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August 24, 2026
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Edesa Biotech, Inc. (EDSA-NASDAQ)

EDSA: Recruitment in Phase 2 Vitiligo Study Set to Get Underway

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 (08/24/26)	$4.43
Valuation	**$19.00**

OUTLOOK

On August 13, 2026, Edesa Biotech, Inc. (EDSA) announced financial results for the third fiscal quarter of 2026 that ended June 30, 2026 and provided a business update. The company has recently completed preparations for the Phase 2 clinical trial of EB06 (anti-CXCL10 monoclonal antibody) for the treatment of moderate-to-severe nonsegmental vitiligo. The company has begun activating the first investigational sites in Canada and we anticipate patient recruitment will begin at those sites in the near term. Additional sites will be open in other jurisdictions following regulatory approval and administrative filings. Edesa recently presented exploratory data for paridiprubart (EB05) in patients with acute respiratory distress syndrome (ARDS) and acute kidney injury (AKI). The data showed significant reductions in mortality along with improvements in the kidney-specific MAKE30 composite endpoint. Edesa is continuing to evaluate possible regulatory pathways for EB05.

SUMMARY DATA

52-Week High	**$18.27**
52-Week Low	**$0.80**
One-Year Return (%)	**84.58**
Beta	**1.09**
Average Daily Volume (sh)	**82,202**
Shares Outstanding (mil)	**10**
Market Capitalization ($mil)	**$43**
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	**-2.4**
P/E using 2027 Estimate	**-2.5**

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 A	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	-$0.60 A	-$0.58 E	-$1.99 E
2027					-$1.46 E
2028					-$1.18 E

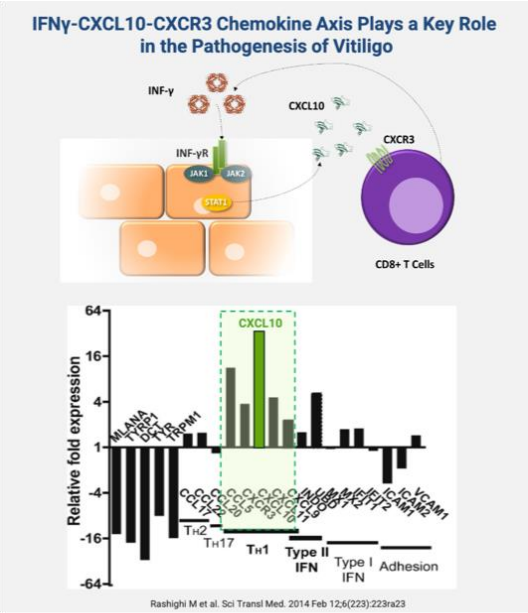
WHAT'S NEW

Business Update

Vitiligo Trial to Initiate Shortly

Edesa Biotech, Inc. (EDSA) will be conducting a Phase 2 study of EB06, its anti-CXCL10 monoclonal antibody, for the treatment of moderate-to-severe non-segmental vitiligo patients. Vitiligo is a disease that causes areas of the skin to lose color, with non-segmental vitiligo being characterized by patches appearing on both sides of the body. It is caused when pigment-producing cells (melanocytes) die or stop producing melanin as a result of an autoimmune disease, genetics, or a triggering event (e.g., stress, sunburn, skin trauma).

Past research showed that the chemokine CXCL10 was elevated in both vitiligo patient skin and serum (El-Domyati *et al*., 2022). In a mouse model of vitiligo, which includes CXCL10 expression in the skin, neutralization of CXCL10 in mice with established, widespread depigmentation induced reversal of disease as shown by repigmentation (Rashighi *et al*., 2014). In addition, serum CXCL10 levels are significantly increased in vitiligo patients compared to controls, suggesting that CXCL10 may play a role in the pathogenesis of vitiligo in humans (Gharib *et al*., 2021). The following figure demonstrates the interferon-gamma (IFN-g)/CXCL10/CXCR3 chemokine axis as it relates to the pathogenesis of the disease.



Source: Edesa Biotech, Inc.

A 2022 publication reported that the estimated prevalence of vitiligo patients in the U.S. is between 1.9 million and 2.8 million (Gandhi *et al*., 2022). This corresponds to a vitiligo market that is projected to reach approximately $1.2 billion by 2030 (EvaluatePharma). Currently, the only FDA approved therapy is topical ruxolitinib (Opzelura®), which generated $678 million in revenue in 2025, with approximately $390 million of that coming from sales for vitiligo (EvaluatePharma). Opzelura carries a black-box warning due to the potential for serious infections, major adverse cardiovascular events, and thrombosis (Opzelura prescribing information). Thus, there is clearly an unmet need to additional safe and effective treatment options for vitiligo patients.

