



PharmaCielo

The World's Partner in Medicinal Cannabis

FEBRUARY 2022



Forward-looking Statements

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Certain statements in this Presentation constitute "forward-looking statements," within the meaning of applicable Canadian securities laws. Forward-looking statements are neither historical facts nor assurances of future performance. Instead, they are based on our current beliefs, expectations, assumptions and analyses made by us regarding the future of our business, future plans and strategies, our operational results and other future conditions. Such forward-looking statements can be identified by the use of words, such as "anticipates," or "believes," "budget," "estimates," "expects," or "is expected," "forecasts," "intends," "plans," "scheduled," or variations of such words and phrases or state that certain actions, events or results "may," "might," "will," "would," "could," "should," "continue," or be taken, occur or be achieved. The forward-looking statements contained in this presentation relate to, among other things: the unique advantages available to the Company by virtue of operating in Colombia and the Company's ability to capitalize on such advantages; the future regulation of cannabis in the jurisdictions in which the Company operates; the Company's ability to develop new cultivars and preserve the genetic diversity of its existing cultivars; the maximum capacity at the Company's facilities and the Company's ability to effectively utilize such capacity; the Company's ability to undertake further expansions to its facilities and growth capacity; the Company's ability to develop new and bespoke products and the anticipated timing of future shipments of such products; the Company's expectations regarding the cannabis industry, including with respect to expected shifts toward more typical pharma or CPG operating structures, the size and growth of various market segments overall and by geographic region / country, consumer preferences in different geographic regions, the Company's future position in such markets, and the future of national and international brand portfolios; the Company's anticipated commercial model and the Company's ability to capitalize on such model; the ability of the Company to capture a significant share of the industry value chain as it develops by co-developing and being a solution provider to producers; the expectation that the Company's scale and flexibility will enable it to innovate through a sophisticated B2B supply chain; the Company's ability to successfully commercialize its business and the anticipated timing of such commercialization; the Company's expectation that its assets, scale, sophistication, and team will enable it to partner with sophisticated end product producers; the ability of the Company to expand internationally; the ability of the Company to generate cash in the short-term to enable it to build out its vision; and the Company's ability to maintain and capitalize upon its current competitive advantages as the cannabis industry evolves.

Although we base the forward-looking statements contained in this Presentation on assumptions that we believe are reasonable, these forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual performance and financial results in future periods to differ materially from those anticipated in our forward-looking statements. Without limitation, these risks include risks related to: the regulation of cannabis and cannabinoid derivatives in the markets in which the Company operates or intends to operate; a lack of significant revenue and dependency on external financing for growth; uncertainties related to market demand and competition; the continued good standing of the Company's production licenses and other certifications; the impact of COVID-19 on the Company's supply chain and global markets and the additional risks disclosed 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.

Forward-looking statements do not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on our business. For example, they do not include the effect of asset impairments or other charges announced or occurring after the forward-looking statements are made. The financial impact of such transactions and non-recurring and other special items can be complex and necessarily depends on the facts particular to each of them.

Despite a careful process to prepare and review the forward-looking statements, there can be no assurance that the underlying opinions, estimates, and assumptions will prove to be correct. The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding our anticipated future performance and may not be appropriate for other purposes. Because of these risks, uncertainties, and assumptions, the reader should not place undue reliance on these forward-looking statements. The Company's forward-looking statements are made only as of the date of this presentation, and except as required by applicable law, the Company undertakes no obligation to update or revise these forward-looking statements to reflect new information, future events or circumstances. The forward-looking statements contained in this document are expressly qualified by this cautionary statement.

Market Research and Public Data: This Presentation also contains or references certain market, industry and peer group data which is based upon information from independent industry publications, market research, analyst reports and surveys and other publicly available sources. Although we believe these sources to be generally reliable, such information is subject to interpretation and cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other inherent limitations and uncertainties. We have not independently verified any of the data from third party sources referred to in this Presentation and accordingly, the accuracy and completeness of such data is not guaranteed.

