



## PharmAla Issues Audited Financial Statements, Completes Continuance to Ontario, and Closes Private Placement

TORONTO, Dec. 20, 2024 -- PharmAla Biotech Holdings Inc. (“**PharmAla**” or the “**Company**”) (CSE: MDMA) (OTC: MDXXF), a biotechnology company focused on the research, development, and manufacturing of LaNeo™ MDMA and novel derivatives of MDMA (MDXX class molecules), is pleased to announce its financial and operational results for the year ended August 31, 2024, the highlights of which are included in this news release. All figures are reported in Canadian dollars. The Company’s full set of consolidated audited financial statements for the years ended August 31, 2024 and 2023 and accompanying management’s discussion and analysis can be accessed by visiting the Company’s website at [www.PharmAla.ca](http://www.PharmAla.ca) and its profile page on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

“While the previous year saw significant setbacks for some companies, I believe that PharmAla has only moved from strength to strength; In my opinion, our financial performance reflects that,” said Nick Kadysz, CEO, PharmAla Biotech. “We’ve added significant new talent to our team, including our CFO, Will Avery. Our revenue growth continued at pace, and we are working hard so that it may continue to do so.”

### Financial Highlights:

- Fiscal 2024 Revenue of over \$1.0M representing growth of \$503,000 or 95% year over year, lead by growth in MDMA product sales of \$723,000 a \$305,000 or 73% increase year over year
- Fiscal 2024 Adjusted EBITDA<sup>1</sup> of (\$55,000) compared to fiscal 2023 (\$659,000), a \$605,000 year over year improvement, driven primarily by revenue growth.
- The Company was granted patents for two novel MDXX molecules, APA-01 and ALA-002, during fiscal 2024, as a result costs capitalized with respect to these commenced amortization during Fiscal 2024.
- During Fiscal 2024, we generated \$772,000 in net proceeds from the issuance of shares and exercise of options, and used cash in operations of \$321,000 and invested \$226,000 of cash in the development of intangible assets, ending the year with \$419,000 of cash.

<sup>1</sup> Earnings before interest, taxes, depreciation, and amortization (“**EBITDA**”) and adjusted EBITDA. These measures do not have a standardized meaning prescribed by International Financial Reporting Standards (“**IFRS**”) and are, therefore, unlikely to be comparable to similar measures presented by other issuers. Non-IFRS measures provide investors with a supplemental measure of the Company’s operating performance and, therefore, highlight trends in the Company’s core business that may not otherwise be apparent when relying solely on IFRS measures. Management uses non-IFRS measures in measuring the financial performance of the Company. Adjusted EBITDA adjusts net loss and comprehensive loss for non-cash items such as stock based compensation, depreciation and amortization and deferred joint venture portion of sales. For factors PharmAla believes are relevant in disclosing Adjusted EBITDA, see the Company’s financial statements and associated management discussion and analysis.

“The PharmAla team is proud of the results we have achieved with the growth in product sales and the major milestones achieved during the year ended August 31, 2024,” said Will Avery, CFO, PharmAla Biotech. “We believe in the quality of our team and, most importantly, the quality of our product and we look forward to building on the success of this past year.”

### PharmAla Announces Completion of Continuance

In addition, the Company is pleased to announce that, further to its press release dated March 8, 2024, effective December 17, 2024, it has completed its continuance from the Province of British Columbia governed under the *Business Corporations Act* (British Columbia) into the Province of Ontario governed under the *Business Corporations Act* (Ontario) (the “**Continuance**”). The Continuance was approved by the Company’s shareholders at its annual general and special meeting held on February 27, 2024.

No action will be required by existing shareholders with respect to the Continuance.

### Closing of Private Placement

In addition, the Company is pleased to announce that, further to its press release dated December 13, 2024 (the “**December 13 Release**”), the Company has closed its previously announced non-brokered private placement offering (the “**Offering**”) effective today (the “**Closing Date**”) through the issuance of 8,676,221 Units for aggregate gross proceeds of \$1,561,719.88. The Offering was oversubscribed by 12% with an additional 898,444 Units sold as compared to December 13 Release. Capitalized terms not otherwise defined herein have the meanings attributed to them in the December 13 Release.

