



Q2 2017 UPDATE

Robert Tessarolo, President & CEO

Stephen Lemieux, CFO

September 2017

FORWARD-LOOKING STATEMENTS

This document includes forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the Securities Act (Ontario) and other provincial securities law in Canada and U.S. securities laws. These forward-looking statements include, among others, statements with respect to our objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. The words “may”, “will”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective”, “hope” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, which give rise to the possibility that predictions, forecasts, projections and other forward-looking statements will not be achieved. Certain material factors or assumptions are applied in making forward-looking statements and actual results may differ materially from those expressed or implied in such statements. We caution readers not to place undue reliance on these statements as a number of important factors, many of which are beyond our control, could cause our actual results to differ materially from the beliefs, plans, objectives, expectation This document includes forward-looking statements within the meaning of certain securities laws, including the “safe harbour” provisions of the Securities Act (Ontario) and other provincial securities law in Canada and U.S. securities laws. These forward-looking statements include, among others, statements with respect to our objectives, goals and strategies to achieve those objectives and goals, as well as statements with respect to our beliefs, plans, expectations, anticipations, estimates and intentions. The words “may”, “will”, “could”, “should”, “would”, “suspect”, “outlook”, “believe”, “plan”, “anticipate”, “estimate”, “expect”, “intend”, “forecast”, “objective”, “hope” and “continue” (or the negative thereof), and words and expressions of similar import, are intended to identify forward-looking statements.

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We caution that the foregoing list of important factors that may affect future results is not exhaustive. When reviewing our forward-looking statements, investors and others should carefully consider the foregoing factors and other uncertainties and potential events. Additional information about factors that may cause actual results to differ materially from expectations, and about material factors or assumptions applied in making forward-looking statements, may be found in the “Risk Factors” section of our Annual Information Form and in our Management’s Discussion and Analysis of Operating Results and Financial Position for the year ended December 31, 2016, and elsewhere in our filings with Canadian securities regulators. Except as required by Canadian securities law, we do not undertake to update any forward-looking statements, whether written or oral, that may be made from time to time by us or on our behalf; such statements speak only as of the date made. The forward-looking statements included herein are expressly qualified in their entirety by this cautionary language.

INVESTMENT HIGHLIGHTS

- Highly experienced new management team
- Strong track record of product development and commercialization in multiple markets and therapeutic areas
- Highly profitable core business provides strong financial base and additional growth opportunities
- Well positioned to execute on new growth strategy

HIGHLY EXPERIENCED NEW MANAGEMENT TEAM

Robert Tessarolo PRESIDENT & CEO

- Joined in April 2017
- Built Actavis Canadian specialty pharma business from start-up to \$190MM in 4 years.
- Led integration of 3 major Actavis acquisitions – Warner Chilcott, Forest Lab & Allergan – in 18-month period.
- Led US Inflammation & Immunology business at Celgene w/~\$1B sales and 350+ employees.

Stephen Lemieux CFO

- Joined in September 2016
- Over \$350mm in transaction value in licensing and asset sales, debt and equity financing, acquisitions, etc.
- Over 14 years of public company experience.
- Previously, VP & CFO at Nuvo Pharmaceuticals.

Chris Watters VP, CORPORATE DEVELOPMENT

- Joined in June 2017
- Over 19 years of pharma experience, including leadership roles in business strategy, marketing, sales, and business development.
- At GSK, led a 300-person sales and operations team delivering annual revenue of \$700mm.
- Led marketing and business development at Biovail; delivered a 4-year CAGR of 21%.

Linda Angaritis VP, SCIENTIFIC AFFAIRS

- Joined in August 2013
- Over 30 years of experience in pharma in Canada and abroad, including leadership roles in both multinational and generic companies.
- Experience with multiple regulatory agency including; Health Canada, FDA, ANVISA, MRHA, EU.
- Has lead a quality team of over 300 people and been involved in over 60 product launches.



TRACK RECORD OF REGULATORY AND COMMERCIAL SUCCESS

3

FDA approvals

5

Health Canada
approvals

6

Licensing
agreements

NEW MANAGEMENT ADDS TO STRONG TRACK RECORD

GLOBAL LICENSING BUSINESS

Absorica[®]

Severe nodular acne
(Ranbaxy Laboratories, U.S.)

Lipofen[®]

High cholesterol
(Kowa Pharmaceuticals, U.S.)

ConZip[™]

Once-daily treatment of
moderately severe pain
(Vertical Pharmaceuticals, U.S.)

Durela[®]
tramadol hydrochloride

Once-daily treatment of
moderately severe pain
(Aralez Pharmaceuticals, Canada)

