

FORM 51-102F3
MATERIAL CHANGE REPORT

1. Name and Address of Company

Lobe Sciences Ltd. (the "**Company**" or "**Lobe**")
Suite 1400-1199 West Hastings Street
Vancouver, BC V6E 3T2

2. Date of Material Change

April 4, 2024

3. News Release

A news release disclosing the material change was disseminated through various approved public media and filed on SEDAR+ on April 29, 2024.

4. Summary of Material Change

Lobe announced the issuance of 69,160,000 common shares as part of the milestones achieved with its previously announced acquisition of Altemia® & Company, LLC ("Altemia®").

5.1 Full Description of Material Change

On April 17, 2023, the Company completed the acquisition of 100% of the ownership interest in Altemia®. Pursuant to a share exchange agreement, the registered and beneficial owners of all of the issued and outstanding securities of Altemia® ("Selling Members") received an aggregate of 76,000,000 common shares of the Company (the "Consideration Shares").

In addition, contingent upon Altemia® achieving \$20,000,000 in cumulative sales, the Company will issue 3,000,000 warrants with an exercise price of \$0.05 and a term of three years from issuance ("Contingent Warrants").

On August 30, 2023, the Company signed an amendment to its April 17, 2023 share purchase agreement to acquire a 100% interest in Altemia® ("Amendment"). Pursuant to the Amendment, the 76,000,000 common shares of the Company (each a "Lobe Share") previously issued to the Selling Members were returned and cancelled by Lobe pursuant a share cancellation agreement.

Pursuant to the Amendment, the 76,000,000 Lobe Shares shall be reissued upon the later of:

1. Achievement of the following milestones:
 - a. 25% on or after the Amendment closing date;
 - b. 25% on delivery of inventory to a Lobe designated storage facility;
 - c. 25% on the first commercial sale allowing the trademark validation; and
 - d. 25% on successful completion transfer documentation and sample delivery to Lobe.

2. Within ten days of Selling Members providing Lobe a written notice to release some or all of the then available shares with respect to which the applicable Milestone has been met. Each Altemia® member may in such notice designate one or more third parties to receive some or all of any such Lobe Shares then available for release.

Altemia® holds a licensing agreement 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 intellectual property used in the formulation of Altemia®™ over the life of the underlying patent applications. Pursuant to the licensing agreement, Lobe will pay a tiered royalty on annual sales. In addition, the Company will pay 5% of the net sales revenue received for the sale of a pediatric priority review voucher for the approval of the sickle cell disease (“SCD”) prescription drug for the pediatric orphan indication.

(a) a description of the transaction and its material terms:

See item 5.1 above, as well as the News Release, for a description of the transaction.

(b) the purpose and business reasons for the transaction:

Completion of milestones related to the Altemia® acquisition.

(c) the anticipated effect of the transaction on the issuer’s business and affairs:

See paragraph (b) above.

(d) a description of:

(i) the interests in the transaction of every interested party and of the related parties and associated entities of the interested parties;

The issuance of the shares resulted in Clearway Global, LLC becoming a deemed insider of the Company (“Clearway”). Clearway now owns approximately 42% of the Company. Clearway also provides consulting services to the Company.

(ii) the anticipated effect of the transaction on the percentage of securities of the issuer, or of an affiliated entity of the issuer, beneficially owned or controlled by each person referred to in subparagraph (i) for which there would be a material change in that percentage:

Please refer to the above paragraph.

(e) unless this information will be included in another disclosure document for the transaction, a discussion of the review and approval process adopted by the board of directors and the special committee, if any, of the issuer for the transaction, including a discussion of any materially contrary view or abstention by a director and any material disagreement between the board and the special committee:

The issuance has been approved by the Company’s Board of Directors.

(f) a summary, in accordance with section 6.5, of the formal valuation, if any, obtained for the transaction, unless the formal valuation is included in its entirety in the material change report or will be included in its entirety in another disclosure document for the transaction:

Not applicable.

(g) disclosure, in accordance with section 6.8, of every prior valuation in respect of the issuer that relates to the subject matter of or is otherwise relevant to the transaction:

(i) that has been made in the 24 months before the date of the material change report:

(ii) the existence of which is known, after reasonable inquiry, to the issuer or to any director or senior officer of the issuer:

Not applicable.

(h) the general nature and material terms of any agreement entered into by the issuer, or a related party of the issuer, with an interest party or a joint actor with an interested party, in connection with the transaction:

Not applicable.

(i) disclosure of the formal valuation and minority approval exemptions, if any, on which the issuer is relying under sections 5.5 and 5.7, respectively, and the facts supporting reliance on the exemptions:

Not applicable.

5.2 **Disclosure for Restructuring Transactions**

Not applicable.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

The report is not being filed on a confidential basis.

7. **Omitted Information**

No significant facts have been omitted from this Material Change Report.

8. **Executive Officer**

For further information, contact Philip J. Young, CEO, phil@lobesciences.com, (650-888-2422)

9. **Date of Report**

This report is dated April 29, 2024.