



Benwell Event Presentation
April 26, 2017

Forward Looking Statements

Certain statements contained in this presentation constitute forward-looking information and forward-looking statements (collectively, "forward-looking statements") pursuant to the applicable Securities Laws. All statements, other than statements of historical fact, contained in this presentation are forward-looking statements, including, without limitation, statements regarding the future financial position, business strategy, proposed acquisitions, budgets, projected costs and plans and objectives of or involving Pediapharm. The use of any of the words "anticipate", "intend", "continue", "estimate", "expect", "may", "will", "plan", "project", "should", "believe" and similar expressions are intended to identify forward-looking statements. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. Pediapharm believes the expectations reflected in those forward-looking statements are reasonable but no assurance can be given that these expectations will prove to be correct and such forwarding-looking statements speak only as of the date of this presentation.

Forward-looking statements are subject to risks, uncertainties and assumptions. Some of the risks which could affect future results and could cause results to differ materially from those expected in the forward-looking statements contained herein include, but are not limited to: the ability to access sufficient capital, the impact of general economic conditions, regulatory requirements, competition from other industry participants, and share price fluctuations. The information contained in this presentation identifies additional factors that could affect the operating results and performance of Pediapharm. We urge you to carefully consider those factors.

CHILDREN'S HEALTH IS OUR REASON FOR BEING

Pediapharm is the FIRST and ONLY specialty pharmaceutical company in Canada fully dedicated to serve the pharmaceutical needs of the pediatric community.



OUR MISSION:

To become Canada's leading pediatric specialty pharma company by seeking and delivering the highest quality, new and existing therapeutic medicines to improve the health and assure the wellbeing of Canadian children.

Investment Highlights




Proven Business Model with a UNIQUE approach: Specialty Pharma is a proven business model for growth and profitability



Solid infrastructure ready for growth: no additional investment required in the company infrastructure to sustain our future growth

Organic growth:




NYDA: To reach \$4.2M of revenue in fiscal year ended March '17
To achieve \$6-8M of annual revenue within the next 2 yrs

Relaxa: Acquired Global rights in Sept 2016
On pace to reach \$3M annually



Growth from recently approved products representing additional annual revenue of \$10-12M within 5 years:

Rupatadine:	Launched in Jan 2017
Otixal:	To be launched in May 2017



Solid cash position: business plan execution WITHOUT financing for working capital purposes; exception would be for accretive transactions

Financial Highlights

Revenue (12 months ended March 31, 2016)	\$3.8 Million (CDN\$)
Net Working Capital (December 31, 2016)	\$5.0 Million
Debt	\$5.5 Million (Convertible Debenture)
Projected Revenue within 5-6 Years (Based on products currently marketed/sold and awaiting Health Canada approval)	\$25-30 Million
Projected EBIDTA	30-35%

Capital Structure

Common Share Listing	PDP TSX/V
Shares outstanding	72.7M
Warrants & options	10.6M
Fully diluted	83.3M

* Conversion of the \$5.5 million Debt would add 12.2M shares

Ownership Breakdown

Directors & Management (approx 20%)

Institutions include:

Knight Therapeutics
Senvest
Bloom Burton

OPTIONS:

150K at 0.34 (exp. July 2017)
100K at 0.30 (exp. July 2018)
33K at 0.30 (exp. Mar 2022)
3.1M at 0.46 (exp. Jan 2024)
1.5M at 0.34 (exp. July 2025)
2.4M at 0.30 (exp. July 2026)

WARRANTS:

3.3M at 0.33 (exp. Mar 2019)

The Pediatric Market in Canada

- Canadian Market Estimated to be **\$1 Billion**⁽¹⁾
- Significant and **underserved Pediatric Rx** and OTC market in Canada
- ONLY 30% of all pharmaceutical products have pediatric indication with proper formulation
- Pediatric market not identified as strategic priority by most big pharma companies in Canada
- Pediapharm's secured rights also include **revenue from adult population**

(1); Estimated by the Corporation to be \$1 billion. Using the ratio of approximately 10% of US sales

(2); U.S. market data are not necessarily reflective of Canadian pediatric market

