



PharmAla Closes Private Placement and Concurrent Debt Settlement

VANCOUVER, British Columbia, April 19, 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 that, further to its press release dated April 10, 2024 (the “**April 10 Release**”), the Company has closed its previously announced non-brokered private placement offering (the “**Offering**”) effective today (the “**Closing Date**”) through the issuance of 4,166,665 Units for gross proceed of \$750,000. Capitalized terms not otherwise defined herein have the meanings attributed to them in the April 10 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 April 10 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.

All securities issued under the Offering are 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.

Debt Settlement

The Company also announces that the Company has completed a debt settlement in the amount of \$108,000 with a third-party consultant of the Company to preserve the Company’s cash for working capital through the issuance of 600,000 Common Shares at a price of \$0.18 per Common Share (the “**Debt Settlement**”).

The Common Shares issued in connection with the Debt Settlement are subject to a statutory hold period of four months and one day from the date of issuance.

Related Party Transaction

NKO Consulting Corp., a company controlled by Nicholas Kadysh, a director and officer of the Company (the “**Participating Insider**”) participated in the Offering and acquired an aggregate of 277,778 Units. The participation of the Participating Insider in the Offering constitutes a “related party transaction”, as such term is defined in MI 61-101. In completing the Offering, the Company has relied on exemptions from the formal valuation and minority shareholder approval requirements of MI 61-101, on the basis that the fair market value of the Participating Insider’s participation in the Offering does not exceed 25% of the market capitalization of the Company, as determined in accordance with MI 61-101.

Further details will be included in a material change report to be filed by the Company. The Company did not file a material change report more than 21 days before the closing date of the Offering. In the Company’s view, the shorter period was necessary to permit the Company to close the Offering in a timeframe consistent with usual market practice for a transaction of this nature and was reasonable and necessary to improve the Company’s financial position in a timely manner.

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.

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, 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.