PharmaCielo Highlights

- The next large opportunity in cannabis is on the global supply chain – **B2B opportunities are emerging, with very few global players** to fill the market. The Company possesses the attributes necessary to meet this opportunity:
 - **One of the largest production capacities in the world**
 - **Unique cannabis genetics, expert agronomy and equatorial growing conditions**
 - **Pharma approach and deep cultivar library for consistent quality**
 - **Structural cost advantage**
 - **Government highly supportive of cannabis export sector**
- All major **growth capital expenditures are completed.**
- New management team includes **AltMed founder Bill Petron as CEO and Origin House founder Marc Lustig as Lead Director**, bringing deep experience growing cannabis companies into multi-billion dollar entities.
- **Dried flower exports have been legalized by the Colombian government**, due to begin in H1-22 and scale through the year.

PharmaCielo's 2000 m² facility and 30 acres of cultivation position it as a world leader in quality, consistency and scale for pharmaceutical-grade medical cannabis products.



Equatorial Cultivation: Quality at Scale

Colombia's **all-year 12-hour photoperiod, consistent temperatures, rich soil, ample water** – are ideal for premium cannabis quality and production.

This allows PharmaCielo to drive **high-efficiency, large-scale production**. With four full crops per year the Company offers an **exceptionally reliable supply** of flower and extracts.

Unlike international exporters in locations such as Canada, PharmaCielo's Rionegro cultivation facility does not require costly climate-controlled greenhouses, providing a significant **advantage in operational costs**.

30
acres
of open-air
greenhouse

2
million
plants
per year

4
cycles
of crops
per year

500,000
kilograms
flower production
per year

The Company's Rionegro cultivation facility combines advanced agronomy and ideal conditions for high-quality, large-scale production.

Advanced Genetics for Stable, Consistent Flower

PharmaCielo boasts one of the world's only **advanced tissue and culture labs** dedicated to the **in vitro propagation and long-term preservation** of cannabis cultivars. This forward-looking approach has many advantages over traditional seed and cloning methodology.

The Company is capable of delivering very **specific profiles of cannabinoids and terpenes** that respond to the needs of specific customers and the evolving demands of fragmented, developing global markets.

- **Genetic stability**
- **Consistent crops with minimal variation**
- **Improved yield, potency and disease-resistance**
- **Pathogen-free, non-GMO**
- **Range of unique strains, including high CBD (>20%) and high THC (>20%) varieties**
- **Preservation of native Colombian landrace strains provided by Indigenous communities**

30+
registered
cultivars

250+
potential
new cultivars

400+
distinct
genetic varieties

In Vitro
propagation
for consistency
and quality

PharmaCielo's investment in advanced tissue culture and the depth of its strain library give it a powerful competitive advantage.



State-of-the-Art Cannabis Processing Facility

PharmaCielo's modern **2000 m² facility** is truly state-of-the-art: ISO-9001:2015, GMP-certified, EU-GMP-compliant and capable of **processing up to 360 tonnes** of dried cannabis flower per year.



World-Class Extraction and Processing

Built to EU-GMP standards, the facility's 360 ton annual capacity for dried flower extraction ranks **among the largest in the world.**

The design uses a modular approach to enable further expansion for multiple **value-added formulations**, including the ability to **design bespoke formulations and consistently reproduce them at scale.**

2000

m²
manufacturing
facilities

360

tons
annual extraction
capacity

CO₂
and ethanol
extraction
methods

MONTHLY PRODUCTION CAPACITIES

THC-Free Extracts 350 kg Crystallization 2000 kg

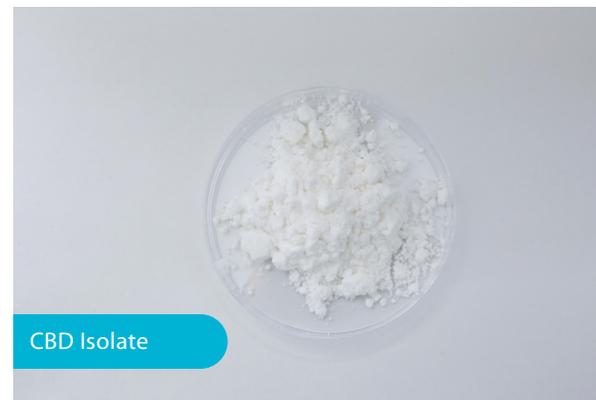
Standardized Oils 7200 kg Water Soluble 9000 kg

Broad spectrum cannabis oil is just one of the many pharma-grade extracts the Company produces at scale.

