

PharmaCielo Expands Further Into Latin America With Sales Agreement to Supply CBD Extracts, Oils and Veterinary Products to Laboratorios Adler

- CBD extracts and oils to be used in Adler's portfolio of veterinary products for pain and cancer treatment in large and domestic animals
- Agreement also includes supply of Creso Pharma's anibidiol® products
- This is PharmaCielo's first foray into the growing veterinary CBD market
- Agreement covers sales and distribution in Uruguay, Paraguay, Bolivia and Southern Brazil

TORONTO and MONTEVIDEO, Uruguay, Aug. 13, 2019 /CNW/ - **PharmaCielo Ltd.** ("**PharmaCielo**" or the "**Company**") (**TSXV:PCLO, OTC:PHCEF**), the Canadian parent of Colombia's premier cultivator and producer of medicinal-grade cannabis oil, PharmaCielo Colombia Holdings S.A.S., announced it has signed a sales agreement with Uruguay-based Laboratorios Adler ("**Adler**"). According to the agreement, PharmaCielo will provide Adler with bulk CBD extracts, bulk and bottled CBD oils and veterinary products that will be sold by Adler in Uruguay, Paraguay, Bolivia and Southern Brazil.



David Attard, CEO, Pharmacielo, joins with Adriana Adler of Laboratorios Adler and Dr. Miri Halperin Wernli of Creso in signing of agreement to provide CBD based product to animal health marketplace (CNW Group/PharmaCielo Ltd.)

The four-and-a-half-year agreement with option for renewal signals PharmaCielo's foray into the high-growth veterinary CBD treatment and wellness market. This is also the first collaboration between PharmaCielo and Creso Pharma that includes sub-contracting to Creso the responsibility for manufacture and supply of Creso's veterinary feed products, anibidiol® 2.5 and anibidiol® 8, with export approval received from the Swiss Cantonal regulator.

"This exciting entry into the animal health marketplace through the agreement with Adler is an example of PharmaCielo executing on its strategic objectives to supply both bulk oil and proprietary products to customers using established large chain distributors," said **David Attard, CEO with PharmaCielo Ltd.** "Including Creso Pharma's animal health products also demonstrates both the

mutual strategic value of our Creso acquisition proposal, which will be fully realized upon completion of the transaction, and the value of branded, fully manufactured product to provide enhanced margin opportunity. We are thrilled about the potential this agreement brings to all parties, and we look forward to working with our Latin American and European partners."

A manufacturer and importer of products for animal treatment, Laboratorios Adler services a wide range of customers from pet shops to veterinary clinics and wholesale distributors of veterinary products. The CBD-based products that Adler will distribute in its area are designed for trauma pain and cancer-related pain treatment for domestic and large animals.

"We are seeing increased demand for CBD-based veterinary products across all our markets as customers look for natural solutions to address pain, stress and a variety of other ailments in both domestic and large animals," said **Adriana Adler, Chief Financial Officer with Laboratorios Adler S.A.** "Partnering with PharmaCielo gives us an incredible advantage in this rapidly developing category. Creso Pharma's anibidiol® line of products, targeting stress, behavioral problems and chronic pain, along with PharmaCielo's CBD isolate, among the purest and highest quality we've seen, make a great addition to our product portfolio."

Development of the sales and distribution agreement was initiated in collaboration with Medara S.A., a Uruguay-based company that acts as PharmaCielo's representative in several Latin American countries and is responsible for cultivating and maintaining strong channel relationships with local manufacturers, distributors and wholesalers as well as supporting market growth in the region.

PharmaCielo initiatives for distribution of its CBD products in expanded markets as identified in the agreement with Adler have been shared with TSXV for review as agreed.

About PharmaCielo

PharmaCielo Ltd. (TSXV:PCLO, OTC:PHCEF) is a global company, headquartered in Canada, with a focus on ethical and sustainable processing and supplying of all natural, medicinal-grade cannabis oil extracts and related products to large channel distributors. PharmaCielo's principal (and wholly owned) subsidiary is PharmaCielo Colombia Holdings S.A.S., headquartered at its nursery and propagation centre located in Rionegro, Colombia.

The boards of directors and executive teams of both PharmaCielo and PharmaCielo Colombia Holdings are comprised of a diversely talented group of international business executives and specialists with relevant and varied expertise. PharmaCielo recognized the significant role that Colombia's ideal location will play in building a sustainable business in the medical cannabis industry, and the Company, together with its directors and executives, is executing on a business plan focused on supplying the international marketplace.

For further information:

www.PharmaCielo.com

About Laboratorios Adler S.A.

Laboratorios Adler is a Montevideo, Uruguay-based laboratory leader in anti-parasitic treatments with solid distribution networks within the market of domestic and large animals in Uruguay, Paraguay, Bolivia and Southern Brazil. Its co-owners, Adriana Adler (PhD in Animal Nutrition), Rodrigo Mora (PhD in Drug Manufacturing Processes) and Andrés Adler (Veterinary), have a deep knowledge of the needs of the veterinary market and are actively expanding Adler's product portfolio in the area.

About Medara S.A.

Medara is a Montevideo, Uruguay-based sales representative agency that conducts market analysis

and focused business development on behalf of the pharmaceutical industry. The company is led by Jorge Giribone (MD Biology, University of Buenos Aires), former president of the Argentinean Chamber of Importers of Medical Equipment (CADIEM) and owner of several companies in Argentina, Chile and Uruguay acquired by Terumo BCT (formerly GambroBCT), on whose behalf he worked as Latin America General Manager.

Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV) accepts responsibility for the adequacy or accuracy of this press release.

Forward-Looking Statements

This press release contains forward-looking statements. Forward-looking statements can be identified by the use of words such as, "expects", "is expected", "intends", "believes", or variations of such words and phrases or state that certain actions, events or results "may" or "will" be taken, occur or be achieved. Forward-looking statements include statements relating to the distribution of PharmaCielo's CBD products into Uruguay and other countries, the acquisition of Creso by PharmaCielo, increasing margins through branded products, an anticipated demand for PharmaCielo's CBD products in Uruguay, Medara continuing to provide suitable partners for PharmaCielo in Latin America, and PharmaCielo obtaining TSXV approval for its contemplated activities. Forward-looking statements are based on assumptions, including with respect to the ability to obtain all necessary governmental regulatory and TSXV approval related to the exportation of PharmaCielo CBD products from Colombia into Uruguay, Paraguay, Bolivia and Southern Brazil, the ability of PharmaCielo and Creso to satisfy or waive the conditions precedent to the acquisition of Creso, the enhanced margin value of manufactured and branded products, the expectation that demand for PharmaCielo's products will continue and or increase, Medara's ability to locate business partners for PharmaCielo that are viable business opportunities and the ability of PharmaCielo to consummate a business relationship with these parties, and the ability to execute its business plan in general that management believes are reasonable in the circumstances, but the actual results, performance or achievements of PharmaCielo's business may be materially different from any future results, performance or achievements expressed or implied by any forward-looking statements. Forward-looking statements can be affected by known and unknown risks, uncertainties and other factors, including, but not limited to, failure to obtain necessary governmental regulatory approvals in each jurisdiction, that there will not be demand for PharmaCielo's products or that there will be heightened competition to satisfy demand, that the acquisition of Creso may not be able to be completed, or that anticipated synergies between the combined entity will not be as anticipated, risks associated with early stage companies and failure to obtain necessary TSXV approval. Accordingly, readers should not place undue reliance on forward-looking statements.

Except as required by law, PharmaCielo undertakes no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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