

June 21, 2021



Anebulo Pharmaceuticals Reports Recent Business Highlights and Announces Third Quarter Fiscal Year 2021 Financial Results

AUSTIN, Texas--(BUSINESS WIRE)-- **Anebulo Pharmaceuticals, Inc.** (Nasdaq: ANEB) ("Anebulo" or the "Company"), a clinical-stage biotechnology company developing novel solutions for people suffering from cannabinoid intoxication and substance addiction, today reported recent business highlights and announced financial results for the fiscal year 2021 third quarter, ended March 31, 2021.

Business highlights for the quarter and recent weeks include the following:

- Completed an initial public offering (IPO) of 3,078,224 shares of common stock at \$7.00 per share resulting in gross cash proceeds to the Company of approximately \$20.2 million before deducting underwriting discounts, commissions and expenses. On May 7, 2021, the Company's common stock began trading on the Nasdaq Capital Market under the symbol ANEB.
- Management believes IPO net proceeds of \$19.0 million provide adequate funding for the Company's planned business operations and clinical studies through December 31, 2022.
- Anebulo remains on track to commence a Phase 2 proof-of-concept clinical trial with ANEB-001 for the treatment of cannabinoid overdose in the fourth quarter of 2021 with anticipated topline results in the first half of 2022.
- The planned Phase 2 study will take place at a single site in the Netherlands. The study is expected to enroll 100 healthy volunteers with each to receive 10 mg of THC orally, and then randomized to one of three doses of ANEB-001 or placebo.
- The study has been approved by the necessary regulatory and ethics committee and contract research organization capacity has been secured.

Management Commentary

"The pricing of our IPO in May was a tremendous milestone for Anebulo as the capital we raised allows us to advance our lead drug candidate ANEB-001 for the treatment of patients with cannabinoid intoxication," stated Daniel Schneeberger, MD, Chief Executive Officer of Anebulo. "There are currently no effective therapies for the negative effects of cannabinoid intoxication and the unmet need to address this issue is growing in lockstep with an increasing number of states legalizing cannabis for medical and recreational use. The number of cannabis-associated emergency department visits has increased by 15% annually since cannabis legalization began in the U.S. and reached 1.7 million in 2018 according to our analysis of National Emergency Department Sample. Overdoses from the ingestion of

edible products and synthetic cannabinoids and accidental pediatric overdoses, in particular, are indications with high unmet medical need. We believe ANEB-001 has the ability to reverse these adverse symptoms within one hour of administration.”

Anebulo believes ANEB-001 is an asset with a well-understood mechanism of action. ANEB-001 is a competitive antagonist at the human CB1 receptor with an affinity of 0.6nM with good oral bioavailability and brain penetration (brain:plasma ratio = 1.5). ANEB-001 has been shown to antagonize THC-induced hypolocomotion in mice, a CB1 receptor-mediated response.

ANEB-001 is being developed to be administered as an oral treatment in the form of a pill, capsule or tablet, reaches potentially therapeutic blood levels within 30 minutes and is believed to rapidly reverse the signs and symptoms of cannabinoid overdose in as little as one hour. Anebulo believes there is a low likelihood of drug-drug interactions as preclinical testing demonstrated that ANEB-001 does not inhibit the metabolic cytochromes 1A2, 2C9, 2C19, 2D6 and 3A4 at pharmacologically relevant concentrations. Anebulo is not aware of any competing products to reverse the symptoms of cannabinoid intoxication that are further along in the development process than ANEB-001.

Third Quarter Financial Results

- Operating expenses totaled \$552,131 in the third quarter of fiscal 2021. The Company did not have any operations in the comparable prior-year period.
- Net loss in the third quarter of fiscal 2021 was \$555,832, or \$0.04 per share on 12,982,500 weighted-average common shares outstanding. Net loss attributable to common shareholders was \$8,764,225, or \$0.69 per share, including a deemed dividend to preferred shareholders of \$8,208,393. The Company did not have any operations in the comparable prior-year period. The shares outstanding have been adjusted to reflect the 6:1 stock split effected just prior to the Company’s May 6, 2021 IPO.
- Cash and cash equivalents were \$3.3 million as of March 31, 2021.
- On May 6, 2021, Anebulo priced its IPO and received net proceeds of approximately \$19.0 million, including the underwriters’ overallotment. Annual operating expenses are approximately \$3 million.
- Today’s delayed release of the financial results for the third quarter of fiscal 2021 is in compliance with the SEC-established deadline of 45 days after an IPO.