Broad Portfolio of Pharma-grade Extracts

PharmaCielo's extraction capacity is a powerful means for value-added production and a key to broader partnerships with global pharma, cosmetic and wellness manufacturers.

- Capability for a **full range of CBD, THC, Broad Spectrum and Full Spectrum Extracts** at scale and with consistent results
- Focus on **extractions that provide the full benefit** of the flower
- **Bespoke formulations designed and produced at scale**



The Highest Standards at All Levels

PharmaCielo's goal of supplying global phyto-pharmaceutical producers with cannabis flower and extracts in the **most consistent, safe and sustainable manner** requires a commitment to the highest standards.

The Company has earned GACP Certification for its agricultural processes, and is GMP-Certified for production, with EU-GMP Certification underway. And from the start the company established ISO standards with ISO 9001:2015.

GACP

certified agricultural processes

GMP

certified production processes

EU-GMP

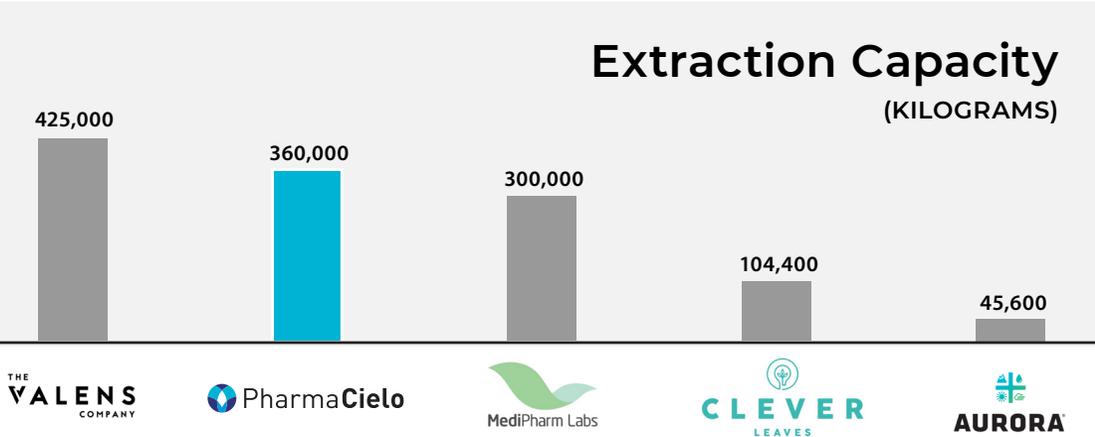
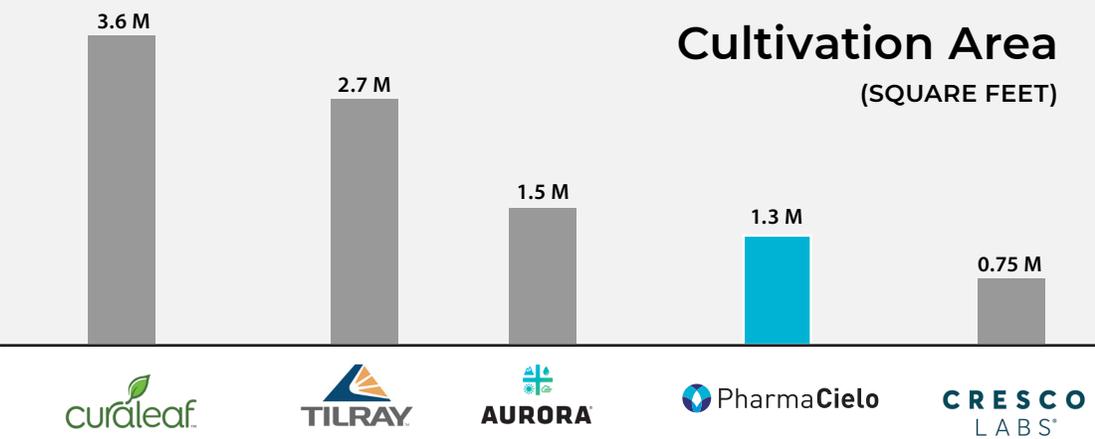
compliant processes (certification pending)

