Zacks Small-Cap Research
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Edesa Biotech, Inc.

(EDSA-NASDAQ)

EDSA: Positive Exploratory Data in Patients with AKI

Based on our probability adjusted DCF model that takes into account potential future revenues of EB05 and EB06, EDSA is valued at $19.00/share. This model is highly dependent upon continued clinical success of the company's pipeline and will be adjusted accordingly based on future clinical results.

Current Price (07/02/26)	$7.75
Valuation	**$19.00**

OUTLOOK

In June 2026, Edesa Biotech, Inc. (EDSA) announced favorable exploratory data for paridiprubart (EB05) in patients with acute kidney injury (AKI) and respiratory disease. Paridiprubart is the company's first-in-class anti-TLR4 monoclonal antibody. Given the role that TLR4-mediated inflammation plays in both lung and kidney injury, Edesa conducted additional analyses to determine paridiprubart's activity in patients with AKI and acute respiratory distress syndrome (ARDS). The results showed a 32% relative reduction in mortality in AKI patients treated with paridiprubart plus standard of care (SOC) compared to SOC only at 28 days. In addition, patients treated with paridiprubart plus SOC had s 23% relative reduction in MAKE30, a composite kidney-focused endpoint. Paridiprubart was well tolerated in the AKI subpopulation with a safety profile consistent with the >400 patients treated across multiple clinical studies to date.

SUMMARY DATA

52-Week High	**$18.27**
52-Week Low	**$0.80**
One-Year Return (%)	**279.90**
Beta	**1.03**
Average Daily Volume (sh)	**205,284**
Shares Outstanding (mil)	**9**
Market Capitalization ($mil)	**$69**
Short Interest Ratio (days)	**N/A**
Institutional Ownership (%)	**6**
Insider Ownership (%)	**24**
Annual Cash Dividend	**$0.00**
Dividend Yield (%)	**0.00**
5-Yr. Historical Growth Rates	
Sales (%)	**N/A**
Earnings Per Share (%)	**N/A**
Dividend (%)	**N/A**
P/E using TTM EPS	**N/A**
P/E using 2026 Estimate	**N/A**
P/E using 2027 Estimate	**N/A**

Risk Level	**High**
Type of Stock	**Small-Growth**
Industry	**Med-Biomed/Gene**

ZACKS ESTIMATES

Revenue
(in millions of $)

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2025	0.0 A	0.0 A	0.0 A	0.0 A	0.0 A
2026	0.0 A	0.0 A	0.0 E	0.0 E	0.0 E
2027					0.0 E
2028					0.0 E

Earnings per Share

	Q1 (Dec)	Q2 (Mar)	Q3 (Jun)	Q4 (Sep)	Year (Sep)
2025	-$0.48 A	-$0.30 A	-$0.25 A	-$0.31 A	-$1.25 A
2026	-$0.28 A	-$0.49 A	-$0.38 E	-$0.40 E	-$1.57 E
2027					-$1.13 E
2028					-$0.93 E

WHAT'S NEW

Business Update

Positive Exploratory Data for Paridiprubart in AKI

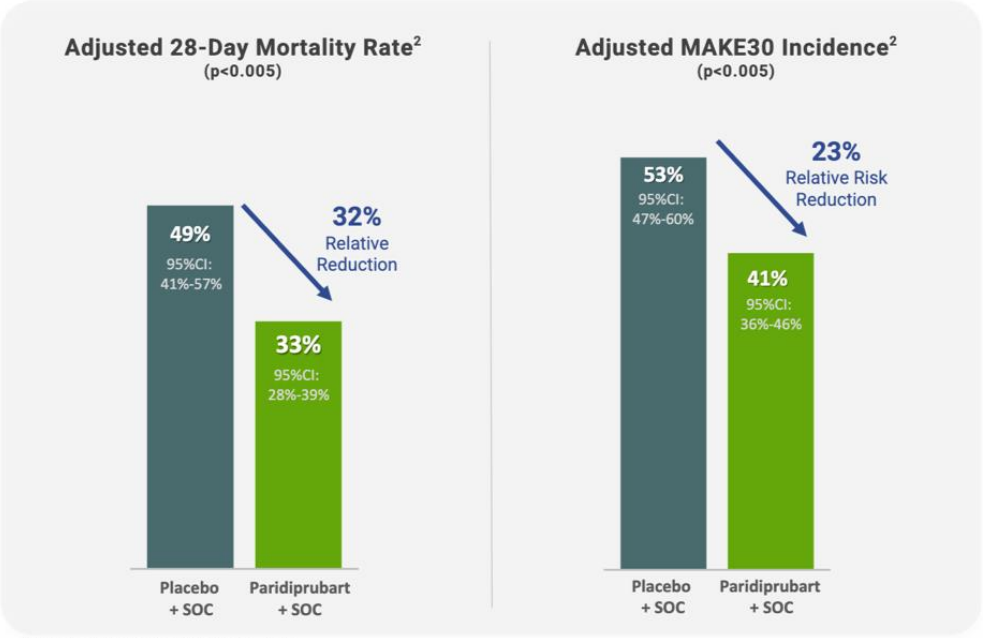
In June 2026, Edesa Biotech, Inc. (EDSA) announced the presentation of positive exploratory data for paridiprubart (EB05), the company's first-in-class anti-TLR4 monoclonal antibody, in patients with acute kidney injury (AKI) and acute respiratory distress syndrome (ARDS). The data expanded on previously reported results from 48 AKI patients from the Phase 3 intent-to-treat (ITT) population along with additional patients from the Phase 2 study and a broader 278-patient treatment population for a combined total of 101 patients. The results were presented at the 63rd European Renal Association (ERA) Congress.

