

# Proposed Acquisition of BioXell

Press / analyst conference call presentation

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## Cosmo profile

- **Italian company founded 1996**
- **Listed on SIX since 2007**
- **CEO is an entrepreneur and the major shareholder**
- **Focus on Inflammatory Bowel Diseases (IBD)**
- **Proven, proprietary, patented MMX® technology that is platform for low risk new product development**
- **2 products in the market**
- **Large, deep pipeline with 2 phase III and 2 phase II products**
- **Increasing recurrent revenues**
- **Cash flow positive**
- **No further cash needed to finance entire planned clinical program**

## Overview of Offer Terms

- Offer for 100% of BioXell share capital consists of
  - CHF 15.1 million in cash
  - 1,132,500 newly issued Cosmo shares
  - 1,132,500 put options to sell one Cosmo share to Cosmo at CHF 21 between 1 July 2011 and 31 December 2011
- Offer price valued at CHF 7.68 per BioXell share at announcement
  - Premium of 17.1% over BioXell's VWAP of last 60 trading days
  - Offer value equivalent to
    - CHF 2.8059 in cash
    - CHF 3.64 in shares (0.21044 COPN shares)
    - CHF 1.23 in options (0.21044 COPN options) to put COPN shares at CHF 21 between 01.7.2011 and 31.12.2011
  - Cash component can be increased in case BioXell receives certain further cash payments prior to Closing
    - Receipts from sale of technology assets
    - Receipts from certain receivables

## Rationale and Timing of Proposed Transaction

- **Rationale for Cosmo**
  - Increase free float by around 22%
  - Get new institutional investors as shareholders
  - Raise money at competitive terms
  - Get additional financial flexibility for pursuit of clinical programs
- **Timing**
  - Pre-announcement: 18 November 2009
  - Tender offer to be launched in December 2009
  - Closing expected by end of March 2010

## BioXell (SIX: BXLN)

- **BioXell (Milan, Italy) was founded in 2002 as a spin-out from Roche**
  - IPO at SIX in June 2006
  - Initial focus on the discovery and development of drugs that exploit novel mechanisms of action for the treatment of urological and inflammatory conditions
- **Following the conclusion of Vitamin D3 related R&D activities, BioXell has been looking into a number of strategic options in line with the demands of its shareholders**
- **Following the review of strategic alternatives, BioXell's Board of Directors supports the proposed transaction**
  - Allows BioXell shareholders to receive a significant portion of the Company's cash
  - Participation in Cosmo share price upside with full downside protection
  - Any potential receipt from sale of BioXell technology will be paid to BioXell shareholders

# Product Pipeline: Progress and success to date in all projects

Product	Drug type	Indication	PC	Ph I	Ph II	Ph III	MA	Launch	Partner
Lialda™/Mezavant®	5-ASA	Mild to moderate Ulcerative Colitis						03/07US 10/07 UK	Shire
Zacol NMX®	Dietary supplement	Intestinal disorders (nutraceutical)						12/05 ITA	
Budesonide MMX®	Corticosteroid	Mild to moderate Ulcerative Colitis						Q1/2 10	Santarus - USA Ferring – Worldwide (excluding Japan & USA)
Rifamycin SV MMX®	Antibiotic	Traveller's Diarrhoea						H1/2 11	Santarus - USA Dr. Falk – Europe & Australia (excluding Italy)
LMW Heparin MMX®	Biologic	Mild to moderate Ulcerative Colitis						Q4 11	
CB-03-01 (NCE)	Steroid ester, androgen antagonist	Acne		PK Study	POC			Q3 10	
Rifamycin SV MMX®	Antibiotic	CDAD						Q4 10	
CB-01-12	Anti-TNFα	IBD							
CB-01-16	Opioids antagonist	Opioid induced Constipation							
CB-01-14	Antibiotic	Crohn's Disease							

IPO pipeline development

2009 pipeline development

## Markets and market potentials

- **Lialda**
  - Introduced in market in USA in March 07. Shire expects sales of \$ 240 m in 09 and analysts project \$323 m for 2010 and \$ 392 for 2011. Cosmo net income is around 6.5% of revenue
- **Budesonide MMX**
  - Santarus market analysis points to peak sales in US of \$ 150-200 m (Entocort has \$ 189 m sales for smaller Crohns indication). Cosmo contracted net income would be around 25-30% of revenue
- **Rifamycin SV MMX**
  - Santarus market analysis point to peak sales in US of \$ 50-100 m for Travellers Diarrhoea indication. Additional indications such as Diverticulitis, IBD, HE, CDAD could put a multiple into such projections. Cosmo contracted net income would be around 25-30%

