



Cosmo reports strong half-year 2022 financial results delivering record revenues and reaffirms 2022 full-year guidance

Ad hoc announcement pursuant to Art. 53 LR

Dublin, Ireland – 28 July 2022: Cosmo Pharmaceuticals N.V. (SIX: COPN, XETRA: C43) (“Cosmo”) today announced strong financial half-year 2022 results, with record revenue of €41.5 million up 46.1% (H1 2021: €28.4 million), EBITDA of €14.9 million up 338.2% (H1 2021: €3.4 million), operating profit of €8.1 million (H1 2021: €0.008 million), profit before tax €9.0 million (H1 2021: loss before tax €4.7 million) and reaffirms 2022 full-year guidance.

Product and Business Highlights:

- Medtronic is placing **GI Genius™** devices in hospitals worldwide with over 850 devices to date contracted by Medtronic with clients both in U.S. and EU. Commercial negotiations are ongoing in the U.S. between Medtronic and potential clients representing over 6,000 endoscopic towers (estimated 20% of the U.S. market).
- The first U.S. trial using **GI Genius™**, published in March in Gastroenterology, the official medical journal of the American Gastroenterological Association, showed that the use of **GI Genius™** significantly decreases the miss rate (2x) of colorectal polyps and adenomas compared to standard colonoscopy.
- Additional features and applications are under development to broaden the scope of **GI Genius™**. A landmark paper was published in Nature Digital Medicine. ([the paper on the new GI Genius CADx](#)).
- **Winlevi®** is one of the most successful launches in the U.S. topical acne market over the last 15 years with over 10,000 dermatologists prescribing over 258,000 TRx's to date.
- **Cortiment®** achieved a major commercial milestone with cumulative net sales by our partner Ferring reaching €100 million, triggering an €8 million milestone payment to Cosmo.
- **Cortiment®** NDA for Japan accepted by Japan's Pharmaceuticals and Medical Devices Agency following submission by our partner, Ferring, the review is expected to last approximately one year.
- **Eleview®** agreement with Medtronic was expanded to all countries except Canada where it is already licenced to Pharmascience.
- Preparations for **Breezula®** phase 3 trial in males are underway with trial expected to begin in the 2nd half of this year.
- **CB-03-10 (cortexolone 17 α-valerate-21-propionate)** phase I study in patients with advanced refractory solid tumors has begun, clinical sites in the U.S. have been activated and screening of patients has commenced.
- **CB-01-33 (colesevelam)** formulation and IP protection under completion.
- After the close of H1, the **Winlevi®** agreement with Sun was expanded to include Japan, Australia, New Zealand, Brazil, Mexico and Russia. Cosmo will receive an upfront payment of US\$ 7 million, potential regulatory and sales milestones and



customary double-digit royalties on net sales and will be the exclusive supplier of the product.

- In addition, another important agreement was signed after the close of H1. **Winlevi®** has been licensed to 3SBio for Greater China. Cosmo will receive an upfront payment of US\$ 6.5 million, potential regulatory and sales milestones and customary ascending high single digit or double-digit royalties on net sales.

Revenue Performance

Total revenues were €41.5 million for the first half of 2022, as compared to €28.4 million in the first half of 2021, an increase of €13.1 million, or 46.1%.

EBITDA

EBITDA was €14.9 million for the first half of 2022, as compared to €3.4 million in the first half of 2021, an increase of €11.5 million, or 338.2% reflecting the increase in revenue and tight control over operating expenses.

Operating Profit

Net operating expenses were €33.4 million for the first half of 2022, as compared to €28.4 million in the first half of 2021, an increase of €5.0 million, or 17.6%. The increase is mainly due to the non-cash amortization of intangible asset, Winlevi®, of €3.4 million and an increase in raw materials and consumables associated with an increase in product sales. Operating profit was €8.1 million for the first half 2022, as compared to €0.008 million in the first half of 2021.

