Edesa Biotech

Corporate Presentation

Edesa Biotech, Inc.
Nasdaq: EDSA

March 2020

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 with demonstrated efficacy in two previous clinical studies
- **Phase 2b study initiated for lead candidate**
  Targeting allergic contact dermatitis
- **CTA approval**
  Proof-of-concept study in hemorrhoids
- **Expanding portfolio**
  In-licensing and advancing other assets and technologies
- **Entrepreneurial leadership**
  Multiple successful start-ups and exits

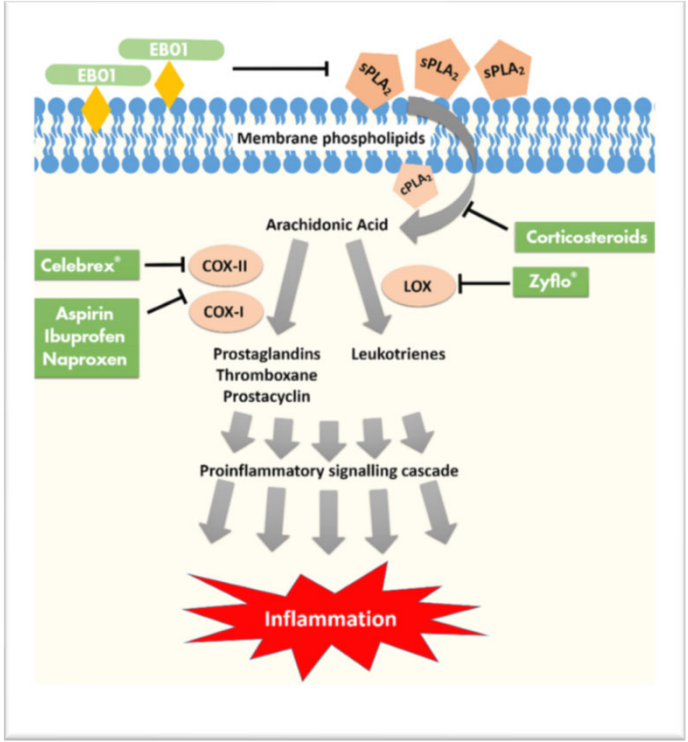
EDSA
Nasdaq
LISTED

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**				**First Patient Enrolled**
EB02	sPLA2 Inhibitor	**Hemorrhoids**				**CTA Approved**
EB04	Not Disclosed	**Anal Fissures**				**Growth Opportunity**
Immunotherapy	Not Disclosed	**Vitiligo**				**Producing mAbs for Novel Targets**
In-Licensed Assets & Tech	Multiple	**Other**				**Discussions Underway**

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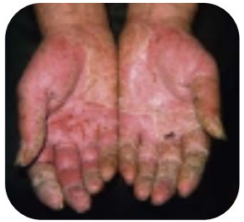
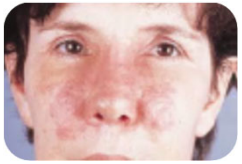
Allergic Contact Dermatitis
Disease State and Current Treatments





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

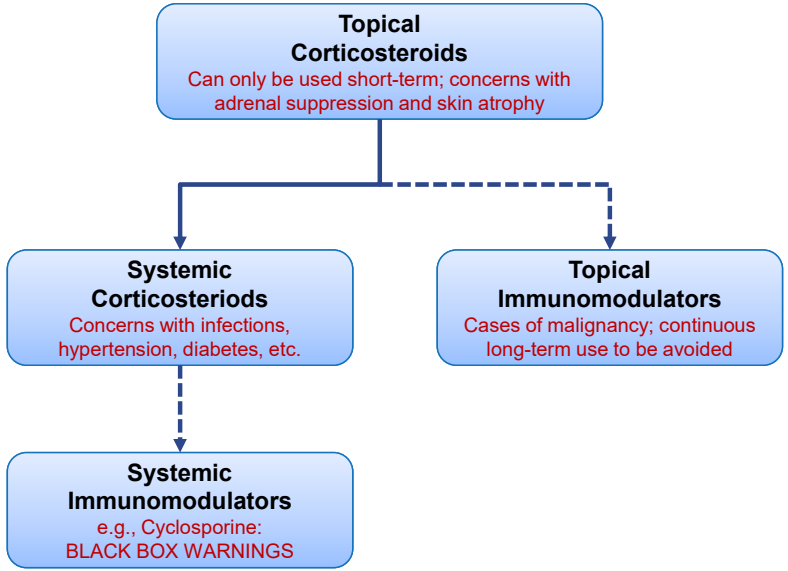
- Immune system sensitized with initial contact with allergen
- Subsequent contact results in cell-mediated allergic response at the point of contact
- Often highly visible on face & hands

