



Cielo Announces Fiscal Q2 2024 Financial Results and Filing of Restated Q1 Financial Statements

CALGARY, Alberta, Dec. 15, 2023 -- Cielo Waste Solutions Corp. (TSXV: CMC; OTCQB: CWSFF) (“Cielo” or the “Company”), a waste-to-fuel company, today announced its financial results for the six months ended October 31, 2023 and 2022 (the “Q2 Financial Statements”) as well as the filing of its restated unaudited interim financial statements for the three months ended July 31, 2023 and 2022 (the “Restated Financial Statements”). Copies of the unaudited Q2 Financial Statements and related management's discussion and analysis can be found on the Company's issuer profile at www.sedarplus.ca. All financial information in this news release is reported in Canadian dollars, unless otherwise indicated.

Q2 2024 HIGHLIGHTS

During, and subsequent to the quarter ended October 31, 2023, Cielo achieved the following goals:

- Closing of an asset purchase transaction with Expander Energy Inc. (“Expander”), as disclosed in a news release dated November 10, 2023, as a result of which Cielo acquired assets and liabilities of Expander, as well as an exclusive license in Canada for all feedstocks and in the United States for creosote and treated wood, to operate the EBTL™ and BGTL™ technologies business acquired from Expander, which management believes will allow Cielo to accelerate its timeline to revenue while enhancing Cielo's existing proprietary Thermal Catalytic Depolymerization (TCD) technology; and
- Completed the sale of the Company's property in Fort Saskatchewan, Alberta (the “Fort Saskatchewan Property”), and the resulting elimination of the Company's \$11 million mortgage loan, as disclosed in a news release dated August 3, 2023.

Financial Highlights

As at (All amounts \$000's)	October 31, 2023	April 30, 2023
Total assets	13,940	29,366
Total liabilities	5,319	14,569
Total non-current liabilities	1,941	61
Working capital deficiency	(2,191)	(12,487)

Periods ended October 31 (All amounts 000's, except per share amounts)	Three months		Six months	
	2023	2022	2023	2022
Financing costs	60	583	638	1,218
General and administrative	616	902	1,563	1,884
Research and development	222	414	661	964
Share based compensation	187	165	318	127
Impairment of assets and assets held for sale	-	-	3,826	25,366
Net loss per share – basic & diluted	-	-	(0.01)	(0.04)

For the three months ended October 31 2023, the Company had a net loss of \$1.4 million, which consisted primarily of (i) general and administrative of \$0.6 million; (ii) research & development costs of \$0.2 million; (iii) finance costs of \$0.05 million; (iv) share based compensation of \$0.2 million.

Net loss for the six months ended October 31, 2023 was \$7.3 million, \$22 million less than the period ended October 31, 2022, primarily due to an overall reduction of operating costs of approximately \$1.0 million plus recognition of an impairment loss on the Fort Saskatchewan Property of \$3.8 million (due to a condition of sale) compared to the impairment recognition related to property, plant and equipment of \$25.4 million in 2022.

During the quarter ended October 31, 2023, Cielo had negative operating cash flow of \$1.1 million, consistent with prior periods, and as expected in a pre-revenue business. Cielo expects cash flow from operations to be negative during the product development stages of the Company.

OUTLOOK

During, and subsequent to, the quarter ending January 31, 2024, Cielo anticipates the following:

- Following receipt of the requisite special majority approval of the Company's shareholders at Cielo's annual general and special shareholder meeting held on October 26th, 2023, the Company's board of directors has authorized management to proceed with a share consolidation (the "**Consolidation**") on the basis of one post-consolidation common share for every fifteen pre-consolidation common shares of the Company. Management may enact the consolidation at such time as is optimal. The Consolidation is subject to the approval of the TSX Venture Exchange. An update will be provided with the effective date of the Consolidation once determined.
- On December 7, 2023, the Company announced a proposed flow-through private placement on a non-brokered basis (the "Private Placement"). The Company intends to raise up to \$6 million in gross proceeds by issuing up to 150,000,000 flow-through shares (the "FT Shares") at a price of \$0.04 per FT Share.

RESTATED FINANCIAL STATEMENTS

During the second quarter ended October 31, 2023, Cielo identified that certain assets were incorrectly excluded from the impairment calculation of assets held for sale at July 31, 2023. As a result, the impairment of property, plant and equipment and the net and comprehensive loss previously reported of \$2.7 million and \$4.8 million, respectively, during the quarter ended July 31, 2023 were understated by \$1.1 million. Cielo restated these financial statements resulting in an impairment of property, plant and equipment and net and comprehensive loss of \$3.8 million and \$5.9 million, respectively. In addition, Property, plant and equipment and total assets previously reported of \$12.2 million and \$26.6 million, respectively, were overstated by the same \$1.1 million. These restated financial statements reflect the restated balances of Property, plant and equipment and total assets of \$11.1 million and \$25.5 million, respectively. The basic and diluted loss per share is \$0.01 and cash used in operating activities remained unaltered at \$1.4 million.

CONFERENCE CALL

Cielo's CEO, Ryan Jackson, and CFO, Jasdeep K. Dhaliwal, will host a conference call on Tuesday, December 19th, 2023, at 12:00 p.m. ET to discuss the filings and current matters and answer investor questions. We invite all investors and other interested parties to participate by dialing in to the number below.

Date: Tuesday, December 19, 2023

Time: 12.00 p.m. ET

Conference Call Number: 1-888-664-6392

ABOUT CIELO

Cielo Waste Solutions Corp. ("**Cielo**") is a publicly traded company with its shares listed to trade on the TSX Venture Exchange ("**TSXV**") under the symbol "CMC," as well as on the OTC Venture Market ("**OTCQB**"), under the symbol "CWSFF." Cielo was formed as a result of the amalgamation with a wholly-owned subsidiary under the *Business Corporations Act* (British Columbia). The Company's strategic intent is to become a leading waste-to-fuel company using economically sustainable technology while minimizing the environmental impact. Cielo has a patented process that can convert waste feedstocks, including organic material and wood derivative waste, to fuel. Having demonstrated its ability to produce diesel and naphtha from waste, Cielo's business model is to construct additional processing facilities. Cielo's objective is to generate value by converting waste to fuel, while fueling the sustainable energy transition.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This news release contains certain forward-looking statements and forward-looking information (collectively referred to herein as "forward-looking statements") within the meaning of applicable Canadian securities laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as "anticipate," "achieve," "could," "believe," "plan," "intend," "objective," "continuous," "ongoing," "estimate," "outlook," "expect," "may," "will," "project," "should" or similar words, including negatives thereof, suggesting future outcomes.

Forward-looking statements are subject to both known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, that may cause the actual results, level of activity, performance, or achievements of the Company to be materially different from those expressed or implied by such forward looking statements. Cielo is making forward looking statements, with respect to, but not limited to: the Consolidation, including the timing and terms thereof; the Private Placement, and the terms thereof, and the conference call and related details, including the date and time.

Investors should continue to review and consider information disseminated through news releases and filed by the Company on SEDAR. Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended.

Forward-looking statements are not a guarantee of future performance and involve a number of risks and uncertainties, some of which are described herein. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which may cause the Company's actual performance and results to differ materially from any projections of future performance or results expressed or implied by such forward-looking statements. Any forward-looking statements are made as of the date hereof and, except as required by law, the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent or otherwise. Neither the TSXV nor its Regulation Services Provider (as that term is defined in the policies of the TSXV), nor OTCQB, have reviewed, and do not accept responsibility for the adequacy or accuracy

of, the content of this news release.

FOR FURTHER INFORMATION PLEASE CONTACT:

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