2017-2018

QUARTERLY REPORT

THIRD QUARTER
ended september 30

Bellus HEALTH

MANAGEMENT’S DISCUSSION AND ANALYSIS

This Management’s Discussion and Analysis (“MD&A”) provides a review of BELLUS Health Inc.’s (“BELLUS Health” or the “Company”) operations and financial performance for the three and nine-month periods ended September 30, 2018. It should be read in conjunction with the Company’s unaudited condensed consolidated interim financial statements for the three and nine-month periods ended September 30, 2018, as well as the Company’s audited consolidated financial statements for the year ended December 31, 2017. These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard (“IAS”) 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (“IASB”). For a discussion regarding related-party transactions, contractual obligations, financial risk management, disclosure controls and procedures, internal control over financial reporting, and risks and uncertainties, refer to the Annual Report and the Annual Information Form for the year ended December 31, 2017, as well as other public filings, which are available on SEDAR at www.sedar.com. This document contains forward-looking statements, which are qualified by reference to, and should be read together with the “Forward-Looking Statements” cautionary notice, which can be found at the end of this MD&A.

The condensed consolidated interim financial statements and MD&A for the three and nine-month periods ended September 30, 2018 have been reviewed by the Company’s Audit Committee and approved by the Board of Directors. This MD&A was prepared by management with information available as at November 14, 2018.

All currency figures reported in the condensed consolidated interim financial statements and in this document are in Canadian dollars, unless otherwise specified.

CORPORATE PROFILE

BELLUS Health is a clinical-stage biopharmaceutical company developing novel therapeutics for conditions with high unmet medical need. Its pipeline of projects includes the Company’s lead drug candidate BLU-5937 for chronic cough and several other partnered clinical-stage drug development programs. The Company's shares trade on the Toronto Stock Exchange (“TSX”) under the symbol BLU.

BUSINESS OVERVIEW

Recent Highlights

- Expects by the end of November 2018 top-line results of the clinical Phase 1 study for BLU-5937, the Company’s lead drug candidate for chronic cough; the study was initiated in July 2018 and all subjects have completed dosing;
- Was granted a new U.S. patent claiming P2X3 selectivity as a means of minimizing taste effects for BLU-5937; the patent extends BLU-5937’s patent protection to 2038;
- Appointed an international clinical advisory board to provide strategic guidance and support to the BLU-5937 development program as the Company prepares for a clinical Phase 2 study, expected to be initiated in 2019;
- Concluded the quarter with cash, cash equivalents and short-term investments totalling $18.1 million.

BLU-5937 for Chronic Cough

The Company's lead drug candidate is BLU-5937, a potent, highly selective, orally bioavailable small molecule antagonist of the P2X3 receptor, a clinically validated target for chronic cough. In preclinical studies, BLU-5937 exhibited a potent anti-tussive effect without affecting taste perception and an excellent safety profile. BLU-5937 has the potential to be a best-in-class therapeutic for chronic cough patients who do not respond to current therapies.

The Company expects top-line results from the clinical Phase 1 study for BLU-5937 by the end of November 2018. The study was initiated on July 9, 2018, and all subjects have completed dosing.

The clinical Phase 1 study is a randomized, double-blind, placebo-controlled study of orally administered BLU-5937 in 90 healthy adult subjects. The clinical Phase 1 study results will help define BLU-5937's expected product profile, including the safety, tolerability (including taste perception) and dosing regimen for the Phase 2 study.

The study is divided in two parts:

Part 1: A single-ascending dose ("SAD") study was conducted in 60 healthy subjects, randomized into 6 cohorts of 10 subjects (8 BLU-5937: 2 placebo).

Part 2: A multiple-ascending dose ("MAD") study was conducted in 30 healthy subjects, randomized into 3 cohorts of 10 subjects (8 BLU-5937: 2 placebo). Each subject received daily oral administrations of the assigned treatment for 7 consecutive days. The dose regimen for the MAD study was established based on the SAD study results.

The clinical Phase 2 study is expected to be initiated in 2019 in chronic cough patients. This will be a dose escalation study to assess the safety, tolerability and efficacy of BLU-5937. This will also help establish the effective dose range (minimum and optimal dose regimen).

Preclinical studies demonstrated that BLU-5937 is a highly selective P2X3 antagonist exhibiting a potent anti-tussive effect without affecting taste perception and an excellent safety profile. In a guinea pig cough model, BLU-5937 showed comparable anti-tussive efficacy to the current leading P2X3 antagonist in development, Merck & Co's gefapixant (also named AF-219 or MK-7264). In a rat taste model, BLU-5937 was not associated with taste loss whereas, consistent with clinical trial data previously presented by Merck & Co, gefapixant led to significant taste loss.

On October 31, 2018, BELLUS Health announced that the U.S. Patent and Trademark Office had issued U.S Patent No. 10,111,883, granting claims for the use of BELLUS Health's lead drug candidate BLU-5937 for the treatment of chronic cough without affecting taste response. More generally, the patent entitled "Selective P2X3 Modulators" claims the use of imidazopyridine compounds that are selective for the P2X3 receptor as a means of minimizing taste perturbation in patients treated for chronic cough. In addition to BLU-5937, the patent claims the use of related selective imidazopyridine compounds and pharmaceutical compositions comprising BLU-5937. Patent No. 10,111,883 has an expiration date of 2038, excluding any potential patent term extension. This new U.S. patent extends the patent protection of BLU-5937 by an additional 4 years.

On July 19, 2018, the Company announced that patent protection for BLU-5937 had been secured in all major pharmaceutical markets following the Japan Patent Office's issuance of a decision to grant Japanese Patent No. 2015-555508, which grants claims covering the composition of matter of BLU-5937 and related imidazopyridine compounds, in addition to pharmaceutical compositions comprising BLU-5937 and uses thereof, until 2034. Equivalent patents with similar broad claims were granted by the European Patent Office (patent No. 2951177) in April 2018 and by the U.S. Patent and Trademark Office and the Chinese Patent Office in 2017. The patents have an expiration date of 2034, excluding any potential patent term extension. Patent applications with similarly broad claims are currently pending in other industrialized nations.

