



## PharmaCielo Announces its Financial Results for the Fourth Quarter and Fiscal Year 2018

- *PharmaCielo expects to begin commercial sales in 2019.*
- *Oil processing facility is on track for commercial operation and GMP certification during Q3-2019, enabling large-scale production and sale of refined cannabis oil.*
- *Currently, 10 hectares are under active cultivation, expanding to 20 hectares (~2.15 million square feet) by year-end 2019, backed by 20 proprietary registered strains and 186 strains in the Company's germplasm bank.*
- *PharmaCielo's common shares began trading on the TSX Venture Exchange ("TSXV" or "TSX Venture") under the ticker PCLO on January 18, 2019.*
- *Well capitalized with a cash balance of US\$33.5 million as of December 31, 2018.*

*All figures are in U.S. dollars unless otherwise specified*

**TORONTO, Canada and RIONEGRO, Colombia** (April 18, 2019) – **PharmaCielo Ltd.** (“PharmaCielo” or the “Company”) (TSXV:PCLO), the Canadian parent of Colombia’s premier cultivator and producer of medicinal-grade cannabis oil, PharmaCielo Colombia Holdings S.A.S., announces its financial results for the fourth quarter and full year ended December 31, 2018.

PharmaCielo Ltd. CEO David Attard commented on the company’s continuing progress. “2018 was a year of incredible growth, culminating in the public listing of our common shares in January 2019. We are expanding our cultivation and processing operations to begin commercial sales of refined cannabis oil in 2019, having already received more inbound requests for product than we are able to fulfill in the near term. We are ready to sell, with sales licensing and ISO 9001 certification in place and an initial 20 proprietary strains registered for commercial production. We anticipate the completion of our first major processing expansion in Q2 and our GMP certification in Q3.”

“PharmaCielo has been structured with a singular strategic objective in mind – to be a dominant global supplier of both branded and white-labelled refined cannabis oil for large global distribution channels. We have the product consistency and quality, reliability of supply and structural cost advantage that will enable us to provide the customized extracts that the global market is looking for, making us very well positioned to become a dominant global cannabis oil supplier,” said Dr. Delon Human, PharmaCielo’s Global Head of Health and Innovation. “We have recently expanded our Medical and Scientific Advisory Board, adding a group of top global medical researchers and scientists, to enhance our product development strategy and quickly bring high-quality, customized products to market. Our team has decades of collective experience both selling into these channels and running the very global enterprises currently expressing increased interest and demand.”

## Developments Subsequent to the end of fiscal 2018

For a more comprehensive overview of these recent developments, please refer to the corresponding press releases on the Company's website ([www.pharmacielo.com](http://www.pharmacielo.com)) and the Company's press releases and other regulatory filings on SEDAR ([www.sedar.com](http://www.sedar.com)).

- On April 9, 2019, PharmaCielo appointed a Medical and Scientific Advisory Board composed of an international panel of renowned physicians, researchers, veterinarians, engineers and academics. This advisory board will guide PharmaCielo's research and development of special cannabinoids-based formulations and derived products with therapeutic properties.
- On March 29, 2019, PharmaCielo announced that its Colombian subsidiary had received approval from the national cultivar registry for the listing of 10 proprietary cannabis strains. This brings the number of approved strains held by PharmaCielo to 20, following the Company's February 6, 2019 announcement of the approval of an initial 10 strains. PharmaCielo is the largest holder of approved strains in Colombia.
- On March 19, 2019, PharmaCielo received ISO 9001 Quality Assurance Certification for its medicinal cannabis cultivation and processing operations in Colombia.
- On January 28, 2019, PharmaCielo announced that it had established an equity joint venture with Mino Labs S.A. de C.V, a specialty pharmaceutical company and medical supply distributor based in Mexico, to bring medicinal cannabis oil to Mexico.
- On January 18, 2019, PharmaCielo began trading on the TSX Venture Exchange under the ticker PCLO.
- On January 15, 2019, the Company completed an RTO with AAJ Capital 1 Corp. ("AAJ").

## Discussion of Operations

The Company's net loss totaled \$24.4 million for the twelve-month year ending December 31, 2018 (compared to \$5.4 million for the five-month period ending December 31, 2017; and compared to \$7.6 million for the twelve-month year ending July 31, 2017), with a basic loss per share of \$0.31 for the twelve-month year ending December 31, 2018 versus a basic loss per share of \$0.07 for the five-month period ending December 31, 2017, and a basic loss per share of \$0.12 for the twelve-month year ending July 31, 2017.

