

## PharmaCielo Announces Financial Results for the Fourth Quarter and Fiscal Year Ended December 31, 2021

- Regulation to enable dried flower export and expand applications of CBD-based products passed by the Colombian Government on February 22, 2022
- PharmaCielo’s upstream and downstream scale and quality uniquely position the Company to be a dominant competitor with current suppliers of psychoactive flower to the EU and other markets.
- Executing on opportunities to streamline the business, while continuing to invest in revenue-generating sales functions – SG&A<sup>i</sup> expenses totaled \$23.1 million in 2021 compared to \$37.8 million in 2020.
- Currently working toward EU-GMP certification on top of the existing Colombian GMP certification, expected to be achieved in the second half of 2022.

*All figures in Canadian dollars (\$) unless otherwise specified*

TORONTO and RIONEGRO, Colombia, April 29, 2022 /CNW/ - **PharmaCielo Ltd.** ("**PharmaCielo**" or the "**Company**") (TSXV: PCLO) (OTCQX: PCLOF), the Canadian parent of Colombia's premier cultivator and producer of dried flower and medicinal-grade cannabis extracts, PharmaCielo Colombia Holdings S.A.S., today announced financial results for the fourth quarter and year ended December 31, 2021.

### Management Commentary

**Bill Petron, CEO of PharmaCielo** commented, “Since I assumed the CEO role in the third quarter of 2021, we have made significant progress streamlining the Company’s operating structure, investing in our sales organization and refocusing the team on THC-dominant opportunities. These efforts are paying off, with a deeper, higher quality sales pipeline, and a recent agreement in Germany to access a distribution network that reaches every pharmacy in Germany, a market expected to be worth €7.7 billion by 2028<sup>ii</sup>. With dried flower accounting for up to 50% market share in most mature cannabis markets globally, the Colombian government’s passing of regulation to enable its export from Colombia, is a watershed moment for the industry. PharmaCielo is particularly well-positioned to capitalize on this shift, with scalable cultivation and processing capacity in place, a structural cost advantage, and the sophistication to ensure consistently high-quality products. I expect 2022 to be a pivotal year for the Company as we build what I fully expect will become one of the most important B2B companies in the global cannabis supply chain, backed by a strengthened balance sheet and clear path to revenue growth.”

### Summary Financials

(000’s)	Q4 2021	Q4 2020	FY 2021	FY 2020
Revenue	\$ 339	\$ 881	\$ 1,945	\$ 2,654
Adjusted EBITDA (loss)	\$ (4,587)	\$ (5,827)	\$ (16,832)	\$ (23,554)
Net Income (Loss)	\$ (4,113)	\$ (19,901)	\$ (26,630)	\$ (43,756)
Net Income (Loss) per Share	\$ (0.03)	\$ (0.16)	\$ (0.18)	\$ (0.39)

- The company had cash equivalents of \$5.3 million as at December 31, 2021 compared to \$8.9 million as at December 31, 2020.
- Complete audited and consolidated year-end financial statements and corresponding MD&A are

available at [www.sedar.com](http://www.sedar.com).

## **Non-Brokered Private Placement of Debenture Units**

Year-to-date, the Company raised \$1,500,000 as part of the second tranche of its previously announced non-brokered private placement (the “Offering”), consisting of an aggregate of 1,500 debenture units (each a “Unit”). The Units were issued at a price of \$1,000 per Unit for aggregate proceeds of \$1,500,000. This follows the Company’s announcement on January 3, 2022 that it had completed an initial tranche of Units, also for aggregate proceeds of \$5,000,000. The Company intends to use the proceeds from the Offering for operations, working capital and the build-out of its international psychoactive dry flower sales program.

## **About PharmaCielo**

PharmaCielo Ltd. (TSXV: PCLO, OTCQX: PCLOF) is a global company, headquartered in Canada, with a focus on ethical and sustainable processing and supplying of all-natural, pharmaceutical-grade medical 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 Units, including the terms thereof and the closing date therefor.*

*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 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](http://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.*

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<sup>i</sup> Selling, general and administrative expenses

<sup>ii</sup> Prohibition Partners