



NEWS RELEASE

EXMceuticals Inc. Secures Supply & Offtake Agreements-In-Principle for Proposed Portugal Refinery

VANCOUVER, BRITISH COLUMBIA, May 7th, 2020 – [EXMceuticals Inc. \(CSE: EXM\) \(FSE: A2PAW2\)](#), (the "Company" or "EXM"), an emerging producer of refined cannabis ingredients serving the pharmaceutical, medical, nutraceutical, and cosmetic industries, has secured supply agreements-in-principle of pharmaceutical/medical grade cannabis ingredients totalling a minimum of 8,400 litres of high-grade extracts in 2021.

EXM signed these agreements to ensure access to GMP-compliant pharmaceutical and medical grade cannabis for its planned Portugal-based refinery. EXM has also signed an outline LOI with one of these counterparties for the offtake of the eventual supply of finished ingredients.

Farmceutica Wellness, a supplier of medical-grade CBD ingredients, will initially supply up to 4,200 kg of pharmaceutical grade cannabis ingredients to EXM annually. EXM intends to purchase up to 9,400 kg annually after the refinery is fully equipped. A separate LOI is under negotiation for bulk THC importation. Farmceutica also signed an outline LOI that will give it the ability to distribute the refined cannabinoids manufactured in the refinery, with a focus on the active pharmaceutical ingredients.

These agreements will provide sufficient input material to begin operations at EXM's facility as soon as it becomes operational. Assuming the required funding is received, this is expected to be in Q1 2021. The refinery will turn raw material and extract into pure finished ingredient products, all under EU-GMP. Distillates, isolates and active pharmaceutical ingredients will initially be sold on a B2B basis. Once revenues are achieved EXM will then seek to enhance revenues by creating final customer products that have been formulated in the existing R&D laboratory in Lisbon.

EXM is in discussions with other selected emerging producers of GMP compliant cannabis in Portugal, and around the world, that will produce extract to the highest quality standards. This position in the middle of the supply chain, will hopefully allow EXM to emerge as the largest contract manufacturer for the European medical market, either on a principle or toll basis.

"These outline supply arrangements are an important step for EXM, as we continue to establish our business model. Securing high quality source materials from stable sources is a key component, and we have faith these groups will be meaningful partners of ours. EXM is now focused on industrial purification, refining and extraction, coupled with a meaningful R&D operation. We aim to be a trusted European source of high-quality cannabis products for the growing demand of the pharmaceuticals and medical Industries. We are eager to work closely with Farmceutica and to provide consistent product to our future clients," said CEO Jonathan Summers.

For further information, contact:

Jonathan Summers, CEO

Investor Relations



Email: investors@xmceuticals.com

Media Enquiries:

Email: media@xmceuticals.com

Follow us on Twitter: <https://twitter.com/EXMceuticals>

Follow us on LinkedIn: <https://www.linkedin.com/company/xmceuticalsinc/>

CSE: EXM/ FSE: A2PAW2

Neither the CSE nor the FSE has approved nor disapproved of the contents of this news release. Neither the CSE nor the FSE accepts responsibility for the adequacy or accuracy of this release.

Certain information contained herein may constitute "forward-looking information" under Canadian securities legislation. Generally, forward-looking information can be identified by the use of forward-looking terminology such as, "will be", "expected", "proposes", "intends" or variations of such words and phrases or statements that certain actions, events or results "will" occur. Forward-looking statements regarding the Company's business operations, the extraction of cannabis ingredients and the exportation of the extracts, the results of testing at our facilities established for the European market, future laws and regulations governing the sale of our products in Europe and elsewhere, and the potential to generate sales, and completion of a Qualifying Financing, are subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of EXM to be materially different from those expressed or implied by such forward-looking statements or forward-looking information. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward-looking statements and forward-looking information. EXM will not update any forward-looking statements or forward-looking information that is incorporated by reference herein, except as required by applicable securities laws.