ISO

9001:2015 standards

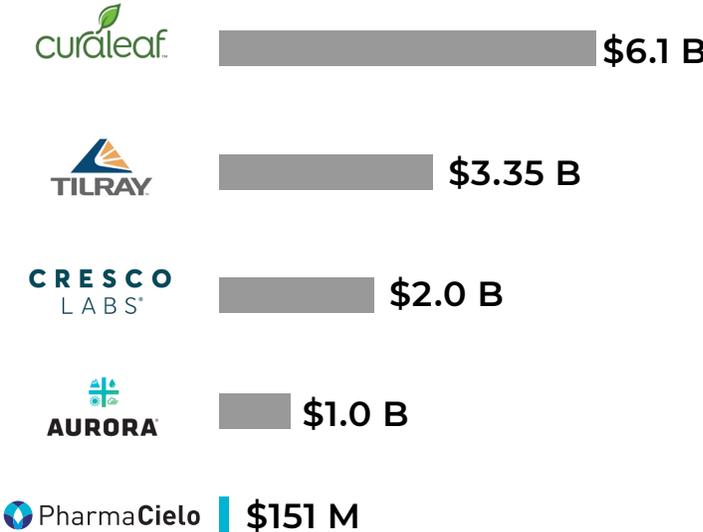
PharmaCielo is built to be a reliable long-term supply partner for large producers around the world.

Capacity at a Global Scale



The scale of both cultivation and extraction capacity puts PharmaCielo on par with the world's leading producers of medical cannabis flower and extracts.

Market Cap: PCLO Production Capacity Is Far Above Its Market Cap 'Weight Class'



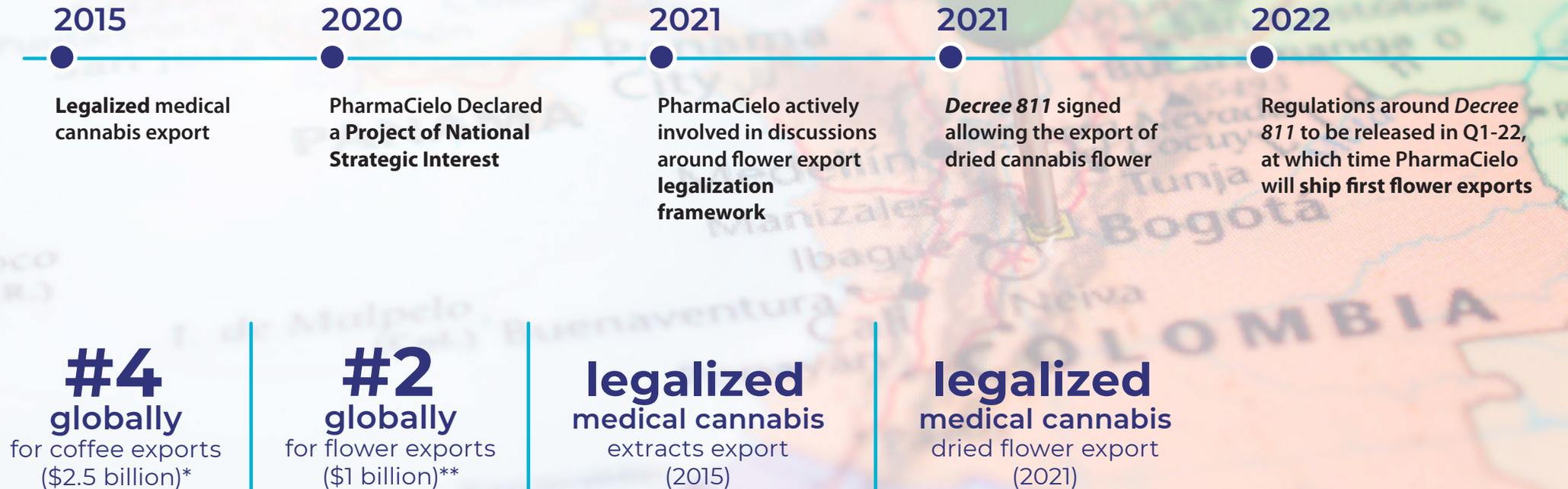
Market caps as at Feb 15, 2022



Data sourced from individual company's corporate sites and presentations.

