Germany.

Building our AMP brand is a key part of our strategy to build high gross margins, where we source white-label medical cannabis products that meet our product specifications and high-quality manufacturing standards and brand under the AMP name.

The first products in our sales catalogue were high-THC flower, which is currently the most prescribed medicine by doctors and selling at a premium pricing. In July 2020, we started importing Bedrocan branded medical cannabis flower from the Netherlands. We plan to add another high-THC flower product from a global cannabis company shortly. Beginning in January 2021, we will be introducing the "AMP 18/1 Classic", our high-THC flower sourced from Schroll Medical ApS of Denmark, which is a partnership between Schroll Flowers and Aphria. We anticipate adding Canadian supply starting with Eve & Co. branded cannabis flower in January 2021 and another supplier in the first half of 2021.

Beginning this year, we saw a growing demand for extracts as doctors become more familiar with how to prescribe the different medical cannabis products available and pharmacists on how to fulfill prescriptions. To meet this growing demand, we started selling Little Green Pharma's single-source extract from Australia in December 2020. We will be introducing additional cannabis extracts, including our own brand, in the latter half of 2021, pending the lifting of pandemic travel restrictions.

We have had to delay qualifying our non-European suppliers due to international pandemic travel restrictions and we do not expect AMP will be able to qualify our foreign suppliers to export to Germany until travel pandemic restrictions are lifted. We are fortunate that we have secured enough cannabis flower and extract supply from our current suppliers to meet our most aggressive sales goals for next year.

To further educating the medical community about the benefits of cannabis, AMP will be holding education seminars across Germany for doctors and pharmacists to inform them about the possible medical benefits of cannabis for patients.

To encourage the general discussion about cannabis, AMP released its first two of six episodes round table discussions about medical cannabis in Germany that are available by podcast or video. More information can be found on: www.amp-eu.de/roundtable.

We will begin reporting our financial results in Euro instead of Canadian dollars beginning in Q4,

2020, our first full quarter of sales. In addition, we have engaged Deloitte Germany & Touche GmbH from Leipzig as our local auditors for our wholly-owned German subsidiary and support DMCL Chartered Professional Accountants, the Company's Canadian auditors.

To improve trading liquidity in Germany and Canada, we will be investigating whether AMP can list its shares on the electronic trading platform XETRA operated by the Frankfurt Stock Exchange.

Everyone at AMP wishes to thank our fellow shareholders for their support and loyalty. Next year will be a transformational year for AMP as our sales significantly grow from selling our extensive product line of medical cannabis products.

We wish you and your families a Merry Christmas and a happy, healthy, and prosperous New Year.

Best regards,

Dr. Stefan Feuerstein, President

About AMP German Cannabis Group

AMP German Cannabis Group is licensed to import European Union - Good Manufacturing Practice (EU-GMP) medical cannabis from Europe and elsewhere into Germany. AMP sources, stores, transports, delivers, and sells medical cannabis products to pharmaceutical distributors or pharmacists directly, the only point-of-sale for medical cannabis to German patients with a physician's prescription. AMP has entered into a non-exclusive distribution agreement for medical cannabis with a leading distributor of pharmaceuticals products to more than 13,000 pharmacies throughout Germany.

AMP social media links:


- Twitter: https://twitter.com/AMP_Cannabis
- LinkedIn: www.linkedin.com/company/ampgermancannabisgroup
- Facebook: www.facebook.com/AMPGCG
- Instagram: www.instagram.com/ampgcg
- Podcast: <http://ow.ly/EqBc50BJ4xw>

Media Kit: <https://www.amp-eu.com/media-kit>

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