

Pivot Pharma Signs Binding Letter of Intent to Acquire Cannabis Oil Infusion Technology for Use in Food and Beverage Products

VANCOUVER, BC - (December 20, 2017) – [Pivot Pharmaceuticals Inc.](#) (CSE: [PVOT](#) / OTCQB: [PVOTF](#)) ("Pivot" or the "Company"), an emerging biopharmaceutical company, is pleased to announce that the Company has signed a Binding Letter of Intent to acquire ERS Holdings, LLC ("ERS"), a privately-held California company. ERS has developed a patented technology called "RTIC" - *Ready To Infuse Cannabis* ("the Patent") and has also filed several continuation patents relating to the transformation of cannabis oil into powder for infusion into a variety of food and beverage products such as capsules, K-Cups, stick packs, baked mixes, liquid shots, protein shakes, topicals, lotions and bottled beverages.

In exchange for 100% of ERS (Patent Portfolio and Trademarks for "Instant THC™" and "Instant CBD™"), Pivot will pay ERS \$1,000,000 USD and 5,000,000 Common Shares ("The Shares") of Pivot Pharmaceuticals Inc. The Shares will be subject to a six (6) month restriction with the first 25% of the total number of Shares to be released six (6) months following the closing date, with 25% to be released every quarter thereafter. Completion of the acquisition is subject to regulatory approval and standard closing conditions.

A recent report by [Deloitte](#) suggests that "on sales of recreational marijuana alone, the Canadian marketplace could be as much as \$5B per year to start — a number on par with the Canadian spirit market (whiskey, vodka, rum, etc.). At the upper threshold, which takes into account the people who are "likely to consume," marijuana sales alone could be as high as \$8.7B, similar to sales generated by wine."

Current cannabis product formulations are either poorly absorbed topicals and orals or inhaled and smoked carcinogens. Health-conscious adults who seek the therapeutic benefits of cannabis without the negative health effects represent a large, untapped demographic. This demographic is also inundated with edible product choices that are high in sugar, such as candy or confectionary. Health-seeking consumers who use cannabis daily represent a large market opportunity for Pivot. The acquisition of ERS allows Pivot to add to its growing pipeline of cannabis-based products.

Invented by Ross Franklin and Ed Rosenthal, the invention "relates generally to methods and compositions of matter for enabling concentrated cannabis oil to be stable, emulsifiable and flavorless for use in hot beverages or food by combining cannabis oil with a starch powder or starch-derived powder. Embodiments also relate to a variety of culinary uses for the stabilized, emulsified, flavorless concentrated cannabis oil powder."

Mr. Franklin, ERS' CEO, said that "after being courted by some of Canada's largest cannabis companies, we selected the Pivot team to help monetize our patent. Their management team has extensive pharmaceutical and nutraceutical industry experience and an impressive track record of bringing products to market. In addition to the food and beverage markets, we also look forward to integrating "RTIC" into Pivot's current topical, oral and nanoparticulate pipeline."

Dr. Patrick Frankham, CEO of Pivot Pharmaceuticals, stated that "Pivot believes that the anticipated changes in cannabis regulation in Canada and California will provide an opportunity to launch multiple products into the healthcare and recreational markets in 2018. We are delighted that Ross Franklin and Pat Rolfes from ERS have chosen Pivot to help transform their patents and processes into therapeutic consumer goods. Pivot is in

ongoing discussions with several Canadian Licensed Producers and Licensed Dealers in order to accelerate commercialization of our large pipeline of technology-driven products. If a suitable joint venture partner is not identified by January 2018, Pivot will seek a Licensed Dealer designation from Health Canada and commence construction of its own production facility. As a result, Pivot has engaged CBRE, the world's largest commercial real estate firm, to help facilitate the site selection process."

About Pivot Pharmaceuticals Inc.

Pivot Pharmaceuticals Inc. is an emerging biopharmaceutical company engaged in the development and commercialization of therapeutic pharmaceuticals and nutraceuticals using innovative drug delivery platform technologies. Pivot's wholly-owned medical cannabis products division, Pivot Green Stream Health Solutions Inc. ("PGS" or "Pivot Green Stream"), conducts research, development and commercialization of cannabinoid-based nutraceuticals and pharmaceuticals. PGS has acquired worldwide rights to BiPhasix™ Transdermal Drug Delivery platform technology (topical), Solmic Solubilisation technology (oral) and ThruDermic Transdermal Nanotechnology (transdermal) for the delivery and commercialization of cannabinoid, cannabidiol (CBD), and tetrahydrocannabinol (THC)-based products. PGS' initial product development candidates will include topical treatments for women's sexual dysfunction (PGS-N005), as well as psoriasis (PGS-N007), and an oral product (PGS-N001) for cancer supportive care. For more information please visit www.PivotPharma.com

Cautionary Statement

Except for historical information contained herein, the matters set forth above may be forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ from those in the forward-looking statements. Words such as anticipate, believe, estimate, expect, intend, and similar expressions, as they relate to Pivot or Pivot Green Stream, or its management, identify forward-looking statements. Such forward-looking statements are based on the current beliefs of management, as well as assumptions made by and information currently available to management. Actual results could differ materially from those contemplated by the forward-looking statements as a result of certain factors, such as the failure to meet the conditions imposed by the CSE or other securities regulators, the level of business and consumer spending, the amount of sales of Pivot's products, the competitive environment within the industry, the ability of Pivot to continue to expand its operations, the level of costs incurred in connection with Pivot's expansion efforts, economic conditions in the industry, and the financial strength of Pivot's customers and suppliers. Pivot does not undertake any obligation to update such forward-looking statements. Investors are also directed to consider all other risks and uncertainties.

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