Corporate Development Strategy

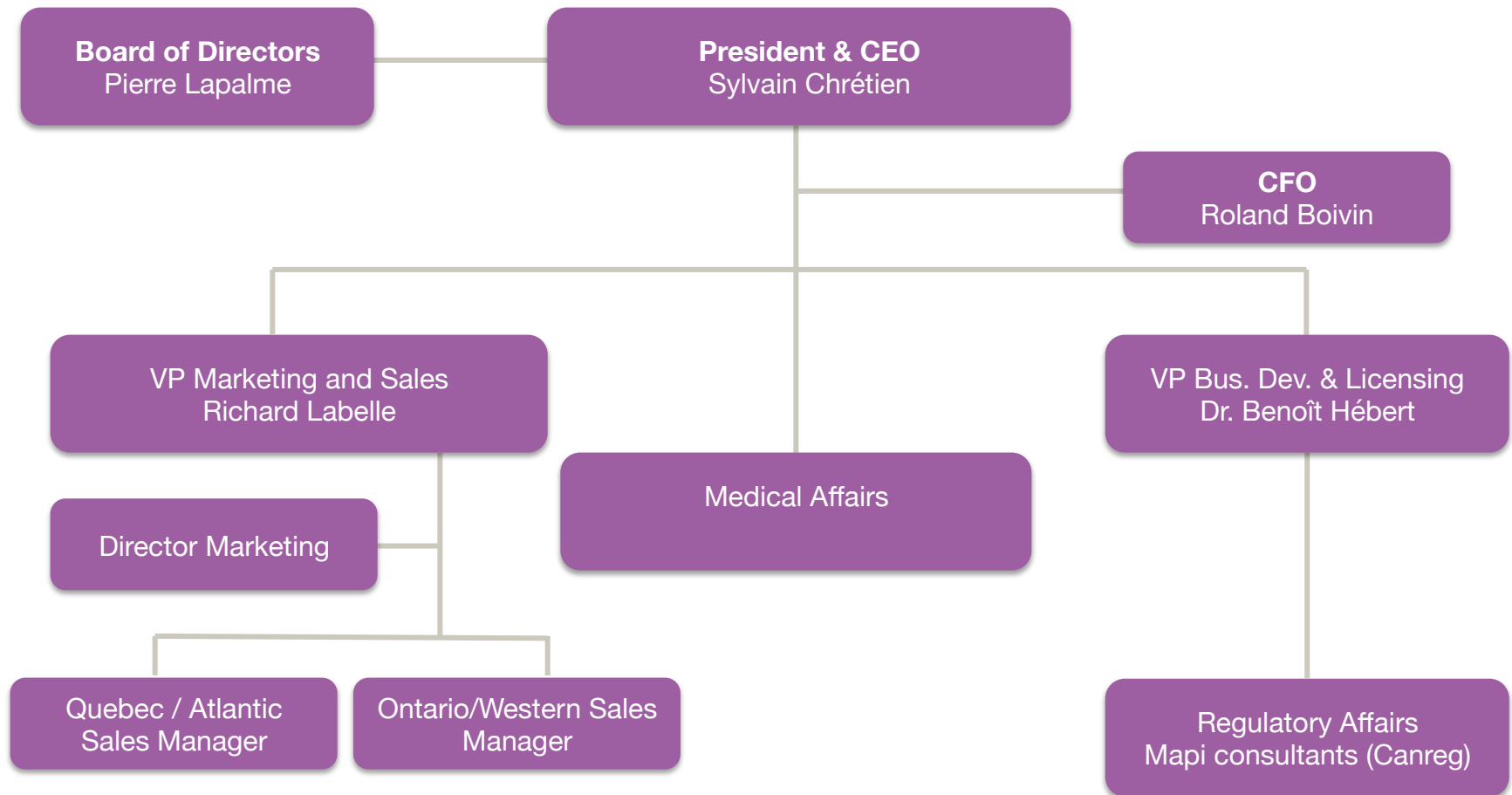
In-Licensing

- Obtain Exclusive Long Term Licensing/Distribution Agreements for Canada of Novel Drugs for Pediatrics
 - Average Annual Peak Sales per Product: \$5-8 Million

Acquisitions

- Acquire Products that are already approved in Canada and with existing sales
 - Immediate impact on both top and bottom-line

Solid Infrastructure and Leadership Team



Marketed Products

PRODUCT	INDICATION	EST. ANNUAL PEAK SALES (CDN\$) (2) (3)	LAUNCH DATE OR EST. LAUNCH DATE
NYDA®	Head lice treatment	\$6-8M	2012
Relaxa™	Occasional constipation	4-6M	Acquired by Pediapharm in September 2016
Naproxen suspension	Juvenile Arthritis – Medical Pain Conditions	1-2M	Re-launched by Pediapharm in March 2015
Rupatadine (Rupall™)	Symptoms of Allergy - Urticaria	8M-10M	January 2017
Cetraxal-Plus (Otixal™)	Ear Infection	4M	May 2017
Cuvposa™ (1)	Severe Drooling – Cerebral Palsy	5M	UNDER HC REVIEW – Est. Approval: Dec 2017 (4)
TOTAL		28-35M	

