Edesa Biotech

Corporate Presentation

Edesa Biotech, Inc.
Nasdaq: EDSA

September 2019

Forward Looking Statements

This presentation may contain forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements may be identified by the use of words such as "anticipate," “believe,” "plan," “estimate,” "expect," "intend," "may," "will," "would," "could," "should," “might,” “potential,” or "continue" and variations or similar expressions. You should not place undue reliance on these forward-looking statements, which are not a guarantee of future performance. There can be no assurance that forward-looking statements will prove to be accurate, as all such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or future events to differ materially from the forward-looking statements. Such risks include: the ability of Edesa to obtain regulatory approval for or successfully commercialize any of its product candidates, the risk that access to sufficient capital to fund Edesa's operations may not be available or may be available on terms that are not commercially favorable to Edesa, the risk that Edesa's product candidates may not be effective against the diseases tested in its clinical trials, the risk that Edesa fails to comply with the terms of license agreements with third parties and as a result loses the right to use key intellectual property in its business, Edesa's ability to protect its intellectual property and the timing and success of submission, acceptance and approval of regulatory filings. Many of these factors that will determine actual results are beyond the company's ability to control or predict. For a discussion of further risks and uncertainties related to Edesa’s business, please refer to the Company’s public company reports filed with the B.C. Securities Commission and the U.S. Securities and Exchange Commission. All forward-looking statements are made as of the date hereof and are subject to change. Except as required by law, the Company assumes no obligation to update such statements. This presentation does not constitute an offer or solicitation of an offer for sale of any securities in any jurisdiction, including the United States. Note: All financial and share price information is presented in U.S. dollars.

Advancing Clinical-Stage Drug Candidates
for Dermatological and Gastrointestinal Diseases

Exploring new ways to treat Derm and GI diseases, including alternatives to topical steroids

- **Novel anti-inflammatory technology**
  Topical sPLA2 inhibitor
- **Lead candidate targeting allergic contact dermatitis (ACD)** and other inflammatory disorders
- **Expanding portfolio**
  In-licensing other clinical-ready assets and technologies

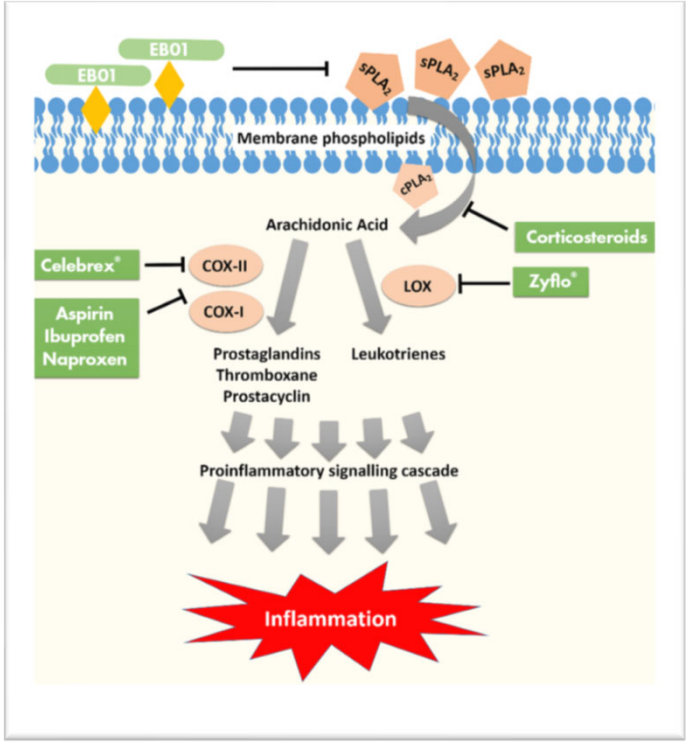
EDSA
Nasdaq
LISTED

Sector:	Biotechnology
Headquarters:	Toronto, Ontario
Established:	2015
Public:	2019

