EDISON

InMed Pharmaceuticals

Notable launches of high-value rare cannabinoids

Company outlook

Pharma & biotech

InMed Pharmaceuticals (INM) continues its transition from a pure-play pharma R&D firm to one also benefiting from commercial sales into the health and wellness market. Product launches of high-value, rare cannabinoids into this market should provide the majority of its revenue in the near future. INM also made notable advances in its pharmaceutical drug development programs, including its ongoing 755-201-EB Phase II trial and preparing for an FDA pre-investigational new drug meeting on glaucoma drug candidate INM-088. We expect to see a different InMed going forward, one that offers near-term revenue generation combined with the longer-term value of its pharma drug development programs.

Year end	Revenue ($m)	EBITDA ($m)	PBT* ($m)	EPS* ($)	P/revenue (x)	Net cash** ($m)
06/20	0.0	(9.0)	(9.0)	(1.73)	NA	5.5
06/21	0.0	(9.8)	(10.3)	(1.53)	NA	7.1
06/22e	1.8	(14.6)	(14.8)	(1.09)	7.2	3.0
06/23e	10.2	(13.1)	(13.8)	(0.96)	1.2	(10.0)

Note: Base case. *PBT and EPS are normalized, excluding amortization of acquired intangibles, exceptional items, and share-based payments. **Net cash includes debt and financial leases.

Health and wellness product launches

With its recent BayMedica acquisition, InMed expanded its focus to the health and wellness market, with several recent and upcoming product launches generating its first revenues. In addition to access to the manufacturing of naturally occurring cannabinoids, BayMedica brought a large library of rare cannabinoid analogs, providing an additional commercial opportunity. As well as cannabichromene (CBC) and cannabicitran (CBT), the latter of which was recently launched and had its first B2B sales in Q1 of CY22, INM launched cannabidivarin (CBDV) and plans to launch tetrahydrocannabivarin (THCV) in Q2 CY22, both of which have potential health indications and are considered by management to be high-demand cannabinoids.

INM-755 and INM-088: Notable advances

InMed has made notable advances in both preclinical and clinical phases of its pharmaceutical development platform. Enrollment for the 755-201-EB trial (to treat epidermolysis bullosa (EB)) began in December and management expects to complete it during CY22. Also in December, INM announced a peer-reviewed scientific article regarding using cannabinol (CBN; the API in INM-755) to treat glaucoma. It also continued advancing INM-088 towards human trials, as it prepares for its pre-investigational new drug meeting with the US FDA.

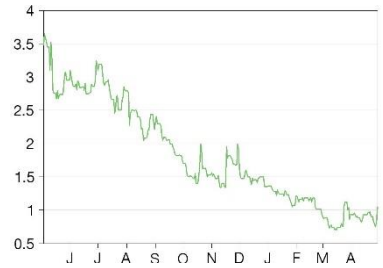
Valuations: $6 (base), $16 (bull), $1.5 (bear) per share

We have updated our valuation to consider a range of scenarios as well as accounting for the BayMedica acquisition. Our risk-adjusted per basic share valuations are US$6.0 (base), US$16.0 (bull), and US$1.5 (bear), versus the previous US$20.53. The key factors influencing our valuation are the market share InMed can capture with its biosynthesis platform and its EB treatment, projected sales for its cannabinoid health & wellness products, and rolling our model forward.

3 May 2022

Price	**$0.90**
Market cap	**$12.6m**
Net cash (US$) on 31 December 2021 (includes leases)	10.3
Shares in issue on 31 December 2021 (basic)	14.1m
Free float	99.2%
Code	INM
Primary exchange	Nasdaq
Secondary exchange	N/A

Share price performance



%	1m	3m	12m
Abs	13.4	(10.3)	(69.8)
Rel (local)	24.1	(0.9)	(69.6)
52-week high/low		$3.65	$0.70

Business description

InMed Pharmaceuticals, a North American-based biopharmaceutical company, is a leader in the research, development, manufacturing and commercialization of rare cannabinoids. Together with its subsidiary BayMedica, the company has multiple and flexible cannabinoid manufacturing capabilities to serve a spectrum of consumer markets, including pharmaceutical and health and wellness.

Next events

Pre-investigational new drug (Pre-IND) meeting with FDA	Q2 CY22
Q322 results	TBD

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Edison profile page

Investment summary

Company description: A platform of rare cannabinoids

InMed Pharmaceuticals is a North American-based biopharmaceutical company focused on researching, developing and manufacturing cannabinoids for the therapeutic market, and also recently entered the cannabinoid commercial sales segment through its BayMedica acquisition. Through its pharma program, it is developing a proprietary pipeline of cannabinoids to treat target diseases. Its lead program is INM-755, a tropical cream using CBN for treating EB, which is currently enrolling patients for Phase II trials. It is also developing INM-088 for glaucoma, which is in a preclinical stage, and InMed is preparing for a Food and Drug Administration (FDA) pre-investigational new drug meeting (pre-IND) in Q2 CY22.

In parallel with its pharma program, it is developing its own proprietary manufacturing program IntegraSyn, an enzymatic process that uses *E. coli* to individually manufacture each of the c 140 cannabinoids. INM is also focusing on scaling up the IntegraSyn process to larger batch sizes in advance of commercial scale production. Furthermore, its product library of rare cannabinoid analogs creates a commercialization opportunity, while BayMedica's aptitude in chemical synthesis and yeast biosynthesis to manufacture cannabinoids complements InMed's capabilities in using *E. coli* through its IntegraSyn manufacturing platform.

With its recent acquisition of BayMedica, InMed is evolving from a pure-play firm focused on pharma R&D to a more diversified one with commercial sales in the health and wellness market, and we now expect it to exhibit near-term revenue generation combined with the longer-term value of its pharma drug development programs.

Valuation: Base scenario at US$85m, or US$6.0 per share

We have considered three scenarios in our risk-adjusted net present value (NPV) analysis. Our base case company valuation is US$85m, or US$6.0 per basic share, while the bull and bear scenarios are US$16.0 per basic share (US$227m) and US$1.5 per basic share (US$21m), respectively, compared to the previous US$20.53 per basic share or US$290m. The change in valuation is primarily due to a reassessment of both the base-case market share for the biosynthesis platform and the INM-755 product, as well as more conservative pricing estimates. In our model, we evaluated three scenarios where InMed could achieve different portions of its addressable market if its biosynthesis process is successfully validated and scaled to commercial levels. We also considered the market penetration InMed's EB treatment could achieve, as well as the sales growth of the health & wellness products and potential price pressures as competitors enter the market. Given the early stage of its proprietary pipeline, the majority of the valuation stems from its biosynthesis platform, which targets a sizable and growing market for rare cannabinoids, and its potential EB treatment (INM-755).

Financials: Product launches drive near-term revenue

InMed's latest financial results (Q222, ending 31 December) were the first to include its BayMedica acquisition and reported sales of US$0.3m, all from CBC commercial sales. We expect InMed's product launches to drive all of its near-term revenue, and in our base case, we see the company generating US$1.8m and US$10.2m of revenue in FY22e and FY23e, respectively. We expect the operating losses to continue over the next several years as InMed advances its manufacturing platform and proprietary pipelines, and invests in BayMedica. InMed ended Q222 with US$10.3m in net cash, including finance leases, boosted by its July 2021 capital raise of US$12m. We expect the cash on hand to last into FY23e, but believe that US$12m in capital or debt raises will be needed in

each of FY23e and FY24e. Note also that InMed recently announced a US$4.25m at the money (ATM) facility to raise further capital.

