Corporate Overview
April 2018

FIRST-IN-CLASS DRUG CANDIDATES
With dermatology, oncology, anti-inflammatory, and antibiotic applications
Safe Harbor; Forward-Looking Statements

This presentation contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 that involve risks, uncertainties and assumptions that could cause Innovation’s actual results and experience to differ materially from anticipated results and expectations expressed in these forward-looking statements. Innovation Pharmaceuticals has in some cases identified forward-looking statements by using words such as “anticipates,” “believes,” “hopes,” “estimates,” “looks,” “expects,” “plans,” “intends,” “goal,” “potential,” “may,” “suggest,” and similar expressions. These forward-looking statements include, but are not limited to, statements concerning future drug development plans and projected timelines for the initiation and completion of preclinical and clinical trials; the potential for the results of ongoing preclinical or clinical trials and the efficacy of Innovation Pharmaceuticals’ drug candidates; the potential market opportunities and value of drug candidates; other statements regarding future product development and regulatory strategies, including with respect to specific indications; any statements regarding Innovation Pharmaceuticals’ future financial performance, results of operations or sufficiency of capital resources to fund its operating requirements; any statements relating to Innovation Pharmaceuticals planned uplisting or use of proceeds; and any other statements that are not statements of historical fact. Forward-looking statements involve risks and uncertainties, which may cause Innovation’s actual results, performance or achievements to be materially different from those expressed or implied by forward-looking statements. Such forward-looking statements are based upon current expectations that involve risks, changes in circumstances, assumptions and uncertainties. Among other factors that could cause actual results to differ materially from those expressed in forward-looking statements are Innovation Pharmaceuticals’ need for, and the availability of, substantial capital in the future to fund its operations and research and development, including the amount and timing of the sale of shares of common stock to Aspire Capital; Innovation Pharmaceuticals’ ability to continue to fund and successfully progress internal research and development efforts and to create effective, commercially-viable drugs; and the fact that Innovation’s compounds may not successfully complete pre-clinical or clinical testing, or be granted regulatory approval to be sold and marketed in the United States or elsewhere. A more complete description of these risk factors is included in Innovation Pharmaceuticals’ filings with the Securities and Exchange Commission. You should not place undue reliance on any forward-looking statements. Forward-looking statements speak only as of the date on which they are made. Innovation Pharmaceuticals undertakes no obligation to release publicly the results of any revisions to any such forward-looking statements that may be made to reflect events or circumstances after the date of this presentation or to reflect the occurrence of unanticipated events, except as required by applicable law or regulation.
Innovation Pharmaceuticals Overview

Value Proposition

INNOVATIVE SCIENCE AT THE CORE OF THE COMPANY

AN EXCEPTIONALLY STRONG CLINICAL PIPELINE

ADDRESSING $BILLION MARKET OPPORTUNITIES

Novel Mechanisms of Action

e.g., Brilacidin

Mid-Late Stage Candidates

Multiple Therapeutic Areas

- Dermatology
- Cancer
- Infectious Disease
- Gastrointestinal

Design Approach

The biological activities of host defense proteins depend on an amphipathic helix

- Host defense protein (HDP)
- Magainin
- Charged, cationic, Hydrophobic
- Cellceutix synthetic mimic
- Not peptidomimetics

Biomimetic Polymer

Capture structural and biological properties of HDPs using fully synthetic, nonpeptidic scaffold and sidechains

Preclinical  Phase 1  Phase 2

Programs in Ph2
Innovation has **three drug candidates**, each with first-in-class potential, advancing in clinical trials under various special FDA designations.

**Brilacidin**

*Drug candidate in a new immunomodulatory class with anti-inflammatory and antibiotic properties advancing in multiple development programs under Fast Track designations.*

**Kevetrin**

*p53-modulating drug candidate with three Orphan Drug designations recently completed a Phase 2a trial for ovarian cancer*

**Prurisol**

*Orally-delivered psoriasis drug candidate recently completed a Phase 2b trial utilizing advantages of the 505(b)(2) development approach*
Company Highlights

**Brilacidin**, a Novel Immunomodulatory Agent...
**Kevetrin**, a p53-Modulating Drug Candidate... and;
**Prurisol**, an Oral Psoriasis Medicine

All three **Clinical Assets targeting Multi-Billion Markets** in numerous therapeutic areas, across multiple clinical indications

### KEY RECENT MILESTONES

**Brilacidin**

- **Oral Mucositis**- Positive Ph2 trial (reduced incidence and delayed onset of Severe Oral Mucositis)
- **Inflammatory Bowel Disease (UP/UPS)**- Positive Ph2a trial (clinical remission in > 50% of patients)

