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London Zurich
November 18/19, 2015

COSMO Pharmaceuticals

Safe Harbour

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At a glance : Income Statement

EUR/1,000	30.06.2015	30.06.2014
Revenues	**19,998**	**41,077**
Other Income	5	22
Cost of sales	(11,088)	(10,061)
Research and development costs	(13,225)	(9,202)
Selling, general and administrative costs	(19,160)	(7,230)
Net Operating expenses	**(43,498)**	**(26,471)**
Net result from disposal of controlling interests	**258,516**	**-**
Operating Result	***235,016***	***14,606***
Financial income	9,489	66,818
Financial expenses	(4,312)	(2,047)
Profit Before Taxes	***240,193***	***79,377***
Income tax expenses	(2,670)	(2,569)

EUR/1,000	30.06.2015	30.06.2014
Profit (loss) for the period (A)	**237,523**	**76,808**
Other comprehensive income that will be not reclassified to P/L	20	(23)
Other comprehensive income that will be reclassified to P/L	1,057	(63,686)
Total other comprehensive income, net of tax (B)	**1,077**	**(63,709)**
Total comprehensive income (A)+(B)	**238,600**	**13,099**

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At a glance: balance sheet

EUR/1,000	30.06.2015	31.12.2014
Non current financial assets & investments in associates	201,001	120,826
Other non current assets	30,778	34,086
Cash and cash equivalents	42,134	34,138
Current financial assets	5,040	25,326
Other current assets	171,519	11,245
Total assets	**450,472**	**225,621**
Medium-to long-term interest-bearing loans and borrowings	7,989	8,930
Other non-current liabilities	3,063	3,746
Short-term interest-bearing loans and borrowings	1,974	2,000
Other current liabilities	45,709	58,656
Equity attributable to owners of the company	**391,725**	**152,276**
Non controlling interest	12	13
Total equity and liabilities	**450,472**	**225,621**

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Cosmo's business philosophy ...

- Leverage on internal know-how
- Keep overheads low and small & flexible managerial infrastructure
- Develop proprietary R&D
- Retain manufacture of own products
- Transform products in equity opportunities

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Cosmo achievements to date:

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Two GI products on the market

- **Lialda**

Launch 2007
First year sales $ 50 m
Second year sales $ 140 m
2014 sales $ 634 m

- **Uceris**

Launch 2013
First year sales $ 66 m
Second year sales $ 152 m
Patent extended from 2020 to 2031

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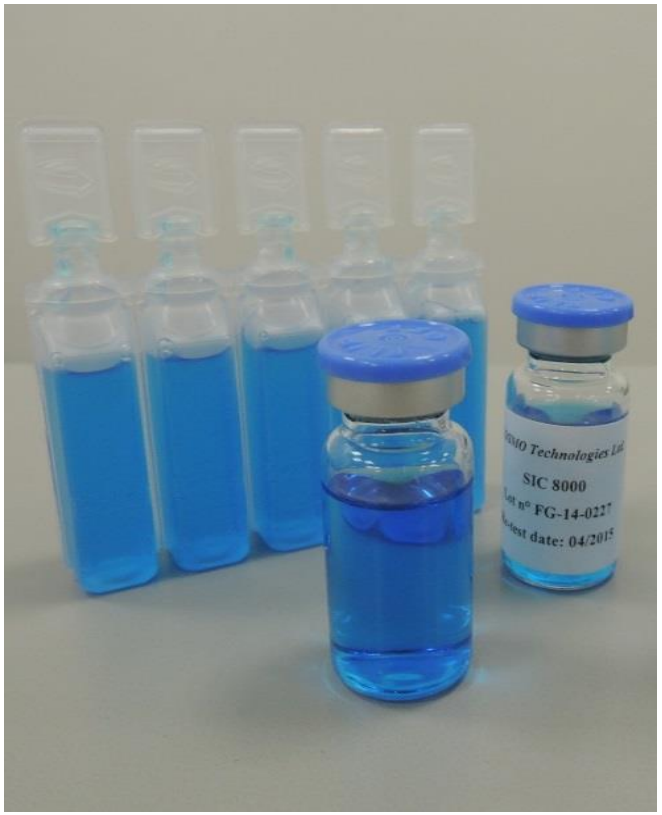
First medical device approved in US and filed in EU