Sensitivities: IntegraSyn process and uncertain demand

InMed faces several key risks, beginning with the primary risk factor: its IntegraSyn manufacturing process. The company needs to show that its process can manufacture rare cannabinoids in a cost-effective manner and scale them up to commercial levels, compared to the plant-based and synthetic processes. However, management believes this risk is mitigated as it is now producing and selling through both chemical synthesis and biosynthesis. As most of its near-term sales will likely come from BayMedica's products, the immature cannabinoids markets and uncertain demand make it difficult to estimate the levels and timing of revenues. InMed's and BayMedica's pipelines are at various stages of development, and the main risk for their pipelines is that of clinical development, where their therapeutic products may not succeed in clinical trials or fail to get approval. Finally, competition in the manufacturing of rare cannabinoids is heating up, which could have an impact on InMed's ability to achieve forecasted market penetration and sales volumes.

Company description: Pharma research and synthesis of rare cannabinoids

InMed Pharmaceuticals is a North American-based biopharmaceutical company focused on researching, developing, and manufacturing rare cannabinoids for the therapeutic market as well as incorporating BayMedica's library and commercial business. It is developing a biosynthesis process to individually manufacture each of the 140+ cannabinoids in *E. coli*, a bacterial strain that has previously been engineered to produce products such as insulin. INM is also developing a proprietary pipeline of cannabinoids to treat target diseases.

The company was formed in March 2014 and reverse merged with a target company to gain listing in May 2014. After being originally listed on the Canadian Stock Exchange, InMed now trades on the NASDAQ.

InMed's strategy is to focus on producing rare non-intoxicating cannabinoids, as only a few cannabinoids, such as tetrahydrocannabinol (THC), cannabidiol (CBD) and cannabigerol (CBG), are plentiful enough to be extracted from plants in a viable fashion. Its BayMedica subsidiary, acquired in October 2021, is also focused on the commercialization of rare cannabinoids, such as CBC, CBT, CBDV and THCV. The transaction gave INM the capabilities and experience in using chemical synthesis and yeast to manufacture cannabinoids and complemented InMed's ability to use *E. coli*-based biosynthesis through its IntegraSyn platform. To be clear, the combined company's commercial strategy is to focus on high-demand, attractive-margin products like THCV and CBDV rather than others that are readily commoditized and so have lower margins like CBD. Moreover, cannabinoids are chemically complex molecules that are challenging to synthesize, and as InMed manufactures these in large quantities, it can differentiate itself from other firms that focus primarily on THC and CBD.

Key here is that some of these rare cannabinoids that InMed has launched or is evaluating for potential launches have unique properties that could treat many diseases, as shown in Exhibit 1.

Exhibit 1: Select cannabinoids and what they do

Name	Acronym	Comments
Tetrahydrocannabinol	THC	Most abundant cannabinoid in cannabis. Responsible for the euphoric feeling. A synthetic version is FDA approved for treating anorexia in AIDS patients and to treat nausea in cancer patients. Believed to potentially have efficacy with regards to pain, anxiety, depression, nausea, spasms and certain cancers. CB1 agonist (central nervous system disorders).
Cannabidiol	CBD	Second most abundant cannabinoid. Not psychoactive. In 2018, FDA approved a natural version (Epidolex) for treating seizures associated with epilepsy. Also thought to potentially work against pain, anxiety, depression, nausea, insomnia, spasms, psychosis and certain cancers. Antagonist of CB1/CB2 agonists, CB2 inverse agonist (anti-inflammatory), positive allosteric modulator (pain), TRPA1 agonist (pain), TRPM8 antagonist (prostate cancer), TRPV1 agonist (psychosis, pain).
Cannabichromene	CBC	Third most abundant cannabinoid. Not psychoactive. Has been suggested in various studies to potentially treat acne, diarrhea, pain, inflammation, depression, anxiety, multiple sclerosis and increase bone growth. Anandamide reuptake inhibitor (various neurological conditions).
Cannabigerol	CBG	Cannabis plants usually contain less than 1% CBG. Not psychoactive. Potential to treat pain, bacterial and fungal infections, cancers and depression. CB1 and CB2 partial agonist (neurological conditions), anandamide reuptake inhibitor (neurological conditions), TRPA1 agonist (pain), TRPV1 agonist (pain), TRPM8 antagonist (prostate cancer).
Cannabigerolic acid	CBGA	Precursor to all other cannabinoids. Not psychoactive. May have applications in pain and inflammation.
Cannabinol	CBN	Produced through the degradation of THC and typically plants contain less than 1% CBN. Minor psychoactive effects. Potential against bacteria, epilepsy, inflammation, anorexia, cancer, insomnia, glaucoma, bone healing and pain.
Delta-9-Tetrahydrocannabinolic Acid	THCA	Precursor to THC, which turns into THC when burned or vaporized. Not-psychoactive. Potential to treat inflammation, nausea, cancers and act as a neuroprotective. TRPA1 partial agonist (pain), TRPM8 antagonist (prostate cancer).
Cannabicitran	CBT	Rare diether cannabinoid, not-psychoactive. Few studies done on CBT, though GVB Biopharma is currently conducting research. Potential treatment for glaucoma.
Cannabidivarin	CBDV	Propyl analogue to CBD, non-psychoactive, cannabis plants usually contain less than 1% CBDV. Potential to treat epilepsy and act as anticonvulsant. Low affinity for CB12 and CB2, acts as agonist for TRPA1, TRPV1 and TRPV2 and antagonist for GPR55. Little knowledge on its mechanism of action.
Cannabidiolic acid	CBDA	Precursor to CBD, believed to have efficacy in cancer, nausea and inflammation. TRPA1 partial agonist (pain), TRPV1 agonist (pain), TRPM8 (prostate cancer), COX-2 inhibitor (pain/inflammation).
Tetrahydrocannabivarin	THCV	Works very differently from THC. Potential to treat obesity, diabetes, anxiety, Alzheimer's disease, epilepsy and stimulate bone growth. CB1 antagonism (epilepsy).

Source: Izzo et al., Non-psychotropic plant cannabinoids, *Trends in Pharmacological Sciences*. 2009 Oct;30(10):515–27. 2018 Cannabis Investment Report by Ackrell Capital. Alves et al., Cannabis sativa: Much more beyond Δ9-tetrahydrocannabinol, *Pharmacological Research*, July 2020, Vol 147.

Altogether, the company's is focusing on improving its cannabinoid manufacturing technologies, developing its own internal pipeline and commercializing certain cannabinoids through either its proprietary IntegraSyn manufacturing process, biosynthesis in yeast, chemical synthesis or via a hybrid approach. Note that the choice of process depends on the target compound, desired scale, etc, and with its capabilities in all these approaches, InMed believes it can provide a purer product faster and at lower cost than competitors. Current plant-based manufacturing processes for cannabinoids are time consuming and require a high degree of purification to avoid unwanted pesticides, fungi, solvents or non-target cannabinoids. INM's capabilities and flexibility in choosing the optimum manufacturing processes for each compound could enable it to gain market share of the non-flower wholesale market in concentrated or infused products and edibles.

Its current and near-term planned cannabinoid product launches (CBC, CBT, CBDV and THCV, see Exhibit 2) are using chemical synthesis, but as they scale up, INM has the flexibility to choose the most efficient process such as IntegraSyn, biosynthesis, etc. At this time, CBC and CBDV are being manufactured in larger batches. All of INM's manufacturing is performed externally through third parties, and its strength lies with its access to several manufacturing processes by which compounds can be manufactured, and their related IP.