(1) Canadian License which requires Health Canada Approval

(2) Estimated Annual Peak sales is usually achieved within approximately 5 to 7 years of a product launch

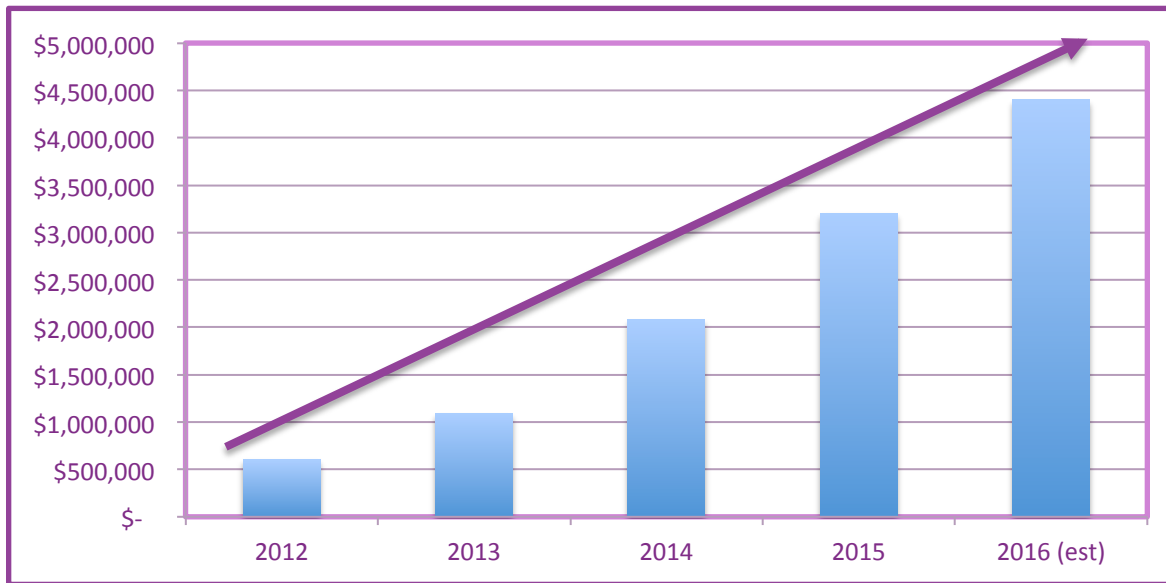
(3) Based on Market Data (IMS) and Management's estimates

(4) Based on Health Canada's timelines regarding approval of submitted files

NYDA: Company Signature Product

Current unmet clinical needs: lack of efficacy in also killing the eggs and important resistance to treatment

Estimated annual peak sales: \$6-8 M



N.B. Peak Sales is usually achieved within 5-7 years on average of a product launch.

Relaxa Global Rights

- Additional of approx. \$3 M of annual revenue
- No cash, no dilution and no debt used in the transaction
- Call option for the next 7 years to purchase the product for \$5 M + 2% annual earn-out up to \$1.5 M
- Put option between years 5 and 7 (same terms)
- Strategic fit with NYDA
- Opportunity to sell outside Canada



Pediapharm's First Acquisition

Pediapharm Naproxen Suspension *easy to take*

 Product acquisition from Hoffman-La Roche

 Product USP: The only Rx NSAID in the form of suspension to treat Juvenile Arthritis and other medical pain conditions

 Canada:

* Product re-launched by Pediapharm in March 2015

 United States:

* In February 2016, sold the rights to Naproxen Suspension in a transaction valued at to US\$4.25 Million

 Global:

* Opportunity to sell outside of Canada and US

Rupatadine in Canada

➤ New Allergy Medication launched in January 2017

➤ Unique Dual Activity: Peripheral H1 and platelet activating factor (PAF) receptor antagonist

➤ Product documented by strong medical literature supporting the key attributes of Rupatadine

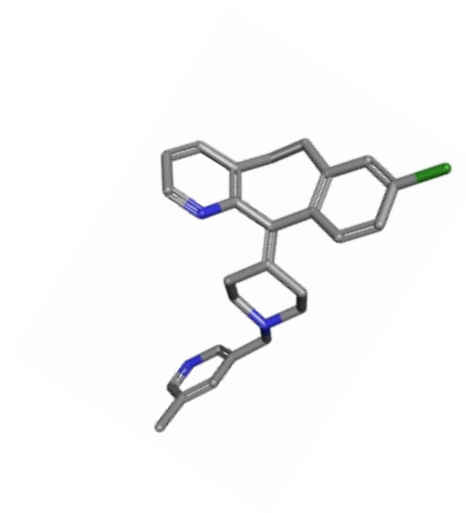
➤ Therapeutic Indications:

- Seasonal Allergic Rhinitis (SAR)
- Perennial Allergic Rhinitis (PAR)
- Chronic Spontaneous Urticaria (CSU)

➤ Patient Population: 2 years of age and older

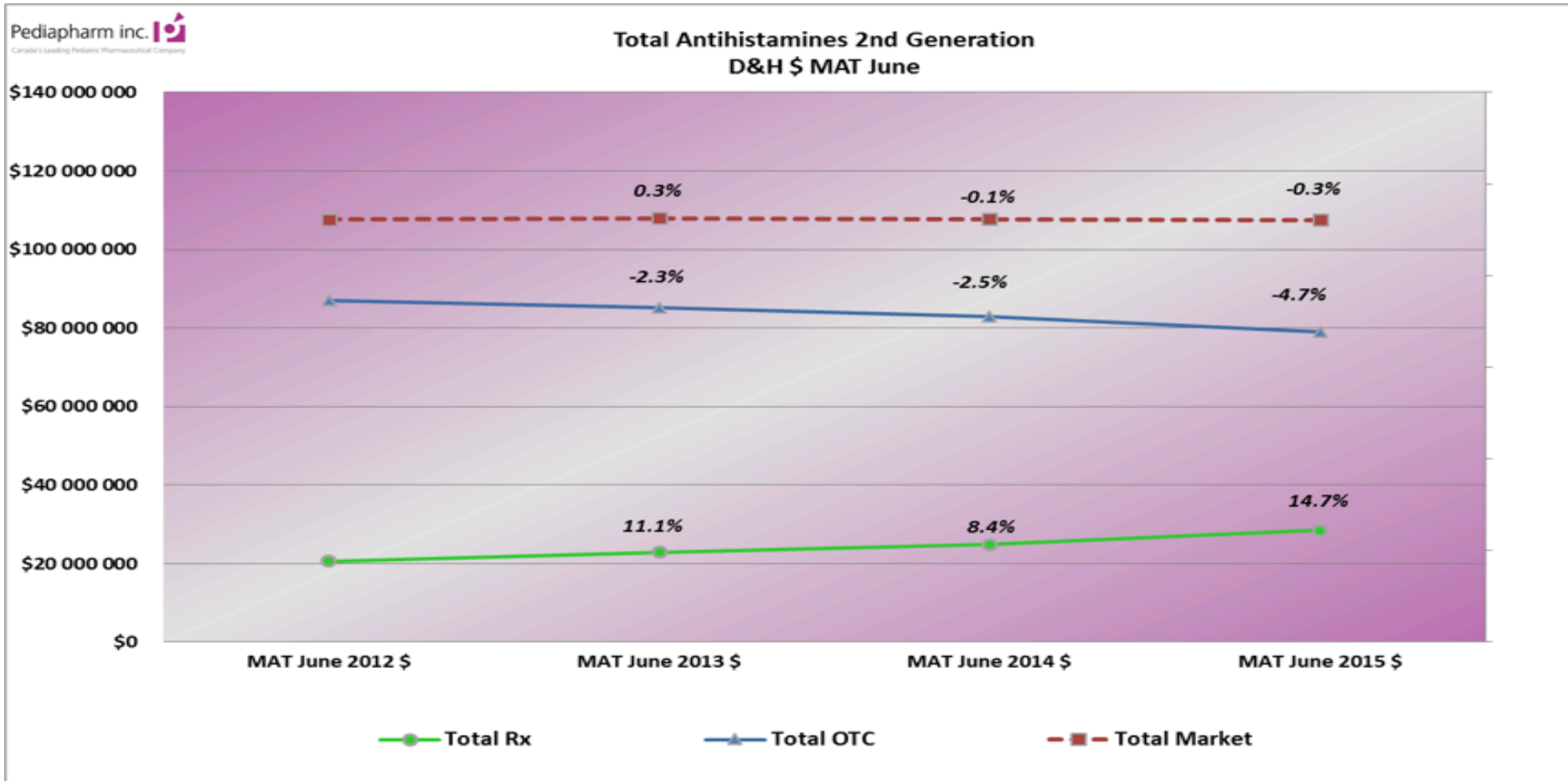
➤ Dosage Forms for once-daily dosing:

