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**PUBLIC EXCHANGE OFFER**

**of**

**Cosmo Pharmaceuticals N.V.**

for all publicly held registered shares with a nominal value of EUR 1.00 each

**of**

**Cassiopea S.p.A.**

**Offer Price:**

The Offer Price per registered share of Cassiopea S.p.A. with a nominal value of EUR 1.00 each ("**CAS Share**") amounts to 0.467 ordinary shares in Cosmo Pharmaceuticals N.V., with a nominal value of EUR 0.26 each ("**COPN Shares**").

The Offer Price will be reduced by the gross amount of (i) open or hidden distributions of Cassiopea S.p.A. (such as dividend payments, distributions as a result of a capital reduction, etc.) and (ii) the consequences of any dilution effects resulting from corporate actions of Cassiopea S.p.A. (such as capital increases at an issue price below the Offer Price, demergers and splits, sale or issue of shares in Cassiopea S.p.A. by Cassiopea S.p.A. or its subsidiaries below the Offer Price or issue of options or other financial instruments allowing for the purchase of shares in Cassiopea S.p.A. or its subsidiaries by Cassiopea S.p.A. or its subsidiaries at an issue price below the market price, demergers and splits of Cassiopea S.p.A. or its subsidiaries), provided always such distributions or dilution effects impact the value of the offer.

The Offer Price will be increased by the gross amount of (i) open or hidden distributions of Cosmo Pharmaceuticals N.V. (such as dividend payments, distributions as a result of a capital reduction, etc.) and (ii) the consequences of any dilution effects resulting from corporate actions of Cosmo Pharmaceuticals N.V. (such as capital increases at an issue price below the Offer Price, demergers and splits, sale or issue of shares in Cosmo Pharmaceuticals N.V. by Cosmo Pharmaceuticals N.V. or its subsidiaries below the Offer Price or issue of options or other financial instruments allowing for the purchase of shares in Cosmo Pharmaceuticals N.V. or its subsidiaries by Cosmo Pharmaceuticals N.V. or its subsidiaries at an issue price below the market price, demergers and splits of Cosmo Pharmaceuticals N.V. or its subsidiaries), provided always such distributions or dilution effects impact the value of the offer.

The number of COPN Shares received by a shareholder of Cassiopea will be calculated by such shareholder's custodian bank for such shareholder's aggregate position in CAS Shares for which the Offer has been accepted and, if not an integer, rounded down to the nearest integer. The remaining fraction will be compensated in cash (in CHF) without interest on or around the fourth trading day following the Settlement Date. The cash amount will be determined by selling the COPN Shares issued for the aggregate of the fractions in the market on the first day (or on the following day(s)) of trading of the COPN Shares issued for the purpose of settling the Offer.

**Offer Period:** 19 October 2021 until 15 November 2021, 4.00 p.m. (CET) (extensions of the Offer Period reserved).

	Swiss Security number	ISIN	Ticker symbol
<b>Cassiopea S.p.A.</b> Ordinary shares with a nominal value of EUR 1.00 each	28252872	IT0005108359	SKIN
<b>Cosmo Pharmaceuticals N.V.</b> Ordinary shares with a nominal of EUR 0.26 each	32590356	NL0011832936	COPN

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Financial advisor to Cosmo Pharmaceuticals N.V.: **Credit Suisse**

Offer Prospectus dated 4 October 2021

## **OFFER RESTRICTIONS**

### **United States of America**

The COPN Shares described herein have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "U.S. Securities Act"), or under any law of any state of the United States of America, and may not be offered, sold, resold, or delivered, directly or indirectly, in or into the U.S., except pursuant to an exemption from the registration requirements of the U.S. Securities Act and applicable state securities laws. Neither this document nor the exchange offer described herein constitutes an offer to sell or the solicitation of an offer to buy any securities in the U.S. or in any other jurisdiction in which such an offer or solicitation would be unlawful. Cosmo Pharmaceuticals N.V. will not register or make a public offer of its securities, or otherwise conduct any public tender offer, in the U.S. In the U.S., this document is being provided to "qualified institutional buyers" (as defined in Rule 144A under the U.S. Securities Act) only on a confidential basis. Neither the United States Securities and Exchange Commission nor any state securities commission in the United States has approved or disapproved the Offering of the shares or passed upon the adequacy or accuracy of the Prospectus. Any representation to the contrary is a criminal offence in the United States. PROSPECTIVE PURCHASERS ARE HEREBY NOTIFIED THAT SELLERS OF COPN SHARES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE US SECURITIES ACT PROVIDED BY RULE 144A.

By tendering securities of Cassiopea S.p.A. into this offer, you will be deemed to represent that you (x) (a) are not a U.S. person, (b) are not acting for the account or benefit of any U.S. person, and (c) are not in or delivering the acceptance from, the United States or (y) you are a "qualified institutional buyer" as that term is used in Rule 144A under the U.S. Securities Act.

### **United Kingdom**

This communication is directed only at persons in the U.K. who (i) have professional experience in matters relating to investments falling within article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the Order), (ii) are persons falling within article 49(2)(a) to (d) ("high net worth companies, unincorporated associations, etc.") of the Order or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as Relevant Persons). This communication must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this communication relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

### **Australia, Canada, Japan**

The public tender offer is not addressed to shareholders of Cassiopea S.p.A. whose place of residence, seat or habitual abode is in Australia, Canada or Japan, and such shareholders may not accept the offer.

### **European Economic Area**

The public tender offer described in this offer prospectus (the Offer) is only being made within the European Economic Area (EEA) pursuant to an exemption under Regulation (EU) 2017/1129 (as amended and together with any applicable adopting or amending measures in any relevant member state (as defined below), the Prospectus Regulation), as implemented in each member state of the EEA (each a relevant member state), from the requirement to publish a prospectus that has been approved by the competent authority in that relevant member state and published in accordance with the Prospectus Regulation as implemented in that relevant member state or, where appropriate, approved in another relevant member state and notified to the competent authority in that relevant member state, all in accordance with the Prospectus Regulation. Accordingly, in the EEA, the Offer and documents or other materials in relation to the Offer and the shares in Cosmo Pharmaceuticals N.V. (the Offeror Shares) are only addressed to, and are only directed at, (i) qualified investors (qualified investors) in the relevant member state within the meaning of Article 2(1)(e) of the Prospectus Regulation, as adopted in the relevant member state, and (ii) persons who hold, and will tender, the equivalent of at least EUR 100,000 worth of shares in Cassiopea

S.p.A. (the Target Shares) in exchange for the receipt of Offeror Shares (collectively, permitted participants). This offer prospectus and the documents and other materials in relation to the Offer may not be acted or relied upon by persons in the EEA who are not permitted participants, and each Target shareholder seeking to participate in the Offer that is resident in the EEA will be deemed to have represented and agreed that it is a qualified investor or that it is tendering the equivalent of EUR 100,000 worth of Target Shares in exchange of Offeror Shares.

## **Italy**

This Prospectus does not constitute a public offer nor a tender or exchange offer nor an advertisement of securities to the public in the Republic of Italy. Neither the Offer nor the COPN Shares have been registered with or cleared by the Commissione Nazionale per la Società e la Borsa ("CONSOB") (the Italian securities exchange commission), pursuant to Italian securities legislation. Neither the CONSOB nor any other Italian public authority has examined, approved, cleared or registered this Prospectus or will examine, approve, clear or register this Prospectus. Accordingly, Italian residents cannot participate in the Offer nor may copies of this Prospectus or of any other document relating to the Offer be distributed or published in the Republic of Italy, either on primary and on secondary market. This Prospectus and has not been prepared in accordance with the prospectus requirements nor the tender offer requirements provided for, or otherwise applicable in, Italy. Cosmo Pharmaceutical N.V. will not accept, directly or indirectly, any order relating to the Offer made in, or coming from, the Republic of Italy; any such order will be deemed null and void.

## **General**

Cosmo Pharmaceuticals N.V.'s public tender and exchange offer for all publicly held shares of Cassiopea S.p.A. (the Offer) is not being made, directly or indirectly, in any country or jurisdiction in which such offer would be unlawful or otherwise violate any applicable law or regulation or which would require Cosmo Pharmaceuticals N.V. to make any amendment to the terms or conditions of the Offer, to make any additional application to, or to take any additional action with respect to, any governmental, regulatory or legal authority. It is not intended to extend the Offer to any such country or jurisdiction. Documents relating to the Offer may not be distributed in, or sent to, any such country or jurisdiction. Such documents may not be used for the purpose of soliciting purchases of Cassiopea S.p.A. securities by any person or entity resident or incorporated in such country or jurisdiction.

## **FORWARD-LOOKING STATEMENTS**

This Offering Prospectus contains forward-looking statements, such as those regarding developments, plans, intentions, assumptions, expectations, beliefs, potential effects or descriptions of future events, prospects, revenues, results or situations. These statements are based on Cosmo Pharmaceuticals N.V.'s current expectations, beliefs and assumptions. Accordingly, such statements are uncertain and may differ materially from actual facts, current conditions, results or developments.

## **RISK FACTORS**

The acquisition of registered shares of Cosmo Pharmaceuticals N.V. involves risks. Such risks are summarized in a non-exhaustive manner in section N (*Risk factors*). Offerees should always read the information in this Prospectus in the context of the risk factors.

## A. BACKGROUND OF THE PUBLIC OFFER

### 1. Companies involved

Cassiopea S.p.A. ("**Target Company**" or "**Cassiopea**") is a joint stock company incorporated under the laws of the Republic of Italy with corporate seat in Lainate (Milan), Italy and a share capital in the amount of EUR 10,750,000 divided into 10,750,000 registered shares with a nominal value of EUR 1.00 each (the "**CAS Shares**"). The CAS Shares are listed on the SIX Swiss Exchange under the International Reporting Standard (Swiss security number: 28252872/ ISIN: IT0005108359 / ticker symbol: SKIN).

Cassiopea is a specialty pharmaceutical company focused on developing and commercializing innovative and differentiated medical dermatology products. In 2020, Cassiopea spent EUR 6,440,000 predominantly in the advancement of its clinical programs. At the end of 2020, cash amounted to EUR 2,646,000.

Cosmo Pharmaceuticals N.V. (together with its subsidiaries "**Cosmo**" or, as the context requires, the "**Offeror**") is a Dutch public limited company with its registered office in Dublin, Ireland, and a share capital of EUR 3,909,745.58 divided into 15,037,483 registered shares with a nominal value of EUR 0.26 each (the "**COPN Shares**"). The COPN Shares are listed on the SIX Swiss Exchange in accordance with the International Reporting Standard (Swiss security number: 32590356 / ISIN: NL0011832936 / ticker symbol: COPN).

Cosmo is a pharmaceutical company with a specialized focus on gastroenterology and endoscopy, developing and manufacturing products, which are distributed globally. In the financial year 2020, Cosmo generated revenues of EUR 60.9 million (compared to EUR 62.5 million in 2019). The expenses in the financial year 2020 amounted to EUR 54.0 million (compared to EUR 74.8 million in 2019). The operating profit amounted to EUR 6.9 million in the financial year 2020 (compared to an operating loss of EUR 12.3 million in 2019). Cosmo holds 46.56% of the share capital of Cassiopea.

### 2. Reasons for the offer

The board of directors ("**Board of Directors**") of Cosmo and the Board of Directors of Cassiopea have concluded that it is in the best interest of their companies, shareholders, employees and other stakeholders to fully integrate Cassiopea into Cosmo. To this end, Cosmo is to acquire all publicly held CAS Shares by way of a public exchange offer (the "**Offer**"). The initial situation and reasons for the Offer are set out below.

Founded in 2013, Cassiopea initially operated as a fully owned subsidiary of Cosmo under the company name Cosmo Dermatos S.r.l. ("**Cosmo Dermatos**") and, as such, started the clinical development of its dermatology pipeline. The pipeline originally included two products stemming from the same active ingredient (clascoterone), an androgen receptor inhibitor being investigated for the treatment of acne and androgenetic alopecia ("**AGA**"). A 1% cream formulation ("**Winlevi**") and a solution formulation ("**Breezula**") were developed respectively, for these two conditions. In addition, an antibiotic to be investigated for the treatment of acne and a product to be investigated for the treatment of genital warts were in-licensed and added to the pipeline.

In 2014, Cosmo decided to list Cosmo Dermatos on the SIX Swiss Exchange and renamed the company Cassiopea. Prior to the IPO, Cosmo contributed EUR 50 million in a capital increase of Cassiopea to provide the company with the cash needed to fund its pipeline development until the marketing approval of Winlevi. The IPO was a fully secondary transaction, with Cosmo placing 5'491'013 shares equivalent to 54.9% of the company, retaining 45.1%. The IPO took place in June 2015. Cosmo's stake has remained stable since then, and only recently it was increased to 46.56% after the execution of a capital increase in May 2020.

Under various service agreements between Cassiopea and Cosmo, since 2015 Cosmo has provided Cassiopea with the services of Cassiopea's CFO, CSO, and Finance Director, and also general administrative services, regulatory services, clinical manufacturing and lab testing services ("**Service Agreements**").

Since the IPO, Cassiopea has significantly advanced its pipeline. In October 2018, it announced successful Phase 3 results in acne for Winlevi. In April 2019, it announced the positive Phase II twelve month results in males with AGA for Breezula. In August 2020, the U.S. Food and Drug Administration (FDA) approved Winlevi as a first in class topical acne treatment targeting the androgen receptor. In September 2021, Cassiopea announced top line results of the Phase II Proof of Concept trial for Breezula in the treatment of AGA in females. Based on getting timely feedback from FDA on the Phase III clinical program for Breezula in males, the company expects to commence the program in the first half year of 2022. If the Phase III trial is successful, the new drug filing (NDA application) with the United States Food and Drug Administration (FDA) is expected to occur in the first half of 2025.

On 26 July 2021, Cassiopea and Sun Pharma Industries Limited ("**Sun Pharma**") announced the signing of license and supply agreements ("**License Agreement**") for Winlevi in the United States and Canada. Under the License Agreement, Cassiopea will be the exclusive supplier of the product and has appointed Cosmo as its contract manufacturer. Cassiopea received an upfront payment of US \$45 million and will receive potential commercial milestones totalling up to US \$190 million and customary double digit royalties. The License Agreement closed on August 31, 2021 after the expiry of the HSR Act process.

Cosmo's original publicly announced plan for its stake in Cassiopea was to consider it as a financial investment to be divested in due course. However, following the signing of the License Agreement and considering that Cassiopea has three assets under development, with such development activities continuing to require Cosmo's support under the Service Agreements, the Board of Directors of Cosmo and the Board of Directors of Cassiopea have concluded that it is in the best interest of their companies, shareholders, employees and other stakeholders to fully integrate Cassiopea into Cosmo.

Doing so would create an integrated pharmaceutical corporation with the in-house capacity and know-how to advance the development of a diversified R&D pipeline.

In view of the Offer, Cosmo and Cassiopea entered into a transaction agreement (the "**Transaction Agreement**") on 1 October 2021. In this agreement, Cosmo undertakes to submit the Offer and Cassiopea undertakes that its Board of Directors shall unconditionally recommend the Offer to the shareholders of Cassiopea for acceptance, subject to a favourable competing offer (for the Transaction Agreement, see section E.7 (*Agreements between the Offeror and the Target Company, its corporate bodies and shareholders*))

### **3. Main subject of the offer**

The clascoterone cream and solution, as described under section E.3 (*Main business activity of the Target Company*) is the main subject of the Offer.

### **4. Overview of the transaction steps**

By means of the Offer, Cosmo intends to acquire the CAS Shares in order to fully acquire Cassiopea and subsequently delist the CAS Shares from SIX Swiss Exchange. In addition to the Transaction Agreement, the following transaction steps are planned:

1. Submission of the Offer to the shareholders of Cassiopea, processing and settlement thereof.
2. Delisting of the CAS Shares from SIX Swiss Exchange upon reaching the mentioned acceptance threshold.
3. Taking measures to achieve 100% control in respect of the CAS Shares.

## **B. THE OFFER**

### **1. Subject of the Offer**

The Offer relates to all publicly held CAS Shares as of the date of this Offer.

As at the last trading date prior to the date of this Offer, Cassiopea had a share capital of EUR 10,750,000 divided into 10,750,000 registered shares with a nominal value of EUR 1.00 each. The Offeror holds 5,005,066 CAS-Shares. Therefore, there are currently 5,744,934 CAS-Shares held by the public.

In addition, the Offer extends to CAS Shares newly issued by the end of the Additional Acceptance Period (as defined in Section B.7 (*Additional Acceptance Period*)) as a result of the exercise of employee stock options of Cassiopea S.p.A. entitling to the purchase of one registered share of Cassiopea per option each ("CAS Options") or any other equity derivative entitling to the issuance of new CAS Shares. As at the date of this Offer, there are no outstanding equity derivatives that Cassiopea would have issued on CAS Shares, except for any outstanding CAS Options (see section E.6 (*Option Plan of the Target Company*)).

## **2. Offer price**

### **a) Determination of the offer price**

The Offer Price per CAS Share amounts to 0.467 COPN Shares.

The Offer Price will be reduced by the gross amount of (i) open or hidden distributions of Cassiopea S.p.A. (such as dividend payments, distributions as a result of a capital reduction, etc.) and (ii) the consequences of any dilution effects resulting from corporate actions of Cassiopea S.p.A. (such as capital increases at an issue price below the Offer Price, demergers and splits, sale or issue of shares in Cassiopea S.p.A. by Cassiopea S.p.A. or its subsidiaries below the Offer Price or issue of options or other financial instruments allowing for the purchase of shares in Cassiopea S.p.A. or its subsidiaries by Cassiopea S.p.A. or its subsidiaries at an issue price below the market price, demergers and splits of Cassiopea S.p.A. or its subsidiaries), provided always such distributions or dilution effects impact the value of the offer.

The Offer Price will be increased by the gross amount of (i) open or hidden distributions of Cosmo Pharmaceuticals N.V. (such as dividend payments, distributions as a result of a capital reduction, etc.) and (ii) the consequences of any dilution effects resulting from corporate actions of Cosmo Pharmaceuticals N.V. (such as capital increases at an issue price below the Offer Price, demergers and splits, sale or issue of shares in Cosmo Pharmaceuticals N.V. by Cosmo Pharmaceuticals N.V. or its subsidiaries below the Offer Price or issue of options or other financial instruments allowing for the purchase of shares in Cosmo Pharmaceuticals N.V. or its subsidiaries by Cosmo Pharmaceuticals N.V. or its subsidiaries at an issue price below the market price, demergers and splits of Cosmo Pharmaceuticals N.V. or its subsidiaries), provided always such distributions or dilution effects impact the value of the offer.