Exhibit 2: Cannabinoid products

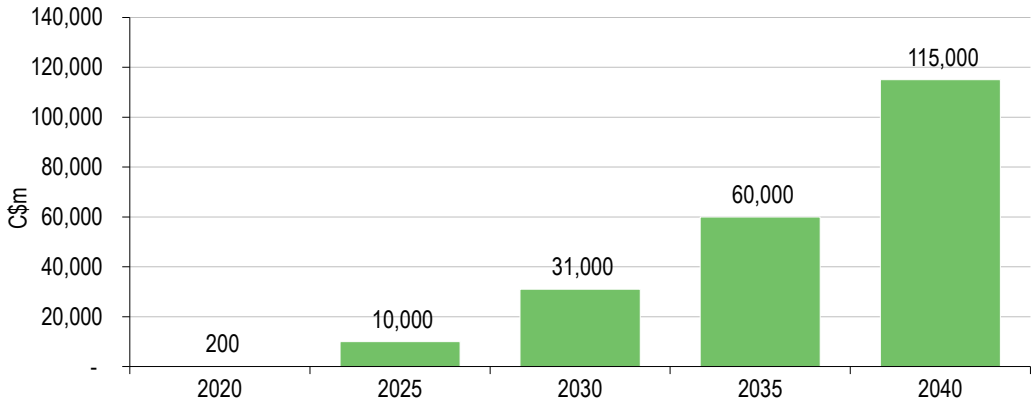
Current products	Period launched	Planned launches	Period to be launched
CBC	2020	THCV	Q2 CY22
CBT (Q1 CY22)	Q1 CY22		
CBDV (Q2 CY22)	Q2 CY22		

Source: InMed Pharmaceuticals

Essentially, the combined firm has multiple tools for producing rare cannabinoids at meaningful yields and potentially attractive costs. Moreover, InMed is in a solid operating position to take

advantage of these growing markets. For instance, a recent report on biosynthesis discussed how the global market for consumer packaged goods and pharma cannabinoid biosynthesis products is predicted to reach C$10bn in 2025 and C$115bn by 2040, according to Raymond James (see Exhibit 3).

Exhibit 3: Cannabinoid synthesis demand expected to drive exponential market growth (C$m)



Source: Edison Investment Research using data points from Raymond James

Pharmaceutical development: Progressing well

As Exhibit 4 indicates, InMed is making solid progress in its pharmaceutical development program, with two primary products potentially treating a variety of conditions.

Exhibit 4: Two primary products in InMed's pipeline

Product	Indication	Mode of administration	Progress
INM-755 (CBN)	Epidermolysis bullosa	Topical cream	Advanced past the health volunteer stage in clinical program; enrolment for Phase II trial began in Dec 2021.
INM-088	Glaucoma	Hydrogel eyedrop	Preclinical; recent study published in peer-reviewed journal; conducting FDA pre-IND meeting in Q2 CY22.

Source: InMed

Phase II enrollment begun for treating EB with INM-755 (CBN)

EB is a rare, debilitating genetic disorder characterized by fragile skin. Unfortunately, even wearing normal clothing could lead to blistering and wounding (see Exhibit 5). In some cases, it can lead to the erosion of the epithelial lining of other organs too. Fine et al[1] estimate the total EB population in the United States to be between 12,500 and 25,000, and currently there are no therapies to treat the underlying causes. Treatment is based on promoting wound healing, and controlling pain and itching. While various biotechnology firms are investigating potential therapies, no effective treatment has yet been found.

CBN is the focus of InMed's pharmaceutical pipeline with INM-755, as there is evidence of its efficacy across a plethora of indications. It has been shown in a variety of preclinical studies to have

[1] Fine et al., Epidemiology of Inherited Epidermolysis Bullosa Based on Incidence and Prevalence Estimates From the National Epidermolysis Bullosa Registry. *JAMA Dermatology* 2016:152(11):1231-1238.

an impact on pain,[2] inflammation[3] and bacterial infection.[4] In September, InMed initiated a Phase II trial (755-201-EB) for INM-755 (cannabinol) cream in EB patients. The study is intended to enroll up to 20 EB patients with an anticipated treatment duration of 28 days across 13 sites in eight countries (see Exhibit 6 – Germany, France, Italy, Austria, Greece, Israel, Spain and Serbia). The study will use a within-patient, double-blind design whereby matched index areas will be randomized to be treated with either INM-755 or a vehicle cream as control. The trial will evaluate the safety of INM-755 and its efficacy in treating symptoms and wound healing. Patients with all four subtypes of EB (inherited, EB simplex, dystrophic EB, junctional EB and Kindler syndrome) are eligible for the trial. Notably, this was the first time CBN had advanced to a Phase II trial to be studied as a therapy for treating a disease. Enrolment began in December 2021 and is expected to be completed in CY22.

InMed's earlier Phase I trials were 755-101-HV (two dosages of cream on 22 healthy volunteers) and 755-102-HV (eight healthy volunteers with small wounds) and INM-755 appeared to be safe and well tolerated on volunteers with intact skin and/or epidermal wounds. Importantly, these trials showed no systemic or serious side effects, which is vital in topical therapies, especially cannabinoids like INM-755 cream.

Exhibit 5: Infant with dystrophic EB

Source: InMed

Exhibit 6: Enrollment locations

Source: InMed

INM-088 for glaucoma: Recent data from peer-reviewed journal

InMed is also developing INM-088 as a treatment for glaucoma, the leading cause of irreversible blindness globally and one that this author suffers from. Glaucoma is a group of eye diseases often caused by high intraocular pressure (IOP) that can result in nerve damage and permanent vision loss. As we discussed in our earlier note, worldwide there are about 64 million glaucoma sufferers, 3.4 million of whom are in North America, 6.8 million in Europe and 39 million in Asia. Fortune Business Insights estimated the glaucoma therapeutics market at US$6.6bn worldwide in 2019,

[2] Zygmunt et al., Δ9-Tetrahydrocannabinol and Cannabinol Activate Capsaicin-Sensitive Sensory Nerves via a CB1 and CB2 Cannabinoid Receptor-Independent Mechanism. *Journal of Neuroscience*. 1 June 2002, 22 (11) 4720-4727.

[3] Jan et al., Attenuation of the ovalbumin-induced allergic airway response by cannabinoid treatment in A/J mice. *Toxicology and Applied Pharmacology*, 188 (2003), 24–35.

[4] Appendino et al., Antibacterial Cannabinoids from Cannabis sativa: A Structure−Activity Study. *Journal of Natural Products*, 2008 71(8), 1427–1430.

growing at a CAGR of 6.1% through 2027. Market Scope estimated the US market, after all discounts and rebates, at over US$2bn in 2019, and Nicox[5] has estimated total US prescriptions for glaucoma medications (TRx) at more than 35m annually.

The main goal of treating glaucoma is to lower IOP, and there are seven key classes of therapies in the market, as displayed in Exhibit 7. Most work by either increasing drainage or decreasing fluid production. However, these could have issues with adverse side effects as the different drugs have different side effect profiles and patient compliance can be a challenge for some patients, especially when the regimen calls for multiple drops to be taken daily. Research into cannabinoids as a treatment for glaucoma has been done since the 1970s, with various studies showing mixed results. However, research has indicated that the mechanism could be through CB1 receptors in the eye, which when targeted properly may decrease aqueous humor production and/or improve drainage. Topical administrations have been attempted, but cannabinoid's highly lipophilic features with low water solubility makes their intraocular bioavailability low.