- Tablets 10 mg (teenagers & adults)
- Oral solution 1 mg/ml (pediatric)



Canadian Rx Antihistamine Market

Rx market presently at >\$28M (11.4% CAGR in last 3 yrs)
Likely growing past >50M\$ in 2023



Rupatadine – The Opportunity

➤ Unmet medical need in Allergy and Urticaria

➤ Unique Rx molecule (true differentiation)

- 8.5 years of data exclusivity (no generic entry)

➤ Huge concentrated market potential

- Only one other company is presently detailing

➤ Perfect fit with our current commercial infrastructure

- No need to add more sales resources to support the launch

➤ Estimated annual peak sales: \$8 – 10 million

Otixal – Another Great Rx Innovation

- To be launched in May 2017
- Strong efficacy profile to treat ear infections (AOMT)
- UNIQUE dose delivery system for better convenience
- Pediatric expertise to compete in a \$22 M market with low competitor activity



Milestones – Past & Future

YEAR (*)	2012	2013	2014 (PDP becomes public)	2015	2016 (**)	2017 (**)	2018 (**)	2019 (**)
NYDA	Approval	Revenue of \$1.1M	Revenue of \$2.1M	Revenue of \$3.2M	Revenue of \$4.2M	Revenue of \$5.2M	Revenue of \$6.2M	Revenue of \$7.2M
Naproxen Suspension			Bought CDN Rights	Bought US Rights	Sold US Rights for US\$4.25M	Year 3 of CDN launch	Year 4 of CDN launch	Year 5 of CDN launch
Rupatadine			Signed agreement	Health Cda Filing	Approval (July) and pre-launch	Commercial launch (Jan)	Year 2 of CDN launch	Year 3 of CDN launch
Relaxa					Signed agreement (Sept)	Revenue of \$3M	Revenue of \$3.2M	Revenue of \$3.5M
Otixal			Signed agreement	Health Cda Filing	Approval (Dec)	Commercial launch (May)	Year 2 of CDN launch	Year 3 of CDN launch
Cuvposa			Signed agreement	Health Cda Filing Prep.	Health Cda Filing	Commercial Launch (Est. Dec)	Year 2 of CDN launch	Year 3 of CDN launch
New agreements?					New deals?	New deals?	New deals?	New deals?

(*): Showing approximate numbers based on Calendar Year vs Fiscal year (March 31) for ease of reading

(**): Expected revenue figures shown are based on past results and on-going trends. Figures may change. Refer to forward-looking statements (p.2)

Mackie Research Report (Jan 2017)