Profit Before Tax

Financial income/expenses were €1.0 million in the first half of 2022 compared to net financial expenses of €1.9 million in the first half of 2021, the movement versus the prior year is mainly attributable to a net foreign exchange gain of €3.4 million. The prior year included a share in the results of associate loss of €2.8 million. Profit before tax was €9.0 million compared to a loss before tax of €4.7 million in the first half of 2021.

Net Cashflow From Operating Activities

Net cash generated from operating activities was €12.6 million in the first half of 2022 compared to net cash generated from operating activities of €9.7 million in the first half of 2021.

Statement of Financial Position Highlights

Cash and fund investments were €219.0 million as at 30 June 2022 compared to €222.2 million at 31 December 2021. Equity attributable to owners of the Company was €462.5 million as at 30 June 2022 vs. €505.3 million at 31 December 2021.

Key figures:

EUR /000	H1 2022	H1 2021
Income statement		
Revenues	41,511	28,420
Net operating expenses	(33,403)	(28,412)



Operating profit	8,108	8
Net financial expense	981	(1,916)
Share of result of associates	-	(2,759)
Profit / (Loss) before taxes	9,089	(4,667)
Profit / (Loss) after taxes for the period	7,896	(5,741)
EUR /000	H1 2022	FY 2021
Statement of financial position		
Non-current assets	492,814	529,713
Cash and cash equivalents	218,027	198,560
Other current assets	54,411	77,289
Liabilities	296,032	292,884
Equity attributable to owners of the Company	462,535	505,276
Non-controlling interests	6,685	7,402
Equity ratio (%)	60.4%	62.7%
Shares		
Weighted average number of shares	16,531,105	14,392,984
Earnings/(loss) per share (in EUR)	0.476	(0.399)

Mauro Ajani, Chairman of Cosmo, said: *“I am happy to see that our investments to move towards large markets over the past years are beginning to pay off”*.

Alessandro Della Chà, Chief Executive Officer, said: *“I am proud to see Cosmo closing its best half-year in terms of revenues. Cosmo is at the forefront of substantial innovations that are starting to have a positive impact on our financial performance. We have exciting products in large markets, a full franchise in Artificial Intelligence which is just beginning to gain traction, a great pipeline and a solid balance sheet. Our objective is now to deliver according to guidance, and I am confident we will do so”*.



2022 Financial Outlook

Cosmo confirmed its guidance for the full year 2022 of:

- Total revenues in the range of €90m - €100m vs €65.1m in 2021.
- Operating profit in the range of €20m - €25m vs €11.1m in 2021.

The Half-year Report 2022 with further information was published today, 28 July 2022 at 07:00 am CEST and is available for download at:

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

Live conference call and video webcast presentation:

Date: Thursday, 28 July 2022

Time: 2:00 pm CEST

Participant webcast link: Chrome (recommended) or Firefox

<https://event.choruscall.com/mediaframe/webcast.html?webcastid=08a78URt>

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

The presentation and press release as well as the Half-Year Report 2022 will be available for download as of 07:00 am CEST on 28 July 2022 at www.cosmopharma.com.

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 commercialising 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®, Uceris®/Cortiment® 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. 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. 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



Commerzbank and ODDO BHF Conference
Investora Conference, Zurich
Credit Suisse Equity Forum Switzerland
Jefferies 2022 London Healthcare Conference
Deutsches Eigenkapitalforum, Frankfurt

September 6-8, 2022
September 21, 2022
November 15-17, 2022
November 15-17, 2022
November 28-30, 2022

Disclaimer

Some of the statements in this press release may be forward-looking statements or statements of future expectations based on currently available information. Such statements are naturally subject to risks and uncertainties. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements. Cosmo does not make any representation or warranty, express or implied, as to the accuracy, completeness or updated status of such statements. Therefore, in no case whatsoever will Cosmo and its affiliate companies be liable to anyone for any decision made or action taken in conjunction with the information and/or statements in this press release or for any related damages.

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