

Edge Therapeutics, Inc.  
Form 424B3  
February 15, 2019  
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**Filed Pursuant to Rule 424(b)(3)**  
**Registration Statement No.: 333-228937**

## **PROPOSED MERGER**

### **YOUR VOTE IS VERY IMPORTANT**

To the Stockholders of Edge Therapeutics, Inc. and PDS Biotechnology Corporation:

Edge Therapeutics, Inc., a Delaware corporation, or Edge, and Echos Merger Sub, Inc., a Delaware corporation and a wholly-owned subsidiary of Edge, or Echos Merger Sub, and PDS Biotechnology Corporation, a Delaware corporation, or PDS, have entered into an Agreement and Plan of Merger and Reorganization, or Merger Agreement, pursuant to which Echos Merger Sub will merge with and into PDS, with PDS surviving the merger as a wholly-owned subsidiary of the combined company. These transactions are referred to herein collectively as the merger. Following the merger, Edge will be renamed PDS Biotechnology Corporation and is sometimes referred to herein as the combined company. The merger will result in a clinical-stage immuno-oncology biotechnology company developing novel product candidates for the potential treatment of early- and late-stage cancer, with a growing pipeline of next-generation cancer immunotherapies based on the proprietary, multi-functional Versamune<sup>®</sup> technology platform.

At the closing of the merger, (a) each outstanding share of capital stock of PDS, will be converted into the right to receive approximately 6.5366 shares of Edge common stock, or the Exchange Ratio, subject to adjustment for any reverse stock split, and (b) each outstanding PDS stock option, whether vested or unvested, and warrant that has not previously been exercised prior to the effective time of merger will be converted into a stock option or warrant, as the case may be, to purchase approximately 6.5366 shares of Edge common stock, subject to adjustment for any reverse stock split. This Exchange Ratio is an estimate only and the final Exchange Ratio will be determined pursuant to a formula described in more detail in the Merger Agreement and in this proxy statement/prospectus/information statement. Under the Exchange Ratio formula in the Merger Agreement, as of immediately after the merger, the former PDS securityholders are expected to own approximately 70% of the aggregate number of shares of the common stock of the combined company issued and outstanding immediately following the closing of the merger, or the Post-Closing Shares, and the securityholders of Edge as of immediately prior to the closing of the merger are expected to own approximately 30% of the aggregate number of Post-Closing Shares. These percentages assume that the Exchange Ratio is not adjusted for net cash balances or otherwise, as described in the section titled "The Merger Agreement" below. For a more complete description of the Exchange Ratio please see the section titled "The Merger Agreement-Exchange Ratio" in this proxy statement/prospectus/information statement.

Shares of Edge common stock are currently listed on the Nasdaq Global Select Market under the symbol EDGE. Prior to the closing of the merger, Edge intends to file an initial listing application for the combined company with the Nasdaq Capital Market pursuant to its reverse merger rules. After the closing of the merger, the combined company expects to trade on the Nasdaq Capital Market under the symbol PDSB. On February 8, 2019, the latest practicable date before the printing of this proxy statement/prospectus/information statement, the closing sale price of Edge common stock was \$0.43 per share.

Edge is holding a special meeting of stockholders in order to obtain the stockholder approvals necessary to complete

the merger and related matters. At the Edge special meeting, which will be held on March 14, 2019 at 9:00 a.m., local time, at 300 Connell Drive, Suite 4000 Berkeley Heights, NJ 07922, unless postponed or adjourned to a later date, Edge will ask its stockholders, among other things, to approve the issuance of shares of Edge common stock as consideration in the merger, to approve an amendment to Edge's certificate of incorporation effecting a reverse stock split of Edge common stock at a ratio in the range of 5-for-1 to 25-for-1, with such specific ratio to be mutually agreed upon by Edge and PDS, and to approve an amendment to the Edge 2014 Equity Incentive Plan, each as described in this proxy statement/prospectus/information statement.

As described in this proxy statement/prospectus/information statement, certain PDS stockholders who in the aggregate own approximately 82% of the outstanding shares of PDS common stock, and certain Edge stockholders who in the aggregate own approximately 13.4% of the outstanding shares of Edge common stock, are parties to support agreements with Edge and PDS, pursuant to which such stockholders have agreed to vote such shares in favor of approving certain of the transactions contemplated by the Merger Agreement, including the merger, and the issuance of shares of common stock pursuant to the Merger Agreement and the reverse stock split, respectively, subject to the terms of the support agreements. No meeting of PDS stockholders to adopt the Merger Agreement and approve the merger and related transactions will be held. Instead, all PDS stockholders will have the opportunity to vote to adopt the Merger Agreement and approve the merger and related transactions, by signing and returning to PDS a written consent following the registration statement on Form S-4, of which this proxy statement/prospectus/information statement is a part, being declared effective by the Securities and Exchange Commission. The holders of a sufficient number of shares of PDS common stock required to adopt the Merger Agreement and approve the merger and related transactions have agreed to adopt the Merger Agreement and approve the merger and related transactions via written consent. PDS stockholders, including those who are parties to support agreements, are requested to execute written consents providing such approvals.

After careful consideration, the respective Edge and PDS boards of directors have unanimously approved the Merger Agreement and the transactions contemplated thereby, including the proposals referred to above (other than Brian Leuthner, Edge's President and Chief Executive Officer, who recused himself from the Edge board of directors vote). The Edge board of directors, or the Edge Board, unanimously recommends that its stockholders vote FOR each of the Stock Issuance Proposal, the Reverse Stock Split Proposal and the Equity Incentive Plan Proposal, each as is described in this proxy statement/prospectus/information statement, and the PDS board of directors, or the PDS Board, unanimously recommends that its stockholders sign and return the written consent indicating their approval of the merger and adoption of the Merger Agreement and related transactions to PDS.

**More information about Edge, PDS and the proposed transactions are contained in this proxy statement/prospectus/information statement. Edge and PDS urge you to read this proxy statement/prospectus/information statement carefully and in its entirety. IN PARTICULAR, YOU SHOULD CAREFULLY CONSIDER THE MATTERS DISCUSSED UNDER RISK FACTORS BEGINNING ON PAGE 25.**

Edge and PDS are excited about the opportunities the merger brings to both Edge and PDS stockholders, and thank you for your consideration and continued support.

Brian A. Leuthner  
President & Chief Executive Officer  
Edge Therapeutics, Inc.

Frank Bedu-Addo  
President & Chief Executive Officer  
PDS Biotechnology Corporation

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this proxy statement/prospectus/information statement. Any representation to the contrary is a criminal offense.**

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This proxy statement/prospectus/information statement is dated February 14, 2019, and is first being mailed to Edge and PDS stockholders on or about February 15, 2019.

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**EDGE THERAPEUTICS, INC.**  
**300 Connell Drive, Suite 4000**  
**Berkeley Heights, NJ 07922**  
**(800) 208-3343**

**NOTICE OF SPECIAL MEETING OF STOCKHOLDERS**

**To Be Held On March 14, 2019**

Dear Stockholders of Edge:

On behalf of the board of directors of Edge Therapeutics, Inc., a Delaware corporation, or Edge, Edge is pleased to deliver this proxy statement/prospectus/information statement for the proposed merger between Edge and PDS, a Delaware corporation, or PDS, pursuant to which Echos Merger Sub, Inc., a wholly-owned subsidiary of Edge, will merge with and into PDS, with PDS surviving the merger as a wholly-owned subsidiary of the combined company. The special meeting of stockholders of Edge will be held on March 14, 2019 at 9:00 a.m., local time at 300 Connell Drive, Suite 4000 Berkeley Heights, NJ 07922, for the following purposes:

1. To consider and vote upon a proposal to approve the issuance of shares of Edge common stock pursuant to the Agreement and Plan of Merger and Reorganization, dated as of November 23, 2018, by and among Edge, Echos Merger Sub, Inc. and PDS, a copy of which is attached as *Annex A-I* to this proxy statement/prospectus/information statement as amended by Amendment No. 1 thereto, dated January 24, 2019, a copy of which is attached as *Annex A-II* to this proxy statement/prospectus/information statement, or the Stock Issuance Proposal;
2. To consider and vote upon an amendment to the certificate of incorporation of Edge to effect a reverse stock split of Edge common stock, at a ratio in the range of 5-for-1 to 25-for-1, with such specific ratio to be mutually agreed upon by Edge and PDS, the form of which is attached as *Annex B* to this proxy statement/prospectus/information statement, or the Reverse Stock Split Proposal; and
3. To consider and vote upon approving Amended and Restated Edge Therapeutics, Inc. 2014 Equity Incentive Plan, or the Restated Plan, the form of which is attached as *Annex C* to this proxy statement/prospectus/information statement, which, among other items, increases the number of shares Edge common stock available for grant under Edge's equity-based incentive compensation program, or the Equity Incentive Plan Proposal. If the Stock Issuance Proposal is not approved, the Equity Incentive Plan Proposal will be automatically withdrawn.

The Edge Board has fixed January 30, 2019 as the record date for the determination of stockholders entitled to notice of, and to vote at, the Edge special meeting and any adjournment or postponement thereof. Only holders of record of shares of Edge common stock at the close of business on the record date are entitled to notice of, and to vote at, the Edge special meeting. At the close of business on the record date, Edge had 31,509,822 shares of common stock outstanding and entitled to vote.

**Your vote is important. The affirmative vote of the holders of a majority of the shares of Edge common stock properly cast at the Edge special meeting, presuming a quorum is present, is required for approval of both the Stock Issuance Proposal and the Equity Incentive Plan Proposal. The affirmative vote of the holders of a majority of the Edge common stock outstanding on the record date for the Edge special meeting is required for the approval of the Reverse Stock Split Proposal. No Edge Proposal is conditioned upon any other Edge Proposal.**

**Even if you plan to attend the Edge special meeting in person, Edge requests that you sign and return the enclosed proxy to ensure that your shares will be represented at the Edge special meeting if you are unable to attend.**

By Order of the Edge Board of Directors,

W. Bradford Middlekauff  
Senior Vice President, General Counsel and Secretary  
Berkeley Heights, NJ 07922

February 14, 2019

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**THE EDGE BOARD HAS DETERMINED AND BELIEVES THAT EACH OF THE PROPOSALS OUTLINED ABOVE IS ADVISABLE TO, AND IN THE BEST INTERESTS OF, EDGE AND ITS STOCKHOLDERS AND HAS APPROVED EACH SUCH PROPOSAL. THE EDGE BOARD UNANIMOUSLY RECOMMENDS THAT EDGE STOCKHOLDERS VOTE FOR EACH OF THE STOCK ISSUANCE PROPOSAL, THE REVERSE STOCK SPLIT PROPOSAL AND THE EQUITY INCENTIVE PLAN PROPOSAL.**

**REFERENCES TO ADDITIONAL INFORMATION**

This proxy statement/prospectus/information statement incorporates important business and financial information about Edge that is not included in or delivered with this document. You may obtain this information without charge through the SEC website ([www.sec.gov](http://www.sec.gov)) or upon your written or oral request by contacting the Secretary of Edge Therapeutics, Inc., 300 Connell Drive, Suite 4000, Berkeley Heights, NJ 07922 or by calling (908) 242-3899.

**To ensure timely delivery of these documents, any request should be made no later than February 28, 2019 to receive them before the special meeting.**

**For additional details about where you can find information about Edge, please see the section titled *Where You Can Find More Information* in this proxy statement/prospectus/information statement.**

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### **QUESTIONS AND ANSWERS ABOUT THE MERGER**

*Except where specifically noted, the following information and all other information contained in this proxy statement/prospectus/information statement does not give effect to the proposed reverse stock split of Edge common stock described in the Reverse Stock Split Proposal in this proxy statement/prospectus/information statement.*

The following section provides answers to frequently asked questions about the merger. This section, however, provides only summary information. For a more complete response to these questions and for additional information, please refer to the cross-referenced sections.

#### **Q: What is the merger?**

Edge Therapeutics, Inc., or Edge, and PDS Biotechnology Corporation, or PDS, have entered into an Agreement and Plan of Merger and Reorganization, dated November 23, 2018, as amended by Amendment No. 1 thereto dated January 24, 2019, or the Merger Agreement. The Merger Agreement contains the terms and conditions of **A:** the proposed business combination of Edge and PDS. Under the Merger Agreement, Echos Merger Sub, Inc., a wholly-owned subsidiary of Edge, will merge with and into PDS, with PDS surviving the merger as a wholly-owned subsidiary of the combined company. Following the merger, Edge will be renamed PDS Biotechnology Corporation and is referred to herein as the combined company.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the merger, or the Effective Time, (a) each outstanding share of capital stock of PDS (other than any shares held as treasury stock that will be cancelled), will be converted into the right to receive the number of shares of Edge common stock equal to the Exchange Ratio described below and (b) each outstanding PDS stock option, whether vested or unvested, and warrant that has not previously been exercised prior to the Effective Time will be assumed by Edge and converted into an option or warrant, as applicable, to purchase shares of Edge common stock, subject to adjustment for any reverse stock split, as described in the section titled "Treatment of PDS Stock Options and Warrants" below.

Under the Exchange Ratio formula in the Merger Agreement, as of immediately after the merger and assuming no adjustments for net cash balances as provided for in the Merger Agreement, the former PDS securityholders are expected to own approximately 70% of the aggregate number of shares of common stock of the combined company immediately following the Effective Time, the Post-Closing Shares, and the securityholders of Edge as of immediately prior to the merger are expected to own approximately 30% of the aggregate number of Post-Closing Shares. The Exchange Ratio will be fixed prior to closing to reflect Edge's and PDS's capitalization as of immediately prior to such time.

#### **Q: What will happen to Edge if, for any reason, the merger does not close?**

If, for any reason, the merger does not close, the Edge Board may elect to, among other things, attempt to complete another strategic transaction like the merger, attempt to sell or otherwise dispose of the various assets of Edge or continue to operate the business of Edge. If the Stock Issuance Proposal is not approved but the Reverse Stock Split Proposal is approved, the Edge board may nevertheless authorize a reverse split of its common stock at a ratio in the range of 5-for-1 to 25-for-1 in order to satisfy Edge's continued listing requirements on the Nasdaq **A:** Global Select Market. Edge may be unable to identify and complete an alternative strategic transaction or continue to operate the business due to limited cash availability, and it may be required to dissolve and liquidate its assets. In such case, Edge would be required to pay all of its debts and contractual obligations, and to set aside certain reserves for potential future claims, and there can be no assurances as to the amount or timing of available cash left to distribute to stockholders after paying the debts and other obligations of Edge and setting aside funds for reserves.

#### **Q: Why are the companies proposing to merge?**

**A:** Edge and PDS believe that the combined company will have several potential advantages, including: (i) an immunotherapy pipeline with multiple product candidates that have demonstrated promising efficacy and safety

results in pre-clinical and early-stage clinical studies, (ii) an efficient expected path to potential commercialization, (iii) operational synergies, (iv) a combined management team with experience in immuno-oncology and public company management and (v) a board of directors with experience in immuno-oncology and public company governance.



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Following the merger, the combined company will focus on developing PDS's Versamun® platform for next generation immune-oncology products that are effective and safe across a broad range of cancer types.

For a more complete discussion of Edge's and PDS's reasons for the merger, please see the section titled "The Merger—Edge Reasons for the Merger" and "The Merger—PDS Reasons for the Merger."

### **Q: Why am I receiving this proxy statement/prospectus/information statement?**

You are receiving this proxy statement/prospectus/information statement because you have been identified as a stockholder of Edge or PDS as of the applicable record date, and you are entitled, as applicable, to vote at the

**A:** Edge stockholder meeting to approve among other things the issuance of shares of Edge common stock pursuant to the Merger Agreement and reverse stock split, or sign and return the PDS written consent to adopt the Merger Agreement and approve the transactions contemplated thereby. This document serves as:

- a proxy statement of Edge used to solicit proxies for its special meeting of stockholders;
- a prospectus of Edge used to issue shares of Edge common stock in exchange for shares of PDS common stock in the merger; and
- an information statement of PDS used to solicit the written consent of its stockholders for the adoption of the Merger Agreement and the approval of the merger and related transactions.

### **Q: What is required to consummate the merger?**

To consummate the merger, Edge stockholders must approve the issuance of shares of Edge common stock

**A:** pursuant to the Merger Agreement and the reverse stock split. In addition, PDS stockholders must adopt the Merger Agreement and approve the merger and the transactions contemplated thereby.

The approval of the issuance of Edge common stock pursuant to the Merger Agreement by the stockholders of Edge requires the affirmative vote of the holders of a majority of the shares of Edge common stock properly cast at the Edge special meeting, presuming a quorum is present at the meeting. The approval of the reverse stock split requires the affirmative vote of the holders of a majority of the Edge common stock outstanding on the record date for the Edge special meeting.

The adoption of the Merger Agreement and the approval of the merger and related transactions by the stockholders of PDS requires the affirmative vote of the holders of a majority of the outstanding shares of PDS common stock.

In addition to the requirement of obtaining such stockholder approval and appropriate regulatory approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived.

The approval of the reverse stock split is required to avoid the delisting of Edge common stock from the Nasdaq Global Select Market. Therefore, if Edge's stockholders do not approve the Reverse Stock Split Proposal to effect the reverse stock split upon the closing of the merger, Edge has been advised that The Nasdaq Stock Market LLC will commence delisting proceedings immediately following the closing of the merger. If the Stock Issuance Proposal is not approved but the Reverse Stock Approval is approved, the Edge Board may nevertheless authorize a reverse split of its common stock at a ratio in the range of 5-for-1 to 25-for-1 as determined solely by the Edge Board in order to satisfy Edge's continued listing requirements on the Nasdaq Global Select Market.

Certain PDS stockholders including certain directors and executive officers who in the aggregate own approximately 82% of the outstanding shares of PDS common stock, and certain Edge stockholders including certain current and former directors and executive officers who in the aggregate own approximately 13.4% of the outstanding shares of Edge common stock, are parties to support agreements with Edge and PDS pursuant to which such stockholders have agreed to vote for the adoption of the Merger Agreement and the merger and for the issuance of Edge common stock in the merger pursuant to the Merger Agreement and the reverse stock split, respectively, pursuant to the terms of the support agreements. In addition, following the registration statement on Form S-4, of which this proxy statement/prospectus/information statement is a part, being declared effective by the SEC and pursuant to the

conditions of the Merger Agreement, PDS stockholders who are party to the support agreements will each execute written consents approving the merger and related transactions. The holders of a sufficient

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number of shares of PDS common stock required to adopt the Merger Agreement have agreed to adopt the Merger Agreement via written consent. PDS stockholders, including those who are parties to support agreements, are requested to execute written consents providing such approvals. For a more detailed discussion of the support agreements see the section titled **Agreements Related to the Merger-Support Agreements and Written Consent**.

For a more complete description of the closing conditions under the Merger Agreement, please see the section titled **The Merger Agreement—Conditions to the Closing of the Merger**.

**Q: What will PDS securityholders receive in the merger?**

**A:** As a result of the merger, PDS securityholders will become entitled to receive shares of Edge common stock equal to approximately 70% of the aggregate number of Post-Closing Shares.