Initiating Coverage

January 16, 2017

PEDIAPHARM INC. – SPECULATIVE BUY

Growing Up

PDP-V **\$0.32**

TARGET (C\$): **\$0.50**

PROJ. RETURN: **56%**

VALUATION: **EV / Sales**

Share Data

Basic Shares O/S (mm) 72.7

Fully Diluted (mm) 81.0

Market Cap (basic) (\$mm) 23.3

Enterprise Value (\$mm) 22.3

Debt (\$mm) 4.1

Next Reporting Date Feb

ACTION – Initiating Coverage with a SPECULATIVE BUY Rating and \$0.50 TP

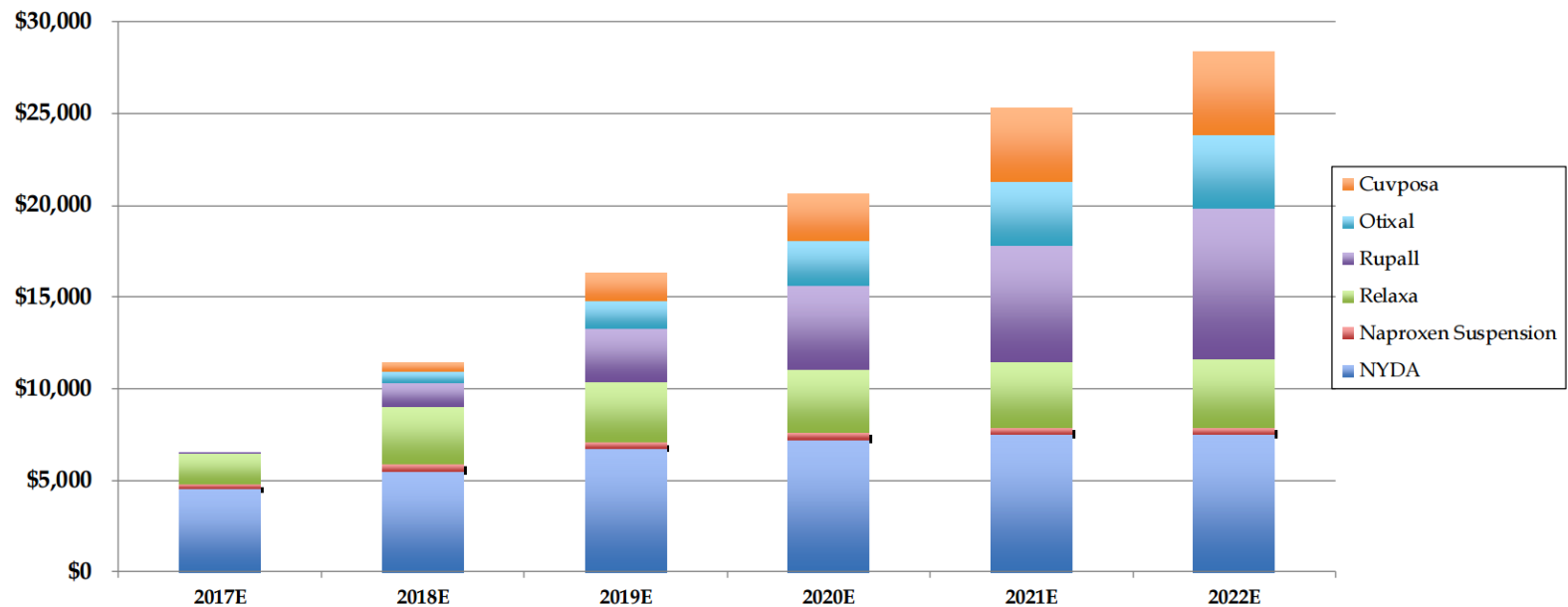
We are initiating coverage of Pediapharm Inc. with a **SPECULATIVE BUY** recommendation and a 12-month target price of C\$0.50/share.

DETAILS – Thinking Bigger

Three New Drug Launches Should Spur Solid Growth: Pediapharm is a specialty pharma company focused on the Canadian pediatric market. Pediapharm has five approved drugs, one medical device and one drug candidate under Health Canada review. Pediapharm is expected to launch three new products in CY2017, which should drive growth.

Mackie Research Report (Jan 2017)

Figure 26: Sales Forecasts from FY17 to FY22 (C\$000's)



Source: Pediapharm and MRCC

Upcoming Milestones

 Continued success with established brands:

- NYDA, Relaxa and Naproxen Suspension to reach over \$8M in revenue (year ending March 2018)

 Successful commercial launches of newly approved drugs:

- Rupall (launched in January 2017)
- Otixal (to be launched in May 2017)

 Health Canada approval: Cuvposa (Oct-Nov 2017)

 Signing new agreements



Thank you !

