



TSX:IN
OTCQX:IMLFF

Suite 310-815 W. Hastings St.
Vancouver, BC, Canada V6C 1B4
Tel: +1.604.669.7207
Email: info@inmedpharma.com
www.inmedpharma.com

InMed Pharmaceuticals Reports Fourth Quarter and Full Year Fiscal 2019 Financial Results and Provides R&D and Business Update

Vancouver, BC – September 19, 2019 – **InMed Pharmaceuticals Inc.** (“InMed” or the “Company”) (TSX:IN; OTCQX:IMLFF), a biopharmaceutical company developing a proprietary biosynthesis manufacturing technology for the production of pharmaceutical-grade cannabinoids as well as a pipeline of medications targeting diseases with high unmet medical needs, today reported financial results for the three and twelve months ended June 30, 2019, which is the Company’s fourth quarter of fiscal year 2019 (“4Q19”).

Conference Call & Webcast:

Thursday, September 19, 2019 at 7:00 AM Pacific Time, 10:00 AM Eastern Time

Toronto: +1-416-764-8688

Vancouver: +1-778-383-7413

North America (Toll Free): +1-888-390-0546

Conference ID: 69127515

Webcast: <https://event.on24.com/wcc/r/2086245/D40B5BE6A8BF367A42BBE5A874673D56>

Replays, Available through September 26, 2019:

Toronto: +1-416-764-8677

North America (Toll Free): +1-888-390-0541

Playback Passcode: 127515#

The Company’s full financial statements and related MD&A for the three and twelve months ended June 30, 2019 will be available at www.sedar.com on September 19, 2019.

“During the fourth quarter of fiscal 2019, InMed made significant strides in both its R&D and business strategy,” stated President and Chief Executive Officer, Eric A. Adams. “The advancements in each of our biosynthesis, EB and glaucoma programs is evidence of not only significant progress in the development programs but also the strength of the InMed team. Over the course of this next fiscal year,” Mr. Adams concluded, “we will be focused on continuing to advance all three of these key programs while also looking to expand our profile in the investment community.”

Research & Development Update:

- **Biosynthesis manufacturing technology.** During 4Q19, we optimized several fermentation parameters (the Up Stream Process, or “USP”) in order to maximize production yield, as well as initiated Down Stream Purification (“DSP”) with a contract development manufacturing organization (“CDMO”). The Company worked with multiple

external pharmaceutical CDMOs to concurrently conduct process development for both the USP and DSP. By the end of calendar 2019, the Company expects to have a clear indication as to the commercial yield and cost structure of its current biosynthesis process. Through ongoing R&D efforts, the Company is also exploring an alternative biosynthetic manufacturing process in addition to our existing 'traditional' E. coli biosynthesis process.

- ***INM-755 for the treatment of the epidermolysis bullosa (EB)***. As announced prior to 4Q19, the Company determined that the clinical development path forward with our investigational drug candidate for the treatment of EB, previously referred to as INM-750, would be optimized by transitioning to an alternative formulation, now designated as INM-755. During 4Q19 the Company continued to advance our preclinical pharmacology and toxicology studies in anticipation of our Clinical Trial Application and subsequent initiation of our first-in-man clinical trial prior to the end of this calendar year. The Company plans to execute these healthy volunteer trials in the Netherlands.
- ***INM-088 for Glaucoma***. During 4Q19 the Company switched to a new drug candidate for the ocular program, now called INM-088 (formerly INM-085). This single cannabinoid product proved to confer specific advantages over our previous candidate, INM-085, in terms of in vitro results for the potential to treat glaucoma as well as other diseases of the eye. The Company anticipates being in advanced preclinical studies and formulation development prior to the end of the calendar year.

Results of Operations (expressed in Canadian Dollars):