Shortcomings of current therapies*

- 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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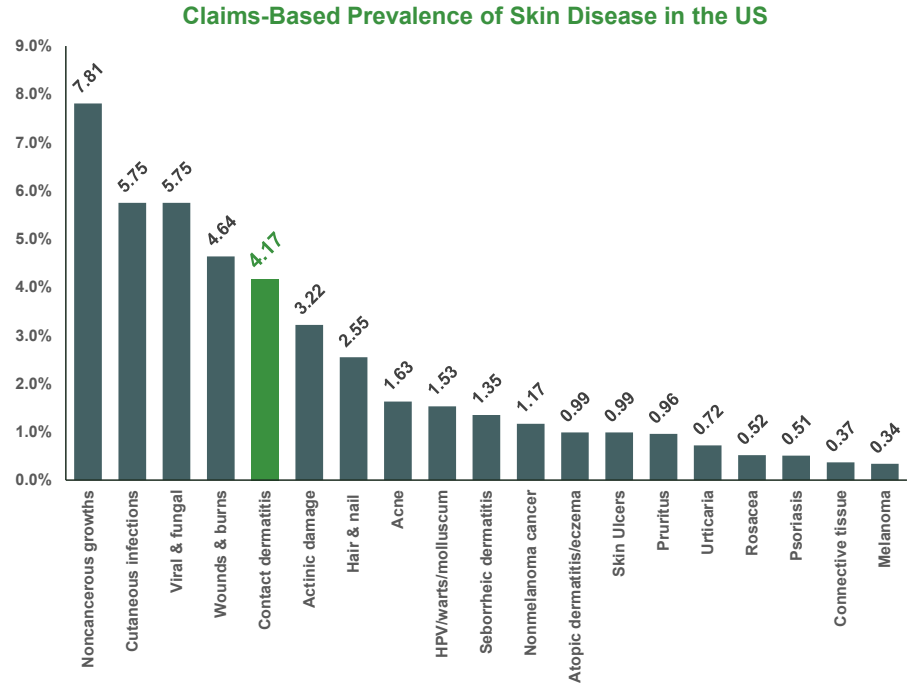
* Edesa Biotech quantitative market research

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 up to ~$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

Occupational Contact Dermatitis

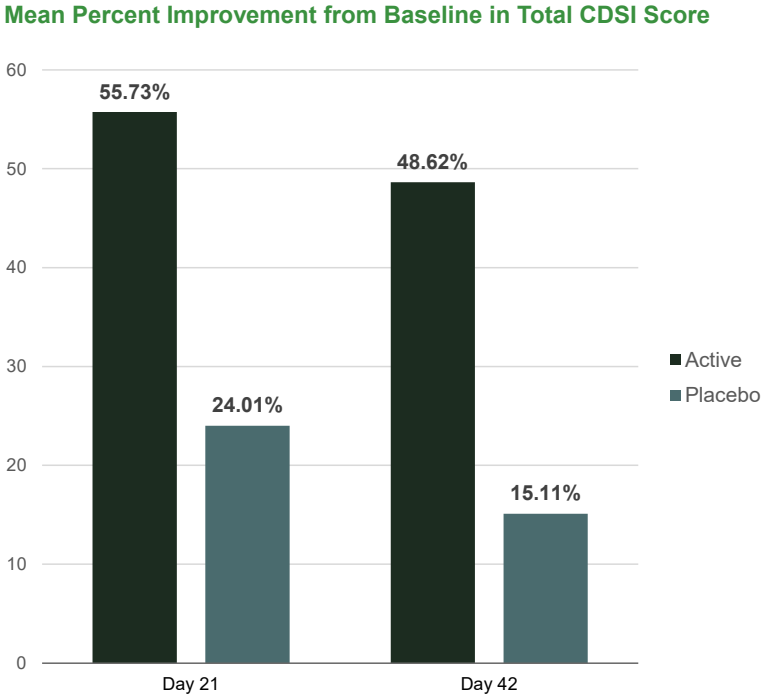
Adversely impacts both employers and employees

