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InMed Pharmaceuticals Reports Full Year Fiscal 2020 Financial Results and Provides Business Update

Vancouver, BC – September 8, 2020 – **InMed Pharmaceuticals Inc.** (“InMed” or the “Company”) (TSX:IN; OTCQX:IMLFF), a clinical-stage pharmaceutical company developing medications targeting diseases with high unmet medical need and leading the way in the clinical development of cannabidiol (“CBD”), today reported financial results for the fiscal year ended June 30, 2020.

Conference Call & Webcast:

Tuesday, September 8, 2020 at 8:30 AM Pacific Time, 11:30 AM Eastern Time

Local - Toronto (+1) 416-764-8609

Local - Vancouver (+1) 778-383-7417

Toll Free - North America (+1) 888-390-0605

Conference ID: **56741577**

Webcast: https://produceredition.webcasts.com/starthere.jsp?ei=1361200&tp_key=f6c5efad81

Replays, Available through September 22, 2020:

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The Company’s full financial statements and related MD&A for the fiscal year ended June 30, 2020 are available at www.inmedpharma.com and at www.sedar.com.

Research & Development Update:

- **INM-755 for the treatment of epidermolysis bullosa (“EB”).** On April 30, 2020, InMed announced it had received regulatory and ethics board approval of its Clinical Trial Application (“CTA”) to conduct a second Phase 1 trial (755-102-HV) with INM-755 skin cream on healthy volunteers with induced epidermal wounds. On July 7, 2020, the 755-102 trial enrolled the first patient at the Centre for Human Drug Research in the Netherlands, where two strengths of INM-755 cream are being evaluated in 8 adult subjects over a 14-day treatment period. Final results from the first Phase 1 trial (755-101-HV) trial are anticipated to be announced later this month and final results from 755-102 are expected in the fourth calendar quarter of 2020.
- **INM-088 for the treatment of glaucoma.** On May 27, 2020, InMed released top-line preclinical data demonstrating the relative and overall neuroprotective effects of cannabidiol in preclinical models of glaucoma. This data demonstrated cannabidiol could not only help relieve intraocular pressure, a hallmark symptom of glaucoma, but could also help prevent the death of retinal ganglion cells (“RGCs”), which are the nerve cells characteristically damaged as the disease progresses, leading to vision loss. These compelling *in vivo* and *in vitro* preclinical results formed a large part of a patent filed on

May 12, 2020 entitled "Compositions and Methods for Use of Cannabinoids for Neuroprotection". InMed's efforts are now focused on the work necessary to combine INM-088 with the delivery technology to be used in IND-enabling preclinical toxicology studies which the Company continues to anticipate commencement in the second half of calendar 2020.

- **IntegraSyn™.** On June 24, 2020, InMed introduced IntegraSyn™, the Company's new approach to producing pharmaceutical-grade cannabinoids. IntegraSyn™ integrates biosynthesis with other traditional drug manufacturing methods with the goal of improving production of low-cost, high quality cannabinoids. InMed is working with industry-leading contract developing and manufacturing organizations, including the Almac Group, to generate proprietary, high efficiency enzymes for flexible application in downstream cannabinoid assembly.

Results of Operations (expressed in Canadian Dollars):

- On June 30, 2020, the Company announced the completion of a reverse share split whereby, in conjunction with its application to list its common shares on the Nasdaq Stock Market ("Nasdaq"), the Company completed the consolidation of its issued and outstanding common shares on the basis of thirty-three (33) pre-consolidation common shares for one (1) post-consolidation common share (the "Consolidation"). The per share data in this release reflects that Consolidation.
- For the year ended June 30, 2020, the Company recorded a net loss of \$11.9 million, or \$2.27 per share, compared with a net loss of \$13.3 million, or \$2.56 share, for the year ended June 30, 2019.
- Research and development expenses were \$7.1 million for the year ended June 30, 2020, compared with \$5.6 million for the year ended June 30, 2019. The increase of \$1.5 million year-on-year was primarily due to increased spending on external contractors, largely related to advancing the INM-755 program into the clinic. In addition, the Company incurred increased salaries and benefits commensurate with the increase in research and development activities.
- The Company incurred general and administrative expenses of \$3.5 million for the year ended June 30, 2020, compared with \$3.8 million for the year ended June 30, 2019. This 7% decrease year-on-year was the result of certain expenditures decreasing, including legal, accounting and investor relations and marketing related cost, offset by certain other costs that increased in the current year including salaries and benefits and office related expenses. Adjusting for the deferral of certain financing related expenditures totaling \$0.4 million, general and administrative expenses were relatively constant year-on-year.
- The Company also incurred non-cash, share-based payments, in connection with the grant of stock options, of \$1.3 million in the year ended June 30, 2020, compared with \$4.1 million for the year ended June 30, 2019.
- At June 30, 2020, the Company's cash, cash equivalents and short-term investments were \$8.0 million, which compares to \$18.0 million at June 30, 2019 and \$9.9 million at the end of the previous quarter, March 31, 2020. The decrease in cash, cash equivalents and short-term investments during the year ended June 30, 2020, was primarily due to cash outflows from operating activities.