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Equity for products transactions

- June 2015:Listing of fully owned derma subsidiary Cassiopea on Swiss SIX

- July 2014:USD 2,4 bn inversion deal with Salix (mutually terminated)

- June 2013/January 2014: sale of 11% stake acquired in Santarus in 2008 for a cumulative gain of US$ 123.3 million

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Summary of Cassiopea transaction

- End of March decision to rename skin division into Cassiopea and list on Swiss Stock Exchange
  - Increase capital by EUR 50 million prior to IPO to give Cassiopea entire needed funding

- Target to place slightly more than 50% in a pure secondary deal
  - Core Cosmo shareholders Cosmo Holding, dievini und Heinrich Herz AG underwrote 21% of the deal
  - All other Cosmo shareholders got the rights to subscribe to the same proportional shareholding

- Preisrange CHF 30-40
  - 144 A
  - Placing took place on June 30 at CHF 34
  - 82% of Cosmo shareholders subscribed
  - Greenshoe fully exercised

- Extraordinary profit of EUR 258.5 million generated

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Cosmo pipeline

Product and Indication	Drug type	Pre-clinical	Phase I	Phase II	Phase III	MA	prospective Launch	Partner
Rifamycin SV MMX® **-Travellers' Diarrhoea** **-Uncomplicated diverticulitis**	**Antibiotic**				USA EU		2017	Europe Dr. Falk –& Australia, (excluding Italy) Crinos – Italy
CB-01-12 **-Antibody AntiTNFα**	**Immuno-suppressant**							
CB-17-01 - **Chromendoscopy for colorectal cancer prevention in surveillance patients** **- Chromoendoscopy for colorectal cancer prevention in UC patients**	**Diagnostic**						2017	
CB-17-04 -**submucosal injectable composition**	**Diagnostic**						2016	

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GI Pipeline

Rifamycin MMX

- **NCE (in US)** antibiotic with lower resistance
  Candidate for 10 years exclusivity under **GAIN Act**

- Indication currently sought: **Travellers' Diarrhoea (TD)**
  Clinical status: Phase III USA completed; Phase III EU in Lat Am ongoing: NDA filing targeted for Q 1 2016

- Additional indication under development by Dr. Falk:
  Uncomplicated Diverticulitis
  Clinical status: Phase II ongoing, multi-centre trial, interim analysis scheduled end 2015

- Subsequent indication: **IBS**
  different strength tablet; Clinical status: PK study application filed

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GI Pipeline

Monoclonal antibody MMX

- Proven preservation of Infliximab antibody activity in tablets and in colonic environment
- Currently developing clinical model in mice
- Bio-similar API (Bio-better since not injected) under development
- API manufacturing scale up process ongoing
- Phase I/II trial to begin in 2016
- Potential indication: Ulcerative Colitis (maintenance)

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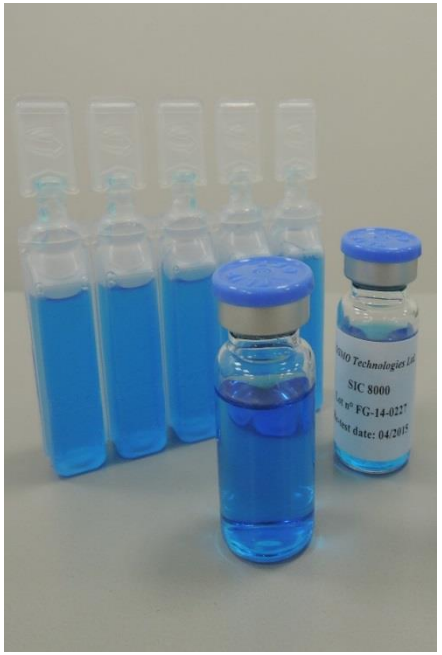
Endoscopy Pipeline