Patients in the AKI cohort (mean age 58) were severely ill, with approximately 90% having moderate-to-severe ARDS and approximately 50% requiring invasive mechanical ventilation (IMV) or ECMO. Favorable results were seen in a multiple areas, including:

28-Day Mortality: Patients treated with paridiprubart plus standard-of-care (SOC) had adjusted 28-day mortality of 33% compared to 49% for those treated with placebo plus SOC, which represents a 32% relative reduction in the risk of death (nominal *P*<0.005).

MAKE30: MAKE30 (Major Adverse Kidney Events at 30 days) is a composite endpoint comprising all-cause mortality, initiation of renal replacement therapy, or persistent renal dysfunction through Day 30. The results showed that patients treated with paridiprubart plus SOC had an incidence of MAKE30 of 41% compared to 53% for those treated with placebo plus SOC, which represents a 23% relative reduction in MAKE30 incidence (nominal *P*<0.005).

Safety and Tolerability: Paridiprubart was well tolerated in AKI patients. The overall rates of adverse events, serious adverse events, and infections were low and there were no significant differences between the paridiprubart-treated and placebo-treated groups. The safety profile was consistent with that seen for >400 patients that have been treated with paridiprubart across multiple clinical trials.



Source: Edesa Biotech, Inc.

Financial Update

In June 2026, Edesa announced a securities purchase agreement for a private investment in public equity (PIPE) financing for gross proceeds of approximately $3.5 million. Investors in the PIPE included Edesa's CEO and healthcare-focused investors. The company sold an aggregate of 729,241 common shares at a price of $4.69 per share for investors and $5.21 per share for Edesa's CEO.