For a more complete description of what PDS securityholders will receive in the merger, please see the sections titled **Market Price and Dividend Information** and **The Merger Agreement—Merger Consideration**.

**Q: What will Edge securityholders receive in the merger?**

**A:** Edge securityholders will not receive any new securities in the merger, but will instead retain ownership of their shares of Edge common stock equal to approximately 30% of the aggregate number of Post-Closing Shares.

**Q: Who will be the directors of the combined company following the merger?**

**A:** Upon the closing of the merger, the combined company's board of directors is expected to be composed of seven directors. Three of the directors will be designated by Edge, and four of the directors will be designated by PDS and will be as follows:

<b>Name</b>	<b>Current Principal Affiliation</b>
Frank Bedu-Addo, PhD. <sup>(2)</sup>	President & Chief Executive Officer, PDS
De Lyle W. Bloomquist <sup>(2)</sup>	Former President, Global Chemicals Business for Tata Chemicals Ltd.
Gregory Freitag, J.D., CPA <sup>(2)</sup>	General Counsel, AxoGen, Inc.
James Loughlin <sup>(1)</sup>	Former Partner, KPMG LLP
Robert Spiegel, M.D., FACP <sup>(1)</sup>	Former Chief Medical Officer, Schering-Plough Research Institute
Sir Richard Sykes <sup>(2)</sup>	Former Chief Executive Officer and Chairman of GlaxoWellcome, and Chairman of GlaxoSmithKline
Andrew Saik <sup>(1)</sup>	Chief Financial Officer

(1) Edge designee

(2) PDS designee

In addition, Sol J. Barer, Ph.D., current chairman of the board of directors of Edge, chairman of the board of directors at Teva Pharmaceutical Industries Ltd. and who previously spent 24 years at Celgene as, among other positions, President, COO and CEO, as well as its Executive Chairman and Chairman, is expected to serve as an advisor to the board of directors of the combined company.

**Q: Who will be the executive officers of combined company immediately following the merger?**

**A:** Upon the closing of the merger, the executive management team of the combined company is expected to be composed of the following:

<b>Name</b>	<b>Title</b>
Frank Bedu-Addo, PhD.	Chief Executive Officer
Gregory Conn, PhD.	Chief Scientific Officer
Andrew Saik	Chief Financial Officer

Lauren Wood, M.D.

Chief Medical Officer

W. Bradford Middlekauff

Senior Vice President, General Counsel and Secretary

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**Q: What are the intended U.S. federal income tax consequences of the merger to PDS United States stockholders?**

Each of Edge and PDS intends that the merger qualify as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, or the Code. In general, the material tax consequences to U.S. Holders (as defined herein) of PDS common stock are expected to be as follows:

- Each PDS stockholder should not generally recognize gain or loss upon the exchange of PDS common stock for Edge common stock pursuant to the merger, except to the extent of cash received in lieu of a fractional share of Edge common stock as described below; and
- Each PDS stockholder should recognize gain or loss to the extent any cash received in lieu of a fractional share of Edge common stock exceeds or is less than the basis of such fractional share.

However, there are many requirements that must be satisfied in order for the merger to be treated as a reorganization under Section 368(a) of the Code, some of which are based upon factual determinations, and the reorganization treatment could be affected by actions taken after the merger. If the merger failed to qualify as a reorganization under Section 368(a) of the Code, the PDS stockholders generally would recognize the full amount of gains and losses realized on the exchange of their PDS common stock in the merger.

Tax matters are very complicated, and the tax consequences of the merger to a particular PDS stockholder will depend on such stockholder's circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws. For more information, please see the section titled "The Merger—Certain Material U.S. Federal Income Tax Consequences of the Merger."

**Q: Do persons involved in the merger have interests that may conflict with mine as an Edge stockholder?**

Yes. In considering the recommendation of the Edge Board with respect to issuing shares of Edge common stock pursuant to the Merger Agreement and the other matters to be acted upon by Edge stockholders at the Edge special meeting, Edge stockholders should be aware that certain members of the Edge Board and executive officers of Edge have interests in the merger that may be different from, or in addition to, interests they have as Edge stockholders.

Edge has entered into employment agreements, stock option agreements and restricted stock unit agreements with its executive officers that provide them with cash severance payments and acceleration of certain of their outstanding equity awards in the event their employment is terminated without cause or for good reason in connection with a change in control. Based on the terms of these employment agreements, Edge's executive officers whose employment with Edge will end in connection with the merger will be contractually entitled to these severance payments and benefits. Additionally, all outstanding equity awards held by Edge's executive officers will accelerate fully and vest upon the closing of the merger. As of the date of this proxy statement/prospectus/information statement, Edge's executive officers held stock options to purchase an aggregate of 2,645,711 shares of Edge common stock with a weighted average exercise price of \$7.15 per share (all of which are out of the money based on the closing price of Edge common stock as of February 8, 2019) and held unvested restricted stock units covering 301,797 shares of Edge common stock. Based on data available as of the date of this proxy statement/prospectus/information statement, Edge's executive officers would be entitled to receive a total of approximately \$1,989,700 (collectively, not individually) in cash severance payments if their employment was terminated by Edge without cause or by them for good reason, in either case, in connection with the closing of the merger. For more information, please see the sections titled "The Merger—Interests of the Edge Directors and Executive Officers in the Merger."

Edge's non-employee directors hold restricted stock units totaling 80,000 shares of Edge common stock and hold stock options to purchase an aggregate of 2,546,089 shares of Edge common stock with a weighted average exercise price of \$4.72 per share as part of Edge's non-employee director compensation program. These stock options will by their terms vest in full upon the closing of the merger, including restricted stock units of 20,000 shares of Edge common stock and stock options for 240,607 and 64,286 shares of Edge common stock held by James Loughlin and Robert

Spiegel, M.D., FACP, respectively, each of whom is expected to remain on the combined company's board of directors. The parties expect that Dr. Sol Barer will

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enter into a consulting arrangement in connection with serving as an advisor to the board of directors of the combined company. Each of Dr. Barer, Ms. Crane and Dr. Spiegel, the members of the transactions committee, will receive \$10,000 for service on such committee. For more information, please see the section titled The Merger-Interests of the Edge Directors and Executive Officers in the Merger.

**Q: Do persons involved in the merger have interests that may conflict with mine as a PDS stockholder?**

Yes. In considering the recommendation of the PDS Board with respect to approving the merger and related transactions by written consent, PDS stockholders should be aware that certain members of the PDS Board and executive officers of PDS have interests in the merger that may be different from, or in addition to, interests they have as PDS stockholders. All of PDS's executive officers have options to purchase shares of PDS common stock which will vest and convert into options to purchase a number of shares of Edge common stock determined by the exchange ratio, rounding any resulting fractional shares down to the nearest whole share, certain of PDS's directors and executive officers are expected to become directors and executive officers of Edge upon the closing of the merger and all of PDS's directors and executive officers are entitled to certain indemnification and liability insurance coverage pursuant to the terms of the Merger Agreement. For more information, please see the section titled The Merger—Interests of the PDS Directors and Executive Officers in the Merger.

A:

**Q: As an Edge stockholder, how does the Edge Board recommend that I vote?**

A: After careful consideration, the Edge Board unanimously recommends that Edge stockholders vote:

- **FOR** the Stock Issuance Proposal to consider and vote upon the issuance of shares of Edge common stock pursuant to the Merger Agreement;
- **FOR** the Reverse Stock Split Proposal to consider and vote upon the amendment to the certificate of incorporation of Edge to effect a reverse stock split of Edge common stock, at a ratio in the range of 5-for-1 to 25-for-1, with such specific ratio to be mutually agreed upon by Edge and PDS; and
- **FOR** the Equity Incentive Plan Proposal to consider and vote to approve the Restated Plan, which, among other items, increases the number of shares of Edge common stock available for grant under Edge's equity-based incentive compensation program.

Except as stated below, no Edge Proposal is contingent upon any other Edge Proposal. Therefore, if the Stock Issuance Proposal is not approved but the Reverse Stock Split Approval is approved, the Edge Board may nevertheless authorize a reverse split of its common stock at a ratio in the range of 5-for-1 to 25-for-1 as determined solely by the Edge Board in order to satisfy Edge's continued listing requirements on the Nasdaq Global Select Market. However, if the Merger is not consummated, the Equity Incentive Plan Proposal will be automatically withdrawn.

**Q: Why is Edge proposing the Equity Incentive Plan Proposal?**

The Restated Plan, which would become effective following the consummation of the merger, is intended to

A: maintain and strengthen Edge's ability to attract and retain key employees, directors, consultants and certain other individuals providing services to Edge and to motivate them to remain focused on long-term stockholder value.

**Q: As a PDS stockholder, how does the PDS Board recommend that I vote?**

After careful consideration, the PDS Board recommends that the PDS stockholders execute the written consent

A: indicating their votes in favor of the adoption of the Merger Agreement and the approval of the merger and the transactions contemplated thereby.

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**Q: What risks should I consider in deciding whether to vote in favor of the issuance of shares of Edge common stock pursuant to the Merger Agreement or to execute and return the written consent approving the Merger Agreement and the transactions contemplated thereby, as applicable?**

**A:** You should carefully review this proxy statement/prospectus/information statement, including the section titled Risk Factors, which sets forth certain risks and uncertainties related to the merger, risks and uncertainties to which the combined company's business will be subject, and risks and uncertainties to which each of Edge and PDS, as an independent company, is subject.

**Q: When do you expect the merger to be consummated?**

**A:** The merger is anticipated to close as soon as possible after the Edge special meeting is held on March 14, 2019, but Edge cannot predict the exact timing. For more information, please see the section titled The Merger Agreement-Conditions to the Closing of the Merger.

**Q: What do I need to do now?**

**A:** Edge and PDS urge you to read this proxy statement/prospectus/information statement carefully, including its annexes, and to consider how the merger affects you.

If you are an Edge stockholder, you may provide your proxy instructions in one of two different ways. First, you can mail your signed proxy card in the enclosed return envelope. Second, you may also provide your proxy instructions via the Internet by following the instructions on your proxy card or voting instruction form. Please provide your proxy instructions only once, unless you are revoking a previously delivered proxy instruction, and as soon as possible so that your shares can be voted at the special meeting of Edge stockholders.

If you are a PDS stockholder, you may execute and return your written consent to PDS in accordance with the instructions provided.

**Q: What happens if I do not return a proxy card or otherwise provide proxy instructions, as applicable?**

**A:** If you are a stockholder of record and you return a signed proxy card without marking any selections, your shares will be voted **FOR** each of the Stock Issuance Proposal, the Reverse Stock Split Proposal and the Equity Incentive Plan Proposal.

If you do not give instruction to your broker, your broker can vote your Edge shares with respect to discretionary items but not with respect to non-discretionary items. It is anticipated that the Stock Issuance Proposal and Equity Incentive Plan Proposal will be a non-discretionary items. On non-discretionary items for which you do not give your broker instructions, the Edge shares will be treated as broker non-votes. Broker non-votes will not be considered to be shares entitled to vote at the meeting and will not be counted as having been voted on the applicable proposal. The Reverse Stock Split Proposal is a matter on which a broker or other nominee are generally empowered to vote, and therefore, limited or no broker non-votes are expected with respect to those proposals.

**Q: May I vote in person at the special meeting of stockholders of Edge?**

If your shares of Edge common stock are registered directly in your name with the Edge transfer agent, you are considered to be the stockholder of record with respect to those shares, and the proxy materials and proxy card are being sent directly to you by Edge. If you are an Edge stockholder of record, you may attend the special meeting of Edge stockholders and vote your shares in person. Even if you plan to attend the Edge special meeting in person, Edge requests that you sign and return the enclosed proxy to ensure that your shares will be represented at the Edge special meeting if you are unable to attend. If

**A:** your shares of Edge common stock are held in a brokerage account or by another nominee, you are considered the beneficial owner of shares held in street name, and the proxy materials are being forwarded to you by your broker or other nominee together with a voting instruction card. As the beneficial owner, you are also invited to attend the special meeting of Edge stockholders. Because a beneficial owner is not the stockholder of record, you may not vote these shares in person at the Edge special meeting unless you obtain a proxy from the broker, trustee or nominee that holds your shares, giving you the right to vote the shares at the meeting.





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**Q: When and where is the special meeting of Edge stockholders being held?**

**A:** The special meeting of Edge stockholders will be held at 300 Connell Drive, Suite 4000 Berkeley Heights, NJ 07922, at 9:00 a.m. local time, on March 14, 2019. Subject to space availability, all Edge stockholders as of the record date, or their duly appointed proxies, may attend the meeting. Since seating is limited, admission to the meeting will be on a first-come, first-served basis.

**Q: If my Edge shares are held in street name by my broker, will my broker vote my shares for me?**

**A:** Unless your broker has discretionary authority to vote on certain matters, your broker will not be able to vote your shares of Edge common stock on matters requiring discretionary authority without instructions from you. Brokers are not expected to have discretionary authority to vote for the Stock Issuance Proposal and Equity Incentive Plan Proposal. To make sure that your vote is counted, you should instruct your broker to vote your shares, following the procedures provided by your broker. Brokers are expected to have discretionary authority to vote for the Reverse Stock Split Proposal.

**Q: May I change my vote after I have submitted a proxy or provided proxy instructions?**

**A:** Edge stockholders of record, other than those Edge stockholders who are parties to support agreements, may change their vote at any time before their proxy is voted at the Edge special meeting in one of three ways. First, an Edge stockholder of record can send a written notice to the Secretary of Edge stating that it would like to revoke its proxy. Second, an Edge stockholder of record can submit new proxy instructions either on a new proxy card or via the Internet. Third, an Edge stockholder of record can attend the Edge special meeting and vote in person. Attendance alone will not revoke a proxy. If an Edge stockholder of record or a stockholder who owns Edge shares in street name has instructed a broker to vote its shares of Edge common stock, the stockholder must follow directions received from its broker to change those instructions.

**Q: Who is paying for this proxy solicitation?**

**A:** Edge and PDS will share equally the costs of printing and filing this proxy statement/prospectus/information statement and proxy card. Arrangements will also be made with brokerage firms and other custodians, nominees and fiduciaries who are record holders of Edge common stock for the forwarding of solicitation materials to the beneficial owners of Edge common stock. Edge and PDS will reimburse these brokers, custodians, nominees and fiduciaries for the reasonable out-of-pocket expenses they incur in connection with the forwarding of solicitation materials. Edge has engaged D.F. King & Co., Inc. to assist in the solicitation of proxies and provide related advice and informational support, for a service fee, plus customary disbursements, which are not expected to exceed \$15,000 in total, which shall be borne by Edge.

**Q: Who can help answer my questions?**

**A:** If you are an Edge stockholder and would like additional copies, without charge, of this proxy statement/prospectus/information statement or if you have questions about the merger, including the procedures for voting your shares, you should contact Edge's proxy solicitor:

D.F. King & Co., Inc.  
(800) 967-5074 (toll free)  
(212) 269-5550 (collect)

If you are a PDS stockholder and would like additional copies, without charge, of this proxy statement/prospectus/information statement or if you have questions about the merger, including the procedures for voting your shares, you should contact:

PDS Biotechnology Corporation  
303B College Road East  
Princeton, New Jersey 08540  
Attention: Chief Executive Officer

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### **PROSPECTUS SUMMARY**

*This summary highlights selected information from this proxy statement/prospectus/information statement and may not contain all of the information that is important to you. To better understand the merger, the proposals being considered at the Edge special meeting and the PDS stockholder actions that are the subject of the written consent, you should read this entire proxy statement/prospectus/information statement carefully, including the Merger Agreement and the other annexes to which you are referred to herein. For more information, please see the section titled *Where You Can Find More Information*.*

#### **The Parties**

##### ***Edge Therapeutics, Inc.***

300 Connell Drive, Suite 4000  
Berkeley Heights, NJ 07922  
(800) 208-3343

Edge Therapeutics, Inc., or Edge, is a clinical-stage biotechnology company that seeks to discover, develop and commercialize novel, hospital-based therapies capable of transforming treatment paradigms for the management of acute, life-threatening conditions.

##### ***PDS Biotechnology Corporation***

303B College Road East  
Princeton, New Jersey 08540  
(609) 423-1450

PDS Biotechnology Corporation, or PDS, is a private company with a growing pipeline of clinical-stage immunotherapies to treat various early-stage and late-stage cancers, including head and neck cancer, cervical cancer, anal cancer, prostate cancer, breast cancer and other cancers.

##### ***Echos Merger Sub, Inc.***

300 Connell Drive, Suite 4000  
Berkeley Heights, NJ 07922  
(800) 208-3343

Echos Merger Sub, Inc., or Merger Sub, is a wholly-owned subsidiary of Edge and was formed solely for the purposes of carrying out the merger.

#### **The Merger**

If the merger is consummated, Merger Sub will merge with and into PDS, with PDS surviving the merger as a wholly-owned subsidiary of the combined company.

Subject to the terms and conditions of the Merger Agreement, at the effective time of the merger, or the Effective Time, (a) each outstanding share of capital stock of PDS (other than any shares held as treasury stock that will be cancelled) will be converted into the right to receive 6.5366, or the Exchange Ratio of Edge Common Stock, plus any cash paid in lieu of fractional shares; (b) each outstanding PDS warrant that is not exercised prior to the Effective

Time will be assumed by Edge, *provided, however*, that from and after the Effective Time, the PDS warrants will be exercisable into that number of shares of common stock of the Edge equal to (i) the Exchange Ratio multiplied by (ii) the number of shares of common stock of PDS into which such PDS warrant is exercisable as of immediately prior to the effective time, at an exercise price per share equal to (A) the exercise price per share of PDS common stock under the existing warrant divided by (B) the Exchange Ratio; and (c) each PDS stock option will fully vest and be assumed by Edge and converted into an option to purchase, on the same terms and conditions, a number of shares of Edge common stock equal to the product of (i) the number of shares of PDS common stock subject to such option, multiplied by (ii) the Exchange Ratio, at an exercise price per share of Edge common stock equal to (A) the exercise price per share of the PDS common stock subject to such option divided by (B) the Exchange Ratio. Prior to the closing, the Edge Board shall adopt resolutions to provide that (i) each unexpired and unexercised Edge option, whether vested or unvested, shall be accelerated in full, with each unexercised Edge option remaining outstanding immediately after the Effective

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Time in accordance with its terms and (ii) each outstanding and unvested Edge restricted stock unit, or Edge RSU, shall be accelerated in full effective as of immediately prior to the Effective Time and settled within five days after the Effective Time (with settlement to be one share of Edge common stock for each share of Edge common stock underlying such Edge RSU). The Exchange Ratio is an estimate only and the final Exchange Ratio will be determined pursuant to a formula described in more detail in the Merger Agreement and in this proxy statement/prospectus/information statement.

