Lobe Sciences Announces Additional Details Regarding the Acquisition of Altemia(TM) & Company

- Move Affirms Lobe's Position as an Orphan/Rare Disease Drug Development Company and expands portfolio to include 4 Orphan Disease Programs
- The Company expects to Launch Altemia™, a Medical Food, and Generate Commercial Revenue in the Second Half of 2023
- Acquisition also Includes an International License Agreement With Double Digit Royalty and Milestone Payments and Commercial Inventory and Intellectual Property.

Vancouver, British Columbia--(Newsfile Corp. - June 30, 2023) - Lobe Sciences Ltd. (CSE: LOBE) (OTCQB: LOBEF) ("Lobe" or the "Company"), a North American Biopharmaceutical Company committed to discovering and developing patient-focused medicines for Orphan and Rare diseases today announced as a result of a review by the British Columbia Securities Commission, we are issuing the following press release to clarify our disclosure with respect to the acquisition of Altemia & Company, LLC ("Altemia") on April 18, 2023. The Company has also refiled the material change report with respect to the Altemia acquisition to reflect the information presented in this press release.

Mr. Philip J. Young, Chairman and Chief Executive Officer of the Company, stated, "Starting in the second half of 2023 we will launch our first commercial product, a medical food called Altemia™ for the management of SCD. This product has been well studied in human clinical trials. It is a proprietary, patent pending formulation based on decades of research and will add commercial revenue this year and beyond. By targeting the 55 major SCD clinics in the United States we will be able to efficiently provide support and education for clinicians and other health care providers charged with addressing this vulnerable population. As we prepare for launch and commercialization, I will be able to call upon my previous successes launching and selling Orphan Drugs in specialty markets. Altemia™ will be positioned as a cost-effective medical food option for patients and payers seeking alternatives to drug products with significant side effects. We will be announcing further information related to our commercial plans shortly. In addition to Altemia™ we have acquired a clinical stage asset, SAN100, developed as a drug alternative for the treatment of SCD uniquely in children. This indication may qualify for the Pediatric Priority Review Voucher."

Maghsoud Dariani, CSO of the Company, added, "SCD affects approximately 100,000 patients in the United States and millions more across the globe (https://www.nhlbi.nih.gov/health/sickle-cell-disease 04102023). Altemia™ must be used under the direct care of medical professionals who are required to write a prescription for the product. Obtaining safe and effective treatments to lessen the debilitating effects of this disease is a constant struggle for patients globally. We believe that Altemia™ and our follow-on prescription product, SAN100, will become an important component in the daily lives of patients with SCD around the world."

"I began research in the fundamentals of SCD over 12 years ago and believe that the disease has been misunderstood," said Dr. Sancilio, Founder and President of Altemia™ and Company, LLC. He went on to say that "during the last several years, our team began to realize that SCD could be managed with consumption of docosahexaenoic acid ethyl ester, but due to its lack of bioavailability, consumption of amounts that could affect SCD were nearly impossible. It would require a patient to consume up to 10 huge soft gelatin capsules of prescription products each day to match a single dose of Altemia™. The search for a super-bioavailable form of this fatty acid led to a technology using a natural emulsification process that was adapted for this new product. By using this formulation and triglyceride esters instead of the ethyl ester, we can provide the equivalent of 10 or more soft gels in one packet of Altemia™. Clinical trials were initiated in 2021 and completed recently showing Altemia™ to significantly reduce C-reactive protein in patients after the first month of intervention. C-reactive protein is a biomarker related

to inflammation and when controlled may impart a positive effect for SCD sufferers. This led to patent filings and soon after, license agreements with distributors in Europe and elsewhere."

He went on to say, "I am very happy to complete this transaction with Mr. Young and the Lobe team. Our group has invested a lot of time and several million dollars to bring us to the commercial launch phase of our first product. It's great to know that Mr. Young will be managing the sales and distribution of this product, allowing our development team to focus on its own strength." Altemia was designed with patented Natural Emulsion Technology™ (NET™) allowing consistent and reliable fatty acid bioavailability. Altemia is simple to administer - a small daily packet of a great tasting cream is taken by mouth or mixed with food daily.