## R&D for 2010

- **LMW Heparin**
  - Initiate partner search
  - Prepare and start EU phase III trial
  - Fulfill FDA requirements for IND
- **Anti androgen**
  - Acne
    - Preclinical reprotox studies
    - Complete phase I (females, sensitivity, repeated doses)
    - Phase II b dose ranging study
  - Prepare and start phase II for alopecia
- **Opioid constipation**
  - Prepare and carry out phase I PK study

## Anticipated News Flow 2009 & 2010

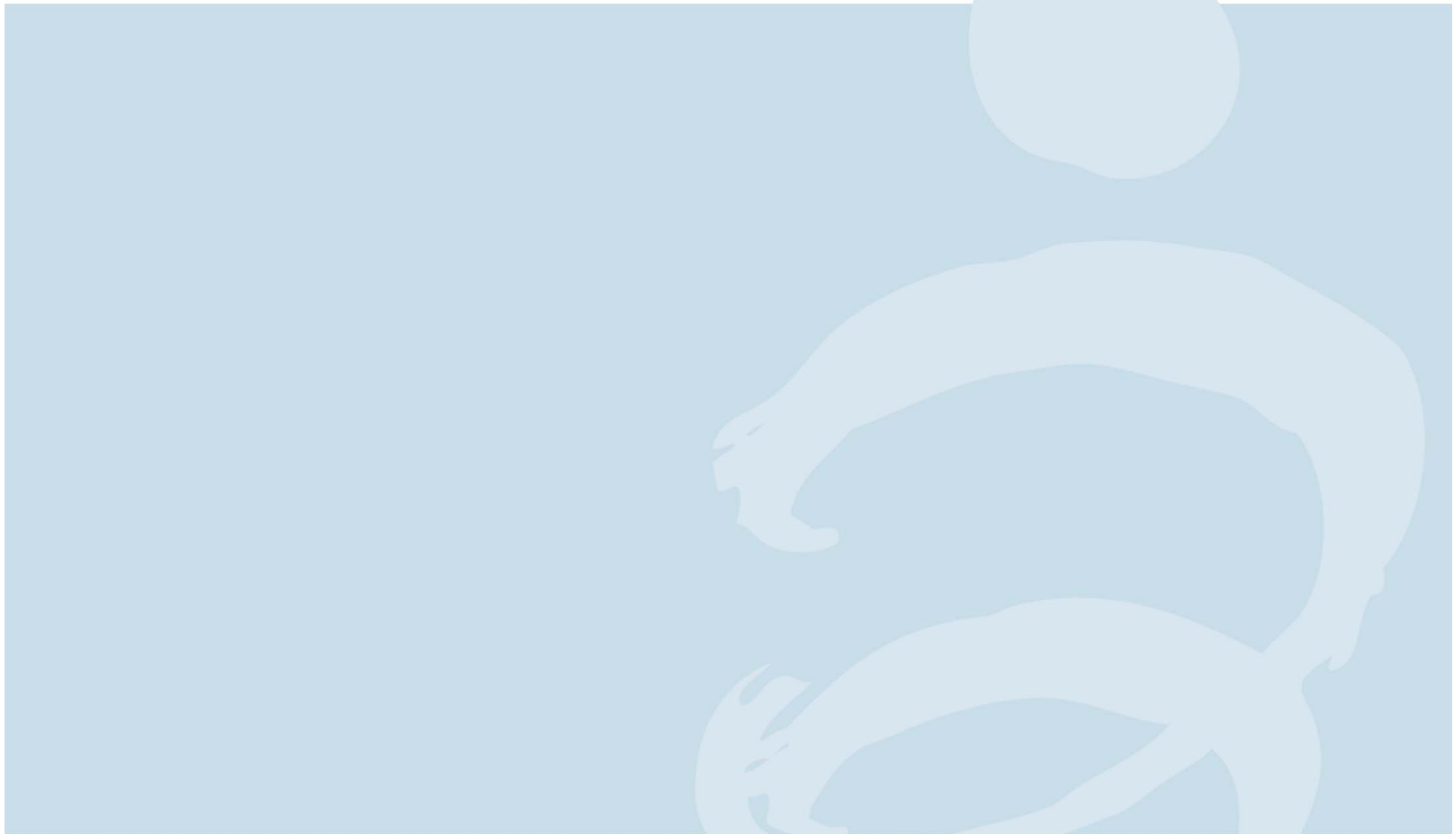
- **CB 03-01**
  - Preliminary results phase II acne in men in Q4 2009
- **Budesonide**
  - Status of trials in Q4 2009
  - Results EU phase III trial Q1/2
  - Results and milestones US phase III trial Q4
- **Rifamycin**
  - Results EU & NA phase III trial in late Q4
- **LMW Heparin**
  - License Agreement 2H
- **Opioid constipation**
  - Results phase I