- For the three and twelve months ended June 30, 2019, the Company recorded a net loss of \$4.27 million and \$13.26 million, or \$0.02 and \$0.08 per share, respectively, compared with a net loss of \$3.03 million and \$8.52 million, or \$0.02 and \$0.06 per share, for the three and twelve months ended June 30, 2018.
- Research and development expenses were \$2.45 million for 4Q19, compared with \$0.58 million for the three months ended June 30, 2018. For the twelve months ended June 30, 2019, research and development expenses totaled \$5.64 million, which compares with \$1.93 million for the prior year fiscal 2018. The increase in research and development expenses in 4Q19 as compared to the same quarter in 2018 was primarily due to increased spending on INM-755 for clinical trial enabling preclinical safety pharmacology and toxicology studies, required for the regulatory filing to begin human clinical trials which we plan to initiate later this calendar year. In addition, we incurred higher costs for the purchase of the active pharmaceutical ingredients in INM-755 in advance of the planned clinical trial.
- The Company incurred general and administrative expenses of \$1.07 million for 4Q19, compared with \$0.98 million for the three months ended June 30, 2018. For the twelve months ended June 30, 2019, general and administrative expenses totaled \$3.80 million, which compares with \$3.37 million for prior year fiscal 2018. The increase in general and administrative expenses in 4Q19 as compared to the same quarter in 2018, was primarily due to increased accounting and legal expenses pertaining to certain corporate matters.
- The Company also incurred non-cash, share-based payments, in connection with the grant of stock options, of \$0.75 million for 4Q19, compared with \$1.51 million for the three months ended June 30, 2018. For the twelve months ended June 30, 2019, non-cash,

share-based payments totaled \$4.08 million, which compares with \$3.20 million for fiscal 2018.

- At June 30, 2019, the Company's cash, cash equivalents and short-term investments were \$18.04 million, which compares to \$26.48 million at June 30, 2018. The \$8.44 million decrease in cash, cash equivalents and short-term investments during the twelve months to June 30, 2019, was primarily due to cash outflows from operating activities.
- At June 30, 2019, the Company's total issued and outstanding shares were 172,283,633. Including outstanding stock options and warrants, as at June 30, 2019, the Company had 223,633,401 shares on a fully diluted basis. During the three months ending June 30, 2019, the weighted average number of common shares was 172,281,985, which is used for the calculation of loss per share for the quarter. Subsequent to June 30, 2019 13,862,127 warrants expired and 1,100,000 options were granted with 1,197,500 options being forfeited.

Table 1: Consolidated statements of financial position (audited):

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30

Expressed in Canadian Dollars

	2019	2018
ASSETS		
Current		
Cash and cash equivalents	\$ 12,873,961	\$ 24,134,277
Short-term investments	5,165,093	2,342,615
Accounts receivable	84,987	53,373
Prepays and advances	424,275	203,477
Total current assets	18,548,316	26,733,742
Non-Current		
Property and equipment, net	55,829	55,732
Intangible assets, net	1,184,720	1,273,670
Total Assets	\$ 19,788,865	\$ 28,063,144
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payables and accrued liabilities	1,562,865	937,759
SHAREHOLDERS' EQUITY		
Share capital	68,579,890	68,058,698
Contributed surplus	14,216,224	10,381,759
Accumulated deficit	(64,570,114)	(51,315,072)
	18,226,000	27,125,385
	\$ 19,788,865	\$ 28,063,144

Table 2: Consolidated statements of operations and comprehensive loss:

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the three and twelve months ended June 30, 2019 and June 30, 2018

Expressed in Canadian Dollars

	UNAUDITED		AUDITED	
	Three Months Ended		Twelve Months Ended	
	June 30		June 30	
	2019	2018	2019	2018
Expenses				
Research and development	\$ 2,448,948	\$ 576,954	\$ 5,638,619	\$ 1,927,137
General and administrative	1,074,602	976,082	3,797,867	3,367,698
Amortization and depreciation	30,077	30,722	124,344	117,845
Share-based payments	745,517	1,505,142	4,083,157	3,196,864
Total operating expenses	4,299,144	3,088,900	13,643,987	8,609,544
Other Income (Loss)				
Interest income	92,350	53,571	433,803	88,337
Foreign exchange gain (loss)	(62,882)	6,129	(44,858)	287
Total net and comprehensive loss for the period	\$ (4,269,676)	\$ (3,029,200)	\$ (13,255,042)	\$ (8,520,920)
Basic and diluted loss per share for the period	\$ (0.02)	\$ (0.02)	\$ (0.08)	\$ (0.06)
Basic and diluted weighted average number of common shares outstanding	172,281,985	155,143,970	171,338,793	142,451,768

Table 3: Consolidated statements of cash flows (audited):