The number of COPN Shares received by a shareholder of Cassiopea will be calculated by such shareholder's custodian bank for such shareholder's aggregate position in CAS Shares for which the Offer has been accepted and, if not an integer, rounded down to the nearest integer. The remaining fraction will be compensated in cash (CHF) without interest on or around the fourth trading day following the Settlement Date. The cash amount will be determined by selling the COPN Shares issued for the aggregate of the fractions in the market on the first day (or on the following day(s)) of trading of the COPN Shares issued for the purpose of settling the Offer.

The value of the offered 0.467 COPN Shares per CAS Share corresponds to CHF 37.13 based on the closing price of the COPN Shares of CHF 79.50 on 1 October 2021 and CHF 39.02 based on the 60-day volume weighted average price of the COPN Shares of CHF 83.56 as of 1 October 2021. The COPN Shares meet the liquidity requirements of Section 3 of the TOB Circular No. 2.

The Offer Price is derived from the respective 60-day volume-weighted average share prices of each of Cosmo Pharmaceuticals N.V. and Cassiopea S.p.A. as of 1 October 2021.

### **b) Compliance with minimum price requirements**

Cosmo Pharmaceuticals N.V. already holds 5,005,066 CAS Shares corresponding to 46.56% of all CAS Shares and thus above the mandatory offer line. As a consequence, the minimum price requirements do not apply to this Offer.

The price development of the CAS shares since 2018 can be illustrated as follows:

	2018	2019	2020	2021**
Highest*	61.40	57.00	58.60	53.00
Lowest*	35.50	36.10	24.00	32.90
Year-end price*	36.60	42.00	48.50	n/a

\* daily closing price in CHF

Source: SIX Swiss Exchange

\*\* until the last trading day before the publication of this prospectus

### 3. Description of Cosmo's share capital

*Authorized share capital:* Under Dutch law, a company's authorized share capital sets out the maximum number of shares that the company may issue without amending its articles of association. The authorized capital of Cosmo amounts to EUR 18,744,677.64 and is divided into 36,047,457 ordinary shares, each with a nominal value of EUR 0.26 and 36,047,457 preferred shares, each with a nominal value of EUR 0.26. All shares are registered, whereby the ordinary shares are numbered consecutively from 1 onwards and the preferred shares from P1 onwards. No share certificates are issued. No preferred shares are issued.

*Rights attached to ordinary shares:* Each ordinary share of Cosmo entitles the holder thereof to the same dividend rights, voting rights and information rights as other holders of such ordinary shares. At the general meeting each ordinary share entitles its holder to one vote.

*Rights attached to preferred shares:* Each preferred share of Cosmo entitles the holder thereof to the same dividend rights, voting rights and information rights as other holders of such preferred shares. At the general meeting each preferred share entitles its holder to one vote.

*Dividend.* Dividend payments and similar cash or in-kind distributions by Cosmo are not subject to Swiss federal withholding taxes, since Cosmo was duly incorporated and is validly existing under Dutch law and with its registered office and seat of management in Dublin, Ireland and provided that Cosmo is neither managed nor controlled in Switzerland.

*Deposit shares.* An ordinary share becomes a deposit shares by transfer or issuance to Euroclear Netherlands or to an intermediary, recording in writing that the share is a deposit share. The deposit share shall be recorded in the shareholders register of Cosmo in the name of Euroclear Netherlands or the relevant intermediary, stating in writing that it is a deposit share. Deposit shareholders are not recorded in the shareholders register of Cosmo. Deposit shares can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Dutch Securities Bank Giro Transactions Act of 8 June 1977 ("**Dutch Securities Transactions Act**"). The transfer by a deposit shareholder of its book-entry rights representing deposit shares shall be effected in accordance with the provisions of the Dutch Securities Transactions Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights. No transfer restrictions apply to the COPN Shares.

*Shareholders' register.* The Board of Directors keeps a register in which the names and addresses of all the holders of ordinary shares are recorded, specifying the date on which they acquired their shares, the date of acknowledgment by or service upon the company and the amount paid up on each share. In respect of the preferred shares of Cosmo, the Board of Directors keeps a separate register in which the names and addresses of all holders of preferred shares are recorded, to which the same aforementioned provisions will apply. The registers also contain the names and addresses of all holders of a right of usufruct or pledge on those shares. On application by a holder of shares, holder of a right of usufruct or pledge the Board of



Directors shall furnish an extract from the register, free of charge, in so far as it relates to the applicant's right in respect of a share.

*Authorization of the Board of Directors to issue share capital:* In accordance with Dutch law and the articles of association of Cosmo, shares shall be issued pursuant to a resolution passed by the shareholders' meeting, upon the proposal of the Board of Directors containing the price and further terms and conditions of the issue. The shareholders' meeting may delegate the authority to issue shares to the Board of Directors, for a fixed period not exceeding five years and in a resolution specifying the number of shares that may be issued and any further conditions. Such designation may be renewed each time for a period not exceeding five years.

*Pre-emptive rights.* When shares are issued, each holder of ordinary shares shall have a pre-emptive right in proportion to the aggregate nominal value of his ordinary shares, without prejudice to the provisions as laid down in this article and the statutory provisions. No pre-emptive right shall apply if shares are paid for in kind. There are no pre-emptive rights in respect of shares which are issued to employees of Cosmo. These pre-emptive rights may however be limited or excluded pursuant to a shareholders' resolution upon the proposal of the Board of Directors, unless the Board of Directors is authorized thereto by shareholders. The shareholders may designate the Board of Directors for a fixed period not exceeding five years as the body authorized to limit or to exclude the pre-emptive right, provided that such a designation shall only be possible if the Board of Directors is also or simultaneously designated as the body authorized to issue shares. The designation may be renewed each time for a period not exceeding five years. No such designation may be cancelled, unless cancellation is specifically permitted in the applicable designation. The shareholders' resolution to limit or exclude pre-emptive rights or to designate the Board of Directors as the body with that power must be passed by a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the relevant shareholders' meeting. The aforementioned applies accordingly to the granting of rights to subscribe for shares. Shareholders, however, do not have any pre-emptive rights for shares which are being issued to a person who exercises a previously acquired right to subscribe for shares.

*Subscription.* When ordinary shares are subscribed for, the nominal value thereof must be paid up, and if an ordinary share is subscribed to at a higher amount, the difference between such amounts without prejudice to the provisions of article 2:80 paragraph 2 of the Dutch Civil Code. When subscribing for a preferred share, paying up must be made of at least one-quarter of its nominal value. Further paying up on preferred shares shall not be made until a call for such payment is made by Cosmo. To the extent the preferred shares have been paid up from the distributable part of the equity, the nominal value thereof must be paid up.

*Contribution.* Payment on shares shall be made in cash, unless otherwise agreed in accordance with article 2:80b of the Dutch Civil Code. The Board of Directors will be authorized to perform the legal acts as referred to in article 2:94 of the Dutch Civil Code without the prior approval of the shareholders. Cosmo may not with a view to any other party subscribing to or acquiring its shares or depositary receipts, provide security or any price guarantee, act as surety in any other manner, or bind itself jointly and severally or otherwise in addition to or on behalf of others. This prohibition also applies to its subsidiaries.

*Loans.* It is not allowed for Cosmo to grant any loans with a view to subscribing for its own shares or any other party acquiring shares in its share capital or depositary receipts, unless the Board of Directors passes a resolution and the conditions of article 2:98c paragraphs 2 up and including 7 of the Dutch Civil Code are fulfilled. This prohibition does not apply if shares or depositary receipts are subscribed for or acquired by employees of Cosmo.

*Taxation.* As an Irish resident company, Irish dividend withholding tax (DWT), currently at a rate of 25%, will arise in respect of dividends or other distributions (including deemed distributions) paid by the Company unless an exemption applies. A deemed distribution for these purposes would include, among others, a payment made on the redemption, repayment or purchase of its own shares by a company except for such payments made by a quoted company in certain circumstances. Where DWT does arise in respect of dividends, the Company is responsible for deducting DWT at source and forwarding the relevant payment to the Irish Revenue Commissioners. An exemption from DWT is available on dividend payments made to

certain non-Irish tax resident shareholders ("**Exempt Non-Resident Shareholders**"). Exempt Non-Resident Shareholders must be resident in a country with which Ireland has a double tax treaty, which includes Switzerland, the United States, and all member states of the European Union other than Ireland.

*Listing.* The COPN Shares are listed on SIX Swiss Exchange (COPN) with ISIN number NL0011832936. As at the last trading date prior to the date of this Offer, Cosmo's stock market capitalization was equal to CHF 1.195 bn. Cosmo does not intend to delist the COPN Shares.

The price development of the COPN Shares since 2018 can be illustrated as follows:

	2018	2019	2020	2021**
Highest*	141.90	103.00	97.30	92.80
Lowest*	84.05	67.20	41.00	71.10
Year-end price	87.90	76.70	85.00	-

\* daily closing price in CHF

Source: SIX Swiss Exchange

\*\* until the last trading day before the publication of this prospectus

#### 4. Bonds

On 28 November 2018, Cosmo issued EUR 175,000,000 of senior unsecured convertible bonds due 2023 ("**Bonds**"). The Bonds have a term of five years maturing on 28 November 2023, and are convertible into COPN Shares, sourced from existing authorized share capital as of 15 January 2019. The Bonds have a coupon of 2.50% payable semi-annually in arrears and a conversion price of EUR 122.68. This corresponded to a conversion premium of 20% above the reference price of the shares at placement. The Bonds, which were issued in denominations of EUR 100,000 per Bond, were issued at 95% of their principal amount and, unless previously converted or repurchased and cancelled, will be redeemed at 100% of their principal amount. Bondholders can convert their respective Bonds into a maximum of 1,426,468 COPN Shares. Cosmo is entitled to redeem the bonds at their principal amount (plus accrued interest) in accordance with the terms and conditions of the Bonds at any time (i) on or after the date falling three years and 21 days after their issue date, if the price of an ordinary share is equal to or exceeds 130% of the then prevailing conversion price over a certain period or (ii) if less than 15% of the aggregate principal amount of the bonds remains outstanding. At maturity, Cosmo is entitled to redeem the Bonds at their principal amount (plus accrued interest) by delivering a maximum of 2,852,937 COPN Shares plus an additional cash amount, if applicable, in accordance with the terms and conditions of the Bonds.

#### 5. Cooling-off period

The period during which the Offer cannot be accepted is expected to commence on 5 October 2021 and to end on 18 October 2021 ("**Cooling-off Period**").

#### 6. Offer period

The offer period is expected to start on 19 October 2021 and end on 15 November 2021, 4.00 p.m. (CET) ("**Offer Period**"). Cosmo reserves the right to extend the Offer Period once or several times (such extension, the "**Extension Period**"). In this case, the beginning of the Additional Acceptance Period (as defined in section B.7 (*Additional Acceptance Period*)) as well as the Settlement Date will be postponed accordingly. An extension beyond 40 trading days requires the consent of the Takeover Board (art. 14 para. 4 of the Ordinance of the Takeover Board on Public Takeovers, "**TOO**").

## 7. Additional Acceptance Period

The subsequent acceptance period in accordance with art. 14 para. 5 TOO ("**Additional Acceptance Period**") is expected to start on 19 November 2021 and to end on 2 December 2021, 4.00 p.m. (CET).

## 8. Conditions

The offer is subject to the following conditions ("**Conditions**"):

- a) *Approval of the acquisition of the CAS Shares*: The extraordinary shareholders' meeting of Cosmo has approved the acquisition of all CAS Shares held by the public as a result of the Offer.
- b) *Listing of the securities issued for exchange*: SIX Swiss Exchange Regulation has approved the listing of the COPN Shares created by the capital increase necessary to settle the Offer.
- c) *No adverse resolutions by the general meeting of shareholders of the Target Company*: The general meeting of shareholders of Cassiopea has not approved (i) any dividend or capital reduction, acquisition, demerger or other disposal of parts of the business, in each case individually or in total with a value or at a price of more than EUR 1,863,000 (corresponding to 10% of the consolidated total assets of Cassiopea as of 31 December 2020), and/or (ii) any merger or capital increase.
- d) *No prohibition*: No judgment, injunction or other governmental order has been entered prohibiting or declaring unlawful this offer or the conduct thereof.
- e) *Minimum Acceptance Rate*: By the end of the (possibly extended) Offer Period, the Offeror shall have received valid and irrevocable acceptances for such number of CAS Shares representing, when combined with CAS Shares the Offeror or its subsidiaries will own at the end of the (possibly extended) Offer Period, more than 50% of the fully diluted share capital of Cassiopea as at the end of the (possibly extended) Offer Period (i.e., of all CAS Shares issued as at such date plus all CAS Shares the issuance of which (i) has been resolved by a shareholders' meeting or the board of directors of Cassiopea before such date, or (ii) may occur through the exercise of options or conversion or other rights for the issuance, acquisition, transfer or receipt of CAS Shares which are issued at, or the issuance of which has been resolved by the shareholders' meeting or the board of directors of the Target Company before, such date).

Cosmo reserves the right to waive the fulfilment of individual or several conditions in whole or in part (art. 13 para. 4 sentence 1 TOO). The completion of the Offer results in the waiver of all outstanding conditions (art. 13 para. 4 sentence 2 TOO).

The conditions apply at the longest until settlement. Conditions B.8.a) (*Approval of the acquisition of the CAS Shares*) and B.8.c) (*No adverse resolutions by the general meeting of shareholders of the Target Company*) shall apply for the period until settlement or, insofar as they relate to the passing of a resolution by the General Meeting, in each case up to and including the General Meeting at which a decision is taken on the relevant matter.

If one or more of the Conditions are not fulfilled and if Cosmo has not waived the Condition(s) in question, Cosmo is entitled to declare the Offer to be unsuccessful or, subject to the limitation on the applicability of Conditions a) (*Approval of the acquisition of the CAS Shares*) and B.8.c) (*No adverse resolutions by the general meeting of shareholders of the Target Company*) above, to postpone Settlement one or more times (the "**Postponement**"), but not for more than a total of three months. Subject to the limitation on the application of conditions a) (*No adverse resolutions by the general meeting of shareholders of the Target Company*) and B.8.c) (*No adverse resolutions by the general meeting of shareholders of the Target Company*) above, the Offer shall remain subject to the conditions during the Postponement period unless and until the relevant condition is fulfilled or waived. If the aforementioned conditions are neither fulfilled nor waived during such period, the Offer will lapse, unless Cosmo applies for a further Postponement and the Takeover Board approves such Postponement.

## **C. INFORMATION ABOUT THE OFFEROR**

### **1. Company name, registered office and purpose of the Offeror**

In March 2016, Cosmo Pharmaceuticals S.A. incorporated Cosmo Pharmaceuticals N.V., a fully owned public company organized and existing under the laws of the Netherlands, having its corporate seat in Amsterdam, the Netherlands, registered with the Dutch Trade Register of the Chamber of Commerce under number 65617738 and with its registered office and seat of management in Dublin, Ireland. On 7 April 2016, the Board of Directors of Cosmo Pharmaceuticals S.A. approved the cross-border legal merger of Cosmo Pharmaceuticals S.A. into its 100% owned direct subsidiary Cosmo. On 12 May 2016, the shareholders of Cosmo Pharmaceuticals S.A. approved this merger, which became effective on 17 May 2016.

As set out in its articles of association, the corporate purpose of Cosmo is:

- a) manufacturing, marketing, import and export of pharmaceutical products, medical, surgical devices, dietary, cosmetic and sanitary products of any kind, in addition to technological and biotechnological research and development of said products, both on its own behalf and on a contract basis;
- b) to conduct research and development activities, grant and obtain licenses to technology, patents, chemical products, pharmaceuticals and biotechnological products pertaining to the health and environment sector in the broadest sense, through specific research, industrial and commercial joint-ventures;
- c) to provide information and training services in the scientific and bio-medical fields, as well as consulting services in the bio-pharmacological sector, with specific reference (but not limited) to technology transfer activities, definition and management of regulatory problems, market research, pre-clinical and clinical projects inherent to the development of new pharmaceuticals or diagnostic products;
- d) to participate in, to finance or to have any other interest in, or to conduct the management of, other companies or enterprises;
- e) to render administrative, technical, financial, economic or managerial services to other companies, persons or enterprises;
- f) to acquire, dispose of, manage and exploit real and personal property, including patents, trademarks licenses, permits and other industrial property rights;
- g) to raise funds through, inter alia, borrowing under loan agreements, the issuance of bonds and other debt instruments, the use of financial derivatives or otherwise and to invest and apply funds obtained by the company in, inter alia, (interests in) loans, bonds, debt instruments, shares, warrants and other similar securities and also in financial derivatives;
- h) to borrow and / or lend moneys, act as surety or guarantor in any other manner, and bind itself jointly and severally or otherwise in addition to or for others,

the foregoing whether or not in collaboration with third parties and inclusive of the performance and promotion of all activities which directly or indirectly relate to those objects, all this in the broadest sense of the terms.

### **2. Capital structure of the Offeror**

#### **a) Ordinary share capital**

Under Dutch law, a company's authorized share capital sets out the maximum number of shares that the company may issue without amending its articles of association. The authorized capital of Cosmo amounts to EUR 18,744,677.64 and is divided into 36,047,457 ordinary shares, each with a nominal value of EUR 0.26 and 36,047,457 preferred shares, each with a nominal value of EUR 0.26. All shares are registered

shares, whereby the ordinary shares are numbered consecutively from 1 onwards and the preferred shares from P1 onwards. No share certificates are issued. No preferred shares are issued.

Each ordinary share of the Company entitles the holder thereof to the same dividend rights, voting rights and information rights as other holders of such ordinary shares. At the general meeting of shareholders each ordinary share entitles its holder to one vote.

**b) Preferred share capital**

Each preferred share of Cosmo entitles the holder thereof to the same dividend rights, voting rights and information rights as other holders of such preferred shares. At the general meeting each preferred share entitles its holder to one vote.

**c) Deposit shares**

Pursuant to Art. 5 of Cosmo's articles of association, an ordinary share becomes a deposit shares by transfer or issuance to Euroclear Netherlands or to an intermediary, recording in writing that the share is a deposit share. The deposit share shall be recorded in the shareholders' register of Cosmo in the name of Euroclear Netherlands or the relevant intermediary, stating in writing that it is a deposit share. Deposit shareholders are not recorded in the shareholders register of Cosmo. Deposit shares can only be delivered from a collective depot or giro depot with due observance of the related provisions of the Dutch Securities Transactions Act. The transfer by a deposit shareholder of its book-entry rights representing deposit shares shall be effected in accordance with the provisions of the Dutch Securities Transactions Act. The same applies to the establishment of a right of pledge and the establishment or transfer of a usufruct on these book-entry rights.