Edesa has completed the preparations for its Phase 2 trial of EB06 in moderate-to-severe vitiligo patients and has begun activating its first investigational sites, with recruitment expected to begin shortly in Canada followed by additional jurisdictions following regulatory approval and administrative filings. The study will enroll

approximately 80 patients with severe nonsegmental vitiligo and will evaluate treatment for 28 weeks as the primary endpoint. Additional details for the trial will be released following the enrollment of the first patient, which we anticipate occurring in late 3Q26 or early 4Q26 with topline results likely in late 2027.

Positive Exploratory Data for Paridiprubart in AKI

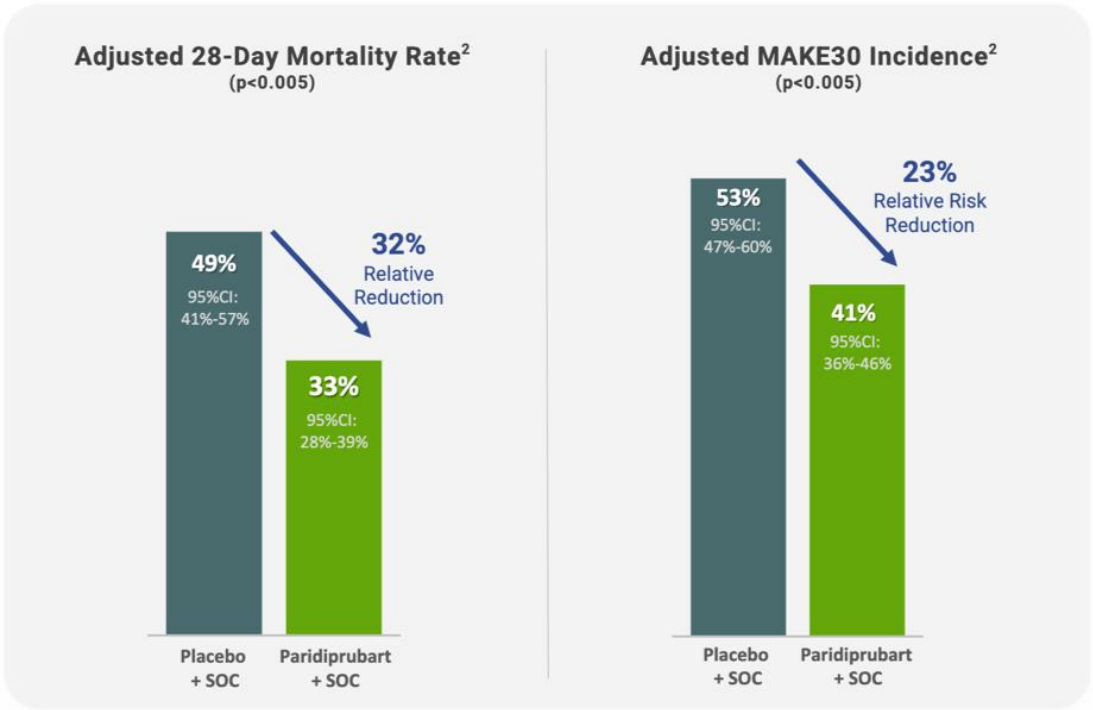
In June 2026, Edesa Biotech, Inc. (EDSA) announced the presentation of positive exploratory data for paridiprubart (EB05), the company's first-in-class anti-TLR4 monoclonal antibody, in patients with acute kidney injury (AKI) and acute respiratory distress syndrome (ARDS). The data expanded on previously 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

On August 13, 2026, Edesa announced financial results for the third quarter of fiscal year 2026 that ended June 30, 2026. As expected, there were no revenues reported for the third quarter of fiscal year 2026. R&D expenses in the third quarter of fiscal year 2026 were $4.0 million, compared to $0.9 million for the third quarter of fiscal year 2025. The increase was primarily due to higher manufacturing costs and other preparations for the planned Phase 2 clinical study of EB06 in vitiligo patients. G&A expenses totaled $1.6 million for the third quarter of fiscal year 2026 compared to $1.0 million for the third quarter of fiscal year 2025. The increase was primarily due to an increase in non-cash, share-based compensation and professional fees.

As of June 30, 2026, Edesa had approximately $10.3 million in cash and cash equivalents. On August 19, 2026, Edesa announced an underwritten public offering of 1) 3.875 million shares and 3.875 million warrants and 2) in lieu of common shares to investors who so choose, pre-funded warrants to purchase up to 675,000 shares and 675,000 accompanying warrants. The common share warrants have an exercise price of $7.50 and will expire on the earlier of 1) 18 months following issuance or 2) 30 days following the company's public announcement of Phase 2 vitiligo topline data for EB06. The combined price of each common share and accompanying warrant is $5.50 with gross proceeds expected to be approximately $25 million. Following the financing, we estimate Edesa currently has approximately 13.5 million shares outstanding and, when factoring in stock options and warrants, a fully diluted share count of approximately 24.2 million.