Under the Exchange Ratio formula in the Merger Agreement, as of immediately after the merger and assuming no adjustments for cash balances as provided for in the Merger Agreement, the former PDS securityholders are expected to own approximately 70% of the Post-Closing Shares, and the securityholders of Edge as of immediately prior to the merger are expected to own approximately 30% of the aggregate number of Post-Closing Shares. This Exchange Ratio will be fixed prior to closing to reflect Edge's and PDS's capitalization as of immediately prior to such time. These percentages assume that the Exchange Ratio is not adjusted for net cash balances or otherwise, as described in the section titled "The Merger Agreement-Merger Consideration" below. For a more complete description of the Exchange Ratio please see the section titled "The Merger Agreement-Exchange Ratio" in this proxy statement/prospectus/information statement.

The closing of the merger will occur no later than the second business day after the last of the conditions to the merger has been satisfied or waived, or at another time as Edge and PDS agree. Edge and PDS anticipate that the closing of the merger will occur promptly after the Edge special meeting. However, because the merger is subject to a number of conditions, neither Edge nor PDS can predict exactly when the closing will occur or if it will occur at all. After the closing of the merger, the name of the combined company will be changed from Edge Therapeutics, Inc. to PDS Biotechnology Corporation.

### **Reasons for the Merger**

On April 30, 2018, Edge announced that it was exploring strategic alternatives that included an acquisition of another company, acquisitions or in-licensing of products or product candidates, technologies or other assets, the sale of all or substantially all of the assets of Edge, a sale of stock, a strategic merger or other business combination transactions or other transactions between Edge and a third party. Edge retained Piper Jaffray & Co., or Piper Jaffray, to serve as its financial advisor in certain aspects of the process. After a comprehensive review of strategic alternatives, on November 26, 2018, Edge announced the signing of a definitive merger agreement with PDS. Following the merger, the combined company will focus on developing PDS's growing pipeline of next-generation cancer immunotherapies based on the proprietary, multi-functional Versamune® technology platform, the development of PDS0101 for the treatment of multiple human papilloma virus (HPV)-induced cancers, including cervical, anal and head and neck cancers, and multiple preclinical programs developing Versamune®-based cancer immunotherapies in combination with checkpoint inhibitors for various late-stage cancers.

In reaching its unanimous decision (other than Brian Leuthner, who recused himself from the Edge Board vote) to approve the Merger Agreement and the transactions contemplated thereby, the Edge Board considered a number of factors, including, among others, the following:

- the historical and current information concerning Edge's business, financial performance, financial condition, operations, management and competitive position, the prospects of Edge and its product candidates, the nature of the biotechnology industry generally, including financial projections of Edge under various scenarios and its short- and long-term strategic objectives;
- that PDS's proprietary platform, as well as its immunotherapies pipeline, which includes clinical stage candidates that may address sizeable market opportunities, provide new medical benefits for patients and returns for investors;

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- that the merger would provide existing Edge stockholders a significant opportunity to participate in the potential growth of the combined company following the merger;
- that the combined company is expected to be led by an experienced senior management team and a board of directors with representation from each of the current boards of directors of Edge and PDS;
- that the Phase 3, NEWTON 2 study of EG-1962 demonstrated a low probability of achieving a statistically-significant difference compared to the standard of care in the study's primary endpoint and the resulting discontinuation of the NEWTON 2 study; and

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- the terms of the Merger Agreement and associated transactions, including the relative percentage ownership of Edge securityholders and PDS securityholders immediately following the closing of the merger, the reasonableness of the fees and expenses related to the merger and the likelihood that the merger will be completed.

For more information on the Edge Board's reasons for the transaction, see the section titled "The Merger—Edge Reasons for the Merger."

In reaching its unanimous decision to approve the Merger Agreement and the related transactions, the PDS Board considered a number of factors, including, among others, the following:

- the potential increased access to sources of capital at a lower cost and a broader range of investors to support PDS's commercialization efforts than it could otherwise obtain if it continued to operate as a privately held company;
- the ability to access institutional investors who may otherwise be unable to invest in a privately-held company;
- the potential to provide its current stockholders with greater liquidity by owning stock in a public company;
- the PDS board of director's belief that no alternatives to the merger were reasonably likely to create greater value for the PDS stockholders after reviewing the various strategic options to enhance stockholder value that were considered by the PDS Board;
- the expectation that the merger with Edge would be a more time- and cost-effective means to access capital than other options considered;
- the cash resources of the combined company expected to be available at the closing of the merger, including Edge's cash balance of \$36.8 million as of September 30, 2018;
- the fact that shares of Edge common stock issued to PDS stockholders will be registered on a Form S-4 registration statement by Edge and will become freely tradable;
- the belief that increased visibility as a public company would provide access to additional strategic partnering transactions; and
- the expectation that the merger will be treated as a reorganization for U.S. federal income tax purposes, with the result that the PDS stockholders will not recognize taxable gain or loss for U.S. federal income tax purposes upon the exchange of PDS common stock for Edge common stock pursuant to the merger.

For more information on the PDS Board's reasons for the transaction, see the section titled "The Merger—PDS Reasons for the Merger."

### **Opinion of the Financial Advisor to the Edge Board**

The Edge Board engaged Piper Jaffray to provide financial advisory and investment banking services in connection with the Edge Board's consideration and evaluation of certain potential strategic alternatives. On November 23, 2018, Piper Jaffray rendered its oral opinion to the Edge Board (which was subsequently confirmed in writing by delivery of Piper Jaffray's written opinion dated November 23, 2018) to the effect that, as of November 23, 2018, and based upon and subject to the various assumptions and limitations set forth therein, the Exchange Ratio was fair, from a financial point of view, to Edge.

**Piper Jaffray's opinion was directed to the Edge Board, and only addressed the fairness, from a financial point of view, to Edge of the Exchange Ratio and did not address any other aspect or implication of the merger. The summary of Piper Jaffray's opinion in this proxy statement/prospectus/information statement is qualified in its entirety by reference to the full text of its written opinion, which is included as *Annex D* to this proxy statement/prospectus/information statement and sets forth the assumptions made, procedures followed, matters considered and limitations on the scope of the review undertaken by Piper Jaffray in preparing its opinion. However, neither Piper Jaffray's written opinion nor the summary of its**





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**opinion and the related analyses set forth in this proxy statement/prospectus/information statement is intended to be, and they do not constitute, a recommendation to any Edge stockholder as to how such stockholder should act or vote with respect to the merger or any other matter.**

See *Annex D* and the section of this proxy statement/prospectus/information statement entitled *The Merger—Opinion of the Financial Advisor to the Edge Board*.

### **Overview of the Merger Agreement and Agreements Related to the Merger Agreement**

#### ***Merger Consideration***

At the closing of the merger:

- each outstanding share of capital stock of PDS (other than any shares held as treasury stock that will be cancelled) will be converted into the right to receive approximately 6.5366 shares of Edge common stock, plus any cash paid in lieu of fractional shares, subject to adjustment for any reverse stock split;
- each outstanding PDS warrant that is not exercised will be assumed by Edge, *provided, however*, that from and after the Effective Time, the PDS warrants will be exercisable into that number of shares of common stock of the Parent equal to (i) the Exchange Ratio multiplied by (ii) the number of shares of common stock of PDS into which such PDS warrant is exercisable as of immediately prior to the effective time, at an exercise price per share equal to (A) the exercise price per share of PDS common stock under the existing warrant divided by (B) the Exchange Ratio; and
- each PDS stock option will fully vest and be assumed by Edge and converted into an option to purchase, on the same terms and conditions, a number of shares of Edge common stock equal to the product of (i) the number of shares of PDS common stock subject to such option, multiplied by (ii) the Exchange Ratio, at an exercise price per share of Edge common stock equal to (A) the exercise price per share of the PDS common stock subject to such option divided by (B) the Exchange Ratio.

Immediately after the merger, based on the Exchange Ratio, PDS securityholders will own approximately 70% of the outstanding capital stock of the combined company, and Edge securityholders will own approximately 30% of the outstanding capital stock of the combined company. The Exchange Ratio is an estimate only and the final Exchange Ratio will be determined pursuant to a formula described in more detail in the Merger Agreement and in this proxy statement/prospectus/information statement. Adjustments to the Exchange Ratio are described in more detail in the Merger Agreement and in this proxy statement/prospectus/information statement.

The Merger Agreement does not include a price-based termination right. Accordingly, the market value of the shares of Edge common stock issued pursuant to the Merger Agreement will depend on the market value of the shares of Edge common stock at the time the merger closes and could vary significantly from the market value on the date of this proxy statement/prospectus/information statement. On February 8, 2019, the latest practicable date before the printing of this proxy statement/prospectus/information statement, the closing sale price of Edge common stock was \$0.43 per share.

#### ***Treatment of Edge Stock Options and Edge RSUs***

Prior to the closing, the Edge Board will adopt resolutions to provide that (i) each unexpired and unexercised Edge option, whether vested or unvested, shall be accelerated in full, with each unexercised Edge option remaining outstanding immediately after the effective time of the merger in accordance with its terms and (ii) each outstanding and unvested Edge RSU, shall be accelerated in full effective as of immediately prior to the Effective Time and settled within five days after the Effective Time (with settlement to be one share of Edge common stock for each share of Edge common stock underlying such Edge RSU). The number of shares of Edge common stock underlying such

options and Edge RSUs and the exercise prices for such options will be appropriately adjusted to reflect Edge's proposed reverse stock split, if consummated. The terms governing options to purchase shares of Edge common stock will otherwise remain in full force and effect following the closing of the merger.

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### ***Treatment of PDS Stock Options and Warrants***

#### *Stock Options*

At the effective time of the merger, each PDS option will fully vest and will be assumed by Edge and converted into an option to purchase, on the same terms and conditions, a number of shares of Edge common stock equal to the product of (a) the number of shares of PDS common stock subject to such option, multiplied by (b) the Exchange Ratio, at an exercise price per share of Edge common stock equal to (i) the exercise price per share of the PDS common stock subject to such option divided by (ii) the Exchange Ratio.

#### *Warrants*

At the effective time of the merger, each PDS warrant that is not exercised prior to the effective time shall be assumed by Edge, *provided, however*, that from and after the effective time, such PDS warrants shall be exercisable into that number of shares of common stock of Edge equal to (a) the Exchange Ratio multiplied by (b) the number of shares of common stock of PDS into which such PDS warrant is exercisable as of immediately prior to the effective time, at an exercise price per share equal to (i) the exercise price per share of the common stock of PDS under the existing PDS warrant divided by (ii) the Exchange Ratio.

#### *Permitted Bridge Financing*

After the date of the Merger Agreement but prior to the effective time of the merger, PDS may issue, in a single transaction or a series of transactions, or a Permitted Bridge Financing, (a) shares of the common stock of PDS, in which event such shares shall be included in the calculation of the outstanding shares of PDS used to calculate the Exchange Ratio, or PDS Outstanding Shares, (b) PDS warrants, in which event the PDS warrants shall be included in the calculation of PDS Outstanding Shares to the extent provided in such definition and/or (c) convertible promissory notes, which promissory notes shall convert into either shares of (i) common stock of PDS prior to the closing, in which case such shares shall be included in the calculation of PDS Outstanding Shares or (ii) common stock of PDS immediately after the closing, in which case such shares shall be deducted from the calculation of the shares issued to the stockholders of PDS at the closing. In no event shall the aggregate proceeds of the Permitted Bridge Financing exceed \$3,000,000 without the prior written consent of Edge.

#### ***Conditions to the Closing of the Merger***

To consummate the merger, a majority of shares of Edge common stock present in person or represented by proxy at a stockholder meeting at which a quorum is present must approve the issuance of shares of Edge common stock pursuant to the Merger Agreement.

The PDS stockholders holding a majority of shares of common stock (voting as a single class) must approve and adopt the Merger Agreement and the transactions contemplated thereby, including the merger.

In addition to obtaining such stockholder approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived.

#### ***Non-Solicitation***

Each of Edge and PDS have agreed that, subject to certain exceptions, neither they nor any of their respective subsidiaries will authorize or permit any of their or their subsidiaries' directors, officers, employees, agents, attorneys, accountants, investment bankers, advisors and representatives to, directly or indirectly:

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- solicit, initiate or knowingly encourage, induce or facilitate the communication, making, submission or announcement of, any acquisition proposal or acquisition inquiry, each as defined in the Merger Agreement and as defined in the section titled "The Merger Agreement—Non-Solicitation" below;
- furnish any non-public information with respect to it to any person in connection with or in response to an acquisition proposal or an acquisition inquiry;
- engage in discussions or negotiations with any person with respect to any acquisition proposal or acquisition inquiry;
- subject to certain exceptions, approve, endorse or recommend an acquisition proposal;

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- execute or enter into any letter of intent or any contract contemplating or otherwise relating to any acquisition transaction, as defined in the Merger Agreement and as defined in the section titled "The Merger Agreement-Non-Solicitation" below; or
- publicly propose to do any of the above.

However, before obtaining the Edge stockholder approval required to consummate the merger, Edge may furnish nonpublic information regarding such party to, and may enter into discussions or negotiations with, any person in response to a bona fide written acquisition proposal, which the Edge Board determines in good faith, after consultation with Edge's financial advisor and outside legal counsel, constitutes or is reasonably likely to result in a superior offer, as defined in the Merger Agreement and as defined in the section titled "The Merger Agreement—Non-Solicitation" below, and is not withdrawn, if:

- neither Edge nor any of its directors, officers, employees, agents, attorneys, accountants, investment bankers, advisors and representatives has breached the non-solicitation provisions of the Merger Agreement described above;
- the Edge Board concludes in good faith based on the advice of outside legal counsel, that the failure to take such action is reasonably likely to be inconsistent with the fiduciary duties of the Edge Board under applicable law;
- Edge receives from the third-party an executed confidentiality agreement containing provisions (including nondisclosure provisions, use restrictions, non-solicitation provisions and no hire provisions) at least as favorable to such party as those contained in the confidentiality agreement between Edge and PDS; and
- substantially contemporaneously with furnishing of nonpublic information to a third-party, Edge furnishes the same information to the other party to the extent not previously furnished.

If either Edge or PDS receives an acquisition proposal or acquisition inquiry at any time during the period between November 23, 2018, and earlier to occur of (a) the Effective Time and (b) termination of the Merger Agreement, then such party must promptly, and in no event later than one business day after becoming aware of such acquisition proposal or acquisition inquiry, advise the other party orally and in writing of such acquisition proposal or acquisition inquiry, including the identity of the person making or submitting the acquisition proposal or acquisition inquiry and the material terms thereof. Each of Edge and PDS must keep the other reasonably informed with respect to the status and material terms of any such acquisition proposal or acquisition inquiry and any material modification or proposed material modification thereto.

### ***Termination of the Merger Agreement***

Either Edge or PDS can terminate the Merger Agreement under certain circumstances, which would prevent the merger from being consummated.

### ***Termination Fees***

If the Merger Agreement is terminated under certain circumstances and certain other events occur, Edge will be required to pay PDS a termination fee of \$1.75 million. Moreover, if Edge fails to pay any termination fee when due, then it will be required to pay interest on and reasonable fees and expenses incurred in connection with the collection of such overdue amount in addition to the \$1.75 million termination fee.

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*Support Agreements and Written Consent*

*PDS*

Certain PDS stockholders are party to a support agreement with Edge, Echos Merger Sub and PDS pursuant to which, among other things, each such stockholder agreed, solely in his, her or its capacity as a PDS stockholder, to vote all of his, her or its shares of PDS common stock in favor of the adoption and approval of the Merger Agreement and the transactions contemplated thereby and to acknowledge that the adoption and approval of the Merger Agreement is irrevocable. In addition, these PDS stockholders agreed not to, directly or indirectly, knowingly take any action that PDS is not permitted to take under the non-solicitation provisions of the Merger Agreement. Concurrently with the execution and delivery of the Merger Agreement and as a condition and inducement for PDS to enter into the Merger Agreement, the following individuals entered into support agreements with Edge, Echos Merger Sub and PDS:

- Frank Bedu-Addo
- Asklepios Capital LLC
- Indiana 21st Century Fund, L.P.
- NetScientific plc
- DeLyle Bloomquist
- Sir Richard Sykes
- Ian Postlethwaite
- Gregory Freitag
- Gregory Conn, Ph.D.
- Michael King, MBA

The stockholders of PDS that are party to a support agreement with Edge consist of the holders of a majority of the shares of PDS common stock and each outstanding on the record date and entitled to vote thereon (voting as a single class).

Therefore, holders of the number of shares of PDS common stock required to approve and adopt the Merger Agreement and approve the merger and related transactions are contractually obligated to approve and adopt the Merger Agreement. Following the effectiveness of the registration statement of which this proxy statement/prospectus/information statement is a part and pursuant to the Merger Agreement, stockholders of PDS holding a sufficient number of shares to approve and adopt the Merger Agreement and thereby approve the merger and related transactions will execute written consents providing for such adoption and approval.

*Edge*

Certain Edge stockholders are party to a support agreement with Edge, Echos Merger Sub and PDS pursuant to which, among other things, each of such stockholders agreed, solely in his or her capacity as a stockholder, to vote all of his or her shares of Edge common stock in favor of the approval of the issuance of shares of Edge common stock pursuant to the Merger Agreement and the reverse stock split of Edge common stock. In addition, these Edge stockholders agreed not to, directly or indirectly, knowingly take any action that Edge is not permitted to take under the non-solicitation provisions of the Merger Agreement. Concurrently with the execution and delivery of the Merger Agreement and as a condition and inducement for Edge to enter into the Merger Agreement, the following individuals entered into support agreements with Edge, Echos Merger Sub and PDS:

- Brian A. Leuthner
- Andrew Saik
- Herbert J. Faleck, D.O.
- W. Bradford Middlekauff

- Alyssa J.S. Wyant
- Sol Barer, Ph.D.

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- Liam Ratcliffe, M.D., Ph.D.
- Robert Spiegel, M.D.
- R. Loch Macdonald, M.D., Ph.D.
- Isaac Blech
- Rosemary Crane
- James Loughlin

The stockholders of Edge that are party to a support agreement with Edge, Echos Merger Sub and PDS consist of the holders of an aggregate of 4,225,198 shares of Edge common stock, representing 13.4% of the outstanding shares of Edge common stock as of December 31, 2018. These stockholders are solely comprised of the current and former executive officers and directors of Edge in their individual capacities.

***Lock-up Agreements***

*PDS*

As a condition to the closing of the merger, PDS’s directors, executive officers and principal stockholders, who will beneficially hold 82% of the combined company’s capital stock immediately following the closing of the merger, have entered into lock-up agreements, pursuant to which such parties have agreed not to, except in limited circumstances, transfer, grant an option with respect to, sell, exchange, pledge or otherwise dispose of, or encumber any shares of PDS common stock prior to the closing of the merger, and the combined company’s common stock thereafter, for 180 days following the Effective Time in the case of directors and officers continuing with the combined company, and 90 days in the case of directors and officers who will not remain with the combined company.

*Edge*

As a condition to the closing of the merger, Edge’s directors and officers have entered into lock-up agreements, pursuant to which such parties will agree not to, except in limited circumstances, transfer, grant an option with respect to, sell, exchange, pledge or otherwise dispose of, or encumber any shares of Edge’s capital stock prior to the closing of the merger, and the combined company’s common stock thereafter, for 180 days following the Effective Time.

