

## PharmaCielo Announces Q2 2023 Financial Results

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

TORONTO and RIONEGRO, Colombia, August 29, 2023 - **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 second quarter ended June 30, 2023.

### Management Commentary

**Marc Lustig, Chairman and CEO of PharmaCielo** commented, "Our sales and finance teams have made measurable progress and I expect these efforts to continue to pay off over the next several quarters. From a sales perspective, we are getting more opportunities with large global customers than ever before, as weaker players exit the marketplace or fail to deliver on the quality and consistency required by these institutional-caliber entities. Alongside these steady initiatives to drive the top line, our finance team has delivered on our targeted 25% reduction in ongoing overhead expenses ahead of budget and with no meaningful impact to our ability to execute on existing contracts and go out and win new ones. As one of the largest single investors in this company, I strongly believe that the initiatives we have underway will result in meaningful growth in the top line, and with all material capex behind us, will translate into cash flow and growth in shareholder value."

### Summary Financials

(000's)	Three months ended	
	Jun 30 2023	Jun 30 2022
Revenue	\$ 160	\$ 2,119
Adjusted EBITDA (Loss)	\$ (2,119)	\$ (1,823)
Net Loss	\$ (3,585)	\$ (3,517)
Net Loss per Share	\$ (0.02)	\$ (0.02)

- For further detailed information and analysis, please see the financial statements and management's discussion and analysis for the period ending June 30, 2023, as posted at [sedarplus.ca](http://sedarplus.ca) and [pharmacielo.com](http://pharmacielo.com)

### Summary of Recent Developments

- On July 11, 2023, PharmaCielo announced that Marc Lustig had been appointed Chairman and CEO of the Company. Mr. Lustig has a proven history of value creation across the cannabis, capital markets and health sciences sectors.
- As announced in the Company's August 10, 2023 news release, PharmaCielo's sales team continues to make progress with new and existing customers. Notable upcoming catalysts include: The Company's first shipment to its third Brazilian customer, expected to take place during Q4 2023, and ongoing shipments of THC-dominant dried flower to a customer in Germany.
- The Company is on track to achieve its objective of operating efficiently with a specific goal of lowering overhead expenses<sup>i</sup> by 25% compared to 2022 levels. In Q1 2023, overhead expenses were 20% below the prior year period and in Q2 2023, overhead expenses were

25% below the prior year period. As a result of the efforts of the management to right-size the company the number of employees is now 132 from a high of 450 in 2021, and 331 at the end of 2022, with no meaningful impact on PharmaCielo's ability to execute on existing and new contracts.

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

In 2023, Year-to-date, the Company raised \$3,280,000, as part of its previously announced non-brokered private placements (the "Offering" and "New Offering"), consisting of an aggregate of 3,280 debenture units (each a "Unit"). The Units were issued at a price of \$1,000 per Unit for aggregate proceeds of \$3,280,000. To date, since its announcement of the Offering, the Company has raised \$14,075,000 principal amount of Units. As disclosed in the Company's news release dated June 29, 2023, the Company intends to use the proceeds from the sale of the units for operations, working capital, and the build-out of its international sales program.

#### **About PharmaCielo**

PharmaCielo Ltd. (TSXV: PCLO, OTCQX: 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](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.*

***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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<sup>i</sup> The Company defines "overhead expenses" as: consulting fees, office & general expenses, professional fees, salaries and wages, and travel and accommodation expenses.