**d) Existing authorized share capital and issuance of shares**

*Authorization of the Board of Directors to issue share capital:* In accordance with Dutch law and the articles of association, shares shall be issued pursuant to a resolution passed by the shareholders' meeting, upon the proposal of the Board of Directors containing the price and further terms and conditions of the issue. The Shareholders' Meeting may delegate the authority to issue shares to the Board of Directors, for a fixed period not exceeding five years and in a resolution specifying the number of shares that may be issued and any further conditions. Such designation may be renewed each time for a period not exceeding five years.

*Pre-emptive rights.* When shares are issued, each holder of ordinary shares shall have a pre-emptive right in proportion to the aggregate nominal value of his ordinary shares, without prejudice to the provisions as laid down in the articles of incorporation and the statutory provisions. No pre-emptive right shall apply if shares are paid for in kind. There are no pre-emptive rights in respect of shares which are issued to employees of Cosmo. These pre-emptive rights may however be limited or excluded pursuant to a shareholders' resolution upon the proposal of the Board of Directors or by a resolution of the Board of Directors if the Board of Directors is so authorized by shareholders. The shareholders may designate the Board of Directors for a fixed period not exceeding five years as the body authorized to limit or to exclude the pre-emptive right, provided that such a designation shall only be possible if the Board of Directors is also or simultaneously designated as the body authorized to issue shares. The designation may be renewed each time for a period not exceeding five years. No such designation may be cancelled, unless cancellation is specifically permitted in the applicable designation. The shareholders' resolution to limit or exclude pre-emptive rights or to designate the Board of Directors as the body with that power must be passed by a majority of at least two-thirds of the votes cast if less than half of the issued capital is represented at the relevant shareholders' meeting. The aforementioned applies accordingly to the granting of rights to subscribe for shares. Shareholders, however, do not have any pre-emptive rights for shares which are being issued to a person who exercises a previously acquired right to subscribe for shares.

*Subscription.* When ordinary shares are subscribed for, the nominal value thereof must be paid up, and if an ordinary share is subscribed at a higher amount, the difference between such amounts without prejudice to the provisions of article 2:80 paragraph 2 of the Dutch Civil Code. When subscribing for a preferred share, paying up must be made of at least one-quarter of its nominal value. Further paying up on preferred

shares shall not be made until a call for such payment is made by Cosmo. To the extent the preferred shares have been paid up from the distributable part of the equity, the nominal value thereof must be paid up.

*Contribution.* Payment on shares shall be made in cash, unless otherwise agreed in accordance with article 2:80b of the Dutch Civil Code. The Board of Directors will be authorized to perform the legal acts as referred to in article 2:94 of the Dutch Civil Code without the prior approval of the shareholders. Cosmo may not with a view to any other party subscribing to or acquiring shares or depositary receipts, provide security or any price guarantee, act as surety in any other manner, or bind itself jointly and severally or otherwise in addition to or on behalf of others. This prohibition also applies to its subsidiaries.

**e) New authorized share capital to be created**

Given that a substantial part of the current authorizations to issue shares for mergers, acquisitions or strategic alliances will be used for the settlement of the Offer, the Board of Directors of Cosmo will propose to the shareholders of Cosmo at the extraordinary general meeting, which is expected to take place on 16 November 2021, to grant an additional authorisation to the Board of Directors, for a period of twelve months as of the date of that general meeting, to issue - and grant subscription rights to - ordinary shares up to a maximum nominal sum of ten percent (10%) and, in the event of a merger, an acquisition or a strategic alliance to increase this authorisation by a maximum of a further ten percent (10%) of the ordinary shares included in the authorised capital. After the expiry of the Additional Acceptance Period, the Board of Directors of Cosmo will decide on the implementation of the capital increase in order to provide the COPN Shares necessary for the settlement of the Offer and will apply for registration with the Dutch Trade Register following such implementation. To the extent that not all publicly held CAS Shares are tendered to Cosmo in connection with the Offer, Cosmo intends to take appropriate measures to obtain 100% of the CAS Shares.

**f) Listing of the COPN Shares**

The COPN Shares, including those to be issued to tendering shareholders of Cassiopea, are or will be listed at SIX Swiss Exchange according to the International Reporting Standard. The levels requiring disclosure of major shareholdings are 3%, 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3%. A mandatory offer is triggered if a shareholder crosses the 33 1/3% threshold.

**3. Principal business activity of the Offeror**

Cosmo is a pharmaceutical company with a specialized focus on gastroenterology and endoscopy. Its principle business activity is the development and manufacturing of products which are distributed globally. Its pipeline is focused on Bowel Diseases, Colon Infections and products to reduce the incidence of Colorectal Cancer (CRC) by increasing the detection rate of pre-cancerous lesions during colonoscopy.

Cosmo has developed GI Genius™ the first system worldwide which uses artificial intelligence to detect colorectal polyps. Cosmo has also developed Eleview®, which is a medical device to make the removal of colorectal lesions safer and more efficient.

Further, its therapeutic focus is on the oral and endoscopic treatment of colon diseases, primarily Bowel Diseases and CRC prevention. Cosmo's MMX® technology allows the delivery of active pharmaceutical ingredients into the lumen of the colon through tablets in a delayed and controlled way, with the effect that the active pharmaceutical ingredients can be applied to the full length of the colon.

For further information on the business of the Offeror see sections 1.1 – 1.3 ("*What we do*", "*Our mission*" and "*Our approach*") as well as sections 1.6 and 1.7 ("*Our clinical focus*" and "*Our product portfolio*") of Cosmo's annual report for the financial year 2020 (the "**2020 COPN Annual Report**") (<https://www.cosmopharma.com/~media/Files/C/Cosmo-Pharmaceuticals-V2/financial-reports/cosmo-pharmaceuticals-NV-annual-report-2020.pdf>). See also section 1 (*Directors' Report*) of the half-yearly report of Cosmo for the financial year 2021 (<https://www.cosmopharma.com/~media/Files/C/Cosmo-Pharmaceuticals-V2/financial-reports/half-year-report-2021-v1.pdf>).

**4. Identity of the Offeror's shareholders and groups of shareholders holding more than 3% of the Offeror's voting rights and shareholders controlling the Offeror directly or indirectly**

On the date of this Prospectus, the following shareholders and groups hold more than 3% of Cosmo's voting rights:

- Cosmo Holding S.a.r.l., a Luxembourg company controlled by Mauro S. Ajani, the Chairman of Cosmo, held 5,551,795 or 36.92% of the shares in Cosmo.
- Heinrich Herz AG and Logistable S.A., a related company, held 1,204,182 or 8.01% of the shares in Cosmo. The beneficial owners of these shares are Gerald Herz, Frederic Herz, Gregory Herz, Isabelle Herz and Pierre Lavie.
- Dievini/Hopp BioTech Holding GmbH & Co. KG, DH-Holding Verwaltungs GmbH, DH-Assets GmbH & Co. KG, DH-LT-Investments GmbH, the investment companies of Dietmar Hopp and his family, held 786,361 or 5.23% of the shares in Cosmo. The beneficial owners of these shares are Dietmar Hopp, Oliver Hopp, Daniel Hopp, David Hopp, Jonas Hopp and Daniel Hopp Familienstiftung Shelter Trust Anstalt.

**5. Persons acting in concert with the Offeror**

The following persons act in concert with Cosmo:

- a) all direct and indirect subsidiaries of Cosmo;
- b) Cassiopea and its subsidiary; and
- c) Mr. Mauro Ajani, Gentilino, Switzerland and companies directly and indirectly controlled by him, including Cosmo Holding S.à r.l., Luxembourg.

**6. Latest published annual and interim reports of the Offeror and significant changes since the last interim report**

Cosmo's annual reports for the financial years ended as at 31 December 2018, 31 December 2019 and 31 December 2020, each of which also contains the annual and consolidated financial statements, as well as Cosmo's semi-annual report for the period ended and as at 30 June 2021, which also contains the consolidated interim financial statements, can be obtained free of charge from Cosmo Pharmaceuticals N.V., Riverside II Sir John Rogerson's Quay, Dublin 2, Ireland, e-mail: [investor.relations@cosmopharma.com](mailto:investor.relations@cosmopharma.com). Copies of the Company's articles of incorporation and financial statements can also be downloaded from its website <https://www.cosmopharma.com>.

With the exception of the information contained in this Prospectus and, subject to the transactions described in Section A (*Background of the Public Offer*), there have been no significant changes in the net assets, financial position, results of operations and business prospects in relation to Cosmo since the last semi-annual report for the period ended and as at 30 June 2021.

**7. Dividends**

Except for a dividend payment in 2017 in the amount of EUR 1.50 per share, Cosmo has not paid any dividends in the last five financial years. The COPN Shares received in exchange for the CAS Shares are immediately entitled to dividends.

**8. Participation of the Offeror and persons acting in concert with it in the Target Company**

As of 1 October 2021, Cosmo's and persons acting in concert with Cosmo hold 5,815,019 CAS Shares, which corresponds to a capital and voting rights' share of 54.1% (based on total CAS Shares issued).

## 9. No purchases and sales of shares and financial instruments of the Target Company

During the twelve months prior to the date of this Offer, neither Cosmo nor persons acting in concert with Cosmo have entered into any relevant transaction in CAS Shares or equity derivatives relating to CAS Shares. Relevant transactions are transactions by Cosmo or by persons who were already deemed to be acting in concert with Cosmo at the time of the relevant transaction. Cassiopea has granted 157,232 stock options to its employees and board members in the ordinary course of business.

## 10. Expected effects of a successful offer on the net assets, financial position and results of operations

### a) Key figures

The below sets out key financial information for the Offeror, the Target and on a pro forma basis (assuming settlement of the transaction contemplated herein as per the beginning of the covered period), in each case for the period ending and, respectively, as of 31 December 2020 and 30 June 2021.

Consolidated income statement (in thousand EUR)			
	Cosmo consolidated financial information (audited)	Cassiopea financial information (audited)	Pro forma financial information unaudited
	1 January 2020 to 31 Dec 2020	1 January 2020 to 31 Dec 2020	1 January 2020 to 31 Dec 2020
<b>Revenue</b> .....	<b>60,949</b>	-	<b>60,228</b>
Cost of Sales .....	(27,617)	-	(27,617)
<b>Gross profit</b> .....	<b>33,332</b>	-	<b>32,661</b>
Other operating income .....	5,848	594	6,442
Research and development costs .....	(13,597)	(6,440)	(19,456)
Selling, general and administration costs .....	(18,678)	(5,175)	(23,713)
<b>Net operating expenses</b> .....	<b>(26,427)</b>	<b>(11,021)</b>	<b>(36,727)</b>
<b>Operating result</b> .....	<b>6,905</b>	<b>(11,021)</b>	<b>(4,116)</b>
Financial income .....	2,340	26	1,698
Financial expenses .....	(11,235)	(1,313)	(11,880)
<b>Financial expenses</b> .....	<b>(8,895)</b>	<b>(1,287)</b>	<b>(10,182)</b>
Share of results of associate .....	(4,941)	-	-
Gain on fair valuation of Cassiopea .....	-	-	46,271
<b>Result before tax</b> .....	<b>(6,931)</b>	<b>12,308</b>	<b>31,973</b>
Income tax .....	(970)	-	(970)
<b>Result for the year</b> .....	<b>(7,901)</b>	<b>(12,308)</b>	<b>31,003</b>
<b>Earnings per share in EUR</b>			
Basic earnings per share .....	(0.55)		1.81
Diluted earnings per share .....	(0.55)		1.80

Consolidated statement of financial position (in thousand EUR)			
	Cosmo consolidated financial information (audited)	Cassiopea financial information (audited)	Pro forma financial information unaudited
	31 Dec 2020	31 Dec 2020	31 Dec 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment .....	29,302	9	29,311
Goodwill .....	1,439	-	119,538
Other intangible assets .....	26,640	2,989	318,221
Investments in associates .....	136,100	-	-
Financial assets .....	114,510	-	114,510
Deferred tax assets .....	8,196	-	8,196
Tax Receivable .....	-	9,799	9,799



Other non-current receivables .....	27,106	-	27,042
<b>Total non-current assets .....</b>	<b>343,293</b>	<b>12,797</b>	<b>626,617</b>
<b>Current assets</b>			
Inventories .....	5,707	761	6,468
Contract assets .....	3,943	-	3,943
Trade receivables .....	23,047	-	23,047
Current tax assets .....	3,477	370	3,847
Other receivables and other assets .....	3,842	2,053	5,545
Current financial assets .....	26,915	-	26,915
Cash and cash equivalents .....	185,937	2,646	188,583
<b>Total current assets .....</b>	<b>252,868</b>	<b>5,830</b>	<b>258,348</b>
<b>Total assets .....</b>	<b>596,161</b>	<b>18,627</b>	<b>884,965</b>
<b>Equity</b>			
Share capital .....	3,910	10,750	4,608
Share premium .....	84,448	21,638	74,133
Other reserves .....	47,845	123	47,845
Treasury shares .....	(49,400)	-	(49,400)
Stock option plan reserve .....	34,331	4,184	34,331
Fair value reserve .....	6,141	-	6,141
Equity component of convertible bond .....	7,011	-	7,011
Employee benefits actuarial gains/losses .....	(198)	-	(198)
Currency translation reserve .....	687	623	1,310
Retained earnings .....	273,251	(9,395)	283,661
Loss for the period .....	(7,901)	(12,308)	31,003
<b>Total equity .....</b>	<b>400,125</b>	<b>15,615</b>	<b>640,445</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Interest-bearing loan and borrowings .....	165,208	66	165,210
Employee benefits .....	376	-	376
Deferred tax liabilities .....	6,267	-	52,153
Other non-current liabilities .....	2,392	-	2,392
<b>Total non-current liabilities .....</b>	<b>174,243</b>	<b>66</b>	<b>220,131</b>
<b>Current liabilities</b>			
Interest-bearing loan and borrowings .....	2,936	4	2,940
Trade payables .....	8,379	2,839	10,868
Current tax liabilities .....	2,464	29	2,493
Other current liabilities .....	8,014	74	8,088
<b>Total current liabilities .....</b>	<b>21,793</b>	<b>2,946</b>	<b>24,389</b>
<b>Total liabilities .....</b>	<b>196,036</b>	<b>3,012</b>	<b>244,520</b>
<b>Total equity and liabilities .....</b>	<b>596,161</b>	<b>18,627</b>	<b>884,965</b>

**Consolidated income statement (in thousand EUR)**

	<b>Cosmo consolidated financial information (audited)</b>	<b>Cassiopea financial information (audited)</b>	<b>Pro forma financial Information unaudited</b>
	<b>1 January 2021 to 30 June 2021</b>	<b>1 January 2021 to 30 June 2021</b>	<b>1 January 2021 to 30 June 2021</b>
<b>Revenue .....</b>	28,420	-	28,070
Cost of Sales .....	(13,796)	-	(13,796)
<b>Gross profit .....</b>	14,624	-	14,274
Other operating income .....	163	-	163
Research and development costs .....	(7,436)	(3,753)	(10,909)
Selling, general and administration costs .....	(7,343)	(2,535)	(9,808)
<b>Net operating expenses .....</b>	<b>(14,616)</b>	<b>(6,288)</b>	<b>(20,554)</b>
<b>Operating result .....</b>	<b>8</b>	<b>(6,288)</b>	<b>(6,280)</b>

Financial income .....	2,748	300	2,886
Financial expenses .....	(4,664)	(177)	(4,679)
<b>Financial expenses</b> .....	<b>(1,916)</b>	<b>123</b>	<b>(1,793)</b>
Share of results of associate .....	(2,759)	-	-
Gain on fair valuation of Cassiopea .....	-	-	80,566
<b>Result before tax</b> .....	<b>(4,667)</b>	<b>(6,165)</b>	<b>72,493</b>
Income tax .....	(1,074)	-	(1,074)
<b>Result for the year</b> .....	<b>(5,741)</b>	<b>(6,165)</b>	<b>71,419</b>
<b>Earnings per share in EUR</b>			
Basic earnings per share .....	(0.40)		4.18
Diluted earnings per share .....	(0.40)	-	3.95

**Consolidated statement of financial position (in thousand EUR)**

	<b>Cosmo consolidated financial information (audited)</b>	<b>Cassiopea financial information (audited)</b>	<b>Pro forma financial information unaudited</b>
	<b>30 June 2021</b>	<b>30 June 2021</b>	<b>30 June 2021</b>
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment .....	29,105	6	29,111
Goodwill .....	1,439	-	175,768
Other intangible assets .....	26,925	2,883	316,086
Investments in associates .....	133,413	-	-
Financial assets .....	91,683	-	91,683
Deferred tax assets .....	7,857	-	7,857
Tax Receivable .....	-	9,609	9,609
Other non-current receivables .....	33,130	-	26,904
<b>Total non-current assets</b> .....	<b>323,552</b>	<b>12,498</b>	<b>657,018</b>
<b>Current assets</b>			
Inventories .....	9,925	1,817	11,742
Contract assets .....	4,071	-	4,071
Trade receivables .....	12,382	-	12,382
Current tax assets .....	4,115	370	4,485
Other receivables and other assets .....	5,580	1,921	7,151
Current financial assets .....	22,728	-	22,728
Cash and cash equivalents .....	180,406	1,796	182,202
<b>Total current assets</b> .....	<b>239,207</b>	<b>5,904</b>	<b>244,761</b>
<b>Total assets</b> .....	<b>562,759</b>	<b>18,402</b>	<b>901,779</b>
<b>Equity</b>			
Share capital .....	3,910	10,750	4,608
Share premium .....	84,448	21,638	294,689
Other reserves .....	47,845	195	47,845
Treasury shares .....	(57,440)	-	(57,440)
Stock option plan reserve .....	38,633	4,785	38,633
Fair value reserve .....	(14,516)	-	(14,516)
Equity component of convertible bond .....	7,011		7,011
Employee benefits actuarial gains/losses .....	(189)		(189)
Currency translation reserve .....	681	345	1,026
Retained earnings .....	266,359	(21,703)	269,436
Loss for the period .....	(5,741)	(6,165)	71,419
<b>Total equity</b> .....	<b>371,001</b>	<b>9,845</b>	<b>662,522</b>
<b>Liabilities</b>			

<b>Non-current liabilities</b>			
Interest-bearing loan and borrowings .....	166,910	-	166,910
Employee benefits .....	389	-	389
Deferred tax liabilities .....	5,768	-	51,286
Other non-current liabilities .....	2,392	-	2,392
<b>Total non-current liabilities.....</b>	<b>175,459</b>	<b>-</b>	<b>220,977</b>
<b>Current liabilities</b>			
Interest-bearing loan and borrowings .....	1,205	6,230	1,209
Trade payables .....	9,966	2,246	11,862
Current tax liabilities .....	1,265	-	1,265
Other current liabilities .....	3,863	81	3,944
<b>Total current liabilities .....</b>	<b>16,299</b>	<b>8,557</b>	<b>18,280</b>
<b>Total liabilities.....</b>	<b>191,758</b>	<b>8,557</b>	<b>239,257</b>
<b>Total equity and liabilities .....</b>	<b>562,759</b>	<b>18,402</b>	<b>901,779</b>

For the full Pro Forma Consolidated Financial Information of Cosmo Pharmaceuticals N.V. as of and for the financial periods ended June 30, 2021 and, respectively, 31 December 2021 reference is made to <https://www.cosmopharma.com/investors/financial-reports> (this information is incorporated by reference into this prospectus).