Novel Approaches to Chronic Conditions

Treating Inflammation without the Safety Concerns of Current Therapies

- **Inhibiting the Inflammation Cascade**
  - **sPLA2 inhibitors** are designed to inhibit the inflammatory process at its inception
  - Exerts its anti-inflammatory activity upstream of currently approved NSAIDs
  - Positive data from two clinical studies
  - Positioning as alternative to topical corticosteroids



Inflammation inhibitors were developed to inhibit sPLA2 from degrading phospholipids to produce arachidonic acid. Arachidonic acid is processed via the LOX-COX pathway to produce several pro-inflammatory signaling molecules

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Development Pipeline

Advancing and Expanding Our Growth Opportunities

Drug Candidates		Indications	Pre-Clinical	Phase 1	Phase 2	Phase 3
EB01	sPLA2 Inhibitor	**Allergic Contact Dermatitis**				**Q3 2019: Target 1st Patient**
EB02	sPLA2 Inhibitor	**Hemorrhoids**				**CTA Approved Q3 2019**
Label Expansion	sPLA2 Inhibitor	**Multiple**				**Pending Results of EB01**
EB04	Not Disclosed	**Anal Fissures**				**Growth Opportunity**
In-Licensed Assets & Tech	Multiple	**Other**				**Discussions Underway**

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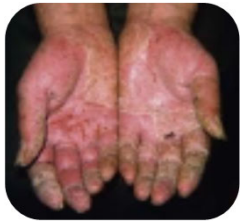
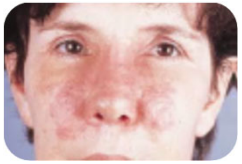
Allergic Contact Dermatitis
Disease State and Current Treatments





Allergic Contact Dermatitis (ACD) is a Type IV hypersensitivity reaction

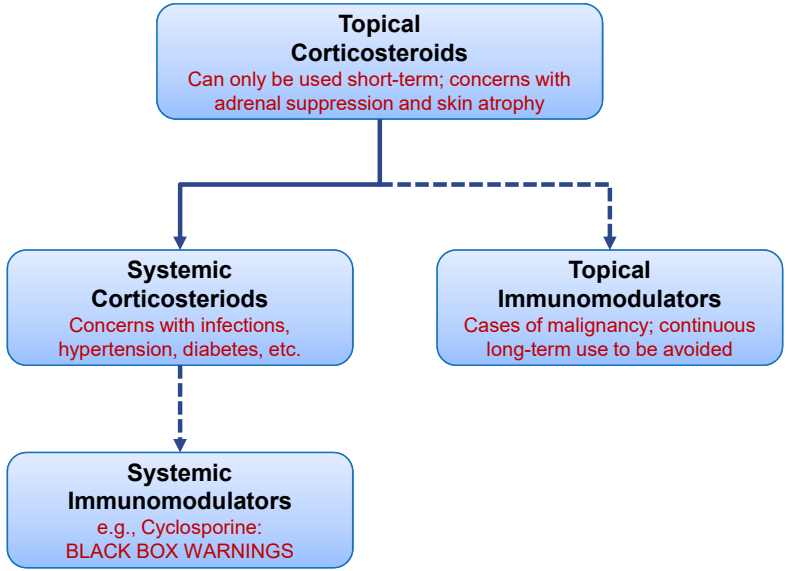
- Immune system sensitized with initial contact with allergen
- Subsequent contact results in cell-mediated allergic response at the point of contact
- Often highly visible on face & hands

Shortcomings of current therapies[1]

- Low efficacy and high remission rates
- Steroids have significant side effects
- Physicians unable to identify the cause of ACD in about half of patients
- 71% of patients unable to fully avoid allergen (e.g., present at work)