Importantly, recent in vivo animal data for INM-088 indicated a significant lowering of IOP at days seven and 17 compared to the vehicle treated group. In December, InMed announced that a peer-reviewed scientific article was published in Biochimica et Biophysical Acta, a leading international journal. The studies demonstrated that CBN was effective at reducing IOP in glaucoma models, outperforming several other naturally occurring cannabinoids, and may promote neuroprotection of retinal ganglion cells that are responsible for vision.

Currently, InMed is continuing to set up a larger-scale drug manufacturing progress (combining CBN and the MiDrops delivery technology from EyeCRO), with the resulting products used to support upcoming good laboratory process studies, expected to commence in mid-CY22. InMed is also completing dose-ranging studies and conducting topline clinical study design work. Finally, it is preparing for a pre-IND meeting with the US FDA in Q2 CY22 and expects to apply in H1 CY23 for regulatory permission to initiate human trials.

[5] https://www.nicox.com/wp-content/uploads/EN_Chapter-5-URD-2019-Overview-of-the-activities-_F1.pdf, accessed 18 April 2022.

Exhibit 7: Glaucoma treatment landscape

Drug class	Examples	Comments
Prostaglandins	latanoprost (Xalatan, Pfizer), bimatoprost (Lumigan, Allergan), travoprost (Travatan, Alcon), latanorostene bunod (Vyzulta, B+L/Nicox)	Reduce IOP by 28–33% (though may take three to five weeks to reach maximum IOP lowering) by relaxing muscles in the eye's interior structure to allow better outflow of fluids through the uveoscleral pathway. Adverse events include redness and stinging, change of eye color, change in the pigment of the eye lashes or eyelid skin, lengthening and curling of the eyelashes, reactivation of herpes infection in the cornea and uveitis.
Beta-blockers	timolol (Timoptic XE, Merck), betaxolol (Betoptic S, Alcon)	Reduce IOP by 20–30% by decreasing fluid production in the eye; typically additive to most IOP lowering agents. May exacerbate obstructive pulmonary diseases, slows heart rate and lowers blood pressure. Not recommended in patients with life-threatening depression. Betoptic tends to be the best tolerated drug in this class but at the expense of efficacy.
Alpha-adrenergic agonists	apraclonidine (Iopidine, Alcon), brimonidine (Alphagan, Allergan)	Reduce IOP by 20–30% by decreasing rate of aqueous humor production (Iopidine and Alphagan) and increasing drainage (Alphagan). Adverse events include irregular heart rate, high blood pressure, fatigue and red, itchy or swollen eyes. Also there is a high rate of allergy with Iopidine, which limits its use in chronic treatment.
Carbonic anhydrase inhibitors	dorzolamide (Trusopt, Merck) and brinzolamide (Azopt, Alcon).	Eyedrops typically reduce IOP by 15–22%. They work by decreasing the rate of aqueous humor production. Adverse events from eye drops include stinging, burning, eye discomfort and corneal edema. Adverse events from oral versions include tingling hands and feet, fatigue, decreased libido, depression, stomach upset, memory problems and frequent urination (from pill form).
Parasympathomimetics or cholinergic agents	Pilocarpine, carbachol	Reduce IOP by 15–25% by increasing the outflow of aqueous humor from the eye. Adverse events include constriction of the pupils, possible blurred or dim vision, nearsightedness, retinal detachment, intestinal cramps and bronchospasm.
RHO-Kinase inhibitors	Netarsudil (Rhopressa, Aerie Pharma)	Reduce IOP by inhibiting both RHO-Kinase and norepinephrine transporter. Could increase aqueous outflow by reversing structural and functional damage at the trabecular meshwork.[6] Adverse events include conjunctival hyperemia, small conjunctival hemorrhages and cornea verticillate (microdeposits of intracellular phospholipids).
Combinations	Simbrinza, DuoTrav, Combigan, Cosopt, Xalacom, Azarga, Rocklatan	These combine drugs from different classes. For instance, Simbrinza contains two active substances: brinzolamine and brimonidine tartrate. DuoTrav is a combination of travoprost and timolol.

Source: InMed, Canadian Ophthalmological Society

Patent application for treating neurodegenerative disease

InMed continued to expand its patent portfolio with its recent patent application demonstrating neuroprotection using a rare cannabinoid for the treatment of various neurogenerative diseases. This could potentially treat conditions such as Alzheimer's disease, Parkinson's disease, etc, and is part of InMed's strategy of pharmaceutical drug development for researching and developing rare cannabinoids as potential therapies for diseases with high unmet medical needs.

This patent also enhances InMed's existing portfolio, which includes 12 patent families, seven of which address manufacturing technologies and five of which focus on products and formulations. Moreover, with its acquisition of BayMedica, InMed expanded its product portfolio to cover additional biosynthetic pathways and semi-synthetic production of natural rare cannabinoids and cannabinoid analogs.

Rare analog strategy should boost pharma strategy

Through its BayMedica subsidiary, InMed now has an extensive library of rare cannabinoid analogs. This library is aimed to boost INM's pharma strategy of researching and developing rare cannabinoids as potential therapeutics across diverse clinical applications and for diseases with high unmet medical need. As management explained, 'Expanding our patent portfolio to include, in addition to cannabinol (CBN), an incremental rare cannabinoid for the potential treatment of major neurodegeneration indications demonstrates our continued commitment to our pharmaceutical programs and the potential of rare cannabinoids in medicine.'

On 28 April 2022, InMed further expanded its portfolio with the publication of a patent application in North America for several cannabinoid analogs. If granted, it allows for the creation of several variations of novel cannabinoid compounds, producing a library of proprietary new chemical

[6] Novel Addition for IOP Reduction, https://glaucomatoday.com/articles/2017-sept-oct/novel-addition-for-iop-reduction, accessed 9 March 2022.

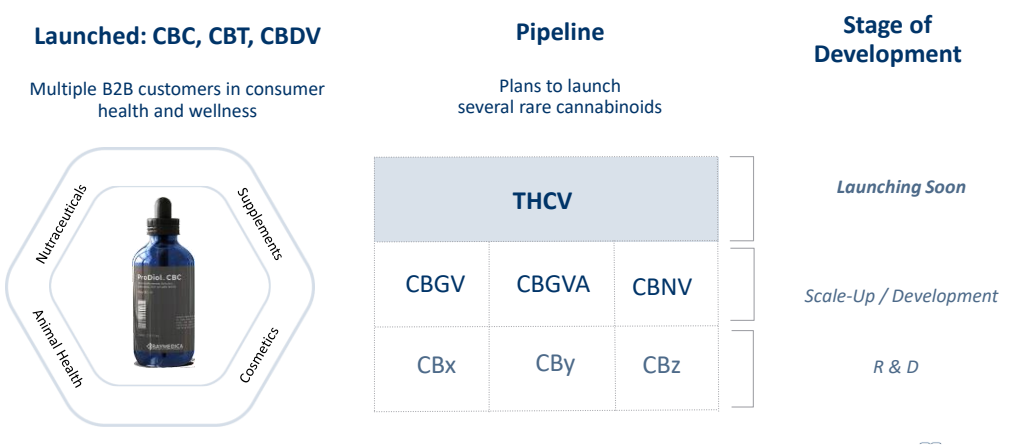
entities. These are expected to offer similar or improved therapeutic effects compared to their parent (naturally occurring) cannabinoid with modifications that may make them preferred candidates to treat specific diseases. In effect, this patent would expand INM's library of proprietary analogs for pharma R&D.

