Corporate Overview
August 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
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 completed a Phase 2a trial for **ovarian cancer***

### Prurisol

*Orally-delivered **psoriasis** drug candidate 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 (showed modulation of p53 directly in tumor)

Prurisol

- Psoriasis- Completed Ph2b trial (awaiting statistical analysis)
Multi-Billion Market Opportunity
Innovative Products Will Merit Higher Premiums

Brilacidin

Key Indications:
- **OM**
- IBD

Kevetrin

Key Indications:
- Ovarian Cancer

Prurisol

Key Indication:
- Psoriasis

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

<table>
<thead>
<tr>
<th>Year</th>
<th>ABSSSI</th>
<th>HABP/VAP</th>
<th>CIN</th>
<th>CUTI</th>
<th>CARP</th>
<th>ABOM</th>
<th>EOM</th>
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<tr>
<td>2016</td>
<td>$3,230</td>
<td>$9,230</td>
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<tr>
<td>2017</td>
<td>$3,230</td>
<td>$9,230</td>
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<tr>
<td>2018</td>
<td>$3,230</td>
<td>$9,230</td>
<td>$9,230</td>
<td>$9,230</td>
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</table>

*ABSSSI = Acute Bacterial Skin and Skin Structure Infection
**OM = Oral Mucositis

Source: (IMS Health, 2012)
How We’re Different
Innovative Drug Candidates with Multi-Indication Potential

BRILACIDIN
- *ABSSSI
- 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

LESS THAN 5% OF PATIENTS CURRENTLY PRESCRIBED ANY OM TREATMENT

Recent Deals / Market Potential

Product  Company  Phase  Indication  Comment / Issue
Kapprine Amgen Approved (drug) Prevent OM-HSCT Incrimental IV dosing 3x pre + 3x post chem, over priced
Gelclair DAR  Approved (device) Palliation Poor reimbursement, poor data
Mucotol Edwards Pharmaceutical Approved (device) Palliation Poor reimbursement, poor data
Caphorol EUSA Approved (device) Palliation Poor reimbursement, poor data
Epital Carusus Approved (device) Palliation
Mugard Access Approved (device) Palliation Poor reimbursement, record controlled study confirmed activity as a palliative agent

INFECTIOUS DISEASE

Recent Deals / Market Potential

INFECTION DISEASE

$1.087bn sales in 2016

There's Big Money Again in Saving Humanity With Antibiotics

CUBICIN (daptomycin for injection) 500 mg

$1.087bn sales in 2016
Pipeline Potential

Targeting Major Therapeutic Areas: Kveptrin and Prurisol

**OVARIAN CANCER**

**PSORIASIS**

Recent Deals / Market Potential

**GLOBAL PREVALENCE OF PSORIASIS**

Recent Deals / Market Potential

- **$640 million**
  - **Allergan**
  - **Dr. Reddy's**
  - **XenoPort**

- **$790 million**
  - **Pfizer**
  - **Boehringer Ingelheim**

- **$595 million**
  - **Purdue**
  - **exicure**
  - **AbbVie**

Source: Bloomberg, World Health Organization
Our Approach

Strategic Focus

- Maximize Value of Current Assets
- Capture ROI through Partnerships
- Select Key Programs for Continued Internal Development
Brilacidin clearly reduced the Incidence of Severe OM (WHO Grade ≥ 3) experienced during chemoradiation therapy by patients with Head and Neck Cancer

Brilacidin: Phase 2 Oral Mucositis Trial
Positive Results: Reduced Overall Incidence of Severe Oral Mucositis

*Risk Reduction (%) from Placebo

- 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: 38.7% reduction
- Placebo: 28.5% reduction

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

**Positive Results: Brilacidin Markedly Effective in Standard-of-Care Chemotherapy Regimen (Subgroup Analysis)**

Brilacidin markedly 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)]

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

**21 Day Cisplatin Regimen**

- **Placebo (mITT)**: 71.4%
- **Brilacidin (mITT)**: 25.0%
- **Placebo (PP)**: 14.3%
- **Brilacidin (PP)**: 14.3%

*p=0.0480

Severe OM *Risk Reduction (%) from Placebo*

- Brilacidin (mITT): 65.0%
- Brilacidin (PP): 80.3%

*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 marked in 21-day Cisplatin subgroup*

Kaplan-Meier Curves for Time to Onset, in Days, of Severe OM, 21-day Cisplatin Schedule (PP Population)

Note the period from approximately **19-49 days** during which SOM incidence rises strikingly in Placebo while not in the Brilacidin group.
**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 patient in Cohort A and one patient in Cohort C are not included due to no Day 42 endoscopy (patients declined).

**Examples Clinical Remission**

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

Clinical Remission is defined as:

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

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>
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<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>
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<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>
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*Acute Bacterial Skin and Skin Structure Infection
Kevetrin Ph2a Trial for Ovarian Cancer

Positive Results: p53 Modulation Demonstrated


**OVCAR-3 Patient 002-001**

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

**p53**

**Actin**

**Claudin-4**

**OVCAR-3 Patient 002-001**

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

**P-p53**

**Actin**

**Claudin-4**

Keve-trin Treatment Regimen

250mg/m² iv 3x/week for 3 weeks

- **Scr** - before Kevetrin (screening)
- **D21** - after Kevetrin (day 21)
- **OVCAR-3** - a reference ovarian cancer cell-line

**Scr**

**D21**

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 14.2.1.2.4
**Study Design Schematic**

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<tr>
<th>Week</th>
<th>Baseline</th>
<th>0</th>
<th>2</th>
<th>4</th>
<th>6</th>
<th>8</th>
<th>10</th>
<th>12</th>
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- **Screening**
- **Double Blind, Treatment period**
- **Follow-up**

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

**Study Design Schematic**

- **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

**Prurisol: Phase 2b Moderate-Severe Plaque Psoriasis Trial**

*Completed: Awaiting Statistical Analysis*
## Proven Team With Deep Experience

### Senior Management, Key Advisors

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

- Leverage Recent Milestones to Support Partnering Opportunities
  - Ongoing Interactions with Big Pharma and other Global Rx Companies

- Advance Formulation Work to Tailor Drug Delivery (Oral Emphasis)

- 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