



Ad hoc announcement pursuant to Art. 53 LR

## Cosmo presents strong H1 2023 operational and financial results

- **Reaffirmation of FY 2023 guidance of total revenues in the range of €110 million - €120 million and an operating profit in the range of €25 million - €35 million**
- **Repayment of €175m convertible bonds due November 2023 fully in cash at maturity**

**Dublin, Ireland – 26 July 2023.** Cosmo Pharmaceuticals N.V. (SIX: COPN, XETRA: C43) (“Cosmo”) today announced its financial results for H1 2023, including revenues of €43.7 million (H1 2022: €41.5 million), EBITDA of €14.0 million (H1 2022: €14.9 million), an operating profit of €7.1 million (H1 2022: €8.1 million) and a profit before tax €3.7 million (H1 2022: €9.1 million).

### H1 2023 Product and Business Highlights:

- **HealthTech: GI Genius™**

In H1 2023, revenues of GI Genius™ grew by 59.3% to €4.3 million (H1 2022: €2.7 million). Placement of new devices continues to grow strongly in the U.S. and Europe.

[New research by Northwestern Medicine](#) showed that physicians who performed colonoscopies helped by artificial intelligence achieved a 13% increase in the detection and removal of adenomas — the most common type of colorectal polyp. The research was done over a six-month study period by 21 gastroenterologists at Northwestern Memorial Hospital who performed 4,820 colonoscopies. Nine of the physicians used the GI Genius™ computer-aided detection system in most of their procedures. Their polyp removal rates were significantly higher compared to the physicians who did not use the software. Consequently, Northwestern Medicine recently increased the number of GI Genius™ devices to equip every endoscopy suite in its nine acute-care hospitals and in four outpatient locations in the Chicago suburbs.

[Prestigious UK NHS AI](#) award paves way for real-world trial of GI Genius™ intelligent endoscopy module. Together with Kings College Hospital, Cosmo's GI Genius™ partner Medtronic has been awarded £2.5 million of government funding for a large-scale, real-world trial of GI Genius™ in NHS hospitals around the UK. Bowel cancer is the UK's second leading cause of cancer deaths and GI Genius™ aims to help clinicians detect the suspicious lesions earlier – and improve patient outcomes.

GI Genius™ was also awarded the [AI Breakthrough Award 2023](#) for the best deep learning platform.

- **Dermatology: Winlevi®**

In H1 2023, Winlevi® revenues were €4.5 million (H1 2022: €5.6 million), royalty income increased by 92.3% and manufacturing income decreased due to timing difference on deliveries in H1 2023 vs H1 2022.

Since its launch in the U.S., Winlevi® has been prescribed more than 670,000 times (TRx prescriptions) by over 15,000 unique prescribers, representing 88% of U.S. dermatologists.



Canadian marketing authorization received in mid-June; Cosmo's partner Sun Pharma expects first sales of Winlevi® in Canada in Q4 2023.

License agreement signed with Hyundai Pharmaceutical for Winlevi® in South Korea.

Negotiation of several other out-licensing agreements underway.

- **Established business**

Lialda® revenue increased by 27.7% to €16.6 million (H1 2022: €13.0 million) due to increased revenue in the EU and Japan.

Cortiment® revenue increased by 85.7% to €2.6 million. In June, Cortiment® was approved in Japan which is considered to be the world's second-largest market for inflammatory bowel disease products.

Elevio® income increased by 110% to € 2.1 million due to increased number of units sold.

Contract manufacturing revenue increased by 48.1% to €8.0 million.

- **R&D activities**

Phase III trials with clascoterone solution in males for the treatment of androgenetic alopecia commenced. The two trials (SCALP 1 and SCALP 2) will be conducted in approx. 60 study centers and with a total of 1,500 male subjects aged over 18.

The phase I study with the compound **CB-03-10** in patients with advanced refractory solid tumors is ongoing according to plan.

The start of the clinical development (phase I) of **CB-01-33**, a compound with the potential to overcome the current concerns for bile acid sequestrants for the treatment of bile acid diarrhea, is expected to commence in H2 2023.