Two new powerful tools to support endoscopists in their battle against colon cancer

SIC 8000
(US approved)



Methylene Blue MMX®

SIC 8000

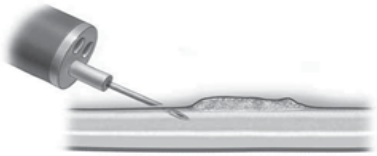
Identified lesions must be removed

- The mucosa is between 1-3 mm thick; key perforation risk
- various techniques have been developed to take out lesions

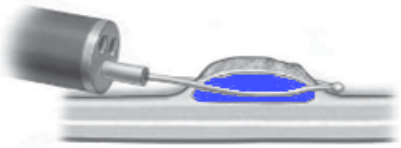
Endoscopic Mucosal Resection (EMR)

- EMR for the removal of mucosal lesions that are **smaller than 2 cm**, or piecemeal removal of larger lesions (> 2 cm)

- A **cushion** is needed to lift the lesion and facilitate its removal, reducing perforation-risk and damage to the deep layers of the GI wall



Injection in the submucosa



Capture with the snare

Removal

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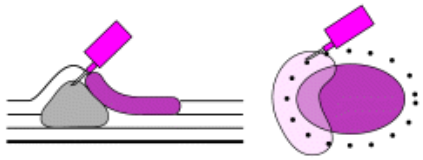
SIC 8000

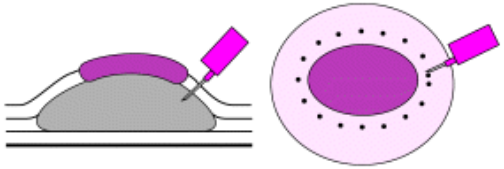
larger lesions (>2 cm) require refined techniques:

Endoscopic Submucosal Dissection (ESD)

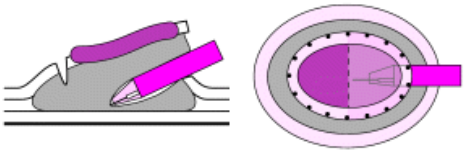
- Predicted to replace conventional surgery
- Intention to mitigate risks of higher rate of perforation and bleeding complications
- Submucosal injection is essential in ESD, and a high and long lasting submucosal cushion is needed for a safe cutting



Circumferential injections



Mucosal elevation



Submucosal dissection

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SIC 8000

Current mechanism to create safety cushion

- normal saline solution is easy to inject but dissipates quickly
- expensive Hyaluronic Acid solutions or self made cocktails, both non approved in US

Requirements of the ideal submucosal injectable

- low viscosity to facilitate injection
- long lasting cushion (> 30 min)
- Include a dye to enhance borders definition
- be safe and bio-compatible
- Affordable in terms of pricing

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SIC 8000

- **SIC 8000 (SIC) is a Submucosal Injectable Composition**, easy to be injected, developed to be used in all endoscopic polyp removal procedures in the GI tract
- **SIC creates a long lasting cushion** which is essential for a successful Endoscopic Mucosal Resection (EMR) or Endoscopic Submucosal Dissection (ESD)
- **SIC is dyed with methylene blue**, so it helps in visualizing the lesion and performing the resection procedure, minimizing risk of perforation
- **SIC is covered by two international and one US patent applications filed in 2014** (priority 2013)

