



Phoenix PharmaLabs Awarded \$8.7 Million Grant from NIDA to Study Compound for Treatment of Cocaine Use Disorder

Woods Cross, UT (October 6, 2022) – Phoenix PharmaLabs, Inc. (<https://phoenixpharmalabs.com>), a private company developing potent, non-addictive treatments for pain and addiction, today announced the receipt of an \$8.7 million grant from the National Institute on Drug Abuse (NIDA). The primary focus of the grant is to study the company's lead compound, PPL-138, for the treatment of cocaine use disorder (CUD). The grant has been awarded as part of NIH's HEAL – The Helping to End Addiction Long-Term® Initiative. This trans-agency effort is working to speed scientific solutions to stem the national public health crisis.

Funding from the grant will support the cost of advancing PPL-138 through its remaining preclinical studies and through Phase 1 human clinical trials. PPL-138 is one of a portfolio of compounds licensed by Phoenix that have the potential to treat severe acute and chronic pain without the threat of addiction. In addition, PPL-138 has demonstrated in preclinical studies that it can reduce self-administration and relapse of cocaine in rats.

Cocaine is a Schedule II drug, indicating high potential for abuse, but a doctor may administer the drug for legitimate medical needs. Unfortunately, it has gained a reputation as an illicit recreational drug. Currently there are no medications approved by the FDA to treat cocaine use disorder.

The problem is significant: In 2020, approximately 1.3 million individuals aged 12 or older had a cocaine use disorder in the previous 12 months. (Source: 2020 National Survey on Drug Use and Health. <https://www.samhsa.gov/data/release/2020-national-survey-drug-use-and-health-nsduh-releases>). Also, in 2020, 19,447 individuals died from an overdose that involved cocaine.

“This marks a milestone for Phoenix in that it is the largest grant ever awarded to the company,” said William Crossman, company president. “It is a tremendous recognition of our work in this area, and we look forward to furthering our research toward this additional indication for PPL-138.”

PPL-138 is one of a portfolio of 20-plus novel compounds licensed to Phoenix initially developed in a collaboration between the company's Chief Neuropharmacologist, Dr. Larry Toll, with Dr. Stephen Husbands, a colleague at the University of Bath. PPL-138 has NOP/mu partial agonist activity and has been demonstrated to have efficacy for treatment of both pain and cocaine use disorder in preclinical models.

In the spirit of a public/private partnership, Phoenix is currently raising an additional \$3 million in investment funding to supplement the grant monies to cover expenses (e.g., overhead) not specifically covered by the NIDA grant. The grant funding is not dependent upon this private investment; Phoenix has already received the first tranche of funding from NIDA.

Phoenix PharmaLabs is a preclinical drug discovery company. In addition to the company's PPL-138, the company also has a portfolio of other compounds that have the potential to treat pain and abuse and addiction. The company has funded its efforts through grants that have totaled more than \$3 million plus more than \$5 million of private funding, including two over-subscribed Reg CF offerings that raised more than \$2 million dollars.

Media and Investor Contact:

Beverly Jedynak

312-943-1123

773-350-5793 (cell)

bev@phoenixpharmalabs.com