Mr. Young concluded, "This transaction will transform our company into a revenue generating biotech company committed to treating Orphan Diseases separating Lobe from the myriad of clinical stage companies in North America and Europe. We will be able to use the revenue from the SCD sales to fund ongoing clinical activities with L-130 and L-131. I look forward to providing updates as we move forward with the planning and launch of Altemia for the treatment of Sickle Cell Disease."

Terms of the Agreement

Pursuant to the share exchange agreement (the "Agreement"), Altemia shareholders will receive total consideration of $3,800,000 through the issuance on a pro-rata basis of an aggregate of 76,000,000 common shares of Lobe (each a "Lobe Share") at a deemed issue price of $0.05 per Lobe Share. All Lobe Shares to be issued will be subject to contractual restrictions on transfer, pursuant to which 25% of the Lobe Shares issued will be transferable on the closing of the Transaction and further 25% on delivery of inventory to a Lobe designated storage facility; 25% on the first commercial sale allowing the trademark validation; and 25% on successful completion of SAN100 Tech Transfer Documentation (batch records for R&D batch) and Samples of SAN100 are delivered to Lobe. In addition, Lobe will issue 3,000,000 warrants contingent on Altemia achieving $20,000,000 in annual sales. Pricing of these warrants will be determined in accordance with the relevant Canadian Securities Exchange policy.

Altemia holds a licensing agreement with Sancilio, LLC which grants Altemia a worldwide, nontransferable, non-sublicensable, exclusive right to make, have made, use, offer to sell, sell, and import licensed products which utilize a patent used in the formulation of Altemia™ over the life of the underlying patent which expires on March 11, 2041. Pursuant to the licensing agreement, Lobe will pay a tiered royalty on annual sales. In addition, the Company will pay Sancilio LLC 5% of the net sales revenue received for the sale of a Pediatric Priority Review Voucher for the approval of our SCD prescription drug for the Pediatric Orphan indication. Sancilio LLC is owned by Fred and Alex Sancilio who are also owners to Clearway Global LLC, which is leading the Company's global regulatory and development strategy and its implementation.

Pursuant to the share exchange agreement, Altemia shall appoint one member to the Company's board of directors. It is expected that Fred Sancilio will join the Company's board of directors in the coming weeks.

Incentive Award Grants

On June 30, 2023, the Company announced it has granted stock options to acquire a total of 5,800,000 common shares of the Company directors, officers and consultants of the Company. The options are exercisable at a price of $0.05 per share and expire three years from the date of grant. The options are subject to various vesting provisions where 50% of the options granted vest immediately on the grant date and 50% of the options vest on June 30, 2023. The Company also issued 1,000,000 deferred share units ("DSU") to a director of the company and 4,800,000 restricted share units ("RSU") to officers of the Company. 50% of the DSUs and RSUs vest on each of June 30, 2024 and June 30, 2025.

About Altemia™

Altemia™ is a trademark registered to Altemia and Company, LLC of Stuart Florida. Altemia™ is the brand name of a patent pending oral emulsion consisting of a proprietary mixture of polyunsaturated fatty acid triglyceride esters clinically evaluated to reduce inflammation associated in adults with SCD. The term medical food, as defined in section 5(b) of the Orphan Drug Act (21 U.S.C. 360ee (b) (3)) is "a food which is formulated to be consumed under the supervision of a physician and which is intended for the specific dietary management of a disease or condition for which distinctive nutritional requirements, based on recognized scientific principles, are established by medical evaluation." SCD is among a few inborn errors of metabolism specifically named in legislation that qualifies as treatable with medical foods. More information is available at http://altemiascd.com/. This product should not be confused with a previous product development program with a similar name. That program also called Altemia (SC411) was the project name used during the development of a drug product to treat SCD in children.

