Corporate Overview
January 2019

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.
INNOVATIVE SCIENCE AT THE CORE OF THE COMPANY

AN EXCEPTIONALLY STRONG CLINICAL PIPELINE

ADDRESSING $BILLION MARKET OPPORTUNITIES

Novel Mechanisms of Action

Mid-Late Stage Candidates

Multiple Therapeutic Areas

e.g., Brilacidin

Dermatology

Cancer

Infectious Disease

Gastrointestinal

<table>
<thead>
<tr>
<th>Preclinical</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
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Design Approach

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

Magainin

Host defense protein (HDP)

peptide zics

Charged cationic

Hydrophobic

Synthetic mimic

compound axis

Biomimetic Polymer

Capture structural and biological properties of HDPs using fully synthetic, nonpeptidic scaffolds and small molecules

Not peptidomimetics
Innovation Pharmaceuticals has **two 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*
### Innovation Pharmaceuticals Pipeline

#### Stages of Development and Special FDA Designations

Exceptionally strong pipeline, novel mechanisms of action

<table>
<thead>
<tr>
<th>Drug Candidate</th>
<th>Indication</th>
<th>Preclinical</th>
<th>Phase 1</th>
<th>Phase 2</th>
<th>Phase 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brilacidin</td>
<td>Oral Mucositis</td>
<td></td>
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<td>4</td>
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<tr>
<td></td>
<td>Ulcerative Colitis*</td>
<td></td>
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<tr>
<td></td>
<td>ABSSSI**</td>
<td></td>
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<tr>
<td>Kevetrin</td>
<td>Ovarian Cancer</td>
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Leveraging designations to expedite development, improve likelihood of drug approval, and gain added market exclusivity

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<table>
<thead>
<tr>
<th>Drug Candidate</th>
<th>Designation Type</th>
<th>Date Granted</th>
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<tbody>
<tr>
<td>Kevetrin</td>
<td>Orphan Drug Designation for Ovarian Cancer</td>
<td>July 2015</td>
</tr>
<tr>
<td></td>
<td>Orphan Drug Designation for Retinoblastoma</td>
<td>November 2015</td>
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<tr>
<td></td>
<td>Rare Pediatric Disease Designation for Retinoblastoma</td>
<td>November 2015</td>
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<tr>
<td></td>
<td>Orphan Drug Designation for Pancreatic Cancer</td>
<td>January 2016</td>
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<tr>
<td>Brilacidin</td>
<td>QIDP*** Fast-Track Designation for ABSSSI**</td>
<td>December 2014</td>
</tr>
<tr>
<td></td>
<td>Fast-Track Designation for Oral Mucositis</td>
<td>November 2015</td>
</tr>
</tbody>
</table>

*Ulcerative Colitis- trial conducted in UP/UPS (Ulcerative Proctitis/Proctosigmoiditis; two types of Inflammatory Bowel Disease)

**ABSSSI - Acute Bacterial Skin and Skin Structure Infection  ***QIDP – Qualified Infectious Disease Product
Company Highlights

**Brilacidin**, a Novel Immunomodulatory Agent... and;

**Kevetrin**, a p53-Modulating Drug Candidate

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

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**KEY MILESTONES**

**Brilacidin**

- **Oral Mucositis**- Positive Ph2 trial (reduced incidence and delayed onset of Severe Oral Mucositis)
  - *Completed End-of-Phase 2 meeting with FDA and aligned on Phase 3 Development program*

- **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)
Multi-Billion Market Opportunity

