



Cosmo Half-Year Report 2019

Dublin, Ireland – 30 July 2019 – Cosmo Pharmaceuticals N.V. (SIX: COPN) reports half-year results for the period ended 30 June 2019.

Key Events Half-Year 2019 - Products and Business

- Revolutionary artificial intelligence product GI Genius for the detection of lesions during colonoscopy unveiled and subsequent worldwide validation deal entered into with Medtronic.
- Collaboration agreement entered into with Medtronic in the artificial intelligence field for additional indications.
- Eleview[®] distribution agreement entered into with Medtronic for USA, China and South America with sales expected to begin in August 2019.
- Investigational New Drug (IND) for new chemical entity CB-03-10 for new oncologic product accepted by the FDA.
- ByFavo[™] (remimazolam) NDA accepted by the FDA.
- Aries restructuring completed, savings of c. €20m expected in 2019.
- Very positive results of Breezula[®] full phase II clinical trial announced by our associate Cassiopea.
- Aemcolo[™] phase II proof of concept study in IBS-D progressed.
- Health Canada approved Eleview[®] which will be commercialised by Pharmascience under the existing licence agreement.
- GI Genius to start sales in Europe in July 2019 by Medtronic.
- Aemcolo[™] commercial launch to take place end of July 2019 with direct marketing strategy.

Alessandro Della Chà, Chief Executive Officer, said: *“In the first half of this year we took a number of key steps. Following the regulatory delay of MB MMX we have reduced our U.S. cost base significantly; announced new interesting product opportunities (GI Genius and CB-03-10); entered into important deals with Medtronic; shifted strategy for our medical devices and for the Aemcolo launch. In doing so, we are not expecting significant impact on financial results this year, but rather to lay a solid foundation for things to come.”*

“Although our focus is to achieve US approval for GI Genius in H1 2020, sales have already started in Europe; Aemcolo launch in the US is still on track for end of July and Eleview sales

in the US will be reinitiated in August by Medtronic,” added Mr Della Chà. “As of June 30, the total of cash and investment in funds, market value of our Cassiopea stake and treasury shares is approx. € 539m/CHF 590m, providing ample financing and flexibility to pursue our strategy for growth. We look to the future with optimism. 2020 will be a pivotal year for us, when we expect to return to profitability.”

Financial Highlights Half-Year 2019

- Revenues €21.5m vs €36.7m last year, impacted by the generic competition for Uceris® and Lialda® in 2018 and up-front fees and milestones received in prior year which did not reoccur.
- Operating costs down 11.8% to €38.7m following cost reductions in our U.S. organisation.
- Operating loss €17.2m vs €7.2m last year.
- Net financial expense €2.6m mainly relates to interest on convertible bonds of €4.1m of which cash impact €2.2m.
- Loss for the period €20.8m including share of Cassiopea loss €2.8m, ESOP costs of €3m and €4.1m convertible bond charge of which € 2.2m coupon paid.
- Cash outflow from operations before changes in working capital €11.0m for the period.
- Cash and investments in funds €324.0m vs €375.8m at FY18 YE (excluding €35.5m treasury shares).
- Cosmo’s stake in Cassiopea worth €180m at 30 June 2019.
- Total assets €594.7m vs €625.7m at FY18 YE.
- Equity €404.4m vs €444.8m at FY18 YE.
- Purchased 212,214 treasury shares in H1 for €17.2m. As at 30 June 2019 total treasury shares held 413,984.

Key figures

EUR 1,000	H1 2019	H1 2018
Income statement		
Revenues	21,507	36,660
Other income	277	240
Cost of sales	(11,029)	(10,714)
R&D costs	(7,667)	(4,459)
SG&A costs	(20,289)	(28,938)
Net Operating Expenses	(38,708)	(43,871)
Operating loss	(17,201)	(7,211)
Net finance (expenses) / income	(2,600)	4,823
Share of result of associate	(2,818)	(2,895)
Loss before taxes	(22,619)	(5,283)

Income tax	1,837	(2,506)
Loss for the period	(20,782)	(7,789)
Shares		
Weighted average number of shares	14,715,110	15,033,234
Earnings per share (in EUR)	(1.407)	(0.518)

EUR 1,000	30 Jun 19	31 Dec 18
Statement of financial position		
Non-current assets	243,103	251,519
Cash and cash equivalents	158,406	210,689
Other current assets	193,222	163,478
Liabilities	190,369	180,832
Equity attributable to owners of the Company	404,362	443,760
Equity ratio (%)	68.0%	71.1%

The Half-Year Report 2019 with further information was published on 30 July 2019, 07:00 am CET, and is available for download at:

<http://www.cosmopharmaceuticals.com/investor-relations/financial-reports>

Half-Year 2019 Results Conference Call on Tuesday, 30 July 2019, 10:30am CET

Alessandro Della Chà, CEO, Luigi Moro, CSO, Niall Donnelly, CFO will present the half-year results 2019 and will provide an update of Cosmo's activities. The conference call is scheduled to last 30-45 minutes and will be held in English.

Dial-in numbers:

From Continental Europe: +41 (0)58 310 50 00
From UK: +44 (0)207 107 06 13
From USA: +1 (1) 631 570 56 13

The presentation is available for download at:

<http://www.cosmopharma.com/ir/presentations.aspx>

About Cosmo Pharmaceuticals

Cosmo is a specialty pharmaceutical company focused in treating selected Gastrointestinal Disorders and Endoscopy. The Company's proprietary clinical development pipeline specifically addresses innovative treatments for IBD, Colonic Infections and detection of colonic lesions. Cosmo has also developed medical devices for endoscopy and has recently entered into a partnership with Medtronic for the global distribution of its novel Artificial Intelligence device to be used in colonoscopies and GI procedures. Further, Cosmo is the licensee for US of the novel agent for procedural sedation, ByFavo™ (remimazolam). For additional information on Cosmo and its products please visit the Company's website:

www.cosmopharma.com

Next events

Full-year results 2019 reporting	March 2020
Annual General Meeting	May 2020

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