In the same release, INM announced the initiation of a research collaboration with the Department of Biotechnological and Applied Clinical Sciences, University of L'Aquila (Italy), in the laboratory of Dr Mauro Maccarrone, an international expert in cannabinoid research. Dr Maccarrone's lab will be screening InMed's novel cannabinoid analogs to investigate pharmacological properties and potential therapeutic uses.

Health and wellness product launches to watch in H1 CY22

InMed has extended its focus towards the health and wellness market with several product launches in H1 CY22. In January, INM announced B2B sales of CBT into the health and wellness sector, launched CBDV in Q2 of CY22, and plans to launch THCV in Q2 of CY22, as shown in Exhibit 8. Inbound demand for these products has increased and management's goal is to be a leading large-scale supplier of high-quality rare cannabinoids in the health and wellness markets with four rare cannabinoids available in H1 CY22 (CBC, CBT, CBDV and THCV).

Exhibit 8: A robust pipeline of rare cannabinoids for consumer health and wellness



Source: InMed Pharmaceuticals

These products are produced commercially via chemical synthesis, though the company has made them all via other methods at non-commercial scale. Furthermore, InMed may switch to biosynthesis depending on demand. At current production quantities, chemical synthesis is more economical, but as demand grows and additional scale is required, biosynthesis may become the preferred option, depending on several variables.

CBC: Revenue from current commercial product

INM's BayMedica subsidiary indicates that it is currently the global leader in large batch (about 200kg per production run, but with the ability to scale up to metric tons, produced at greater than 95% purity) supply of CBC, a rare non-intoxicating cannabinoid. BayMedica's CBC products are sold primarily in North America but have also been sold internationally through external distributors. Moreover, InMed is further evaluating its international strategy. As we mentioned in our previous note on BayMedica, preclinical studies have shown CBC's ability to inhibit the growth of cancer cells, block pain, potentially promote brain health, combat depression and inhibit acne. BayMedica

currently markets its ProDiol CBC product to consumer health and wellness firms and it is sold wholesale B2B.

CBT: Product launch in health and wellness

CBT is an ultra-rare cannabinoid and degradation product of CBC. There is little research on CBT though, aside from a study over 35 years ago by Dr Mahmoud ElSohly that found it reduced intra-ocular pressure in rabbits, implying that it could possibly be a treatment for glaucoma and similar conditions. BayMedica's CBT products are sold primary in North America but have the ability to be sold internationally through external distributors. Importantly, CBT demonstrated InMed's capability to produce another rare cannabinoid at larger, commercial scale, which management believes few other companies have been able to accomplish.

Future demand growth will likely be driven by R&D by InMed and other pharmaceutical firms on the health benefits of rare cannabinoids such as CBT, and its eventual inclusion into oils, tinctures, etc. Forecasting future CBT sales is difficult, and management described it as a 'wildcard', as its market is still immature with most sales being transaction oriented rather than long-term contracts. Management disclosed that BayMedica's cumulative revenues were US$2.4m for the 21-month period ending 30 September 2021. Assuming that all were for CBC, then we assume that CBT sales will follow a similar run-rate.

CBDV and THCV: New products for Q2 CY22

Commercial scale production of CBDV is ongoing, while THCV is planned for Q2 CY22 and management expects both to contribute significantly more revenues than CBT. Furthermore, compared to CBT, both CBDV and THCV have substantially more data supporting their potential health benefits, with dozens of peer reviewed publications, implying potentially a larger addressable market, stronger demand and higher margins. For instance, as we noted previously, CBDV is being investigated by GW Pharmaceuticals (acquired by Jazz Pharmaceuticals in May 2021) in a number of indications, and there are ongoing trials in autism and Prader-Willi syndrome. THCV has been shown in preclinical studies to have an impact on obesity,[7] epilepsy[8] and Parkinson's disease,[9] and human clinical trials demonstrated its potential to improve glycemic control in Type 2 diabetes. Note that THCV is a non-intoxicating product that works quite differently from THC, which is the most abundant cannabinoid and responsible for the euphoric feeling.

Management expects to produce large-scale batches of these compounds in the next few months to meet anticipated demand. Both products are considered high-value cannabinoids, and management believes that while prices are coming down as more competitors enter the market,[10] they are still being sold B2B at prices of about US$20–30k/kg. For instance, THCV is currently being marketed by many firms to help with appetite suppression and with the increase in supply, price pressures are increasing and affecting overall margins. While management has not disclosed its cost to produce each, it believes it should decrease with scale and greater manufacturing efficiencies. Nonetheless, management expects both should generate a positive gross margin from initial sales. Like CBT, they will be initially produced via chemical synthesis using third-party manufacturers. However, as they scale up, they may be manufactured via other approaches (as the

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7 Riedel et al., Synthetic and plant-derived cannabinoid receptor antagonists show hypophagic properties in fasted and non-fasted mice. *British Journal of Pharmacology* (2009), 156, 1154–1166.

8 Dos Santos et al., Phytocannabinoids and epilepsy. *Journal of Clinical Pharmacy and Therapeutics* 2015, 40, 135–143.

9 Garcia et al., Symptom-relieving and neuroprotective effects of the phytocannabinoid Δ⁹-THCV in animal models of Parkinson's disease. *British Journal of Pharmacology* 2011 Aug;163(7):1495-506.

10 https://emeraldspiritbotanicals.com/?page_id=283, https://www.rarecannabinoidco.com/worlds-first-pure-thcv-product-now-for-sale-online, https://tooslick.com/top-thcv-wholesale-vendors.

combined company has capabilities and flexibility across multiple manufacturing methods and the ability to scale up based on demand) leveraging its network of third-party manufacturers, depending on factors such as costs, capex requirements and yields.

To support these project launches and further grow the pipeline, InMed is building out its sales and infrastructure team, including hiring Gerard (Jerry) P Griffin III as VP of sales and marketing. In this role, he will oversee commercializing BayMedica's health and wellness business, including the launch of new rare cannabinoids such as CBDV and THCV.

Cannabinoid market: Legislation and increased consumer acceptance driving growth

The cannabis and cannabinoid markets are growing rapidly, reaching global sales of US$21.3bn in 2020, soaring c 50% over 2019, and are forecasted to reach US$55.9bn by 2026 according to BDSA. Furthermore, US cannabis sales are expected to be US$41bn by 2026, and a recent Edison study estimated a c US$30bn NPV market for cannabinoid biosynthesis.

The addressable market for cannabinoids is large and getting even larger, driven by changes in legislation and increased consumer acceptance. Across the United States and the world, legislation regarding cannabis and cannabinoid products is increasing, with it becoming legal in an increasing number of jurisdictions. Medical cannabis is legal in most US states (36 states, four territories as of June 2021), though this is different from the very few cannabis-derived or synthetic cannabis-related FDA-approved drugs requiring a prescription from a licensed healthcare provider. Furthermore, about 20 states have legalized cannabis for recreational use, with legal sales in the US reaching US$17.5bn in 2020, growing 46% y-o-y. Canada is also a North American market to watch, as it legalized recreational marijuana in 2018, legal cannabis sales were c US$2.6bn in 2020, and BDSA estimates it should grow to nearly US$4.6bn in 2026.

Consumer demand is also increasing for non-psychoactive cannabinoid extracts, including rare cannabinoids thought to have health and wellness properties. In fact, the stigma associated with cannabis and related extracts is falling, and cannabinoid-consumer products can be found on shelves in many stores, ranging from local grocery stores to big-box retailers. Shoppers can choose from a wide range of goods, from food and drink, beauty and skincare products, cleaning products and detergents.