Current Limited Treatment Approaches for ACD

Safety Issues Often Result in Discontinuation of Treatment



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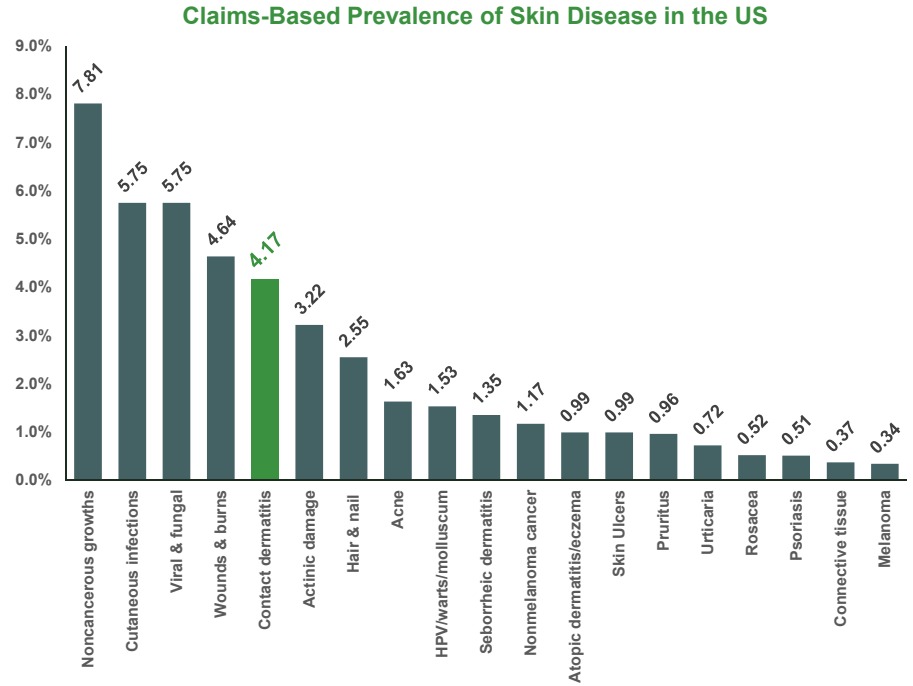
1) Edesa Biotech quantitative market research

Contact Dermatitis

One of the most prevalent skin conditions in U.S.



- **Contact dermatitis is a leading occupational illness affecting 13.2 million people in U.S. at a cost of ~$2 billion annually**
- **ACD represents a submarket of contact dermatitis**
  - 2.5+ million with ACD in the U.S.
  - 1.0+ million of those patients with chronic ACD.
  - Literature points to potentially larger undiagnosed population

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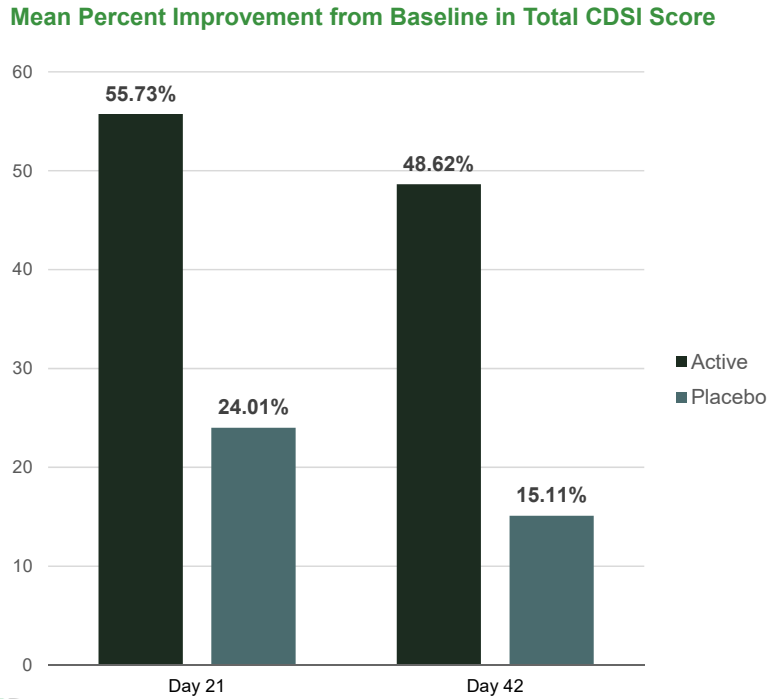
Sources: The burden of skin disease in the United States. Lim, Henry W. et al., Journal of the American Academy of Dermatology, Volume 76, Issue 5, 958 - 972.e2; US 2012 (Cashman et al 2012); US 2002 (Rietshel et al 2002) and Edesa Biotech quantitative research estimates

