August 10, 2023

Artelo Biosciences Reports Second Quarter 2023 Financial Results and Provides Business Update

$14.0 Million in Cash and Investments as of June 30, 2023; Cash Runway Expected to Support Operations into the Second Half of 2024

SOLANA BEACH, Calif., Aug. 10, 2023 (GLOBE NEWSWIRE) -- Artelo Biosciences, Inc. (Nasdaq: ARTL), a clinical-stage pharmaceutical company focused on modulating lipid-signaling pathways to develop treatments for people living with cancer, pain, and neurological conditions, today reported financial and operating results for the three months ended June 30, 2023 and provided a business update.

“During the second quarter we were pleased to announce the achievement of multiple objectives and present new data,” said Gregory D. Gorgas, President and Chief Executive Officer of Artelo Biosciences. “Notably, based on the very encouraging safety profile from our Phase 1b study, we initiated Phase 2a of our Cancer Appetite Recovery Study (CAReS) trial evaluating ART27.13 for the treatment of cancer-related anorexia and weight loss. We are now actively enrolling patients and opening new clinical sites to support the randomized Phase 2a stage of the study.”

In addition, Artelo presented important preclinical data from multiple animal studies related to ART12.11, a patented cocrystal composition of cannabidiol (CBD), and ART26.12, a novel Fatty Acid Binding Protein 5 inhibitor, at the 33rd International Cannabinoid Research Society Symposium in June. ART12.11 demonstrated improved bioavailability and superior efficacy in animal models of stress-induced anxiety versus CBD. Preclinical research in Chemotherapy-Induced Peripheral Neuropathy (CIPN) showed that ART26.12 is capable of preventing allodynia from both taxane- and platinum-based agents, the two most common causes of CIPN.

ART26.12 continues to deliver strong preclinical animal data supporting its broad potential as an orally administered innovative treatment for painful neuropathies, including reducing mechanical hypersensitivity in painful diabetic neuropathy. As a result of a recent pre-IND meeting with the FDA and ongoing, positive results with ART26.12 in five studies with three causes of neuropathy, Artelo anticipates receiving approval to move ART26.12 into the clinic in the first half of 2024.

“With approximately $14.0 million in cash and investments as of June 30, 2023, we believe we have the financial resources to support operations into the second half of 2024. With our current cash runway, we expect to reach important development milestones for each of our proprietary programs, specifically: the complete enrollment of CAReS with ART27.13, the

initiation of human trials with ART26.12, and the disclosure of more results from preclinical studies with ART12.11," Mr. Gorgas concluded.

Financial Results Ended June 30, 2023

Operating expenses for the three months ended June 30, 2023, were $1.8 million compared to $2.5 million for the same period in 2022. The decrease in operating expenses for the three months ended June 30, 2023, was primarily related to a decrease in general and administrative expenses associated with a decrease in the year-over-year service cost of stock-based compensation, a non-cash expense, along with a decrease in research and development expenses driven by an increase in tax credits received from the United Kingdom government, compared to the same period in the prior year, offset by an increase in research and development expense as a result of increased salaries to internal research and development staff along with increased payments to third-party service providers.

Net loss was approximately $1.6 million, or $0.56 per basic and diluted share, for the three months ended June 30, 2023, compared to a net loss of $2.4 million, or $0.87 per basic and diluted share, for the three months ended June 30, 2022.

As of June 30, 2023, the Company had approximately $14.0 million in cash and investments, compared to $17.5 million as of December 31, 2022.

About Artelo Biosciences
Artelo Biosciences, Inc. is a clinical stage pharmaceutical company dedicated to the development and commercialization of proprietary therapeutics that modulate lipid-signaling pathways including the endocannabinoid system. Artelo is advancing a portfolio of broadly applicable product candidates designed to address significant unmet needs in multiple diseases and conditions, including anorexia, cancer, anxiety, pain, neuropathy, and inflammation. Led by proven biopharmaceutical executives collaborating with highly respected researchers and technology experts, the company applies leading edge scientific, regulatory, and commercial discipline to develop high-impact therapies. More information is available at www.artelobio.com and Twitter: @ArteloBio.

About CAReS
The Cancer Appetite Recovery Study (CAReS) is a Phase 1b/2a randomized, placebo-controlled trial of the Company's lead clinical program, ART27.13, in patients with cancer anorexia and weight loss. Cancer-related anorexia, or the lack or loss of appetite in the person with cancer, may result from the cancer and/or its treatment with radiation or chemotherapy. It is common for people with cancer to lose weight. Anorexia and the resulting weight loss can affect a patient's health, often weakening their immune system and causing discomfort and dehydration. A weight loss of more than 5% can predict a poor outcome for cancer patients and a lower response to chemotherapy. Now completed, the Phase 1b portion of the CAReS study was designed to determine the most effective and safest dose of ART27.13 for dosing in the Phase 2a stage. Currently enrolling, the Phase 2a portion of the CAReS study is designed to determine estimates of activity of ART27.13 in terms of lean body mass, weight gain, and improvement of anorexia. (ISRCTN registry: https://www.isrctn.com/ISRCTN15607817)

Forward Looking Statements
This press release contains certain forward-looking statements within the meaning of

Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934 and Private Securities Litigation Reform Act, as amended, including those relating to the Company's product development, clinical and regulatory timelines, market opportunity, competitive position, possible or assumed future results of operations, business strategies, potential growth opportunities and other statement that are predictive in nature. These forward-looking statements are based on current expectations, estimates, forecasts and projections about the industry and markets in which we operate and management's current beliefs and assumptions. These statements may be identified by the use of forward-looking expressions, including, but not limited to, "expect," "anticipate," "intend," "plan," "believe," "estimate," "potential," "predict," "project," "should," "would" and similar expressions and the negatives of those terms. These statements relate to future events or our financial performance and involve known and unknown risks, uncertainties, and other factors which may cause actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include those set forth in the Company's filings with the Securities and Exchange Commission, including our ability to raise additional capital in the future. Prospective investors are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date of this press release. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events or otherwise, except to the extent required by applicable securities laws.

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