Table 1: Consolidated statements of financial position:

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

As at June 30, 2020 and 2019

Expressed in Canadian Dollars

| | 2020 | 2019 |
|---|----------------------|----------------------|
| ASSETS | | |
| Current | | |
| Cash and cash equivalents | \$ 7,912,156 | \$ 12,873,961 |
| Short-term investments | 57,761 | 5,165,093 |
| Accounts receivable | 61,794 | 84,987 |
| Prepays and other assets | 570,905 | 424,275 |
| Total current assets | 8,602,616 | 18,548,316 |
| Non-Current | | |
| Property and equipment | 549,869 | 55,829 |
| Intangible assets | 1,091,642 | 1,184,720 |
| Total Assets | \$ 10,244,127 | \$ 19,788,865 |
| LIABILITIES AND SHAREHOLDERS' EQUITY | | |
| Current | | |
| Accounts payables and accrued liabilities | \$ 2,190,432 | \$ 1,562,865 |
| Current portion of lease obligations | 93,986 | - |
| Total current liabilities | 2,284,418 | 1,562,865 |
| Non-current | | |
| Lease obligations | 337,989 | - |
| | 2,622,407 | 1,562,865 |
| SHAREHOLDERS' EQUITY | | |
| Share capital | 68,579,890 | 68,579,890 |
| Contributed surplus | 15,468,817 | 14,216,224 |
| Accumulated deficit | (76,426,987) | (64,570,114) |
| | 7,621,720 | 18,226,000 |
| | \$ 10,244,127 | \$ 19,788,865 |

Table 2: Consolidated statements of operations and comprehensive loss:

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS

For the years ended June 30, 2020 and 2019

Expressed in Canadian Dollars

| | 2020 | 2019 |
|--|------------------------|------------------------|
| Operating Expenses | | |
| Research and development | \$ 7,104,932 | \$ 5,638,619 |
| General and administrative | 3,533,014 | 3,797,867 |
| Amortization and depreciation | 221,218 | 124,344 |
| Share-based payments | 1,252,593 | 4,083,157 |
| Total operating expenses | 12,111,757 | 13,643,987 |
| Finance Costs and Other Income (Loss) | | |
| Interest expense on lease obligations | (25,426) | - |
| Interest income | 171,934 | 433,803 |
| Foreign exchange gain (loss) | 108,376 | (44,858) |
| Total net and comprehensive loss for the period | \$ (11,856,873) | \$ (13,255,042) |
| Basic and diluted loss per share for the period | \$ (2.27) | \$ (2.56) |

Table 3: Consolidated statements of cash flows:

InMed Pharmaceuticals Inc.

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the year ended June 30, 2020 and 2019

Expressed in Canadian Dollars

| | 2020 | 2019 |
|--|---------------------|----------------------|
| OPERATING ACTIVITIES | | |
| Cash flows from operating activities | | |
| Net loss for the period | \$ (11,856,873) | \$ (13,255,042) |
| Adjustments to reconcile loss to net cash used in operating activities | | |
| Amortization and depreciation | 221,218 | 124,344 |
| Share-based payments | 1,252,593 | 4,083,157 |
| Loss on sale of assets | 3,097 | - |
| Interest accretion on lease obligations | 25,426 | - |
| Changes in non-cash working capital balances: | | |
| Prepays and other assets | (170,953) | (220,798) |
| Interest income accrued on short-term investments | 107,332 | (93,726) |
| Accounts receivable | 23,193 | (31,614) |
| Accounts payable and accrued liabilities | 627,567 | 625,106 |
| Total cash used in operating activities | (9,767,400) | (8,768,573) |
| Cash Flows From Investing Activities | | |
| Maturity of short-term investments | 5,057,500 | 4,628,750 |
| Purchase of short-term investments | (57,500) | (7,357,502) |
| Purchase of property and equipment | (57,163) | (35,491) |
| Proceeds on disposal of property and equipment | 726 | - |
| Total cash provided by (used in) investing activities | 4,943,563 | (2,764,243) |
| Cash Flows From Financing Activities | | |
| Payments on lease obligations | (97,375) | - |
| Shares issued for cash | - | 272,500 |
| Deferred financing costs | (40,593) | - |
| Total cash provided by (used in) financing activities | (137,968) | 272,500 |
| Decrease in cash during the period | (4,961,805) | (11,260,316) |
| Cash and cash equivalents beginning of the period | 12,873,961 | 24,134,277 |
| Cash and cash equivalents end of the period | \$ 7,912,156 | \$ 12,873,961 |