## b) Expected synergies

The transaction will generate cost synergies by removing the governance structure and other organizational measures required for the listing of the Target Company. The transaction will also create a group with a larger capitalization and an increased free-float which is expected to make the shares of Cosmo more attractive for market participants and thus also for the shareholders of the Target Company. Cosmo also expects that the business of the Target Company may benefit from the integration into Cosmo resulting in greater efficiency as a result of a stronger focus of the teams which today are split into two entities.

## c) Major shareholders

Assuming that Cosmo acquires 100% of the CAS Shares in the Offer and assuming that no further CAS Shares are issued during the Offer, the following persons will hold 3% or more of Cosmo upon completion of the Offer (based on the shareholdings published on the Cassiopea website):

- Cosmo Holding S.à r.l., a Luxembourg company controlled by Mauro S. Ajani, the Chairman of Cosmo, will hold 5,960,457 or 33.64% COPN Shares.
- Heinrich Herz AG and Logistable S.A., a related company, will hold 1,439,751 or 8.12% of the shares in Cosmo COPN Shares. The beneficial owners of these shares are Gerald Herz, Frederic Herz, Gregory Herz, Isabelle Herz and Pierre Lavie.
- Dievini/Hopp BioTech Holding GmbH & Co. KG, DH-Holding Verwaltungs GmbH, DH-Assets GmbH & Co. KG, DH-LT-Investments GmbH, the investment companies of Dietmar Hopp and his family, will hold 786,361 or 4.44% of the COPN Shares. The beneficial owners of these shares are Dietmar Hopp, Oliver Hopp, Jonas Hopp and Daniel Hopp Familienstiftung Shelter Trust Anstalt.

## D. FINANCING OF THE OFFER

The COPN Shares required to settle the Offer will be issued based on the existing authorization by the general meeting of shareholders of Cosmo to the Board of Directors of Cosmo of 28 May 2021 to issue the COPN Shares within the settlement of the Offer following publication of the final results. The Board of Directors of Cosmo will take all measures and pass all resolutions necessary for this purpose.

## **E. INFORMATION ABOUT THE TARGET COMPANY**

### **1. Company name, registered office and purpose of the Target Company**

Cassiopea S.p.A. is a joint stock company incorporated under the laws of the Republic of Italy with corporate seat in Lainate (Milan), Italy and a share capital in the amount of EUR 10,750,000.00 divided into 10,750,000 registered shares with a nominal value of EUR 1.00 each. The shares are listed on the SIX Swiss Exchange under the Swiss Reporting Standard (Swiss security number: 28252872/ ISIN: IT0005108359 / ticker symbol: SKIN).

Cassiopea's purpose is to develop, commercialize, import and export pharmaceutical products and medical and surgical aids in dermatological field and moreover the research activity and the technological and biotechnological development of such products, both on its own and on behalf of third parties.

Cassiopea may furthermore perform research and development activities, as well as grant and obtain licenses having as object technologies, patents, chemical or pharmaceutical or biotechnological production in the fields of protection of healthcare and of the environment in a broad sense and also through specific research, industrial and commercial joint ventures.

Cassiopea may, in addition, carry out service activities in the field of scientific and biomedical information, as well as for corporate consultancy services in the biopharmaceutical field with particular regard – but not limited – to the activities of technology transfer, the identification and management of governance issues, of market research, of pre-clinical and clinical projects concerning the development of new pharmaceuticals or diagnostic products. Cassiopea's purpose also includes the purchase, sale, licensing and the management of trademarks, patents, know-how and, in general, any other activity that is auxiliary or useful to the aforesaid activities. Provided that any of the following activities are not carried out vis à vis the general public and are deemed necessary or useful in order to achieve the business purpose, Cassiopea can also perform any other financial, industrial, real estate, commercial or investment activity, including the issue of promissory notes, surety ships, guarantees of any kind, including collateral, as well as the purchase of equity, holdings or participations in other companies or enterprises with similar, connected or alike corporate purpose, all in compliance with the law.

### **2. Capital structure of the Target Company**

#### **a) Ordinary share capital**

The ordinary share capital of Cassiopea amounts to EUR 10,750,000.00 represented by 10,750,000 ordinary shares, with a nominal value of EUR 1.00 each.

The CAS Shares are registered and indivisible. They are issued and dematerialized, according to Italian law. Shareholders' approval at an extraordinary shareholders' meeting is necessary to increase the capital stock through the contribution in kind of assets and/or credits, and to decrease the excess capital stock also through the assignment to shareholders of particular corporate activities, assets, equity shareholdings or shares in other enterprises or companies.

#### **b) Existing authorizations to the Board of Directors to increase the share capital**

The extraordinary shareholders' meeting of Cassiopea of 28 May 2020 resolved to delegate to the Board of Directors the power to resolve to increase of the share capital in one or more tranches, within a period of five years from the date of the resolution up to a maximum amount of EUR 900,000 by issuing a maximum of a maximum of 900,000 CAS Shares of EUR 1 (one) each to be reserved for subscription - in the execution of a stock option plan - in favour of employees, contractors and members of the Board of Directors. These shares are formally listed at SIX Swiss Exchange.

The extraordinary shareholders' meeting of Cassiopea held on 5 April 2018 resolved to grant the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, the power to increase the share capital, on one or more occasions, within five years from the date of the resolution, for a maximum nominal amount of EUR

1,000,000.00, excluding option rights pursuant to art. 2441, paragraph 4, second sentence, of the Italian Civil Code, provided that the issue price corresponds to the market value of the shares.

The extraordinary shareholders' meeting of Cassiopea held on 18 March 2019 resolved to delegate to the Board of Directors, pursuant to art. 2443 of the Italian Civil Code, the power to increase the share capital, in one or more tranches, within a period of five years from the date of the resolution, by a maximum nominal amount of EUR 3,000,000, i.e. by 3 million CAS Shares with a par value of EUR 1.00 each, to be offered as options to shareholders or, if necessary, to third parties in the event that the option right is not exercised.

### 3. Main business activity of the Target Company

Cassiopea is a specialty pharmaceutical company developing and preparing to commercialize prescription drugs with novel mechanisms of action (MOA) to address long-standing and essential dermatological conditions, particularly acne, androgenetic alopecia (or AGA) and genital warts. Cassiopea is investing in innovation that is driving scientific advancement in areas that have been largely ignored for decades.

The Company's portfolio comprises four unencumbered clinical candidates, for which the Company owns the worldwide rights. These product candidates are based on three new chemical entities ("NCEs") that target unmet medical needs and address significant market opportunities in the medical dermatology market.

The management team of Cassiopea (see section M.2 (*Executive Board*)) directly and indirectly through the service agreement with Cosmo, has extensive experience in product development and commercialization, having served in prominent roles at several leading pharmaceutical and medical dermatology companies. The Company's strategy is to leverage this expertise to optimize the commercial potential for its products directly or with a partner in the US and partner the products in countries outside of the US.

WINLEVI (clascoterone cream 1%) is a first-in-class topical androgen receptor inhibitor and was approved by the FDA for the treatment of acne in patients 12 years and older in August 2020. WINLEVI, tackles the androgen hormone component of acne in both males and females. Androgen receptor inhibitors act by limiting the effects of these hormones on increasing sebum production and inflammation.

In pivotal clinical trials, Winlevi demonstrated treatment success and reductions in acne lesions and was well tolerated when used twice a day. The most frequently observed local skin reaction was mild erythema.

On 26 July 2021, Cassiopea and Sun Pharma Industries Limited ("**Sun Pharma**") announced the signing of license and supply agreements ("**License Agreement**") for Winlevi in the United States and Canada. Under the License Agreement, Cassiopea will be the exclusive supplier of the product and has appointed Cosmo as its contract manufacturer. Cassiopea received an upfront payment of US \$45 million and will receive potential commercial milestones totalling up to US \$190 million and customary double digit royalties. The License Agreement closed on August 31, 2021 after the expiry of the HSR Act process.

WINLEVI is expected to be available in the United States in Q4 2021.

The three product candidates that Cassiopea is currently developing represent a diversified portfolio of late and mid stage clinical programs addressing significant market opportunities and unmet needs in the medical dermatology space:

- Clascoterone solution is a novel androgen receptor inhibitor that targets androgen receptors in the scalp and is currently being studied for the treatment of androgenetic alopecia (AGA). AGA is the most common cause of hair loss. AGA is driven by dihydrotestosterone (DHT). Androgens normally stimulate terminal hair production in many sites of the body, like the beard and the axillary regions, but exert an opposite effect to suppress hair growth on the genetically predisposed frontal and vertex scalp. Therefore, people with scalp hair follicles that are genetically sensitive to DHT experience progressive hair follicle miniaturization, or hair thinning, and shortening of the hair growth cycle, resulting in characteristic "male pattern baldness" or thinning hair in genetically predisposed females.

Clascoterone solution acts by inhibiting DHT's binding with androgen receptors in scalp hair follicles and thus may interfere with DHT's effect on scalp hair loss. 4 Laboratory studies show that clascoterone reduces production of inflammatory mediators involved with hair miniaturization.

A Phase II dose ranging study with clascoterone solution in males ended in early 2019. Clascoterone solution 7.5% was selected as the best candidate for the Phase III male AGA program. Preparations for a Phase III program are underway and based on getting timely feedback from FDA on the Phase 3 program, the trials are expected to commence in the first half of 2022.

A Phase II Proof of Concept study involving female AGA subjects ended in mid-2021 and top line results were announced in September 2021 indicating that only a subgroup of women less than 30 years of age receiving twice daily application of clascoterone solution 5% showed statistically significant differences from baseline in one of the primary endpoints, although the subgroup was not powered to show statistical significance. Cassiopea is analysing in depth the data in order to identify the female subgroups that would benefit most from the treatment.

- CB-06-01, is a novel topical antibiotic currently under development and investigation for acne. CB-06-01 has successfully completed a POC study and is now in formulation optimization.
- CB-06-02, also referred to as AS 101, is a topical treatment for genital warts. It acts to support patients' natural immune responses against human papillomavirus (HPV) and its warts. CB-06-02 has completed a Phase II proof-of-concept clinical trial.

For further information on the business of Cassiopea see p. 8 – 20 of the Half-Year Report 2021 of Cassiopea ("*Business Strategy and Markets*", "*Research and Development*", "*Patents and Trademarks*", "*COVID-19 impact*" and "*ESG policy*") ([https://www.cassiopea.com/wp-content/uploads/2021/07/Cassiopea\\_Half\\_Year\\_Report\\_2021.pdf](https://www.cassiopea.com/wp-content/uploads/2021/07/Cassiopea_Half_Year_Report_2021.pdf)).

#### **4. Latest published annual and interim reports of the Target Company**

The annual reports of Cassiopea for the financial years ended as at 31 December 2018, 31 December 2019 and 31 December 2020 as well as the half year report for the period ended and as at 30 June 2021 can be obtained free of charge from Cassiopea S.p.A., Via C. Colombo 1, Lainate, Milan, Italy (telephone: +39 02 86891124; e-mail: [investor.relations@cassiopea.com](mailto:investor.relations@cassiopea.com)), in each case during regular business hours. Copies of the Company's articles of incorporation and financial statements can also be downloaded from its website at <https://www.cassiopea.com/investor-relations/>.

#### **5. Intentions of the Offeror regarding the Target Company**

Cosmo is submitting this Offer to gain full control over Cassiopea. Cosmo plans to have the CAS Shares delisted from SIX Swiss Exchange upon completion of the Offer. The individual transaction steps following the completion of this Offer are described in detail in section A.4 (*Overview of the transaction steps*).

Cosmo's original plan for its stake in Cassiopea, as publicly announced, was to consider it as a financial investment to be divested in due course. However, following the signing of the License Agreement and considering that Cassiopea has multiple assets under development with such development activities continuing to require Cosmo's support under the various Service Agreements, the Board of Directors of Cosmo and the Board of Directors of Cassiopea have concluded that it is in the best interest of their companies, shareholders, employees and other stakeholders to fully integrate Cassiopea into Cosmo.

Such integration would further expand Cosmo's R&D pipeline with three additional assets under development. Cosmo is positioned to advance the development of these assets having the in-house capacity and the know-how to progress these development projects.

## **6. Option Plan of the Target Company**

The CAS Stock Option Plan provides that participants, in case of takeover of Cassiopea during the duration of the Plan, are entitled to request accelerated exercise and vesting of all the CAS Options assigned to him/her, even those which are not yet vested, by subscribing to the underlying CAS Shares and re-selling them on the same terms and conditions provided in the takeover process. In view of this, participants who wish to accept the Offer are requested to make use of their respective exercise rights well in time before the end of the Additional Acceptance Period. There are currently 720,564 CAS Options (entitling for the purchase of one CAS-Share each) outstanding of which, at the share price as at the last trading date prior to the date of this Offer, 248,332 CAS Options are in the money.

## **7. Agreements between the Offeror and the Target Company, its corporate bodies and shareholders**

On 20 August 2021, Cosmo and Cassiopea entered into an arm's length confidentiality agreement which was replaced by the Transaction Agreement described below.

On 1 October 2021, Cosmo and Cassiopea entered into the Transaction Agreement governing their mutual rights and obligations in connection with the Offer. The Transaction Agreement essentially has the following content:

1. Under the terms of the Transaction Agreement, Cosmo undertook to submit a voluntary public exchange offer for all publicly held CAS Shares pursuant to Art. 125 et seq. FinMIA and the related ordinances, in accordance with the terms and conditions set out in this Prospectus and within the timetable set out in this Prospectus.
2. Cassiopea agreed that its Board of Directors unconditionally recommends the acceptance of the Offer to the shareholders of Cassiopea. To this end, the Board of Directors of Cassiopea has adopted its Report contained in this Prospectus.
3. In the event of a better offer from a competitor, Cassiopea has undertaken to modify or withdraw its Board of Directors' recommendation to accept Cosmo's offer only under certain conditions. These conditions require, among other things, a prior notification to Cosmo.
4. For the duration of the Transaction Agreement, Cassiopea has undertaken to conduct its business in the ordinary course and substantially in accordance with its practice for the two years prior to entering into the Transaction Agreement and to procure that its subsidiary does the same. This also includes compliance with the obligations of a party acting in concert with an offeror for the purposes of a public offer.
5. Cosmo has committed to ordinary management for the duration of the Transaction Agreement and not to make any capital changes.
6. Cosmo undertook to convene an extraordinary shareholders' meeting to take place no later than 16 November 2021, at which the shareholders' meeting shall approve the entering into the transaction provided by this Offer.
7. For the duration of the Transaction Agreement, Cassiopea has undertaken neither to accept the Offer in respect of treasury CAS Shares nor to sell, issue or purchase any CAS Shares or derivatives with CAS Shares as underlying.
8. Under the terms of the Transaction Agreement, Cosmo undertook that the chief executive officer of Cassiopea shall be offered to become president of the dermatology division of the Offeror subsequent to completion of the Offer.

## 8. Non-public information

Cosmo confirms that, with the exception of the information contained in this Prospectus and in the Report of the Board of Directors of Cassiopea (see Section G (*Report of the Board of Directors of Cassiopea S.P.A. on the public purchase and exchange offer of Cosmo Pharmaceuticals N.V.*)) has not received, directly or indirectly, any non-public information about Cassiopea which could materially influence the decision of the recipients of this Offer.

## F. REPORT OF THE REVIEW BODY PURSUANT TO ART. 128 FMIA

As a review body recognized according to the FMIA to review public takeover offers, we have reviewed the offer prospectus of Cosmo Pharmaceuticals N.V. (the "Offeror"). The report of the board of directors of the target company and the Fairness Opinion of IFBC AG were not subject to our review.

The preparation of the offer prospectus is the responsibility of the Offeror. Our responsibility is to express an opinion on the offer prospectus based on our review. We confirm that we comply with the independence requirements provided by takeover law.

Our review was conducted in accordance with the Swiss Auditing Standard on the examination of Public Takeover Offers (AS 880), which requires that a review pursuant to article 128 FMIA be planned and performed to verify the formal completeness of the offer prospectus pursuant to the FMIA and its ordinances and to obtain reasonable assurance about whether the offer prospectus is free from any material misstatements in consequence of violations or errors. It has to be noted that ciphers 3 to 5 below cannot be verified with the same assurance as ciphers 1 to 2. We have reviewed the information in the offer prospectus by means of analyses and ascertainties on a test basis. Furthermore, we have verified the compliance with the FMIA and its ordinances. We believe that our review provides a reasonable basis for our opinion.

In our opinion:

1. the Offeror has taken the necessary measures in order for the shares offered in exchange to be available on the settlement date;
2. the Best Price Rule has been observed until the publication of the offer prospectus.

Moreover, we have not encountered any facts from which we had to infer that:

3. the recipients of the Offer are not treated equally;
4. the offer prospectus is not complete and accurate;
5. the offer prospectus is not in accordance with the FMIA and its ordinances.

This report is neither a recommendation for the acceptance or rejection of the offer nor a confirmation (Fairness Opinion) regarding the financial appropriateness of the offer price.

Zurich, 29 September 2021

BDO Ltd

Edgar Wohlhauser  
Partner

Marcel Jans  
Partner

## G. REPORT OF THE BOARD OF DIRECTORS OF CASSIOPEA S.P.A. ON THE PUBLIC PURCHASE AND EXCHANGE OFFER OF COSMO PHARMACEUTICALS N.V.

The board of directors (the "**Board of Directors**") of Cassiopea S.p.A., a company having its registered office in Lainate (Milan), Italy ("**Cassiopea**" or "**Company**"), hereby takes position pursuant to Article 132 of the Financial Market Infrastructure Act ("**FMIA**") and Articles 30 -34 of the Ordinance on Public Takeovers Offers ("**TOO**") on the public exchange offer (the "**Offer**") of Cosmo Pharmaceuticals N.V., a company having its registered office in Dublin, Ireland ("**Cosmo**" or the "**Offeror**"), for all publicly held



registered shares of the Company with a nominal value of EUR 1.00 each (“**Shares**”, and each individually a “**Share**”).