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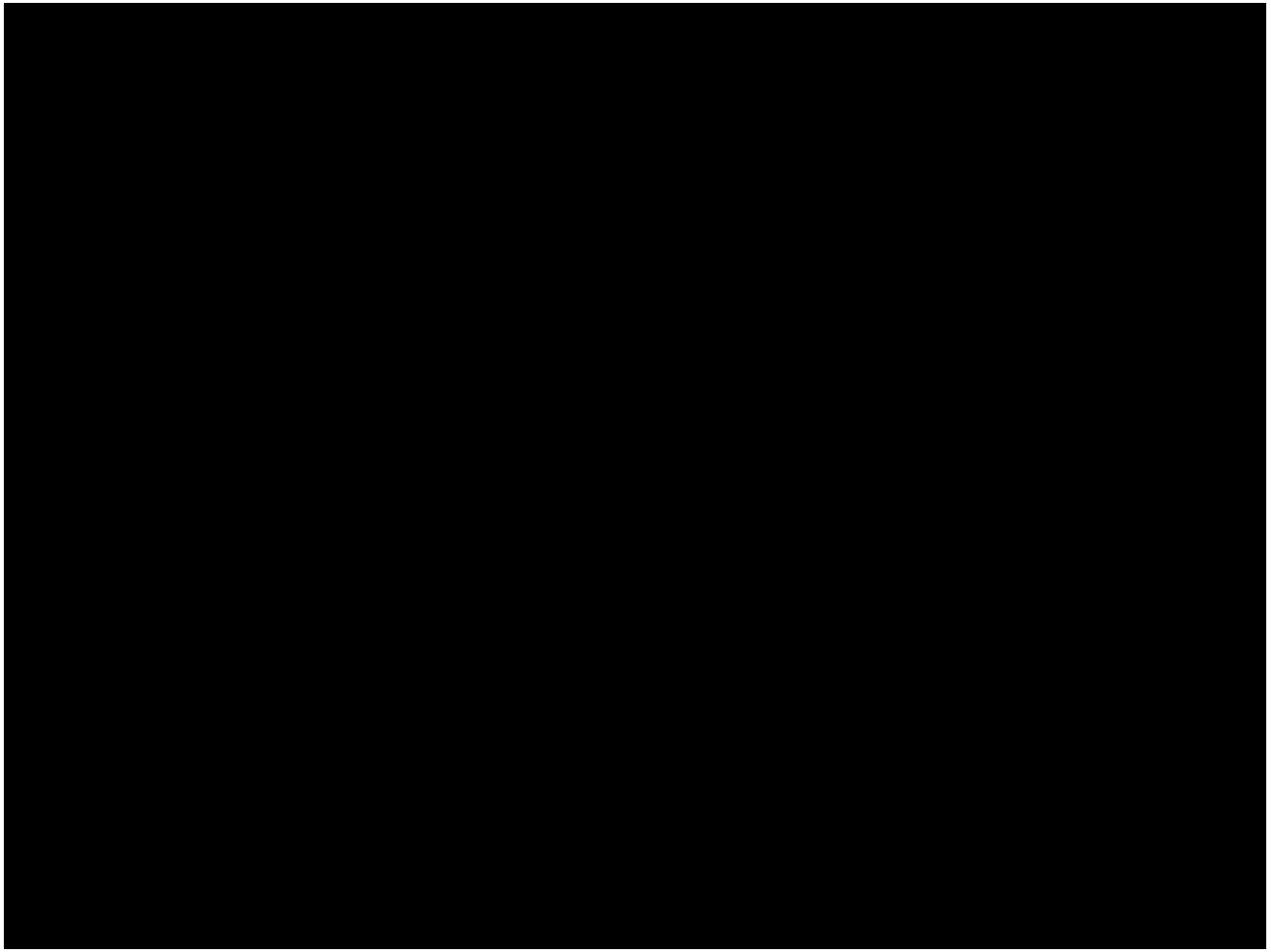
Standard application with saline solution



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SIC in comparison

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SIC Development Timeline

- SIC is a **class II medical device approved by FDA on September 4, 2015**
- **First US sale envisaged 2H 2016**
- **EU approval expected by Q1 2016** (European CE mark filing made in July 2015)