About InMed: InMed Pharmaceuticals is a clinical-stage pharmaceutical company developing a pipeline of cannabinoid-based medications, initially focused on the therapeutic benefits of cannabiniol ("CBN") in diseases with high unmet medical need. The Company is dedicated to delivering new therapeutic alternatives to patients that may benefit from cannabinoid-based medicines. For more information, visit www.inmedpharma.com.

About Cannabiniol (CBN): CBN is a rare cannabinoid with unique physiological properties that may result in distinct therapeutic and safety characteristics relative to the more commonly known cannabinoids tetrahydrocannabinol (THC) and cannabidiol (CBD). InMed Pharmaceuticals is exploring the therapeutic potential of CBN in diseases with high unmet medical need.

About INM-755: INM-755 is a CBN cream intended as a topical therapy to treat epidermolysis bullosa ("EB") and potentially other dermatological diseases. Preclinical data demonstrate that INM-755 may help relieve hallmark EB symptoms, such as inflammation and pain, as well potentially restore the integrity of the skin in a subset of EB Simplex patients.

About Epidermolysis Bullosa (EB): EB is the collective name of a group of genetic disorders of characterized by fragile skin and mucous membranes that are easily damaged, leading to extensive blistering and wounding. The blisters may appear in response to minor injury, even from heat, rubbing, scratching or adhesive tape. The disease has no approved cure and most current treatments are directed towards symptomatic relief.

About INM-088: InMed is developing INM-088 as a cannabiniol (CBN) eye drop formulation targeting reduction of the intraocular pressure associated with glaucoma as well as being designed to serve as a neuroprotectant to the retinal ganglion cells (RGC) and the optic nerve.

About Glaucoma: Glaucoma is a group of eye conditions characterized by abnormally high pressure in the eye, which can damage the membranes of the retina and the head of the optic nerve, leading to blindness. Glaucoma is the second leading cause of blindness worldwide and can occur at any age but is more common in older adults.

About IntegraSyn™: IntegraSyn™ is InMed's integrated cannabinoid manufacturing system designed to efficiently and economically produce pharmaceutical-grade, bio-identical cannabinoids. The scalable and flexible IntegraSyn™ manufacturing system integrates multiple commercially proven methods to efficiently produce cannabinoids utilizing cost-effective processes.

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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: leading the way in the clinical development of cannabimol (“CBN”); developing a pipeline of cannabinoid-based medications in diseases with high unmet medical need; delivering new therapeutic alternatives to patients that may benefit from cannabinoid-based medicines; leading the clinical development of cannabimol as a potential therapeutic option for skin and ocular diseases; evaluation and treatment period of the 755-102 trial at the Centre for Human Drug Research in the Netherlands; announcement of the final results from the first Phase 1 trial (755-101-HV) trial and timing of the final results from 755-102; selecting a final delivery technology and conducting additional *in vivo* studies for the INM-088 program; commencing IND-enabling preclinical toxicology studies in the second half of calendar 2020 for INM-088; developing innovative methods for low-cost, high yield and pharmaceutical-grade cannabinoid manufacturing; INM-088 reducing intraocular pressure and acting as a neuroprotectant to the retinal ganglion cells and optic nerve; INM-755 potentially relieving EB symptoms, such as inflammation and pain as well as potentially enhancing skin integrity in a subset of EB Simplex patients; and 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.

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: the outbreak and impact of COVID-19 may worsen; 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 manufacturing technology for the production of pharmaceutical-grade cannabinoids as well as a 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.