PharmaCielo Reports Q3 2024 Financial Results

- **PharmaCielo achieved 85% Year-Over-Year Sales Growth, Generating Year-to-Date Q3 Total Revenue of $2.4 Million**
- **Q3 Gross Profit Turned Positive Reflecting More Diverse Customer Base**
- **Q3 Cash Flow Improved and EBITDA Increased by $0.8 Million Reflecting Strong Sales Growth and Reduced Costs**

Toronto, Ontario and Rionegro, Colombia--(Newsfile Corp. - December 2, 2024) - PharmaCielo Ltd. (TSXV: PCLO) (OTC: PCLOF) ("**PharmaCielo**" or the "**Company**"), a global cannabis products company and Colombia's premier cultivator and producer of dried flower and medicinal-grade cannabis extracts, today reported significant financial and operational progress for the three and nine months ended September 30, 2024. All figures presented in this press release are reported in Canadian dollars, unless otherwise specified.

"PharmaCielo achieved substantial revenue growth, successfully expanded into new international markets, and continued its focus on reducing costs to improve its operational efficiency," commented **Marc Lustig, Chairman and CEO of PharmaCielo.** "Our strategic position in multiple regions, coupled with an expanding product portfolio beyond CBD isolate, has enhanced our ability to serve diverse international markets and generate increased revenue." He added, "With revenue up significantly both year-over-year and sequentially, and a substantial move toward breakeven Adjusted EBITDA over the past three quarters, we are demonstrating the effectiveness of our strategic initiatives. Given no significant capital expenditures required to reach full commercial scale, we are well positioned to achieve positive EBITDA and cash flow as our sales grow in 2025."

Summary Financials - Third Quarter Ended September 30, 2024

	Three months ended							
(000's)		**September 30, 2024**		June 30, 2024		March 31, 2024		September 30, 2023
Revenue	$	1,329	$	784	$	240	$	352
Gross Profit (Loss)	$	372	$	275	$	(399)	$	(349)
Adjusted EBITDA	$	(583)	$	(592)	$	(1,264)	$	(1,370)
Net Loss	$	(2,644)	$	(2,575)	$	(2,420)	$	(2,761)
Net Loss per Share	$	(0.015)	$	(0.015)	$	(0.014)	$	(0.017)

*Adjusted EBITDA (Earnings Before Interest, Taxes, Depreciation, and Amortization). The term Adjusted EBITDA does not have any standardized meaning under IFRS. Therefore, it may not be comparable to similar measures presented by other companies.

Revenue Growth and Market Diversification

PharmaCielo generated solid increased revenue, with net revenues of $1.3 million for the third quarter of 2024, a significant increase from $0.4 million in the same period last year. For the nine-month period, total revenues reached $2.4 million, compared to $1.3 million in 2023. These results were driven by increased global sales of cannabis-related products in major developing markets.

The Company has successfully expanded its presence in key global markets, including Latin America, Europe, Africa, and Australia, where it has gained traction with new customers. PharmaCielo's ability to secure necessary export quotas for both psychoactive and non-psychoactive products have positioned it well for continued growth across these regions. Notably, the Company has seen success in markets such as Brazil, South Africa, and Spain, with revenue from these regions contributing to a more diversified global sales base.

Cost Reductions and Operational Efficiencies

PharmaCielo has continued to demonstrate prudent operational discipline, achieving cost reductions across multiple areas of the business. Compared to the same period in 2023, the Company reduced consulting fees by $179,000, office and general expenses by $508,000, and salaries and wages by $891,000. These savings reflect the Company's ongoing commitment to improving its cost structure and enhancing profitability.

In addition, PharmaCielo has streamlined its operations, right sized its cultivation capacity and eliminated non-essential expenditures, which has further strengthened its financial position. Management's efforts to contain costs, while strategically aligning the Company's resources to growth opportunities, have contributed to a leaner, more agile organization, positioning PharmaCielo for long-term profitability.

Positive Outlook for 2025

With revenues increasing and costs declining, PharmaCielo is confident in its ability to achieve profitability in 2025. The Company is well-positioned to build on its first-mover advantage in Colombia, leveraging its state-of-the-art cultivation and scientific processing capacity to meet the growing global demand for medicinal cannabis products.

PharmaCielo continues to diversify its product offerings with differentiated, higher-margin products, such as psychoactive flower and full-spectrum extracts, which provide additional growth opportunities. With the addition of dried flower shipments to key markets, PharmaCielo anticipates expanding its market share.

For further detailed information and analysis, please see the financial statements and management's discussion and analysis for the period ending September 30, 2024, as posted at sedarplus.ca and pharmacielo.com.

Warrant Extension

Today, PharmaCielo also announced that TSX Venture Exchange ("**TSXV**") has approved the extension of the expiry date of warrants originally issued on November 20, 2020 (the "**Warrants**") as follows:

Number of Warrants:	9,007,200
Original Expiry Date of Warrants:	November 20, 2024
New Expiry Date of Warrants:	November 20, 2025
Exercise Price of Warrants:	$0.65

About PharmaCielo

PharmaCielo Ltd. (TSXV: PCLO, OTC: PCLOF) is a global company, headquartered in Canada, with a focus on ethical and sustainable cultivating, processing and supply of all natural, pharmaceutical-grade medical dried cannabis flower and cannabis 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 center 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.

For further information

Ian Atacan, Chief Financial Officer
i.atacan@pharmacielo.com

Media and Investor Inquires:
investors@pharmacielo.com

Forward-Looking Statements

This news 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 regarding the issuance of the debenture units, including the timing and completion of any future issuances thereof.

The forward-looking statements in this news release are necessarily based on assumptions, including assumptions with respect to PharmaCielo's ability to obtain necessary approvals for the issuance of the debenture units.

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, TSX Venture Exchange 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 or other developments, 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.

PharmaCielo