While the cannabinoid demand is increasing, growing and producing cannabis can be challenging as cannabis is both literally and figuratively a weed. Traditional cannabis production using fields or greenhouses can be costly and labor intensive and have a significant environmental impact. It can be affected by weather, pests and plant-disease, all of which bear upon harvest yields, costs and final quality. Importantly, this traditional method also does not generate active pharmaceutical grade cannabinoids needed to meet pharmaceutical industry standards. Traditional methods also only have a three-month growing season and even for indoor cultivation with four to six harvests per year, the cannabinoid content can vary by up to 300% from harvest to harvest.

Plant extraction is the most common production method for cannabinoids, and once harvested, the active ingredients (eg CBD, THC, etc) must be isolated in a multi-step, chemical-solvent extraction method, which can be a difficult, complex process. Unfortunately, extracting cannabinoids with traditional methods is a low-yield process, as the cannabis plant contains about 2–5% THC and CBD, with miniscule amounts (0.1%) of the many rare cannabinoids such as CBT, THCV, CBDV and CBN. Therefore, about 95% of the plant is wasted.

As will be discussed below, chemical and biosynthesis are two other means of manufacturing cannabinoids, though each has its own pros and cons compared to plant extraction. Cannabinoid

biosynthesis uses simple living organisms such as yeast or bacteria such as *E. coli* to produce these compounds at scale, and several firms are working to scale products up to commercial size, including InMed and Cronos (partnering with Gingko Bioworks).

A more comprehensive view of the cannabinoid synthesis industry was discussed in a prior Biosynthesis report. We also presented an overview of the competitive landscape, displaying key players in cannabinoid biosynthesis. Major companies include Cronos Group, Creo, Demetrix and Hyasynth Bio and InMed; see Exhibit 9 for the complete list.

Exhibit 9: Key firms at or approaching commercial scale production in cannabinoid biosynthesis

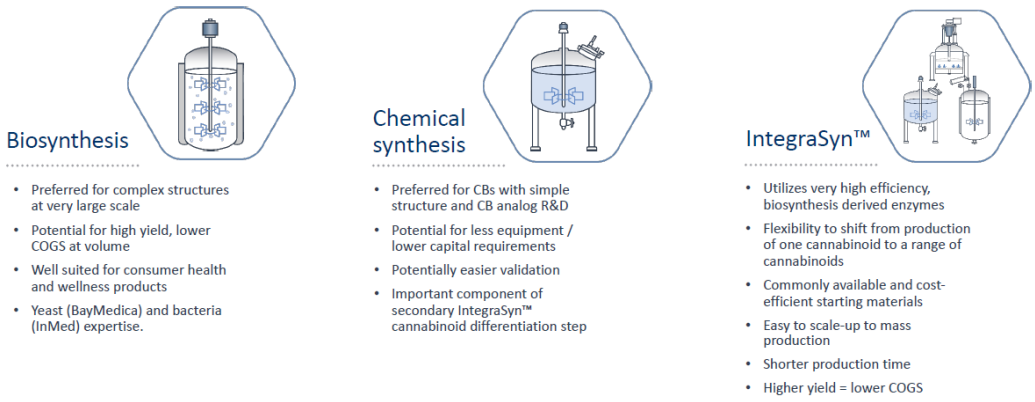
Company	Partner	Cannabinoid	Production method	Organism
Cronos Group (Canada)	Ginkgo Bioworks (US)	CBG	Biosynthesis	Yeast
Creo (US)	Genomatica (US)	CBG	Biosynthesis	Bacteria
Demetrix (US)		CBG	Biosynthesis	Yeast
Lygos (US)	Librede (US)	CBG, CBC, CBN, CDB	Hybrid	Yeast
Willow Biosciences (Canada)	Purisys (US)	CBG	Biosynthesis + chemical synthesis	Yeast
LAVVAN (US)	Amyris (US)	CBG	Biosynthesis	Yeast
InMed (Canada)/ BayMedica (US)*		Various, including CBN, CBC, CBT, CBDV, and THCV	Enzymatic biotransformation, Biosynthesis, chemical synthesis	Enzymes, bacteria, yeast
Cellibre (US)		CBG	Biosynthesis	Non-traditional
Renew Biopharma (US)		Novel PPARγ targeting	Biosynthesis	Yeast and microalgae
Hyasynth Biologicals (Canada)	Investment from Organigram Holdings (Canada)	THC, CBD, CBG, CBDA	Biosynthesis	Yeast
CB Therapeutics (US)		CBG, CBC, CBT	Biosynthesis + biocatalysts	Yeast

Source: Edison Investment Research. Note: As of July 2021. *As of February 2022.

Flexibility with a variety of manufacturing methods

With the BayMedica acquisition, InMed now has access to a variety of manufacturing methods, including combined fermentation and chemical synthesis, and enzymes for biotransformation. InMed has multiple avenues to select the most effective manufacturing method based on the target cannabinoid and appropriate quality specifics for its target market segment. Exhibit 10 provides an overview of these various manufacturing methods and we note that no one manufacturing approach fits all applications. For instance, when small-batch volumes or ad-hoc orders are needed, chemical synthesis is often the preferred method, while biosynthesis can be more efficient for planned deliveries or larger volumes.

Exhibit 10: Overview of manufacturing methods



Source: InMed

Combined fermentation and chemical synthesis

BayMedica provides experience and capabilities in the use of chemical synthesis and yeast biosynthesis to manufacture cannabinoids, while InMed provides the ability to use *E. coli* (bacteria) for cannabinoid manufacturing through its IntegraSyn platform.

BayMedica's platform bioengineers baker's yeast so that it can biosynthesize cannabinoids, which are isolated and purified. However, BayMedica does not stop there. It also leverages its chemical synthesis experience to further modify these cannabinoids. These modifications allow for the creation of novel chemical entities that are subtlety different from naturally occurring cannabinoids but may have unique and pharmaceutically useful properties. As a result of its experience in chemistry, BayMedica can be agile in its approach to manufacturing. Depending on the scale and cannabinoid being produced, it can be more efficient and cost-effective to produce it by complete chemical synthesis, biosynthesis or a combination of the two.

Enzymes for biotransformation

InMed has developed a proprietary fermentation process involving bacteria instead of yeast, and it refers to this as IntegraSyn. This modular process begins with the fermentation of bioengineered *E. coli* to biosynthesize specific proprietary enzymes, rather than a cannabinoid. These enzymes are subsequently used to perform enzymatic transformations on chemical substrates to produce rare cannabinoids, which can be separated and purified.

Unlike typical fermentation systems, the initial fermentation step does not produce cannabinoid. Additionally, the fermented enzyme can be used in the biotransformation of multiple cannabinoid products. This makes the whole process more flexible, meaning that the production can be shifted from one cannabinoid to another when there is need to. InMed Pharmaceuticals also reports that the IntegraSyn process is 50% faster than yeast-based biosynthesis, which typically takes five to 10 days. It also states that the enzyme biotransformation process provides higher yields than traditional biosynthesis or chemical synthesis of several cannabinoids.

Valuation

We have evaluated three scenarios in our risk-adjusted NPV analysis for InMed: a base case, a bear case and a bull case. The primary drivers for each scenario are described below and summarized in Exhibit 11:

- Given the early stage of InMed's proprietary pipeline, a significant amount of its valuation stems from its biosynthesis platform, which targets a sizable and growing market for rare cannabinoids. In our evaluation, we considered three scenarios where InMed could achieve various penetration rates of its addressable market if the process is successfully validated and scaled to commercial levels.
- We evaluated the level of market penetration InMed's EB treatment could achieve.
- We forecast the rates at which the recent and upcoming cannabinoid health & wellness product launches would grow, based on a variety of growth rates, markets and pricing levels.