**Management Following the Merger**

Effective as of the closing of the merger, the combined company’s executive officers are expected to be composed of members of the following current Edge and PDS management teams:

<b>Name</b>	<b>Position(s)</b>
Frank Bedu-Addo, Ph.D.	Chief Executive Officer, Director
Gregory Conn, Ph.D.	Chief Scientific Officer
Andrew Saik	Chief Financial Officer, Director
Lauren Wood, M.D.	Chief Medical Officer
W. Bradford Middlekauff	Senior Vice President, General Counsel and Secretary

On February 3, 2019, Brian A. Leuthner, Edge's Chief Executive Officer, agreed to resign as Chief Executive Officer of Edge and as a director on the Edge Board, effective as of the closing of the merger.

***Transition Services Agreement***



Edge and PDS may enter into a transition services agreement, pursuant to which Edge may provide PDS with certain clinical and manufacturing consulting services prior to the expected closing of the merger. Edge and PDS expect that, if such an agreement is reached, it will be on arm's-length terms, subject to mutual agreement of the parties on the scope of consulting services and the related terms of any agreement.

TABLE OF CONTENTS**The Edge Special Meeting**

The special meeting of stockholders of Edge will be held on March 14, 2019 at 9:00 a.m., local time, at 300 Connell Drive, Suite 4000 Berkeley Heights, NJ 07922, for the following purposes:

- to consider and vote upon a proposal to approve the issuance of shares of Edge common stock in connection with merger, or the Stock Issuance Proposal;
- to consider and vote upon the amendment to the certificate of incorporation of Edge to effect a reverse stock split of Edge common stock, at a ratio in the range of 5-for-1 to 25-for-1, with such specific ratio to be mutually agreed upon by Edge and PDS or, if the Stock Issuance Proposal is not approved by Edge stockholders, determined solely by the Edge Board following the special meeting, or the Reverse Stock Split Proposal; and
- to transact such other business as may properly come before the Edge special meeting or any adjournment or postponement thereof.

Collectively the proposal above are referred to as the Edge Proposals. On each matter to be voted upon, stockholders have one vote for each share of Edge common stock owned as of January 30, 2019. Votes will be counted by the inspector of election. The following table summarizes vote requirements and the effect of abstentions and broker non-votes.

<b>Proposal Number</b>	<b>Proposal Description</b>	<b>Vote Required for Approval</b>	<b>Effect of Abstentions</b>	<b>Effect of Broker Non-Votes</b>
1	Stock Issuance Proposal	FOR votes from the holders of a majority of shares properly cast at a meeting at which a quorum is present	Against	None
2	Reverse Stock Split Proposal	FOR votes from the holders of a majority of outstanding shares	Against	Against
3	Equity Incentive Plan Proposal	FOR votes from the holders of a majority of shares properly cast at a meeting at which a quorum is present	Against	None

Except as stated below, no Edge Proposal is contingent upon any other Edge Proposal. Therefore, assuming all other closing conditions have been either satisfied or waived, the merger will be consummated even if the Reverse Stock Split Proposal is not approved by Edge's stockholders. However, if Edge's stockholders do not approve the Reverse Stock Split Proposal to effect the reverse stock split upon the closing of the merger, Edge has been advised that The Nasdaq Global Select Market will commence delisting proceedings immediately following the closing of the merger. If the Stock Issuance Proposal is not approved but the Reverse Stock Approval is approved, the Edge Board may nevertheless authorize a reverse split of its common stock at a ratio in the range of 5-for-1 to 25-for-1 as determined solely by the Edge Board in order to satisfy Edge's continued listing requirements on The Nasdaq Global Select Market. However, if the Merger is not consummated, the Equity Incentive Plan Proposal will be automatically withdrawn.

**PDS Solicitation of Written Consents**

The adoption of the Merger Agreement and the approval of the merger and related transactions by the PDS stockholders requires the affirmative votes of the holders of a majority of the shares of PDS common stock (voting as

a single class).

Following the registration statement on Form S-4, of which this proxy statement/prospectus/information statement is a part, being declared effective by the SEC and pursuant to the conditions of the Merger Agreement, the PDS stockholders who are party to the support agreements have agreed to execute an action by written consent adopting the Merger Agreement, thereby approving the merger and related transactions. These stockholders own a sufficient number of shares of PDS common stock to adopt the Merger Agreement.

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No meeting of PDS stockholders to adopt the Merger Agreement and approve the merger and related transactions will be held; *however*, all PDS stockholders will have the opportunity to elect to adopt the Merger Agreement, thereby approving the merger and related transactions, by signing and returning to PDS a written consent.

In addition to the requirement of obtaining such stockholder approval and appropriate regulatory approvals, each of the other closing conditions set forth in the Merger Agreement must be satisfied or waived.

### **Interests of Directors and Executive Officers of Edge and PDS**

#### *Interests of the Edge Directors and Executive Officers in the Merger*

In considering the recommendation of the Edge Board with respect to issuing shares of Edge common stock pursuant to the Merger Agreement and the other matters to be acted upon by Edge stockholders at the Edge special meeting, Edge stockholders should be aware that certain members of the Edge Board and executive officers of Edge have interests in the merger that may be different from, or in addition to, interests they have as Edge stockholders.

Pursuant to the terms of their employment agreements, the Edge executive officers would be entitled to receive a total of approximately \$2.0 million in cash severance benefits (collectively, not individually) in the event that their employment with Edge is terminated without cause or for good reason based on data available as of the date of this proxy statement/prospectus/information statement. Additionally, all outstanding equity awards held by Edge's executive officers will accelerate fully and vest upon the closing of the merger. As of the date of this proxy statement/prospectus/information statement, Edge's executive officers hold Edge RSUs totaling 301,797 shares of Edge common stock and held stock options to purchase an aggregate of 2,645,711 shares of Edge common stock with a weighted average exercise price of \$7.15 per share (all of which are out of the money based on the closing price of Edge common stock as of February 8, 2019) and Edge RSUs covering 301,797 shares of Edge common stock (which, based on the closing price of Edge common stock as of February 8, 2019, had an aggregate value of \$129,773).

With respect to Edge's directors, Edge's non-employee directors hold Edge RSUs totaling 80,000 shares of Edge common stock and stock options to purchase an aggregate of 2,546,089 shares of Edge common stock with a weighted average exercise price of \$4.72 per share as part of Edge's non-employee director compensation program. These stock options will by their terms vest in full upon the closing of the merger, including Edge RSUs of 20,000 shares of Edge common stock and stock options for 220,607 and 64,286 shares of Edge common stock held by Robert J. Spiegel, M.D., Ph.D. and James Loughlin, respectively, each of whom is expected to remain on the combined company's board of directors. Each of Dr. Barer, Ms. Crane and Dr. Spiegel, the members of the transactions committee, will receive \$10,000 for their service on such committee.

As of December 31, 2018, directors and executive officers of Edge owned approximately 13.1% of the outstanding shares of Edge common stock. All Edge executive officers and directors have entered into support agreements in connection with the merger. The support agreements are discussed in greater detail in the section titled "Agreements Related to the Merger-Support Agreements and Written Consent" in this proxy statement/prospectus/information statement.

#### *Interests of the PDS Directors and Executive Officers in the Merger*

In considering the recommendation of the PDS Board with respect to approving the merger and related transactions by written consent, PDS stockholders should be aware that certain members of the board of directors and executive officers of PDS have interests in the merger that may be different from, or in addition to, interests they have as PDS stockholders. For example, some of PDS's directors and executive officers are expected to become directors and executive officers of the combined company upon the closing of the merger. Specifically, Frank Bedu-Addo, Ph.D.,

the current Chief Executive Officer of PDS, is expected to become the Chief Executive Officer of the combined company upon the closing of the merger. Additionally, Frank Bedu-Addo, Ph.D., Sir Richard Sykes, De Lyle W. Bloomquist and Gregory Freitag, J.D., CPA, who are current directors of PDS, will be designated to serve on the combined company's board of directors following the closing of the merger.

All PDS executive officers, directors and their affiliates have entered into support agreements in connection with the merger. The support agreements are discussed in greater detail in the section titled "Agreements Related to the Merger-Support Agreements and Written Consent" in this proxy statement/prospectus/information statement.

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Certain PDS executive officers, directors and their affiliates currently hold shares of PDS common stock, stock options to purchase shares of common stock and unsecured promissory notes. In addition, in October 2018, the PDS Board agreed to grant each of Dr. Conn and Mr. King 137,559 stock options, and Dr. Bedu-Addo 550,235 stock options, immediately prior to the consummation of the merger.

As of February 8, 2019, all directors and executive officers of PDS, together with their affiliates, owned 61.5% of the outstanding shares of PDS common stock (on an as-converted to common stock basis) and such persons held stock options to purchase an aggregate of 2,343,801 shares of common stock with a weighted average exercise price of \$3.25 per share.

The PDS Board was aware of these interests and considered them, among other matters, in its decision to approve the Merger Agreement. For more information, please see the sections titled *The Merger—Interests of the PDS Directors and Executive Officers in the Merger* and *Certain Relationships and Related-Party Transactions—PDS*.

### **Considerations with Respect to U.S. Federal Income Tax Consequences of the Merger**

Each of Edge and PDS intends that the merger qualify as a reorganization within the meaning of Section 368(a) of the Code. In general and subject to the qualifications and limitations set forth in the section titled *The Merger—Certain Material U.S. Federal Income Tax Consequences of the Merger*, the material tax consequences to U.S. Holders (as defined herein) of PDS common stock are expected to be as follows:

- a PDS stockholder should not recognize gain or loss upon the exchange of PDS common stock for Edge common stock pursuant to the merger, except to the extent of cash received in lieu of a fractional share of Edge common stock as described below;
- a PDS stockholder who receives cash in lieu of a fractional share of Edge common stock in the merger should recognize capital gain or loss in an amount equal to the difference between the amount of cash received instead of a fractional share and the stockholder's tax basis allocable to such fractional share;
- a PDS stockholder's aggregate tax basis for the shares of Edge common stock received in the merger (including any fractional share interest for which cash is received) should equal the stockholder's aggregate tax basis in the shares of PDS common stock surrendered upon the closing of the merger, decreased by the amount of any tax basis allocable to a fractional share for which cash is received; and
- the holding period of the shares of Edge common stock received by a PDS stockholder in the merger should include the holding period of the shares of PDS common stock surrendered in exchange therefor provided the surrendered PDS common stock is held as a capital asset (generally, property held for investment) at the time of the merger.

Tax matters are very complicated, and the tax consequences of the merger to a particular PDS stockholder will depend on such stockholder's circumstances. Accordingly, you should consult your tax advisor for a full understanding of the tax consequences of the merger to you, including the applicability and effect of federal, state, local and foreign income and other tax laws. For more information, please see the section titled *The Merger—Certain Material U.S. Federal Income Tax Consequences of the Merger*.

### **Risk Factors**

Both Edge and PDS are subject to various risks associated with their businesses and their industries. In addition, the merger, including the possibility that the merger may not be completed, poses a number of risks to each company and its respective stockholders, including the following risks:

- the Exchange Ratio is not adjustable based on the market price of Edge common stock so the merger consideration at the closing may have a greater or lesser value than at the time the Merger Agreement was

signed;

- failure to complete the merger may result in Edge paying a termination fee or expenses to PDS and could harm the common stock price of Edge and future business and operations of each company;
- the merger may be completed even though material adverse changes may result from the announcement of the merger, industry-wide changes and other causes;

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- the combined company may need to raise additional capital by issuing securities or debt or through licensing arrangements, which may cause significant dilution to the combined company's stockholders or restrict the combined company's operations or proprietary rights;
- certain Edge and PDS executive officers and directors have interests in the merger that are different from yours and that may influence them to support or approve the merger without regard to your interests;
- the market price of the combined company's common stock may decline as a result of the merger;
- Edge and PDS stockholders may not realize a benefit from the merger commensurate with the ownership dilution they will experience in connection with the merger;
- during the pendency merger, Edge and PDS may not be able to enter into a business combination with another party at a favorable price because of restrictions in the Merger Agreement, which could adversely affect their respective businesses;
- certain provisions of the Merger Agreement may discourage third parties from submitting alternative takeover proposals, including proposals that may be superior to the arrangements contemplated by the Merger Agreement;
- the lack of a public market for PDS shares makes it difficult to determine the fair market value of the PDS shares, and the stockholders of PDS may receive consideration in the merger that is less than the fair market value of the PDS shares and/or Edge may pay more than the fair market value of the PDS shares; and
- if the conditions of the merger are not met, the merger will not occur.

These risks and other risks are discussed in greater detail under the section titled Risk Factors. Edge and PDS both encourage you to read and consider all of these risks carefully.

### **Regulatory Approvals**

In the United States, Edge must comply with applicable federal and state securities laws and the rules and regulations of The Nasdaq Stock Market LLC in connection with the issuance of shares of Edge common stock pursuant to the Merger Agreement and the filing of this proxy statement/prospectus/information statement with the SEC.

### **Nasdaq Stock Market Listing**

Edge intends to file an initial listing application for the combined company with The Nasdaq Capital Market pursuant to its reverse merger rules. However, if Edge's stockholders do not approve the Reverse Stock Split Proposal, Edge has been advised that The Nasdaq Stock Market LLC will commence delisting proceedings immediately following the closing of the merger. The combined company is obligated to use commercially reasonable efforts to take such steps as necessary to ensure the continued listing of its common stock on The Nasdaq Capital Market following the closing of the merger. It is expected that the combined company's common stock will trade under the symbol PDSB.

If the issuance of the shares of Edge common stock pursuant to the Merger Agreement is not approved but the reverse stock split proposal is, the Edge Board may nevertheless authorize a reverse split of its common stock at a ratio in the range of 5-for-1 to 25-for-1 as determined solely by the Edge Board in order to satisfy Edge's continued listing requirements on The Nasdaq Global Select Market.

### **Anticipated Accounting Treatment**

The merger will be treated by Edge as a reverse merger under the acquisition method of accounting in accordance with accounting principles generally accepted in the United States. For accounting purposes, PDS is considered to be acquiring Edge in the merger.

### **Appraisal Rights and Dissenters' Rights**



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Holders of shares of Edge capital stock are not entitled to appraisal rights in connection with the merger. PDS stockholders are entitled to appraisal rights in connection with the merger under Delaware law. For more

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information about such rights, see the provisions of Section 262 of the Delaware General Corporation Law, or the DGCL, attached hereto as *Annex E*, and the section titled *The Merger—Appraisal Rights and Dissenters' Rights*.

**Potential PDS Financing**

Although there is no current agreement in place with any potential financing source, nor any requirement to undertake a financing, under the Merger Agreement, after February 28, 2019 but prior to the Effective Time of the merger, PDS may issue, in a single transaction or a series of transactions, (a) shares of the common stock of PDS, (b) PDS warrants and/or (c) convertible promissory notes, which promissory notes shall convert into either shares of (i) common stock of PDS prior to the closing or (ii) common stock of Edge immediately after the closing. In no event shall the aggregate proceeds of the Permitted Bridge Financing exceed \$3,000,000 without the prior written consent of Edge, not to be unreasonably withheld, conditioned or delayed. To the extent any such potential financing is consummated consistent with the foregoing, the issuance of shares would be dilutive to both Edge and PDS stockholders, after giving effect to the Exchange Ratio, and shares issued in connection with this financing would not be used in the calculation of the Exchange Ratio.

**Comparison of Stockholder Rights**

Both Edge and PDS are incorporated under the laws of the State of Delaware and, accordingly, the rights of the stockholders of each are currently, and will continue to be, governed by the DGCL. If the merger is completed, PDS stockholders will become stockholders of Edge, and their rights will be governed by the DGCL, the bylaws of Edge and, the certificate of incorporation of Edge. The rights of Edge stockholders contained in the certificate of incorporation and bylaws of Edge differ from the rights of PDS stockholders under the certificate of incorporation and bylaws of PDS, as more fully described under the section titled *Comparison of Rights of Holders of Edge Stock and PDS Stock*.

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CONDENSED COMBINED FINANCIAL INFORMATION AND DATA**

*The following tables present summary historical financial data for Edge and PDS, summary unaudited pro forma condensed combined financial data for Edge and PDS, and comparative historical and unaudited pro forma per share data for Edge and PDS.*

**Selected Historical Condensed Financial Data of Edge**

The selected condensed statements of operations data for the fiscal years ended December 31, 2017 and 2016 and the selected condensed balance sheet data as of December 31, 2017 and 2016 are derived from Edge's audited condensed financial statements included elsewhere in this proxy statement/prospectus/information statement. The selected condensed statements of operations data for the nine months ended September 30, 2018 and 2017 and the selected condensed balance sheet data as of September 30, 2018 are derived from Edge's unaudited condensed financial statements included elsewhere in this proxy statement/prospectus/information statement.

The selected historical condensed financial data below should be read in conjunction with the section titled "Edge Management's Discussion and Analysis of Financial Condition and Results of Operations," "Risk Factors—Risks Related to Edge" and Edge's condensed financial statements and related notes included elsewhere in this proxy statement/prospectus/information statement. Edge's historical results are not necessarily indicative of the results that may be expected in any future period.

	<b>Nine Months Ended September 30,</b>		<b>Years Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>(unaudited)</b>			
<b>Selected Condensed Statements of Operations Data (in 000's, except per share amounts):</b>				
Total operating expenses	\$ 37,053.7	\$ 35,843.5	\$ 51,966.6	\$ 39,512.1
Net loss	\$ (37,782.9 )	\$ (36,956.2 )	\$ (50,859.8 )	\$ (38,821.0 )
Basic and diluted loss per common share	\$ (1.21 )	\$ (1.23 )	\$ (1.67 )	\$ (1.34 )
Shares used in calculation of net loss per share, basic and diluted	31,198,804	30,091,640	30,393,952	28,864,216
		<b>As of September 30, 2018</b>	<b>As of December 31, 2017</b>	<b>2016</b>
		<b>(unaudited)</b>		
<b>Selected Condensed Balance Sheet Data (in 000's):</b>				
Cash, cash equivalents and investments	\$ 36,814.9	\$ 88,067.6	\$ 106,398.9	
Total assets	\$ 37,673.1	\$ 92,621.1	\$ 110,914.4	
Total liabilities	\$ 6,688.3	\$ 30,249.7	\$ 21,637.9	
Total stockholders' equity	\$ 30,984.8	\$ 62,371.4	\$ 89,276.6	

**Selected Historical Financial Data of PDS Biotechnology Corporation**

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The selected statements of operations data for the fiscal years ended December 31, 2017 and 2016 and the selected condensed balance sheet data as of December 31, 2017 and 2016 are derived from PDS's financial statements prepared using accounting principles generally accepted in the United States, which have been audited by an independent auditor, and are included in this proxy statement/prospectus/information statement. The statement of operations data for the nine months ended September 30, 2018 and 2017, as well as the balance sheet data as of September 30, 2018, are derived from PDS's unaudited condensed financial statements included elsewhere in this proxy statement/prospectus/information statement.

