



Cosmo reports record 2022 financial results exceeding guidance, increased dividend by 10%, confirms 2023 guidance

Ad hoc announcement pursuant to Art. 53 LR

Dublin, Ireland – 23 March 2023: Cosmo Pharmaceuticals N.V. (SIX: COPN, XETRA: C43) (“Cosmo”) reports full-year 2022 financial results for the year ended 31 December 2022.

Financial highlights

In 2022, Cosmo has overtaken the €100 million annual revenue threshold for the first time.

- Revenues €102.1 million, up 56.8%
- EBITDA of €41.9 million, up 126.5%
- Operating profit €28.1 million, up 153.2%
- Profit before taxes €24.5 million
- Net cash inflow from operating activities €33.2 million, up 163.5%
- Equity attributable to owners of the Company of €456.9 million compared to €505.3 million last year
- Treasury shares (at market value) of €73.6 million compared to €53.1 million last year
- Proposing dividend distribution of €1.05 per share, increase of 10.5% versus last year

Cosmo’s two key growth drivers, Winlevi and GI Genius, delivered substantial revenues contributing to the strong financial performance

Winlevi continues to be the #1 prescribed branded topical acne product in the U.S.

- Winlevi revenues were €26.7 million in 2022
- More than 530,000 TRx (prescriptions) since its launch
- Over 13,200 unique prescribers, representing 82% of total healthcare practitioners in dermatology
- Commercial partnerships expanded to make Winlevi available to more patients worldwide. Four transactions were announced with partners in various regions (China, Japan, Australia, New Zealand, Brazil, Mexico, Russia, South East Asia and selected EU countries)
- Sun Pharma, in their last earnings call, referred to Winlevi as a “*key growth*” driver
- Planned expansion in other dermatology indications

GI Genius: impressive U.S. trial results, growth in contracts, highly recognised

- GI Genius revenues were €10 million in 2022
- Extensive marketing campaign ongoing by partner Medtronic
- U.S. Department of Veteran Affairs awarded a contract for the installation of 115 GI Genius modules at numerous facilities
- First U.S. trial using GI Genius intelligent endoscopy module showed a 50% reduction in missed colorectal polyps with Artificial Intelligence technology versus standard colonoscopy
- GI Genius named in the prestigious Fortune 2022 “Change the World” list in October 2022
- Medtronic, in their last earnings call, stated “*Gastrointestinal: Mid-teens growth in chronic & colorectal driven by strong U.S. GI Genius performance*”



Cosmo Intelligent Medical Devices – IMD, fully owned subsidiary of Cosmo Pharmaceuticals, to expand cooperation with Medtronic on GI Genius

- Starting with GI Genius, Medtronic will create its AI Access Platform, a set of solutions designed to enable and scale up the application of AI in its healthcare products
- Cosmo IMD will simultaneously develop Cosmo's Innovation Center, a cloud-native development platform, to provide Software as a Medical Device (SaMD) developers a way to accelerate innovation and bring AI-powered applications to market faster. The new SaMDs will be hosted on GI Genius modular infrastructure and marketed by Medtronic
- Cosmo IMD to use NVIDIA's Holoscan (a real-time AI computing software platform for building medical devices) and NVIDIA IGX (an industrial-grade edge AI hardware platform) within Cosmo IMD's full-stack framework for SaMD development to offer leaner and more powerful development standards and attract a larger community of developers

Legacy business also delivered a strong performance in 2022

Lialda continues to provide a solid foundation

- Revenues increased 6.5% to €29.6 million due to an increase in volumes in U.S. and Japan

Uceris/Cortiment also growing steadily

- Uceris/Cortiment volumes increased by 14% and revenues increased by 225% to €16.4 million, due to an increase in sales and the receipt of two major commercial milestones of €8 million and € 1 million associated with achieving cumulative net sales of €100 million and annual net sales of €20 million, respectively
- Cortiment expanding to Japan, 2nd largest inflammatory bowel disease (IBD) market. The NDA for Japan was submitted by Ferring and the application was accepted by PMDA (Pharmaceuticals and Medical Devices Agency). If approved, Cortiment's launch is expected by August 2023

Other revenues

- Other revenues, including contract manufacturing, increased by 5.4% to €19.5 million

Development pipeline highlights:

- **Breezula (clascoterone solution)**, phase III trial in males for the treatment of androgenetic alopecia expected to commence in H1 2023
- **CB-03-10 (cortexolone 17 α -valerate-21-propionate)**, phase I study started in patients with advanced refractory solid tumours, U.S. clinical sites activated and treatment of patients commenced. To date, 6 patients treated with an excellent safety profile
- **CB-01-33 (colesevelam)**, formulation and IP protection completed and currently planning clinical development



Key figures:

EUR /000	2022	2021
Income statement		
Revenues	102,089	65,074
Cost of sales	(40,488)	(32,977)
Gross profit	61,601	32,097
Other income	1,896	819
R&D costs	(15,525)	(11,357)
SG&A costs	(19,915)	(10,458)
Net operating expenses	(33,544)	(20,996)
Operating profit	28,057	11,101
Net financial expense ^a	(3,584)	(4,292)
Share of result of associates	–	17,753
Loss on remeasurement to fair value of pre-existing interest in an acquiree	–	(559)
Profit before taxes	24,473	24,003
Profit after taxes for the period	17,505	21,673
Statement of financial position		
	2022	2021
Non-current assets	453,495	529,713
Cash and cash equivalents	185,825	198,560
Other current assets	120,272	77,289
Liabilities	295,804	292,884
Equity attributable to owners of the Company	456,927	505,276
Non-controlling interests	6,861	7,402
Equity ratio (%)	61.1%	63.6%
Shares		
	2022	2021
Weighted average number of shares	16,425,395	16,842,054
Earnings per share (in EUR)	1.049	1.287



Mauro Ajani, Chairman of Cosmo, said: *“I am extremely pleased to report this major progress. Our two new products, GI Genius and Winlevi, are starting to deliver according to expectations. GI Genius is leading the way of a real revolution, and during the Digestive Disease Week in May we will release data showing the performance of GI Genius on thousands of patients in a real clinical setting. The data will show that our technology significantly reduces polyp miss rates and is therefore effective in reducing colorectal cancer. There are more than 60 million colonoscopies every year therefore the opportunity is very large, and GI Genius is set to have a crucial role in helping physicians perform better. GI Genius is changing the effectiveness of this crucial procedure. So far, Cosmo is the only company that makes and sells AI in colonoscopy in the U.S. We hope to reap the rewards of being market leaders and thanks to us nothing will be as it was before. We are grateful to Medtronic for making this happen”.*

Alessandro Della Chà, Chief Executive Officer, said: *“Our business has made a remarkable leap forward in 2022, and 2023 is poised to be another year full of opportunities. Our key growth drivers Winlevi and GI Genius are performing very well. We are expanding both products in new directions, and we are transforming GI Genius into a cross-functional platform capable of overlaying AI content to all real time-video flows used in diagnostic or clinical procedures. We are entering into a new expanded agreement with Medtronic leveraging on GI Genius in the fast-growing AI market. In the past two years, we have laid the groundwork for several growth initiatives, and we believe this positions us well for strong organic growth in the years ahead”.*

2023 Guidance

- Total revenues in the range of **€110 million - €120 million** versus €102.1 million in 2022
- Operating profit in the range of **€25 million - €35 million** versus €28.1 million in 2022

Board change

Cosmo announces the resignation of Alexis de Rosnay from its board of directors, effective today, due to compliance reasons following his recent appointment as Chairman of Barclays Global Healthcare Investment Banking division. His replacement will be proposed at the AGM 2023 in due course.

Downloads

The **presentation** and **press release** (EN/GER) as well as the **Annual Report 2022** are available for download on our website. Our first **ESG report** is also available at www.cosmopharma.com.

Live conference call and video webcast presentation:

Cosmo invites investors, financial analysts and business/life science journalists to a live video webcast with **Mauro Ajani, Founder and Chairman, Alessandro Della Chà, CEO, and Niall Donnelly, CFO**, to discuss the 2022 financial and operating results and next milestones of the company.

Date: Today Thursday, 23 March 2023 / Time: 2:00 pm CET

Webcast link: Chrome (recommended) or Firefox

<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=L3HNXtf4>

Please note that there is a function to type in your questions via webcast.



Via phone:

Participants wishing to ask verbal questions via phone, may call the following numbers below. To ensure prompt access, please call approximately ten minutes prior to the scheduled start of the call.

Switzerland / Europe	+41 (0) 58 310 50 00
United Kingdom	+44 (0) 207 107 06 13
United States	+1 (1) 631 570 56 13

Replay

The webcast, along with the presentation will be available online shortly after the event and accessible for three months.

About Cosmo

Cosmo is a pharmaceutical company focused on developing and commercializing products to treat selected gastrointestinal disorders, to improve endoscopy quality measures through aiding the detection of colonic lesions, and to treat selected dermatological conditions. Cosmo develops and manufactures products which are distributed globally by selected partners including Lialda®/Mezavant®/Mesavancol®, Uceris®/Cortiment®, Aemcolo®/ Relafalk® and Winlevi®. Cosmo has also developed medical devices for endoscopy and has a partnership with Medtronic for the global distribution of GI Genius™ which uses artificial intelligence to help detect potential signs of colon cancer. The company also has a rich development pipeline. For additional information on Cosmo and its products please visit the Company's website: www.cosmopharma.com

Upcoming Calendar of Events

Kepler 24 th Swiss Seminar	March 24, 2023
Jefferies 3 rd annual Pan-Euro Mid-Cap Conference	March 28, 2023
Annual General Meeting 2023	May 26, 2023
Half Year Results 2023	July 27, 2023

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