About Sickle Cell Disease

SCD is a group of hereditary red blood cell disorders. Healthy red blood cells are round, and they move through small blood vessels to carry oxygen to all parts of the body. In someone who has SCD, the red blood cells (RBC) become inflamed under certain stress conditions resulting in among other symptoms, an increase of C-Reactive Protein (a biomarker for SCD). Inflammation causes the RBC's membrane to become hard and sticky, and this tends to slow or even block blood flow in the blood vessels (capillaries) of the limbs and organs. This slowing of the blood cells causes a cascade of events that results in pain and vaso-occlusive event (VOC). The sickle cells also die earlier than normal red blood cells and the bone marrow cannot make enough new red blood cells to replenish the dying ones, which causes a constant shortage of red blood cells called anemia. Blocked blood flow may cause pain and other serious problems such as infection, acute chest syndrome and stroke. Populations that suffer from SCD have a shortened life span. According to the CDC, it is estimated that SCD affects approximately 100,000 individuals in the United States, occurring among approximately 1 out of every 500 Black or African American births and 1 out of every 36,000 Hispanic American births. A similar number of patients are affected in Europe. There are millions of patients in the Middle East, Africa and India. Lobe plans to sell the product globally, either directly or through partners.

About Lobe Sciences Ltd.

Lobe Sciences is a biopharmaceutical company focused on developing patient-friendly, practical psychedelic medicines. The Company, through collaborations with industry-leading partners, is engaged in drug research and development using sub-hallucinatory doses of psychedelic compounds and the development of innovative devices and delivery mechanisms to improve mental health and wellness. Each of our New Chemical Entities, L-130 and L-131, are being developed to address unmet medical needs in neurological therapeutic applications.

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Forward-Looking Statements

This news release contains forward-looking statements relating to the future operations of the Company and other statements that are not historical facts. Forward-looking statements are often identified by terms such as "will", "may", "should", "anticipate", "expects" and similar expressions. All

statements other than statements of historical fact included in this news release (including, without limitation, statements regarding the future plans and objectives of the Company, research and development using psychedelic compounds, and the development of innovative devices and delivery mechanisms to improve mental health and wellness) are forward-looking statements that involve risks and uncertainties. There can be no assurance that such statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Readers are cautioned that assumptions used in the preparation of the forward-looking statements may prove to be incorrect. Events or circumstances may cause actual results to differ materially from those predicted, as a result of numerous known and unknown risks, uncertainties, and other factors, many of which are beyond the control of the Company, including changes to the regulatory environment; that the Company's drug research and development activities may be unsuccessful; that drugs and medical devices produced by, or on behalf of, the Company, may not work in the manner intended or at all, and may subject the Company to product liability or other liability claims; that the Company may not be able to attain the Company's corporate goals and objectives; and other risk factors detailed in the Company's continuous disclosure filings from time to time, as available under the Company's profile at www.sedar.com. As a result, the Company cannot guarantee that any forward-looking statement will materialize and the reader is cautioned not to place undue reliance on any forward-looking information. Forward-looking statements contained in this news release are expressly qualified by this cautionary statement. The forward-looking statements contained in this news release are made only as of the date of this news release and the Company does not intend to update any of the included forward-looking statements except as expressly required by applicable Canadian securities laws.

Drug development involves long lead times, is very expensive and involves many variables of uncertainty. Anticipated timelines regarding drug development are based on reasonable assumptions informed by current knowledge and information available to the Company. Every patient treated on future studies can change those assumptions either positively (to indicate a faster timeline to new drug applications and other approvals) or negatively (to indicate a slower timeline to new drug applications and other approvals). This news release may contain certain forward-looking statements regarding anticipated or possible drug development timelines. Such statements are informed by, among other things, regulatory guidelines for developing a drug with safety studies, proof of concept studies, and pivotal studies for new drug application submission and approval, and assumes the success of implementation and results of such studies on timelines indicated as possible by such guidelines, other industry examples, and the Company's development efforts to date. In addition to the risk factors set out above and those detailed in the Company's continuous disclosure filings from time to time, as available under the Company's profile at www.sedar.com, other factors not currently viewed as material could cause actual results to differ materially from those described in the forward-looking statements. Although Lobe has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. Accordingly, readers should not place any undue reliance on forward-looking statements.

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