EB01 Efficacy in Humans Established

Phase 2 Study Demonstrated Efficacy & Safety in ACD Patients



Phase 2 Efficacy Study of EB01

For the treatment of allergic contact dermatitis
— 30 Patients Bilateral Design —

- ***Efficacy:*** At Day 21, EB01 Cream 2% treated hands had a significantly lower Contact Dermatitis Severity Index (CDSI) score compared to Vehicle ($p < 0.001$)
- ***Durability:*** At Day 42, EB01 Cream 2% treated hands maintained a significantly lower total CDSI score compared to Vehicle ($p = 0.003$)
- ***Safety:*** no serious adverse events or discontinuations due to adverse events

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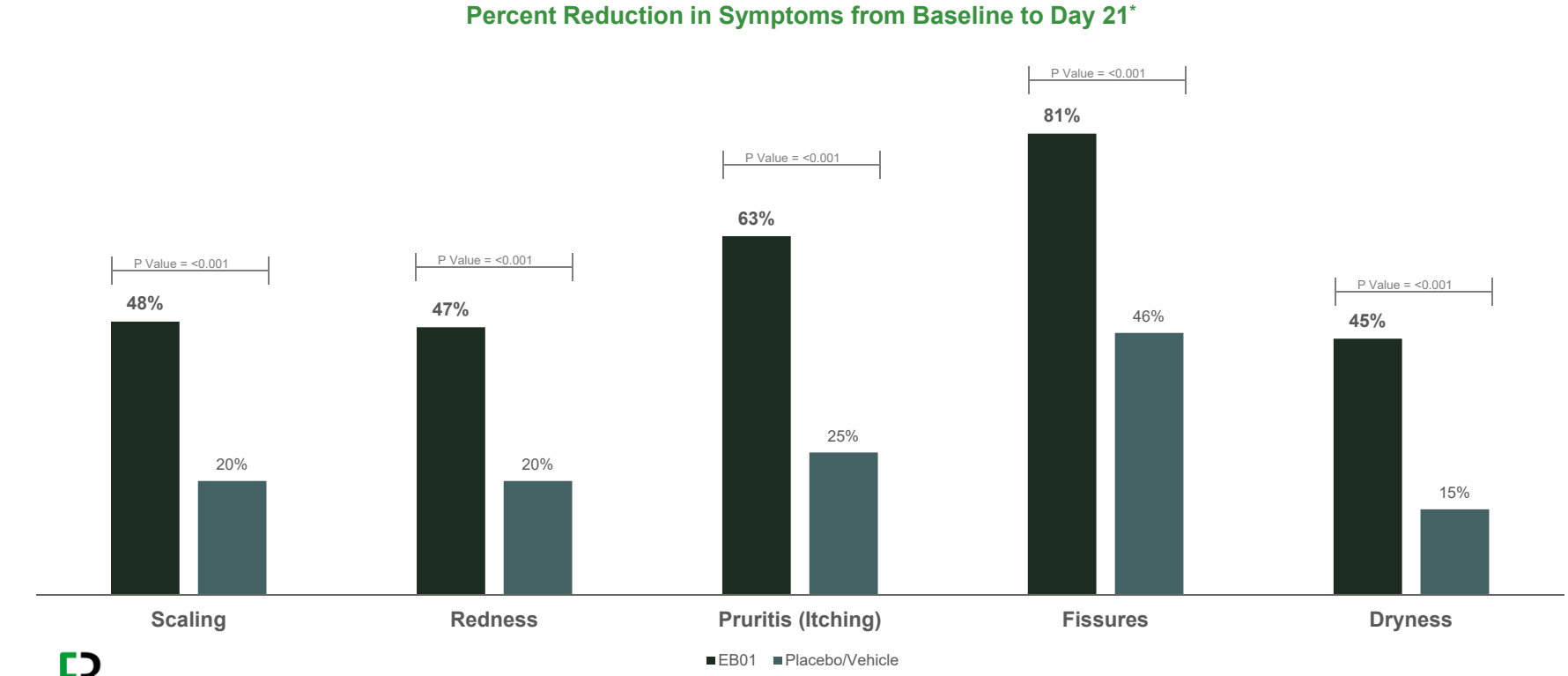
Phase 2 Efficacy Study – Breakdown by Component