- **Loss of Productivity**
  - Physical and emotional distress
  - Multiple physician visits
  - Prolonged sick leaves
- **Complexity of Mitigation**
  - Time to identify allergen
  - Allergen avoidance measures
    - Change in work responsibilities
    - Substitution of materials
  - Changes not always feasible
- **Increased Legal Risk**
  - Lost income
  - Disability claims

Industry	Substances
Agriculture	Daffodils, tulips, carrots, parsnips, parsley, celery
Chemical	Adhesives, paints, acrylates, acids/bases, solvents
Cleaning	Anti-bacterial wash/gels, disinfectants, bleaches
Construction	Cement, plaster, concrete
Cosmetics and Hair	Dyes, perming solutions, shampoos, lotions, bleaches
Engineering	Soluble metal-working fluids
Healthcare	Biocides, latex, glutaraldehyde, formaldehyde
Restaurant & Food	Orange/lemon peel, shellfish, meat, sugar, flour
Printing	Inks, solvents, cleaners
Rubber	Thiurams and related chemicals

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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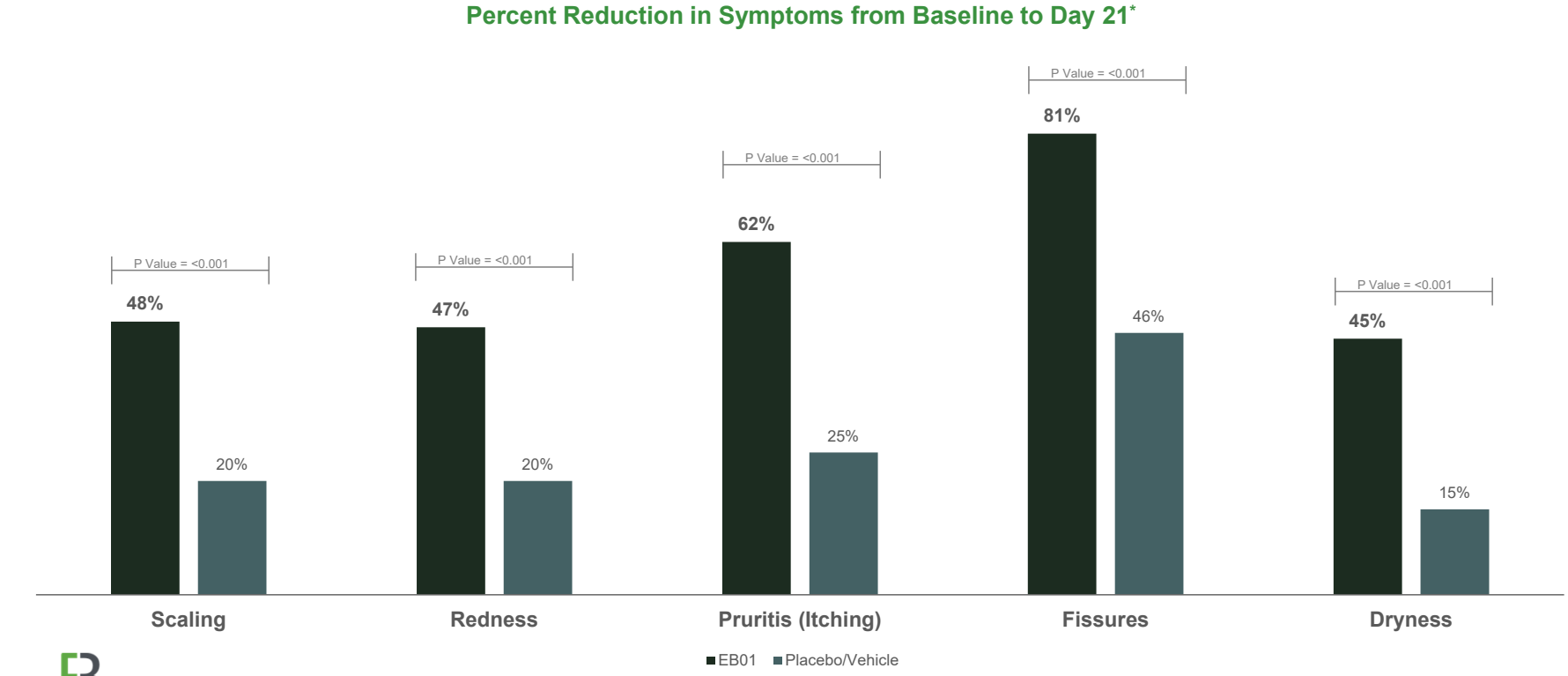
Phase 2 Efficacy Study – Breakdown by Component

