March 11, 2024

Skye Bioscience Announces $40 Million Private Placement Equity Financing

Financing expected to fund strategic expansion of obesity clinical development and extend operating runway beyond 2026

San Diego, California--(Newsfile Corp. - March 11, 2024) - Skye Bioscience, Inc. (OTCQB: SKYE) (the Company), a clinical stage biotechnology company focused on the discovery, development and commercialization of novel classes of therapeutic drugs that modulate the endocannabinoid system, today announced that it has entered into a securities purchase agreement for the sale of 4,000,000 shares of its common stock at $10.00 per share to certain investors in a private placement (the "PIPE") to certain qualified institutional buyers. Gross proceeds from the PIPE are expected to be $40 million before deducting any placement agent fees and offering-related expenses. The PIPE financing is expected to close on March 13, 2024, subject to the satisfaction of customary closing conditions.

Investors in this financing included Perceptive Advisors, Velan Capital and Schonfeld Strategic Advisors, among others, and certain existing institutional Skye shareholders including a life science-focused investor, 5AM Ventures, Altium Capital and Sphera Healthcare.

Piper Sandler & Co. is acting as the lead placement agent and Oppenheimer & Co. is acting as a placement agent for the PIPE financing.

"Our January PIPE financing provided funding for our immediate Phase 2 clinical development plans for obesity and glaucoma. Adding additional capital gives us the ability to proactively expand the strategic development of our unique peripheral CB1 inhibitor, nimacimab, for obesity. This monoclonal antibody offers differentiated characteristics within this class of mechanism and we look forward to broadly assessing its therapeutic potential," said Punit Dhillon, CEO and Chair of Skye. "We are also pleased to add to our healthcare-focused institutional shareholder base."

The securities being issued and sold in the PIPE have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), or the securities laws of any state, and may not be offered or sold in the United States, except pursuant to an effective registration statement or an applicable exemption from the registration requirements of the Securities Act. The Company has agreed to file a registration statement with the Securities and Exchange Commission registering the resale of the shares of common stock issued in this PIPE within 60 days of signing.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy any securities described herein, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such state or jurisdiction.

About Skye Bioscience, Inc.

Skye is focused on unlocking the pharmaceutical potential of the endocannabinoid system to treat diseases with metabolic, inflammatory, and fibrotic processes. Backed by leading life science venture investors, Skye's strategy leverages biologic targets with substantial human proof of mechanism for the development of first-in-class therapeutics with significant clinical and commercial differentiation. Nimacimab, a negative allosteric modulating antibody that inhibits peripheral CB1, showed a favorable safety and tolerability profile in a Phase 1 study. Skye plans to start a Phase 2 clinical trial in obesity comparing monotherapy and combination arms of nimacimab and a GLP-1R agonist in mid-2024. Enrollment has been completed for a Phase 2 clinical trial of SBI-100 Ophthalmic Emulsion, a CB1 agonist currently being studied in patients with glaucoma and ocular hypertension. Topline data is expected in Q2 2024. For more information, please visit: https://www.skyebioscience.com.

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Forward-Looking Statements

This release contains forward-looking statements, including statements regarding timing of closing and whether the conditions for the closing of the PIPE will be satisfied, the intended use of proceeds from the PIPE, the Company's cash runway, anticipated timelines and milestones with respect to the Company's product development programs, business strategy, and expected plans with respect to clinical trials, including the timing of patient enrollment and clinical trial data updates. Such statements and other statements in this press release that are not descriptions of historical facts are forward-looking statements that are based on management's current expectations and assumptions and are subject to risks and uncertainties. If such risks or uncertainties materialize or such assumptions prove incorrect, our business, operating results, financial condition, and stock price could be materially negatively affected. In some cases, forward-looking statements can be identified by terminology including "anticipated," "plans," "goal," "focus," "aims," "intends," "believes," "can," "could," "challenge," "predictable," "will," "would," "may" or the negative of these terms or other comparable terminology. We operate in a rapidly changing environment, and new risks emerge from time to time. As a result, it is not possible for our management to predict all risks, nor can we assess the impact of all factors on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements the Company may make. Risks and uncertainties that may cause actual results to differ materially include, among others, our capital resources, uncertainty regarding the results of future testing and development efforts and other risks that are described in the Risk Factors section of the Company's most recent annual or quarterly report filed with the Securities and Exchange Commission. Except as expressly required by law, the Company disclaims any intent or obligation to update these forward-looking statements.

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