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The selected historical financial data should be read in conjunction with PDS's financial statements, related notes, other financial information, PDS Management's Discussion and Analysis of Financial Condition and Results of Operations and PDS's condensed financial statements and related notes appearing elsewhere in this proxy statement/prospectus/information statement. PDS's historical results are not necessarily indicative of results to be expected in any future period.

	<b>Nine Months Ended September 30,</b>		<b>Years Ended December 31,</b>	
	<b>2018</b>	<b>2017</b>	<b>2017</b>	<b>2016</b>
	<b>(unaudited)</b>			
<b>Selected Condensed Statements of Operations Data (in 000's, except per share amounts):</b>				
Total operating expenses	\$ 2,013.3	\$ 2,940.6	\$ 3,420.3	\$ 4,217.8
Net loss	\$ (2,016.9 )	\$ (2,942.8 )	\$ (3,423.2 )	\$ (4,477.5 )
Basic and diluted loss per common share	\$ (0.20 )	\$ (0.32 )	\$ (0.37 )	\$ (0.54 )
Shares used in calculation of net loss per share, basic and diluted	9,972,670	9,300,214	9,329,526	8,363,131
		<b>As of September 30, 2018</b>	<b>As of December 31, 2017</b>	<b>As of December 31, 2016</b>
		<b>(unaudited)</b>		

**Selected Condensed Balance Sheet Data (in 000's):**

Cash, cash equivalents and investments	\$ 142.7	\$ 175.9	\$ 1,957.0
Total assets	\$ 251.8	\$ 340.8	\$ 2,244.5
Total liabilities	\$ 1,330.5	\$ 950.3	\$ 722.8
Total stockholders' equity (deficit)	\$ (1,078.8 )	\$ (609.5 )	\$ 1,521.7

**Selected Unaudited Pro Forma Condensed Combined Financial Data of Edge and PDS**

*The following information does not give effect to the proposed reverse stock split of Edge common stock described in the Reverse Stock Split Proposal.*

The following unaudited pro forma condensed combined financial information was prepared using the acquisition method of accounting under U.S. GAAP, and gives effect to the transaction between Edge and PDS to be accounted for as a reverse acquisition, with PDS being deemed the acquiring company for accounting purposes.

The unaudited pro forma condensed combined balance sheet as of September 30, 2018 assumes that the transaction took place on September 30, 2018 and combines the historical balance sheets of Edge and PDS as of such date. The unaudited pro forma condensed combined statement of operations for the nine months ended September 30, 2018 and the year ended December 31, 2017 assumes that the transaction took place as of January 1, 2017, and combines the historical results of Edge and PDS for each period. The historical financial statements of Edge and PDS have been adjusted to give pro forma effect to events that are (i) directly attributable to the transaction, (ii) factually supportable, and (iii) with respect to the unaudited pro forma condensed combined statements of operations, expected to have a continuing impact on the combined results.

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The unaudited pro forma condensed combined financial information, including the notes thereto, should be read in conjunction with the separate Edge and PDS historical financial statements, and their respective management's discussion and analysis of financial condition and results of operations. PDS's historical audited financial statements for the years ended December 31, 2017 and 2016 and unaudited financial statements for the nine months ended September 30, 2018 and 2017 are included elsewhere in this proxy statement/prospectus/information statement. Edge's historical audited condensed financial statements for the years ended December 31, 2017 and December 31, 2016 and unaudited condensed financial statements for the nine months ended September 30, 2018 and 2017 are included elsewhere in this proxy statement/prospectus/information statement.

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	<b>Nine Months Ended September 30, 2018</b>	<b>Year Ended December 31, 2017</b>
<b>Unaudited Pro Forma Condensed Combined Statements of Operations (in 000's, except per share amounts):</b>		
Total operating expenses	\$ 35,599.5	\$ 55,386.9
Net loss	\$ (36,332.3 )	\$ (54,283.0 )
Basic and diluted net loss per common share	\$ (0.34 )	\$ (0.52 )
		<b>As of September 30, 2018</b>
<b>Unaudited Pro Forma Condensed Combined Balance Sheet (in 000's):</b>		
Cash, cash equivalents and investments		\$ 36,435.6
Total assets		\$ 38,402.9
Total liabilities		\$ 5,065.2
Stockholders' equity		\$ 33,337.7

**Comparative Historical and Unaudited Pro Forma per Share Data**

The information below reflects the historical net loss and book value per share of Edge common stock and the historical net loss and book value per share of PDS common stock in comparison with the unaudited pro forma net loss and book value per share after giving effect to the proposed merger of Edge with PDS on a pro forma basis. The unaudited pro forma net loss and book value per share does not give effect to the proposed reverse stock split of Edge common stock described in the Reverse Stock Split Proposal.

You should read the tables below in conjunction with the audited condensed financial statements of Edge for the years ended December 31, 2017 and December 31, 2016 and unaudited condensed financial statements the nine months ended September 30, 2018 and 2017 included in this proxy statement/prospectus/information statement and the audited financial statements of PDS for the years ended December 31, 2017 and 2016 and unaudited financial statements for the nine months ended September 30, 2018 and 2017 included in this proxy statement/prospectus/information statement and the related notes and the unaudited pro forma condensed combined financial information and notes related to such financial statements included elsewhere in this proxy statement/prospectus/information statement.

	<b>Nine Months Ended September 30, 2018</b>	<b>Year Ended December 31, 2017</b>
<b>Edge Historical Per Common Share Data:</b>		
Basic and diluted net loss per share	\$ (1.21 )	\$ (1.67 )
Book value per share	\$ 0.99	\$ 2.05
<b>PDS Historical Per Common Share Data:</b>		
Basic and diluted net loss per share	\$ (0.20 )	\$ (0.37 )
Book value per share	\$ (0.11 )	\$ (0.07 )
<b>Combined Company Per Common Share Data:</b>		
Basic and diluted net loss per share	\$ (0.34 )	\$ (0.52 )
Book value per share	\$ 0.31	\$ N/A





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Edge common stock is listed on the Nasdaq Global Select Market under the symbol EDGE. The following table presents, for the periods indicated, the range of high and low per share closing sales prices for Edge common stock as reported on the Nasdaq Global Select Market for each of the periods set forth below. PDS is a private company and its common stock is not publicly traded. These per share sales prices do not give effect to the proposed reverse stock split of Edge common stock to be implemented, if approved by the Edge stockholders, prior to the closing of the merger.

**Edge Common Stock**

	<b>High</b>	<b>Low</b>
<b>Year Ending December 31, 2019</b>		
First Quarter (through February 8, 2019)	\$ 0.50	\$ 0.34
<b>Year Ending December 31, 2018</b>		
First Quarter	\$ 17.77	\$ 1.12
Second Quarter	1.41	0.84
Third Quarter	1.12	0.70
Fourth Quarter	1.09	0.31
<b>Year Ended December 31, 2017</b>		
First quarter	\$ 12.99	\$ 7.62
Second quarter	10.72	8.81
Third quarter	11.51	9.20
Fourth quarter	11.16	9.07
<b>Year Ended December 31, 2016</b>		
First quarter	\$ 13.86	\$ 6.70
Second quarter	10.64	7.43
Third quarter	12.29	8.61
Fourth quarter	13.50	9.25

On February 8, 2019, the last reported sale price of Edge common stock on the Nasdaq Global Select Market was \$0.43 per share.

Because the market price of Edge common stock is subject to fluctuation, the market value of the shares of Edge common stock that PDS stockholders will be entitled to receive in the merger may increase or decrease.

Assuming the successful application for initial listing with the Nasdaq Capital Market, following the closing of the merger, Edge expects the combined company's common stock will be listed on the Nasdaq Capital Market and will trade under Edge's new name, PDS Biotechnology Corporation and trading symbol PDSB.

As of February 8, 2019, there were approximately 36 stockholders of record and there were approximately 3,185 beneficial stockholders of Edge common stock.

## **Dividend Policy**

Edge has never declared or paid any cash dividends on its common stock. Edge does not intend to pay cash dividends on its common stock for the foreseeable future. In addition, the terms of Edge's outstanding indebtedness restrict its ability to pay dividends, and any future indebtedness that Edge may incur could preclude it from paying dividends. Any future determination related to dividend policy will be made at the discretion of the Edge Board and will depend on then-existing conditions, including Edge's financial condition, operating results, contractual restrictions, capital requirements, business prospects and other factors the Edge Board may deem relevant.

PDS has never paid or declared any cash dividends on its common stock or preferred stock. If the merger does not occur, PDS does not anticipate paying any cash dividends on its common stock in the foreseeable future, and PDS intends to retain all available funds and any future earnings to fund the development and expansion of its business. Any future determination to pay dividends will be at the discretion of the PDS Board and will depend upon a number of factors, including its results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors the PDS Board deems relevant.

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### **RISK FACTORS**

*The combined company will be faced with a market environment that cannot be predicted and that involves significant risks, many of which will be beyond its control. In addition to the other information contained in this proxy statement/prospectus/information statement, you should carefully consider the material risks described below before deciding how to vote your shares of stock. In addition, you should read and consider the risks associated with the business of Edge because these risks may also affect PDS and the combined company. These risks can be found in Edge's Annual Report on Form 10-K, as updated by subsequent Quarterly Reports on Form 10-Q, all of which are filed with the SEC. You should also read and consider the other information in this proxy statement/prospectus/information statement and the other documents incorporated by reference into this proxy statement/prospectus/information statement. Please see the section titled "Where You Can Find More Information."*

#### **Risks Related to the Merger**

***The Exchange Ratio is not adjustable based on the market price of Edge common stock so the merger consideration at the closing may have a greater or lesser value than at the time the Merger Agreement was signed.***

The Merger Agreement has set the Exchange Ratio for the PDS common stock, and the Exchange Ratio is only adjustable upward or downward based on increases or decreases in the number of shares of PDS's issued and outstanding capital stock and the number of shares of PDS common stock issuable upon the exercise of all issued and outstanding equity awards, increases or decreases the number of Edge's issued and outstanding common stock, if the cash balances at closing of either Edge or PDS fall outside a pre-determined range, and the proposed reverse stock split, prior to the closing of the merger as described in the section titled "The Merger-Merger Consideration." The pre-reverse stock split Exchange Ratio is 6.5366, and the post-split Exchange Ratio will depend on the exact reverse stock split ratio that is ultimately mutually determined by Edge and PDS and certain changes in the capitalization of the two companies as well as the cash balances of both companies relative to the agreed upon ranges. If there is a significant divergence in the cash balances of either company relative to the agreed upon ranges there could be a material change to Exchange Ratio, which would affect the stockholders of one party at the expense of the other party. The longer it takes to complete the merger, the greater the possibility there is for Edge's cash balances to fall outside of the range. Any changes in the market price of Edge common stock before the closing of the merger will not affect the number of shares PDS securityholders will be entitled to receive pursuant to the Merger Agreement. Therefore, if before the closing of the merger the market price of Edge common stock declines from the market price on the date of the Merger Agreement, then PDS stockholders could receive merger consideration with substantially lower value. Similarly, if before the closing of the merger the market price of Edge common stock increases from the market price on the date of the Merger Agreement, then PDS stockholders could receive merger consideration with substantially more value for their shares of PDS common stock than the parties had negotiated for in the establishment of the Exchange Ratio. Because the Exchange Ratio does not adjust as a result of changes in the value of Edge common stock, for each one percentage point that the market value of Edge common stock rises or declines, there is a corresponding one percentage point rise or decline, respectively, in the value of the total merger consideration issued to PDS stockholders.

***Failure to complete the merger may result in Edge paying a termination fee or expenses to PDS and could harm the common stock price of Edge and future business and operations of each company.***

If the merger is not completed, Edge and PDS are subject to the following risks:

- if the Merger Agreement is terminated under certain circumstances and certain events occur, Edge will be required to pay PDS a termination fee of \$1.75 million;
- the price of Edge stock may decline and remain volatile; and

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- costs related to the merger, such as legal, accounting and investment banking fees which Edge and PDS estimate will total approximately \$5.3 million, of which \$3.5 million must be paid even if the merger is not completed.

In addition, if the Merger Agreement is terminated and the Edge Board determines to seek another business combination, there can be no assurance that Edge or PDS will be able to find a partner willing to provide equivalent or more attractive consideration than the consideration to be provided by each party in the merger.

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***If the conditions to the merger are not met, the merger may not occur.***

Even if the proposals referred to herein are approved by the stockholders of Edge and PDS, specified other conditions must be satisfied or waived to complete the merger. These conditions are set forth in the Merger Agreement and described in the section titled The Merger Agreement-Conditions to the Closing of the Merger. Edge and PDS cannot assure you that all of the conditions will be satisfied or waived. If the conditions are not satisfied or waived, the merger may not occur or will be delayed, and Edge and PDS each may lose some or all of the intended benefits of the merger.

***The merger may be completed even though material adverse changes may result from the announcement of the merger, industry-wide changes or other causes.***

In general, either Edge or PDS can refuse to complete the merger if there is a material adverse change affecting the other party between November 23, 2018, the date of the Merger Agreement, and the closing. However, certain types of changes do not permit either party to refuse to complete the merger, even if such change could be said to have a material adverse effect on Edge or PDS, including:

- any effect, change, event, circumstance or development in general economic or business conditions generally affecting the industries in which PDS or Edge operate;
- any act of war, armed hostilities or terrorism;
- any changes in financial, banking or securities markets;
- the taking of any action required to be taken by the Merger Agreement;
- any changes in accounting requirements or principles or any change in applicable laws, rules or regulations or the interpretation thereof;
- any effect resulting from the announcement or pendency of the merger or any related transactions;
- with respect to Edge, any change in the stock price or trading volume of Edge common stock; or
- with respect to Edge, any clinical trial programs or studies, including any adverse data, event or outcome arising out of or related to any such programs or studies.

If adverse changes occur and Edge and PDS still complete the merger, the combined company stock price may suffer. This in turn may reduce the value of the merger to the stockholders of Edge and PDS.

***The combined company will need to raise additional capital by issuing securities or debt or through licensing arrangements, which may cause dilution to the combined company's stockholders or restrict the combined company's operations or proprietary rights.***

The combined company may be required to raise additional funds sooner than currently planned. Additional financing may not be available to the combined company when it needs it or may not be available on favorable terms. To the extent that the combined company raises additional capital by issuing equity securities, such an issuance may cause significant dilution to the combined company's stockholders' ownership and the terms of any new equity securities may have preferences over the combined company's common stock. Any debt financing the combined company enters into may involve covenants that restrict its operations. These restrictive covenants may include limitations on additional borrowing and specific restrictions on the use of the combined company's assets, as well as prohibitions on its ability to create liens, pay dividends, redeem its stock or make investments. In addition, if the combined company raises additional funds through licensing or other strategic arrangements, it may be necessary to grant licenses on terms that are not favorable to the combined company or otherwise restrict its operations.

***Certain Edge and PDS executive officers and directors have interests in the merger that are different from yours and that may influence them to support or approve the merger without regard to your interests.***

Certain officers and directors of Edge and PDS participate in arrangements that provide them with interests in the merger that are different from yours, including, among others, the continued service as directors, in the case of Edge, or directors and officers, in the case of PDS, of the combined company, severance and retention benefits, the acceleration of stock options and continued indemnification.

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For example, Herbert J. Faleck, D.O., Edge's Chief Medical Officer, ceased serving as Chief Medical Officer on December 31, 2018, at which point Dr. Faleck's employment with Edge ended. Consistent with the terms of Dr. Faleck's employment agreement with Edge, upon the termination of Dr. Faleck's employment, and in accordance with Dr. Faleck's employment agreement, Dr. Faleck became entitled to receive an aggregate of approximately \$434,270 in cash severance benefits.

Furthermore, in connection with the closing of the merger, all unvested options to acquire shares of Edge common stock and Edge RSUs (including those held by Edge officers and the Edge board members (including Edge RSUs for 20,000 shares of Edge common stock and stock options for 220,607 and 64,286 shares of Edge common stock held by Robert Spiegel, M.D., FACP, and James J. Loughlin, respectively, who are expected to remain on the combined company's board of directors)) will vest in full. The exercise price of all unvested stock option awards held by the Edge board members and officers was below the trading price of Edge common stock as of January 16, 2019. Additionally, the parties expect that Dr. Sol Barer will enter into a consulting arrangement in connection with serving as an advisor to the board of directors of the combined company.

In addition, certain of Edge's executive officers are expected to become executive officers of the combined company upon the closing of the merger. Specifically, Andrew Saik is expected to serve as Chief Financial Officer of the combined company, and W. Bradford Middlekauff is expected to serve as Senior Vice President, General Counsel and Secretary of the combined company. Additionally, James Loughlin and Robert Spiegel, each of whom are a current director of Edge, and Andrew Saik, the Chief Financial Officer of Edge, will be designated to serve on the combined company's board of directors following the closing of the merger.

For more information, please see the section titled "The Merger-Interests of the Edge Directors and Executive Officers in the Merger."

Additionally, certain of PDS's directors and executive officers are expected to become directors and executive officers of the combined company upon the closing of the merger. Specifically, Frank Bedu-Addo, Ph.D. is expected to serve as the Chief Executive Officer, Lauren Wood, MD is expected to serve as Chief Medical Officer and Gregory Conn, Ph.D. is expected to serve as the Chief Scientific Officer of the combined company. Additionally, each of DeLyle Bloomquist, Sir Richard Sykes and Gregory Freitag, each of whom is a current director of PDS, will be designated to serve on the combined company's board of directors following the closing of the merger.

In addition, certain of PDS's executive officers and directors and affiliates of PDS's directors currently hold shares of PDS common stock and preferred stock. Affiliates of certain PDS directors and certain executive officers of PDS will convert their unsecured subordinated convertible promissory notes into shares of PDS common stock prior to the closing of the merger pursuant to the note purchase agreement. For more information, please see the section titled "The Merger-Interests of the PDS Directors and Executive Officers in the Merger."

### ***The market price of the combined company's common stock following the merger may decline as a result of the merger.***

The market price of the combined company's common stock may decline as a result of the merger for a number of reasons including if:

- investors react negatively to the prospects of the combined company's business and prospects from the merger;
- the effect of the merger on the combined company's business and prospects is not consistent with the expectations of financial or industry analysts; or
-

the combined company does not achieve the perceived benefits of the merger as rapidly or to the extent anticipated by financial or industry analysts.

***Edge and PDS stockholders may not realize a benefit from the merger commensurate with the ownership dilution they will experience in connection with the merger.***

If the combined company is unable to realize the full strategic and financial benefits currently anticipated from the merger, Edge and PDS securityholders will have experienced substantial dilution of their ownership interests in their respective companies without receiving any commensurate benefit, or only receiving part of the commensurate benefit to the extent the combined company is able to realize only part of the strategic and financial benefits currently anticipated from the merger.



