



Canntab Achieves Key Milestone: Canntab Enters Into Supply & Distribution Agreements With Exactus for the Purchase of Hemp-Derived CBD Oil and the Distribution of Canntab's Hard Pill Formulations in the United States

- Canntab will manufacture its hard pill formulations (made from CBD and other hemp derivatives) in a Florida facility operated by Exactus, using equipment supplied by Canntab
- Manufacturing is expected to begin near the end of Q1 2020
- The agreements unlock a distribution channel to an estimated \$1B+ CBD market in the U.S.¹
- Canntab's hard pill formulations include extended release, immediate release and oral disintegrating tablets made with a variety of hemp-derived cannabinoids in exacting dosages
- Canntab is also expected to manufacture its growing line of products at the Florida facility on a white label basis, for distribution to U.S. and International third-party distributors and to end consumers

TORONTO, Nov. 20, 2019 /CNW/ - Canntab Therapeutics Limited ([CSE:PILL.CN](#))([OTCQB:CTABF](#)) ([FRA:TBF1.F](#)) (the "Company" or "Canntab"), the leading innovator in cannabinoid and terpene blends in hard pill form for therapeutic application, today announced the signing of a supply agreement (the "Supply Agreement") and a non-exclusive distribution and profit sharing agreement (the "Distribution Agreement", and together with the Supply Agreement, the "Agreements") with Exactus Inc. ([OTCMKTS: EXDI](#)) ("Exactus"), a farm operator and manufacturer of hemp-derived phytocannabinoid products in the U.S.

Pursuant to the Supply Agreement, Canntab will purchase hemp-derived CBD oil resin from Exactus for use in its hard pill formulations, which are expected to include a variety of hemp-derived cannabinoids, such as [Cannabidiol](#) (CBD) and [Cannabigerol](#) (CBG), in instant release, extended release and oral disintegrating tablets with exacting dosages. In connection with the entering into of the Agreements, Canntab is expected to equip a facility in Florida for the purpose of manufacturing advanced hemp-derived cannabinoid hard pill formulations for distribution throughout the U.S. The Supply Agreement is for an initial term of two years, and unless terminated in accordance with its terms, will automatically renew thereafter for additional two year terms.

¹ Source: <https://www.statista.com/statistics/760498/total-us-cbd-sales/>

Pursuant to the Distribution Agreement, Canntab and Exactus will share the gross profits derived from the sale of Canntab's hard pill formulations, with the gross profits to be allocated in one of two ways, depending on the party originating such sales. The Distribution Agreement is for an initial term of two years, and unless terminated in accordance with its terms, may be renewed thereafter for two additional two-year terms.

The parties are currently working to finalize and enter into a separate sublease agreement, which is necessary to implement the parties' arrangement under the Agreements. Under the sublease agreement, Exactus is expected to be responsible for building out and making improvements to the Florida facility while Canntab is expected to be responsible for providing equipment and expertise.

"Having known Jeff for over a decade, I was eager to connect Canntab's game changing pharmaceutical solutions with Exactus' high quality inputs," explains Kevin J. Esval. Mr. Esval serves as an Independent Director at Exactus Inc., and is on the Board of Directors of multiple healthcare and specialty pharmaceutical companies. Mr. Esval continues, "Canntab has the future of medical cannabinoid solutions in a familiar pharmaceutical dosage form: a hard pill with timed release properties. These products are a perfect fit for Exactus as we are focused on developing high quality medical solutions that are currently unavailable in a market flooded with sub-optimal methods of delivery."

Jeff Renwick, Chief Executive Officer of Canntab, said the logic of combining the two companies' operations was compelling. "Our goal has been to develop a relationship with a trusted partner in the United States -one that allows us to bring our unique products to market in the U.S., and for our shareholders to benefit from that opportunity. I can confidently say that we have successfully achieved that goal, as our agreements with Exactus open the door to the growing CBD market in the United States. Our hard pill formulations will be one of the most advanced CBD solutions available, with extremely precise dosing, high bioavailability, timed release, and long shelf life. These are features that doctors, retailers and end consumers are searching for, all of which are covered by 13 patents pending in the United States, and Canada."

"The supply and distribution agreements come at the perfect time during the evolution of our business strategy. The agreements will enable Canntab to bring their patent-pending hard pill formulations to the United States, adding to our suite of medically focused products and enhancing our position as the premier medically focused CBD solutions provider in the United States," said Emiliano Aloï, President & CEO of Exactus. Mr. Aloï continues, "with the initiation of manufacturing expected to begin in the new year, we will leverage our growing distribution network to capture consumers looking for the next generation of medically focused products with maximum accuracy and total dose control."