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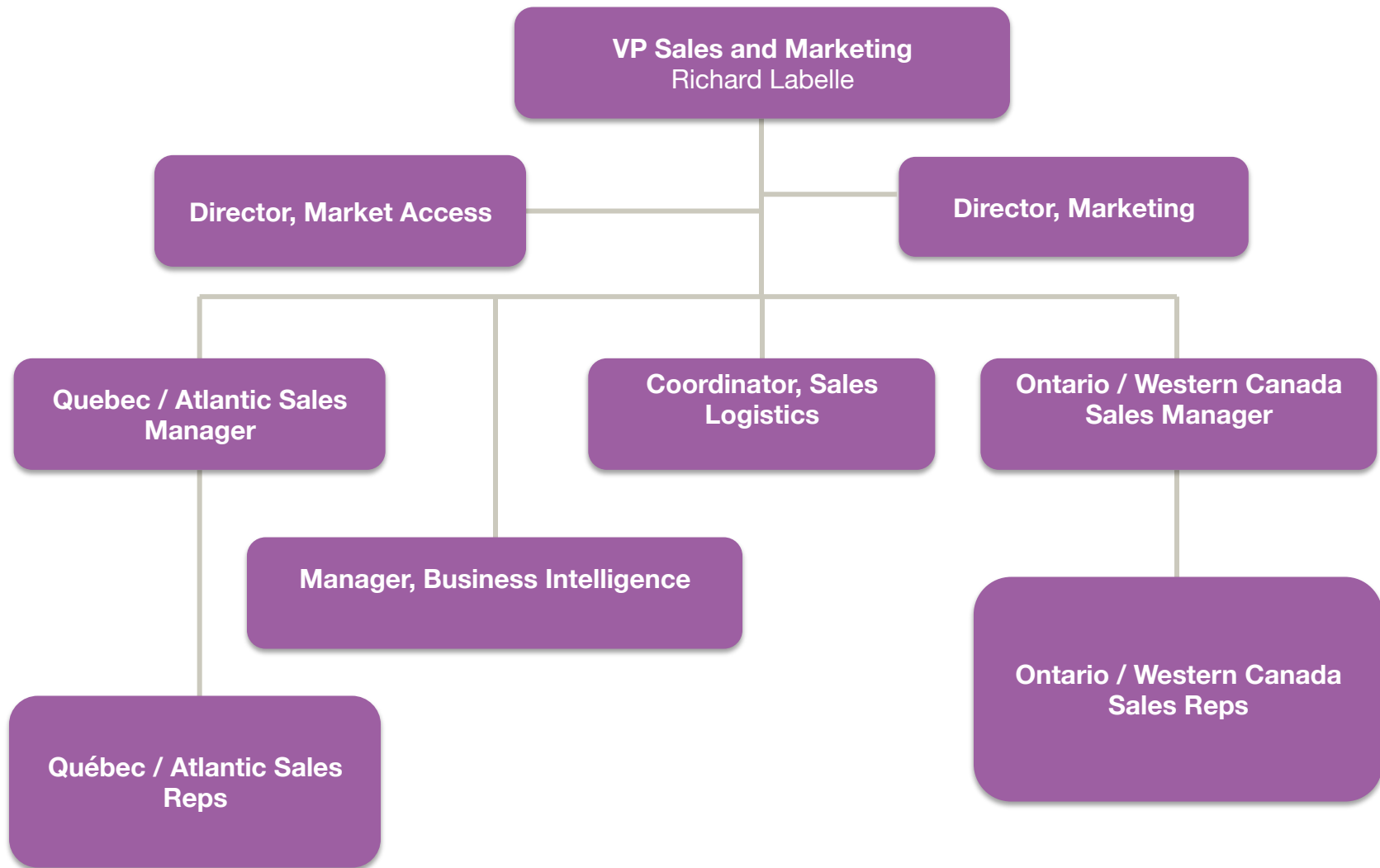
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Experienced Sales & Marketing Professionals Across Canada



Sales and Marketing Platform

Coverage of Targeted Canadian Market



800	Pediatricians
3,200	General Practitioners
120	Allergists
350	ENTs
120	Dermatologists
4,500	Pharmacies via third party brokers

Board of Directors

Pierre Lapalme – Chairman

Mr. Lapalme has been a member of the Board of BioMarin Pharmaceutical Inc. from January 2004 and Chairman from June 2004 until his retirement in June 2016. Throughout his career, Mr. Lapalme has held numerous senior management positions in the pharmaceutical industry, including Chief Executive Officer and Chairman of Rhone Poulenc Pharmaceuticals Inc. in Canada from 1979 to 1990 as well as Senior Vice-President and General Manager of Rhone Poulenc Rorer Inc. (now known as Sanofi Aventis) where he oversaw the development of the pharmaceutical business in the United States, Canada, Mexico and Central America. Mr. Lapalme served on the Board of the National Pharmaceutical Counsel in the United States and was a Board member of the Pharmaceutical Manufacturers Association of Canada where he played a leading role in reinstituting certain patent protection for pharmaceuticals. Mr. Lapalme was a Board member and Chairman of the Board of Sciele Pharma Inc. from 2000 to 2008 when the company was acquired by Shionogy Inc. Mr. Lapalme is a board member of two private Biotech companies and a member of the Board of Insys Therapeutics Inc. which is listed on the Nasdaq. Mr. Lapalme studied at the University of Western Ontario and INSEAD France.

Sylvain Chretien – Founder, President and CEO: (See Bio under management team)

Michael P. Mueller

Mr. Mueller is currently the Chairman of PSP Investments (Public Sector Pension Investment Board) and former Chair of its Compensation Committee. From 2003 to 2005, he was President and Chief Executive Officer of MDS Capital Corporation. Prior to that, Mr. Mueller held a series of senior positions at TD Bank Financial Group, including Senior Vice President and Country Head of its USA Division, Executive Vice President of Global Credit and Vice Chairman and head of Global Investment Banking. Mr. Mueller is a former director of TM BioScience Inc., MDS Capital Corporation, the Canadian Medical Discoveries Funds I and II, the British Columbia Medical Innovations Fund, Medical Discoveries Management Corporation, Health Ventures Inc., the Canadian Venture Capital Association, Annidis Corporation and Magor Corporation.