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SIC 8000
market potential estimate (colonoscopies only)

SIC market estimates	2016	2017	2018	2019	2020
polyps/adenomas per colonoscopy in phase II	1,75	1,75	1,75	1,75	1,75
% of polyps/ adenomas removal requiring SIC	20%	20%	20%	20%	20%
Minimum vials per colonoscopy	1,0	1,0	1,0	1,0	1,0
estimated price in US	100	100	100	100	100
market penetration in US	10%	20%	30%	40%	50%
estimated price in EU	40	40	40	40	40
market penetration in EU	7%	15%	25%	30%	30%
estimated price in RoW	30	30	30	30	30
market penetration	3,5%	7,5%	12,5%	15,0%	15,0%
Revenue (millions)	60,2	133,9	217,3	294,0	355,3

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SIC 8000
market potential from additional indications

- Esophagus, stomach and duodenum have similar tissues as the colon
- Inspection by Esophagogastroduodenoscopy (ECG)
- SIC can be used in all these tracts

As many ECGs are performed as colonoscopies, both in the US and Europe

- During ECG, removal of tissues/polyps is frequently necessary and will require SIC as per below examples:

Barrett Esophagus

- Caused by GERD, ~ 1,6% of population affected
- Requires an ECG every 3 years
- Tissue removal required in ~ 10% all cases

Stomach & duodenal polyps

- polyps requiring extraction are found in around 0,7% of all procedures

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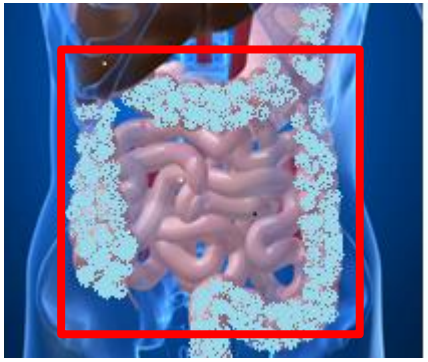
Methylene Blue (Mb) addresses an unmet need

Help identify polyps and adenomas during endoscopy

Normal Procedure Time



Whole Colon stained, overcoming operator subjectivity

Sharp increase in Detection Rate, especially for flat/small lesions*

* According to Phase II Clinical Data, 51% more polyps and 47% more adenomas were found with MB

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Methylene Blue tablets

Revolutionary diagnostic for cancer screening during colonoscopy

- Leverages on MMX technology
- Delivers the only suitable vital dye to the whole colon
- Creates previously unavailable contrast
- Significantly increases adenomas detection rate (*)
- colon dyed prior to colonoscopy, so significant time saving

(*) According to phase II clinical data, 51% more polyps and 47% more adenomas were found with MB than in ordinary colonoscopy literature data

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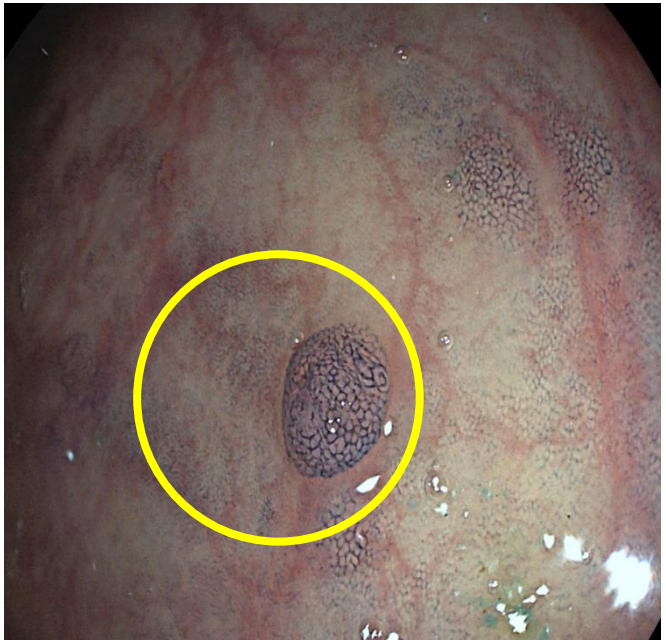