## 1. **Recommendation**

Based on an in-depth review of the Offer and taking into account a fairness opinion of IFBC AG (“**IFBC**”), the Board of Directors unanimously recommends (with participation of all members) to the shareholders of Cassiopea to accept the Offer and tender their Shares into the Offer.

## 2. **Justification**

The recommendation of the Board of Directors is based on the following considerations.

### a) **Offer price**

Cosmo offers 0.467 shares of Cosmo (“**Cosmo Shares**”) for each Share (the “**Offer Price**”). Fractions of Cosmo Shares will be settled in cash in CHF.

The value of the offered 0.467 Cosmo Shares per Share based on the 60 trading days volume weighted average price (“**VWAP**”) of the Cosmo Shares as of 1 October 2021 corresponds to an implicit price offered per Share of CHF 39.02. In addition, based on the closing price of Cosmo Shares on 1 October 2021, the offered exchange ratio corresponds to an implicit price offered per Share of CHF 37.13.

The Board of Directors has mandated IFBC as an independent expert to render a fairness opinion for the Offer (the “**Fairness Opinion**”). Subject to the assumptions set out in the Fairness Opinion, dated 1 October 2021, which forms an integral part of this report, IFBC derived a value per Share of CHF 39.17, with a valuation range between CHF 34.47 and CHF 44.25 per Share, resulting from a sum-of-the-parts valuation approach applying the risk-adjusted discounted cash flow method. IFBC consequently concluded, in the Fairness Opinion, that the Offer Price offered by Cosmo, equalling an implied share price of CHF 37.13 per Share, is fair from a financial point of view, for the following reasons:

1. the implicit price offered is within a value range of the risk-adjusted DCF valuation of the business plan approved by the Board of Directors on 23 September 2021;
2. the implicit price offered is above the current share price of Cassiopea which is assessed as liquid and therefore a valid benchmark;
3. the implicit price offered is slightly below the VWAP.

The Fairness Opinion can be ordered in German, French and English at no cost from Cassiopea (e-mail: [investor.relations@cassiopea.com](mailto:investor.relations@cassiopea.com)) and is also available under <https://www.cassiopea.com/web-filter/>.

### b) **Entrepreneurial potential**

The integration of Cassiopea into Cosmo is expected to create an integrated pharmaceutical corporation with the in-house capacity and know-how to advance the development of its R&D pipeline and will ensure that Cosmo will have the greatest interest in implementing an industrial plan which will provide the highest values for Cassiopea, at least in line if not higher than what analysts today attribute to the Company’s stock in the long term. Moreover, the additional costs of the listings of Cosmo and Cassiopea could be considerably reduced. The Board of Directors believes that this may improve the investors’ community’s recognition of the combined group in the market.

The proposed Offer is a transaction with a high future value for Cassiopea’s shareholders, offering them the possibility to convert their stake into Cosmo Shares and consequently benefit from having shares in a diversified and much more solid pharmaceutical group, as well as to diversify the risk profile on their investment and create a higher value in a reasonable time frame.

**c) Shareholders of Cassiopea**

If successful, the Offer will likely result in a decrease of the free float for the Shares and of the liquidity of the market for these Shares. Cosmo is further indicating in the Offer prospectus that, following the settlement of the Offer, it intends to apply to SIX Exchange Regulation for the delisting of the Shares from SIX Swiss Exchange. After delisting of the Shares from SIX Swiss Exchange, there may not be a market anymore for the Shares. As a result, shareholders of Cassiopea who do not or cannot accept the Offer and do not or cannot sell their Shares in the market prior to delisting, may not be able to monetize their Shares for a longer period of time. Cosmo has not yet decided how to handle any Shares that have not been tendered into the Offer.

**d) Conclusion**

Based on the considerations summarized above, the Board of Directors came to the conclusion that the Offer is in the interest of Cassiopea and its stakeholders and that the Offer Price offered by Cosmo is fair and adequate. Therefore, the Board of Directors unanimously recommends to the shareholders of Cassiopea that they tender their Shares in the Offer.

**3. Agreements with the Offeror in the context of the Offer**

On October 1, 2021, Cosmo and Cassiopea entered into a transaction agreement with respect to the Offer (the “**Transaction Agreement**”), pursuant to which Cosmo undertook to submit, either directly or through one of its subsidiaries, the Offer. The Transaction Agreement governs the terms of the Offer and the respective rights and obligations of Cassiopea and the Offeror in relation to the Offer. In particular, the Transaction Agreement sets forth the Offer Price to be offered by Cosmo. In return, Cassiopea undertook to recommend the Offer to the shareholders of Cassiopea for acceptance, subject to the absence of a competing offer that the Board of Directors determines in good faith judgment to be superior for the Company’s shareholders when compared as a whole with the Offer. A summary of the main terms of the Transaction Agreement, is contained in section E.7 of the Offer prospectus.

**4. Potential conflicts of interest of the members of the Board of Directors and the Executive Board**

**a) Members of the Board of Directors**

The Board of Directors of Cassiopea is composed of the following members:

Name	Position
Pierpaolo Guzzo	CFO and Chairman of the Board of Directors
Diana Marie Harbort	CEO and Member of the Board of Directors
Øyvind Bjordal	Member of the Board of Directors
Jan Egbert de Vries	Member of the Board of Directors
Maurizio Baldassarini	Member of the Board of Directors

The Board of Directors has undertaken in the Transaction Agreement to support and recommend acceptance of the Offer. Pursuant to the terms of the Transaction Agreement, subject to the successful completion of the Offer, the Offeror will vote, or cause its relevant subsidiary to vote, the Shares acquired through the Offer in the shareholders’ meeting of the Company so that the Board of Directors of Cassiopea will be composed of members nominated by the Offeror, and the Offeror’s chief executive officer will act as chairman of the Company. The Transaction Agreement further provides that Diana Marie Harbort, the chief executive officer of the Company, will be offered to become president of the dermatology division of the

Offeror subsequent to completion of the Offer. Diana Marie Harbort and the Company will enter into an agreement based on terms not more favorable than the existing terms with the Company.

Subject to the foregoing, no member of the Board of Directors has entered into a contractual or other arrangement with the Offeror or a person acting in concert with the Offeror and, except for the offer to Diana Marie Harbort described above, there is currently no intention to enter into any such relationship. The members of the Board of Directors are neither employees nor members of any corporate bodies of the Offeror or any person acting in concert with the Offeror or of companies having significant business relations with the Offeror or any person acting in concert with the Offeror. Among the member of the Board of Directors that have been appointed by resolution of the annual general meeting of the Company held on 29 April 2021, Pierpaolo Guzzo, Jan Egbert de Vries, Diana Marie Harbort and Øyvind Bjordal were included in the list of candidates presented by the Offeror pursuant to Article 13 of the Company's articles of association; however, Pierpaolo Guzzo, Jan Egbert de Vries, Diana Marie Harbort and Øyvind Bjordal are independent from the Offeror or any person acting in concert with the Offeror, and no member of the Board of Directors exercises its mandate pursuant to the instructions of the Offeror or a person acting in concert with the Offeror. In addition, the members of the Board of Directors are neither corporate bodies or employees of the Offeror or a person acting in concert with the Offeror, nor do they act as corporate bodies or employees of a company which has significant business relationship with the Offeror or a person acting in concert with the Offeror. Based on the foregoing and the fact that the Board of Directors has obtained the Fairness Opinion, the Board of Directors has decided that no additional measures need to be taken against potential conflicts of interest of the members of the Board of Directors and therefore all members of the Board of Directors may participate in the deliberation and decision of the Offer.

**b) Members of the Executive Board**

The Executive Board of Cassiopea is composed of the following persons:

Name	Position
Diana Marie Harbort	CEO
Pierpaolo Guzzo	CFO
Alessandro Mazzetti	CMO
Luigi Moro	CSO
Marco Pasero	COO

No member of the Executive Board has entered into any contractual or other arrangement with the Offeror or a person acting in concert with the Offeror and, except for the offer to Diana Marie Harbort described the preceding paragraph, there is currently no intention to enter into any such relationship. The members of the Executive Board are neither employees nor members of any corporate bodies of the Offeror or any person acting in concert with the Offeror or of companies having significant business relations with the Offeror or any person acting in concert with the Offeror. No member of the Executive Board has been elected at the request of the Offeror or a person acting in concert with the Offeror and no member of the Executive Board exercises its mandate pursuant to the instructions of the Offeror or a person acting in concert with the Offeror. In addition, the members of the Executive Board are neither corporate bodies or employees of the Offeror or a person acting in concert with the Offeror, nor do they act as corporate bodies or employees of a company which has significant business relationship with the Offeror or a person acting in concert with the Offeror. Thus, no member of the Executive Board, other than Diana Marie Harbort, has a conflict of interest in connection with the Offer.

## 5. Financial Consequences of the Offer for the members of the Board of Directors and the Executive Board

### a) Members of the Board of Directors

The members of the Board of Directors are not granted any compensation, severance payments or other benefits as a result of, or in connection with, the Offer.

At the time of the publication of this report, the members of the Board of Directors held the following Shares and entitlements to Shares:

Name	Number of Shares held	Number of stock options held
Pierpaolo Guzzo	0	14,200
Diana Marie Harbort	27,373	190,000
Øyvind Bjordal	2,971	14,200
Jan Egbert de Vries	0	24,200
Maurizio Baldassarini	0	4,200

The Shares held by Diana Marie Harbort and Øyvind Bjordal are freely transferable and unrestricted. A stock option plan for the Company (the “**Stock Option Plan**”) for a number of key employees, including the members of the Board of Directors and the Executive Board, has been adopted by the Board of Directors on 3 December 2015 in execution of the shareholders’ meeting resolution approved on 27 May 2015. Pursuant to the terms of the Stock Option Plan, in case of a takeover of the Company during the duration of the Stock Option Plan, each of the participants in the Stock Option Plan will be entitled to request accelerated exercise and vesting of all the options assigned to him/her, even those which are not yet vested, by subscribing to the underlying shares and re-selling them on the same terms and conditions provided in the takeover process (the “**Acceleration Clause**”).

Other than in Diana Marie Harbort’s and Øyvind Bjordal’s capacity as shareholder of the Company and the rights described above resulting from the Acceleration Clause under the Stock Option Plan, the Offer has no financial impact on the members of the Board of Directors.

### b) Members of the Executive Board

The members of the Executive Board are not granted any compensation, severance payments or other benefits as a result of, or in connection with, the Offer.

At the time of the publication of this report, the members of the Executive Board held the following Shares and entitlements to Shares:

Name	Number of Shares held	Number of stock options held
Diana Marie Harbort	27,373	190,000
Pierpaolo Guzzo	0	14,200
Alessandro Mazzetti	0	131,000
Luigi Moro	0	90,000
Marco Pasero	0	24,000

Other than in Diana Marie Harbort's capacity as shareholder of the Company and the rights described above resulting from the Acceleration Clause under the Stock Option Plan, the Offer has no financial impact on the members of the Executive Board.

## 6. Intentions of Qualifying Shareholders

To the knowledge of the Board of Directors, at the date of this report, the following shareholders, other than the Offeror, hold 3% or more of the share capital of the Company ("**Qualifying Shareholders**"):

Name	Number of shares <sup>1</sup>	Participation in percent
Cosmo Holding Sarl	809,953	7.53
Heinrich Herz AG	409,000	4.1
Logistable Ltd		
Logistable SA		
LLB (Swiss) Investment AG	390,305	3.63

<sup>1</sup> Shareholding disclosure notification published on 1 October 2021 at <https://www.ser-ag.com/en/resources/notifications-market-participants/significant-shareholders.html#/> (issuer: Cassiopea S.p.A.).

The intentions of the Qualifying Shareholders in connection with the Offer are not known to the Board of Directors.

## 7. Defensive Measures pursuant to Article 132 para. 2 FMIA

The Board of Directors has not taken any defensive measures against the Offer and does not intend to take defensive measures in the future or propose any such defensive measures to a shareholders' meeting of the Company.

## 8. Financial reporting; information on material changes in the assets, financial position, results of operations or the business prospects

The annual report as of 31 December 2020 of Cassiopea, as well as the half year 2021 financial results as of June 30, 2021, can be consulted on Cassiopea's website at <https://www.cassiopea.com/investor-relations/#publicationsAndCalendar>.

Except for the transaction underlying this report and to the extent disclosed prior or on the date of this report (including this report), the Board of Directors is not aware of any material changes in the assets, the financial position, the results of operations or the business prospects of Cassiopea since July 2021 that could influence the decision of the shareholders of Cassiopea regarding the Offer.

Lainate, 1 October 2021

On behalf of the Board of Directors of Cassiopea

Pierpaolo Guzzo

Chairman of the Board of Directors

## H. DECISION OF THE TAKEOVER BOARD

The Offer was submitted to the Takeover Board together with the report of the Board of Directors of Cassiopea prior to publication. On 1 October 2021, the Swiss Takeover Board issued the following decision:

1. The public exchange offer of Cosmo Pharmaceuticals N.V. to the shareholders of Cassiopea S.p.A. complies with the legal provisions governing public offers.
2. This decision will be published on the website of the Swiss Takeover Board on 4 October 2021.
3. The fee payable by Cosmo Pharmaceuticals N.V. amounts to CHF 107'718.

## **I. RIGHTS OF THE MINORITY SHAREHOLDERS**

### **1. Application for party status (Art. 57 TOO)**

A shareholder who, at and since the time of publication of this Prospectus, holds at least 3% of the voting rights in Cassiopea (a "**Qualified Shareholder**", Art. 56 TOO), shall be granted party status if it applies to the Takeover Board pursuant to Art. 57 TOO. The application of a Qualified Shareholder for party status must be received by the Takeover Board (Selnaustrasse 30, P.O. Box, CH-8021 Zurich, Fax: +41 (0)58 499 22 91) within five trading days after the publication of the offer prospectus or, if the first decision of the Takeover Board regarding the offer is published prior to the publication of the offer prospectus, after the publication of the decision. The time limit begins on the first trading day after the publication of the offer prospectus or the order. At the same time as the application, proof of the applicant's shareholding must be provided. The Takeover Board may at any time request proof that the Qualified Shareholder continues to hold at least 3% of the voting rights in Cassiopea, whether exercisable or not. The party status shall also continue to exist for any further rulings of the Takeover Board in connection with the Offer, provided that the Qualified Shareholder status continues to exist.

### **2. Objection (Art. 58 TOO)**

A Qualified Shareholder (art. 56 TOO) who has not participated in the procedure by that time may lodge an objection to the Takeover Board's decision regarding the Offer. The objection must be filed with the Takeover Board (Selnaustrasse 30, P.O. Box, CH-8021 Zurich, Fax: +41 (0)58 499 22 91) within five trading days after publication of the decision. The deadline begins on the first trading day after the publication of the decision. The submission must contain an application and a summary of the reasons as well as proof of the shareholding pursuant to Art. 56 TOO.

## **J. SETTLEMENT OF THE OFFER**

### **1. Information and acceptance of the Offer**

Shareholders who hold their CAS Shares in an open custody account at a bank will be informed about the Offer by their custodian bank. Shareholders who wish to accept the Offer are requested to proceed in accordance with the instructions of their custodian bank. Shareholders need to be aware and understand that the CAS Shares have an Italian ISIN number and are dematerialized in the systems of Monte Titoli S.p.A., acting as central securities depository. The shareholders thus recognize that the settlement of the Offer exclusively occurs through the systems of Monte Titoli S.p.A.

### **2. CAS Shares for which the Offer was accepted**

CAS Shares for which the Offer was accepted cannot be traded anymore and are to be blocked by the custodian bank. Any acceptance of the Offer is irrevocable subject to mandatory takeover provisions.

### **3. Delivery of CAS Shares against delivery of COPN Shares and payment of cash compensation for fractional COPN Shares**

It is expected that settlement takes place on 17 December 2021 (the "**Settlement Date**"). An extension of the Offer Period pursuant to Section B.6 (*Offer period*) or a postponement of the Completion pursuant to Section B.8 (*Conditions*) remains reserved. On the Settlement Date, COPN Shares will be delivered against CAS Shares for which the Offer has been accepted properly and which have been delivered by the custodian banks of the shareholders in advance. The payment of the cash compensation (in CHF) for fractional CAS

Shares will take place on or around the fourth trading day following the Settlement Date, i.e. expected on 23 December 2021..

#### **4. Costs and charges**

For all CAS Shares (a) validly tendered during the Offer Period or the Additional Acceptance Period under the Offer and (b) delivered as described above, the COPN Shares will be delivered and the payment for fractional COPN Shares will be made without any deductions.

#### **5. Delisting**

Following the Settlement of the Offer, Cosmo intends to have Cassiopea apply to SIX Exchange Regulation for the delisting of the CAS Shares from SIX Swiss Exchange.

#### **6. Possible Swiss tax consequences for tendering shareholders**

*The following summary of the basic tax consequences cannot replace tax advice in individual cases. All shareholders and beneficial owners of shares are expressly advised to consult their own tax advisors with regard to the Swiss and, if applicable, foreign tax consequences that a tender of CAS Shares in the context of the Offer or outside the Offer could have for them.*

##### **Swiss Federal, Cantonal and Communal Individual Income Tax and Corporate Income Tax**

###### Non-Resident Shareholders

Non-Resident Shareholders are not subject to any Swiss federal, cantonal or communal income tax in connection with the Offer.

###### Domestic Private Shareholders

The Offer and its Settlement are not subject to income tax on the level of Swiss-resident shareholders, who hold their shares as private assets, provided that the Target Company is not absorbed by the Offeror within the subsequent 5 years (*Quasifusion mit zeitnaher Absorption*).

###### Domestic Commercial Shareholders

The Offer and its Settlement are not subject to income tax on the level of Swiss-resident individual shareholders, who hold their shares as business assets.

###### Domestic Corporate Shareholders

The Offer and its Settlement are generally not subject to corporate income tax on the level of Swiss-resident corporate shareholders according the practice of the Swiss tax authorities, provided that the shareholder accounts the CAS Shares received for the net asset value of the Target Company.

##### **Swiss Securities Transfer Tax**

The Offer and its Settlement are generally exempted from Swiss securities transfer tax (*Umsatzabgabe*) irrespective of whether or not a securities dealer for Swiss stamp duty purposes is involved in the transaction.

