

Cielo Announces Fiscal Q2 2022 Financial Results

written by Raj Shah | December 22, 2021

December 21, 2021 ([Source](#)) – Cielo WasteSolutions Corp. (TSXV:CMC)(OTCQB:CWSFF) (“Cielo” or the “Company”) today announced the financial results for the three and six months ended October 31, 2021. All amounts in this news release are in Canadian dollars unless otherwise indicated.

Q2 2022 HIGHLIGHTS

- Total assets increased by \$8.5 million as at October 31, 2021 compared to April 30, 2021, mainly due to the increase in property, plant and equipment related to the asset purchase in Fort Saskatchewan, Alberta for \$13 million and the construction activities at Aldersyde facility, partially offset by the decrease in cash related to the continued research and development activities and general and administrative expenditures.
- Total liabilities decreased by \$1.9 million as at October 31, 2021 compared to April 30, 2021 due to the exercise of liability classified warrants, the conversion of convertible debentures and the decrease in accounts payable and accrued liabilities, partially offset by the mortgage loan for the asset purchase in Fort Saskatchewan, Alberta.
- Working capital deficiency as at October 31, 2021 was \$8.2 million, compared to \$0.7 million deficit as at April 30, 2021. The increase in working capital deficiency of \$7.5 million was mainly due to: (i) the decrease in cash balance which was used to fund research, development and corporate activities; (ii) the addition of the mortgage

loan for the asset purchase in Fort Saskatchewan, Alberta; and (iii) partially offset by the decrease in short-term warrant liability upon the exercise of warrants. The initial term of the mortgage loan will end in August 2022 and Cielo has the option to renew the loan for a further period of six months in August 2022. Cielo is planning to either renew or replace the mortgage loan by the end of the initial term in August 2022.

- The net loss for the three months ended October 31, 2021, increased by \$1.9 million compared to the same period in the prior year mainly due to: (i) the increase of \$1.7 million in research and development expenses mainly related to the Aldersyde facility; (ii) the increase of \$1.2 million in general and administrative expenses related to salaries and benefits for additional employees hired to facilitate the growth of the Company, professional fees for TSXV filing, external audit and tax compliance services, and (iii) partially offset by the decrease of \$0.9 million in fair value loss of warrant liability.

SELECTED FINANCIAL INFORMATION

	October 31, 2021			April 30, 2021		
(Thousands of dollars)				(RESTATED)		
Total assets		53,654			45,192	
Total non-current liabilities		1,365			1,574	
Working capital deficiency		(8,159)		(688)
	Three months ended October 31,			Six months ended October 31,		

(Thousands of dollars, except per share amounts)	2021		2020		2021		2020	
(Thousands of dollars, except per share amounts)			(RESTATED)				(RESTATED)	
Total revenue	—		—		—		4	
Financing costs	851		1,155		973		1,344	
General and administrative	1,653		467		3,210		1,007	
Research and development	2,109		360		3,791		503	
Net loss	(4,841)		(2,929)		(7,880)		(4,205)	
Net loss per share – basic & diluted	(0.01)		(0.01)		(0.01)		(0.02)	

CONFERENCE CALL

Cielo will host a conference call on Wednesday, December 22, 2021 at 10:00 a.m. MT (12:00pm ET) during which Cielo's CEO and COO, Gregg Gegunde; CFO, Stephanie Li; and Chief Legal Officer and Corporate Secretary, Chris Sabat, will discuss fiscal Q2 2022 financial results, and provide an operational update, including the elimination of royalty and refinery fees, followed by a question-and-answer session. A live audio webcast of this call is available by entering the following URL into your web browser:

https://produceredition.webcasts.com/starthere.jsp?ei=1519950&tp_key=4ad1d41699

Conference Call Details:

Date: Wednesday, December 22, 2021

Time: 10:00 a.m. MT / 12:00 p.m. ET

Dial In: North America: 1-888-664-6392

Dial In: Toronto Local / International: 416-764-8659

Replay: North America: 1-888-390-0541

Replay: Toronto Local / International: 416-764-8677

Replay Passcode: 484737 #

The conference call replay will be available until December 29, 2021 and the webcast audio will be available until March 22, 2022.

Cielo remains committed to providing updates to shareholders on a timely basis as the Company continues to meet its milestones, and as new key objectives are established.

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About Cielo Waste Solutions Corp.

Cielo was incorporated under the Business Corporations Act (British Columbia) on February 2, 2011. 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's strategic intent is to become one of Canada's leading waste to fuel companies using its environmentally friendly, economically sustainable technology. Cielo developed a process that can convert waste feedstocks, including plastics, rubber, organic material and wood derivative waste to fuel. Cielo's business model is to source feedstocks from a wide variety of potential suppliers and convert the feedstocks into fuels to be sold to a wide variety of potential purchasers. The Company plans to construct facilities that will convert waste feedstocks to energy fuels, such as diesel, kerosene, and naphtha. The diesel from Cielo's distillate could be used in diesel engines. Kerosene could be suitable for aviation or marine jet fuel, and naphtha could be used to assist in transporting heavy oil. Cielo's goal is to convert waste to fuel while ridding the world of unwanted and problematic garbage.

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 Company’s intention and ability to extend, renew or replace its \$12 million mortgage loan; and the conference call to be held on December 22, 2021, including the subject matter thereof as well as speakers thereat, and the posting of the webcast thereafter, including the duration thereof. 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, neither the Company assumes no obligation to publicly update or revise such statements to reflect new information, subsequent 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), nor OTCQB nor WKN, have reviewed, and do not accept responsibility for the adequacy or accuracy of, the

content of this Press Release.

SOURCE: Cielo Waste Solutions Corp.