Conclusion

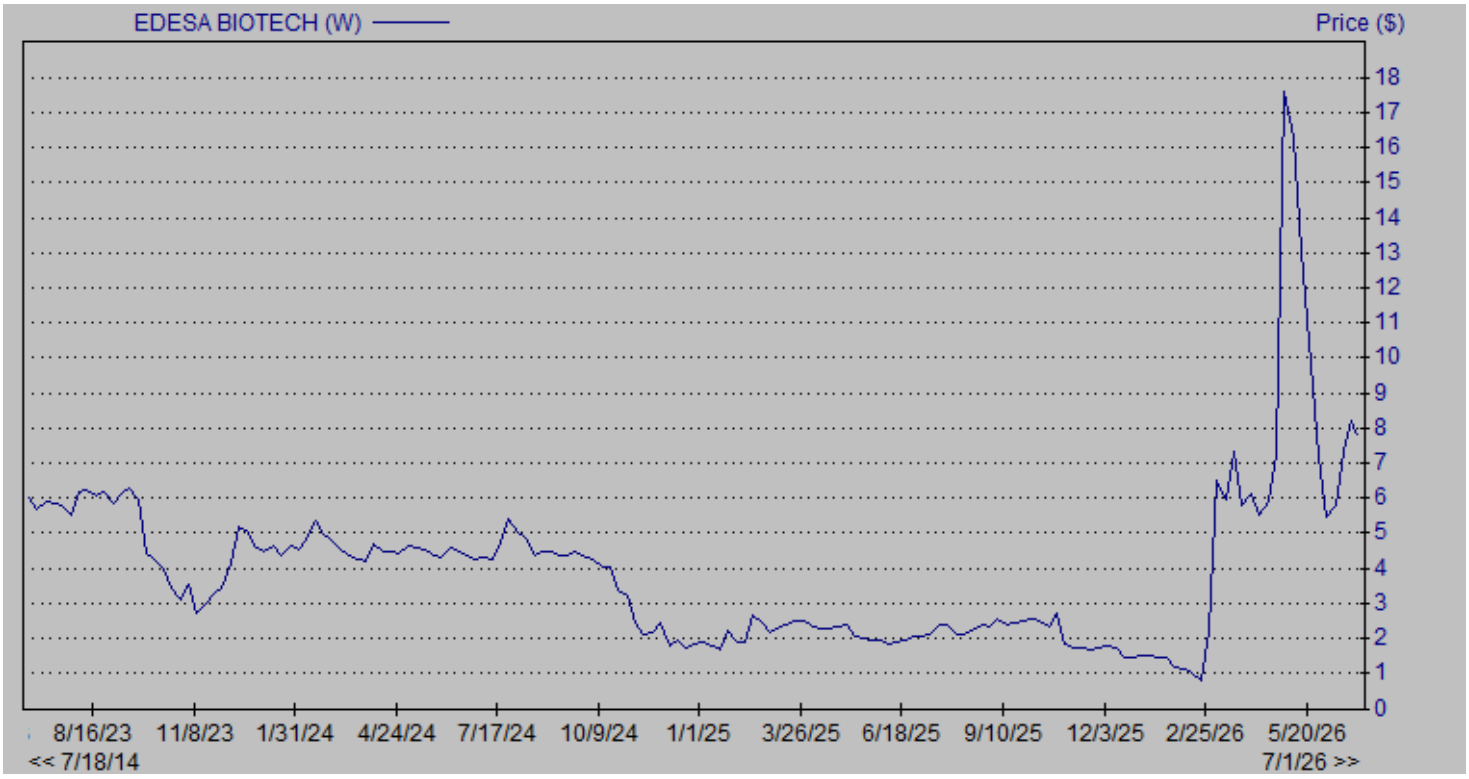
The data presented by Edesa on the potential for paridiprubart in AKI adds to the already robust data set accumulated for the drug that includes a positive effect on survival benefit and clinical improvement for patients suffering from ARDS. As a reminder, the drug is currently being evaluated in a Phase 2 government-sponsored platform study of host-directed therapeutics and Edesa is continuing to evaluate the best path forward through discussions with regulatory agencies. As a reminder, Edesa will be initiating a Phase 2 trial of EB06, an anti-CXCL10 monoclonal antibody, for the treatment of moderate-to-severe vitiligo in mid-2026. We had already accounted for additional financings in our model, thus our valuation remains at $19 per share.

PROJECTED FINANCIALS

Edesa Biotech, Inc.	FY2025 A	Q1FY26 A	Q2FY26 A	Q3FY26 E	Q4FY26 E	FY2026 E	FY2027 E	FY2028 E
EB06	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
EB05	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Other Income	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Total Revenues	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**	**$0.0**
Cost of Sales	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Research & Development	$3.7	$1.1	$2.8	$2.0	$2.0	$7.9	$8.0	$9.0
General & Administrative	$4.2	$1.2	$1.5	$1.5	$1.7	$5.9	$6.0	$6.3
Other (Income) Expense	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Operating Income	($7.9)	($2.3)	($4.3)	($3.5)	($3.7)	($13.8)	($14.0)	($15.3)
Operating Margin	-	-	-	-	-	-	-	-
Non-Operating Expenses (Net)	$0.8	$0.1	$0.1	$0.1	$0.1	$0.4	$0.5	$0.5
Pre-Tax Income	($7.1)	($2.3)	($4.2)	($3.4)	($3.6)	($13.5)	($13.5)	($14.8)
Income Taxes	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0	$0.0
Tax Rate	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*	*0%*
Net Income	**($7.1)**	**($2.3)**	**($4.2)**	**($3.4)**	**($3.6)**	**($13.5)**	**($13.5)**	**($14.8)**
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($1.25)**	**($0.28)**	**($0.49)**	**($0.38)**	**($0.40)**	**($1.57)**	**($1.13)**	**($0.93)**
YOY Growth	-	-	-	-	-	-	-	-
Basic Shares Outstanding	5.7	8.0	8.5	8.9	8.9	8.6	12.0	16.0

Source: Zacks Investment Research, Inc. David Bautz, PhD

HISTORICAL STOCK PRICE



Source: Zacks Small Cap Research

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