##### **International Automatic Exchange of Information in Tax Matters**

Switzerland has concluded a bilateral agreement with the EU on the international automatic exchange of information ("AEOI") in tax matters (the "AEOI Agreement"). This AEOI Agreement became effective as of January 1, 2017, and applies to all 27 member states and Gibraltar. Furthermore, on January 1, 2017, the multilateral competent authority agreement on the automatic exchange of financial account information and, based on such agreement, a number of bilateral AEOI agreements with other countries became effective. Based on this AEOI Agreement and the bilateral AEOI agreements and the implementing laws of Switzerland, Switzerland collects data in respect of financial assets, which may include shares, held in, and

income derived thereon and credited to, accounts or deposits with a paying agent in Switzerland for the benefit of residents in a EU member state or a treaty state from 2017, and has exchanged it since 2018. Switzerland has signed and is expected to sign further AEOI agreements with other countries. A list of the AEOI agreements of Switzerland in effect or signed and becoming effective can be found on the website of the State Secretariat for International Finance (SIF).

## 7. **Applicable law and place of jurisdiction**

This Offer and all rights and obligations arising from it are subject to **Swiss law**. The exclusive place of jurisdiction for all disputes arising from or in connection with the offer is **Zurich, Switzerland**.

## K. **INDICATIVE TIMETABLE**

Publication of the Offer Prospectus	4 October 2021
Start of the cooling-off period	5 October 2021
End of the cooling-off period	18 October 2021
Start of the offer period	19 October 2021
End of the offer period	15 November 2021*
Extraordinary General Meeting Cosmo	16 November 2021
Publication of the provisional interim result	16 November 2021*
Publication of the definitive interim result	18 November 2021*
Start of additional acceptance period	19 November 2021*
End of additional acceptance period	2 December 2021*
Publication of the provisional final result	3 December 2021*
Publication of the final result	7 December 2021*
Capital increase Cosmo	16 December 2021*
Listing of the new COPN shares	17 December 2021*
First trading day of the new COPN Shares on the SIX Swiss Exchange	17 December 2021*
Settlement of the Offer	17 December 2021*
Payment of the cash compensation for fractional CAS Shares	23 December 2021*

\* Cosmo reserves the right to extend the Offer Period once or several times pursuant to Section B.6 and/or to postpone the settlement of the Offer pursuant to Section B.8. In such a case, the timetable will be adjusted accordingly.

## L. **PUBLICATIONS**

This Prospectus as well as all other publications in connection with this Offer are available on the internet at [https://www.cosmopharma.com/site-services/adhoc-press-page\\_and](https://www.cosmopharma.com/site-services/adhoc-press-page_and) and are sent to the major Swiss media, the major press agencies active in Switzerland as well as the major information service providers and the Takeover Board.



## **M. SUPPLEMENTARY INFORMATION ON COSMO**

### **1. Board of Directors**

#### **a) Members of the Board of Directors**

For a complete overview of the members of the Board of Directors of Cosmo on the date of this Offer, reference is made to Section 2.8.3 (*Board of Directors*) of Cosmo's annual report for the financial year 2020 (the "**2020 COPN Annual Report**"), except for Hans Christoph Tanner who resigned from the Board of Directors of Cosmo as per the general meeting of shareholders of Cosmo on 28 May 2021, and was replaced by David W. Maris as per the same date., Eimear Cowhey shall resign as per the extraordinary shareholders' meeting of Cosmo planned for 16 November 2021, and be replaced by Alexis de Rosnay per the same date.

David W. Maris is a non-executive director. He is a US-American national, born 1967, David Maris is a private investor with Phalanx Investment Partners, LLC, an investment advisor, since January 2020, and a member of the board of directors of Amphastar Pharmaceuticals (NASDAQ: AMPH) since 2020, where he also serves on the audit committee. From December 2015 to December 2019, David Maris was a managing director and equity research analyst at Wells Fargo Securities, LLC, an investment bank. Before serving at Wells Fargo Securities, LLC, David Maris served as a managing director and equity research analyst at Bank of Montreal, an investment bank, from January 2013 to December 2015. Prior to serving at Bank of Montreal and Wells Fargo Securities, LLC, David Maris served as a healthcare industry equity analyst for several other investment banks, including Credit Agricole – CLSA, Bank of America, Credit Suisse, Bear Stearns, and Aros Securities. He also served as a healthcare portfolio manager for Balyasny Asset Management and currently serves as a member of the American Finance Association and National Association of Corporate Directors. Mr. David Maris holds a B.A. from the University of Delaware and an M.B.A. from Vanderbilt University's Owen Graduate School of Management.

Alexis de Rosnay has 30 years of experience in Investment Banking, of which 19 years in healthcare. He was a CEO of a mid-sized financial institution, and an adviser in the life sciences space. Mr. de Rosnay was CEO of Canaccord Genuity Ltd, responsible for Capital Markets and Wealth Management in Europe. He was also Senior Executive Vice President of Canaccord Genuity Group Inc. and Global Head of Investment Banking. Alexis de Rosnay started his work experience in the M&A department at Rothschild in 1990. He spent most of his career (since 1994) focusing on Life Sciences transactions (primarily at JP Morgan, Lehman Brothers, Lazard), be it mergers, acquisitions, divestitures, IPOs, or private placings. Alexis de Rosnay is currently a Senior Adviser at Oddo-BHF, a leading Franco-German financial institution, and is selected as candidate to replace Eimear Cowhey as non-executive director of the Board of Directors of Cosmo.

#### **b) Other activities and connections of interest**

Other activities and connections of interest in relation to each member of the Board of Directors of Cosmo can be found in Section 2.8.3 (*Board of Directors*) of the 2020 COPN Annual Report and, for David W. Maris and Alexis de Rosnay, under a) above.

#### **c) Business address of the members of the Board of Directors**

The business address of the members of the Board of Directors of Cosmo is c/o Cosmo Pharmaceuticals N.V., Riverside II Sir John Rogerson's Quay, Dublin 2, Ireland.

#### **d) Proceedings and guilty verdicts**

There have been no convictions in respect of any felonies or misdemeanors in the business sector during the last five years involving any member of the Board of Directors of Cosmo acting in the capacity of a member of the board of directors. There are no ongoing or sanctioned proceedings in respect of individual members of the Board of Directors of Cosmo by statutory or regulatory authorities (including designated professional bodies).

## **2. Executive Board**

### **a) Members of the Executive Management**

For a complete overview of the members of the Executive Management of Cosmo on the date of this Offer, reference is made to Section 2.8.4 (*Executive Management*) of the 2020 COPN Annual Report. Following the date of the 2020 COPN Annual Report, the composition of the Executive Management of Cosmo has been changed as follows.

As of 15 January 2021, Biagio Viganò has been engaged by Cosmo as the Chief People Officer. He replaces Giuseppe Cipriano, who was the COO until his retirement per 31 December 2020. Mr. Viganò, who was formerly Global Group Human Resources Director at Sodalis Group S.p.A. and, prior to that, Human Resources Director at Almirall Italia S.p.A. and Polichem Swiss S.A., will be responsible for the management of human resources and industrial relations of Cosmo.

Furthermore, Sean MacDonald has resigned from the position as Head of Business Development to pursue other opportunities and in the interim the role will be assumed by the CEO.

Subsequent to the completion of the Offer, Diana Harbort (see under "*Corporate Governance*" – "*Board of Directors*" – "*Diana Harbort*" on page 40 of Cassiopea's annual report for the financial year 2020), shall become president of the dermatology division of Cosmo.

### **b) Other activities and connections of interest**

Other activities and connections of interest in relation to each member of the Executive Management of Cosmo can be found in Section 2.8.4 (*Executive Management*) of the 2020 COPN Annual Report.

### **c) Competencies of the Executive Management**

The competencies of the Executive Management are set out in Section 2.8.4 (*Executive Management*) of the 2020 COPN Annual Report.

### **d) Management contracts**

There are no management contracts in respect of Cosmo with companies (or natural persons) outside of Cosmo, see also Section 2.8.4 (*Executive Management*) of the 2020 COPN Annual Report.

### **e) Business address of the members of the Executive Board**

The business address of the members of the Executive Board of Cosmo is c/o Cosmo Pharmaceuticals N.V., Riverside II Sir John Rogerson's Quay, Dublin 2, Ireland.

### **f) Proceedings and guilty verdicts**

There have been no convictions in respect of any felonies or misdemeanors in the business sector during the last five years involving any member of the Executive Management of Cosmo acting in such capacity. There are no ongoing or sanctioned proceedings in respect of individual members of Cosmo's Executive Board by statutory or regulatory authorities (including designated professional bodies).

## **3. Current holdings of securities held by members of the Board of Directors and the Executive Board**

On the date of this Offer, the following members of the governing bodies hold the following shares:

Person	Number of Shares	Percentage
Mauro Ajani	29,086	0.19%
Alessandro Della Chà	196,333	1.31%
Dieter A. Enkelmann	3,000	0.02%
Kevin Donovan	-	-
Maria Grazia Roncarolo	2,000	0.01%
David W. Maris	300	0.00%
Eimear Cowhey	-	-
Luisa Bartorelli	-	-
Roberta Bozzella	-	-
Andrea Cherubini	-	-
Nhan Ngo Dinh	-	-
Niall Donnelly	-	-
Giulio Evangelisti	-	-
Marco Lecchi	5,838	0.04%
H. Jurgen Lenz	-	-
Andrea Lovati	-	-
Davide Malavasi	375	0.00%
Massimo Pedrani	-	-
Stefano Selva	-	-
Roberto Villa	215,000	1.43%
Biagio Viganò	-	-

#### 4. Auditors

BDO Netherlands (BDO Audit & Assurance B.V.), with registered office at Krijgsman 9, 1186 DM, Amstelveen, Noord-Holland, The Netherlands, have been Cosmo's auditors since 2016 and conduct the audit of the annual and consolidated financial statements.

#### 5. Capitalization

The following table shows the capitalization of Cosmo as at 30 June 2021.

	As of 30 June 2021 (before transaction)	As of 30 June 2021 (as adjusted) (assuming transaction implementation as per 30 June 2021)
(in EUR 1,000)		
<b>Cash and cash equivalents</b> .....	<b>180,406</b>	<b>182,202</b>
Current financial debt .....	1,205	1,209
Non-current financial debt .....	166,910	166,910
<b>Total indebtedness</b> .....	<b>168,115</b>	<b>168,119</b>
<b>Shareholders' equity</b> .....	<b>371,001</b>	<b>662,522</b>
Share capital .....	3,910	4,608
Additional paid in capital .....	84,448	294,689
Other reserves, including retained earnings/(ac- cumulated losses) .....	282,643	363,225
<b>Total capitalization</b> .....	<b>539,119</b>	<b>830,641</b>

With respect to material changes since 30 June 2021 see Note 18 of the notes to the consolidated financial statements as included in Cosmo's half-year report 2021.

## 6. Changes in capital and contributions in kind/acquisitions

### a) Changes in capital

For changes in share capital that occurred in 2018, see Note 23 of the Consolidated Financial Statements included in the Annual Report 2018 of Cosmo.

The changes in share capital that took place in 2019 and 2020 are set out under Note 22 of the Consolidated Financial Statements included in the 2020 COPN Annual Report.

### b) Contributions in kind/acquisitions

In 2018, Cosmo acquired 30% of the shares and voting interest in Linkverse S.r.l. ("**Linkverse**") and as a result, Cosmo's equity interest in Linkverse increased from 30% to 60%, obtaining control of Linkverse. In March 2019, Cosmo acquired the remaining non-controlling interest (i.e. 40% of the shares) in Linkverse, increasing its ownership from 60% to 100%. For more information, see Note 12 of the Consolidated Financial Statements in the 2020 COPN Annual Report.

## **7. Judicial, arbitration and administrative proceedings**

There are currently no pending or threatened legal, arbitration or administrative proceedings at Cosmo that would be of material significance for the financial position or performance of Cosmo.

## **8. Notices to Shareholders and Information on Cosmo**

All notices to shareholders of Cosmo or concerning COPN Shares are made by publication on Cosmo's website <https://www.cosmopharma.com> and via publication in a Dutch daily newspaper, such as the Dutch nationwide newspaper *Trouw*.

## **9. Public offers**

On 4 October 2021, Cosmo submitted the public purchase and exchange offer to all public shareholders of Cassiopea in the form of an exchange of CAS Shares for COPN Shares, see section A (*Background of the Public Offer*).

## **N. RISK FACTORS**

*The offerees should read this section carefully and consider the risks set out below and the other information contained in this Prospectus before making any decision to accept the Offer. The occurrence of any one or more of the risks described in the risk factors set out below may, in isolation or together with other circumstances, adversely affect the Offeror's business and have a material adverse effect on the Offeror's business, results of operations, financial condition and cash flows. In addition, in the event of the occurrence of any one or more of the risks described below, the market price for the COPN Shares may decrease materially and there is a risk that the offerees may suffer a significant loss or even a total loss on their investment in the COPN Shares. The risks set out below are not intended to be an exhaustive list of possible risks. Additional risks that could negatively affect the Offeror's business activities and have a material adverse effect on the Offeror's business, financial condition, results of operations and cash flows may arise or risks that are classified as immaterial may, contrary to the current assessment, become more significant. In addition, the individual risks may intensify or otherwise influence each other in the event of their simultaneous occurrence in a manner that cannot be foreseen at the present time. The order of the risk factors says nothing about their significance, probability of occurrence or relevance.*

### **1. Risks related to the business of Cassiopea and Cosmo separately, as well as together as combined entities (the "Combined Entity")**

***Any incorrect topical application of WINLEVI by individual users, healthcare specialists, therapists or other third parties could expose Cassiopea to legal claims and liability.***

Dermatologists and other physicians may misuse the WINLEVI-cream, potentially leading to adverse results, side effects or injury, which may lead to product liability claims. If the cream is misused, Cassiopea may become subject to costly litigation by its customers or their patients. Product liability claims could divert management's attention from Cassiopea's core business, be expensive to defend, and result in sizable damage awards against Cassiopea that may not be covered by insurance. Furthermore, the use of the products for indications other than those cleared by the FDA may not effectively treat such conditions, which could harm Cassiopea's reputation in the market among physicians and patients. Any of these events could harm the business and results of operations and cause the share price to decline.

***Two out of three of Cassiopea's product candidates are in-licensed, being CB-06-01 (Naicons S.r.l.) and CB-06-02 (BioMAS Ltd). If Cassiopea fails to comply with its obligations under these license arrangements, it may lose these intellectual property rights or become liable for damages to the licensor. Moreover, there can be no assurance that Cassiopea will be able to comply with its obligations under these licenses, or that the respective licensors will be able to maintain and adequately protect their intellectual property rights.***

Two out of three of Cassiopea's product candidates are in-licensed, being CB-06-01 (Naicons S.r.l.) and CB-06-02 (BioMAS Ltd). CB-06-01 was initially developed by Naicons S.r.l. CB-06-02 was invented and initially developed by BioMAS Limited. Each of these companies has granted Cassiopea a worldwide, exclusive license to its product. Under both license agreements, Cassiopea has the right to grant sub-licenses to third parties.

The license agreements with Naicons and BioMAS impose, and Cassiopea expects that future license agreements will impose, various reporting, prosecution, diligence, fee payment, royalty and other obligations on Cassiopea. If there is any conflict, dispute, disagreement or issue of non-performance between Cassiopea and its relevant licensing partner regarding Cassiopea's rights or obligations under the license agreements, including any such conflict, dispute or disagreement arising from Cassiopea's failure to satisfy payment obligations under any such agreement, Cassiopea may owe damages, its licensor may have a right to terminate the affected license, and Cassiopea's and its partners' ability to utilize the affected intellectual property in its drug discovery and development efforts, and its ability to enter into collaboration or marketing agreements for an affected product candidate, may be adversely affected.

***The future business performance and financial results of each of Cassiopea and Cosmo will depend on the completion of clinical development and regulatory approval of their product candidates. Successful completion of this process is subject to uncertainties, some of which are beyond Cassiopea's or, as applicable, Cosmo's control.***

Before obtaining marketing approval from regulatory authorities for the sale of a product candidate, a pharmaceutical company must complete preclinical development and then conduct extensive clinical trials to demonstrate the safety and efficacy in humans. Clinical testing is expensive, difficult to design and implement, can take many years to complete and is uncertain as to outcome. A failure of one or more clinical trials can occur at any stage of testing.

Certain product candidates of Cassiopea and Cosmo are currently in clinical development; their risk of failure, respectively non-approval is still high. It is impossible to predict if these product candidates will be effective or safe in humans and whether, any of these product candidates will obtain regulatory approval. Promising results in preclinical studies of a drug candidate may not be predictive of similar results in humans during clinical trials, and successful results from early clinical trials of a drug candidate may not be replicated in later and larger clinical trials or in clinical trials for different indications.

Moreover, positive or timely trial results do not ensure product approval by the FDA, the European Medicines Agency (the "EMA") or comparable regulatory authorities in other jurisdictions. Despite the time and expense invested in clinical development of product candidates, regulatory approval is never guaranteed. The FDA, the EMA and comparable regulatory authorities in other jurisdictions have substantial discretion in the approval process and in determining when or whether regulatory approval will be obtained for any of the product candidates. Furthermore, where Cassiopea or Cosmo conduct clinical trials for their respective product candidates outside of the United States, the possibility that the FDA might not accept data from such trials for purposes of its approval process cannot be excluded.

***In case of non-compliance with any regulations of the FDA and other regulatory agencies, each of Cosmo and Cassiopea may be subject to significant liability, which may materially harm their, or, as applicable, the Combined Entity's business.***

The FDA and other regulatory agencies strictly regulate the marketing and promotional claims that are made about medical or therapeutic products. In particular, a product may not be promoted for uses or indications that are not approved by the FDA or other relevant regulatory agencies as reflected in the product's approved labeling. Furthermore, strict regulations apply for label integrity, stability test data to determine expiry dates and packaging and storage. If any of Cassiopea or Cosmo, by itself or together with any licensee, distributor or other partner, is found to have not complied with any of such regulations, Cassiopea or Cosmo may receive warning letters and become subject to significant liability, which would materially harm Cosmo's, Cassiopea's and/or, as applicable, the Combined Entity's business.

