

PharmaCielo Reports Q4 2024 Financial Results

- PharmaCielo achieved 143% Year-Over-Year Sales Growth, Generating Year-to-Date Q4 Total Revenue of \$3.54 Million.
- Revenues and Gross Profit Margin Increased with More Diverse Customer Base.
- Q4 Cash Flow Continued to Improve and Adjusted EBITDA Increased by \$1.1 Million versus Last Year Reflecting Strong Sales Growth and Reduced Costs.
- Financial Year-End is March 31. Audited Financial Statements will be for the Fifteen-Month Period from January 1, 2024, to March 31, 2025.

Toronto, Ontario and Rionegro, Columbia--(Newsfile Corp. - February 28, 2025) - **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 twelve months ended December 31, 2024. All figures presented in this press release are reported in Canadian dollars, unless otherwise specified.

"Throughout 2024, PharmaCielo delivered robust revenue growth by strategically expanding into new international markets while maintaining rigorous cost discipline. These complementary initiatives have considerably strengthened our financial foundation," commented **Marc Lustig, Chairman and CEO of PharmaCielo**. "With a diversified product portfolio that now reaches beyond CBD isolate, we are well-positioned to meet the evolving needs of our global customer base and maintain strong revenue momentum."

Mr. Lustig added, "Over the past four quarters, we have steadily advanced toward breakeven Adjusted EBITDA. We are entering 2025 from a position of strength, with no major capital investments required to achieve full commercial capacity. Our momentum points to positive EBITDA and cash flow ahead, with sales expected to gain velocity in the latter half of the year."

Summary Financials - Fourth Quarter Ended December 31, 2024

(000's)	Three Months Ended		Twelve Months Ended	
	December 31, 2024	December 31, 2023	December 31, 2024	December 31, 2023
Revenue	\$1,127	\$244	\$3,480	\$1,542
Gross Profit (Loss)	\$483	\$(217)	\$731	\$(1,369)
Adjusted EBITDA	\$(299)	\$(1,397)	\$(2,664)	\$(6,762)
Net Loss	\$(1,503)	\$(6,393)	\$(9,142)	\$(16,298)
Net Loss per Share	\$(0.009)	\$(0.038)	\$(0.053)	\$(0.101)

*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.

PharmaCielo has achieved substantial revenue growth, recording \$1.1 million in net revenue in the fourth quarter of 2024-more than tripling the revenue from the same period last year. For the twelve-month period, revenue totaled \$3.5 million, compared to \$1.5 million in 2023, reflecting increased global sales of its high-quality cannabis products.

Strategic Cost Optimization and Operational Efficiencies

PharmaCielo continues to drive financial discipline, achieving substantial cost reductions while optimizing its operations for long-term growth. Compared to 2023, the Company reduced office and general expenses by \$591,000, salaries by \$1,189,000, and selling, marketing, and promotion costs by

\$428,000. These savings have solidified the Company's infrastructure, providing a scalable foundation for future growth and profitability.

Additionally, PharmaCielo has streamlined its operations, right sized its cultivation capacity, and eliminated non-essential expenditures, creating a leaner and more agile organization. These initiatives have significantly strengthened the Company's financial position, aligning resources to maximize growth opportunities and ensuring sustainable success.

Positive Outlook for 2025

With a strong sales pipeline, rising revenues, and ongoing cost reductions, PharmaCielo is on track to achieve positive cash flow and profitability in 2025. The Company's first-mover advantage in Colombia, combined with its advanced cultivation and scientific processing capabilities, positions it to capitalize on the expanding global demand for medicinal cannabis.

To support its growing sales pipeline and increased revenues, PharmaCielo will require additional working capital. This need will be met through a private placement, with the majority of the investment coming from insiders and existing shareholders, demonstrating their confidence in the Company's long-term growth trajectory.

"As we move into 2025, we are excited about the opportunities ahead," added Mr. Lustig. "Our operational efficiencies, strong product portfolio, and expanding global footprint set the stage for a transformative year. We are committed to delivering sustained value to our shareholders and solidifying PharmaCielo's position as a global leader in the medicinal cannabis industry."

For further detailed information and analysis, please see the financial statements and management's discussion and analysis for the period ending December 31, 2024, as posted at sedarplus.ca and pharmacielo.com.

Shares for Settlement of Certain Amounts Owed

Today, the Company announced that it intends to issue, subject to the approval of TSXV, up to 5,000,000 common shares of the Company ("Settlement Shares"), in satisfaction of up to \$500,000 debt owed to certain service providers, former employees and directors of the Company. The deemed price of the common shares to be issued will be determined as the 30-day Volume Weighted Average Price on the date the TSXV will approve issuance of Settlement Shares. The Settlement Shares will be subject to a four-month hold period under applicable Canadian securities laws, starting from the date of their issuance.

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

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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.

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this press release.



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