On September 25, 2018, the Company announced the appointment of an international clinical advisory board (the "CAB"), which will provide strategic guidance and support to the BLU-5937 development program as the Company prepares for a clinical Phase 2 study. The CAB is comprised of highly-respected clinical leaders whose work has influenced the treatment and management of chronic cough. The Chair of the CAB is Dr. Jaclyn Smith, MB, ChB, FRCP, PhD, Professor of Respiratory Medicine at the University of Manchester in the United Kingdom and an Honorary Consultant at the University Hospital of South Manchester NHS Foundation Trust.

Chronic cough is a cough that lasts more than eight weeks and is associated with significant adverse social, psychosocial and physical effects on quality of life. In June 2017, the Company commissioned Torreya Insights LLC to conduct a market assessment through an evaluation of chronic cough epidemiology and pricing estimates. Based on primary and secondary research, the report concludes that, in the United States alone, more than 26 million adults suffer from chronic cough and more than 2.6 million of these patients have chronic cough lasting for more than a year. The number of treatment-refractory chronic cough patients expands to 11.7 million when taking into account those patients with a cough duration between eight weeks and one year.

Other Development Programs

BELLUS Health has economic interests in other partnered clinical-stage drug development programs, including revenue sharing and royalties on sales.

Those programs include KIACTA™ which was sold/licensed to Auven Therapeutics for the treatment of pulmonary sarcoidosis, AMO-01 which was licensed to AMO Pharma Limited for the treatment of Phelan McDermid syndrome and ALZ-801 which was licensed to Alzheon Inc. for the treatment of Alzheimer's disease.

RESULTS OF OPERATIONS

For the three-month period ended September 30, 2018*, net loss* amounted to $3,047,000 ($0.03 per share), compared to $1,680,000 ($0.03 per share) for the corresponding period the previous year. The increase in net loss is primarily attributable to higher research and development expenses and stock-based compensation expense.

For the nine-month period ended September 30, 2018, *net loss* amounted to $6,454,000 ($0.05 per share), compared to $269,000 (nil per share) for the corresponding period the previous year. Net loss for 2017 included a gain on sale of subsidiary in the amount of $1.9 million and a realized gain on the sale of the equity interest in FB Health S.p.A ("FB Health") in the amount of $1.9 million. Excluding these gains, the increase in net loss is primarily attributable to higher research and development expenses and stock-based compensation expense.

Revenues amounted to $9,000 for the three-month period ended September 30, 2018 ($26,000 for the nine-month period), compared to $93,000 for the corresponding period the previous year ($143,000 for the nine-month period). Revenues in 2017 are mainly attributable to a service agreement with Taro Pharmaceuticals Inc. (“Taro”) following the sale of the Company’s wholly-owned subsidiary, Thallion Pharmaceuticals Inc. (“Thallion”), to Taro in March 2017.

Research and development expenses, net of research tax credits, amounted to $2,138,000 for the three-month period ended September 30, 2018 ($4,264,000 for the nine-month period), compared to $1,194,000 for the corresponding period the previous year ($2,529,000 for the nine-month period). The increase is primarily attributable to higher expenses incurred in relation to the development of BLU-5937, the Company’s lead drug candidate for chronic cough, for which the Company initiated a clinical Phase 1 study in July 2018.

General and administrative expenses amounted to $888,000 for the three-month period ended September 30, 2018 ($2,538,000 for the nine-month period), compared to $571,000 for the corresponding period the previous year ($1,678,000 for the nine-month period). The increase is mainly due to higher stock-based compensation expense in relation to the Company’s stock option plan and deferred share unit plans.

Net finance income amounted to $60,000 for the three-month period ended September 30, 2018 ($241,000 for the nine-month period), compared to net finance costs of $8,000 for the corresponding period the previous year (net finance income of $3,000 for the nine-month period). The increase in net finance income is primarily attributable to higher interest income due to the Company’s increased cash, cash equivalents and short-term investments position following the Company’s equity offering in December 2017 (the “Offering”).

Change in fair value of contingent consideration receivable amounted to a decrease of $90,000 for the three-month period ended September 30, 2018 (increase of $81,000 for the nine-month period), compared to nil for the corresponding periods the previous year. The contingent consideration receivable is related to the sale of the Company’s equity interest in FB Health in June 2017, as discussed in the Liquidity and Capital Resources section.

Realized gain on sale of available-for-sale investment in FB Health amounted to nil for the three and nine-month periods ended September 30, 2018, compared to nil and $1,909,000 for the corresponding periods the previous year, and is related to the sale of the equity interest in FB Health in 2017.

Gain on sale of subsidiary amounted to nil for the three and nine-month periods ended September 30, 2018, compared to nil and $1,944,000 for the corresponding periods the previous year, and is related to the sale of the Company’s wholly-owned subsidiary, Thallion to Taro in March 2017.

Quarterly Results (Unaudited)
(*in thousands of dollars, except per share data)*

Quarter		Revenues		Net (loss) income attributable to shareholders		Basic and diluted (loss) earnings per share
Year ended December 31, 2018						
Third	$	9	$	(3,047)	$	(0.03)
Second		8		(1,564)		(0.01)
First		9		(1,843)		(0.02)
Year ended December 31, 2017						
Fourth	$	22	$	(1,605)	$	(0.02)
Third		93		(1,680)		(0.03)
Second		41		267		Nil
First		9		1,144		0.02
Year ended December 31, 2016						
Fourth	$	359	$	(496)	$	(0.01)

The variation of the net (loss) income attributable to shareholders of a quarter compared to the corresponding quarter of the previous year are explained by the following elements.