Exhibit 11: Primary scenario drivers

Scenario	CBC growth as % of overall market growth rate*	CBT sales as % of CBC sales	CBDV/THCV growth rates as % of CBD market growth rate	EB market penetration in US/Europe	Biosynthesis manufacturing market share
Base	100%	25%	100%	5%	5%
Bear	75%	20%	75%	3%	3%
Bull	125%	30%	125%	10%	10%

Source: Edison Investment Research. Note: *Market growth rate of cannabinoids in general.

Furthermore, based on discussions with management, we expect that INM will launch new cannabinoid products in the health & wellness sector across the next several years. As a result, we forecast one product launch per year from 2023–26 with sales similar in magnitude and profitability to the recent launches. We also forecast an increase in the anticipated SG&A spend to support the product launches and international expansion.

Our base case valuation is US$6.0 per basic share or a company value of US$85m (see Exhibit 12), while the bull and bear valuations are US$16.0 per basic share (US$227m) and US$1.5 per basic share (US$21m), respectively. The base scenario implies an upside of more than five times, while the bull and bear scenarios imply 1,680%+ and 62% upside, respectively.

Note that this differs from our previous method of using only one scenario, where we had valued InMed at US$290m or US$20.5 per basic share. Our revised valuation methodology reflects updates to our market share penetration rates and estimated margins on Biosynthesis manufacturing and INM-755 due to several factors, including increasing price pressures and growing competition, which affected peak sales for the biosynthesis business, and rNPV estimates. An example of the pricing pressures facing the whole cannabinoid market is in products like CBDV/THCV, which had been reaching about US$30k/kg in 2021 but now management is seeing prices fall to about US$15k/kg. Note that our INM-755 peak sales estimates have been reduced because we have revisited our assumptions and applied mildly more conservative market penetration rate forecasts and reduced our longer-term price growth assumptions. Furthermore, our updated approach is also due to the addition of the BayMedica subsidiary, especially its product launches, as well as changes in net cash and the share count.

Exhibit 12: InMed valuation (base case)

Program	Stage	Probability of success	Launch year	Peak sales (US$m)	rNPV (US$m)
Biosynthesis (manufacturing)	Development	23%	2024–25	293	22
INM-755	Phase II	20%	2026	275	48
Cannabinoid Health & Wellness Products	Various	N/A	Ongoing	20	22
Less Associated SG&A Spend					(17)
Total					75
Net cash and equivalents (as of 31 December 2021) (US$m)					10
Total firm value (US$m)					**85.0**
Total basic shares (m)					14.1
Value per basic share (US$)					**6.0**
Options and warrants (m)*					8.4
Total diluted shares (m)					22.5
Cash from exercise of options and warrants (US$m)					33.2
Value per diluted share (US$)					5.2

Source: Edison Investment Research. Note: *Assuming all options and warrants are converted/exercised.

As mentioned earlier, on 7 April 2022 InMed announced a US$4.25m ATM facility with W. C. Wainwright & Co. As it is not fully exercised yet, we are not including its impact in our valuation. However, if one assumed the ATM is fully exercised at the recent share price of US$0.96 per basic share and using the base case valuation, that would increase the total firm value to US$89m but raise the share count by about 4.4m shares. Overall, the base case firm value per share would fall to US$4.8 per basic share.

Financials

InMed's latest financial results for Q222 were the first to include the impact of the BayMedica acquisition, with sales of US$0.3m, all from BayMedica's CBC commercial sales. InMed reported a net loss of US$4.3m in Q222, up from a loss of US$3.0m in Q122 due to increased R&D and SG&A

from the inclusion of BayMedica. We expect the losses to continue in the near term as the company advances its manufacturing platform and proprietary pipeline.

In our base case, we forecast FY22e and FY23e revenues of US$1.8m and US$10.2m, respectively, consisting of sales of CBD, CBT, CBDV, THCV and a new product launched in FY23e. We have raised our expense estimates (especially R&D and SG&A) to account for the combined firm and forecast reported net losses of US$14.8m and US$13.9m in FY22e and FY23e. We also introduce FY24 forecasts, with our base case estimating sales of US$12.1m and normalized operating losses of US$13.0m.

InMed had US$10.3m of net cash and marketable securities (including debt and financial leases) as of 31 December 2021, boosted by the US$12m private placement (890k shares and 7.2m warrants) in July 2021. As previously discussed, InMed recently announced a US$4.25m ATM facility to raise further capital, though we are not including its potential impact in our model given that it is not yet fully exercised.

Given the continuing losses, we expect the cash on hand to last into FY23e, though we believe that future capital raises will be needed. We are estimating these raises at US$12m in both FY23e and FY24e and are assuming this as illustrative debt though it could be equity. This compares to our previous funding estimate of US$11m in FY23e, with the FY24e raise estimate introduced in this note. After FY24e, we foresee a total of c US$6–10m of additional capital needed, likely in FY25e, until the company becomes self-sustaining. Furthermore, we forecast it generating a positive, recurring free cash flow by FY26e.

The primary effects of the BayMedica acquisition on InMed's balance sheet were the increase in intangible assets (up from US$1.1m in FY21 to US$4.4m in FY22e), the addition of in process R&D (US$1.3m in FY22e) and an increase in accounts payable (from US$2.1m in FY21 to US$3.5m in FY22e).

Sensitivities

Our analysis and valuation of InMed faces several sensitivities:

- **IntegraSyn** process – InMed needs to show that its IntegraSyn process can manufacture rare cannabinoids in a cost-effective way and efficiently scale them up to commercial levels, compared to the plant-based and synthetic processes. Moreover, some cannabinoids may be able to be manufactured cost-effectively while others may not, which could have an impact on the size of the total addressable market. As much of InMed's estimated value originates from commercializing this process, variations in timing or quantities could significantly affect its long-term value.
- **Uncertain demand** – The health and wellness markets that INM is targeting are immature, and it is difficult to estimate long-term market demand, volumes and timing for its various products, especially for its recent sales (CBC, CBT and CBDV) as well as upcoming launches (eg THCV). Furthermore, most of its existing sales (ie CBC and CBT) were transaction oriented and management has not disclosed individual product margins, making it challenging to estimate long-term pricing trends.
- **Development and regulatory risk –** InMed's proprietary therapeutic drug pipelines are at various stages of development, with some products at preclinical stages (glaucoma treatment) and others further in human trials but not yet at proof-of-concept (Phase II for EB). In addition to development risks relating to product safety and/or efficacy, if product development and timing do not occur as projected, it could have an impact on InMed's valuation. The commercial opportunities for these products will be heavily dependent on the safety and efficacy results of ongoing studies as well as the ability to scale them up cost-efficiently. If safety concerns

emerge with the INM-755 trials, it could significantly affect our valuation. Furthermore, regarding glaucoma, there is some data suggestive of efficacy for cannabinoids, but it has been challenging to formulate them for topical use due to their lipophilic nature.

