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Edesa Biotech

Healthcare

25 June 2026

Phase III data strengthen investment case

Edesa Biotech enters mid-2026 with a relatively strong hand compared to its recent history. Management believes its lead asset, paridiprubart (formerly EB05), now has the clinical evidence to support a registrational pathway in acute respiratory distress syndrome (ARDS) and the company is preparing to engage US and Canadian regulators on next steps. In our view, the progression of paridiprubart from a pipeline candidate into a potentially registrable therapy is significant for the investment case, and Edesa now plans to advance paridiprubart across multiple high-mortality indications.

Paridiprubart de-risks the pipeline

The re-rating of Edesa's shares has been driven largely by paridiprubart. Positive Phase III ARDS data first reported in October 2025 were reinforced in February 2026 by results from the full 278-patient population, which showed adjusted 28-day mortality of 24% on paridiprubart plus standard of care (SoC) versus 33% on placebo plus SoC, representing a 27% relative reduction in the risk of death ($p<0.001$). We see also significance in the consistency of benefit across acute kidney injury, sepsis and pneumonia co-morbidity subgroups, as it broadens the addressable opportunity, and underpins fresh patents extending the franchise. With over 400 patients now dosed and a favourable safety profile, management is well-positioned to pursue an accelerated development pathway.

A second value driver targeting vitiligo

The investment case does not rest on a single asset. EB06, an anti-CXCL10 monoclonal antibody, is set to enter a Phase II trial in moderate-to-severe non-segmental vitiligo in mid-2026, with a CRO identified and manufacturing underway. This provides a near-term clinical milestone in a market projected to exceed $2bn by 2030, where the sole approved therapy carries a black-box warning, leaving clear room for a differentiated entrant. Across these two programmes, Edesa is building a pipeline of discrete, value-inflecting catalysts that, in our view, should sustain investor engagement through the year.

Valuation: Catalyst-rich but funding-dependent

Edesa's shares have risen from below $1 in early 2026 to c $7, reflecting the market's re-appraisal of paridiprubart's potential. As a pre-revenue company, Edesa's potential rests largely on its upcoming catalysts, which include regulatory feedback on paridiprubart, the vitiligo Phase II start and subgroup data readouts. The principal tension is the balance sheet. With c $10m of cash at end-March 2026 against rising development spend, additional financing looks likely. In our view, the company's ability to realise the full potential of its drug candidates depends on securing appropriate funding.

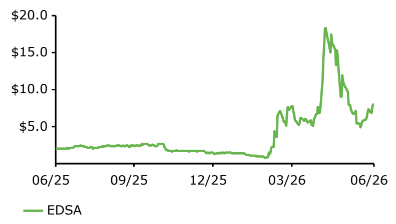
Historical financials

Year end	Revenue ($m)	PBT ($m)	EPS ($)	DPS ($)	P/E (x)	Yield (%)
9/24	0.0	(6.2)	(1.93)	0.00	N/A	N/A
9/25	0.0	(7.2)	(1.27)	0.00	N/A	N/A

Source: Edesa Biotech

Price	**$7.35**
Market cap	**$65m**

Share price performance



Share details

Code	EDSA
Listing	NASDAQ
Shares in issue	8.9m
Cash and cash equivalents at 31 March 2026	$10.0m

Business description

Edesa Biotech is a biopharmaceutical company developing innovative ways to treat inflammatory and immune-related diseases.

Bull points

- Statistically significant Phase III ARDS mortality benefit across multiple co-morbidity subgroups.
- Potential accelerated regulatory pathway given high unmet need.
- Near-term Phase II vitiligo milestone in a large, underserved market.

Bear points

- Pre-revenue; c $10m cash against rising spend implies near-term financing need.
- Material dilution risk from a fully diluted share count of c 15.6m.
- Company is still subject to binary regulatory and clinical outcome risks.

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