EB01 Addressed All Aspects of CDSI Composite Score



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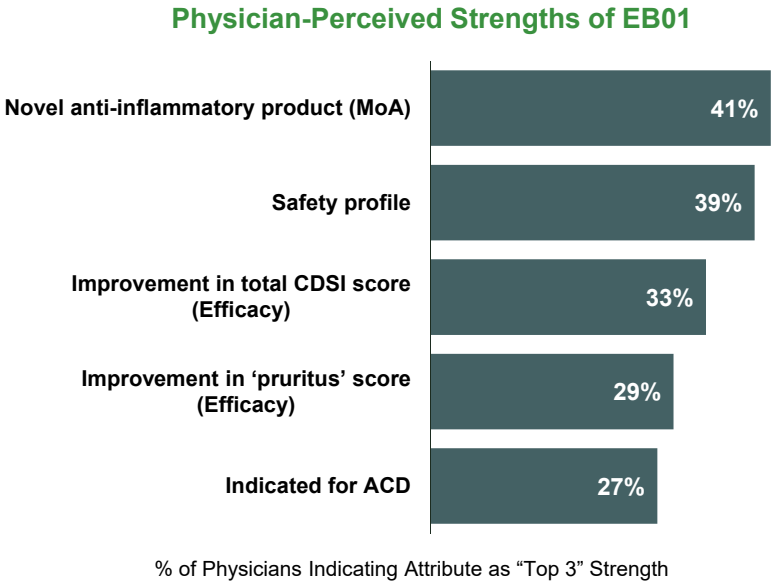
* Contact Dermatitis Severity Index (CDSI) score comparison between treatment groups using Paired T-test/Wilcoxon Rank Sum Test (n = 30). P Value = <0.001

EB01 Market Survey

Physicians Most Impressed with Non-Steroidal Method of Action



- **Key opinion leaders expressed a high desire for additional treatment options for ACD**
  - Especially for lesions are located on face and hands
- **Saw benefit to the level of efficacy achieved without the side-effects of current options**
  - Many patients are not adequately controlled with existing therapies
- **Respondents indicated non-steroidal approach would positively impact their expected peak patient share**