**Kevetrin**

- **Ovarian Cancer**- Positive Ph2a trial (preliminary results in first patients showed modulation of p53)

**Prurisol**

- **Psoriasis**- Completed Ph2b trial (topline results anticipated 2Q2018)
Multi-Billion Market Opportunity

Innovative Products Will Merit Higher Premiums

Brilacidin

**OM

IBD

Kevetrin

Ovarian Cancer

Prurisol

Psoriasis

** Oral Mucositis

*ABSSSI = Acute Bacterial Skin and Skin Structure Infection

Table 10: Estimates of Total Market Size, by Indication (in $ Million)

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2021</th>
<th>2026</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$3.272M</td>
<td>$3.070M</td>
<td>$2.290M</td>
</tr>
<tr>
<td>2</td>
<td>$2.960M</td>
<td>$6.590M</td>
<td>$7.970M</td>
</tr>
</tbody>
</table>

Source: (IMS Health, 2012)

*ABSSSI = Acute Bacterial Skin and Skin Structure Infection
** OM = Oral Mucositis
How We’re Different
Innovative Drug Candidates with Multi-Indication Potential

**BRILACIDIN**
- *ABSSSI*
- Acute Bacterial Skin and Skin Structure Infection
- Oral Mucositis
- Ulcerative Colitis
- Eczema
- Crohn’s
- Acne

**KEVETRIN**
- Ovarian CA
- Renal CA
- Pancreatic CA
- Retinoblastoma

**PRURISOL**
- Psoriasis
- Psoriatic Arthritis

Potential for Life-Changing, Life-Saving Treatments

* ABSSSI - Acute Bacterial Skin and Skin Structure Infection
** HS - Hidradenitis suppurativa
**Pipeline Potential**

Targeting Major Therapeutic Areas: Brilacidin

### ORAL MUCOSITIS

- **~450,000 patients/year in U.S. alone**
- Less than 5% of patients currently prescribed any OM treatment

### INFLAMMATORY BOWEL DISEASE

- **200,000 Canadians with IBD**
- **1.4 million Americans with IBD**
- **2.2 million Europeans with IBD**

### INFECTIOUS DISEASE

- **$1.087bn sales in 2016**

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**Recent Deals / Market Potential**

<table>
<thead>
<tr>
<th>Product</th>
<th>Company</th>
<th>Phase</th>
<th>Indication</th>
<th>Comment / Issue</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kapruka</td>
<td>Amgen</td>
<td>Approved (drug)</td>
<td>Prevent OM- HSCT</td>
<td>Inconvenient IV dosing in pre - 3rd post chemos, over priced</td>
</tr>
<tr>
<td>Gelclair</td>
<td>DARa</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, poor data</td>
</tr>
<tr>
<td>Mucotol</td>
<td>Edwards Pharmaceutical</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, poor data</td>
</tr>
<tr>
<td>Caphorol</td>
<td>EUSA</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, poor data</td>
</tr>
<tr>
<td>Epital</td>
<td>Camurus</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td></td>
</tr>
<tr>
<td>Mugard</td>
<td>Access</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, record controlled study confirmed activity as a palliative agent</td>
</tr>
</tbody>
</table>

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**Recent Deals / Market Potential**

- **$7.8bn**
  - SLP modulation
  - **$2.075bn**
  - **$2.6bn**
  - **$2.6bn**

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**Cubicin**

- **(daptomycin for injection) 500 mg**
- **$1.087bn sales in 2016**

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Innovations Pharmaceuticals Inc.
Pipeline Potential

Targeting Major Therapeutic Areas: Kevetrin and Prurisol

OVARIAN CANCER

Recent Deals / Market Potential

PSORIASIS

Recent Deals / Market Potential

Source: Bloomberg

GLOBAL PREVALENCE OF PSORIASIS

4-7%
5-7%
3-5%
2-3%
1-2%
0-1%

Corporate Overview Apr2018
Our Approach

Strategic Focus

- Maximize Value of Current Assets
- Select Key Programs for Continued Internal Development
- Capture ROI through Partnerships
Brilacidin: Phase 2 Oral Mucositis Trial
Positive Results: Reduced Incidence of Severe Oral Mucositis

Brilacidin clearly reduced the Incidence of Severe OM (WHO Grade ≥ 3) experienced during chemoradiation therapy by patients with Head and Neck Cancer

**Incidence of Severe OM (WHO Grade ≥3)**

- **60%** of patients in the **placebo** treatment arm experienced at least one score of WHO Grade ≥3 [15 of 25 patients (mITT) or 12 of 20 (PP)]
- **42.9%** of patients in the **Brilacidin** treatment arm (mITT) experienced at least one score of WHO Grade ≥3 [9 of 21 patients (mITT)]
- **36.8%** of patients in the **Brilacidin** treatment arm (PP) experienced at least one score of WHO Grade ≥3 [7 of 19 patients (PP)]