About Canntab Therapeutics

Canntab Therapeutics Ltd. is a Canadian company engaged in the research and development of advanced, pharmaceutical-grade formulations of cannabinoids and terpenes. In doing so, Canntab has developed a suite of precision oral dose products that are unavailable elsewhere in the marketplace, formulated in multiple doses and time release combinations. Canntab's proprietary hard pill cannabinoid formulations will provide doctors, patients and the general consumer with a medical grade solution with all the features you would expect from any prescription or over the counter medication.

Canntab is a late stage applicant to Health Canada to be granted its Licensed Producer status: Cannabis (Processing-Standard), and Federal Sales (Medical). The Company intends to submit the final evidence package to Health Canada at the end of November 2019, and expects receipt of Licensed Producer Status in approximately 10 weeks thereafter.

Canntab is positioned to maintain high gross profit margins, due to its extensive inventory of machinery and equipment, some of which will be used for manufacturing in Florida. Canntab trades on the Canadian Securities Exchange under the symbol PILL, on the OTCQB under the symbol CTABF, and on the Frankfurt Stock Exchange under the symbol TBF1.

About Exactus

Exactus Inc. is dedicated to introducing hemp-derived phytocannabinoid products that meet the highest standards of quality and traceability into mainstream consumer markets. The Company has made investments in farming and has over 200 acres of CBD-rich hemp in Southwest Oregon. The Company is introducing a range of consumer brands, such as Green Goddess Extracts™, Levor Collection, Phenologie, Paradise CBD and Exactus. Hemp is a federally legal type of cannabis plant containing less than 0.3% THC (tetrahydrocannabinol), which is the psychoactive component of the cannabis plant. After over 40 years of prohibition, the Agricultural Improvement Act of 2018, known as the 2018 Farm Bill, legalized hemp at the federal level. Hemp production will be regulated by the United States Department of Agriculture (USDA) and the States. As a result, in 2019 hemp was generally removed from the Controlled Substances Act (CSA) and enforcement by the Drug Enforcement Administration (DEA).

Cautionary Statements

Neither the Canadian Securities Exchange (the "CSE") nor its Market Regulator (as that term is defined in the policies of the CSE) accepts responsibility for the adequacy or accuracy of this release.

This press release contains certain "forward-looking information" within the meaning of applicable Canadian securities legislation and may also contain statements that may constitute "forward-looking statements" within the meaning of the safe harbor provisions of the United States *Private Securities Litigation Reform Act of 1995*. Such forward-looking information and forward-looking statements are not representative of historical facts or information or current condition, but instead represent only the Company's beliefs regarding future events, plans or objectives, many of which, by their nature, are inherently uncertain and outside of the Company's control. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "expects" or "does not expect", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "may", "could", "would", "might" or "will be taken", "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to, information concerning the proposed execution of a sublease agreement, and the timing of the build out of the Florida facility, and expectations as to timing of manufacturing and distribution of hard pill formulations pursuant to or in connection with the Agreements. Although the Company believes that the assumptions and factors used in preparing, and the expectations contained in, the forward-looking information and statements are reasonable, undue reliance should not be placed on such information and statements, and no assurance or guarantee can be given that such forward-looking information and statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information and statements. In particular, there is no guarantee that the parties will successfully negotiate and enter into the sublease agreement or complete the various transactions contemplated by the Agreements on the terms contemplated herein and therein, or at all, or that the timing anticipated by the parties to manufacture and distribute hard pill formulations will be achieved. The forward-looking information and forward-looking statements contained in this press release are made as of the date of this press release, and the Company does not undertake to update any forward-looking information and/or forward-looking statements that are contained or referenced herein, except in accordance with applicable securities laws.

This press release includes market and industry data that has been obtained from third party sources, including industry publications. Although the Company believes that the industry data is accurate and that its estimates and assumptions are reasonable, there can be no assurance as to the accuracy or completeness of such data. Third party sources generally state that the information contained therein has been obtained from sources believed to be reliable, but there is no assurance as to the accuracy or completeness of included information. Although the data is believed to be reliable, the Company has not independently verified any of the data from third-party sources referred to in this press release or ascertained the underlying economic assumptions relied upon by such sources.

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