BELLUS Health Reports Financial and Operating Results for the Second Quarter Ended June 30, 2019

August 8, 2019

LAVAL, Quebec--(BUSINESS WIRE)-- BELLUS Health Inc. (TSX: BLU) (“BELLUS Health” or the “Company”), a clinical-stage biopharmaceutical company developing novel therapeutics for the treatment of chronic cough and other hypersensitization-related disorders, today reported its financial and operating results for the second quarter ended June 30, 2019. All currency figures reported in this press release are in Canadian dollars, unless otherwise specified.

Key Updates:

- **First Patient Enrolled in Phase 2 RELIEF Study of BLU-5937 for the Treatment of Refractory Chronic Cough:** The Company announced at the end of July 2019 that the first patient had been enrolled in the Phase 2 RELIEF study of BLU-5937 for the treatment of refractory chronic cough. The study will evaluate the efficacy and safety of BLU-5937 and is expected to build on the Phase 1 evidence showing little to no impact on taste. Top-line results are anticipated in mid-2020;
- **Key Opinion Leader (“KOL”) Meeting to Discuss the State of Chronic Cough Treatment:** In July 2019, BELLUS Health held a KOL event to discuss chronic cough, which was led by Dr. Jacky Smith, Professor at the University of Manchester, United Kingdom. The Company also provided a clinical and regulatory update on its lead P2X3 antagonist product candidate, BLU-5937. The archived webcast and presentation of this meeting are available on the Company's website;
- **Pursuit of Second Indication for BLU-5937 in Chronic Pruritus:** The Company announced at the end of July 2019 that it was expanding its BLU-5937 P2X3 antagonist platform to chronic pruritus. Preclinical data in pruritus will be presented at the 2019 European Society for Dermatological Research Conference in September. A clinical Phase 2 study in chronic pruritus associated with atopic dermatitis ("AD"), also known as eczema, is expected to begin in 2020;
- **Two Abstracts Presented at Medical Conferences:** BELLUS Health presented two abstracts, including data from the clinical Phase 1 study for BLU-5937, at the American Thoracic Society Conference on May 21, 2019 and at the American Cough Conference on June 7, 2019; and
- **Cash Runway to 2021:** The Company concluded the quarter with cash, cash equivalents and short-term investments totalling $42.4 million, expected to provide enough capital to fund its operations into Q1 2021.

“We have made numerous important strides in the past few months, all of which have built upon the strong foundation in place for the development of BLU-5937,” said Roberto Bellini, President and Chief Executive Officer of BELLUS Health. “We believe that our P2X3 antagonist platform will demonstrate the efficacy, safety and tolerability of BLU-5937 in treating patients with chronic cough, and we are also excited to broaden the development of our lead product candidate to the treatment of chronic pruritus. Each of these conditions have significant unmet medical needs, and we believe BLU-5937 has the potential to be an important treatment option for patients that suffer from these conditions.”

BLU-5937 for Chronic Cough

The Company’s lead product candidate, BLU-5937, is a potent, highly selective antagonist of the P2X3 receptor, a clinically validated target for chronic cough.

On July 30, 2019, the Company announced the initiation of its clinical Phase 2 study for BLU-5937 in refractory chronic cough patients with the enrollment of the first patient. The Phase 2 study is referred to as the RELIEF (A Randomized, Double-blind, Placebo-Controlled, Crossover, Dose Escalation Study of BLU-5937 in Subjects with Unexplained or Refractory Chronic Cough) study.

The Phase 2 RELIEF study is a dose-escalation, placebo-controlled and crossover design to assess the efficacy, safety, and tolerability of BLU-5937 at four doses; 25, 50, 100 and 200 mg, administered orally, twice-daily (BID) at four-day intervals. Approximately 65 patients with refractory chronic cough are expected to be enrolled at twelve clinical sites in the United Kingdom and the United States. The Company expects to complete enrollment in the first quarter of 2020 and anticipates top-line results in mid-2020.

Further details on BELLUS Health’s Phase 2 RELIEF study for BLU-5937 can be found at https://clinicaltrials.gov/ct2/show/NCT03979638.

BLU-5937 for Chronic Pruritus

BELLUS Health announced on July 30, 2019 that it is pursuing the development of BLU-5937 into a second indication, chronic pruritus.

The Company plans to initiate a randomized, double-blind, placebo-controlled, parallel group design Phase 2 study to assess the efficacy, safety, and tolerability of one dose of BLU-5937 versus placebo in approximately 100 patients suffering from moderate to severe chronic pruritus associated with mild to moderate AD. The study is expected to begin in 2020.