The Colombia Advantage: Regulatory Support

Colombia offers a supportive, efficient government, which has made cannabis a priority export industry, just as the country has done with coffee and cut flowers – industries where Colombia’s export strength is disproportionately high.



The Colombia Advantage: High Quality, Low Cost Conditions

Colombia's strong regulatory support for the medical cannabis export industry is only part of the reason why the country is a uniquely advantageous location for PharmaCielo's operations.

- **Equatorial conditions mitigate the need for costly indoor greenhouse operations**
- **High elevation reduces pest issues**
- **Deep national experience in agronomy and cut flower industry**
- **Talented workforce available at lower costs than in competing jurisdictions**
- **Geographically central to many export markets, and country has a strong export tradition**
- **Compared to most jurisdictions, Colombia is suited for real, accelerated growth**

talented
pool of workers
with relevant experience

ideal
conditions
for high-quality
cultivation

access
to unique
Colombian cannabis
genetics

lower costs
of production
compared to
other jurisdictions

Colombia offers a unique mix of advantages that make it a perfect location for a modern, global cannabis export industry.

Dried Flower Export: A Huge Opportunity

With *Decree 811* authorizing the export of dried cannabis flower, PharmaCielo is ideally suited to capitalize on the opportunity this presents.

There's a **large, active market for dried cannabis exports**:

- **Global demand:** Markets such as Germany, Israel, Australia increasingly rely on imports
- **The dominant product format:** Dried flower makes up the bulk of overall cannabis sales

PharmaCielo has **strong competitive advantages** in this space:

- **Large-scale GACP-certified cultivation**
- **Multiple crop cycles = reliable supply**
- **Unique strains and tailored offerings**
- **International logistics experience**
- **Robust offering of world-class extract and flower capabilities**
- **Price advantage from lower operating costs**

>50%
of cannabis sales
globally are dried flower



**The Company
is perfectly
positioned for
medical cannabis
flower export.**

International Cannabis Markets: Accelerating Demand for Imports

As more countries legalize medical cannabis, there is a pattern of demand outpacing the legal supply, motivating governments to allow and even encourage imports from other countries. Germany, Israel, and Australia are three driving forces in the developing international cannabis market.

THE MARKET



Since 2018, the number of medical cannabis patients has **more than tripled** surpassing 100,000 in 2021

IMPORTS

In 2021, imports made up more than **28% of the supply** and that proportion is growing



Since 2020, the number of registered medical cannabis patients has **grown 150%** surpassing 75,000 in 2021

Australia is importing cannabis mainly **from Canada and EU** relatively expensive suppliers



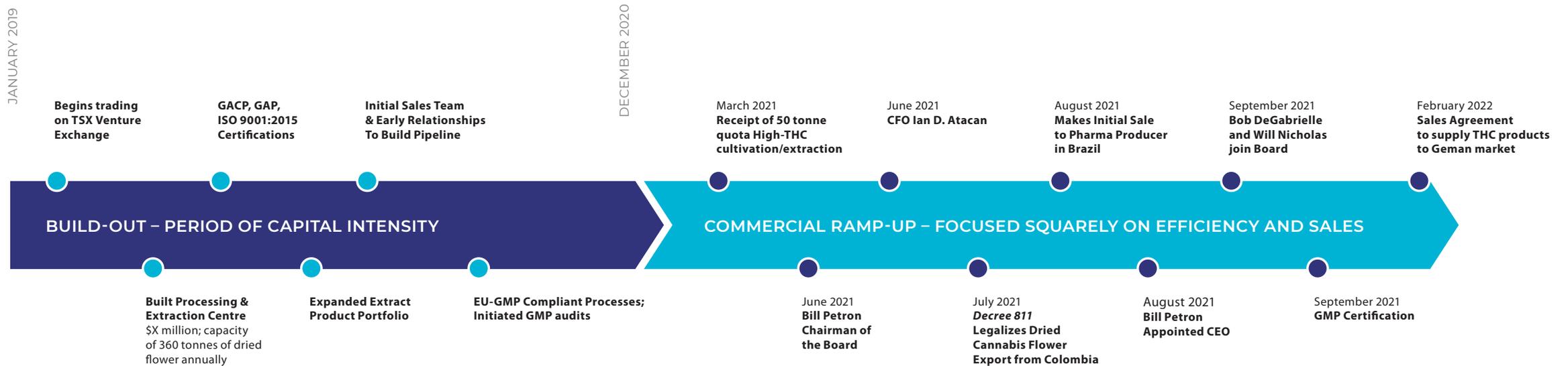
In 2021 the medical market in Germany reached a total of **128,000 cannabis patients** and is projected to reach 1 million by 2024