## Forecast based on current agreements <sup>(a)</sup>

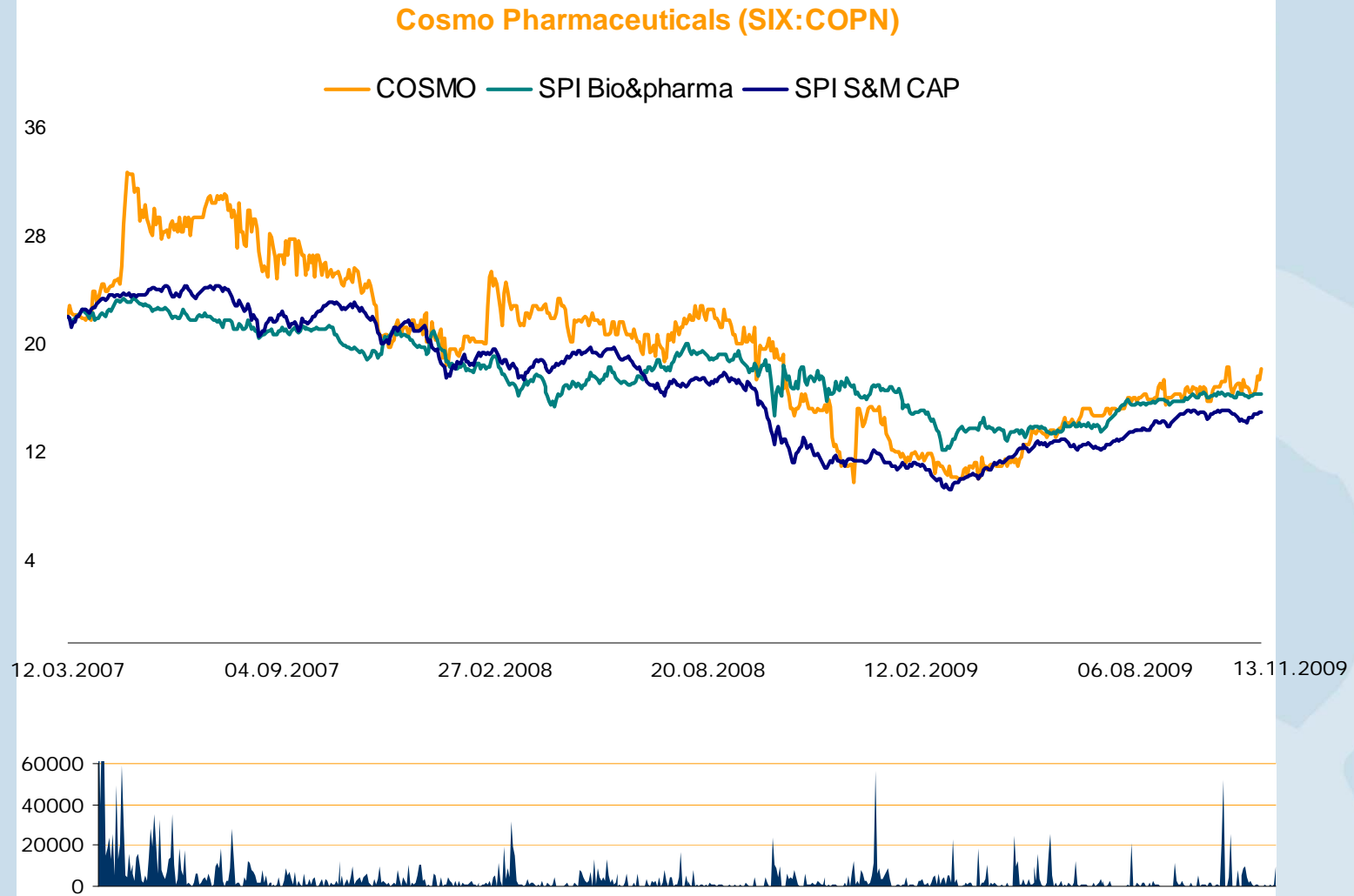
In EUR million	2010	2011	%
Revenues	30.6	42.7	40
Cost of sales	(13.3)	(13.7)	3
R&D costs	(6.9)	(9.7)	45
Operating Result	5.2	13.9	167
Profit (loss) for the year	4.3	11.9	177
	<b>2010</b>	<b>2011</b>	
Cash and cash equivalents	30	41	37
Total assets	78	93	20

(a) Including additional cash from Proposed Transaction

## Q&A



# Cosmo's share at a glance



# Analyst coverage & Market making

## Analysts

- Bank am Bellevue: Bob Pooler
- Jefferies: Peter Welford
- Sal Oppenheim: Carrie Duncan
- Vontobel: Silvia Schatz

## Market Making

- Vontobel

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