The increase in net loss for the third quarter of 2018 is primarily attributable to higher research and development expenses and stock-based compensation expense. The increase in net loss for the second quarter of 2018 is primarily attributable to the non-recurrence of the realized gain on the sale of the equity interest in FB Health of $1.9 million recorded in the second quarter of 2017. The increase in net loss for the first quarter of 2018 is primarily attributable to higher research and development expenses in addition to the non-recurrence of the gain on the sale of Thallion of $1.9 million recorded in the first quarter of 2017. The increase in net loss for the fourth quarter of 2017 is primarily attributable to higher research and development expenses.

Related party transactions

Dr. Francesco Bellini is the Chairman of the Board of Directors and provides ongoing advisory services to the Company under the terms of a consulting and services agreement between the Company and Picchio International Inc. ("Picchio International"), wholly-owned by Dr. Francesco Bellini and his spouse. Picchio International receives a monthly fee of $20,833, plus the reimbursement of applicable expenses for services rendered under the agreement. The agreement has a one-year term renewable for successive one-year terms. The Company recorded fees and expenses of $96,000 under the consulting and services agreement for the three-month periods ended September 30, 2018 and 2017 ($286,000 for the nine-month periods ended September 30, 2018 and 2017).

FINANCIAL CONDITION

Liquidity and capital resources

As at September 30, 2018, the Company had available cash, cash equivalents and short-term investments totalling $18,095,000, compared to $23,888,000 as at December 31, 2017. For the nine-month period ended September 30, 2018, the net decrease in cash, cash equivalents and short-term investments amounted to $5,793,000, compared to $538,000 for the corresponding period the previous year. The net decrease in 2018 is primarily attributable to funds used to finance the Company's operating activities, mainly the research and development of BLU-5937 for chronic cough. The net decrease in 2017 is primarily attributable to funds used to finance the Company's operating activities and funds used to acquire the BLU-5937 license, partially offset by funds received from the sale of Thallion and the equity interest in FB Health.

The Company believes that available cash, cash equivalents and short-term investments will be sufficient to fund operations for more than twelve months.

During the nine-month period ended September 30, 2018, the Company sold short-term investments for a net amount of $1,600,000 with initial maturities greater than three months and less than a year ($941,000 for the nine-month period ended September 30, 2017).

On June 30, 2017, the Company sold its equity interest in FB Health for a potential total consideration of $2,536,000, consisting of an upfront cash payment of $1,769,000 and a contingent revenue-based milestone payment of up to $767,000 (€518,000), to be determined based on FB Health's revenues for the twelve-month period ended June 30, 2018. A realized gain on sale of available-for-sale investment in FB Health in the amount of nil and $1,909,000 was recognized by the Company in the condensed consolidated interim statement of loss respectively for the three and nine-month periods ended September 30, 2017.

As at September 30, 2018, the Company adjusted the estimated fair value of the contingent consideration receivable related to the sale of the equity interest in FB Health to $465,000 in the condensed consolidated interim statement of financial position, based on available information representing management's revised best estimate of the amount to be received ($555,000 as at June 30, 2018 and $384,000 as at December 31, 2017). The change in fair value for the three and nine-month periods ended September 30, 2018 amounted to $(90,000) and $81,000 respectively, presented in the condensed consolidated interim statement of loss (nil for the corresponding periods the previous year).

In January 2018, the Company received $0.4 million from Taro as a milestone payment in relation to the sale of the Company's wholly-owned subsidiary Thallion in March 2017. In accordance with the terms of the agreements of the 2013 Thallion acquisition, 5% of the milestone payment received by BELLUS Health from the sale of Thallion, including the Shigamab™ technology (the "Shigamab™ Consideration"), was payable to the contingent value right ("CVR") holders. Accordingly, on January 26, 2018, a net amount of $14,721 ($0.00041 per CVR) was paid to the CVR holders, which consists of the Shigamab™ Consideration of $20,000 less $5,279 for CVR agent costs. CVR agent costs were deducted from the Shigamab™ Consideration in accordance with the terms of the agreements of the 2013 Thallion acquisition by BELLUS Health.

There has been no significant change to the Company's contractual obligations since December 31, 2017 other than in the ordinary course of business.

On September 12, 2018, upon the exercise of 700,000 broker warrants issued in connection with the Offering in December 2017, the Company received $266,000 and issued 700,000 common shares from treasury.

During the nine-month period ended September 30, 2018, the Company granted 4,300,000 stock options.

As at November 14, 2018, BELLUS Health had 120,197,581 common shares outstanding and 132,897,316 common shares on a fully diluted basis, including 11,593,000 stock options granted under the stock option plan and 1,106,735 warrants issued in relation to the Offering in December 2017.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The reported amounts and note disclosures reflect management's best estimate of the most probable set of economic conditions and planned course of actions. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2017.

Refer to the audited consolidated financial statements for the year ended December 31, 2017 for discussions on accounting policies and estimates that are most important in assessing, understanding and evaluating the Company's consolidated financial statements. Change in these estimates and assumptions could have a significant impact on the Company's consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

Changes in significant accounting policies in 2018

On January 1, 2018, the Company adopted the following new accounting standards and interpretations issued by the IASB, for which the application did not have a material impact on the condensed consolidated interim financial statements for the three and nine-month periods ended September 30, 2018:

(a) IFRS 2, *Share-Based Payment*;

(b) IFRS 9 (2014), *Financial Instruments*; and

(c) IFRS 15, *Revenue from Contracts with Customers*.

Further information on these accounting changes can be found in note 3 to the September 30, 2018 condensed consolidated interim financial statements.

New accounting standard and interpretation not yet adopted

IFRS 16, *Leases*, a new accounting standard issued by the IASB, is not yet effective for the nine-month period ended September 30, 2018 and has not been applied in preparing the condensed consolidated interim financial statements.