## **H1 2023 Financial Highlights:**

- Total revenues for the first half of 2023 were €43.7 million (H1 2022: €41.5 million).
- EBITDA was €14.0 million for the first half of 2023 (H1 2022: €14.9 million).
- Net expenses in the reporting period were €36.5 million (H1 2022: €33.4 million), an increase of €3.1 million, or 9.3%. This increase is mainly due to increased GI Genius™ finished goods inventories sold during the half year.
- Operating profit for H1 2023 is €7.1 million as compared to €8.1 million in the first half of 2022.
- Net financial expenses were €3.5 million in the first half of 2023 (H1 2022: €1.0 million net financial income) the movement versus the prior year is mainly attributable to a movement in net foreign exchange (FX) gains/losses.
- Profit before tax was € 3.7 million in H1 2023, compared to €9.1 million in H1 2022.
- Cash generated from operating activities was €15.5 million in the first half of 2023, compared to €12.6 million in H1 2022.



- As at 30 June 2023, the total value of Cosmo's cash, treasury shares and other investments was €291.5 million (31 December 2022: € 322.9 million).
- Equity attributable to the owners of the Company was €431.3 million at 30 June 2023, compared to €456.9 million at 31 December 2022.

## H1 2023 Key Figures:

EUR 1,000	H1 2023	H1 2022
<b>Consolidated income statement</b>		
Revenue	43,661	41,511
Cost of sales	(18,871)	(17,221)
<b>Gross profit</b>	<b>24,790</b>	<b>24,290</b>
Other income	425	1,069
R&D costs	(8,288)	(7,593)
SGA costs	(9,804)	(9,658)
<b>Net operating expenses</b>	<b>(17,667)</b>	<b>(16,182)</b>
<b>Operating profit</b>	<b>7,123</b>	<b>8,108</b>
Net financial income / (expense)	(3,450)	981
<b>Profit before taxes</b>	<b>3,673</b>	<b>9,089</b>
<b>Profit after taxes for the period</b>	<b>1,486</b>	<b>7,896</b>
EUR 1,000	H1 2023	FY 2022
<b>Statement of financial position</b>		
Non-current assets	452,474	453,495
Cash and cash equivalents	118,716	185,825
Other current assets	165,627	120,272
Liabilities	298,658	295,804
Equity attributable to owners of the Company	431,298	456,927
Non-controlling interests	6,861	6,861
Equity ratio (%)	58.5%	60.2%



<b>Earnings per share</b>		
Weighted average number of shares	16,146,054	16,531,105
Earnings/(loss) per share (in EUR)	0.092	0.476

**Cosmo's H1 2023 report with further information is available for download at:**  
<https://www.cosmopharma.com/investors/financial-reports>

Alessandro Della Chà, Chief Executive Officer of Cosmo, said: *"We are very pleased to present strong H1 2023 results. This is even more impressive given that the financial result of H1 2022 included an €8 million milestone related to Cortiment®. We are especially pleased that the growth came from both recently launched products, such as GI Genius™ and Winlevi®, as well as from our established products."*

### **FY 2023 Outlook**

For the remainder of 2023, Cosmo expects continued growth from its key growth drivers GI Genius™ and Winlevi® as well as from its established products. The Company has just recently started phase III trials with clascoterone solution in males for the treatment of androgenetic alopecia and it is currently awaiting regulatory approval of Lumeblue™ in China. Cosmo reaffirms its FY 2023 guidance of total revenues in the range of €110 million - €120 million and an operating profit in the range of €25 million - €35 million.

### **Repayment of €175m convertible bonds due November 2023 fully in cash at maturity**

On 28 November 2018, the Company issued €175 million of senior unsecured convertible bonds which are due for redemption on 28 November 2023. The Board of Directors of Cosmo has decided to redeem the bonds fully in cash at maturity.

### **H1 2023 Results Webcast/Conference Call**

Cosmo invites investors, financial analysts and business/life science journalists to a live video webcast presentation with Alessandro Della Chà, CEO, and Niall Donnelly, CFO, to discuss the financial and operating results as well as the next milestones of the Company:

- The webcast presentation will take place today, 26 July 2023, at 2:00 pm CEST
- Participant webcast link: Chrome (recommended) or Firefox:  
<https://media.choruscall.eu/mediaframe/webcast.html?webcastid=cjTWeUeO>  
(Please note that there is a function to type in your questions via webcast)
- Participants wishing to ask verbal questions via phone, may call the following numbers below. To ensure prompt access, please call approx. 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 webcast, along with the presentation, will be available as replay 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 [www.cosmopharma.com](http://www.cosmopharma.com).

**Upcoming Calendar of Events**

Investor Access, Paris

October 9-10, 2023

Jefferies London Healthcare Conference 2023

November 14-16, 2023

CF&B Communication European Midcap Event, Geneva

December 1-2, 2023

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