Conclusion

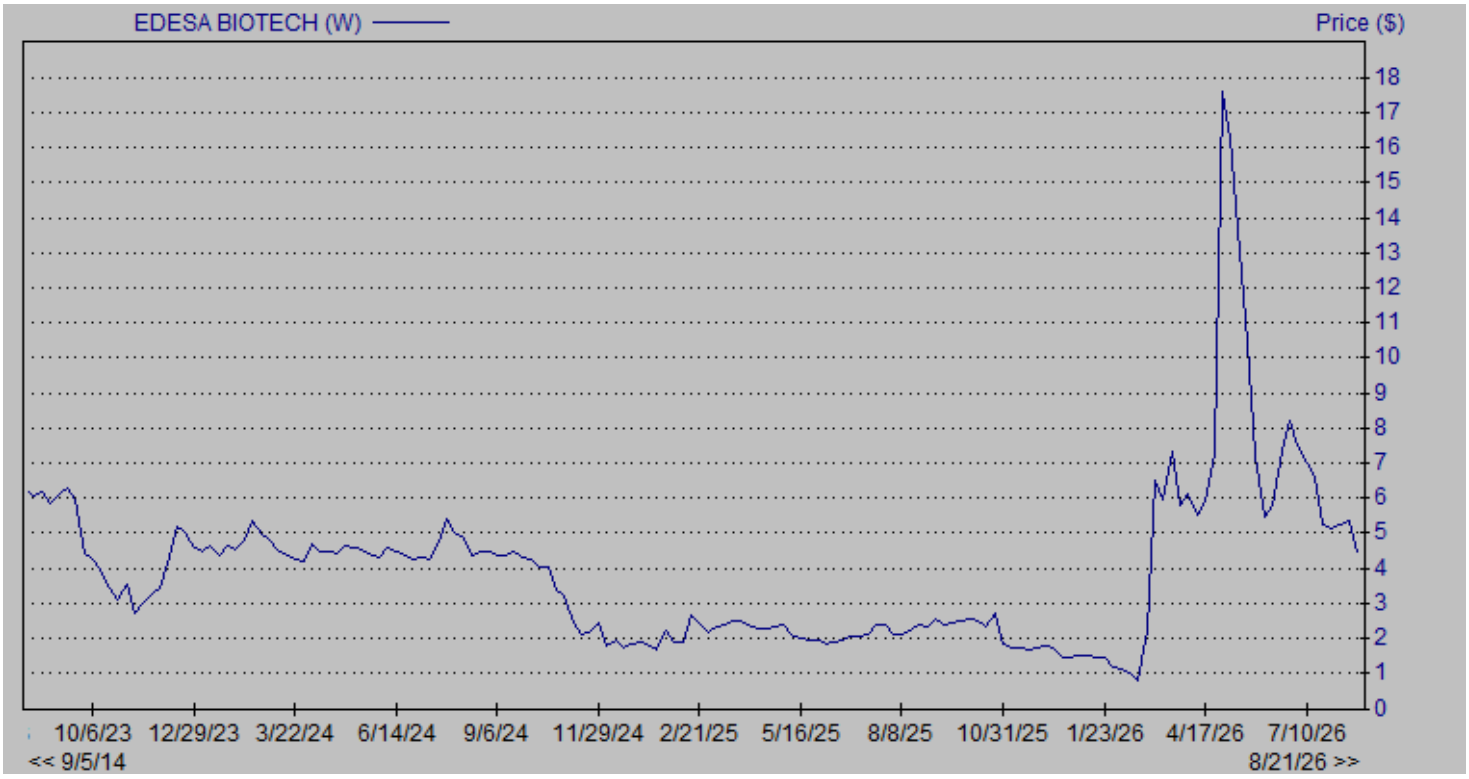
We look forward to the initiation of the Phase 2 vitiligo trial in the near term. We estimate the trial will take approximately 12 months to conduct, thus topline results could be available toward the end of 2027, but that timeline will be dependent upon when the trial initiates and patient enrollment rates. In addition, Edesa is continuing to evaluate regulatory pathways for EB05 in the treatment of ARDS and will provide an update when warranted. Our current valuation remains at $19 per share.

PROJECTED FINANCIALS

Edesa Biotech, Inc.	FY2025 A	Q1FY26 A	Q2FY26 A	Q3FY26 A	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	$4.0	$4.0	$11.8	$12.0	$13.0
General & Administrative	$4.2	$1.2	$1.5	$1.6	$1.7	$6.0	$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)	($5.520)	($5.7)	($17.9)	($18.0)	($19.3)
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)	($5.4)	($5.6)	($17.5)	($17.5)	($18.8)
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)**	**($5.4)**	**($5.6)**	**($17.5)**	**($17.5)**	**($18.8)**
Net Margin	-	-	-	-	-	-	-	-
Reported EPS	**($1.25)**	**($0.28)**	**($0.49)**	**($0.60)**	**($0.58)**	**($1.99)**	**($1.46)**	**($1.18)**
YOY Growth	-	-	-	-	-	-	-	-
Basic Shares Outstanding	5.7	8.0	8.5	9.0	9.6	8.8	12.0	16.0

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

HISTORICAL STOCK PRICE



Source: Zacks Small Cap Research

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