PharmaCielo Provides Update on Global GMP Compliance Process

- Continues to advance sales pipeline – potential customers in Germany, Poland and Australia have scheduled EU-GMP and GMP[1] validation audits.
- Follows a recently completed GMP validation audit process by a large Brazilian Phyto-therapeutic customer in late April.

TORONTO and RIONEGRO, Colombia, May 5, 2021 /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., today announced that potential customers from Germany, Poland, and Australia have scheduled EU-GMP and GMP validation audits of PharmaCielo's processes. These confirmatory audits are typical of those conducted by pharmaceutical companies prior to entering new commercial relationships with B2B suppliers. The Company also provided updates regarding its previously announced GMP confirmatory audits in Colombia and Mexico.

The growth in requests for customer initiated GMP validations demonstrates that PharmaCielo's refocused sales strategy is gaining traction. As a result, the Company is securing opportunities to collaborate with pharmaceutical companies early in their product development cycle. This early collaboration is expected to result in a sustainable competitive advantage for those products that are ultimately registered based on PharmaCielo's APIs[2].

"The efforts of our team in combination with a focused sales strategy, have generated early success and resulted in increased demand for confirmatory GMP audits by potential customers, particularly in the pharmaceutical sector," said **Henning von Koss, CEO of PharmaCielo Ltd.** "As we noted in the recent announcement regarding our shipments to two Brazilian customers, sophisticated end-product producers are starting to come to market looking for high quality, commercial scale cannabinoid supply. These organizations are also following well-established procedures used in the global pharmaceutical industry to evaluate potential suppliers, including the proprietary confirmation of GMP compliance. We look forward to completing the process with each of these potential customers and expect that each success will feed our sales pipeline and build PharmaCielo's global reputation as a supplier of choice."

1 Good Manufacturing Practices / European Union Good Manufacturing Practices
2 Active Pharmaceutical Ingredients

Germany

In April 2021, PharmaCielo hosted a Rionegro site visit to familiarize a well-established Phyto-pharmaceutical company with the Company's processes and products. Following that visit, the potential customer has expressed interest in advancing to the next phase and conducting a formal audit to confirm PharmaCielo's EU-GMP compliance.

Poland

The Company is engaged in late-stage sales discussions with a potential pharmaceutical customer in Poland. This potential customer has booked an EU-GMP validation audit during May 2021.

Australia

PharmaCielo is engaged in late-stage sales discussions with the Australian arm of a well-known cannabis company and is expected to schedule a GMP validation audit in early Q3 2021.

Mexico

As previously disclosed, following a Colombian site visit by MINO Labs S.A. de C.V. ("MINO Labs"), the Company's joint venture partner in PharmaCielo S.A. de C.V. ("PharmaCielo Mexico"), PharmaCielo has submitted a request to initiate the Mexican GMP audit process, which the Company expects to be complete during Q2 2021 or Q3 2021, depending on the Mexican Authorities' availability to travel to the facility. The pre-audit has been completed and PharmaCielo Mexico is currently in the process of obtaining an import license for cannabis products in Mexico.

Brazil

As disclosed in the Company's press release dated April 26, 2021, titled *PharmaCielo Makes Initial Shipments to two Brazilian Customers*, one of Brazil's largest Phyto-therapeutics companies recently completed a review of PharmaCielo's processes to confirm GMP compliance. In the same press release, PharmaCielo disclosed that it had also recently shipped product to a well-established Brazilian pharmaceutical company.

Colombia

The Company's Colombian GMP certification is still in process and PharmaCielo expects to achieve certification by the end of Q2/beginning of Q3.

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.

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", "anticipates", "believes", or variations of such words and phrases or state that certain actions, events or results "may" or "will" be taken, occur or be completed or achieved. Forward-looking statements in this news release include, without limitation, statements with respect to: Company expectations that GMP audits will be scheduled by potential customers, the completion of scheduled GMP audits by potential customers, expectations that potential customers that have scheduled or completed audits will become customers of the Company, the success or traction of the Company's sales strategy, collaboration with pharmaceutical companies in their product development cycle and the expectation that such collaboration will result in a competitive advantage to the Company and that the advantage will be sustainable, expectations that the successful completion of audits will grow the Company's sales pipeline or build its reputation as a global supplier of choice, the expected timing of the completion of Mexican and Colombian GMP audit processes, the Company obtaining *approvals or licenses related to importing Company products into Mexico, and the expectation by the Company that the timing of completion of the Colombian GMP certification will not affect sales. The forward-looking statements in this news release are necessarily based on assumptions,*

including assumptions with respect to: PharmaCielo's ability to execute its business plan as currently contemplated, PharmaCielo's ability to obtain necessary regulatory approvals for the export of its products from Colombia and import of its products into other countries, sufficient demand for the Company's products , that potential customers will be satisfied with the results of audit processes, that any changes to Colombian cannabis legislation will not negatively impact the Company's business, that the Company will be able to locate and retain necessary personnel to achieve its business goals, PharmaCielo's ability to maintain its distribution contracts in good standing and the accuracy of PharmaCielo's projections regarding the market for cannabinoid products. Though management believes that its assumptions are reasonable in the circumstances, 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 herein. Forward-looking statements can be affected by known and unknown risks, uncertainties and other factors, including changes to PharmaCielo's development plans, the failure to obtain and maintain all necessary regulatory approvals relating to the export of cannabinoid products and the import of these products into other countries, TSXV approval, the inability to export or distribute commercial products through sales channels as anticipated due to economic or operational circumstances, risks associated with operating in Colombia, fluctuation of the market price for the Company's products, risks associated with global economic instability relating to COVID-19, risks related to retention of key Company personnel, currency exchange risk, competition in PharmaCielo's market and other risks discussed or referred to under the heading "Risk Factors" in PharmaCielo's Annual Information Form for the financial year ended December 31, 2019, which is available 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.

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.

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