EB01 Addressed All Aspects of CDSI Composite Score



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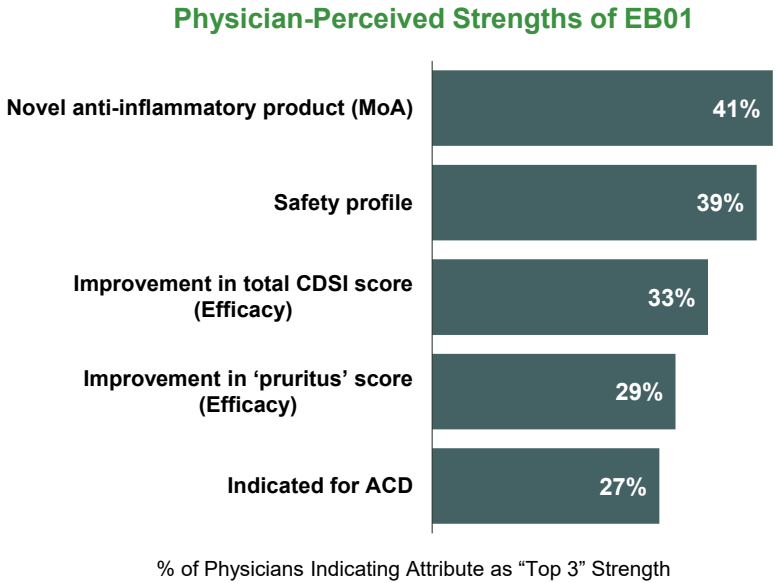
* Contact Dermatitis Severity Index (CDSI) score comparison between treatment groups using Paired T-test/Wilcoxon Rank Sum Test (n = 30). P Value = <0.001