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the years ended June 30

Expressed in Canadian Dollars

	2019	2018
OPERATING ACTIVITIES		
Cash flows from operating activities		
Net loss for the year	\$ (13,201,511)	\$ (8,520,920)
Adjustments to reconcile loss to net cash used in operating activities		
Amortization and depreciation	124,344	117,845
Share-based payments	4,083,157	3,196,864
Accrued interest income on short-term investments	(93,726)	(13,868)
Changes in non-cash working capital balances:		
Prepays and advances	(220,798)	(25,900)
Accounts receivable	(31,614)	5,775
Accounts payable and accrued liabilities	625,106	568,086
Total cash outflows from operating activities	(8,715,042)	(4,672,118)
Cash Flows From Investing Activities		
Purchase of short-term investments	(2,728,752)	(2,328,750)
Purchase of property and equipment	(35,491)	(55,639)
Total cash outflows from investing activities	(2,764,243)	(2,384,389)
Cash Flows From Financing Activities		
Shares issued for cash	272,500	26,694,465
Share issue costs	-	(2,211,477)
Cash provided by financing activities	272,500	24,482,988
Increase in cash during the year	(11,206,785)	17,426,481
Cash and cash equivalents beginning of the year	24,134,277	6,707,796
Cash and cash equivalents end of the year	\$ 12,927,492	\$ 24,134,277

The Company's full financial statements and related MD&A for the year ended June 30, 2018 are available at www.sedar.com.

About InMed:

InMed Pharmaceuticals is a biopharmaceutical company developing a proprietary biosynthesis manufacturing technology for the production of pharmaceutical-grade cannabinoids, as well as a pipeline of medications that target diseases with high unmet medical needs. For more information, visit www.inmedpharma.com.

Investor Contact:

InMed Pharmaceuticals Inc.
Bruce Colwill, Chief Financial Officer
T: +1.604.669.7207
E: info@inmedpharma.com

Edison Advisors for InMed Pharmaceuticals
Joe Green, Senior Vice President
T: +1.646.653.7030
E: jgreen@edisongroup.com

Cautionary Note Regarding Forward-Looking Information:

This news release contains “forward-looking information” and “forward-looking statements” (collectively, “forward-looking information”) within the meaning of applicable securities laws. Forward-looking information is based on management’s current expectations and beliefs and is subject to a number of risks and uncertainties that could cause actual results to differ materially from those described in the forward-looking statements. Forward-looking information in this news release includes statements about: developing a proprietary biosynthesis platform technology for the manufacturing of pharmaceutical-grade cannabinoids as well as an R&D pipeline of medications targeting diseases with high unmet medical needs; continuing to advance our biosynthesis, EB and glaucoma programs while also looking to expand our profile in the investment community; having a clear indication as to the commercial yield and cost structure of the Company’s current biosynthesis process by the end of calendar 2019; a Clinical Trial Application and subsequent initiation of a first-in-man clinical trial prior to the end of calendar 2019; being in advanced pre-clinical studies and formulation development for INM-088 prior to the end of the calendar year.

With respect to the forward-looking information contained in this news release, InMed has made numerous assumptions regarding, among other things: continued and timely positive preclinical and clinical efficacy data; the speed of regulatory approvals; the ability to contract with suitable partners; demand for InMed’s products; and continued economic and market stability. While InMed considers these assumptions to be reasonable, these assumptions are inherently subject to significant business, economic, competitive, market and social uncertainties and contingencies.

Additionally, there are known and unknown risk factors which could cause InMed’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking information contained herein. Known risk factors include, among others: preclinical and clinical testing may not produce the desired results on a timely basis, or at all; regulatory applications may not be approved on a timely basis, or at all; cannabis licensing/importing issues may delay our projected development timelines; suitable partners may not be located; economic or market conditions may worsen; our existing cash runway may not allow us to complete our forthcoming significant milestones; the development of a proprietary biosynthesis platform technology for the manufacturing of pharmaceutical-grade cannabinoids as well as an R&D pipeline of medications targeting diseases

with high unmet medical needs may not be as successful as desired, if at all. A more complete discussion of the risks and uncertainties facing InMed is disclosed in InMed's most recent Annual Information Form and other continuous disclosure filed with Canadian securities regulatory authorities on SEDAR at www.sedar.com.

All forward-looking information herein is qualified in its entirety by this cautionary statement, and InMed disclaims any obligation to revise or update any such forward-looking information or to publicly announce the result of any revisions to any of the forward-looking information contained herein to reflect future results, events or developments, except as required by law.

NEITHER THE TORONTO STOCK EXCHANGE NOR ITS REGULATIONS SERVICES PROVIDER HAVE REVIEWED OR ACCEPT RESPONSIBILITY FOR THE ADEQUACY OR ACCURACY OF THIS RELEASE.