From 2017 to 2020, flower imports grew **by more than 8x** from 1,130 kg to 9,439 kg

With current flower exports dominated by high-cost regions such as Canada and the EU, PharmaCielo can enter these markets with a strong advantage.

From Build-out to Ramp-up

With all major capital expenditures completed, and the ability to sell dried flower directly into growing international medical cannabis markets, PharmaCielo is in a solid position for intense growth.



Streamlining and Prioritizing

STRENGTHENING SALES TEAM

Expanded global business development organization and in-house sales force

STREAMLINING OPERATIONS

Extensive cost-cutting and improved efficiencies to ensure overall lower cost base

SOLIDIFYING EU-GMP COMPLIANCE

Focus on global production partnerships to fast track EU-GMP certified cannabis flower and extract product sales in international markets

RE-FOCUSING PRODUCT STRATEGY

Shifted production to THC varieties and is ready with the first THC harvest for dried flower global export in Q1-2022

Led by Experience

Bill Petron

Chief Executive Officer

Bill Petron is a highly respected entrepreneur with a diverse background in manufacturing, logistics and medical cannabis. Mr. Petron has founded, grown and sold several successful global businesses. Most recently, he co-founded Alternative Medical Enterprises LLC ("AltMed") headquartered in Sarasota, Florida. A license was acquired in Phoenix, Arizona and Mr. Petron ran the vertical operations of the company in the state. In December 2020, AltMed merged with Verano Holdings LLC and completed a public offering on the Canadian Securities Exchange in February 2021 with a valuation in excess of \$6.0 billion.

Ian D. Atacan

Chief Financial Officer

Mr. Atacan is a finance leader with more than 25 years of experience in strategy, M&A, and financing. Most recently, Mr. Atacan was the Chief Financial Officer of Blueberries Medical Corp., a licensed cannabis producer in Colombia. Previously, he was the CFO of Natura Naturals Holdings Inc., a Canadian cannabis company licensed for cultivation, production and bulk sales under the Cannabis Act of Canada, until its acquisition by Tilray Inc. (NASDAQ: TLRY). Mr. Atacan is a Chartered Professional Accountant, received an MBA from Middlesex University, London-UK and a B.Sc. in Electrical and Electronics Engineering from Bilkent University.

Andrés Felipe Botero

Chief Operating Officer

Mr. Botero was head of Philip Morris Andean Cluster for 20 years, overseeing cultivation, manufacturing, quality assurance, supply chain and distribution, and served as manager of Philip Morris International's operations for reduced risk product portfolio in Colombia.

Marcelo Durante

Global Head of Business Development and Sales

Mr. Durante is an experienced business development and sales leader with over 20 years of international experience building successful and effective sales organizations in the pharmaceutical, nutraceutical, food-extracts and fragrance industries. Most recently, Mr. Durante was the Global Sales and Marketing Director for BiosearchLife, a Spanish-based biotechnology company bringing innovative products to the pharmaceutical, nutraceutical and functional food sectors in more than 30 countries worldwide. Mr. Durante possesses academic degrees in industrial chemistry (University Santa Cecilia, Brazil), food engineering (University of Campinas, Brazil) and a master's degree in food technology (University of Bologna, Italy).