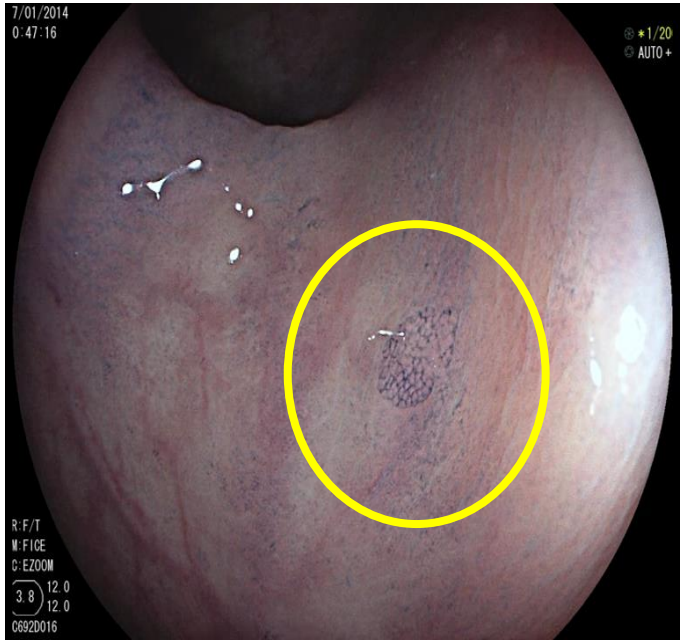

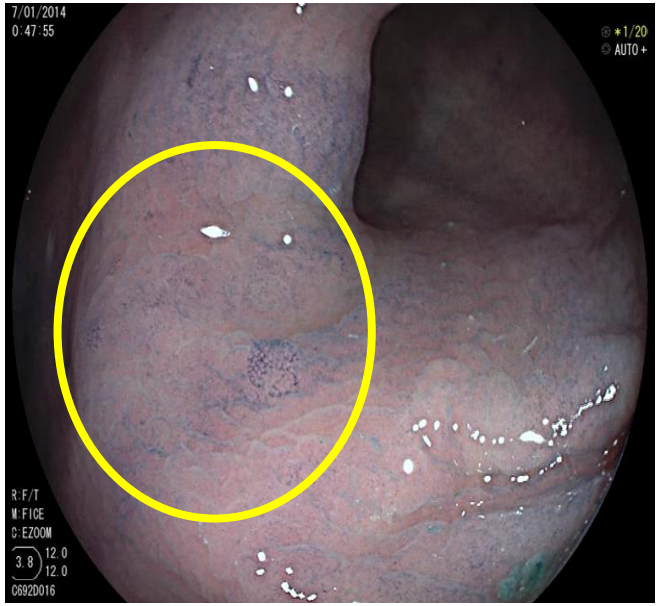

MB Main Target

Diminutive Polyps <5 mm in right section of the colon

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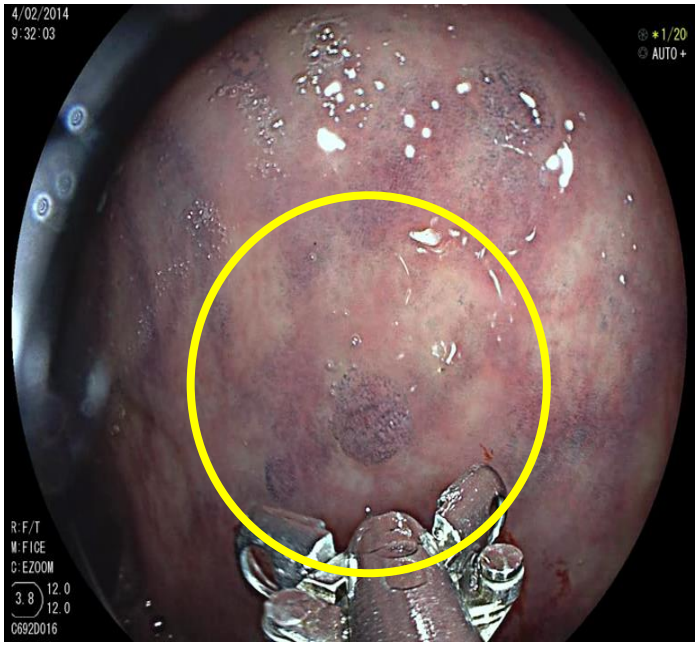

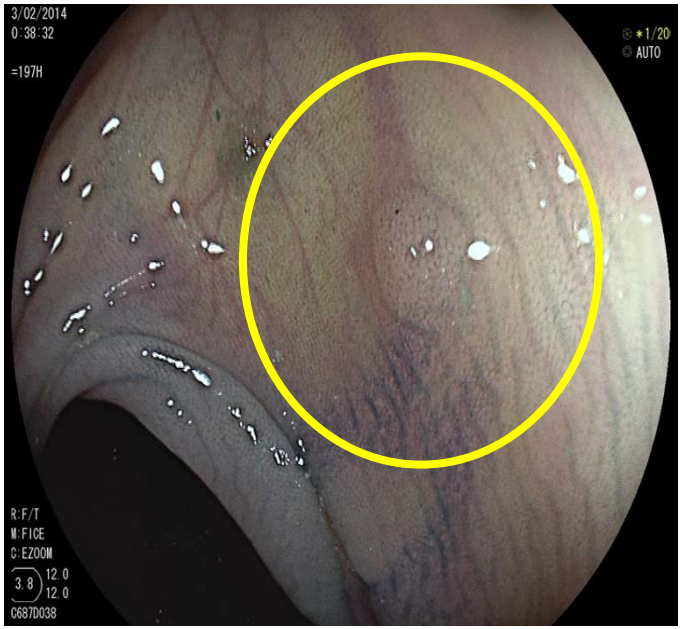

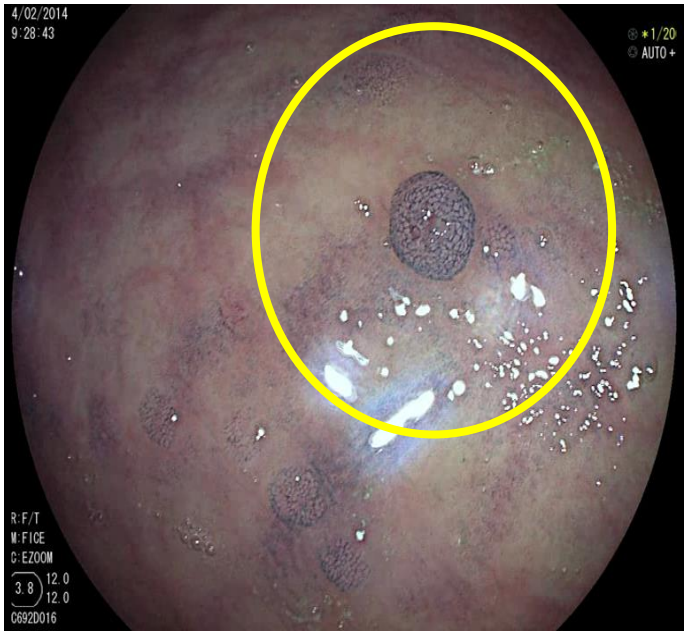

MB Main Target

Polyps not otherwise visible

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MB development timeline

- Phase III in completion
- Primary endpoint: proportion of subjects with at least one histologically proven adenoma or carcinoma vs. white light endoscopy
- 1,270 patients to be treated; data available end 2015
- Centralized Registration Application granted in EU under EMA
- Special Protocol Assessment (SPA) granted by FDA

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High cost of colonoscopies in the US; high cost for adenoma detection

The cost of a colonoscopy in the United States varies widely, from place to place, and even within a city. The map shows the highest amount paid for a colonoscopy in metropolitan areas, based on an analysis by Healthcare Blue Book.

