



31 May 2022

ASX Announcement
Chairman's address to AGM

2021 was a year of substantial change for InhaleRx Limited ('InhaleRx', 'IRX' or 'the Company').

Change affected the Company in a number of significant ways during the course of the 2021 year:

- 1) Firstly and most importantly, the Company shifted its strategy and focus towards developing inhalation medicinal therapies;
- 2) Secondly, a new board of directors was appointed in July 2021 to lead the new strategy;
- 3) Thirdly, in recognition of the change in strategic focus, the Company's name changed from Lifespot Health Limited on 6th October 2021;
- 4) Fourthly, there was a change in management late in the year with the resignation of our CEO, Mr Matthew Golden, and the appointment of my board colleague, Mr Darryl Davies, as executive director.

Whilst InhaleRx has continued to develop and market our Medihale device for dispensing inhaled medications during the 2021 year, the Company also identified a number of serious medical conditions for which:

- 1) there are no current effective medical treatments; and
- 2) an inhaled drug-medical device combination would be potentially effective.

This in turn has led to our current focus – which is on developing treatments for two significant medical conditions: chronic regional pain syndrome (CRPS) and panic disorder (PD).

Our Executive Director, Darryl Davies, will elaborate further on these opportunities shortly.

InhaleRx's specific strategic intent is now to develop novel drug device combinations based on THC (for CRPS) and CBD (for PD) in pressurised metered dose inhalers (PMDI) for rapid onset symptomatic relief of these conditions.

It is intended that each novel drug device combination will treat individuals experiencing these conditions with the following benefits:

- 1) Faster onset pain relief and relief from panic attacks;
- 2) Reduced concomitant opioid and anti-depressant usage; and
- 3) A more convenient, safe and effective alternative for inhaling heated THC and/or CBD.

It is envisaged that these solutions will help to improve the quality of life of CRPS and PD sufferers. Furthermore, the novel drug device combination will improve the administrative efficiency and dose metering compared to smoking, vaping or oral administration of cannabinoids.

IRX is currently developing its formulations for the treatment of these conditions and is in the process of opening Investigational New Drug applications (IND's) with the US Food & Drug Administration (FDA) for each formulation.

Once the drug formulations are finalised, the Company's intention is to commence phase 2 clinical trials for these formulations as quickly as possible. At this stage, we expect that the first patients will be admitted for clinical trials in early 2023 for each indication.

Revenue from the sale of Medihale vaping devices and pods for the 2021 year was \$167,301 - up from \$12,557 in the 2020 year. The broader medicinal cannabis inhalation market continues to develop quickly and we are seeing significant interest from potential 'white label' partners in Australia and New Zealand for the Medihale device. We are also actively investigating opportunities to enhance and improve our vaping device offering and are looking to leverage the significant insights gained over the past 18 months into product development features which we believe will improve the quality and effectiveness of our offering.

InhaleRx's range of opportunities will also been enhanced by the Company having recently applied for the necessary wholesale and import/export licenses to allow it to commence sourcing and supplying medicinal cannabinoid medications. While the primary objective of these licences is to support the procurement of trial drugs for the proposed clinical trial programmes, they will also allow InhaleRx to consider marketing its own medicinal cannabinoid medications for use in its Medihale device and pods.

The financial loss for the 2021 year for the consolidated entity after providing for income tax was \$1,111,129, down 7.8% compared to previous year (31 December 2020: \$1,205,276). The board continues to be keenly focussed on disciplined cost management and ensuring that all clinical development expenditure is effectively managed with a strong eye on shareholder value.

The winding-up of the Company's German subsidiaries is nearing completion with these entities having ceased operations in 2020. We are currently awaiting final notifications from German regulatory and tax authorities.

Finally, I would like to thank our shareholders for their support during the 2021 year. Your Board looks forward to an exciting and productive 2022 and to keeping you all informed of developments as they occur.

Sean Williams
Chairman

Authorised by the Board of Directors.

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