PharmaCielo Declared 'Project of National Strategic Interest' by Government of Colombia

TORONTO and RIONEGRO, Colombia, Sept. 22, 2020 /CNW/ - PharmaCielo Ltd. ("PharmaCielo" or the "Company") (TSXV: PCLO) (OTCQX: PCLOF), the Canadian parent of Colombia's premier cultivator and producer of medicinal-grade cannabis extracts, PharmaCielo Colombia Holdings S.A.S., is very pleased to announce that the Colombian Intersectoral Commission for Strategic Projects (*Comisión Intersectorial de Proyectos Estratégicos – CIPE*) led by the Minister for Medical Cannabis, Ernesto Lucena Barrero, has identified PharmaCielo as a 'Project of National Strategic Interest' (*Proyectos de Interés Nacional Estratégicos – PINE*).

PINE projects receive immediate support from the Colombian government in recognition of their economic contribution and importance to the nation. Specifically, this reflects complete government structural and policy support for industry progress, and a commitment to streamlined government decision-making and removal of red tape impediments. With recognition of PharmaCielo as a PINE project, the government committed under the leadership of the Presidency of the Republic to "work on the agile resolution of the bottlenecks".

Management Commentary

"We appreciate the Colombian government's recognition and commitment in support of PharmaCielo as the first licensed cannabis company in the country. We expect PharmaCielo and the industry at large to benefit from the PINE designation, with an imperative for quick decision making and execution as the global industry evolves," said **David Attard, CEO of PharmaCielo.** "This designation places the legal cannabis industry in Colombia on similar footing to that of the mining, coffee and avocado industries, which have become global export leaders, with significant benefit to the domestic economy and the people of Colombia. We also appreciate the Government's recognition of PharmaCielo as a trailblazer having unique and immediate business needs separate from those of the broader industry, given its globally oriented business model and scale. We expect this to directly translate into greater speed and efficiency when dealing with business demands, particularly as we significantly ramp sales through the end of 2020 and into 2021."

PharmaCielo – PINE Designation

Specifically, the official notification outlined the rationale for PharmaCielo to be designated as a PINE project. The Government's reasons included:

- Its role as a pioneer of the cannabis industry in the country – PharmaCielo was the first licensee in Colombia;
- Progress and goals established in the proposal;
- Contribution to exports;
- Size of investment;
- Job creation;
- Quality certifications and best practices; and
- Inclusion programs.

PINE – Background

PINE recognition is based on the government's assessment that a company and industry have the ability to make significant contributions to the nation, including:

- Driving a significant increase in the productivity and competitiveness of the national or a specific regional economy;
- Generating significant impact on the creation of direct employment or via linkages, and/or capital investment;
- Generating a positive return on investment and demonstrating operational sustainability;
- Increasing the export capacity of the national economy; and
- Generating significant income to the nation and specified regional areas.

Introduced as a public management strategy to facilitate the efficient and timely execution of projects and qualified individual companies determined to be of economic significance, PINE focuses on measures related to institutional strengthening, comprehensive project planning, rationalization and optimization of processes and procedures in interaction and coordination with government entities.

About PharmaCielo

PharmaCielo Ltd. (TSXV: PCLO, OTCQX: PCLOF) 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 cultivation and processing centre located in Rionegro, Colombia.

The board of directors and executive team of PharmaCielo 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 plays 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.

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 the benefits to be delivered for PharmaCielo through the individual PINE recognition and the Company's expectation to offer more speed and efficiency when dealing with business demands. Forward-looking statements are based on assumptions, including with respect to receipt by the Company of the anticipated benefits of the PINE recognition and the assumption that the Company will be able to offer more speed and efficiency when dealing with business demands, the Company's ability to obtain all necessary governmental regulatory approvals to operate its business and that there will be no unexpected logistical delays associated with the Company's growth including those related to COVID 19. Forward-looking statements can be affected by known and unknown risks, uncertainties and other factors, including, but not limited to, risk that the anticipated benefits of PINE recognition may not be received or the benefits may have less of a positive impact on the Company's business than anticipated, that necessary governmental regulatory approvals may not be obtained or may not be obtained in time to execute the Company's business objectives, logistical issues that may prevent the Company's anticipated growth including those related to COVID 19, the Company's ability to obtain the necessary permits and licenses it requires in order to export its products from Colombia and into other countries, risks associated with the regulation of cannabis and cannabinoid derivatives, risks associated with operating in Colombia, currency exchange risk, and additional risks described in the Company's Annual Information Form for the year ended December 31, 2019 filed with the Canadian securities regulatory authorities under the Company's SEDAR profile at www.sedar.com.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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