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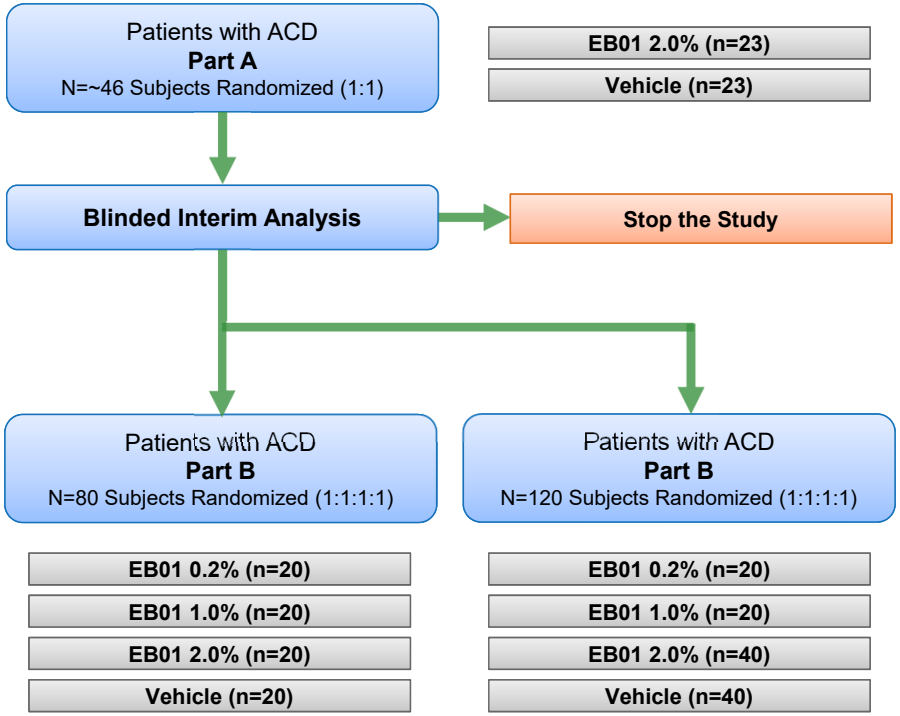
Source: Decision Resources Group Ltd. (Edesa sponsored); Quantitative Survey (n=50); Qualitative Interviews (n=5)

EB01 Phase 2b Study Plan

Adaptive Design up to 166 Patients



Primary Efficacy Endpoint

Mean Percent Change from Baseline in Contact Dermatitis Severity Index (CDSI) at Day 29

Protocol

- EB01 evaluated a randomized, double-blind, vehicle-controlled, sample size adaptive design.
- ACD patients in this study will be treated for 28 days with various strengths of EB01 cream.
- Interim analysis following the enrollment of the first cohort

Primary Endpoints

- Primary outcome measures will evaluate efficacy and safety

Secondary Endpoints

- Symptom reduction and quality of life
- Dose-relationships among various strengths of EB01 cream
- Number of TEAEs

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Other Growth Opportunities
Areas of Interest

Additional Dermatological Indications

- **Platforms**
  - sPLA2 Inhibitor
- **Development Status**
  - Expand the utility of our sPLA2 inhibitor technology across multiple indications

Gastrointestinal Indications

- **Platform**
  - sPLA2 Inhibitor
- **Product Candidate**
  - EB02 is a sPLA2 inhibitor to treat hemorrhoids
- **Disease State in the U.S.***
  - ~12.5 million adults affected
  - No FDA-approved drug treatments (common products pre-1962)
  - 3 million prescriptions annually
  - 22 million over-the-counter units
- **Development Status**
  - Planning proof-of-concept study

Additional Dermatological Indications

- **Platforms**
  - Under discussion
- **Development Status**
  - In discussions to expand our portfolio with assets to treat other serious skin conditions

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* Sources: U.S. National Institutes of Health and public reports

Upcoming Milestones and Strategic Objectives

- ☑ **Strategic Transaction**
  - ☑ **Reverse acquisition**
  - ☑ **Nasdaq listing**
- ☐ **Advance lead product candidate (EB01)**
  - ☑ **IND approval of EB01**
  - ☑ **FDA "Safe to Proceed" letter**
  - ☑ **Complete manufacturing of API**
  - ☐ Initiate patient enrollment
  - ☐ Interim results
  - ☐ Top-line results from Phase 2b study
- ☐ **Expand indications for lead asset**
  - ☑ **EB02 study approval – CTA**
  - ☐ EB02 proof of concept study
- ☐ **Develop new markets**
  - ☐ In-licensing new assets and technology
  - ☐ Strategic partnerships
  - ☐ EB04