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MB market potential estimate

MB Market potential	2017	2018	2019	2020	2021
non SSRI colonoscopies in US in m	12.6	12.8	12.9	13.1	13.2
market penetration	5%	10%	15%	20%	20%
minimum price	120	120	120	120	120
colonoscopies in EU	17.4	17.6	17.8	18.0	18.3
market penetration	5%	10%	15%	20%	20%
minimum price	50	50	50	50	50
colonoscopies in RoW	24.8	26.8	29.0	31.5	34.2
market penetration	0%	2,5%	5,0%	7,5%	10,0%
minimum price	30	30	30	30	30
total revenues in EUR m	**59,6**	**252**	**410**	**567**	**604**

Cosmo imminent growth catalysts

- EU approval of SIC 8000
- Conclusion of Phase III Methylene Blue clinical trial
- Conclusion of Phase III Rifamycin trial
- Phase II PoC data re Breezula, CB-06-01 and CB-06-02 held by Cassiopea (45% owned by Cosmo) in first half 2016

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Next steps for growth strategy

- If either one of MB or Rifamycin are successful, set up US GI organization to market products directly;
- Potentially list US GI on Nasdaq
- license out products in RoW
- Further expand existing pipeline

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2014 – 2016 Guidance

EUR/Million	2014		E 2015		P 2016	
Traditional contract manufacturing and other revenue	11		11		11	
MMX® manufacturing	29		33		46	
MMX® products royalties, license-, upfront fees & milestones	39	(1)	20	(2)	29	(3)
Revenues from products under development	-				143	(4)
Operating revenues	**80**		**64**		**229**	
Sale of "equity for product" stake	65	(6)	258	(7)		
Operating expenses	(47)	(5)	(72)	(5)	(68)	(5)
EBITDA	**98**		**250**		**161**	
Depreciation and amortization	(9)		(9)		(9)	
Operating result	**89**		**241**		**152**	
Salix termination fee	17		-		-	
Other income	3		1		1	
Profit before taxes	**109**		**242**		**153**	

Potentially replaceable with "equity for product" transactions respectively IPO value gains

(1) includes EUR 5.7 M royalties on Lialda/Mezavant: royalty cap reached in 2Q 2014

(2)/(3) only Uceris/Cortiment

(4) assumes only SIC is licensed in 2016

(5) Operating expenses include SOP and bonus related expenses

(6) gain on sale of SNTS shares

(7) Gain on sale of SKIN shares

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Comparison of old and new guidance

In June 2015 we projected

- 2015 profit before taxes of EUR 90 m
- 2016 profit before taxes of EUR 179 m

Ie a cumulative total of EUR 269 m for 2015 & 2016

Now after Cassiopea IPO and SIC approval we project

- 2015 profit before taxes of EUR 242 m
- 2016 profit before taxes of EUR 153 m

ie a cumulative total of EUR 395 m for 2015 & 2016

No potential revenues from Methylene Blue nor Rifamycin and no possible costs for the setting up of a US operation are included

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Cosmo Pharmaceuticals SA

Information	Contacts
• Number of shares: 14,418,983 • Listing: SIX Swiss exchange, Main board • ISIN: LU1202320294	• Alessandro Della Cha , CEO adellacha@cosmopharma.com • Chris Tanner, CFO ctanner@cosmopharma.com • Giuseppe Cipriano, COO gcipriano@cosmopharma.com • Luigi Moro, CSO lmoro@cosmopharma.com

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