Board of Directors

Normand Chartrand

Mr. Chartrand is currently Investment Manager, Fonds Québec at La Caisse de dépôt et placement du Québec. From 2009 to July 2016, he was a management consultant with Vector7 Management Consulting Inc. Before that, Mr. Chartrand was Chief Financial Officer of D-Box Technologies Inc. and Kangaroo Media Inc., two companies listed on the Toronto Stock Exchange.

Pierre Désormeau

Mr. Desormeau is currently President and Chief Executive Officer of Capital Pro-Égaux Inc., a public company listed on NEX and previously on the TSXV. A trained lawyer, Mr. Desormeau is also President and Chief Executive Officer of Consultants Gaïa inc., a consulting company for small and medium enterprises.

Douglas M. Stuve

Mr. Stuve is a partner with the law firm of Burstall Winger Zammit LLP of Calgary, Canada. His principal area of practice is corporate finance and securities law, as well as general corporate commercial law. Mr. Stuve served as a member of the advisory committee in Calgary, Canada to the Canadian Venture Exchange Inc. (the predecessor to the TSXV) to assist in formulating policy prior to and after its formation in November 1999. Mr. Stuve serves as a director of several public companies.

Experienced Management Team

Sylvain Chrétien – President and CEO

Mr. Chrétien is the founder, President and CEO of Pediapharm since January 2008. He has over 27 years of experience in both the pharmaceutical and the biotechnology sectors, where he occupied various executive positions in sales, marketing and business development. He worked with Nordic Laboratories, Pfizer Canada and Biorthex Inc. Before founding Pediapharm, Mr. Chrétien had his own consulting company called Gestion BioPrisma. Mr. Chrétien was a Director of Biophage Pharma and Warnex. He was President of the Pharmaceutical Marketing Club of Quebec (PMCQ) in 1998 and executive member of BioQuébec in 2000. In 2015, he was inducted into the Canadian Healthcare Marketing Hall of Fame. Mr. Chrétien holds an MBA in Management of Bio Industries from the Université du Québec à Montréal and a B.Sc. in Sciences of Physical Activities from the University of Laval.

Roland Boivin – CFO

Mr. Boivin has been appointed CFO of Pediapharm on July 1, 2013. Prior to joining Pediapharm, he held several management positions at 3M Canada, including Business Manager - Consumer Division. In that role, he had overall financial responsibility for the Canadian consumer market. His most recent role at 3M was General Manager - Quebec and he became a member of the Company's Executive Committee. He is a Certified Six Sigma Black Belt. Mr. Boivin has since developed expertise in Finance, Accounting, Corporate Governance and Continuous Disclosure with small and medium size publicly listed companies. From January 2011 to December 2013, Mr. Boivin was the Chief Financial Officer of another company listed on TSX Venture. Mr. Boivin obtained his Bachelor of Commerce from McGill University and his MBA from Queen's University.

Experienced Management Team

Benoît Hébert – Vice President, Business Development & Licensing

Benoît Hébert has been the Vice-President, Business Development and Licensing of Pediapharm since September 2009. Mr. Hébert has more than 20 years of industry experience and has a rare-blend of scientific expertise and business skills. Focusing on pharmaceutical business transactions since 2000, he worked at Axcan Pharma Inc. from July 2003 to November 2006. Mr. Hébert has lead international licensing transactions, participated actively in product acquisitions, managed international product development alliances and global supplier relationship. Mr. Hébert holds an MBA in Management of Bio-industries from the Université du Québec à Montréal. Mr. Hébert also received a M.Sc. in Immunology and a Ph.D. in Virology from the Institut Armand-Frappier. Before returning to Canada in 2000, he was a NSERC postdoctoral fellow in structural biology at Purdue University. He is past-president and a director of the Canadian Healthcare Licensing Association (CHLA).

Richard Labelle – Vice President, Sales & Marketing

Richard Labelle has been the Vice-President, Sales and Marketing of Pediapharm since February 2014. Mr. Labelle brings over 26 years of experience in Pharmaceutical and Consumer Health industries. As a Specialty Pharmaceutical Executive, he led various teams in Sales, Marketing and in Business Development. Prior to joining Pediapharm he was Vice-President/General Manager of Sanofi Consumer Health and led during his mandate the creation of the Consumer affiliate in Canada. Over the years he also successfully launched Actonel, a flagship product for Osteoporosis, and re-accelerated growth of one of the largest Cardiovascular franchises. Mr. Labelle obtained his Bachelor of Commerce from the Université du Québec à Montréal and his MBA from McGill-HEC Montreal.