



## ASX Announcement

### QUARTERLY ACTIVITIES, CASHFLOW REPORT and OPERATIONS UPDATE

*Quarter ended 30 September 2021*

InhaleRx Ltd (ASX:IRX) ("InhaleRx" or the "Company") is pleased to provide its quarterly activities, cash flow report and an update of operations.

Operational highlights are as follows:

- Cash reserves at 30<sup>th</sup> September 2021: \$3,094k
- Net cash used in the quarter for operating activities: (\$401k)
- Appointment of new Board of Directors
- Change of company name and branding
- Settlement of outstanding German loans
- R&D into new product and supply chain development

Net cash outflow from operating activities during the quarter was \$401k, reflecting the ongoing lean Australian administration and operations, as well as, initial payment to Camargo in the development of the regulatory Pre-Investigational New Drug ("Pre-IND") package for the US Food & Drug Administration ("FDA"). It also includes payments of annual fees for ASX listing and product liability insurance totalling \$52k.

#### **Appointment of New Directors and Chairman**

Following the resignations of Frank Cannavo, Justyn Stedwell and Rodney Hannington in July and August, Mr. Sean Williams was appointed as Chairperson and non-executive Director, with Mr. Darryl Davies and Mr Andrew Saich appointed as non-executive directors

#### **Change of Company name and branding**

During the September quarter, the company undertook rebranding activities including name and logo development and the development of digital, administrative and online digital assets. After receiving investor approval at the EGM held on 15th September, the Company name change to "InhaleRX Limited" was submitted to ASIC and ASX for approval, which came into effect as of the 5th October.

#### **German Loans**

Legal action undertaken in the June 2021 quarter by the Company to recover German loans was successfully settled in the September quarter with a cash settlement of \$42k received, and disputed trademarks transferred to InhaleRx.

## **Product Development**

InhaleRx has continued to work with its commercial partner, EC Pharma Pty Ltd (“EC Pharma”), to develop its Medihale pods to accommodate EC Pharma’s new cannabinoid formulations, which are expected to be launched in the December 2021 quarter. Further R&D activities have included the assessment of new ceramic coil technology, as well as the optimisation of coil apertures.

Additional gap analysis into new inhaled delivery systems in preparation for FDA Pre-IND submissions have also been successful in identifying several promising device technology alternatives for advancement into InhaleRx’s clinical trial program.

## **Supply Chain Analysis and development**

InhaleRx also continued to develop the supply chain and logistics components of its business, including investigating available commercial fill machine options and entering into agreements for the validation of its Medihale vape pod filling machines, in preparation for a switch from compounding pharmacy supply to GMP manufacturing in the near future.

## **Payments to Directors & Related Parties**

A total of \$57k cash payments to Related parties during the quarter including \$42k to Non-executive Directors and \$15k payments to other related parties acting as consultant.

## **Use of funds**

During the quarter, funds spent on operating activities comprised:

- \$96k in research & development for a FDA 505(b)(2) regulatory pathway project;
- \$37k for the purchase of inventory;
- \$35k in CEO wages;
- \$7k for marketing materials; and
- \$226k in general corporate costs which included German business entity costs of \$13k, audit fees and legal fees for the recovery of German loans and trademarks and \$52k for annual ASX fees and product liability insurance.

The Company will provide further updates in due course.

Authorised by the Board of Directors.

## **For further information:**

[www.inhalerx.com.au](http://www.inhalerx.com.au)

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