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*During the pendency of the merger, Edge and PDS may not be able to enter into a business combination with another party at a favorable price because of restrictions in the Merger Agreement, which could adversely affect their respective businesses.*

Covenants in the Merger Agreement impede the ability of Edge and PDS to make acquisitions, subject, in the case of Edge, to certain exceptions relating to fiduciary duties, or complete other transactions that are not in the ordinary course of business pending the closing of the merger. As a result, if the merger is not completed, the parties may be at a disadvantage to their competitors during that period. In addition, while the Merger Agreement is in effect, each party is generally prohibited from soliciting, initiating, encouraging or entering into certain extraordinary transactions, such as a merger, sale of assets or other business combination outside the ordinary course of business, with any third-party, subject to, in the case of Edge, certain exceptions. Any such transactions could be favorable to such party's stockholders.

*Certain provisions of the Merger Agreement may discourage third parties from submitting alternative takeover proposals, including proposals that may be superior to the arrangements contemplated by the Merger Agreement.*

The terms of the Merger Agreement prohibit each of Edge and PDS from soliciting alternative takeover proposals or cooperating with persons making unsolicited takeover proposals, except, with respect to Edge, in certain circumstances where the Edge Board determines in good faith, after consultation with its financial advisor and outside legal counsel, that an unsolicited alternative takeover proposal constitutes or is reasonably likely to result in a superior takeover proposal. In addition, if Edge or PDS terminate the Merger Agreement under certain circumstances, including terminating because of a decision of a board of directors to recommend an alternative proposal, Edge would be required to pay a termination fee of \$1.75 million to the other party. These termination fees and reimbursement obligations may Merger Agreement described above may discourage third parties from submitting alternative takeover proposals to Edge and its stockholders, and may cause the Edge Board to be less inclined to recommend an alternative proposal.

The lack of a public market for PDS shares makes it difficult to determine the fair market value of the PDS shares, and PDS stockholders may receive consideration in the merger that is less than the fair market value of the PDS shares and/or Edge may pay more than the fair market value of the PDS shares.

PDS is privately held and its capital stock is not traded in any public market. The lack of a public market makes it extremely difficult to determine PDS's fair market value. Because the percentage of Edge equity to be issued to PDS stockholders was determined based on negotiations between the parties, it is possible that the value of the Edge common stock to be received by PDS stockholders will be less than the fair market value of PDS, or Edge may pay more than the aggregate fair market value for PDS.

### **Risks Related to Edge**

*Investing in Edge common stock involves a high degree of risk. You should consider carefully the risks and uncertainties described below, together with all of the other information contained in this proxy statement/prospectus/information statement and in the other periodic and current reports and other documents it files with the SEC, before deciding to invest in its common stock. If any of the following risks materialize, Edge's business, financial condition, results of operation and future prospects will likely be materially and adversely affected. In that event, the market price of its common stock could decline and you could lose all or part of your investment.*

### **Risks Related to the Merger and Edge's Evaluation of Strategic Alternatives**

***If the merger is not completed, Edge may be unsuccessful in completing an alternative transaction on terms that are as favorable as the terms of the proposed transaction with PDS, or at all, and Edge may be unable to reestablish an operating business. The Edge Board may decide to pursue a dissolution and liquidation of Edge. In such an event, the amount of cash available for distribution to Edge's stockholders will depend heavily on the timing of such liquidation as well as the amount of cash that will need to be reserved for commitments and contingent liabilities.***

On March 28, 2018, Edge announced that an independent Data Monitoring Committee, or the DMC, for Edge's NEWTON 2 clinical trial for EG-1962 recommended that the NEWTON 2 study be stopped based on the DMC's conclusion that the study has a low probability of meeting its primary endpoint. Based on the DMC

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recommendation, Edge decided to discontinue the NEWTON 2 study and has taken steps to notify health authorities and clinical investigators participating in the study. Edge has ceased all further development of EG-1962 and Edge's other product candidates and has implemented operating cost reductions and organizational restructurings, including a reduction in Edge's workforce, to preserve Edge's cash resources. Edge's strategic focus shifted to the identification and evaluation of a range of potential strategic alternatives designed to maximize stockholder value.

In April 2018, Edge engaged Piper Jaffray as Edge's advisor to assist with the exploration of strategic alternatives. Edge devoted substantial time and resources to exploring such strategic alternatives.

To date, Edge's current assets consist primarily of cash, cash equivalents and marketable securities, Edge's clinical assets, Edge's listing on the Nasdaq Global Market and the Merger Agreement with PDS. While Edge has entered into the Merger Agreement with PDS, the closing of the merger with PDS may be delayed or may not occur at all and there can be no assurance that the merger will deliver the anticipated benefits Edge expects or enhance shareholder value.

If Edge is unable to consummate the merger with PDS, the Edge Board may elect to pursue an alternative strategy, one of which may be a strategic transaction similar to the proposed merger with PDS. Attempting to complete an alternative transaction will be costly and time consuming, and Edge can make no assurances that such an alternative transaction would occur at all. Alternatively, the Edge Board may elect to continue operations to conduct another study of EG-1962 or decide to pursue a dissolution and liquidation of the company. In such an event, the amount of cash available for distribution to Edge's stockholders will depend heavily on the timing of such decision, as with the passage of time the amount of cash available for distribution will be reduced as Edge continues to fund its operations. In addition, if the Edge Board was to approve and recommend, and Edge's stockholders were to approve, a dissolution and liquidation of the company, Edge would be required under Delaware corporate law to pay its outstanding obligations, as well as to make reasonable provision for contingent and unknown obligations, prior to making any distributions in liquidation to Edge's stockholders. Edge's commitments and contingent liabilities may include severance obligations, regulatory and clinical obligations remaining under Edge's NEWTON 2 study, fees and expenses related to the merger and liabilities relating to investigations of or litigation against Edge and other various claims and legal actions. As a result of this requirement, a portion of Edge's assets may need to be reserved pending the resolution of such obligations. In addition, Edge may be subject to litigation or other claims related to a dissolution and liquidation. If a dissolution and liquidation were pursued, the Edge Board, in consultation with its advisors, would need to evaluate these matters and make a determination about a reasonable amount to reserve. Accordingly, holders of Edge common stock could lose all or a significant portion of their investment in the event of a liquidation, dissolution or winding up of the company.

***Failure to obtain stockholder approval for the proposed reverse stock split may result in the combined company being unable to obtain compliance with minimum bid price requirements for an initial listing on any Nasdaq market tier and may result in Edge common stock being delisted from the Nasdaq Global Select Market.***

Edge is required pursuant to the terms of the Merger Agreement to submit to its stockholders a proposal to approve an amendment to its certificate of incorporation to authorize the Edge Board to effect a reverse stock split of all outstanding shares of its common stock. If the Reverse Stock Split Proposal is not approved by Edge's stockholders, the combined company will likely not be able to obtain compliance with the minimum bid price requirement for an initial listing on any Nasdaq market tier and, as a consequence, to the extent the merger is consummated under such circumstances, Nasdaq will immediately provide the combined company with written notification that the combined company's common stock will be delisted.

Upon receipt of such delisting letter, the combined company will likely appeal the determination to the Nasdaq hearings panel, or the Hearing Panel. If the combined company has not regained compliance with Nasdaq listing

requirements prior to such hearing, and the Hearing Panel decides to continue with delisting of the combined company, the Hearing Panel's decision may be appealed to the Nasdaq Listing and Hearing Review Council but such appeal would not stay the delisting process.

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***The issuance of shares of Edge common stock to PDS stockholders in the merger will dilute substantially the voting power of Edge's current stockholders.***

If the merger is completed, each outstanding share of PDS common stock will be converted into the right to receive a number of shares of Edge common stock equal to the Exchange Ratio determined pursuant to the Merger Agreement. Immediately following the merger, Edge securityholders are expected to own approximately 30% of the outstanding capital stock of the combined company on a fully diluted basis, and PDS securityholders are expected to own approximately 70% of the outstanding capital stock of the combined company on a fully diluted basis. Accordingly, the issuance of shares of Edge common stock to PDS stockholders in the merger will reduce significantly the relative voting power of each share of Edge common stock held by Edge's current securityholders. Consequently, Edge securityholders as a group will have significantly less influence over the management and policies of the combined company after the merger than prior to the merger.

If the combined company after the merger is unable to realize the strategic and financial benefits currently anticipated from the merger, the Edge stockholders and the PDS stockholders will have experienced substantial dilution of their ownership interests in their respective companies without receiving the expected commensurate benefit, or receiving only part of the commensurate benefit to the extent the combined company is able to realize only part of the expected strategic and financial benefits currently anticipated from the merger.

***The pendency of the merger could have an adverse effect on the trading price of Edge common stock and Edge's business, financial condition, results of operations or business prospects.***

While there have been no significant adverse effects to date, the pendency of the merger could disrupt Edge's businesses in the following ways, including:

- the attention of Edge's management may be directed toward the closing of the merger and related matters and may be diverted from the day-to-day business operations; and
- third parties may seek to terminate or renegotiate their relationships with Edge as a result of the merger, whether pursuant to the terms of their existing agreements with Edge or otherwise.

Should they occur, any of these matters could adversely affect the trading price of Edge common stock or harm Edge's financial condition, results of operations or business prospects.

***Stockholder litigation and regulatory inquiries and investigations are expensive and could harm Edge's business, financial condition and operating results and could divert management attention.***

In the past, securities class action litigation and/or stockholder derivative litigation and inquiries or investigations by regulatory authorities have often followed certain significant business transactions, such as the sale of a company or announcement of any other strategic transaction, such as the merger, or the announcement of negative events, such as negative results from clinical trials. Edge is currently and may in the future be the target of this type of litigation as a result of changes in Edge's stock price, past transactions, results of clinical trials or other matters. Any stockholder litigation and/or regulatory investigations against Edge, whether or not resolved in Edge's favor, could result in substantial costs and divert Edge's management's attention from other business concerns, which could adversely affect Edge's business and cash resources and Edge's ability to consummate a potential strategic transaction or the ultimate value Edge's stockholders receive in any such transaction.

***Edge is substantially dependent on Edge's remaining employees to facilitate the consummation of a strategic transaction.***

On May 1, 2018, Edge announced that it planned to reduce its workforce by 29 to a total of eight full-time employees. Edge's ability to successfully complete a strategic transaction depends in large part on Edge's ability to retain certain of its remaining personnel. Despite Edge's efforts to retain these employees, one or more may terminate their employment with Edge on short notice. The loss of the services of any of these employees could potentially harm Edge's ability to consummate the merger, to run Edge's day-to-day operations, as well as fulfill Edge's reporting obligations as a public company.

***There is no assurance that the proposed merger will be completed in a timely manner or at all. If the merger is not consummated, Edge's business could suffer materially and its stock price could decline.***

The closing of the proposed merger is subject to a number of closing conditions, including the approval by Edge's stockholders of the issuance of shares of Edge common stock pursuant to the Merger Agreement and the

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proposed reverse stock split of Edge common stock and other customary closing conditions. If the conditions are not satisfied or waived, the merger will not occur or will be delayed.

If the proposed merger is not consummated, Edge may be subject to a number of material risks, and Edge's business and stock price could be adversely affected, as follows:

- Edge has incurred and expects to continue to incur significant expenses related to the proposed merger even if the merger is not consummated;
- Edge could be obligated to pay PDS a termination fee of up to \$1.75 million under certain circumstances pursuant to the Merger Agreement;
- the market price of Edge common stock may decline to the extent that the current market price reflects a market assumption that the proposed merger will be completed; and
- Edge may not be able to pursue an alternate merger transaction if the proposed merger with PDS is not completed.

### **Risks Related to Development and Regulatory Approval**

*Edge may not be able to successfully develop or obtain regulatory approval for EG-1962 or any other product candidate.*

Edge has ceased all research and development activities for EG-1962 and its other product candidates. Edge currently has no drug products for sale and may never be able to develop marketable drug products. If Edge were to resume research and development activities, EG-1962 will require substantial additional clinical development, testing, and regulatory approval before Edge will be permitted to commence its commercialization. No clinical studies have been undertaken with respect to Edge's only other product candidates, EG-1964 and EG-1965. If Edge were to resume research and development activities, the clinical studies of Edge's product candidates will be, and the manufacturing and marketing of Edge's product candidates will be, subject to extensive and rigorous review and regulation by numerous government authorities in the United States and in other countries where Edge intends to investigate and, if approved, market any product candidate. If Edge were to resume research and development activities, before obtaining regulatory approvals for the commercial sale of any product candidate, Edge would have to successfully meet a number of critical developmental milestones. For example, for EG-1962, these would include:

- providing adequate and well-controlled data that the product candidate is safe and effective and shows a significant benefit over the active comparator in patients for the intended indication;
- demonstrating that the product candidate formulation is reproducible and can meet the relevant release specifications for each market Edge intends to commercialize in; and
- completing the development and scale-up to permit manufacture of Edge's product candidates in commercial quantities and at acceptable prices.

The time necessary to achieve these developmental milestones for any individual product candidate is long and uncertain.

If Edge were to resume research and development activities, Edge may not be able to finalize the design or formulation of any product candidate. In addition, if Edge were to resume research and development activities, Edge may select components, solvents, excipients or other ingredients to include in its product candidates that have not previously been used in approved pharmaceutical products, which may require Edge to perform additional studies and may delay clinical testing and regulatory approval of its product candidates. If Edge were to resume research and development activities, Edge may not be able to complete development of any product candidates that will be safe and effective and that will have a commercially reasonable treatment and storage period, and may not be able to commercialize and earn revenue from any products candidates. Moreover, even if a product candidate can be approved, it could be blocked by competitor patents or exclusivities.





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***The regulatory approval processes of the FDA and comparable foreign regulatory authorities are inherently unpredictable, and, to the extent Edge resumes research and development activities, if Edge's product candidates are subject to multiple cycles of review or Edge is ultimately unable to obtain regulatory approval for its product candidates, Edge's business will be substantially harmed. In addition, the regulatory approval processes can delay clinical trials, which can jeopardize the ability to generate revenues from the sale of products.***

Of the large number of drugs in development in the United States, only a small percentage successfully complete the FDA regulatory approval process and are commercialized. Edge has ceased all research and development activities for EG-1962 and its other product candidates but to the extent that Edge resumes research and development activities, Edge will not be permitted to market any of product candidates in the United States or in other global markets until Edge receives approval of an NDA from the FDA or the requisite approval from such other global regulatory authorities. Successfully completing clinical studies and obtaining approval of an NDA is complex, lengthy, and expensive. The FDA or a comparable foreign regulatory authority may delay, limit or deny approval of product candidates for many reasons, including, among others:

- disagreement with, or disapproval of, the design of, procedures for, or implementation of, clinical trials;
- the inability to comply with conditions imposed by a regulatory authority regarding the scope or design of a clinical trial;
- disagreement with the sufficiency of the final content and data included in a marketing application;
- feedback from the FDA or a comparable foreign regulatory authority on results from earlier stage or concurrent preclinical and clinical studies, that might require modification to the protocol;
- a decision by the FDA or a comparable foreign regulatory authority to suspend or terminate clinical trials at any time for safety issues or for any other reason;
- challenges in meeting regulatory requirements to commence clinical trials in countries outside the United States;
- failure to conduct the trial in accordance with regulatory requirements;
- failure to demonstrate that the product candidate provides an overall benefit to risk or significant enough improvement over the comparator in the proposed indication;
- failure of the product candidate to demonstrate efficacy at the level of statistical significance required for approval;
- a negative interpretation of the data from preclinical studies or clinical trials;
- deficiencies in the manufacturing processes or failure of third party manufacturing facilities to effectively and consistently manufacture product or to pass FDA pre-approval facility inspection;
- failure to demonstrate adequate and reproducible product stability to support product commercialization;
- failure to adequately demonstrate process performance qualification prior to product commercialization;
- inability to validate analytical and microbiological methods consistent with industry and government agency expectations; or
- changes in governmental regulations or administrative actions.

Further, if Edge were to resume research and development activities and experiences delays in the completion of, or termination of, any clinical trial of product candidates, the commercial prospects of those product candidates will be harmed, and Edge's ability to generate product revenues will be delayed or may not happen at all, which circumstances may significantly harm Edge's business, financial condition and prospects.

***Clinical drug development involves a lengthy and expensive process with an uncertain outcome, and results of earlier studies and trials and non-head-to-head analysis (e.g., historical comparisons) may not be predictive of future trial results.***

Clinical testing is expensive and can take many years to complete, and its outcome is inherently uncertain. Failure can occur at any time during the clinical trial process. The results of preclinical studies and early clinical



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trials of product candidates may not be predictive of the results of later-stage clinical trials. Many companies in the biotechnology industry have suffered significant setbacks in advanced clinical trials due to lack of efficacy, failure by the study drug to demonstrate sufficiently improved efficacy over a comparator arm, or adverse safety profiles, notwithstanding promising results in earlier trials. If Edge were to resume research and development activities, Edge's future clinical trials may not be successful.

***To the extent Edge were to resume research and development activities, even if a product candidate receives regulatory approval, it may still face future development and regulatory challenges and any approved products will be subject to extensive post-approval regulatory requirements.***

To the extent Edge were to resume research and development activities and in the future obtains regulatory approval for a product candidate, Edge would be subject to extensive ongoing requirements by the FDA and comparable foreign regulatory authorities governing the manufacture, quality control, further development, labeling, packaging, storage, distribution, safety surveillance, import, export, advertising, promotion, recordkeeping and reporting of safety and other post-market information. The safety profile of any product will continue to be closely monitored by the FDA and comparable foreign regulatory authorities after approval. If the FDA or comparable foreign regulatory authorities become aware of new safety information after approval of any of Edge's product candidates, these regulatory authorities may require labeling changes or, depending on the nature of the safety information, establishment of a Risk Evaluation and Mitigation Strategy, impose significant restrictions on a product's indicated uses or marketing, impose ongoing requirements for potentially costly post-approval studies or post-market surveillance, cause a recall or even move to withdraw the marketing approval for the product.

In addition, manufacturers of therapeutic products and their facilities are subject to continual review and periodic inspections by the FDA and other regulatory authorities for compliance with applicable regulations, including a focused pre-approval inspection in connection with any regulatory submission for approval. If Edge or a regulatory agency discover previously unknown problems with a product, such as problems with the facility where the product is manufactured, a regulatory agency may take regulatory actions against the manufacturing facility or Edge, leading to a product recall or withdrawal, or suspension of manufacturing.

If Edge, Edge's product candidates or the manufacturing facilities for Edge's product candidates fail to comply with applicable regulatory requirements, Edge's ability to commercialize Edge's products and generate revenue may be significantly limited.

Advertising and promotion of any product candidate that obtains approval in the United States may be heavily scrutinized by the FDA, including the Office of Prescription Drug Promotion, the Department of Justice, or the DOJ, the Department of Health and Human Services, Office of Inspector General, state attorneys general, members of Congress and the public. Violations, including promotion of products for unapproved (or off-label) uses, may be subject to enforcement letters, inquiries and investigations, and civil and criminal sanctions by the FDA. Additionally, advertising and promotion of any product candidate that obtains approval outside of the United States will be heavily scrutinized by comparable foreign regulatory authorities.