Innovative Products Will Merit Higher Premiums

Brilacidin

**OM

IBD

*ABSSSI

**OM = Oral Mucositis

*ABSSSI = Acute Bacterial Skin and Skin Structure Infection

Kevetrin

Ovarian Cancer

Nature Reviews | Drug Discovery

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

| Year | ABDOM | ABSSSI | CABP | CIAI | CLLU | HARP/VAP
<table>
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<tr>
<td>2016</td>
<td>2,720</td>
<td>3,070</td>
<td>2,920</td>
<td>2,530</td>
<td>5,760</td>
<td>1,780</td>
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<tr>
<td>2017</td>
<td>2,950</td>
<td>6,590</td>
<td>7,970</td>
<td>4,660</td>
<td>6,540</td>
<td>3,470</td>
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<tr>
<td>2018</td>
<td>9,230</td>
<td>9,230</td>
<td>9,230</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

** Oral Mucositis

Source: IMS Health, 2012
How We’re Different

Innovative Drug Candidates with Multi-Indication Potential

BRILACIDIN

*ABSSSI

ULCERATIVE COLITIS

ECZEMA

ORAL MUCOSITIS

CROHN’S DISEASE

ACNE

KEVETRIN

OVARIAN CA

RENAL CA

RETINOBLASTOMA

PANCREATIC CA

POTENTIAL FOR LIFE-CHANGING, LIFE-SAVING TREATMENTS

* ABSSSI - Acute Bacterial Skin and Skin Structure Infection
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
- Recent Deals / Market Potential
  - $1.087bn sales in 2016

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>Kapikazan</td>
<td>Amgen</td>
<td>Approved (drug)</td>
<td>Prevent OM- HSCT</td>
<td>Incinorelin IV dosing 3x pre + 3x post chem + 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>Mucotok</td>
<td>Eduardo Pharmaceutical</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, poor data</td>
</tr>
<tr>
<td>Caporol</td>
<td>EUSA</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, poor data</td>
</tr>
<tr>
<td>Epiel</td>
<td>Camurus</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, poor data</td>
</tr>
<tr>
<td>Mugard</td>
<td>Access</td>
<td>Approved (device)</td>
<td>Palliation</td>
<td>Poor reimbursement, recent controlled study confirmed activity as a palliative agent</td>
</tr>
</tbody>
</table>

Corporate Overview Jan2019
Pipeline Potential
Targeting Major Therapeutic Areas: Kevetrin

OVARIAN CANCER

Worldwide Prevalence

Recent Deals / Market Potential

Source: Bloomberg
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.

- **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)]

A Painful and Common Complication of Chemoradiation

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

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

\[ *Risk\,\, Reduction = \frac{\text{incidence Placebo} - \text{incidence Brilacidin}}{\text{incidence Placebo}} \]

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

- Placebo (mITT or PP): 60%
- Brilacidin (mITT): 42.9%
- Brilacidin (PP): 36.8%
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

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

- 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)]

Incidence of Severe OM (WHO Grade ≥ 3)
21 Day Cisplatin Regimen

Severe OM *Risk Reduction (%) from Placebo

*p=0.0480

*p=0.0249

\[\text{Risk Reduction} = \frac{\text{incidence Placebo} - \text{incidence Brilacidin}}{\text{incidence Placebo}}\]

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.
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 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

Clinical Remission: % of Subjects

Meet all 3 criteria

Subject 990216 (rectum)

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

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

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

### Active Skin Infection

<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
Kevetrin Ph2a Trial for Ovarian Cancer

Positive Results: p53 Modulation Demonstrated


OVCAR-3 Patient 002-001
(cell-line)

Scr D21

p53 Actin

Cladin-4

OVCAR-3 Patient 002-001
(cell-line)

Scr D21

P-p53 Actin

Cladin-4

Kevetrin 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
<table>
<thead>
<tr>
<th>Name</th>
<th>Title and Position</th>
<th>Experience</th>
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</thead>
</table>
| LEO EHRICH                  | 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) |
| JANE HARNESS, MS, MP        | Sr Vice-President, Clinical Sciences and Portfolio Management                        | • >20 years in domestic and international clinical drug development  
• Extensive pharma leadership positions across entire career |
| 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

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
  • 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
  • Phase 3 Program in Oral Mucositis a Development Emphasis Given Alignment with FDA

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