

Lobe Sciences Announces Update

Company Exploring Alternative Value Creation Opportunities

Convertible note for \$500,000.00 USD, Short-term Debt Reduced and Balance Sheet Strengthen to Prepare the Company for Long Term Funding Strategy

Annual General Meeting Set for 22 July 2024

Vancouver, British Columbia, June 4, 2024 -- Lobe Sciences Ltd. (OTCQB: LOBEF) (CSE: LOBE) ("Lobe" or the "Company"), a biopharmaceutical company focused on developing transformative medicines to treat diseases with unmet medical needs and rare diseases announced the evaluation of strategic alternatives to improve shareholder value.

Lobe has been exploring strategies to enhance shareholder value. Among these are evaluations of alternatives including uplisting opportunities, for example listing on the Australian Securities Exchange for which an *Application in Principle* was received recently or the New York Stock Exchange. In addition to the up-listing opportunities the Company is exploring out-licensing strategies.

Our program is focused on identifying ways to maximize value recognition for our proprietary assets, and in particular L-130 and Altemia. The Company does not believe that the current market valuation fairly reflects the value of the significant scientific achievements that have been accomplished. The Company is planning a series of market communications to stakeholders that will highlight what the Company views as significant scientific achievements in clinical, preclinical and manufacturing processes.

On March 14, 2024, the Company closed a convertible note financing (the "**Convertible Note**") with two major partners, Clearway Global, LLC and Quality Chemical Laboratories, Inc. for aggregate proceeds of \$500,000 in order to bridge Lobe to a larger funding round anticipated toward the end of 2024 or early 2025. The Convertible Note accrues interest at a rate of 10% per annum and is repayable: (i) in cash upon the earlier of: (A) maturity on March 15, 2027; or (B) a change of control of Lobe; or (ii) through the issuance of common shares of Lobe upon the listing of the common shares of Lobe on a senior stock exchange and concurrent financing of at least \$1,000,000 (a "**Concurrent Financing**"). In the event of a conversion of the Convertible Note into common shares, the principal amount and all accrued interest will convert at a price per share shall be equal to the issue price under the Concurrent Financing. The Company anticipates drawing funds under the Convertible Note in two tranches and plans to use proceeds from the first tranche to eliminate critical accounts payable and proceeds from the second tranche to fund legal and accounting cost associated with evaluation of strategic alternatives. The Company has implemented an aggressive program to convert short-term debt to long term convertible debt concurrently with securing this new Convertible Note, thereby improving Company's balance sheet.

Lobe CEO, Philip Young, commented; "As we review the psychedelic market, the Company believes that L-130 is a differentiated compound with a unique profile not seen in any other product¹. We will pursue every avenue to ensure our share value is reflective of the potential of our science"

Lobe owns a patent protected analogue of psilocin, the active moiety of psilocybin with demonstrated long term shelf-stability, believed to be a first in the industry. Nonclinical and clinical work in 2023 defined the significant therapeutic opportunities for L-130, as a daily, non-hallucinogenic therapeutic intervention for the millions that suffer from neurological disorders.

Dr. Fred Sancilio, a Board candidate, CEO of Clearway Global LLC and the Head of Lobe's Clinical Development Programs commented "We look forward to continuing our work with Management refining the strategic direction aimed at creating shareholder value. This alignment will keep the Company focused on what is critical for its growth which must be the creation of value for all stakeholders including investors, management and ultimately patients who will use our drug products."

The Company will provide further updates as we continue to evaluate strategic opportunities. Shareholders are advised that there is no certainty, or guarantee, that alternate listings or other event will occur.

2024 ANNUAL GENERAL MEETING

In support of ordinary business, the Company will conduct an Annual General Meeting on 22 July, 2024.

About Lobe Sciences Ltd.

Lobe Sciences is a biopharmaceutical company focused on developing transformative medicines to treat rare diseases. The Company, through collaborations with industry-leading partners, is additionally engaged in drug research and development using non-hallucinatory doses of stabilized psilocin based compounds to address unmet medical needs in orphan neurological therapeutic applications.

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This does not constitute an offer to sell or a solicitation of offers to buy any securities.

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, strategic alternatives designed to improve

shareholder value, the possibility of uplisting opportunities and the potential stock exchanges, out-licensing strategies, planned market communications to stakeholders, the intended use of proceeds from the Convertible Note, 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; that the Company may not be able to utilize the proceeds from the Convertible Note as anticipated; that the Company is unable to pursue its planned strategic alternatives or that such alternatives do not yield shareholder value, that the Company's market communications do not have a positive impact on the Company's market valuation; 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.