In the United States, engaging in impermissible promotion of products, including for off-label uses, can also subject companies to false claims litigation under federal and state statutes, which can lead to civil and criminal penalties and fines and agreements that materially restrict the manner in which a company can promote or distribute a drug product. These false claims statutes include the False Claims Act, or FCA, which allows any individual to bring a lawsuit against a pharmaceutical company on behalf of the federal government alleging submission of false or fraudulent claims, or causing to present such false or fraudulent claims, for payment by a federal program such as Medicare or Medicaid. If the government prevails in the lawsuit, the individual will share in any fines or settlement funds. Since 2004, these FCA lawsuits against pharmaceutical companies have increased significantly in volume and breadth,

leading to several substantial civil and criminal settlements based on certain sales practices promoting off-label drug uses. This growth in litigation has increased the risk that a pharmaceutical company will have to defend a false claim action, pay settlement fines or restitution, agree to comply with burdensome reporting and compliance obligations, and be excluded from the Medicare, Medicaid, and other federal and state healthcare programs. If Edge does not lawfully promote any approved products, Edge may become subject to such litigation and, if Edge is not successful in defending against such actions, those actions may have a material adverse effect on Edge's business, financial condition and results of operations.

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### ***Failure to obtain regulatory approval in international jurisdictions would prevent Edge's product candidates from being marketed abroad.***

To the extent Edge were to resume research and development activities and in the future obtains regulatory approval for a product candidate, in order to market and sell Edge's products in the EU, Canada, Japan and other international jurisdictions, Edge would have to obtain separate and distinct marketing approvals and comply with the respective regulatory requirements of each of these jurisdictions. The regulatory approval process outside the United States generally includes all of the risks associated with obtaining FDA approval, but can involve additional testing or safety surveillance. Edge may need to partner with third parties in order to obtain regulatory approvals outside the United States. Approval by the FDA does not necessarily guarantee approval by regulatory authorities in other countries or jurisdictions. Nor does the approval by one regulatory authority outside the United States ensure approval by regulatory authorities in other countries or jurisdictions or by the FDA. Edge may not be able to file for marketing approvals and may not receive necessary approvals to commercialize Edge's products in any market. If Edge is unable to obtain approval of any product candidates by regulatory authorities in the EU, Canada, and other international jurisdictions, the commercial prospects of those product candidates may be significantly diminished and Edge's business prospects could dramatically decline.

### **Risks Related to Edge's Business and Industry**

#### ***To the extent Edge were to resume research and development activities, Edge's future success will depend on Edge's ability to attract, retain and motivate qualified personnel.***

Edge does not have the resources or the required expertise to develop any of its potential product candidates. To the extent Edge were to seek to resume research and development activities, because of the specialized scientific nature of Edge's business, it would need to hire additional qualified scientific personnel. The competition for qualified personnel in the pharmaceutical field is intense and, as a result, Edge may be unable to attract qualified personnel necessary for the future development of Edge's business.

#### ***The pharmaceutical industry is highly competitive and is subject to rapid and significant technological change, which could render Edge's technologies and products obsolete or uncompetitive.***

If Edge were to resume research and development activities, there is no assurance that Edge's product candidates will be the most effective, the safest, the first to market, or the most economical to make or use. The introduction of competitive therapies as alternatives to any of Edge's product candidates could dramatically reduce the value of those development projects or chances of successfully commercializing those product candidates, which could have a material adverse effect on Edge's long-term financial success.

#### ***Edge's business and operations would suffer in the event of system failures.***

Despite the implementation of security measures, the servers of Edge's cloud-based computing providers and other systems, and those of Edge's CROs and other third parties on which Edge relies, are vulnerable to damage from computer viruses, unauthorized access, natural disasters, terrorism, war and telecommunication and electrical failures. If such an event were to occur and cause interruptions in Edge's operations, it could result in a material disruption of Edge's drug development programs if Edge were to resume research and development activities. For example, the loss of clinical trial data from completed or ongoing or planned clinical trials could result in delays in Edge's regulatory approval efforts and significantly increase Edge's costs to recover or reproduce the data. To the extent that any disruption or security breach was to result in a loss of or damage to Edge's data or applications, or inappropriate disclosure of confidential or proprietary information, Edge could incur liability and the further development of Edge's product candidates could be delayed.

***Any future collaborators may compete with Edge or have interests which conflict with Edge's. This may restrict any future research and development efforts.***

If Edge were to resume research and development activities, large pharmaceutical companies with whom Edge may seek to collaborate may have internal programs or enter into collaborations with Edge's competitors for products addressing the same medical conditions targeted by Edge's technologies. Thus, such collaborators may pursue alternative technologies or product candidates in order to develop treatments for the diseases or disorders targeted by Edge's collaborative arrangements. Such collaborators may pursue these alternatives either

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on their own or in collaboration with others, including Edge's competitors. Depending on how other product candidates advance, a corporate partner may slow down or abandon its work on Edge's product candidates or terminate its collaborative arrangement with Edge in order to focus on these other prospects.

If any conflicts arise, Edge's future collaborators may act in their own interests, which may be adverse to Edge. In addition, in Edge's future collaborations, Edge may be required to agree not to conduct any research that is competitive with the research conducted under Edge's future collaborations. Edge's future collaborations may have the effect of limiting the areas of research that Edge may pursue. Edge's collaborators may be able to develop products in related fields that are competitive with the products or potential products that are the subject of these collaborations.

***Business disruptions could seriously harm Edge's financial condition and increase Edge's costs and expenses.***

Edge's operations could be subject to natural disasters, power shortages, telecommunications failures, water shortages, fires, medical epidemics and other manmade disasters or business interruptions, for which Edge or they are predominantly self-insured. The occurrence of any of these business disruptions could seriously harm Edge's financial condition and increase Edge's costs and expenses.

***Edge's employees may engage in misconduct or other improper activities, including noncompliance with regulatory standards and requirements, which could have a material adverse effect on Edge's business.***

Edge is exposed to the risk of employee fraud or other misconduct. Misconduct by employees could include intentional failures to comply with FDA regulations or similar regulations of comparable foreign regulatory authorities, to provide accurate information to the FDA or comparable foreign regulatory authorities, to comply with federal and state healthcare fraud and abuse laws and regulations and similar laws and regulations established and enforced by comparable foreign regulatory authorities, to report financial information or data accurately or to disclose unauthorized activities to Edge. Edge has adopted, implemented, and is enforcing a code of conduct, or Code of Conduct, and other compliance-based policies and procedures, but it is not always possible to identify and deter employee misconduct, and the precautions Edge takes to detect and prevent this activity, such as employee training on enforcement of the Code of Conduct and other policies and procedures, may not be effective in controlling unknown or unmanaged risks or losses or in protecting Edge from governmental investigations or other actions or lawsuits stemming from a failure to be in compliance with such laws or regulations. If any such actions are instituted against Edge, and Edge is not successful in defending itself or asserting Edge's rights, those actions could have a significant impact on Edge, including the imposition of significant fines or other sanctions.

### **Risks Related to Edge's Intellectual Property**

***If Edge is unable to protect Edge's intellectual property rights, Edge's competitive position could be harmed.***

If Edge were to resume research and development activities, Edge will depend on its ability to protect its proprietary technology. Edge relies on trade secret, patent, copyright and trademark laws, and confidentiality, licensing and other agreements with employees and third parties, all of which offer only limited protection. If Edge were to resume research and development activities, Edge's success will depend in large part on its ability to obtain and maintain patent protection in the United States and other countries with respect to Edge's proprietary technology and products.

The patent positions of biotechnology and pharmaceutical companies generally are highly uncertain, involve complex legal and factual questions and have in recent years been the subject of much litigation. As a result, the issuance, scope, validity, enforceability and commercial value of Edge's patents are highly uncertain.

The steps Edge has taken to police and protect Edge's proprietary rights may not be adequate to preclude misappropriation of Edge's proprietary information or infringement of Edge's intellectual property rights, both inside and outside the United States. The rights already granted under any of Edge's currently issued/granted patents and those that may be granted under future issued/granted patents may not provide Edge with the proprietary protection or competitive advantages Edge may seek in the future. If Edge is unable to obtain and maintain patent protection for Edge's technology and products, or if the scope of the patent protection obtained is not sufficient, Edge's competitors could develop and commercialize technology and products similar or superior to Edge's, and Edge's ability to successfully commercialize Edge's technology and products may be adversely affected.



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Although Edge has a number of issued/granted patents, the issuance/grant of a patent is not conclusive as to its inventorship, scope, validity or enforceability, and issued/granted patents that Edge owns or has licensed from third parties may be challenged in the courts or patent offices in the United States and abroad. Such challenges may result in the loss of patent protection, the narrowing of claims in such patents, or the invalidity or unenforceability of such patents, which could limit Edge's ability to stop others from using or commercializing similar or identical technology and products, or limit the duration of the patent protection for Edge's technology and products.

Protecting against the unauthorized use of Edge's patented technology, trademarks and other intellectual property rights is expensive, difficult and, may in some cases not be possible. In some cases, it may be difficult or impossible to detect third party infringement or misappropriation of Edge's intellectual property rights, even in relation to issued/granted patent claims, and proving any such infringement may be even more difficult.

***Edge could be required to incur significant expenses to obtain Edge's intellectual property rights, and Edge cannot ensure that Edge will obtain meaningful patent protection for its products.***

The patent prosecution process is expensive and time-consuming, and Edge or any future licensors may not be able to file and prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. In addition, if Edge were to resume research and development activities, it is also possible that Edge or Edge's licensors will fail to identify patentable aspects of further inventions made in the course of Edge's development and commercialization activities before they are publicly disclosed, making it too late to obtain patent protection on them. Further, given the amount of time required for the development, testing and regulatory review of new product candidates, patents protecting such candidates might expire before or shortly after such candidates are commercialized. Changes in either the patent laws or interpretation of the patent laws in the United States and other countries may diminish the value of Edge's patents or narrow the scope of Edge's patent protection. The laws of foreign countries may not protect Edge's rights to the same extent as the laws of the United States, and these foreign laws may also be subject to change.

***Obtaining and maintaining Edge's patent protection depends on compliance with various procedural, document submissions, fee payment and other requirements imposed by governmental patent agencies, and Edge's patent protection could be reduced or eliminated for non-compliance with these requirements.***

Periodic maintenance fees on any issued/granted patent are due to be paid to the USPTO and foreign patent agencies in several stages over the lifetime of the patent. The USPTO and various foreign governmental patent agencies require compliance with a number of procedural, documentary, fee payment and other similar provisions during the patent application process. While an inadvertent lapse can in many cases be cured by payment of a late fee or by other means in accordance with the applicable rules, there are situations in which noncompliance can result in abandonment or lapse of the patent or patent application, resulting in partial or complete loss of patent rights in the relevant jurisdiction. Non-compliance events that could result in abandonment or lapse of a patent or patent application include, but are not limited to, failure to respond to official actions within prescribed time limits, non-payment of fees and failure to properly legalize and submit formal documents. If Edge or Edge's licensors fail to maintain the patents and patent applications covering any of Edge's product candidates, Edge's competitors might be able to enter the market, which would have a material adverse effect on Edge's business.

***Edge may become involved in lawsuits to protect or enforce Edge's intellectual property, which could be expensive, time consuming and unsuccessful.***

Competitors may infringe Edge's patents or misappropriate or otherwise violate Edge's intellectual property rights. To counter infringement or unauthorized use, litigation may be necessary in the future to enforce or defend Edge's intellectual property rights, to protect Edge's trade secrets or to determine the validity and scope of Edge's own intellectual property rights or the proprietary rights of others. This can be expensive and time consuming and results

can be uncertain. Many of Edge's current and potential competitors have the ability to dedicate substantially greater resources to defend their intellectual property rights than Edge can. Accordingly, despite Edge's efforts, Edge may not be able to prevent third parties from infringing upon or misappropriating Edge's intellectual property, particularly in certain parts of the world. Litigation could result in substantial costs and diversion of management resources, which could harm Edge's business and financial results. In addition, in an infringement proceeding, a court may decide that a patent owned by, or licensed to, Edge is invalid or unenforceable, or may refuse to stop the other party from using the technology at issue on the grounds that

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Edge's patents do not cover the technology in question. An adverse result in any litigation proceeding could put one or more of Edge's patents at risk of being invalidated, held unenforceable or interpreted narrowly. Furthermore, because of the substantial amount of discovery required in connection with intellectual property litigation, there is a risk that some of Edge's confidential information could be compromised by disclosure during this type of litigation. If any of these occur, Edge's business could be materially and adversely affected.

***From time to time Edge may need to rely on licenses to proprietary technologies, which may be difficult, expensive or not possible to obtain or Edge may lose certain licenses which may be difficult or not possible to replace.***

If Edge were to resume research and development activities, Edge may need to obtain licenses to patents and other proprietary rights held by third parties to develop, manufacture and market Edge's product candidates. If Edge is unable to timely obtain these licenses on commercially reasonable terms and maintain these licenses, Edge's ability to commercially market Edge's product candidates may be inhibited or prevented, which could have a material adverse effect on Edge's business, results of operations, financial condition and cash flows.

***Third parties may initiate legal proceedings alleging that Edge is infringing their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on the success of Edge's business.***

If Edge were to resume research and development activities, Edge's commercial success will depend upon Edge's ability to develop, manufacture, market and sell Edge's product candidates, and to use Edge's proprietary technologies without infringing the proprietary rights of third parties. Edge may become party to, or threatened with, future adversarial proceedings or litigation regarding intellectual property rights with respect to Edge's products and technology, including interference (for patents with an effective date before March 16, 2013) and various post grant proceedings before the USPTO, and opposition proceedings at other patent offices. Third parties may assert infringement claims against Edge based on existing patents or patents that may be granted in the future. In the event a third party were to assert an infringement claim against Edge and Edge were ultimately found to infringe the third party's intellectual property rights, Edge could be required to obtain a license from such third party to continue developing and commercializing Edge's products and technology. However, Edge may not be able to obtain an appropriate license on commercially reasonable terms or at all. Even if Edge is able to obtain a license, it may be non-exclusive, thereby giving Edge's competitors access to the same technologies licensed to Edge. Edge could be forced, including by court order, to cease commercializing the infringing technology or product. In addition, in any such proceeding or litigation, Edge could be found liable for monetary damages. A finding of infringement could prevent Edge from commercializing Edge's product candidates or force Edge to cease some of Edge's business operations, which could materially harm Edge's business. Any claims by third parties that Edge has misappropriated their confidential information or trade secrets could have a similar negative impact on Edge's business.

***Edge's trade secrets are difficult to protect.***

Confidentiality agreements with employees and others may not adequately prevent disclosure of Edge's trade secrets and other proprietary information and may not adequately protect Edge's intellectual property.

If Edge were to resume research and development activities, Edge's success will depend upon the skills, knowledge and experience of Edge's scientific and technical personnel, Edge's consultants and advisors as well as Edge's partners, licensors and contractors. Because Edge operates in a highly competitive technical field of drug discovery, Edge relies in part on trade secrets to protect Edge's proprietary technology and processes. However, trade secrets are difficult to protect. Edge enters into confidentiality and invention assignment agreements with Edge's employees and certain of Edge's corporate partners, consultants, sponsored researchers and other advisors. These agreements generally require that the receiving party keep confidential and not disclose to third parties all confidential information developed by the receiving party or made known to the receiving party by Edge during the course of the receiving party's relationship

with Edge. These confidentiality and assignment agreements may be breached and may not effectively assign intellectual property rights to Edge.

Edge's trade secrets also could be independently discovered by competitors, in which case Edge would not be able to prevent use of such trade secrets by Edge's competitors. The enforcement of a claim alleging that a party illegally obtained and was using Edge's trade secrets could be difficult, expensive and time consuming and

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the outcome would be unpredictable. In addition, courts outside the United States may be less willing to protect trade secrets. The failure to obtain or maintain meaningful trade secret protection could adversely affect Edge's competitive position.

***Edge may be subject to claims that Edge's employees or consultants have wrongfully used or disclosed alleged trade secrets of their former employers or other third parties.***

Many of Edge's employees and consultants were previously employed at other biotechnology or pharmaceutical companies, including Edge's competitors or potential competitors. Some of these employees, including each member of Edge's senior management, and consultants executed proprietary rights, non-disclosure and non-competition agreements in connection with such previous employment. Although Edge tries to ensure that Edge's employees and consultants do not use the proprietary information or know-how of others in their work for Edge, Edge may be subject to claims that Edge or these employees and consultants have used or disclosed intellectual property, including trade secrets or other proprietary information, of any such employee's or consultant's former employer. Edge is not aware of any threatened or pending claims related to these matters or concerning the agreements with Edge's senior management, but in the future, litigation may be necessary to defend against such claims. If Edge fails in defending any such claims, in addition to paying monetary damages, Edge may lose valuable intellectual property rights or personnel. Even if Edge is successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

***Intellectual property disputes could cause Edge to spend substantial resources.***

Even if resolved in Edge's favor, litigation or other legal proceedings relating to intellectual property claims may cause Edge to incur significant expenses. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the market price of Edge's common stock. Such litigation or proceedings could substantially increase Edge's operating losses and reduce the resources available for development activities or any future sales, marketing or distribution activities. Edge may not have sufficient financial or other resources to adequately conduct such litigation or proceedings. Some of Edge's competitors may be able to sustain the costs of such litigation or proceedings more effectively than Edge can because of their greater financial resources. Uncertainties resulting from the initiation and continuation of patent litigation or other proceedings could have a material adverse effect on Edge's ability to compete in the marketplace.

***Edge may not be able to protect Edge's intellectual property rights throughout the world.***

Filing, prosecuting and defending patents on all of Edge's product candidates throughout the world could be prohibitively expensive.

Competitors may use Edge's technologies in jurisdictions where Edge has not obtained patent protection to develop their own products and further, may export otherwise infringing products to territories where Edge has patent protection, but where enforcement is not as strong as that in the United States. These products may compete with any of Edge's future products, to the extent Edge resumes research and development activities, in jurisdictions where Edge does not have any issued/granted patents and Edge's patent claims or other intellectual property rights may not be effective or sufficient to prevent them from so competing.

Many companies have encountered significant problems in protecting and defending intellectual property rights in foreign jurisdictions. The legal systems of certain countries do not favor the enforcement of patents and other intellectual property protection, particularly those relating to biopharmaceuticals, which could make it difficult for Edge to stop the infringement of Edge's patents or marketing of competing products in violation of Edge's proprietary

rights generally. Proceedings to enforce Edge's patent rights in foreign jurisdictions could result in substantial cost and divert Edge's efforts and attention from other aspects of Edge's business and will have uncertain outcomes.

**Risks Related to Edge's Financial Position and Capital Needs**

*Edge has incurred significant losses since Edge's inception and anticipates that Edge will continue to incur losses for the foreseeable future.*

Edge is a clinical-stage biotechnology company. Investment in biotechnology product development is highly speculative because it entails substantial upfront capital expenditures and significant risk that a product candidate will fail to gain regulatory approval or become commercially viable. Edge has not generated any revenue from

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product sales to date, and Edge continues to incur expenses related to Edge's ongoing operations. As a result, Edge is not profitable and has incurred losses in each period since inception in 2009. For the years ended December 31, 2017 and December 31, 2016 and the nine months ended September 30, 2018, Edge reported a net loss of \$50.9 million, \$38.8 million and 37.8 million, respectively.