Further information on this new accounting standard can be found in note 4 to the September 30, 2018 condensed consolidated interim financial statements.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING (ICFR)

There have been no changes in the Company's ICFR during the nine-month period ended September 30, 2018 that have materially affected, or are reasonably likely to materially affect its ICFR.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this MD&A, other than statements of fact that are independently verifiable at the date of this report, may constitute "forward-looking statements" within the meaning of Canadian securities legislation and regulations. 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 the Company's control. This forward-looking information may include among other things, information with respect to the Company's objectives and the strategies to achieve these objectives, as well as information with respect to the Company's beliefs, plans, expectations, anticipations, estimates, and intentions. Forward-looking statements generally can be identified by the use of conditional or forward-looking terminology such as "may", "will", "expect", "intend", "estimate", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Refer to the Company's public filings with the Canadian securities regulatory authorities, including the Annual Information Form, for a discussion of the various risk factors that may affect the Company's future results. Such risks factors 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 the Company 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 pre-clinical and clinical trial 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 the Company's drug candidates' development process, their market size and commercial value, as well as the sharing of proceeds between the Company 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. The Company 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 report. These forward-looking statements speak only as of the date made, and the Company is under no obligation and disavows any intention to update publicly or revise such statements as a result of any new information, future events, circumstances or otherwise, unless required by applicable legislation or regulation. The forward-looking statements contained in this report are expressly qualified by this cautionary statement.

BELLUS HEALTH INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited)

September 30, 2018 and December 31, 2017
(in thousands of Canadian dollars)

	September 30, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents (note 5)	$ 3,396	$ 7,749
Short-term investments (note 5)	14,699	16,139
Trade and other receivables (note 6)	1,020	1,714
Contingent consideration receivable (note 7)	465	384
Prepaid expenses and other assets	485	84
Total current assets	20,065	26,070
Non-current assets:		
Other assets	71	69
In-process research and development asset (note 8)	2,359	2,359
Total non-current assets	2,430	2,428
Total Assets	$ 22,495	$ 28,498
Liabilities and Shareholders' Equity		
Current liabilities:		
Trade and other payables	$ 1,879	$ 2,190
Financial liabilities – CVRs (note 10)	—	20
Total current liabilities	1,879	2,210
Total Liabilities	1,879	2,210
Shareholders' equity:		
Share capital (note 11 (a))	467,706	467,253
Other equity (notes 11 (b) (i) and (ii))	26,531	26,202
Deficit	(473,621)	(467,167)
Total Shareholders' Equity	20,616	26,288
Total Liabilities and Shareholders' Equity	$ 22,495	$ 28,498

See accompanying notes to unaudited condensed consolidated interim financial statements.

BELLUS HEALTH INC.

Condensed Consolidated Interim Statements of Loss
(Unaudited)

Periods ended September 30, 2018 and 2017
(in thousands of Canadian dollars, except per share data)

	Three-month periods ended September 30, 2018	Three-month periods ended September 30, 2017	Nine-month periods ended September 30, 2018	Nine-month periods ended September 30, 2017
Revenues	$ 9	$ 93	$ 26	$ 143
Expenses:				
Research and development	2,381	1,311	4,783	2,715
Research tax credits	(243)	(117)	(519)	(186)
	2,138	1,194	4,264	2,529
General and administrative	888	571	2,538	1,678
Total operating expenses	3,026	1,765	6,802	4,207
Loss from operating activities	(3,017)	(1,672)	(6,776)	(4,064)
Finance income	80	18	250	52
Finance costs	(20)	(26)	(9)	(49)
Net finance income (costs) (note 12)	60	(8)	241	3
Change in fair value of contingent consideration receivable (note 7)	(90)	—	81	—
Realized gain on sale of available-for-sale investment in FB Health (note 7)	—	—	—	1,909
Gain on sale of subsidiary (note 9)	—	—	—	1,944
Loss before income taxes	(3,047)	(1,680)	(6,454)	(208)
Deferred tax expense	—	—	—	61
Net loss for the period	$ (3,047)	$ (1,680)	$ (6,454)	$ (269)
Loss per share (note 13)				
Basic and diluted	$ (0.03)	$ (0.03)	$ (0.05)	$ —

See accompanying notes to unaudited condensed consolidated interim financial statements.

BELLUS HEALTH INC.

Condensed Consolidated Interim Statements of Other Comprehensive Loss
(Unaudited)

Periods ended September 30, 2018 and 2017
(in thousands of Canadian dollars)

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2018	2017	2018	2017
Net loss for the period	$ (3,047)	$ (1,680)	$ (6,454)	$ (269)
Other comprehensive loss (that may be reclassified subsequently to net loss):				
Unrealized gain on available-for-sale investment in FB Health (note 7)	—	—	—	1,514
Related income tax expense	—	—	—	(204)
Realized gain on available-for-sale investment in FB Health reclassified to net loss (note 7)	—	—	—	(1,909)
Related income tax expense	—	—		265
Other comprehensive loss for the period	—	—	—	(334)
Total comprehensive loss for the period	$ (3,047)	$ (1,680)	$ (6,454)	$ (603)

See accompanying notes to unaudited condensed consolidated interim financial statements.

BELLUS HEALTH INC.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity
(Unaudited)

Periods ended September 30, 2018 and 2017
(in thousands of Canadian dollars)

	Share capital (note 11(a))	Other equity	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2017	$ 467,253	$ 26,202	$ —	$ (467,167)	$ 26,288
Total comprehensive loss for the period:					
Net loss and comprehensive loss	—	—	—	(6,454)	(6,454)
Total comprehensive loss for the period	—	—	—	(6,454)	(6,454)
Transactions with shareholders, recorded directly in shareholders' equity:					
Issued upon broker warrants exercise (note 11 (b) (ii))	453	(187)	—	—	266
Stock-based compensation (note 11 (b) (i))	—	516	—	—	516
Balance, September 30, 2018	$ 467,706	$ 26,531	$ —	$ (473,621)	$ 20,616

	Share capital (note 11(a))	Other equity	Accumulated other comprehensive income	Deficit	Total
Balance, December 31, 2016	$ 445,753	$ 25,527	$ 334	$ (463,351)	$ 8,263
Total comprehensive loss for the period:					
Net loss	—	—	—	(269)	(269)
Other comprehensive loss	—	—	(334)	—	(334)
Total comprehensive loss for the period	—	—	(334)	(269)	(603)
Transactions with shareholders, recorded directly in shareholders' equity:					
Issued as part of upfront payment for license acquisition (note 11 (a) (i))	1,500	—	—	—	1,500
Stock-based compensation (note 11 (b) (i))	—	111	—	—	111
Balance, September 30, 2017	$ 447,253	$ 25,638	$ —	$ (463,620)	$ 9,271

See accompanying notes to unaudited condensed consolidated interim financial statements.

