



InMed Pharmaceuticals Inc. (INM)

Investment Thesis

InMed offers a rare microcap combination of real recurring revenue from a commercial rare-cannabinoid business and a de-risking pipeline of cannabinoid inspired small molecule drugs in large, fast-growing markets such as Alzheimer’s disease and age-related macular degeneration.

Company Overview

InMed Pharmaceuticals is a clinical stage pharmaceutical company developing proprietary small molecule therapeutics that act on CBI and CB2 pathways, with programs in Alzheimer’s disease, dry age related macular degeneration and dermatology. Through its BayMedica subsidiary, InMed also manufactures high purity, non intoxicating rare cannabinoids such as CBC, d9 THCV, CBDV and CBTC as ingredients for the health and wellness industry, providing a revenue generating commercial arm that complements its R&D activities.

The Problem & The Solution

The Problem

- Neurodegenerative diseases like Alzheimer’s remain massively underserved, with existing drugs often targeting a single mechanism and delivering only modest benefit.
- Dry age related macular degeneration is a leading cause of vision loss, yet treatment options for the “dry” form are limited.
- At the same time, brands in health and wellness want consistent, THC free rare cannabinoids at scale, but plant extraction is costly, variable and hard to standardize.

The Solution

- InMed is developing a family of proprietary small molecule drug candidates that modulate CBI/CB2 and related pathways, with INM 901 for Alzheimer’s disease, INM 089 for dry AMD and additional programs including INM 755 for epidermolysis bullosa and INM 088 for glaucoma. These candidates aim to provide multi factor neuroprotection, anti inflammatory effects and improved functional outcomes versus single pathway approaches.
- BayMedica, InMed’s commercial subsidiary, supplies bioidentical rare cannabinoids (CBC, d9 THCV, CBDV, CBTC) at scale for B2B customers, solving consistency, purity and supply issues for wellness brands while generating revenue that helps support the pharmaceutical pipeline.

Market Opportunity

InMed sits at the intersection of three attractive markets:

- **Alzheimer’s therapeutics**
 - Global Alzheimer’s therapeutics market was around 4.05 billion dollars in 2022 and is projected to reach over 15 billion dollars by 2030, almost 20 percent CAGR as new disease modifying therapies emerge.
- **Age related macular degeneration (AMD), including dry AMD**
 - The broader AMD market is roughly a 10 billion dollar plus space, with estimates of about 10.1 billion dollars in 2024 and expected growth around 7 percent annually into the 2030s.
- **Cannabinoid and rare cannabinoid based products**
 - The global cannabinoids market was valued at more than 11.5 billion dollars in 2021 and is expected to reach about 63 billion dollars by 2030, driven by over 20 percent CAGR.
 - Within this, cannabinoid based drug discovery and development alone is a roughly 1.3 billion dollar market in 2024 with further growth expected as more cannabinoid based pharmaceuticals advance.

These sizable and growing markets give InMed multiple shots on goal, both on the prescription drug side and in non intoxicating wellness ingredients.

Business Model

- **Pharmaceutical Development**
 - Develop proprietary small molecule drug candidates, initially focused on:
 - INM 901 for Alzheimer’s disease, targeting multiple biological pathways including neuroprotection, neurite outgrowth and reduction of neuroinflammation.
 - INM 089 for dry AMD, aiming to protect retinal nerve cells and improve retinal function in preclinical disease models.
 - Legacy and platform programs such as INM 755 (topical CBN for epidermolysis bullosa), INM 088 (glaucoma) and a library of novel analogs.
 - Potential future monetization through out licensing, partnerships, milestones, royalties and eventual product sales.
- **Commercial Manufacturing (BayMedica)**
 - BayMedica operates as a B2B supplier of high purity, non intoxicating rare cannabinoids used as ingredients in health and wellness products.
 - Revenue comes from sales of CBC, d9 THCV, CBDV and CBTC to brand owners and formulators, with InMed highlighting BayMedica as a leading large batch supplier of CBC.

This dual model provides near term revenue alongside long dated upside from successful drug development.

