

PharmaCielo Enters the U.S. with \$3 Million Q4 Sales Agreement and Completes Introductory Shipments to Multi-state Distributor General Extract LLC

- 2019 market introduction revenues projected at minimum \$3 million CDN
- Agreement covers sales and distribution of medicinal CBD isolate in multiple US states commencing in 2019 with allowance for renewal and volume expansion in 2020
- Introductory shipments, meeting CBD isolate requirements of 2018 Farm Bill, successfully completed
- Congressman Dana Rohrabacher, advisor to the Company, celebrates contribution to American medicinal community

TORONTO, Sept. 25, 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 that it has signed a United States sales agreement (the "Agreement") with an established multi-state distributor, General Extract LLC ("**General Extract**"). According to the non-exclusive Agreement, PharmaCielo will provide the distributor with bulk medicinal CBD isolate meeting the purity requirements of the 2018 USA Farm Bill, for sale in multiple states including California and Colorado. The Agreement addresses the balance of 2019 and allows for both renewal and volume expansion in 2020 based on market demand.

PharmaCielo has already successfully concluded initial shipments to the distributor in verification of shipping routes and international trade and customs requirements, with contracted shipping volumes planned for the balance of the year as per the Agreement. Introductory revenues under the contract provide 2019 revenue of \$3 million CDN, with allowance for increased volumes within the period under the Agreement based on market demand, and expansion on agreement renewal for subsequent periods.

The Agreement marks PharmaCielo's initial foray into the coveted United States market as a supplier of medicinal-grade CBD isolate, allowing the Company to expand its offerings in the near future with additional CBD products consistent with the 2018 Farm Bill.

"The 2018 Farm Bill introduced an entirely new category and opportunity for an earlier entry into the United States marketplace, one of the world's leading medicinal CBD markets," noted **David Attard, CEO of PharmaCielo**. "To say we are excited about this milestone is an understatement. Our business strategy is focused on large-volume, large-market relationships, and we are fully equipped to process in excess of 265 metric tonnes of dried flower into isolates and extracts to meet the high demand, with continued processing capacity expansion under way."

The entry into the United States marketplace comes on the heels of PharmaCielo's previously announced sales agreements and entries into various other global markets.

Former Congressman Dana Rohrabacher, advisor to PharmaCielo, commented: "The availability of PharmaCielo's high-quality CBD isolate to the medicinal CBD community in the U.S. is of tremendous significance. This Colombia-based CBD isolate is of the highest quality and purity. It will serve as a

benchmark for comparison to other sources of CBD. This type of competition will raise the standard and directly benefit Americans who need it the most, giving them a chance to compare and the freedom to consume and to make a choice. What can be more important than that?"

PharmaCielo initiatives for distribution of its CBD isolate product in the US market as identified in the Agreement are subject to receipt of prior written approval of the TSX Venture Exchange (the "TSXV").

About PharmaCielo

PharmaCielo Ltd. (TSXV:PCLO, OTC:PHCEF) is a global company, headquartered in Canada, with a focus on ethically and sustainably processing and supplying 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.

About General Extract

General Extract was founded in 2015 as an importer, distributor, broker and post-processor of hemp and hemp derivatives. Working in value-add areas of the supply chain, General Extract operates a hemp-derivative refinement and distribution center in Denver, Colorado. As an intermediary in the global supply of cannabis products, General Extract is closely aligned with both the upstream and downstream cannabis industry leaders. For more information, please email GeneralExtractCo@gmail.com.

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 with respect to PharmaCielo providing General Extract with CBD isolate, projected revenue in 2019 of \$3 million CDN, the expansion of the offering of additional CBD products into the United States market, PharmaCielo's ability to process in excess of 265 metric tonnes of dried flower, and PharmaCielo obtaining TSXV approval for distribution of its CBD isolate into the US market. Forward-looking statements are based on assumptions, including with respect to PharmaCielo's ability to meet its obligations under the Agreement including supplying General Extract with CBD isolate, PharmaCielo's ability to achieve projected revenue of \$3 million CDB in 2019, the ability to expand its product offerings into the United States and PharmaCielo's ability to obtain necessary regulatory and TSXV approval in order to deliver its CBD products into the United States. Management believes that these assumptions are reasonable in the circumstances, but the actual results, performance or achievements of PharmaCielo's these objectives may be materially different from any future results, performance or achievements expressed or implied by any forward-looking information. Forward-looking information can be affected by known and unknown risks, uncertainties and other factors, including, but not limited to, risks associated with the regulation of cannabis and

cannabinoid derivatives in the United States including the uncertainty of the legal regulatory regime, failure to obtain necessary regulatory approval to execute its business objectives under the Agreement, competition in the United States for CBD providers to service that market, adverse changes in the public perception of cannabis, increasing costs of compliance and government regulation and changes in general economic, business, and political conditions including changes in the financial markets.

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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