BELLUS HEALTH INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited)

Periods ended September 30, 2018 and 2017
(in thousands of Canadian dollars)

	Nine-month periods ended September 30, 2018	2017
Cash flows from operating activities:		
Net loss for the period	$ (6,454)	$ (269)
Adjustments for:		
Stock-based compensation	516	111
Net finance income	(241)	(3)
Change in fair value of contingent consideration receivable	(81)	—
Realized gain on sale of available-for sale investment in FB Health	—	(1,909)
Gain on sale of subsidiary	—	(1,944)
Deferred tax expense	—	61
Other items	(19)	(14)
Changes in operating assets and liabilities		
Trade and other receivables	(181)	241
Prepaid expenses and other assets	(366)	13
Trade and other payables	(348)	721
Financial liabilities - CVRs	(20)	(115)
	(7,194)	(3,107)
Cash flows from financing activities:		
Issuance of common shares upon broker warrants exercise	266	—
Interest and bank charges paid	(4)	(10)
	262	(10)
Cash flows from investing activities:		
Net proceeds from sale of short-term investments	1,600	941
Proceeds on sale of investment in FB Health (note 7)	—	1,769
Acquisition of in-process research and development asset, net of costs and deferred development support payments (note 8)	475	(1,334)
Proceeds from sale of subsidiary, net of costs (note 9)	400	2,117
Interest received	90	52
	2,565	3,545
Net (decrease) increase in cash and cash equivalents	(4,367)	428
Cash and cash equivalents, beginning of period	7,749	2,575
Effect of foreign exchange on cash and cash equivalents	14	(25)
Cash and cash equivalents, end of period	$ 3,396	$ 2,978
Supplemental cash flow disclosure:		
Non-cash transactions:		
Ascribed value related to issuance of common shares upon broker warrants exercise (note 11 (b) (ii))	$ 187	$ —
Contingent consideration receivable in connection with sale of investment in FB Health (note 7)	—	384
Issuance of common shares in connection with acquisition of in-process research and development asset (note 8)	—	1,500
Development support payment receivable in connection with acquisition of in-process research and development asset included in Trade and other receivables (note 8)	—	475
Deferred payment on sale of subsidiary included in Trade and other receivables (note 9)	—	400

See accompanying notes to unaudited condensed consolidated interim financial statements.

1. Reporting entity:

BELLUS Health Inc. ("BELLUS Health" or the "Company") is a clinical-stage biopharmaceutical company developing novel therapeutics for conditions with high unmet medical need. The Company's pipeline of projects includes its lead drug candidate BLU-5937 for the treatment of chronic cough and several other partnered clinical-stage drug development programs. The Company is domiciled in Canada. The address of the Company's registered office is 275 Armand-Frappier Blvd., Laval, Quebec, H7V 4A7.

These condensed consolidated interim financial statements include the accounts of BELLUS Health Inc. and its subsidiaries.

The Company's shares trade on the Toronto Stock Exchange ("TSX") under the symbol BLU. The annual consolidated financial statements of the Company as at and for the year ended December 31, 2017 are available at www.bellushealth.com or at www.sedar.com.

2. Basis of preparation:

(a) Statement of compliance:

These condensed consolidated interim financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Accounting Standard (IAS) 34, *Interim Financial Reporting*. The condensed consolidated interim financial statements do not include all the information required for full annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements as at and for the year ended December 31, 2017.

These condensed consolidated interim financial statements for the three and nine-month periods ended September 30, 2018 were approved by the Board of Directors on November 14, 2018.

(b) Use of estimates and judgements:

The preparation of the condensed consolidated interim financial statements in accordance with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The reported amounts and note disclosures reflect management's best estimate of the most probable set of economic conditions and planned course of actions. Actual results may differ from these estimates.

In preparing these condensed consolidated interim financial statements, the significant judgements made by management in applying the Company's accounting policies and key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended December 31, 2017.

3. Significant accounting policies and basis of measurement:

The accounting policies and basis of measurement applied in these condensed consolidated interim financial statements are the same as those applied by the Company in its consolidated financial statements for the year ended December 31, 2017, except as described below:

Changes in significant accounting policies in 2018

On January 1, 2018, the Company adopted the following new accounting standards and interpretations issued by the International Accounting Standards ("IASB"):

(a) Share-based payment:

Amendments to IFRS 2, *Share-Based Payment* clarify how to account for certain types of share-based payment transactions. The amendments provide requirements on the accounting for the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments, share-based payment transactions with a net settlement feature for withholding tax obligations and a modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled. The adoption of amendments to IFRS 2 did not have a material impact on the condensed consolidated interim financial statements.

(b) Financial instruments:

The final 2014 version of IFRS 9, *Financial Instruments* addresses the classification and measurement of financial assets and liabilities, impairment and hedge accounting, replacing IAS 39, *Financial Instruments: Recognition and Measurement*. The adoption of IFRS 9 (2014) did not have a material impact on the condensed consolidated interim financial statements.

(c) Revenue:

IFRS 15, *Revenue from Contracts with Customers* replaces IAS 18, *Revenue*, as well as other revenue-related standards and interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which determine the amount and/or timing of revenue recognized. The new standard applies to contracts with customers. The Company adopted IFRS 15 using the modified retrospective transition method, with the cumulative effect of initially applying the standard recognized as an adjustment to opening retained earnings at date of initial adoption. Given the Company's limited revenues, the adoption of IFRS 15 did not have a material impact on the condensed consolidated interim financial statements.

