Cosmo Full-Year Report 2020:
Cosmo returns to operating profit

Dublin, Ireland – 26 March 2020: Cosmo Pharmaceuticals N.V. (SIX: COPN) reports Full-Year results for the year ended 31 December 2020.

In 2020, Cosmo received European approval for Methylene Blue MMX®, received FDA approval for BYFAVO™, continued to execute its equity for product strategy and has returned to operating profit. The Company is very well positioned with €212.9 million in cash and significant equity stakes in other companies.

Financial Highlights Full-Year 2020

- Revenue €60.9 million compared to € 62.5 million in 2019.
- Net expenses €54.0 million compared to €74.8 million in 2019 following restructuring of business.
- Operating profit of €6.9 million compared to an operating loss of €12.3 million in 2019.
- Loss after tax of €7.9 million, including share of our associate Cassiopea loss of €4.9 million, compared with a loss after tax of €24.5 million in 2019.
- Cashflow inflow from operating activities of €10.1 million compared to a cash outflow from operating activities of €17.6 million in 2019.
- Cash & liquid investments €212.9 million compared to €268.2 million 2019, of which €45 million of the movement related to our investment in and loan to Acacia.
- Market value of Cosmo's stake in Cassiopea, equity investments, treasury shares, loans and cash & liquid investments at 31 December 2020 €624.6 million.
- Equity €400.1m vs €393.7m at 31 December 2019.

Key Events 2020 - Products and Business

- BYFAVO™ sub-licensed to Acacia Pharma Group (EURONEXT: ACPH) in an equity for product deal and subsequently approved by the FDA. Cosmo now owns 19.66% of Acacia and has advanced a €25 million loan to the company.
- Very positive results of the first investigator initiated prospective clinical study of GI Genius™ announced, ADR (Adenoma Detection Rate) and APC (Adenoma Per Colonoscopy) were significantly higher in the GI Genius™ group compared to the control group.
- GI Genius™ approved in Australia, Israel and the United Arab Emirates.
- Methylene Blue MMX® approved in Europe and European rights (plus Switzerland, the U.K., EEA countries, Russia and Mexico) subsequently licensed to Alfasigma S.p.A. in February 2021; protocol and related statistical analysis plan for the confirmatory phase

III trial filed with the U.S. FDA for final comment and Chinese rights licensed to China Medical System Holdings Ltd.

- Cosmo's associate Cassiopea S.p.A. received FDA approval for Winlevi® (clascoterone cream 1%) for the treatment of acne.
- Italian Agenzia del Farmaco (AIFA) granted Marketing Authorisation for Stadmycin™ (Rifamycin SV MMX®), licensed to E.G. S.p.A. (part of the STADA Group), for the treatment of Travellers' Diarrhoea.
- Japan's Pharmaceuticals and Medical Devices Agency approved Eleview®.
- Licence agreement with Dr. Falk Pharma Gmbh ('Dr. Falk') amended to include Rifamycin SV MMX® in the new 600mg formulation.
- Successful outcome of phase II proof of concept (POC) clinical trial of Rifamycin SV MMX® 600mg in Irritable Bowel Syndrome with Diarrhoea (IBS-D) announced in January 2021.

Key figures

EUR /000	**2020**	**2019**
Income statement		
Revenues	60,949	62,495
Cost of sales	(27,617)	(25,053)
Gross profit	**33,332**	**37,442**
Other income	5,848	753
R&D costs	(13,597)	(15,160)
SG&A costs	(18,678)	(35,342)
Net operating expenses	**(26,427)**	**(49,749)**
Operating profit/(loss)	**6,905**	**(12,307)**
Net financial expense	(8,895)	(3,933)
Share of result of associates	(4,941)	(5,064)
Loss before taxes	**(6,931)**	**(21,304)**
Loss after taxes for the period	**(7,901)**	**(24,494)**
Statement of financial position	**2020**	**2019**

Non-current assets	343,293	282,795
Cash and cash equivalents	185,937	110,387
Other current assets	66,931	191,978
Liabilities	196,036	191,427
Equity attributable to owners of the Company	400,125	393,733
Equity ratio (%)	67.1%	67.3%
Shares		
Weighted average number of shares	14,471,064	14,633,299
Earnings per share (in EUR)	(0.546)	(1.669)

Alessandro Della Chà, Chief Executive Officer, said: "*2020 has been a year full of positive events for Cosmo. Methylene Blue MMX® was approved in Europe, BYFAVO™ was approved by the FDA, Cassiopea, our associate, received FDA approval for Winlevi®. We continued to execute our equity for product strategy, returned to operating profit and delivered a positive cash flow from operating activities. We have a very strong balance sheet, we are replenishing our development pipeline and we are confident that GI Genius™ will eventually be approved by the FDA. We therefore look to the future with optimism*".

2021 Financial Outlook

Cosmo provided 2021 full year guidance, assuming approval of GI Genius™ by the FDA, of:

- Full year revenues in the range of €60 - €64 million
- Total expenses in the range of €57 - €59 million (of which ESOP €5.9 million and Depreciation & Amortisation €6.2 million)
- Operating profit in the range of €3 - €5 million

The Full-Year Report 2020 with further information was published today on 26 March 2020, 07:00 am CET, and is available for download at:
http://www.cosmopharmaceuticals.com/investor-relations/financial-reports

Full-Year 2020 results conference call at 02:00 pm CET on 26 March 2021
Alessandro Della Chà, CEO and Niall Donnelly, CFO will present the 2020 results and discuss the outlook for 2021. The conference call will be held in English.
The dial-in numbers are:

Switzerland/Continental Europe:	+41 (0) 58 310 50 00
UK:	+44 (0) 207 107 06 13
USA:	+1 (1) 613 570 56 13

About Cosmo Pharmaceuticals

Cosmo is a specialty pharmaceutical company focused on developing and commercialising products to treat selected gastrointestinal disorders and improve endoscopy quality measures through aiding the 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 GI Genius™ its artificial intelligence device for use in coloscopies and GI procedures. Cosmo has licensed Aemcolo® to Red Hill Biopharma Ltd. for the US and has licensed Relafalk® to Dr. Falk Gmbh for the EU and other countries. For additional information on Cosmo and its products please visit the Company's website: www.cosmopharma.com

Calendar

Annual General Meeting, Amsterdam	May 28, 2021
Half-Year 2021 Report	July 30, 2021

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