Competitive Positioning

- **Multi pathway approach in Alzheimer’s disease**
 - INM 901 is designed to address several interconnected aspects of Alzheimer’s pathology, including neuroprotection, neurite outgrowth and neuroinflammation, rather than focusing narrowly on a single pathway. Preclinical data support this multi factor profile, which could complement or differentiate from amyloid centric therapies.
- **Differentiated dry AMD program**
 - INM 089 aims to proactively protect photoreceptors and retinal pigment epithelium, improving functional and pathological measures in preclinical dry AMD models, positioning it within a space that is gaining big pharma interest but still has limited approved options.
- **Integrated rare cannabinoid platform with IP**
 - InMed has built an extensive library of cannabinoid analogs and reports 13 patent families spanning manufacturing, methods of use and formulations of rare cannabinoids, giving potential protection across both drug candidates and manufacturing processes.
- **Revenue generating BayMedica subsidiary**
 - BayMedica provides InMed with an economic engine in rare cannabinoids while many microcap biotechs remain fully pre-revenue. Its position as a leading supplier of non intoxicating rare cannabinoids at scale, with THC free, high consistency ingredients, creates customer stickiness and a channel to launch new molecules.
- **Experienced leadership and recent board upgrades**
 - The company has recently strengthened its board with industry veterans such as Neil Klompas and John Bathery, adding capital markets, deal making and strategic expertise at a time when partnering options and strategic alternatives may be critical.

Financial Snapshot & Traction

Fiscal Year Ended June 30, 2025 (FY2025)

- **Revenue (FY2025):**
 - Total sales of approximately 4.94 million dollars, primarily from BayMedica’s rare cannabinoid business, up about 8 percent year over year.
- **Gross Profit and Margins:**
 - Gross profit of about 1.71 million dollars, reflecting improving contribution from BayMedica as volumes and mix evolve.
- **Profitability:**
 - Net loss of roughly 8.16 million dollars in FY2025 versus 7.68 million dollars in FY2024, consistent with a company investing in its pipeline while beginning to scale its commercial subsidiary.
- **Balance Sheet Health (June 30, 2025):**
 - Cash, cash equivalents and short term investments of about 11.1 million dollars.
 - Total liabilities around 2.1 million dollars with shareholders’ equity of about 13.4 million dollars, suggesting a relatively light debt burden.
 - Management has indicated that existing cash is expected to fund planned operations into the fourth quarter of calendar 2026, subject to revenue and spending assumptions.

First Quarter Fiscal 2026 (quarter ended September 30, 2025)

- **Cash Position:**
 - Approximately 9.3 million dollars in cash and cash equivalents at September 30, 2025.
- **Runway:**
 - Management reiterated its view that available cash, together with expected BayMedica revenues, can support key program milestones for INM 901 and INM 089 into late 2026.
- **Operational Highlights and KPIs:**
 - Successful completion of pharmacokinetic studies in large animal models for INM 901, including the first administration of the oral formulation in large animals, a key IND enabling step.
 - Continued preclinical progress in INM 089 with demonstrated functional and structural improvements in a dry AMD model.
 - BayMedica segment revenue of 4.9 million dollars in FY2025, up 8 percent year over year, indicating sustained customer demand in the rare cannabinoid ingredient market.

Investment Highlights

Two engine model, one ticker:	Revenue generating BayMedica rare cannabinoid business helps offset R&D spend, while the pharmaceutical pipeline in Alzheimer’s and ocular disease provides asymmetric upside if any program reaches clinical proof of concept or secures a partnership.
High value therapeutic focus in Alzheimer’s and AMD:	INM 901 and INM 089 are aimed at large, growing markets where even niche or adjunctive therapies can support significant peak sales and attract strategic interest from larger pharma.
De risking milestones already delivered:	Large animal PK success for INM 901, prior Phase 2 experience with INM 755 and compelling dry AMD preclinical data for INM 089 provide a growing body of evidence that the platform can generate clinically relevant molecules.
Defensible IP and scalable chemistry:	An extensive library of cannabinoid analogs plus 13 patent families in manufacturing and methods of use strengthens InMed’s negotiating position for future deals and supports a pipeline beyond current lead assets.
Board and capital structure positioned for strategic options:	Recent board additions with deep biotech and finance backgrounds, combined with previously raised capital and a relatively low liability base, give management flexibility to pursue partnerships, out licensing or other strategic transactions.

The Vision

InMed aims to become a leading developer of cannabinoid inspired small molecule therapeutics for high unmet need indications in neurology, ophthalmology and dermatology, while using its BayMedica subsidiary to anchor the business with recurring revenue and manufacturing know how. If management continues to convert preclinical data for INM 901 and INM 089 into clinical stage assets, and simultaneously expands BayMedica’s portfolio of rare cannabinoids and customers, the company could evolve from a niche microcap into a platform that participates meaningfully in the next generation of cannabinoid based medicines and wellness ingredients.