***Delays in the commencement, enrollment or completion of clinical trials of each of Cassiopea's and Cosmo's product candidates could result in increased costs as well as a delay or failure in obtaining satisfactory study results, regulatory approval, which in turn may prevent Cassiopea or Cosmo from commercializing product candidates on a timely basis, or at all.***

Each of Cosmo and Cassiopea cannot guarantee that clinical trials will be conducted as planned or completed on schedule, if at all. A failure of one or more clinical trials can occur at any stage of testing. A number of factors could prevent successful or timely commencement, enrollment or completion of clinical development. Many of these factors are beyond their respective control. They include:

- delays in reaching a consensus with regulatory agencies on trial design;
- delays or failure to reach an agreement on acceptable terms with prospective clinical research organizations ("CROs") and clinical trial sites, the terms of which can be subject to extensive negotiation and may vary significantly among different CROs and clinical trial sites;
- the delay or refusal of regulators, institutional review boards ("IRBs") or ethics committees to authorize Cassiopea to commence a clinical trial at a prospective clinical trial site;
- delays in recruiting suitable patients to participate in clinical trials and variability in the number and types of patients available for clinical trials;
- delays or inability to enroll a sufficient number of patients in clinical trials to ensure adequate statistical power to detect statistically significant treatment effects;
- imposition of a clinical hold by regulatory agencies for any reason, including safety concerns or after an inspection of clinical operations or trial sites;
- negative or inconclusive results, which may require additional preclinical or clinical trials or lead to the abandoning of projects that were expected to be promising;
- safety or tolerability concerns could cause Cassiopea or Cosmo to suspend or terminate a clinical trial if each of them respectively finds that the participants are being exposed to unacceptable health risks;
- regulators requiring that Cassiopea, Cosmo or their investigators suspend or terminate clinical trials for various reasons, including, without limitation, noncompliance with regulatory requirements or safety concerns;
- lower than anticipated retention rates of patients and volunteers in clinical trials;
- Cassiopea's or Cosmo's CROs or clinical trial sites failing to comply with regulatory requirements or meet their contractual obligations to Cassiopea or Cosmo, as applicable, in a timely manner, or at all, deviating from the protocol or dropping out of a clinical trial;
- delays in adding new clinical trial sites;
- difficulties in maintaining contact with patients after treatment, resulting in incomplete data;
- delays in establishing appropriate dosage levels;
- the quality or stability of the product candidate falling below acceptable standards;
- the inability to produce or obtain sufficient quantities of the product candidate to complete clinical trials;
- exceeding budgeted costs due to difficulty in accurately predicting costs associated with clinical trials; and

- obtaining, maintaining or enforcing of Cassiopea's or Cosmo's patents or other intellectual property rights.

Delays, including delays caused by the above factors, can be costly and could negatively affect Cassiopea's or Cosmo's ability to complete a clinical trial. In particular, delays in clinical trials may result in increased development costs for Cassiopea's or Cosmo's product candidates, which would adversely impact their respective businesses and the ability to obtain additional funding. If Cassiopea or Cosmo is not able to successfully complete clinical trials, regulatory approval and commercialization of the relevant product candidate can be impaired.

***Cassiopea and Cosmo each face competition, which may result in others discovering, developing or commercializing products, treatment methods and/or technologies before, or more successfully, than Cassiopea or Cosmo is able to provide***

The development and commercialization in the pharmaceutical and med-tech sector is highly competitive. Cassiopea and Cosmo each face competition with respect to their current product candidates, and will face competition with respect to any product candidates that it may seek to develop or commercialize in the future, from major pharmaceutical companies, specialty pharmaceutical companies and biotechnology companies worldwide. There are a number of large pharmaceutical and biotechnology companies that currently market and sell products or are pursuing the development of products for the treatment of the disease indications for which Cassiopea and Cosmo are developing their respective product candidates. Some of these competitive products and therapies are based on scientific approaches that are the same as or similar to Cassiopea's or, as applicable, Cosmo's approach, and others are based on entirely different approaches. Potential competitors also include academic institutions, government agencies and other public and private research organizations that conduct research, seek patent protection and establish collaborative arrangements for research, development, manufacturing and commercialization.

Each of Cassiopea's and Cosmo's commercial opportunity could be reduced or eliminated if its competitors develop and commercialize products that are safer, more effective, have fewer or less severe side effects, are more convenient or are less expensive than any products that Cassiopea and Cosmo may develop. Competitors also may obtain FDA, EMA or other regulatory approval for their products more rapidly, which could result in the competitors establishing a strong market position before Cassiopea or Cosmo is able to enter the market.

In respect of Cassiopea and Cosmo, the ability to compete may be affected in many cases by insurers or other third-party payers seeking to encourage the use of generic products or other products with similar properties. Generic products are currently on the market for the indications that Cassiopea is pursuing, and biosimilars and additional generic products are expected to become available over the coming years.

Many of Cassiopea's and Cosmo's potential competitors have greater financial, manufacturing, marketing, drug development, technical and human resources. Large pharmaceutical companies in particular, have extensive experience in clinical testing, obtaining regulatory approvals, recruiting patients and in manufacturing pharmaceutical products. These companies also have significantly greater research and marketing capabilities and may also have products that have been approved or are in late stages of development and have collaborative arrangements in Cassiopea's or Cosmo's target markets with leading companies and research institutions. Established pharmaceutical companies may also invest heavily to accelerate discovery and development of novel compounds or to in-license novel compounds that could make the products that Cassiopea or Cosmo develops obsolete. As a result of all of these factors, where it concerns products for which Cassiopea or Cosmo has not yet obtained patent protection or regulatory approval, competitors may succeed in obtaining such protection or approval earlier, or to discovering, developing and commercializing products before Cassiopea or Cosmo does. In addition, any new product that competes with an approved product must demonstrate compelling advantages in efficacy, convenience, tolerability and safety, in order to overcome price competition and to be commercially successful. If Cassiopea or Cosmo, as applicable, would not be able to compete effectively against potential competitors, the respective businesses and the business of the Combined Entity will not grow and financial conditions and operations will suffer.



***Any off-patent products may face severe competition of generic products, which can have a material adverse effect on the business of Cosmo, Cassiopea and/or, as applicable, the Combined Entity.***

All pharmaceutical companies face generic competition when their products lose patent or other intellectual property protection. Even though each of Cosmo and Cassiopea may take active measures to protect their respective patents, trademarks and other intellectual property, and to extend product life cycles, the risk of off-patent products facing competition of generic products that enter the market cannot be excluded. This may impede the ability to compete successfully, which in turn can have a material adverse effect on the business of Cosmo, Cassiopea and/or the Combined Entity, as applicable.

***Study results derived from clinical research studies may not sufficiently support hypotheses or produce the desired outcome. When this is the case, additional research and development may be required, which in turn may lead to delays in the regulatory approval process and commercialization of a product.***

Study results derived from clinical research studies may not sufficiently support hypotheses or produce the desired outcome. In connection with the development of Clascoterone solution for the treatment of AGA (BREEZULA), Cassiopea announced the results for the Phase II trial in women on 10 September 2021. The study was conducted in Germany and evaluated the 6-month efficacy and safety of 5.0% and 7.5% twice daily application of clascoterone solution, as compared with twice-daily 2% Minoxidil or vehicle, in 293 females aged 18-55 experiencing AGA. The results showed that some women may have a stronger response, which may be due to hormonal fluctuations with aging. This leads to mixed success in terms of the study's efficiency, considering the aim to develop a uniform solution for AGA that has proven success in various age ranges for women.

***The commercial success of each of Cosmo's and Cassiopea's products depends on the respective ability of the relevant partners to establish appropriate reimbursement for such products. Reimbursement may not be possible or may be limited or unavailable in certain market segments. The expectation, assumption or confirmation that a product will not be reimbursed could make it difficult for each of Cosmo and Cassiopea to sell products profitably, which in turn may impede the ability of each of Cosmo and Cassiopea to develop new products in the future.***

The commercial success of each of Cosmo's and Cassiopea's products depends on the respective ability of the relevant partners to establish appropriate reimbursement for such products. Reimbursement may not be possible or may be limited or unavailable in certain market segments..

To the extent the cost of any products to patients are reimbursed, these products may still be affected by existing and future health care reform measures. Government authorities and third-party payers, such as private health insurers and health maintenance organizations, decide which drugs they will pay for and establish reimbursement levels. Reimbursement by a third-party payer may depend upon a number of factors, including the third-party payer's determination that use of a product is:

- a covered benefit under its health plan;
- safe, effective and medically necessary;
- appropriate for the specific patient;
- cost-effective; and
- neither experimental nor investigational.

Obtaining coverage and reimbursement approval for a product from a government or other third-party payer is a time consuming and costly process that could require Cassiopea or Cosmo to provide supporting scientific, clinical and cost-effectiveness data for the use of its products to the payer, and neither of them may be able to provide data sufficient to gain acceptance with respect to coverage and reimbursement. It can thus not be assured that coverage or adequate reimbursement will be available for any of Cosmo's or Cassiopea's products and product candidates. Further, reimbursement amounts may reduce the demand for, or

the price of Cosmo's or Cassiopea's products. If reimbursement is not available or is available only in limited levels, each of Cassiopea and Cosmo may not be able to commercialize certain of their respective product candidates profitably, or at all, even if approved.

***Price controls may be imposed in certain of Cassiopea's and Cosmo's respective key markets, which may adversely affect future profitability.***

In some countries, particularly member states of the European Union, the pricing of prescription drugs is subject to governmental control. In these countries, pricing negotiations with governmental authorities can take considerable time after receipt of marketing approval for a product. In addition, there can be considerable pressure by governments and other stakeholders on price levels, including as part of cost containment measures. The current context of health care cost control, coupled with the increase in healthcare budgets caused by ongoing, long-term trend of aging populations, creates extra pressure on healthcare spending in most, if not all countries, that is expected to continue for the foreseeable future. Political, economic and regulatory developments may further complicate pricing negotiations, and pricing negotiations may continue after reimbursement approval has been obtained. Reference pricing used by various European Union member states and parallel distribution, or arbitrage between low-priced and high-priced member states, can further reduce prices. In some countries, Cassiopea or Cosmo may be required to conduct a clinical trial or other studies that compare the cost-effectiveness of product candidates to other available therapies in order to obtain or maintain pricing approval. Publication of discounts by third-party payers or authorities may lead to further pressure on the prices within the country of publication and other countries. If pricing of any of Cassiopea's or Cosmo's products is set at unsatisfactory levels, their respective businesses could be adversely affected.

***Cassiopea's and Cosmo's product candidates or products may cause or turn out to cause undesirable side effects or have other properties that delay or prevent their regulatory approval or limit their commercial potential.***

Undesirable side effects caused by any of the products or product-candidates of each of Cassiopea and Cosmo, or regulatory authorities to interrupt, delay or halt clinical trials and could result in the denial of regulatory approval by the FDA, the EMA or other comparable regulatory authorities and potential products liability claims. Serious adverse events deemed to be caused by any of Cassiopea's or Cosmo's products or any of the product candidates could have a material adverse effect on the respective development hereof and on the respective businesses as a whole.

If Cosmo, Cassiopea or others identify undesirable side effects caused by any of the Cassiopea or Cosmo products, or of any product candidates either before or after receipt of marketing approval, a number of potentially significant negative consequences could result, including:

- clinical trials may be put on hold;
- regulatory approval for product candidates may not be obtained;
- regulatory authorities may withdraw approvals of any product candidates;
- regulatory authorities may require additional warnings on the label;
- a medication guide outlining the risks of such side effects for distribution to patients may be required;
- limitations with respect to the promotion of a product;
- sales of a product may decrease significantly;
- Cosmo or Cassiopea, as applicable, could be sued and held liable for harm caused to patients; and
- partnerships may be terminated;

- Cosmo or Cassiopea's reputation may suffer.

Any of these events could prevent Cosmo or, as applicable, Cassiopea from achieving or maintaining market acceptance of any product candidates and could substantially increase commercialization costs.

***Both Cassiopea and Cosmo rely on respective partners to manufacture, distribute, market and sell their respective products. Any failure of such products to achieve commercial success, whether attributable to a partner or not, could have a material adverse impact on result of operations of each of Cassiopea and Cosmo and the overall financial condition.***

Both Cassiopea and Cosmo rely on respective partners to manufacture, distribute, market and sell their respective products. The key arrangements are the following.

- For the manufacturing of Movantik®, RHB-204 and Opaganib, Cosmo relies on the manufacturing agreement it entered into with RedHill Biopharma Ltd. (Nasdaq: RDHL, "RedHill"). If RedHill does not sufficiently perform its obligations vis-à-vis Cosmo or if the manufacturing agreement is prematurely terminated, this may lead to temporarily suspend or cease of production. Such interruption to the supply chain of Cosmo's raw materials could impair the supply of its products and consequently damage sales.
- For the marketing of GI Genius™, Cosmo has engaged Medtronic. Since approval in mid-April, Cosmo has already delivered 261 devices for the U.S. market to Medtronic and they have started to receive orders from end customers. Any failure to supply Medtronic with the relevant units due to any disruption in the supply chain, or any failure on the side of Medtronic to comply with FDA regulations in connection with the marketing and promotion of GI Genius™ may also impair the supply of its products and consequently damage sales. Any non-compliance with FDA regulations may also lead to Cosmo receiving warning letters and becoming subject to liability, which may harm Cosmo's business.
- For the commercialization of WINLEVI in the United States and Canada, Cassiopea relies on Sun Pharma Industries Limited ("**Sun Pharma**"). On 26 July 2021, the signing of the relevant license and supply agreement ("**License Agreement**") with Sun Pharma was announced. If Sun Pharma does not sufficiently perform its obligations vis-à-vis Cassiopea or if the License Agreement is prematurely terminated, the commercialization of WINLEVI can be impaired, and Cassiopea may not be able to successfully market WINLEVI on the US and Canadian market.

The commercial success of any of the products of Cosmo and Cassiopea to a certain extent depends on the relevant partners. Any failure of in respect of Cosmo's and Cassiopea's products attributable, whether wholly or in part, to non-performance of any of the respective partners, may adversely affect the result of operations of Cassiopea and/or Cosmo, as applicable, including the overall financial condition of the Combined Entity.

***Ineffective use of resources (financial and personnel) which do not support the strategic plan, data results that oppose current data results or the strategic plan, or any non-compliance with the applicable regulations, may lead to non-validated data that cannot be utilized for publication or support of FDA submission, and thereby impede successful completion of investigator-initiated studies in the U.S.***

At Cosmo, two investigator-initiated studies in the U.S. for the treatment of Minimal Hepatic Encephalopathy and Small Intestine Bacterial Overgrowth (SIBO) are underway, while a third one in Uncomplicated Acute Diverticulitis is about to start. Ineffective use of resources (financial and personnel) which do not support strategic plan, data results that oppose current data results or strategic plan, or any non-compliance with the applicable regulations may lead to non-validated data that cannot be utilized for publication or support of FDA submission, and thereby impede successful completion of these studies.

***Cosmo has granted Acacia Pharma Group Plc with a EUR 25 million-loan facility, with a five-years maturity at 11% interest Any default of Acacia in respect to the Acacia Loan Facility may adversely affect Cosmo's financial condition and ability to make dividend distributions.***

Cosmo has granted Acacia Pharma Group Plc with a EUR 25 million-loan facility, with a five-year maturity at 11% interest ("**Acacia Loan Facility**"). Under the Acacia Loan Facility, EUR 15'000'000 has been drawn to date. Any default of Acacia in respect to the Acacia Loan Facility may adversely affect Cosmo's financial condition and ability to make dividend distributions.

***Cosmo holds 19.6 million Acacia Pharma shares (ENX: ACPH) representing 19.66% of the ordinary shares of the company. Any future capital increases or similar transactions may lead to dilution of Cosmo's stake in Acacia Pharma's share capital, which in turn can negatively impact the value of the Acacia Pharma's shares held by Cosmo.***

Cosmo holds 19.6 million Acacia Pharma shares representing 19.66% of the ordinary shares of Acacia Pharma. It cannot be excluded that Acacia Pharma, in the future, may decide to increase its share capital against cash or contributions in kind for financing purposes or to strengthen its balance sheet, and Acacia Pharma may decide to raise capital through public or private offerings of convertible debt or equity securities, or rights to acquire these securities. In such event, Cosmo's stake in Acacia Pharma's share capital may dilute, which in turn can negatively impact the value of the Acacia Pharma's shares held by Cosmo.

***The long-term effects of Brexit may negatively impact the partnership between Cosmo and Acacia Pharma.***

On 23 June 2016, the United Kingdom ("**UK**") held a referendum pursuant to which voters approved an exit from the European Union (EU), commonly referred to as "**Brexit**". The long-term effects of Brexit depend on any agreements (or lack thereof) between the UK and the relevant EU member states, in particular, any arrangements for the UK to retain access to EU markets either during a transitional period or more permanently. The partnership between Cosmo on the one hand and Acacia Pharma, being incorporated under the laws of the UK, on the other, may be adversely affected by the long-term effects of Brexit and any legal uncertainty in this respect.

***Where Cassiopea or Cosmo license out their products, the responsibility to comply with law and regulations governing the sale of the products rests with the relevant licensee. Any failure on the part of the licensee to comply with laws and regulations governing the marketing and selling of the relevant products could impact Cassiopea's, Cosmo's and in turn, the Combined Entity's, revenues and profitability.***

As part of the respective business models, each of Cosmo and Cassiopea have licensed out rights to their respective products to partners (licensees). The responsibility to comply with law and regulations governing the sale of the products rests with the licensees. Any failure on the part of the licensee to comply with laws and regulations governing the marketing and selling of the relevant product could impact on Cassiopea's or, as applicable, Cosmo's revenues and profitability.

***Any efforts made by the Combined Entity to replenish the product pipeline may be unsuccessful.***

The future growth of Cosmo's and Cassiopea's business is dependent on the ability to develop new products that address unmet medical needs and are accepted by patients and physicians. New products must also be reimbursed by payers. The process to develop new products is costly and can take considerable time. At each stage in the development of new products, obstacles may be encountered. There is no guarantee that clinical endpoints will be attained or regulatory approval will be obtained, which in turn may force the Combined Entity to abandon a product.

***The success of the Combined Entity's products could be impacted by several factors beyond its control***

The success of the Combined Entity's products could be impacted by several factors beyond its control, including new competing products, pricing pressures, loss or expiration of intellectual property protection and changes in physician prescribing habits. The Combined Entity relies on its partners to market, sell and distribute its products. The commercial success furthermore depends on the ability of such partners to establish appropriate reimbursement for the relevant products. Across the world, governments and payers continue to seek ways to reduce expenditure in the face of rising healthcare costs. The failure of its products

to achieve commercial success could have a material adverse impact on result of operations, the Combined Entity's business or its financial condition.

***Cosmo and Cassiopea each have a credit risk exposure in respect of the creditworthiness of the respective customers or partners, the investment in financial assets and the cash, which is placed on deposit with financial institutions.***

Cosmo has series of longstanding customers and has established ongoing monitoring for risk of credit deterioration. Cassiopea, since recently, incurs a credit risk in respect of Sun Pharma following the execution of the License Agreement. Although credit risk for new customers is managed by ensuring strict credit procedures such as requiring customers to provide a bank reference and transacting on prepayment-basis only, customers overtime may still suffer from impaired credit leading, as a result of which Cosmo's, Cassiopea's and, as applicable, the Combined Entity's financial position may be adversely affected.