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Cash Position

Historical Overview and Future Outlook

- **Balance sheet**
  - No long-term debt
  - Capital available for current Phase 2 clinical programs
- **Flexibility**
  - Adaptive study design
  - Use of CROs and CMOs
  - Timing of clinical opex aligned with study advancements

Selected Financials As of June 30, 2019	
Cash & Cash Equiv.	$6.4 M
Total Assets	$7.2 M
Working Capital	$6.1 M
Debt	$0.0 M

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Capitalization Table
As of August 14, 2019

Description	Weighted Average Exercise Price	Shares
Common Shares		**7,504,468**
Options Outstanding[1]	$4.38	321,854
Warrants	$11.19	48,914
Fully Diluted Shares		7,875,236

[1] 2017 Incentive Compensation Plan as of June 30, 2019

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Support from Current Shareholders

Simplified Beneficial Ownership Table as of August 14, 2019

Holders	Shares	Percent Shares Outstanding	Share Options	Percent Fully Diluted
Directors and Officers				
Pardeep Nijhawan	2,868,175	38.2%	49,110	37.0%
Lorin Johnson	-	-	-	-
Sean MacDonald	14,369	0.2%	-	0.2%
Paul Pay	-	-	32,399	0.4%
Peter van der Velden	1,861,943*	24.8%	-	23.6%
Carlo Sistilli	-	-	-	-
Michael Brooks	-	-	162,335	2.1%
Kathi Niffenegger	-	-	2,094	-
Frank Oakes	7,987	0.1%	952	0.1%
All directors and officers	**4,752,474**	**63.3%**	**246,890**	**63.5%**
Other 5% Holders				
Pharmascience	675,218	9.0%	-	8.6%
Inveready	531,986	7.1%	-	6.8%

Early Series Financing
from Life Science Specialists

LUMIRA VENTURES

pharma science

INVEREADY
Technology Investment Group

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* Held by Lumira Capital II, L.P. and Lumira Capital II (International), L.P.

Experienced Leadership Team

Pharmaceutical Pipelines, Corporate Development & Strategic Transactions

Senior Management Team

Par Nijhawan, MD, FRCPC, AGAF CEO and Board Director	• Board-certified gastroenterologist and hepatologist • Successful track record of building life science businesses, including Medical Futures (sold to Tribute Pharma)
Michael Brooks, PhD, MBA President	• Experienced pharma corporate development • Led multiple engagements and technology acquisitions • Previously at Cipher Pharma. • Science to Business Scholar at Univ. of Toronto
Kathi Niffenegger, CPA Chief Financial Officer	• 30+ years in acct. & finance, including pharma • Previously partner at Glenn Burdette CPAs and CFO at Stellar Biotechnologies and Martin Aviation.
Blair Gordon, PhD VP, Research & Development	• Leads mgmt. of Edesa clinical studies • Previously med affairs and bus. dev. at Cipher Pharma and ArcticDX. • Univ. of Toronto Alexander Graham Bell Fellow
Gary Koppenjan VP, Investor Relations & Comm	• 25 years of experience in marketing and business development in the life sciences • Multiple private & public financings and merger transactions

Edesa Board of Directors

Sean MacDonald
CEO, Corbin Therapeutics Inc.

Paul William Pay
Chief Business Development Officer, Norgine

Peter van der Velden
Managing General Partner, Lumira Ventures

Frank Oakes
Former CEO, Stellar Biotechnologies

Lorin Johnson, PhD
CSO, Glycyx; co-founded Salix Pharma

Carlo Sistilli
CFO, Arista Homes

Edesa Biotech Highlights

- **Novel technology**
  - Inflammation inhibitor – beyond steroids
  - Positive evidence from two previous clinical studies
- **Targeting patient populations with unmet medical needs**
  - Starting with chronic allergic contact dermatitis
- **Working capital flexibility**
  - Current clinical program activities funded
- **Active calendar of clinical and corporate milestones**
  - Phase 2b study of EB01
  - Expanding indications for sPLA2 technology
  - New market development

Edesa Biotech

Company Contacts

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