Each Unit was sold at a price of \$0.18 per Unit and consisted of one Common Share and one-half of one Warrant. Each whole

Warrant entitles the holder thereof to acquire one Additional Share at a price of C\$0.27 per Additional Share at any time prior to 4:30 pm (Toronto Time) on the date that is thirty six months following the Closing Date, provided that, if the closing price of the Common Shares on the CSE is \$0.38 or greater per Common Share for a period of ten consecutive trading days at any time after the completion of the Offering, the Company may accelerate the Warrant Term, in compliance with the policies of the CSE, such that the Warrants shall expire on the date which is thirty days following the date a press release is issued by the Company announcing the reduced Warrant Term in accordance with the terms and conditions of the certificate representing such Warrants, as further outlined in the December 13 Release.

The Company intends to use the net proceeds of the Offering for the securing of global patent rights for its portfolio of novel intellectual property assets, manufacture of products for sale, clinical trials into the Company's novel patented drug candidates, sales, general corporate and working capital purposes.

Securities issued under the Offering were, as applicable, subject to (i) a four month and one day hold period from the date of issuance and (ii) applicable legends as required pursuant to the *United States Securities Act of 1933*, as amended.

## **About PharmAla**

PharmAla Biotech Holdings Inc. (CSE: MDMA) (OTCQB: MDXXF) is a biotechnology company focused on the research, development, and manufacturing of MDXX class molecules, including MDMA. PharmAla was founded with a dual focus: alleviating the global backlog of generic, clinical-grade MDMA to enable clinical trials as well as commercial sales in selected jurisdictions, and to develop novel drugs in the same class. PharmAla is the only company currently provisioning clinical-grade MDMA for patient treatments outside of clinical trials. PharmAla's research and development unit has completed proof-of-concept research into several IP families, including ALA-002, its lead drug candidate. PharmAla is a "regulatory first" organization, formed under the principle that true success in the psychedelics industry will only be achieved through excellent relationships with regulators.

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Neither the CSE nor its Regulation Services Provider have reviewed or accept responsibility for the adequacy or accuracy of this release.

## **Cautionary Note Regarding Forward-Looking Statements**

This press release contains "forward-looking statements" within the meaning of applicable securities laws. All statements contained herein that are not clearly historical in nature may constitute forward-looking statements. Generally, such forward-looking information or forward-looking statements can be identified by the use of forward-looking terminology such as "plans", "strategy", "expects" or "does not expect", "intends", "continues", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or may contain statements that certain actions, events or results "will be taken", "will launch" or "will be launching", "will include", "will allow", "will be made" "will continue", "will occur" or "will be achieved". The forward-looking information and forward-looking statements contained herein include, but are not limited to, statements regarding the use of proceeds from the Offering, the Company continuing to grow its revenue and the Company building on the success of this past year.

Readers are cautioned to not place undue reliance on forward-looking information. Actual results and developments may differ materially from those contemplated by these statements. Although the Company believes that the expectations reflected in these statements are reasonable, such statements are based on expectations, factors, and assumptions concerning future events which may prove to be inaccurate and are subject to numerous risks and uncertainties, certain of which are beyond the Company's control, including but not limited to the risk factors discussed under the heading "Risk Factors" in the Company's management's discussion and analysis, and elsewhere in this press release, as such factors may be further updated from time to time in our periodic filings, available at [www.sedarplus.ca](http://www.sedarplus.ca), which factors are incorporated herein by reference. Forward-looking statements contained in this press release are expressly qualified by this cautionary statement and reflect the Company's expectations as of the date hereof and are subject to change thereafter. The Company undertakes no obligation to update or revise any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results, or otherwise, or to explain any material difference between subsequent actual events and such forward-looking information, except as required by applicable law.

*This press release shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the securities in any state in which such offer, solicitation or sale would be unlawful. The securities being offered have not been, nor will they be, registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements of the United States Securities Act of 1933, as amended, and applicable state securities laws.*