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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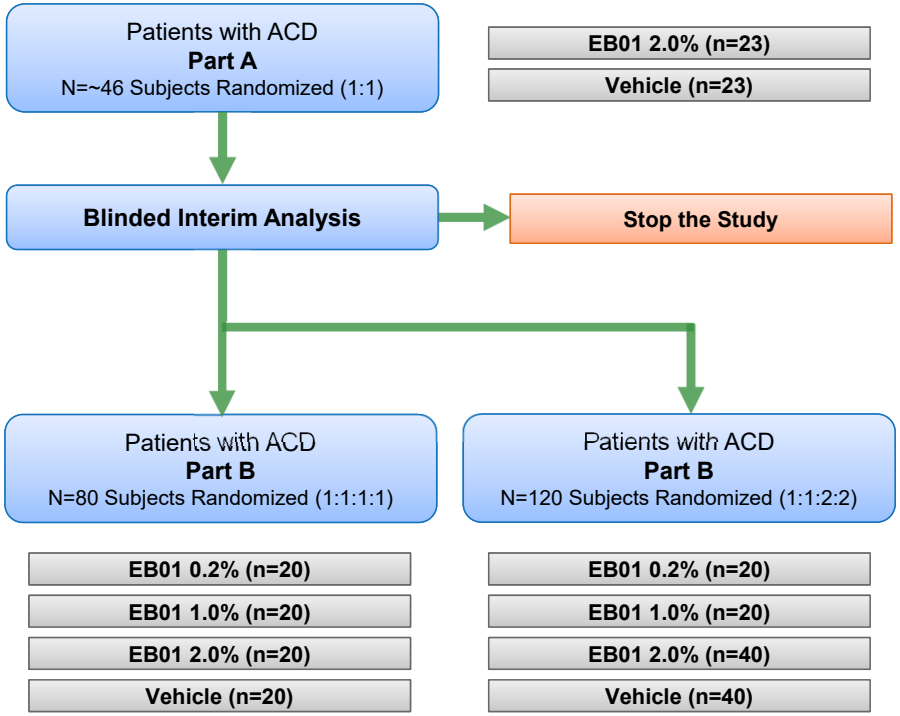
Source: Edesa sponsored research; Quantitative survey (n=50); Qualitative interviews (n=5)

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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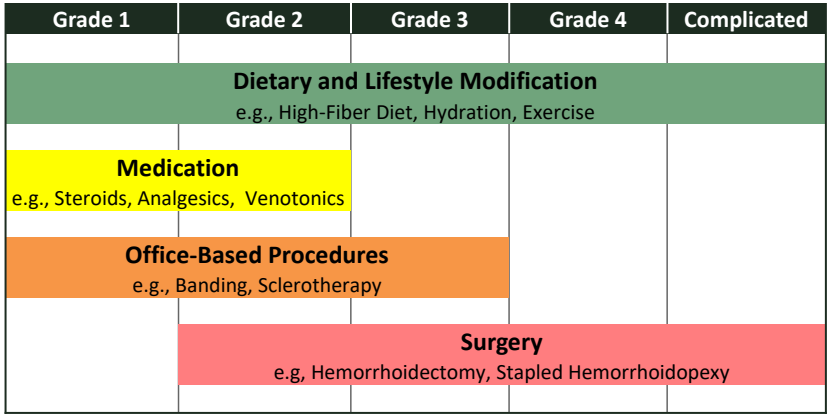
Hemorrhoids Disease (HD)
Extension of sPLA2 Anti-Inflammatory Tech

- **12.5 million adults affected in U.S.**[1]
  - By 50 years old, ~50% have experienced symptomatic hemorrhoids
- **Risk factors**
  - Aging, obesity, pregnancy & lifestyle
- **Drug treatments for HD entered market pre-1962**
  - 4 million physician visits
  - 20+ million over-the-counter units – limited empirical evidence of efficacy
  - General mechanisms of action: steroids & analgesics

Treatments of Internal Hemorrhoids[2]
Based on their Severity and Degree of Prolapse



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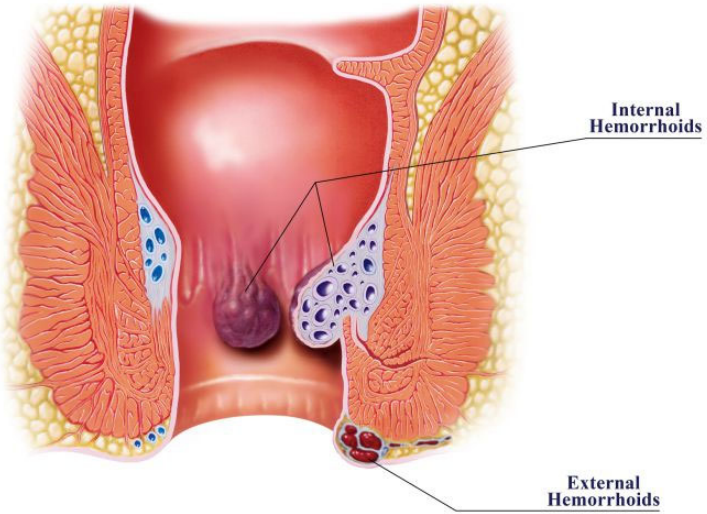
1) U.S. National Institutes of Health 2) World J Gastroenterol. Aug 21, 2015; 21(31): 9245-9252