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

4. New accounting standard and interpretation not yet adopted:

Leases:

In January 2016, the IASB issued IFRS 16, *Leases* which will replace IAS 17, *Leases*. The standard will require all leases of more than 12 months to be reported on a company's statement of financial position as assets and liabilities. The new standard is effective for annual periods beginning on or after January 1, 2019. The Company expects that its operating leases will need to be recognized in its consolidated statement of financial position on initial adoption of IFRS 16.

5. Cash, cash equivalents and short-term investments:

Cash, cash equivalents and short-term investments consist of cash balances with banks and short-term investments:

	September 30, 2018	December 31, 2017
Cash balances with banks	$ 777	$ 2,932
Short-term investments with initial maturities of less than three months (yielding interest at 1.45% to 1.60% as at September 30, 2018) (December 31, 2017 – 0.95% to 1.20%)	2,619	4,817
Cash and cash equivalents	3,396	7,749
Short-term investments with initial maturities greater than three months and less than one year (yielding interest at 1.43% to 2.20% as at September 30, 2018) (December 31, 2017 – 1.00% to 2.20%)	14,699	16,139
Cash, cash equivalents and short-term investments	$ 18,095	$ 23,888

6. Trade and other receivables:

Trade and other receivables consist of:

	September 30, 2018	December 31, 2017
Trade receivables	$ 8	$ 25
Development support payment receivable (note 8)	—	475
Deferred payment on sale of subsidiary (note 9)	—	400
Research tax credits receivable	805	301
Amounts receivable under license agreements	26	60
Other receivables	181	453
	$ 1,020	$ 1,714

7. Sale of investment in FB Health:

On June 30, 2017, the Company sold its equity interest in FB Health S.p.A ("FB Health") for a potential total consideration of $2,536, consisting of an upfront cash payment of $1,769 and a contingent revenue-based milestone payment of up to $767 (€518), to be determined based on FB Health's revenues for the twelve-month period ended June 30, 2018.

As at September 30, 2018, the Company adjusted the estimated fair value of the contingent consideration receivable to $465 in the condensed consolidated interim statement of financial position, based on available information representing management's revised best estimate of the amount to be received ($555 as at June 30, 2018 and $384 as at December 31, 2017). The change in fair value for the three and nine-month periods ended September 30, 2018 amounted to $(90) and $81 respectively, presented in the condensed consolidated interim statement of loss (nil for the corresponding periods the previous year).

Prior to the sale of the investment in FB Health on June 30, 2017, the Company increased the fair value of its available-for-sale investment from $639 to $2,153, representing the estimated fair value of the total consideration to be received. Total consideration consisted of $1,769 received in cash and the estimated fair value of the contingent consideration of $384 on the transaction date, determined based on management's best estimate of FB Health's future revenues at that time.

A realized gain on sale of available-for-sale investment in FB Health in the amount of nil and $1,909 (before related income tax expense of $265), being the difference between the fair value of the total consideration and the amount paid for the original investment, was recognized by the Company in the condensed consolidated interim statement of loss respectively for the three and nine-month periods ended September 30, 2017, following the sale of the investment.

In connection with the fair value determination of its available-for-sale investment prior to its sale, the Company recorded an increase in fair value of nil and $1,514 respectively for the three and nine-month periods ended September 30, 2017, recognized in other comprehensive income.

8. In-process research and development asset:

In February 2017, BELLUS Health obtained from the NEOMED Institute ("NEOMED") an exclusive worldwide license to develop and commercialize BLU-5937, a potent, highly selective, orally bioavailable small molecule antagonist of the P2X3 receptor, a clinically validated target for chronic cough.

Under the terms of the agreement, BELLUS Health paid NEOMED an upfront fee of $3,200, consisting of $1,700 in cash and $1,500 in equity with the issuance of 5,802,177 BELLUS Health common shares.

8. In-process research and development asset (continued):

In addition, NEOMED provided development support to the BLU-5937 program and contributed $950 towards the funding of research and development activities, of which $475 was received during the second quarter of 2017 and the balance of $475 was received in May 2018. As at December 31, 2017, the balance of $475 was presented as current Trade and other receivable in the consolidated statement of financial position.

BELLUS Health estimated the fair value of the in-process research and development ("IPR&D") asset related to BLU-5937 at $2,359, being the fair value of the consideration plus fees paid in relation to the acquisition of $109, net of the agreed upon development support payment of $950.

9. Sale of subsidiary:

On March 16, 2017, the Company entered into a Share Purchase Agreement with Taro Pharmaceuticals Inc. ("Taro") for the sale of 100% of the shares of its wholly-owned subsidiary, Thallion Pharmaceuticals Inc. ("Thallion"), including all the rights to the drug candidate Shigamab™, for a total consideration of $2,700, consisting of a cash payment of $2,300 on closing and a deferred payment of $400, which was received by the Company in January 2018. As at December 31, 2017, the deferred payment on the sale of Thallion of $400 was presented as current Trade and other receivable in the consolidated statement of financial position.

In accordance with the terms of the agreements of the 2013 Thallion acquisition, 5% of the proceeds received by BELLUS Health from the sale of Thallion, including the Shigamab™ technology ("Shigamab™ Consideration"), was payable to the CVR holders (refer to note 10).

A gain on sale of subsidiary in the amount of nil and $1,944 (net of transaction costs of $183, the increase in fair value of the contingent consideration payable in relation to CVRs on Shigamab™ future revenues of $31 and the carrying value of the asset sold of $542) was recognized in the condensed consolidated interim statement of loss for the three and nine-month periods ended September 30, 2017 respectively.

10. Financial liabilities – CVRs

On August 15, 2013, the Company acquired all of the issued and outstanding common shares of Thallion. The contingent value rights ("CVRs") then issued to Thallion's shareholders entitle the holder thereof to, among other things, its pro rata share of 5% of the Shigamab™ revenue generated or received by BELLUS Health, capped at $6,500.