**Severe OM *Risk Reduction (%) from Placebo**

- Brilacidin (mITT): 28.5%
- Brilacidin (PP): 38.7%

A Painful and Common Complication of Chemoradiation

*Risk Reduction = [incidence Placebo - incidence Brilacidin]/incidence Placebo

mITT- Modified Intent to Treat Population
PP- Per Protocol Population
Brilacidin: Phase 2 Oral Mucositis Trial

Positive Results: Brilacidin More Effective in Aggressive Chemotherapy Regimen (Subgroup Analysis)

Brilacidin more effective in 21 Day Cisplatin Regimen in Reducing the Incidence of Severe OM (WHO Grade ≥ 3) experienced during chemoradiation therapy by patients with Head and Neck Cancer

- Approx. 72% of patients in the placebo treatment arms experienced at least one score of WHO Grade ≥3 [10 of 14 patients (mITT) or 8 of 11 (PP)]

- 25.0% of patients in the Brilacidin treatment arm (mITT) experienced at least one score of WHO Grade ≥3 [2 of 8 patients (mITT)]

- 14.3% of patients in the Brilacidin treatment arm (PP) experienced at least one score of WHO Grade ≥3 [1 of 7 patients (PP)]

*Risk Reduction = (incidence Placebo - incidence Brilacidin)/incidence Placebo

mITT - Modified Intent to Treat Population
PP - Per Protocol Population
Brilacidin: Phase 2 Oral Mucositis Trial

Positive Results: Delayed Time to Onset of Severe Oral Mucositis

Kaplan-Meier Curves for Time to Onset, in Days, of Severe OM (WHO Grade ≥ 3)
(PP Population)

Note the period from approximately 28-42 days during which SOM incidence rises strikingly in Placebo while not in the Brilacidin group (Double arrow)
Brilacidin: Phase 2a IBD Trial (Ulcerative Proctitis/Proctosigmoiditis)

Positive Results: Primary Efficacy Endpoint Met, Supported by Endoscopic Improvement

Clinical Remission in > 50% patients (Day 42)

Similar across cohorts

- 60% Cohort A (3 of 5)
- 67% Cohort B (4 of 6)
- 75% Cohort C (3 of 4)

Analysis population: Includes subjects with Endoscopy, Rectal Bleeding and Stool Frequency subscores at baseline and Day 42; one patients in Cohort A and one patient in Cohort C are not included due to no Day 42 endoscopy (patients declined)

Clinical Remission:
- Endoscopy subscore ≤ 1
- Rectal Bleeding subscore of 0
- Stool Frequency subscore improvement or no change from baseline

Examples Clinical Remission
Treated with Brilacidin 100mg (Cohort B) per retention enema

Subject 990216 (rectum)  
Subject 990215 (rectum)
Brilacidin: Phase 2b *ABSSSI Trial

Positive Results: As an Antibacterial Performed Favorably to a Current Market Leader

• Single Dose Brilacidin Efficacy comparable to 7-day regimen of robust comparator (Daptomycin x 7 days)

<table>
<thead>
<tr>
<th></th>
<th>Brilacidin 0.6 mg/kg IV x 1 day (N=53)</th>
<th>Brilacidin 0.8 mg/kg IV x 1 day (N=53)</th>
<th>Brilacidin x 3 days (N=53)</th>
<th>Daptomycin x 7 days (N=50)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number Assessed</td>
<td>51</td>
<td>48</td>
<td>52</td>
<td>48</td>
</tr>
<tr>
<td>Clinical Response (%)</td>
<td>47 (92.2)</td>
<td>46 (95.8)</td>
<td>51 (98.1)</td>
<td>45 (93.8)</td>
</tr>
<tr>
<td>95% C.I.</td>
<td>(84.8, 99.5)</td>
<td>(90.2, 100)</td>
<td>(94.3, 100)</td>
<td>(86.9, 100)</td>
</tr>
</tbody>
</table>

*Acute Bacterial Skin and Skin Structure Infection
Kevelerin Ph2a Trial for Ovarian Cancer

Positive Results: p53 Modulation Demonstrated in analysis of First Patients

Western Blot shows modulation of p53 and Phospho-p53 proteins in patient tumor tissue in response to Kevelerin treatment