- **Commercial risk** – InMed also faces risks relating to competitors' products. If competitive alternative drugs present with superior efficacy or therapeutic profiles, this would affect INM's therapeutic products' market share. For instance, many alternatives exist for glaucoma treatments, and InMed's glaucoma drug would need to differentiate itself from other drops. Commercial risk also relates to the need for effective marketing and commercialization initiatives to reach optimal product penetration, especially relating to INM's recent and upcoming health and wellness product launches.
- **Financing risk –** We forecast US$24m in additional financings before the end of FY24e. Difficulties or challenges in obtaining funds could have an impact on the timing or progression of InMed's development programs. If INM's revenues are lower than forecast or expenses are above our expectations, it may need to raise further capital. While our model accounts for the financing(s) in FY23e and 24e as long-term debt, the company may need to issue equity instead, at pricing that may not be favorable for current shareholders and could lead to significant dilution.

Exhibit 13: Financial summary

US$'000s	2020	2021	2022e	2023e	2024e
Year end 30 June	US GAAP	US GAAP	US GAAP	US GAAP	US GAAP
PROFIT & LOSS					
Revenue	-	-	1,766	10,191	12,078
Cost of Sales	-	-	(1,244)	(7,814)	(8,826)
Gross Profit	-	-	523	2,377	3,252
Research and development	(5,811)	(5,338)	(8,007)	(8,327)	(8,661)
Selling, general & administrative	(3,227)	(4,479)	(7,107)	(7,191)	(7,386)
EBITDA	(9,038)	(9,817)	(14,591)	(13,141)	(12,795)
Operating Profit (before amort. and except.)	(9,151)	(9,938)	(14,769)	(13,324)	(12,981)
Intangible Amortisation	-	-	-	-	-
Exceptionals/Other	82	(163)	(59)	(59)	(59)
Operating Profit/(Loss)	(9,069)	(10,101)	(14,828)	(13,383)	(13,040)
Net Interest and financial expense	130	(344)	18	(472)	(1,502)
Other (change in fair value of warrants)	-	243	-	-	-
Profit Before Tax (norm)	(9,021)	(10,283)	(14,751)	(13,795)	(14,483)
Profit Before Tax (GAAP)	(8,939)	(10,203)	(14,810)	(13,854)	(14,542)
Tax	-	-	-	-	-
Deferred tax	-	-	-	-	-
Profit After Tax (norm)	(9,021)	(10,283)	(14,751)	(13,795)	(14,483)
Profit After Tax (GAAP)	(8,939)	(10,203)	(14,810)	(13,854)	(14,542)
Average Number of Shares Outstanding (m)	5.2	6.7	13.5	14.3	14.9
EPS - normalised (US$)	(1.73)	(1.53)	(1.09)	(0.96)	(0.97)
EPS - GAAP (US$)	(1.71)	(1.52)	(1.10)	(0.97)	(0.98)
Dividend per share (c)	-	-	-	-	-
Gross Margin (%)	NA	NA	29.6%	23.3%	26.9%
EBITDA Margin (%)	NA	NA	NA	NA	NA
Operating Margin (before GW and except.) (%)	NA	NA	NA	NA	NA
BALANCE SHEET					
Fixed Assets	1,490	1,403	6,851	6,851	6,851
Intangible Assets	1,087	1,062	4,424	4,424	4,424
Tangible Assets	403	327	1,069	1,069	1,069
In Process R&D	0	0	1,249	1,249	1,249
Other	0	15	109	109	109
Current Assets	6,312	8,378	5,497	4,825	3,365
Stocks	0	0	989	1,000	1,000
Debtors	45	12	400	650	900
Cash	5,848	7,410	3,967	3,034	1,325
Other	419	957	141	141	141
Current Liabilities	(1,676)	(2,215)	(4,701)	(5,091)	(5,350)
Creditors	(1,607)	(2,135)	(3,500)	(3,850)	(4,100)
Short term borrowings	0	0	0	0	0
Finance lease obligations	(69)	(80)	(392)	(392)	(392)
Other	0	0	(809)	(849)	(858)
Long Term Liabilities	(248)	(189)	(599)	(12,599)	(24,599)
Long term borrowings	0	0	0	(12,000)	(24,000)
Other long term liabilities	0	0	0	0	0
Finance lease obligations	(248)	(189)	(599)	(599)	(599)
Net Assets	5,878	7,377	7,048	(6,014)	(19,732)
CASH FLOW					
Operating Cash Flow	(7,375)	(10,151)	(13,215)	(12,861)	(14,652)
Net Interest	0	360	0	510	1,530
Tax	0	0	0	0	0
Capex	(43)	(2)	(308)	(582)	(587)
Acquisitions/disposals	0	0	0	0	0
Equity Financing	(31)	10,855	10,706	0	0
Dividends	0	0	0	0	0
Other	1	0	92	0	0
Net Cash Flow	(7,448)	1,062	(2,725)	(12,933)	(13,709)
Opening net debt/(cash), not incl. leases	(13,784)	(5,848)	(7,409)	(3,967)	8,966
HP finance leases initiated	0	0	0	0	0
Exchange rate movements	416	(495)	0	0	0
Other	(905)	994	(717)	0	0
Closing net debt/(cash), not incl. leases	(5,848)	(7,409)	(3,967)	8,966	22,675
Closing net debt/(cash), incl. leases	(5,531)	(7,140)	(2.977)	9,956	23.665

Source: InMed Pharmaceuticals, Edison Investment Research

Contact details	Revenue by geography
#340-200 Granville Street Vancouver, BC Canada V6C 1S4 +1.604.669.7207 www.inmedpharma.com	N/A

Management team

President and CEO: Eric Adams, MIBS	SVP and general manager BayMedica: Shane Johnson, MD
Mr Adams has over 25 years' experience in company and capital formation, global market development, mergers and acquisitions, licensing, and corporate governance. Mr Adams previously served as CEO at enGene, which he led from a nascent start-up to becoming a venture capital-backed leader in gene therapy. Prior to enGene, he held key senior roles in global market development with QLT (Vancouver), Advanced Tissues Science (La Jolla), Abbott Laboratories (Chicago) and Fresenius (Germany). He previously served as chairman of BIOTECanada's emerging company advisory board.	Dr Johnson's career has focused principally on offering strategic business advisory services to companies in the biotechnology and healthcare sectors. His work has included guiding regulatory strategy, product portfolio assessment and valuations, and product development and launch strategies for companies including Biogen Idec, Amgen and Genentech. He was a principal at Hamilton BioVentures (a life science venture capital firm), an engagement manager at L.E.K. Consulting (an international strategy consulting firm) and held operational roles in several early-stage companies. Dr Johnson holds a BA in studio art, a BS in neuroscience (with honors) from Brown University and an MD from the Stanford University School of Medicine, and was a Fulbright Scholar.
Interim chief financial officer: Brenda Edwards, CPA	**VP of Sales and Marketing: Gerard P Griffin III**
Ms Edwards was appointed as interim CFO, effective 1 April 2022. She has 35+ years' experience with 20+ years as CFO of both private and public companies. She is a member of both the American Institute of CPAs and the Chartered Professional Accountants of Canada. Ms Edwards replaced Bruce Colwill, who retired and stepped down from his position at the company effective 31 March 2022, and will continue to serve as an advisor through to 30 June 2022.	Mr Griffin has extensive experience across various markets and numerous cannabinoid products. He is a seasoned sales executive with extensive hands-on experience in the rapidly expanding cannabinoid industry. He has held several senior positions at both private and public companies, and most recently, he was VP of sales and business development at Creo Ingredients, a biotechnology-based ingredient company that produces rare cannabinoids. Prior to Creo, he was the president of a successful wellness company, overseeing all aspects of a business that develops and distributes cannabinoid-based products.

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