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AmeriCann's building #1 at 80% complete

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Freetown, MA The construction of building #1 of the Massachusetts Cannabis Center (MCC), a 30,000 s/f cultivation and processing facility, is more than 80% complete. All permanent utilities have been connected, the building's exterior and greenhouse are finished, the interior construction is nearing completion and crews are installing the epoxy flooring for all laboratory spaces. The project is on schedule for a Temporary Certificate of Occupancy by the end of June and a final Certificate of Occupancy in August.

"The progress on construction has exceeded our expectations and we are nearing the final phase of construction on building #1," said Tim Keogh, CEO of AmeriCann. "We are full steam ahead on the designs for building #2 which should be ready for construction by the end of this summer."

The MCC is being developed on a 52-acre parcel located in Southeastern Massachusetts. The MCC project is permitted for 987,000 s/f of cannabis cultivation and processing infrastructure for the existing medical cannabis and the newly emerging adult-use cannabis marketplace.

AmeriCann has a 15-year Joint Venture Partnership with Bask, Inc., an existing Massachusetts licensed vertically integrated cannabis operator. AmeriCann will receive a Revenue Participation Fee of 15% of Gross Revenue on all products produced and sold from Building 1.

The Massachusetts cannabis market has some of the highest prices in the United States, with wholesale prices reaching \$4,000 per pound and retail prices greater than \$7,000 per pound. Building #1 is projected to produce 7,500 pounds annually of dry flower cannabis and over 400,000 units of infused products. AmeriCann projects a 1.5 year payback on its investment in Building #1.

AmeriCann's Cannopy System, which will be used at the MCC, enables cannabis to be produced with a greatly reduced carbon footprint, making the final product cost less with higher margins. AmeriCann uses hybrid-greenhouse technology, which is superior to the current industry standard of growing cannabis in warehouse facilities under artificial lights. According to industry experts, by capturing natural sunlight, greenhouses use 25% fewer lights, and utility bills are up to 75% less than in typical warehouse cultivation facilities. Massachusetts has some of the highest energy costs in the nation, providing an even greater advantage to the MCC.

AmeriCann plans to replicate the brands, technology and innovations developed at its MCC project

to new markets as a licensed multi-state operator (MSO).

As the first approved adult-use cannabis market on the Eastern U.S., Massachusetts has the potential to become the epicenter for cannabis innovation and research. According to the Cannabis Control Commission, Massachusetts recreational dispensaries have sold more than \$139 million worth of cannabis products since recreational sales began in November 2018. Annual recreational retail sales are expected to total \$1.3-1.6 billion in a few years, according to Marijuana Business Daily estimates.

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