About Anebulo Pharmaceuticals, Inc.

Anebulo Pharmaceuticals, Inc. is a clinical-stage biotechnology company developing novel solutions for people suffering from cannabinoid overdose and substance addiction. Its lead product candidate, ANEB-001, is intended to reverse the negative effects of cannabinoid overdose within one hour of administration. Clinical trials completed to date have shown that ANEB-001 is rapidly absorbed, well tolerated and leads to weight loss, an effect that is consistent with central cannabinoid receptor type 1 antagonism. For further information about Anebulo, please visit www.anebulo.com.

Forward-Looking Statements

This press release contains forward-looking statements as defined in Section 27A of the

Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. These forward-looking statements, along with terms such as “anticipate,” “expect,” “intend,” “may,” “will,” “should” and other comparable terms, involve risks and uncertainties because they relate to events and depend on circumstances that will occur in the future. Those statements include statements regarding the intent, belief or current expectations of Anebulo Pharmaceuticals and members of its management, as well as the assumptions on which such statements are based. Prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including risks attendant to developing, testing and commercializing the company’s product candidates, and those described in Anebulo Pharmaceutical’s recent registration statement on Form S-1 and in periodic reports filed with the SEC, and that actual results may differ materially from those contemplated by such forward-looking statements. Except as required by federal securities law, Anebulo Pharmaceuticals undertakes no obligation to update or revise forward-looking statements to reflect changed conditions.

Anebulo Pharmaceuticals, Inc.
Balance Sheets

	March 31, 2021	June 30, 2020
	(unaudited)	(audited)
Assets		
Current assets:		
Cash and cash equivalents	\$ 3,307,083	\$ 3,024,980
Receivable - related party	-	3,500
Prepaid expenses and other current assets	591,662	-
Total current assets	3,898,745	3,028,480
Deferred offering costs	392,730	-
Total assets	<u>\$ 4,291,475</u>	<u>\$ 3,028,480</u>
Liabilities, convertible preferred stock and stockholders’ deficit		
Current liabilities:		
Accounts payable	\$ 82,027	\$ -
Accrued expenses	211,139	22,579
Promissory notes - related party	-	201,286
Total current liabilities	293,166	223,865
Warrant liability	10,458,393	-
Total Liabilities	<u>10,751,559</u>	<u>223,865</u>

Commitments and contingencies

Series A convertible preferred stock, \$0.0001 par value; 8,943,906 shares authorized;

2,047,500 shares issued and outstanding at March 31, 2021 and June 30, 2020	2,975,752	2,975,752
---	-----------	-----------

Stockholders' deficit:

Common stock, \$0.001 par value; 22,800,000 shares authorized; 12,982,500 and 12,000,000

shares issued and outstanding at March 31, 2021 and June 30, 2020, respectively

	12,983	12,000
Additional paid-in capital	83,526	-
Accumulated deficit	(9,532,345)	(183,137)
Total stockholders' deficit	(9,435,836)	(171,137)
Total liabilities, convertible preferred stock, and stockholders' deficit	\$ 4,291,475	\$ 3,028,480

Anebulo Pharmaceuticals, Inc.
Statements of Operations

	Three months ended March 31, 2021	Nine months ended March 31, 2021
Research and development	\$ 273,038	\$ 463,306
General and administrative	279,093	665,742
Total operating expenses	552,131	1,129,048
Other expense:		
Interest expense	3,701	11,767
Loss from operations before taxes	(555,832)	(1,140,815)
Income tax expense	-	-
Net loss	\$ (555,832)	\$ (1,140,815)
Deemed dividend	(8,208,393)	(8,208,393)
Net loss attributable to common stockholders	\$ (8,764,225)	\$ (9,349,208)
Weighted average common shares outstanding, basic and diluted	12,982,500	12,656,310
Net loss per share, basic and diluted	\$ (0.69)	\$ (0.74)

View source version on businesswire.com:

<https://www.businesswire.com/news/home/20210621005727/en/>

Anebulo Pharmaceuticals, Inc.

Rex Merchant
Chief Financial Officer
(512) 598-0931

IR@anebulo.com

LHA Investor Relations

Yvonne Briggs

(310) 691-7100

ybriggs@lhai.com

Source: Anebulo Pharmaceuticals, Inc.