Summary of Financial Results

	Three months ended June 30, 2019	*Three months ended June 30, 2018*
	(in thousands of dollars, except per share data)	
Revenues	$ 8	$ 8
Research and development expenses, net	(5,483)	(881)
General and administrative expenses	(2,367)	(946)
Net finance (costs) income	(60)	84
Change in fair value of contingent consideration receivable	—	171
Net loss for the period	(7,902)	(1,564)
Basic and diluted loss per share	$ (0.05)	$ (0.01)

- Research and development expenses, net of research tax credits, amounted to $5,483,000 for the three-month period ended June 30, 2019, compared to $881,000 for the corresponding period the previous year. The increase is primarily attributable to higher expenses incurred in relation to the development of BLU-5937.
- General and administrative expenses amounted to $2,367,000 for the three-month period ended June 30, 2019, compared to $946,000 for the corresponding period the previous year. The increase is mainly due to higher stock-based compensation expense in relation to the Company's deferred share unit plan and stock option plan.
- Net finance costs amounted to $60,000 for the three-month period ended June 30, 2019, compared to a net finance income of $84,000 for the corresponding period the previous year. The increase in net finance costs is attributable to a foreign exchange loss that arose from the translation of the Company's net monetary assets denominated in US dollars, which is offset in part by higher interest income.

As at June 30, 2019, the Company had available cash, cash equivalents and short-term investments totalling $42,369,000, compared to $48,906,000 as at December 31, 2018.

The Company's full unaudited condensed consolidated interim financial statements and accompanying management's discussion and analysis for the three and six-month periods ended June 30, 2019 will be available shortly on SEDAR at www.sedar.com.

About BLU-5937

BLU-5937, a highly selective P2X3 antagonist - (>1500 fold) for human P2X3 receptors versus P2X2/3 receptors - has the potential to be an important treatment option for chronic cough and chronic pruritus patients.

The P2X3 receptor in the cough reflex pathway is a rational target for treating chronic cough, and it has been validated in multiple clinical studies. With a modestly-selective P2X3 antagonist therapy for chronic cough, an adverse effect on taste perception is a well-known and widely-documented tolerability issue. The Company believes that a highly selective P2X3 antagonist can reduce coughing in patients with chronic cough, while maintaining taste function, by not inhibiting P2X2/3 receptors.

In addition to chronic cough and chronic pruritus, BLU-5937 may potentially have clinical benefit in other afferent hypersensitization-related disorders, such as visceral pain, hypertension, and migraine, among others. BELLUS Health is exploring how P2X3 activation can contribute to irritation and pain, and whether inhibition of P2X3 receptors can help treat these afferent hypersensitization-related disorders.

About BELLUS Health (www.bellushealth.com)

BELLUS Health is a clinical-stage biopharmaceutical company developing novel therapeutics for the treatment of chronic cough and other hypersensitization-related disorders. The Company's lead product candidate, BLU-5937, is being developed for the treatment of chronic cough and chronic pruritus.

Chronic cough is a cough lasting more than eight weeks and is associated with significant adverse physical, social and psychosocial effects on health and quality of life. It is estimated that approximately 26 million adults in the United States suffer from chronic cough with more than 2.6 million having refractory chronic cough lasting for more than a year. There is no specific therapy approved for refractory chronic cough and treatment options are limited.

Chronic pruritus, commonly known as chronic itch, is characterized as an ongoing, uncomfortable, irritating sensation that makes a person want to scratch, and persists for more than six weeks. Chronic pruritus can be debilitating and has a significant impact on quality-of-life. It is estimated that chronic pruritus associated with AD, also known as eczema, affects more than 16.9 million adults in the United States, of which three million are diagnosed, and 2.25 million are treated.

Forward-Looking Statements

Certain statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, may constitute "forward-looking statements" within the meaning of Canadian securities legislation and regulations and other applicable securities laws. Such statements, based as they are on the current expectations of management, inherently involve numerous important risks, uncertainties and assumptions, known and unknown, many of which are beyond BELLUS Health's control. Such statements include, but are not limited to, BELLUS Health's expectations related to its preclinical and clinical studies, including the timing and results for the BLU-5937 Phase 2 RELIEF study and chronic pruritus program, and the timeframe through which its capital will fund its operations. Risk factors that may affect BELLUS Health's future results include but are not limited to: the ability to expand and develop its project pipeline, the ability to obtain financing, the impact of general economic conditions, general conditions in the pharmaceutical industry, changes in the regulatory environment in the jurisdictions in which BELLUS

Health does business, stock market volatility, fluctuations in costs, changes to the competitive environment due to consolidation, achievement of forecasted burn rate, potential payments/outcomes in relation to indemnity agreements and contingent value rights, achievement of forecasted preclinical and clinical study milestones and that actual results may vary once the final and quality-controlled verification of data and analyses has been completed. In addition, the length of BELLUS Health's product candidates' development process, their market size and commercial value, as well as the sharing of proceeds between BELLUS Health and its potential partners from potential future revenues, if any, are dependent upon a number of factors. Consequently, actual future results and events may differ materially from the anticipated results and events expressed in the forward-looking statements. BELLUS Health believes that expectations represented by forward-looking statements are reasonable, yet there can be no assurance that such expectations will prove to be correct. The reader should not place undue reliance, if any, on any forward-looking statements included in this news release. These forward-looking statements speak only as of the date made, and BELLUS Health is under no obligation and disavows any intention to update publicly or revise such statements as a result of any new information, future event, circumstances or otherwise, unless required by applicable legislation or regulation. Please see BELLUS Health's public filings with the Canadian securities regulatory authorities, including the Annual Information Form, for further risk factors that might affect BELLUS Health and its business.

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