***Each of Cassiopea and Cosmo are subject to foreign currency risks***

Each of Cassiopea and Cosmo is subject to a number of foreign currency risks for transactions that are denominated in a currency other than its functional currency (Euro). Moreover, they are subject to increased exposure to fluctuation in exchange rates between U.S. Dollar and Euro due to operations in the U.S. market, meaning that part of its revenues and expenses will be denominated in U.S. dollars. Therefore, unfavorable developments in the value of the Euro as compared to the U.S. dollar or any other material currency could have a material adverse effect on Cosmo's, Cassiopea's or, respectively, the Combined Entity's business.

***Base Erosion and Profit Shifting Action Plans may affect Cosmo's and Cassiopea's financial position***

Cosmo and Cassiopea operate in a number of tax jurisdictions and are taxed accordingly. The Organization for Economic Co-operation and Development (OECD) has proposed a number of tax law changes under its Base Erosion and Profit Shifting (BEPS) Action Plans, such changes may adversely affect Cosmo's, Cassiopea's and the Combined Entity's financial position.

***The expectations regarding Cassiopea's business may be incorrect due to unforeseen events and costs.***

There is not complete insight into the individual business affected by the integration efforts following settlement of the Offer. Similarly, not all the factors that need to be considered in the integration are quantifiable or known upfront. Likewise, the assessment of the market, its needs and future developments may not correspond to reality. Should influencing factors arise that make the planned integration more difficult or should the market have different needs or develop differently than expected, the planned benefits from the integration following completion of the Offer may not be realized at all or only to a limited extent, or net additional costs may arise.

***The continuing impacts of Covid-19 are unpredictable and may have an adverse effect on the Combined Entities' business, financial condition, results of operations and prospects.***

Since December 2019 and as of the date of this Offer, there is an ongoing outbreak of the 2019 novel coronavirus (COVID-19) which was initially primarily concentrated in China, but has affected countries globally. The outbreak has resulted in restrictions on non-essential medical procedures and hospital visits and non-essential travel for employees and consultants. This has resulted in the Phase II POC trial of Clascoterone solution in females with androgenetic alopecia, which started in Q4 2019, being affected by the COVID-19 pandemic as enrollment was suspended for about three months. Recruitment restarted in June 2020 and Cassiopea announced the completion of enrolment on 8 October 2020 and results in September 2021. Moreover, Cosmo's sales of Aemcolo® sales continue to be adversely affected by the travel restrictions which have been put in place by most countries following the outbreak of the COVID-19 pandemic. Sales may also be affected by measures limiting personal contact and therefore medical treatment that may be postponed. The consequences of the COVID-19 pandemic, such as but not limited to delays and decline in sales, entail additional risk. Going forward, these consequences may prevent the Combined Entity from achieving operational and strategic objectives within today's anticipated timeframe or at all.

***The Combined Entity relies on recruiting and retaining highly skilled employees to meet the respective strategic objectives. The Combined Entity faces competition for highly qualified personnel from other companies and organizations, and the supply of people with the necessary skills may be limited.***

The performance of the Combined Entity is also dependent on the members of the management team and its technical and scientific personnel. The Combined Entity relies on personnel with experience in the development, registration, manufacturing and commercialization of the Combined Entity's products and product candidates. Competition for personnel with the appropriate skill set and experience is intense and may limit the Combined Entity's ability to hire and retain highly qualified personnel on acceptable terms, or at all. If, at any point, the Combined Entity is unable to hire, train and retain a sufficient number of qualified employees, this could have a material adverse effect on its ability to implement its business strategy, which in turn may have a material adverse impact on its business, financial condition and results of operations.

***The Combined Entity enjoys limited geographical protection with respect to certain patents and may face difficulties in certain jurisdictions, which may diminish the value of intellectual property rights in those jurisdictions.***

Each of Cosmo and Cassiopea have not filed for patent protection in all national and regional jurisdictions where the respective protection may be available. In addition, the Combined Entity may decide to abandon national and regional patent applications before grant. Finally, the grant proceeding of each national or regional patent is an independent proceeding that may lead to situations in which applications might in some jurisdictions be refused by the relevant registration authorities, while granted by others. It is also common that depending on the country, the scope of patent protection may vary for the same drug candidate and/or technology.

The laws of some jurisdictions do not protect intellectual property rights to the same extent as the laws in the United States and Europe, and many companies have encountered significant difficulties in protecting and defending such rights in such jurisdictions. The Combined Entity, part thereof or any of its licensors encounter difficulties in protecting, or are otherwise precluded from effectively protecting, the intellectual property rights important for the Combined Entity's business in such jurisdictions, the value of these rights may be diminished and additional competition from others in those jurisdictions may follow.

Many countries have compulsory licensing laws under which a patent owner may be compelled to grant licenses to third parties. In addition, many countries limit the enforceability of patents against government agencies or government contractors. In these countries, the patent owner may have limited remedies, which could materially diminish the value of such patent. If the Combined Entity, part thereof, or any of its respective licensors is forced to grant a license to third parties with respect to any patents relevant to the Combined Entity's business, its competitive position may be impaired and its business and results of operations may be adversely affected.

***If the Combined Entity or any part thereof fails to obtain patent protection for the products it develops or otherwise fails to maintain and adequately protect its intellectual property rights, its business could suffer.***

Intellectual property rights are vital to the business of each of Cosmo and Cassiopea. Although each has taken many protective measures to protect its technologies and know-how, including patents, trade secrets, employee and third-party nondisclosure agreements, trademarks, copyright, limited access, segregation of knowledge (including on the particular set-up of the supply-chain and production process), password protections and other measures, policing the unauthorized use of proprietary technology can be difficult and expensive. Moreover, litigation may be necessary to enforce the intellectual property rights that protect such trade secrets or determine the validity and scope of the proprietary rights of others. Litigation may result in intellectual property rights being challenged, limited in scope or declared invalid or unenforceable. The Combined Entity cannot be certain that the outcome of any litigation will be favorable, and an adverse determination in any such litigation could impair the respective intellectual property rights and may harm the business, prospects and reputation of the Combined Entity.

***The Combined Entity is dependent on information technology (IT) infrastructure and systems. The loss of sensitive or confidential information and/or other security breaches or data leakages could have an adverse effect on the respective financial position or financial results. The use of IT systems at times involves gathering personal information relating to patients, customers, vendors, employees and others. A breach of the IT systems or any other failure to protect personal information held on the Combined Entity's systems could expose the personal information to unauthorized persons. Any such breach could result in liability and reputational damage.***

Each of Cosmo and Cassiopea depend on the information technology systems to, among other things, conduct operations, to interface with customers, to maintain financial records and accuracy. IT systems or processing software failures, including risks associated with upgrading systems, network disruptions and breaches of security could disrupt operations by impeding cyber security, the protection of customer information and financial reporting, leading to increased costs. In addition, the computer systems of the Combined Entity, including its back-up systems, could be damaged or interrupted by power outages, computer and telecommunications failures, computer viruses, ransom software, internal or external security breaches, events such as fires, earthquakes, floods and/or errors by employees. Disruptions and security breaches or failures of the respective IT systems of the Combined Entity and could impair the ability to effectively and timely produce and provide products, which could lead to reputational damage and have a material adverse effect on business of the Combined Entity, its financial condition, results of operations and prospects.

***Increasing scrutiny and changing expectations from investors, lenders and other market participants with respect to Environmental, Social and Governance (ESG) performance and policies may impose additional costs or expose the Combined Entity to additional obligations or risks.***

Companies across all industries are facing increasing scrutiny related to ESG issues, including those relating to sustainable development, renewable resources, environmental stewardship, supply chain management, climate change, diversity and inclusion, workplace conduct, employee well-being, human rights, philanthropy and support for local communities. Investor advocacy groups, certain institutional investors, investment funds, lenders and other market participants are increasingly focused on ESG practices, performance and disclosures and, in recent years, have placed increasing importance on the environmental and social cost and impact of their investments. Despite of group policies being in place, the increased focus and activism related to ESG and similar matters may hinder access to or increase the cost of capital, as investors and lenders may decide to reallocate capital or not to commit capital as a result of their assessment of the Combined Entity's ESG practices.

***Any employees, independent contractors, investigators, consultants, commercial collaborators, service providers, distributors and other counterparties of the Combined Entity or any part thereof may engage in misconduct or other improper activities, including non-compliance with regulatory standards and requirements, which may result in the imposition of significant fines or other sanctions, may lead to reputational risk and could have an adverse effect on the Combined Entity's overall results of operations.***

The Combined Entity and its employees, independent contractors, investigators, consultants, commercial collaborators, service providers, distributors and counterparties are, or may be, subject to numerous other ongoing regulations in the countries in which they operate, such as anti-bribery, anti-corruption, anti-kick-back, competition, fraud, insider trading, data protection, health information privacy and security, adulteration related to quality manufacturing deficiencies, misbranding related to unlawful marketing or promotion beyond the scope of a marketing authorization, limitations on reimbursement, inability to commercialize or obtain reimbursement, product liability, environmental and health and safety laws. The costs of compliance with applicable regulations, requirements, guidance, or guidelines could be substantial, and failure to comply could result in sanctions, civil penalties, injunctions, criminal penalties, or disgorgement, which could significantly increase the Combined Entity's costs, delay the development and commercialization of products and may have a material adverse impact on reputation, business, financial condition and results of operations.

***The Combined Entity or part thereof could be significantly and negatively affected by substantial changes to government regulations, particularly in the European Union and the United States.***

Even if all relevant marketing authorizations in the European Union or the United States would be obtained, changes to regulatory requirements in other markets could prevent completion of product registrations in those markets. As such, the Combined Entity may not obtain regulatory authorizations elsewhere on a timely basis, if at all. In addition, it is possible that the current regulatory framework could change, or additional regulations could arise, at any stage during development or marketing, which may adversely affect the Combined Entity's ability to obtain or maintain approval of its products, or to comply with ongoing regulations in the countries in which it operates, which, in turn, may have a material adverse effect on the business, financial condition and results of operations.

## **2. Risks related to the COPN Shares**

***Cosmo has an anti-takeover measure in place which may practically render the shareholders' voting rights ineffective***

Cosmo has an anti-takeover measure in place in the form of a protective foundation which is granted the right to acquire preferential shares under a call-option agreement in specific events. Any pre-emptive rights of existing shareholders do not apply in relation to these preferential shares. Exercise of said call-option is aimed at deterring hostile activity and shareholder activism but at the same time impedes the effective use of shareholders' voting rights.

***Shareholders outside Switzerland may not be able to exercise pre-emptive rights.***

The articles of association of Cosmo provide that, when shares are issued, each existing shareholder shall have a pre-emptive right in proportion to the aggregate nominal value of its shares, unless limited or excluded in accordance with the articles of association. No pre-emptive right shall apply if shares are paid for in kind or in respect of shares which are issued to employees of Cosmo or to employees of a group company. Due to laws and regulations in their respective jurisdictions, however, shareholders of Cosmo outside of Switzerland as the jurisdiction of listing may not be able to exercise their pre-emptive rights unless local securities laws have been complied with. It cannot be guaranteed that Cosmo will take any action to register or otherwise qualify offerings of pre-emptive rights or shares under the law of any jurisdiction where the offering of such rights is restricted. If holders of shares in such jurisdictions are unable to exercise their pre-emptive rights, their ownership interest in Cosmo may be diluted.

***The rights and responsibilities of a shareholder are governed by Dutch law and may differ from the rights and obligations of shareholders under the laws of other jurisdictions.***

The exercise of certain shareholder rights by shareholders outside the Netherlands may be more difficult and costly than the exercise of rights in a company incorporated under the laws of other jurisdictions. It may further be difficult for shareholders who are not familiar with Dutch corporate law and market practice to exercise their shareholder rights due to foreign legal concepts, language and customs. Resolutions of the general meeting of shareholders may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies incorporated under the laws of other jurisdictions. Any action to contest any of Cosmo's corporate actions must be filed with, and will be reviewed by, a Dutch court, in accordance with Dutch law.

***Future sales or distributions of COPN Shares, or the possibility of such sales in absence of a lock-up agreement between any (major) shareholders, could depress the price of the Shares following settlement of the Offer or at a later stage.***

Sales, or the possibility or perceived possibility of sales, of a substantial number of COPN Shares in the market following settlement of the Offer could have an adverse effect on the prevailing price of the COPN Shares.



***Cosmo is a holding company with no operations, which means that its ability to distribute dividends depends on its subsidiaries' ability to distribute dividends.***

Cosmo is a holding company without any significant operations of its own and much of its income depends on dividends from its operating subsidiaries. The dividend it can distribute depends on both, the earnings of its subsidiaries and their ability to distribute those earnings. Dividends distributed by its operating entities may be subject to withholding taxes. If Cosmo's operating entities are required to withhold income tax on dividends paid, this would have a material effect on Cosmo, or, as applicable, the Combined Entity's profitability. Moreover, the applicable tax rates and exemptions may change in the future. Any change in Cosmo's tax status or in tax legislation or its interpretation could affect the value of its investments in the subsidiaries, its ability to provide returns to shareholders and/or alter the post-tax returns of shareholders. As almost all operational profits are generated by Cosmo's subsidiaries, Cosmo may not be able to pay, maintain or increase the dividends paid, if any.

***Any future issuance of equity or debt securities that are convertible into equity such as, but not limited to the Bonds, could dilute the share capital of Cosmo.***

Cosmo may choose to raise additional capital depending on market conditions or strategic considerations. To the extent that additional capital is raised through the issuance of equity or other securities that are convertible into equity, the issuance of these securities could, depending on the specific circumstances, dilute a shareholder's holding of shares.

***The market price of the COPN Shares may be influenced by the hedging activities under the outstanding convertible bond.***

On 28 November 2018, Cosmo issued EUR 175,000,000 of senior unsecured convertible bonds due 2023 ("**Bonds**"). The Bonds have a term of five years maturing on 28 November 2023, and are convertible into COPN Shares, sourced from existing authorized share capital as of 15 January 2019. The Bonds have a coupon of 2.50% payable semi-annually in arrears and a conversion price of EUR 122.68. Bondholders can convert their respective Bonds into a maximum of 1,426,468 COPN Shares. At maturity, Cosmo is entitled to redeem the Bonds at their principal amount (plus accrued interest) by delivering a maximum of 2,852,937 COPN Shares plus an additional cash amount, if applicable, in accordance with the terms and conditions of the Bonds.

To the knowledge of Cosmo, part of the Bonds are held by hedge-funds which partly or entirely hedge their exposure to the COPN Shares. The effect of this is in the tendency an increased selling activity in case of increasing prices and an increased buying activity in case of decreasing prices. Given the size of the Bond this may have an effect on the COPN Share price. Cosmo has various possibilities to redeem or refinance the Bonds. Such hedging activities may increase should Cosmo decide to redeem the bond using the share settlement option.

***In the event Cosmo is dissolved, distributions to holders of COPN Shares will be subordinated to the claims of creditors.***

If Cosmo is dissolved, its assets shall be paid to secured creditors, preferential creditors (including tax and social security authorities) and unsecured creditors (including holders of the Bonds) respectively. Insofar as possible, from the balance remaining after payment of the debts of Cosmo, the holders of COPN Shares in proportion to the nominal value of each shareholder's holding in COPN Shares, would be entitled to distribution of such balance. Further, Cosmo's right to participate in any distribution of its subsidiaries' assets upon their liquidation, reorganization or insolvency would generally be subject to prior claims of the subsidiaries' creditors, including lenders and trade creditors. As a result of this, holders of COPN Shares may not be able to reclaim all or part of their investment in the COPN Shares, and consequently suffer a loss.

***If securities or industry analysts do not publish research or reports about Cosmo's business or industry, or if such analysts (if any) change their recommendations regarding the COPN Shares adversely, the market price and trading volumes of the COPN Shares could decline.***

The trading market for the COPN Shares is influenced by the research and reports that securities or industry analysts publish about Cosmo's business or industry. If securities or industry analysts do not publish or cease to publish research or reports about Cosmo's business or industry, it could lose visibility in the financial markets, which could cause the market price or trading volume of the COPN Shares to decline. Also, if one or more of the analysts covering Cosmo's business or industry recommends selling COPN Shares, or if negative research is published on the industry or geographic markets Cosmo serves, the market price of the COPN Shares could decline.

### **3. Risks related to the Offer**

***The interests of Cosmo, as Cassiopea's majority shareholder, may differ from the interests of the holders of the COPN Shares.***

Cosmo does not know whether and for how long the minority holders of CAS Shares will keep or sell their COPN Shares. The market price of the COPN Shares may decline as a result of corresponding sales after the settlement of the Offer.

***Shareholders of Cassiopea who do not participate or are not eligible to participate in the Offer may not be able to monetize their CAS Shares other than by selling their CAS Shares in the market prior to delisting***

Cosmo intends to delist the CAS Shares after successful settlement of the Offer. The Offer is not extended into certain jurisdictions and certain shareholders may not be eligible to participate in the Offer. Other shareholders of Cassiopea, although eligible to participate in the Offer, may not be willing to accept the Offer. After delisting of the CAS Shares from SIX Swiss Exchange, there may not be a market anymore for CAS Shares. As a result, shareholders of Cassiopea who do not or cannot accept the Offer and do not or cannot sell their CAS Shares in the market prior to delisting, may not be able to monetize their CAS Shares for a longer period of time. Cosmo has not yet decided how to handle any CAS Shares that have not been tendered into the Offer.

## **O. COSMO'S ANNUAL AND CONSOLIDATED FINANCIAL STATEMENTS**

Cosmo's consolidated and stand-alone annual and half-yearly financial statements as of and for the periods ended 30 June 2021, 31 December 2020, 31 December 2019 (including prior year figures) are incorporated by reference into this prospectus and may be downloaded from its website: <https://www.cosmo-pharma.com/investors/financial-reports>.

## **P. RESPONSIBILITY FOR THE PROSPECTUS**

Cosmo accepts responsibility for the contents of this Prospectus, with the exception of sections F (*Report of the review body pursuant to Art. 128 FMIA*) and section G (*Report of the Board of Directors of Cassiopea S.P.A. on the public purchase and exchange offer of Cosmo Pharmaceuticals N.V.*), and declares that, to the best of its knowledge, the information contained in this Prospectus is correct and that no material circumstances have been omitted. Pursuant to art. 37 para 1 lit (d) FinSA, this Prospectus does not constitute an offering prospectus within the meaning of art. 35 FinSA.