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

10. Financial liabilities – CVRs (continued)

Accordingly, BELLUS Health paid in January 2018 a net amount of $15 ($0.00041 per CVR) to the CVR holders, which consists of the Shigamab^{TM} Consideration of $20 on the deferred payment received by the Company in January 2018 for the sale of Thallion (refer to note 9), less $5 for CVR agent costs. CVR agent costs were deducted from the Shigamab^{TM} Consideration in accordance with the terms of the agreements of the 2013 Thallion acquisition by BELLUS Health.

The contingent consideration payable related to CVRs on Shigamab^{TM} amounted to nil as at September 30, 2018 ($20 as at December 31, 2017). The change in fair value for the three and nine-month periods ended September 30, 2018 amounted to nil (nil and $31 for the three and nine-month periods ended September 30, 2017 respectively, presented as a reduction of the gain on sale of subsidiary in the condensed consolidated interim statement of loss (refer to note 9)).

11. Shareholders' equity:

(a) Share capital:

Issued and outstanding common shares are as follows:

	Number		Dollars
Balance, December 31, 2017	119,497,581	$	467,253
Issued upon broker warrants exercise (note 11 (b) (ii))	700,000		453
Balance, September 30, 2018	120,197,581	$	467,706

	Number		Dollars
Balance, December 31, 2016	61,063,824	$	445,753
Issued as part of upfront fee for license acquisition (i)	5,802,177		1,500
Balance, September 30, 2017	66,866,001	$	447,253

(i) On February 28, 2017, the Company issued 5,802,177 common shares from treasury as part of an upfront payment to obtain an exclusive worldwide license to develop and commercialize BLU-5937 (refer to note 8).

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

11. Shareholders' equity (continued):

(b) Share-based payment arrangements:

(i) Stock option plan:

Changes in outstanding stock options issued under the stock option plan for the nine-month periods ended September 30, 2018 and 2017 were as follows:

	Number		Weighted average exercise price
Options outstanding, December 31, 2017	7,293,000	$	0.44
Granted [(1), (2)]	4,300,000		0.36
Options outstanding, September 30, 2018	11,593,000	$	0.41

	Number		Weighted average exercise price
Options outstanding, December 31, 2016	4,788,000	$	0.53
Granted [(3)]	2,685,000		0.30
Forfeited	(290,000)		0.58
Expired	(90,000)		0.50
Options outstanding, September 30, 2017	7,093,000	$	0.44

(1) 4,150,000 stock options were granted on February 20, 2018, having an exercise price of $0.35; 3,800,000 granted to key management personnel and 350,000 granted to other employees.

(2) 150,000 stock options were granted on July 10, 2018 to other employees, having an exercise price of $0.57.

(3) Stock options granted on May 23, 2017; 2,400,000 granted to key management personnel and 285,000 granted to other employees.

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

11. Shareholders' equity (continued):

(b) Share-based payment arrangements (continued):

(i) Stock option plan (continued):

The following table summarizes information about stock options outstanding and exercisable as at September 30, 2018:

	Options outstanding		Options exercisable
Exercise price/share	Number	Weighted average years to expiration	Number
$0.30	2,630,000	8.6	562,000
$0.35	4,150,000	9.4	—
$0.42	200,000	9.1	—
$0.50	4,300,000	3.9	4,300,000
$0.57	150,000	9.8	—
$1.05	60,000	3.9	60,000
$1.12	103,000	7.4	41,200
	11,593,000	7.1	4,963,200

Stock-based compensation

For the three and nine-month periods ended September 30, 2018, the Company recorded a stock-based compensation expense related to the stock option plan (excluding compensation under the DSU plans) in the amount of $187 and $516, respectively, in the condensed consolidated interim statement of loss; from these amounts, $28 and $77, respectively, is presented in Research and development expenses and $159 and $439, respectively, is presented in General and administrative expenses ($96 and $111 for the corresponding periods the previous year, $15 and $20 respectively presented in Research and development expenses and $81 and $91 respectively presented in General and administrative expenses).

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

11. Shareholders' equity (continued):

(b) Share-based payment arrangements (continued):

(i) Stock option plan (continued):

Stock-based compensation (continued)

The fair value of each stock option granted is estimated on the date of grant using the Black-Scholes pricing model. Expected volatility is estimated by considering historic average share price volatility for a period commensurate with the expected life. The weighted average assumptions for stock options granted during the nine-month periods ended September 30, 2018 and 2017 were as follows:

	2018 [(1)]	2017 [(2)]
Weighted average fair value of stock options at grant date	$ 0.29	$ 0.26
Weighted average share price	$ 0.36	$ 0.30
Weighted average exercise price	$ 0.36	$ 0.30
Risk-free interest rate	2.19%	1.15%
Expected volatility	100%	107%
Expected life in years	7	7
Expected dividend yield	Nil	Nil

(1) Stock options were granted on February 20, 2018 and on July 10, 2018.
(2) All stock options were granted on May 23, 2017.

Dividend yield was excluded from the calculation, since it is the present policy of the Company to retain all earnings to finance operations and future growth.

(ii) Broker warrants:

Changes in outstanding broker warrants for the nine-month period ended September 30, 2018 were as follows:

	Number	Dollars
Balance, December 31, 2017	1,806,735	$ 483
Exercised	(700,000)	(187)
Balance, September 30, 2018	1,106,735	$ 296

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

11. Shareholders' equity (continued):

(b) Share-based payment arrangements (continued):

(ii) Broker warrants:

On September 12, 2018, the Company issued 700,000 common shares from treasury upon the exercise of 700,000 broker warrants issued in connection with the Company's equity offering on December 12, 2017 (the "Offering"). As a result of their exercise, the carrying value of the broker warrants of $187, initially allocated to Other equity pending the issuance of common shares, was reclassified to Share capital. Each broker warrant entitles the holder to buy one common share at a price of $0.38 per share for a period of 18 months from the closing of the Offering.