Proven Board of Directors

Bill Petron

Chairman of the Board

Marc Lustig

Lead Director

Mr. Lustig founded CannaRoyalty Corp. (Origin House), which was sold to Cresco Labs in 2020, is currently executive chairman of IMC Cannabis, chairman of Trichome Financial Corp. and director of Cresco Labs. He served in the capital markets sector for 15 years, as director at GMP Securities, head of Capital Markets at Dundee Capital Markets and in the Life Sciences sector at Orion Securities. Previously, he worked in the pharmaceutical industry with Merck & Co.

Doug Bache

Director, Audit Committee Chair

Mr. Bache is a director and management consultant providing corporate finance and strategic advisory services to private and public companies. He has held senior management positions at Vale/Inco Limited and North American Palladium and investment and corporate banking roles with CIBC World Markets and Société Générale Canada.

Bob DeGabrielle

Director

Mr. DeGabrielle was an early entrepreneur and executive in the U.S. cannabis industry; he founded and owns Los Sueños Farms LLC, the largest outdoor grow in North America. Mr. DeGabrielle is the owner of Colorado Cannabis Associates comprised of two retail dispensaries and an additional indoor cultivation facility. He serves on the board of Colorado Leads and MIG (Marijuana Industry Group), the two leading cannabis industry associations in Colorado. Mr. DeGabrielle was also a founding member of the Cannabis Trade Federation, a national industry association in the United States.

Dr. Claudia Jiménez

Director

Dr. Jiménez is a lawyer with Jiménez & Asociados S.A.S., a private consultancy firm. She has served as Minister-Counselor for the President of Colombia, Ambassador in Switzerland and Liechtenstein, Executive Director of the Mining Colombian Association (SMGE) and Professor at the University Externadode Colombia and is a member of the board of ISA InterColombia, Executive Director of the Dialogue Group of Mining in Colombia (GDIAM) and a former board member of Empresas Públicas de Medellín (EPM) and TSX-listed Continental Gold. She completed a Doctorate of Law at the Université of Paris II (Panthéon-Assas), France and Law and Political Science degree at the Universidad Pontificia Bolivariana in Medellín.

Will Nicholas

Director

Mr. Nicholas has been involved in the cannabis industry since 2015, when he began researching and investing in the burgeoning U.S. medical cannabis sector. He is an experienced finance professional with an extensive career in banking and investment management in New York, Zurich and London. Following his time with Bankers Trust Company, Swiss Bank Corporation and UBS Investment Bank, Mr. Nicholas co-founded Oceanwood Capital Management, a London based European-focused hedge fund manager, where, over the course of a decade, he served as COO and then CEO, retiring from the role of CEO in 2017.



Marc Lustig, Lead Director, and Bill Petron, CEO and Chairman of the Board for PharmaCielo

Summary Financial Information

	For the three months ended September 30	
	2021	2020
Revenue	\$485,165	\$25,193
Adjusted EBITDA*	(\$4.308) million	(\$7.232) million
Net loss	(\$8.751) million	(\$9.794) million
Basic and diluted loss per common share	(\$0.06)	(\$0.08)

In the three months ended September 30, 2021, the Company reduced its Adjusted EBITDA loss from **\$7.2 million to \$4.3 million**.

In the nine months ended September 30, 2021, consulting fees and professional fees were **lower by 61% and 38%**, respectively, compared to the same period in 2020.

Since the end of Q3, management has further reduced discretionary expenses to lower the Company's use of cash and ensure a **leaner organization with a lower cost base**.

PharmaCielo Highlights

- The Company is positioned to succeed in the emerging B2B global cannabis supply chain:
 - **One of the largest production capacities in the world**
 - **Unique cannabis genetics, expert agronomy and equatorial growing conditions**
 - **Pharma approach and deep cultivar library for consistent quality**
 - **Structural cost advantage**
 - **Government highly supportive of cannabis export sector**
- All major **growth capital expenditures are completed.**
- New management team includes **AltMed founder Bill Petron as CEO and Origin House founder Marc Lustig as Lead Director**, have undertaken significant streamlining and reprioritizing in 2021.
- **Dried flower exports have been legalized by the Colombian government**, and represent an enormous opportunity for which the Company is perfectly suited.

With its large-scale, pharma-grade infrastructure in place, and industry veteran leadership, PharmaCielo is perfectly positioned to thrive in the broadening global export market.