EB02 Program

Targeting clinical relief of itching, pain and thrombosis of HD

- **Multifactorial etiology of HD**
  - Inflammation involving the vascular wall and surrounding connective tissue
  - Hyper-perfusion of hemorrhoid plexus
  - Prolapse
- **Hemorrhoidal tissue contains**
  - Inflammatory cells and
  - Newly formed microvessels
- **Inflammatory reaction is associated with key symptoms**
  - Mucosal ulceration
  - Ischemia
  - Thrombosis



sPLA2 has been demonstrated to mediate processes that characterize hemorrhoidal pathophysiology, including inflammation and micro-vascularization

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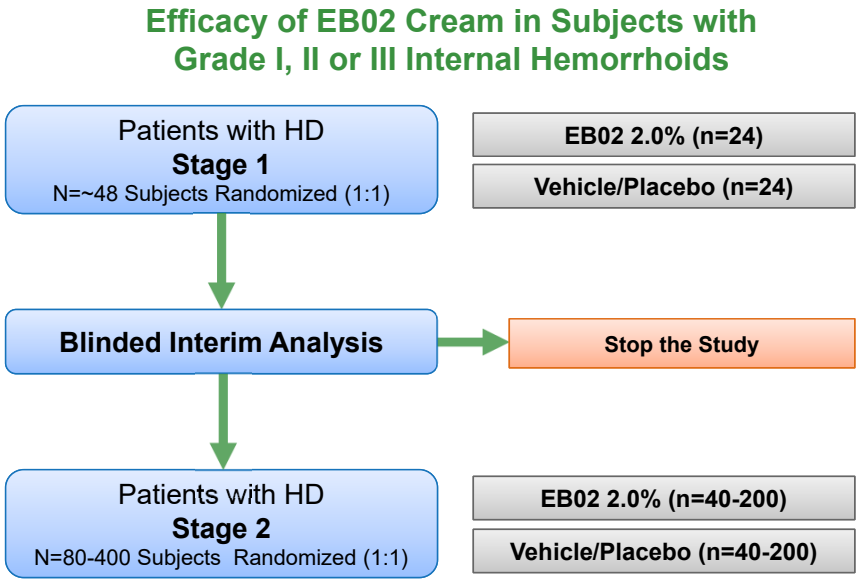
EB02 Proof of Concept Phase 2a Study Plan



Protocol

- EB02 will be evaluated in a randomized, double-blind, vehicle-controlled, two stage design.
- Patients will be treated for 14 days and a 7-day follow-up exam.
- Patients will be assessed at baseline, 2, 7, 14 and 21 days after initiation of treatment.

Primary Endpoints

- Primary outcome measures will evaluate efficacy, symptom reduction

Secondary Endpoints

- Safety and tolerability

Stage 2

- Total sample size based on interim analysis

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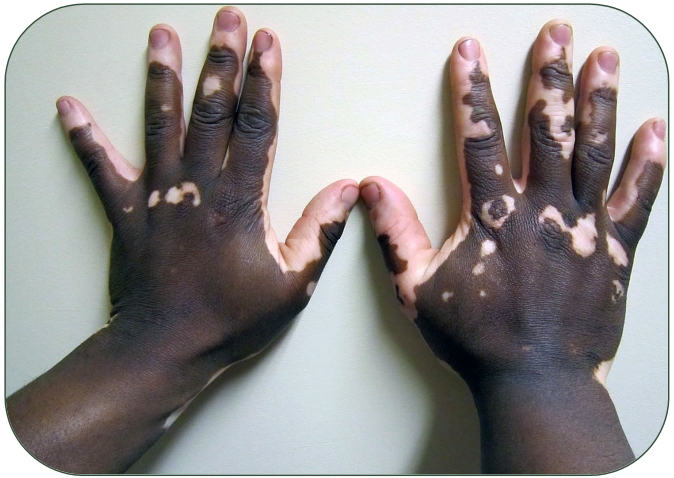
Vitiligo and Other Autoimmune Diseases