Edge expects to continue to incur losses for the foreseeable future. Edge may encounter unforeseen expenses, difficulties, complications, delays and other unknown factors that may adversely affect Edge's business. Edge's prior losses and expected future losses have had and will continue to have an adverse effect on Edge's stockholders' (deficit) equity and working capital.

***Edge has not generated any revenues since inception and may never become profitable.***

Edge has not generated any revenues since Edge's inception. If Edge were to resume research and development activities, even if Edge is able to successfully achieve regulatory approval for any product candidates, Edge does not know when any of these products will generate revenue for Edge, if at all.

***If Edge were to resume research and development activities, Edge will require additional capital to fund Edge's operations and if Edge fails to obtain necessary financing, Edge will not be able to complete the development and commercialization of Edge's product candidates.***

Edge's operations have consumed substantial amounts of cash since inception. If Edge were to resume research and development activities, Edge will require additional capital for the further development and commercialization of Edge's product candidates.

Under such circumstances Edge cannot be certain that additional funding will be available on acceptable terms, or at all. If Edge is unable to raise additional capital in sufficient amounts or on terms acceptable to Edge, Edge may have to significantly delay, scale back or discontinue the development or commercialization of one or more of Edge's products or product candidates or one or more of Edge's other research and development initiatives.

***Raising additional capital may cause dilution to Edge's stockholders, restrict Edge's operations or require Edge to relinquish rights to Edge's technologies or product candidates.***

If Edge were to resume research and development activities, Edge may seek additional capital through a combination of private and public equity offerings, debt financings, strategic partnerships and alliances and licensing arrangements. To the extent that Edge raises additional capital through the sale of equity or convertible debt securities, Edge's then-existing stockholders' ownership interest will be diluted, and the terms may include liquidation or other preferences that adversely affect the rights of then-existing stockholders. Debt financings may be coupled with an equity component, such as warrants to purchase stock, which could also result in dilution of Edge's then-existing stockholders' ownership. The incurrence of indebtedness would result in increased fixed payment obligations and could also result in certain restrictive covenants, such as limitations on Edge's ability to incur additional debt, limitations on Edge's ability to acquire or license intellectual property rights and other operating restrictions that could adversely impact Edge's ability to conduct Edge's business and may result in liens being placed on Edge's assets and intellectual property. If Edge were to default on such indebtedness, Edge could lose such assets and intellectual property. If Edge raises additional funds through strategic partnerships and alliances and licensing arrangements with third parties, Edge may have to relinquish valuable rights to Edge's product candidates, or grant licenses on terms that are not favorable to Edge.

### **Risks Related to Ownership of Edge's Common Stock**

***The trading market in Edge's common stock has been extremely limited and substantially less liquid than the average trading market for a stock quoted on the NASDAQ Global Select Market.***

Prior to Edge's initial public offering, or IPO, there was no market for shares of Edge's common stock. Since Edge's initial listing on the NASDAQ Global Select Market on October 1, 2015, the trading market in Edge's common stock has been limited and substantially less liquid than the average trading market for companies quoted on the NASDAQ Global Select Market. The quotation of Edge's common stock on the NASDAQ Global Select Market does not assure that a meaningful, consistent and liquid trading market currently exists. Edge cannot predict whether a more active market for Edge's common stock will develop in the future. An absence of an active trading market could adversely affect Edge's stockholders' ability to sell Edge's common



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stock at current market prices in short time periods, or possibly at all. Additionally, market visibility for Edge's common stock may be limited and such lack of visibility may have a depressive effect on the market price for Edge's common stock. As of December 31, 2018, approximately 41% of Edge's outstanding shares of common stock was held by Edge's officers, directors, beneficial owners of 5% or more of Edge's capital stock and their respective affiliates, which adversely affects the liquidity of the trading market for Edge's common stock, inasmuch as federal securities laws restrict sales of Edge's shares by these stockholders under certain circumstances. If Edge's affiliates continue to hold their shares of common stock, there will be limited trading volume in Edge's common stock, which may make it more difficult for investors to sell their shares or increase the volatility of Edge's stock price.

***If Edge fails to continue to meet all applicable Nasdaq Global Select Market requirements and Nasdaq determines to delist Edge's common stock, the delisting could adversely affect the market liquidity of Edge's common stock and the market price of Edge's common stock could decrease.***

Edge's common stock is listed on The Nasdaq Global Select Market. In order to maintain Edge's listing, Edge must meet minimum financial and other requirements, including requirements for a minimum amount of capital, a minimum price per share and continued business operations so that Edge is not characterized as a public shell company. Edge has received written notice from Nasdaq stating that, at present, Edge is not in compliance with the audit committee requirements for continued listing on The Nasdaq Global Select Market, because Edge currently has an audit committee comprised of two members. If Edge does not regain compliance with audit committee requirements in a timely manner, Nasdaq will provide written notification to Edge that Edge's securities will be subject to delisting. In addition, Edge has received written notice from Nasdaq stating that, at present, Edge is not in compliance with the bid price requirements for Edge's common stock because the bid price for Edge's common stock had closed below \$1.00 per share for 30 consecutive business days. If Edge does not regain compliance with the bid price requirements in a timely manner, Nasdaq will provide written notification to Edge that Edge's securities will be subject to delisting.

Nasdaq has notified Edge that, in connection with the Merger, Edge will be required to submit a new listing application and meet Nasdaq's initial listing requirements, as opposed to Nasdaq's more lenient continued listing requirements. Edge cannot provide any assurance that it will meet the initial listing requirements at the closing of the Merger. If the merger is consummated, the combined company following such transaction will need to meet Nasdaq's initial listing standards. If Edge is unable to comply with Nasdaq's listing standards, Nasdaq may determine to delist Edge's common stock from The Nasdaq Global Select Market or other of Nasdaq's trading markets. If Edge's common stock is delisted for any reason, it could reduce the value of Edge's common stock and its liquidity.

***Market volatility may affect Edge's stock price and the value of Edge's stockholders' investment.***

The trading price of Edge's common stock, similar to other biotechnology companies, is likely to be highly volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond Edge's control, including, among others:

- regulatory actions with respect to Edge;
- the recruitment or departure of key personnel;
- announcements by Edge or Edge's competitors of significant acquisitions, strategic partnerships, joint ventures, collaborations or capital commitments;
- regulatory or legal developments in the United States and other countries;
- developments or disputes concerning patent applications, issued/granted patents or other proprietary rights;
- the level of Edge's expenses;
- actual or anticipated changes in estimates as to financial results;
- variations in Edge's financial results or those of companies that are perceived to be similar to Edge;

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- fluctuations in the valuation of companies perceived by investors to be comparable to Edge;
- share price and volume fluctuations attributable to inconsistent trading volume levels of Edge's shares;

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- announcement or expectation of additional financing efforts;
- sales of Edge's common stock by Edge, Edge's insiders or Edge's other stockholders;
- market conditions in the pharmaceutical and biotechnology sectors; and
- general economic, industry and market conditions.

In addition, the stock market in general, and pharmaceutical and biotechnology companies in particular, have experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of these companies.

Broad market and industry factors may negatively affect the market price of Edge's common stock, regardless of Edge's actual operating performance. The realization of any of the above risks or any of a broad range of other risks, including those described in these Risk Factors, could have a dramatic and material adverse impact on the market price of Edge's common stock.

***Future sales of a substantial number of shares of Edge's common stock in the public market or other issuances of Edge's common stock or rights to purchase common stock, including pursuant to equity incentive plans could result in additional dilution of the percentage ownership of Edge's stockholders and could cause Edge's stock price to fall.***

Edge's stock price could decline as a result of sales of a large number of shares of Edge's common stock, including shares issuable upon exercise of stock options and warrants, or the perception that these sales could occur. These sales, or the possibility that these sales may occur, also might make it more difficult for Edge to sell equity securities in the future at a time and at a price that Edge deems appropriate.

As of December 31, 2018, the holders of up to 3,290,905 shares, or 10.4%, of Edge's common stock outstanding, will have rights, subject to some conditions, to require Edge to file registration statements covering the sale of their shares or to include their shares in registration statements Edge may file for itself or other stockholders. Once Edge registers the offer and sale of shares for the holders of registration rights, they can be freely sold in the public market.

In addition, in the future, Edge may issue additional shares of common stock or other equity or debt securities convertible into common stock in connection with a financing, acquisition, litigation settlement, employee arrangements, or otherwise. Any such issuance could result in substantial dilution to Edge's then-existing stockholders and could cause Edge's stock price to decline.

***Future issuances of Edge's common stock or rights to purchase common stock, including pursuant to Edge's equity incentive plans, could result in additional dilution of the percentage ownership of Edge's stockholders and could cause Edge's stock price to fall.***

Any future issuances of common stock or common stock-related securities, together with the exercise of outstanding options and warrants to purchase 7,632,383 shares of common stock as of December 31, 2018 and any additional shares issued in connection with acquisitions, if any, may result in material dilution to Edge's then-existing stockholders, and new investors could gain rights, preferences and privileges senior to those of holders of Edge's common stock.

***Edge's principal stockholders and management own a significant percentage of Edge's stock and will be able to exert significant control over matters subject to stockholder approval.***

As of December 31, 2018, Edge's executive officers, directors, holders of 5% or more of Edge's capital stock and their respective affiliates beneficially owned approximately 41% of Edge's outstanding voting stock (assuming no exercise of outstanding stock options). These stockholders may be able to determine the outcome of all matters requiring

stockholder approval. For example, these stockholders may be able to control elections of directors, amendments of Edge's organizational documents, or approval of any merger, sale of assets or other major corporate transaction. This may prevent or discourage unsolicited acquisition proposals or offers for Edge's common stock that Edge's then-existing stockholders may feel are in their best interest. The interests of this group of stockholders may not always coincide with your interests or the interests of other stockholders and they may act in a manner that advances their best interests and not necessarily those of other stockholders, including seeking a premium value for their common stock, and might affect the prevailing market price for Edge's common stock.

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***Some provisions of Edge's charter documents and Delaware law may have anti-takeover effects that could discourage an acquisition of Edge by others, even if an acquisition would be beneficial to Edge's stockholders and may prevent attempts by Edge's stockholders to replace or remove Edge's current management.***

Provisions in Edge's amended and restated certificate of incorporation, or certificate of incorporation, and amended and restated bylaws, or bylaws, as well as provisions of Delaware law, could make it more difficult for a third party to acquire Edge or increase the cost of acquiring Edge, even if doing so would benefit Edge's stockholders, or remove Edge's current management. These provisions include:

- authorizing the issuance of blank check preferred stock, the terms of which may be established and shares of which may be issued without stockholder approval;
- prohibiting cumulative voting in the election of directors, which would otherwise allow for less than a majority of stockholders to elect director candidates;
- prohibiting stockholder action by written consent, thereby requiring all stockholder actions to be taken at a meeting of Edge's stockholders;
- eliminating the ability of stockholders to call a special meeting of stockholders;
- establishing a staggered board of directors; and
- establishing advance notice requirements for nominations for election to the board of directors or for proposing matters that can be acted upon at stockholder meetings.

These provisions may frustrate or prevent any attempts by Edge's stockholders to replace or remove Edge's current management by making it more difficult for stockholders to replace members of Edge's board of directors, who are responsible for appointing the members of Edge's management. Because Edge is incorporated in Delaware, Edge is governed by the provisions of Section 203 of the Delaware General Corporation Law, which may discourage, delay or prevent someone from acquiring Edge or merging with Edge whether or not it is desired by or beneficial to Edge's stockholders. Under Delaware law, a corporation may not, in general, engage in a business combination with any holder of 15% or more of its capital stock unless the holder has held the stock for three years or, among other things, the board of directors has approved the transaction. Any provision of Edge's amended and restated certificate of incorporation or amended and restated bylaws or Delaware law that has the effect of delaying or deterring a change in control could limit the opportunity for Edge's stockholders to receive a premium for their shares of Edge's common stock, and could also affect the price that some investors are willing to pay for Edge's common stock.

***Because Edge does not anticipate paying any cash dividends on Edge's capital stock in the foreseeable future, capital appreciation, if any, will be Edge's stockholders' sole source of gain.***

Edge has never declared or paid cash dividends on Edge's capital stock. Edge currently intends to retain all of Edge's future earnings, if any, to finance Edge's business. In addition, any future debt agreements may preclude Edge from paying dividends. As a result, capital appreciation, if any, of Edge's common stock will be Edge's stockholders' sole source of gain for the foreseeable future.

***Edge is an emerging growth company and Edge intends to take advantage of reduced disclosure and governance requirements applicable to emerging growth companies, which could result in Edge's common stock being less attractive to investors.***

Edge is an emerging growth company, as defined in the JOBS Act, and Edge intends to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in Edge's periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved.

Edge cannot predict if investors will find Edge's common stock less attractive because Edge will rely on these exemptions. Edge may take advantage of these reporting exemptions until Edge is no longer an emerging growth company, which could potentially be for up to five years

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after the date of Edge's IPO, which occurred on October 1, 2015. If investors find Edge's common stock less attractive as a result of Edge's reduced reporting requirements, there may be a less active trading market for Edge's common stock and Edge's stock price may be more volatile. Edge may also be unable to raise additional capital as and when Edge needs it.

***If Edge fails to maintain an effective system of internal control over financial reporting in the future, Edge may not be able to accurately report Edge's financial condition, results of operations or cash flows, which may adversely affect investor confidence in Edge and, as a result, the value of Edge's common stock.***

The Sarbanes-Oxley Act requires, among other things, that Edge maintain effective internal controls for financial reporting and disclosure controls and procedures. Edge's annual report on Form 10-K includes a report by management on, among other things, the effectiveness of Edge's internal control over financial reporting. This assessment includes disclosure of any material weaknesses identified by Edge's management in Edge's internal control over financial reporting. A material weakness is a control deficiency, or combination of control deficiencies, in internal control over financial reporting that results in more than a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented or detected on a timely basis. Section 404 of the Sarbanes-Oxley Act also generally requires an attestation from Edge's independent registered public accounting firm on the effectiveness of Edge's internal control over financial reporting. However, for as long as Edge remains an emerging growth company as defined in the JOBS Act, Edge intends to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the independent registered public accounting firm attestation requirement.

Edge's compliance with Section 404 requires that Edge incur additional accounting expense and management efforts. Edge currently does not have an internal audit group. Edge may not be able to complete any required Section 404 evaluation, testing and remediation in a timely fashion. During the evaluation and testing process, if Edge identifies one or more material weaknesses in Edge's internal control over financial reporting, Edge will be unable to assert that Edge's internal control over financial reporting is effective. Edge cannot assure Edge's stockholders that there will not be material weaknesses or significant deficiencies in Edge's internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit Edge's ability to accurately report Edge's financial condition, results of operations or cash flows. If Edge is unable to conclude that Edge's internal control over financial reporting is effective, or if Edge's independent registered public accounting firm determines Edge has a material weakness or significant deficiency in Edge's internal control over financial reporting, Edge could lose investor confidence in the accuracy and completeness of Edge's financial reports, the market price of Edge's common stock could decline, and Edge could be subject to sanctions or investigations by NASDAQ, the SEC or other regulatory authorities. Failure to remedy any material weakness in Edge's internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict Edge's future access to the capital markets.

***Edge's disclosure controls and procedures may not prevent or detect all errors or acts of fraud.***

Edge's disclosure controls and procedures are designed to reasonably assure that information required to be disclosed by Edge in reports Edge files or submits under the Exchange Act is accumulated and communicated to management, recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. Edge believes that any disclosure controls and procedures or internal controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met.

These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of

some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in Edge's control system, misstatements or insufficient disclosures due to error or fraud may occur and not be detected.



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### **Risks Related to PDS**

#### **Risks Related to PDS's Business, Financial Position and Capital Requirements**

*PDS has a limited operating history and has never generated any product revenue.*

PDS is a clinical-stage biopharmaceutical company with a limited operating history. PDS was founded in December 2005, and its operations to date have been limited to organizing its company and developing the Versamune® platform and related immunotherapy product candidates that incorporate the technology of its Versamune® platform. PDS has not yet successfully completed a large-scale, pivotal clinical trial, obtained marketing approval, manufactured Versamune® at commercial scale, or conducted sales and marketing activities that will be necessary to successfully commercialize its Versamune® products. Consequently, predictions about PDS's future success or viability may not be as accurate as they could be if it had a longer operating history or a history of successfully developing and commercializing immunotherapies.

PDS's ability to generate revenue and achieve and maintain profitability will depend upon its ability to successfully complete the development of its Versamune®-based products for the treatment of HPV-related cancers, or PDS0101, and/or complete the development of its PDS0102, PDS0103, or PDS0104 products, or, collectively with PDS0101, the Versamune® Products, for treatment of non-HPV-related cancers and other infectious diseases and to obtain the necessary regulatory approvals. PDS has never generated any product revenue, and has no immunotherapy candidate in late-stage clinical development or approved for commercial sale.

Even if PDS receives regulatory approval for the sale of the Versamune® Products, it does not know when it will begin to generate revenue from PDS0101, if at all. PDS's ability to generate revenue depends on a number of factors, including its ability to:

- set an acceptable price for Versamune®-based immunotherapy candidates, including the Versamune® Products, and obtain coverage and adequate reimbursement from third-party payors;
- establish sales, marketing, manufacturing and distribution systems;
- add operational, financial and management information systems and personnel, including personnel to support its clinical, manufacturing and planned future clinical development and commercialization efforts and operations as a public company;
- develop manufacturing capabilities for bulk materials and manufacture commercial quantities of PDS0101 and other Versamune® Products at acceptable cost levels;
- achieve broad market acceptance of PDS0101 and other Versamune® Products in the medical community and with third-party payors and consumers;
- attract and retain an experienced management and advisory team;
- launch commercial sales of PDS0101 and other Versamune® Products, whether alone or in collaboration with others; and
- maintain, expand and protect PDS's intellectual property portfolio.

Because of the numerous risks and uncertainties associated with immunotherapy development and manufacturing, PDS is unable to predict the timing or amount of increased development expenses, or when it will be able to achieve or maintain profitability, if at all. PDS's expenses could increase beyond expectations if it is required by the U.S. Food and Drug Administration, or FDA, or comparable non-U.S. regulatory authorities, to perform studies or clinical trials in addition to those it currently anticipates. Even if PDS0101 is approved for commercial sale, it anticipates incurring significant costs associated with the commercial launch of and the related commercial-scale manufacturing requirements for PDS0101 and other Versamune® Products. If PDS cannot successfully execute on any of the factors listed above, PDS's business may not succeed and your investment will be adversely affected.

***PDS has incurred significant losses since its inception and expects to continue to incur significant losses for the foreseeable future and may never achieve or maintain profitability.***

PDS has never generated any product revenues and it expects to continue to incur substantial and increasing losses as it continues to develop PDS0101 and other Versamune<sup>®</sup> Products. PDS0101 has not been approved for