# Cosmo Pharmaceuticals announces revolutionary Artificial Intelligence device in colonoscopy to detect lesions and worldwide distribution agreement with Medtronic

**Dublin – April 10, 2019 –** Cosmo Pharmaceuticals NV (SIX: COPN) today announced that it has developed a revolutionary artificial intelligence (AI) software and device for the detection of lesions during colonoscopy and has entered into a worldwide distribution agreement with Medtronic, the global leader in medical technology.

The device operates in real time using proprietary software to assist the endoscopist in the detection of lesions. The device is very simple to operate and is compatible with all endoscopes. Cosmo will be the sole manufacturer.

Cosmo has started the development of the device several years ago through its subsidiary Linkverse, relying on Cosmo unique proprietary library of high definition-lossless colonoscopy videos gathered in the clinical trials of MB MMX. The device has been extensively tested in live procedures and the software has already obtained the CE mark, while the FDA regulatory pathway is ongoing.

Colorectal cancer is the third deadliest cancer in the world and early diagnosis expands treatment options and saves lives. In 2018, more than 800,000 people died globally from CRC and colorectal cancer is on the rise and expected to increase significantly due to a lack of screening and behavioral factors. Many of these deaths could have been prevented with proper colonoscopy screening because, if caught early, the five-year survival rate for CRC is 90 percent. By 2030, CRC incidence rates in the US among people ages 20-34 are expected to increase by 90% and among people ages 35-49 by 27.7%. The current worldwide colonoscopy market exceeds 30 million procedures every year and is thus expected to grow consistently.

According to Alessandro Repici, Professor of Gastroenterology, Director of Endoscopy, Humanitas Research Hospital & University in Milan, "*The impact of colonoscopy on CRC mortality is limited by several factors, among them a certain miss rate, leading to limited adenoma detection rates (ADRs). Missed lesions can vary between 20% and 40% of overall lesions. I thus believe that Artificial Intelligence will prove essential in helping increase the detection of missed lesions and that the expected improvement in detection using AI will translate directly into a more efficient colonoscopy and will significantly help in preventing CRC. There is in fact evidence that with each 1 percent increase in ADR, there is an associated 3 percent decrease in risk of interval CRC".*

"*Artificial Intelligence will be a game changer in endoscopy. The market potential is huge and Cosmo is pioneering in one of the fastest growing area in healthcare. To ensure that we can exploit this tremendous opportunity at its full potential, we have partnered with Medtronic, the undisputed world leader in medical technology. We are*

*excited that Medtronic and Cosmo will work together on this revolutionary device*" said Alessandro Della Chà, CEO of Cosmo.

**About Cosmo Pharmaceuticals**

Cosmo is a specialty pharmaceutical company that aims to become a global leader in the field of optimized therapies for selected gastrointestinal disorders. The company's proprietary clinical development pipeline specifically addresses innovative treatments for IBD, such as Ulcerative Colitis and Crohn's Disease, and Colon Infections. In addition, the Company developed Eleview™, a medical device for polyp excision and is developing Methylene Blue MMX®, a product for the detection of colon cancer, has licensed a novel sedation agent Remimazolam for the territory of the US from Paion and has a large shareholding in Cassiopea S.p.A., a clinical-stage specialty pharmaceutical company focused on developing and commercializing innovative and differentiated medical dermatology products. Cosmo's MMX® products that have reached the market are Lialda®/Mezavant®/Mesavancol®, a treatment for Ulcerative Colitis that is licensed globally to Nogra and Shire Limited and Uceris®, the first glucocorticosteroid indicated for the induction of remission in active, mild to moderate Ulcerative Colitis, licensed in the USA to Santarus/Salix/Valeant and in the Rest of the World to Ferring and Aemcolo™ which is licensed to Dr. Falk Pharma in Europe. Cosmo's proprietary MMX® technology is at the core of the Company's product pipeline and was developed from its expertise in formulating and manufacturing gastrointestinal drugs for international clients at its GMP (Good Manufacturing Practice) facilities in Lainate, Italy. The technology is designed to deliver active ingredients in a targeted manner in the colon. For further information on Cosmo, please visit the Company's website: www.cosmopharma.com

**Financial Calendar**

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| R&D Day, Zurich | May 8, 2019 |
| Shareholders meeting, Amsterdam | May 28, 2019 |
| Jefferies Global Health Care Conference | June 4-6, 2019 |

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