Developing Immunotherapies for Novel Targets

- **Vitiligo prevalence: ~1% globally across most racial groups**[1]
  - Not merely cosmetic: chronic organ-specific autoimmune disease with profound psychosocial effects
  - Autoreactive T cells are recruited to the skin by cytokines and destroy melanocytes
  - Complications include sunburn, skin cancer, vision changes, hearing loss
- **Limited efficacy of current treatments**
  - Phototherapy, melanocyte transplants, steroids, topical and systemic immunosuppressants (mTOR inhibitors)
- **Edesa research focus: monoclonal antibodies**
  - Novel immune targets implicated in vitiligo pathogenesis
  - Utilizing expertise at National Research Council of Canada
  - Goal to take lead candidate into IND-enabling studies for vitiligo and other autoimmune diseases

Vitiligo is a disorder in which the immune system attacks and destroys melanocytes in the skin



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1. World Health Organization

Upcoming Milestones and Strategic Objectives

- ☑ **Strategic Transaction and Capitalization**
  - ☑ **Reverse acquisition**
  - ☑ **Nasdaq listing**
  - ☑ **Capital raise Jan 2020**
- ☐ **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 initiation
- ☐ **Develop new markets**
  - ☑ **Vitiligo project initiation**
  - ☐ In-licensing new assets and technology
  - ☐ Strategic partnerships
  - ☐ EB04

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Cash Position

Historical Overview and Future Outlook

- **Balance sheet**
  - Jan 2020 capital raise: $4.36 million gross proceeds
  - Working capital focused on Phase 2 clinical program
  - No long-term debt
- **Flexibility**
  - Use of CROs and CMOs
  - Adaptive study design
  - Timing of clinical opex aligned with study advancements

Selected Financials As of December 31, 2019	
Cash	$4.3 M*
Total Assets	$5.1 M
Working Capital	$4.1 M
Debt	$0.0 M

* Cash, cash equivalents and short-term investments. Does not include proceeds of registered direct offering completed Jan 2020

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Capitalization Table
As of February 13, 2020

Description	Weighted Average Exercise Price	Shares
Common Shares		**8,859,159**
Options Outstanding[1]	$3.27	671,891
Warrants[2]	$4.66	1,754,672
Fully Diluted Shares		**11,285,722**

[1] 2019 Equity Incentive Compensation Plan as of February 13, 2020
[2] Includes 1,693,394 warrant shares not exercisable until July 8, 2020

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Current Shareholders

Simplified Beneficial Ownership Table as of February 2020

Holders	Shares	Percent Shares Outstanding	Share Options	Warrant Shares	Percent Fully Diluted
Directors and Officers					
Par Nijhawan	2,877,430	32.5%	49,110	11,570	26.0%
Lorin Johnson	8,524	0.1%	11,389	10,655	0.2%
Sean MacDonald	14,369	0.2%	11,389		0.2%
Frank Oakes	7,383	0.1%	12,341	1,523	0.2%
Paul Pay	2,436	-	43,788	3,045	0.4%
Carlo Sistilli	2,436	-	11,389	3,045	0.1%
Peter van der Velden	2,002,568*	22.6%	11,389	175,784	17.8%
Michael Brooks	1,827	-	231,323	2,285	2.1%
Kathi Niffenegger	1,218	-	90,674	1,523	0.8%
All directors and officers	**4,918,191**	**55.5%**	**472,792**	**209,430**	**49.6%**
Other 5% Holders					
Pharmascience	690,843	7.8%	-	19,523	6.1%
Invready	531,986	6.0%	-		4.7%

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
Chief Executive, 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 ACD
- **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

Par Nijhawan
Chief Executive Officer

Michael Brooks
President

Gary Koppenjan
Investor Relations

Edesa Biotech, Inc.
100 Spy Court
Markham, Ontario L3R 5H6
+1 (289) 800-9600
investors@edesabiotech.com

www.EdesaBiotech.com