(iii) Deferred share unit ("DSU") plans:

Changes in the number of units outstanding for the nine-month periods ended September 30, 2018 and 2017 were as follows:

Number of units	2018	2017
Balance, beginning of period	217,953	217,953
Units granted [1]	435,108	—
Balance, end of period	653,061	217,953
Balance of DSU liability, included in Trade and other payables [2]	$ 699	$ 78

[1] All DSUs were granted to key management personnel.
[2] Balance of DSU liability as at December 31, 2017 amounted to $81.

During the nine-month period ended September 30, 2018, the Company granted 435,108 DSUs having a weighted average fair value per unit of $0.55. The net stock-based compensation expense (income) related to DSU plans recorded in the condensed consolidated interim statement of loss for the three and nine-month periods ended September 30, 2018 amounted to $322 and $581, respectively, and is presented in General and administrative expenses ($(19) and $15 for the corresponding periods the previous year, presented in General and administrative expenses).

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

12. Net finance income (costs):

Finance income and Finance costs for the three and nine-month periods ended September 30, 2018 and 2017 were attributed as follows:

	Three-month periods ended September 30, 2018	Three-month periods ended September 30, 2017	Nine-month periods ended September 30, 2018	Nine-month periods ended September 30, 2017
Interest income	$ 80	$ 18	$ 250	$ 52
Finance income	80	18	250	52
Interest and bank charges	(1)	(1)	(4)	(10)
Foreign exchange loss	(19)	(25)	(5)	(39)
Finance costs	(20)	(26)	(9)	(49)
Net finance income (costs)	$ 60	$ (8)	$ 241	$ 3

13. Loss per share:

	Three-month periods ended September 30, 2018	Three-month periods ended September 30, 2017	Nine-month periods ended September 30, 2018	Nine-month periods ended September 30, 2017
Basic weighted average number of common shares outstanding	119,634,538	66,866,001	119,543,735	65,612,051
Basic and diluted loss per share	$ (0.03)	$ (0.03)	$ (0.05)	$ —

Excluded from the calculation of the diluted loss per share for the three and nine-month periods ended September 30, 2018 is the impact of all stock options granted under the stock option plan and broker warrants, as they would be anti-dilutive.

Excluded from the calculation of the diluted loss per share for the three and nine-month periods ended September 30, 2017 is the impact of all stock options granted under the stock option plan, as they would be anti-dilutive.

All stock options granted under the stock option plan and broker warrants could potentially be dilutive in the future.

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

14. Related party transactions:

(a) There is no single ultimate controlling party.

(b) Dr. Francesco Bellini, Chairman of the Board of Directors, provides ongoing advisory services to the Company under the terms of a consulting and services agreement between the Company and Picchio International, wholly-owned by Dr. Francesco Bellini and his spouse. The agreement has a one-year term and shall renew for successive one-year terms. The Company recorded fees and expenses of $96 and $286 respectively for the three and nine-month periods ended September 30, 2018 ($96 and $286 for the corresponding periods the previous year).

(c) Key management personnel:

The Chief Executive Officer, Vice-Presidents and Directors of BELLUS Health are considered key management personnel of the Company.

The aggregate compensation for the three and nine-month periods ended September 30, 2018 and 2017 to key management personnel of the Company is set out below:

	Three-month periods ended September 30,		Nine-month periods ended September 30,	
	2018	2017	2018	2017
Short term benefits	$ 413	$ 442	$ 1,278	$ 1,200
DSU plans expense (income)	322	(19)	581	15
Stock option plan expense	168	88	465	107
	$ 903	$ 511	$ 2,324	$ 1,322

15. Financial instruments:

Carrying values and fair values:

Fair value estimates are made as of a specific point in time, using available information about the financial instrument. These estimates are subjective in nature and may not be determined with precision. A three-tier fair value hierarchy prioritizes the inputs used in measuring fair value. The Level 3 is defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions.

The financial asset/liability fair valued on a recurring basis as at September 30, 2018 is the contingent consideration receivable on the sale of the investment in FB Health in 2017. The contingent consideration payable in relation to CVRs on Shigamab™ future revenues was paid in January 2018. These financial instruments were measured using Level 3 inputs.

(in thousands of Canadian dollars, except per share data, unless otherwise noted)

15. Financial instruments (continued):

For the nine-month period ended September 30, 2018, the reconciliation of the beginning and ending balance of the asset and the liability measured at fair value on a recurring basis using significant unobservable inputs (Level 3) is as follows:

	Contingent consideration receivable	Contingent consideration payable
Balance as at December 31, 2017	$ 384	$ (20)
Change in fair value	81	—
Reduction for distribution to CVR holders	—	20
Balance as at September 30, 2018	$ 465	$ —

For its financial assets and liabilities measured at amortized cost as at September 30, 2018, the Company has determined that the carrying value of its short-term financial assets and liabilities approximates their fair value because of the relatively short periods to maturity of these instruments.

Certain statements contained in this document, 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. 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 Inc.'s control. Such risks factors 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 Inc. 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 pre-clinical and clinical trial 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 Inc.'s drug candidates' development process, their market size and commercial value, as well as the sharing of proceeds between BELLUS Health Inc. 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 Inc. 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 document. These forward-looking statements speak only as of the date made, and BELLUS Health Inc. 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 Inc.'s public filings with the Canadian securities regulatory authorities, including the Annual Information Form, for further risk factors that might affect BELLUS Health Inc. and its business.

CORPORATE PROFILE

BELLUS Health is a clinical-stage biopharmaceutical company developing novel therapeutics for conditions with high unmet medical need. Its pipeline of projects includes the Company's lead drug candidate BLU-5937 for chronic cough and several other partnered clinical-stage drug development programs. BLU-5937, a highly selective P2X3 antagonist, has the potential to be a best-in-class therapeutic for chronic cough patients who do not respond to current therapies. The Company's shares trade on the Toronto Stock Exchange (TSX) under the symbol BLU.

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