**OVCAR-3** (cell-line)  

- **p53**
- **Actin**
- **Claudin-4**

**Patient 002- 001**

- **Scr**
- **D21**

**OVCAR-3** (cell-line)  

- **P-p53**
- **Actin**
- **Claudin-4**

**Patient 002- 001**

- **Scr**
- **D21**

Kevelerin Treatment Regimen

250mg/m² iv 3x/week for 3 weeks

**Scr**- before Kevelerin (screening)  

**D21**- after Kevelerin (day 21)  

**OVCAR-3**- a reference ovarian cancer cell-line

Source: publichealthwatch
Prurisol: Phase 2a Mild-Moderate Plaque Psoriasis Trial
Positive Results: Primary Efficacy Endpoint Met in 200mg arm (IGA Improvement over 12 weeks)

Psoriasis Affects Over 125 million People Worldwide

- ≥ 2-point Investigator Global Assessment (IGA) improvement (200 mg group) at Week 12 was 35.0% subjects (PP)
  [Provided basis to proceed to next study]

Source: Table 14.2.1.2 and Table 14.2.1.4
Prurisol: Phase 2b Moderate-Severe Plaque Psoriasis Trial

**Completed:** Awaiting Topline Data (Anticipated 2Q2018)

- Randomized, double-blind, parallel-group, placebo-controlled
- **Treatment Groups**
  - Prurisol 300 mg: Pbo: Prurisol 400 mg
  - 3:3:1
- **Number of Patients**
  - 199
- **Treatment Duration**
  - 12 weeks
- **Number of Sites (U.S.)**
  - 34

### Study Design Schematic

- **Screening**
- **Double Blind, Treatment period**
- **Follow-up**

- Prurisol 150 mg bid (n=81)
- Placebo (n=81)
- Prurisol 200 mg bid (n=27)

= Randomization
### Proven Team With Deep Experience

#### Senior Management, Key Advisors

<table>
<thead>
<tr>
<th>Name</th>
<th>Role(s)</th>
<th>Experience and Achievements</th>
</tr>
</thead>
</table>
| **LEO EHRlich**                           | Co-Founder, CEO, CFO, Board Chairman         | • >25 years of executive leadership experience in building and managing emerging growth companies  
• Multiple C-suite roles at private and public companies                                                                                                                                                                                                                                                                                                               |
| **ARTHUR P BERTOLINO, MD, PHD, MBA**      | President and CMO                            | • >15 years of domestic and global drug development and management experience  
• Extensive senior leadership (VP of Dermatology at Novartis)                                                                                                                                                                                                                                                                                                           |
| **KRISHNA MENON, PHD, VMD**               | Co-Founder, CSO, an Board Member             | • >30 years of drug development experience  
• Key pre-clinical oncology group leader (Gemzar and Alimta)                                                                                                                                                                                                                                                                                                              |
| **JANE HARNESS, MS, MP**                  | Sr Vice-President, Clinical Sciences and     | • >20 years in domestic and international clinical drug development  
• Extensive pharma leadership positions across entire career                                                                                                                                                                                                                                                                                                           |
|                                           | Portfolio Management                         |                                                                                                                                                                                                                                                                                                                                                                               |
| **Francis A Farraye, MD, MSC**            | Scientific Advisor                           | • Professor of Medicine, Clinical Director, Section of Gastroenterology and Co-Director, Center for Digestive Disorders, at Boston University School of Medicine                                                                                                                                                                                                                                                                 |
| **Paul Ginsburg, PHD**                    | Scientific Advisor                           | • Patent expert in the pharmaceutical and biotechnology fields; former head of NY-based patent department at Pfizer                                                                                                                                                                                                                                                                                                           |
| **Stephen T Sonis, DMD, DMSC**            | Scientific Advisor                           | • Recognized expert in cancer-related oral mucosal toxicities  
• Professor of Oral Medicine at Harvard School of Dental Medicine, Senior Surgeon at the Dana-Farber Cancer Institute and Brigham and Women’s Hospital                                                                                                                                                                                                                                                  |
Commercial Expanse and Intellectual Property

Wholly-Owned Global Commercialization Rights

Intellectual Property Estate

**Prurisol**
- #US Patents granted: 1
- Prurisol Mfg method: Prov. pending
- Countries Granted:
  - Various EU
  - Japan
  - Others

**Brilacidin**
- # US Patents granted: 10
- Brilacidin Mfg method: In-process
- Countries Granted:
  - Various EU
  - Japan
  - Others

**Kevetrin**
- # US Patents granted: 1
- # Patents pending:
  - Others
- Countries Granted:
  - Various EU
  - Japan
  - Others
• Leverage Recent Milestones to Support Partnering Opportunities
  • Multiple CDAs Signed, Ongoing Interactions with Big Pharma and other Global Rx Companies

• Advance Formulation Work to Tailor Drug Delivery

• Continue to Build Value by Addressing Areas of Unmet Medical Need for the Benefit of Patients and Shareholders

• Anchor Each Drug Candidate in Additional Trials to Further Provide Favorable Return-On-Investment