This net loss was primarily due to a share-based payments of \$14.4 million for the twelve-month year ended December 31, 2018 (compared to \$111,256 in the five-month period ending December 31, 2017, and \$2.3 million in the twelve-month year ending July 31, 2017). These share-based expenses were incurred primarily for options granted to employees and directors who had worked for and developed the Company over the years.

Other expenses were principally due to operating expenses to continue the construction of the Research Technology and Processing Centre, and to grow and harvest the plants. Additionally, operating expenses were incurred in Canada for legal, travel, and other fees incurred in order to facilitate the capital raise to complete the Plan of Arrangement. The one-time non-cash item for options was the largest expense.

## PharmaCielo Grants Restricted Share Units

Effective April 17, 2019 the Company has granted Restricted Share Units (“**RSUs**”) as follows (i) 20,000 RSUs to Doug Bache, a director of the Company; half of which vest six months from the grant date and half of which vest one year from the grant date; (ii) 75,000 RSUs to Carlos Manuel Uribe, a director of the Company; half of which vest six months from the grant date and half of which vest one year from the grant date; and (iii) 913,000 RSUs to employees and consultants of the Company; half of which vest one year from the grant date and half of which two years from the grant date. Each RSU entitles the holder thereof to receive one common share of the Company (each, a “**Common Share**”).

The RSU’s are governed by the RSU plan of the Company (the “**RSU Plan**”). The RSU Plan was approved by shareholders of the Company on September 20, 2018. The number of Common Shares that may be reserved for issuance pursuant to awards granted under the RSU Plan is 3,101,435 Common Shares, representing 3.3% of the 93,976,962 Common Shares that were issued and outstanding when the Company completed its qualifying transaction (the “**Qualifying Transaction**”) pursuant to the policies of the TSXV and together with the number of Common Shares issuable under the stock option plan of the Company and the deferred share unit plan of the Company may be up to 18,795,392 Common Shares, being 20% of 93,976,962 issued and outstanding Common Shares when the Company completed its Qualifying Transaction. After this issuance there are 1,008,000 RSUs outstanding.

## About PharmaCielo

PharmaCielo Ltd. (TSXV:PCLO) 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](http://www.PharmaCielo.com)

Media Relations:

International: Gal Wilder, Cohn & Wolfe

+1.647.259.3261

[gal.wilder@cohnwolfe.ca](mailto:gal.wilder@cohnwolfe.ca)

Colombia: María Paula Peña Fdz., SPR GROUP S.A.

PBX: 57-1 2877234

[mariapaula.pena@sprgroup.biz](mailto:mariapaula.pena@sprgroup.biz)

Investor Inquiries:

Mark Kuindersma, CFA

LodeRock Advisors Inc.

[investors@pharmacielo.com](mailto:investors@pharmacielo.com)

416-519-2156 ext. 2230

#### **Forward Looking Statements:**

*Certain statements contained in this news release, such as those relating to anticipated commercial sales in 2019, the completion of the oil processing facility and GMP certification during Q3-2019, the expansion to 20 hectares of cultivation by year-end 2019, commencing commercial sales of refined cannabis oil, expansion of cultivation and processing operations, completion of the first major processing expansion in Q2 and GMP certification in Q3 constitute “forward-looking information” as such term is used in applicable Canadian securities laws. Forward-looking information is based on plans, expectations and estimates of management at the date the information is provided and is subject to certain factors and assumptions, including that the Company’s financial condition and development plans do not change as a result of unforeseen events. Forward-looking information is subject to a variety of risks and uncertainties and other factors that could cause plans, estimates and actual results to vary materially from those projected in such forward-looking information. Factors that could cause the forward-looking information in this news release to change or to be inaccurate include, but are not limited to, the risk that any of the assumptions referred to prove not to be valid or reliable, that occurrences such as those referred to above are realized and result in delays, or cessation in planned work, that the Company’s financial condition and development plans change, and delays in regulatory approval, as well as the other risks and uncertainties applicable to cannabis producing companies and to the Company. The Company undertakes no obligation to update these forward-looking statements, other than as required by applicable law.*

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