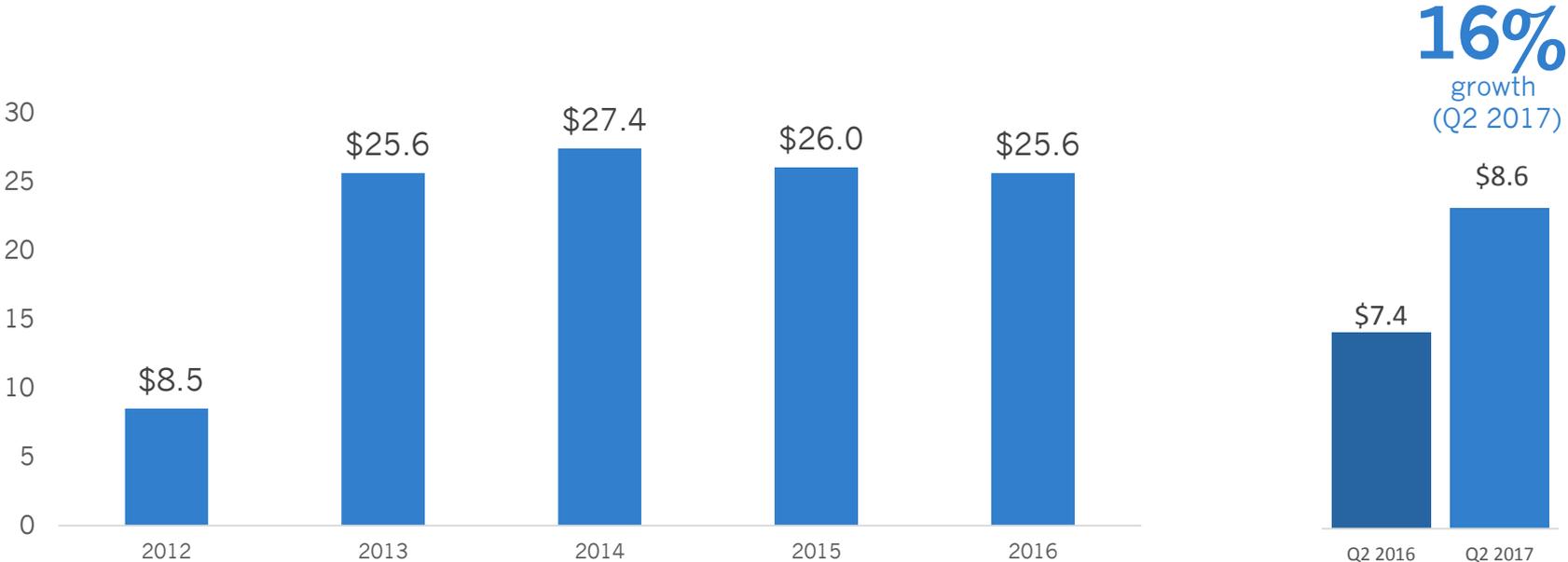
Ultragesic

Once-daily treatment of
moderately severe pain
(Tecnofarma, Argentina)

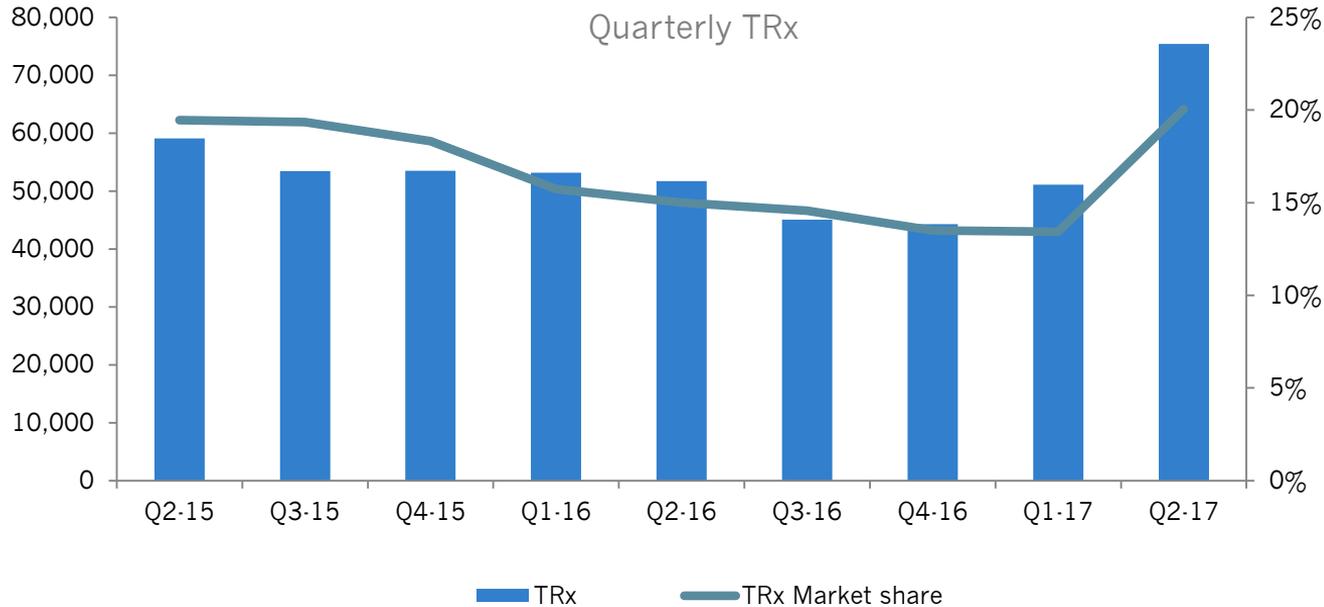
5 LICENSED PRODUCTS WITH AVERAGE ROYALTY OF 10%

LICENSING PROVIDES SOLID, PREDICTABLE FINANCIAL BASE

Licensing Revenue (\$USmm)



ABSORICA DRIVING IMPROVED RESULTS



20%
Market share

26%
4-yr CAGR
in TRx

Source: IMS GPM TRx data

GROWING CANADIAN COMMERCIAL PLATFORM

epuris[®]

Severe nodular acne
(Launched Jul. 2013)

actikerall[™]

Hyperkeratotic actinic
keratosis
(Launched Feb. 2016)

Beteflam[™]

Mild to moderate plaque
psoriasis
(Launched Apr. 2016)

VANIQA[®]

Enzyme inhibitor for
hair growth
(Launched Jun. 2015)

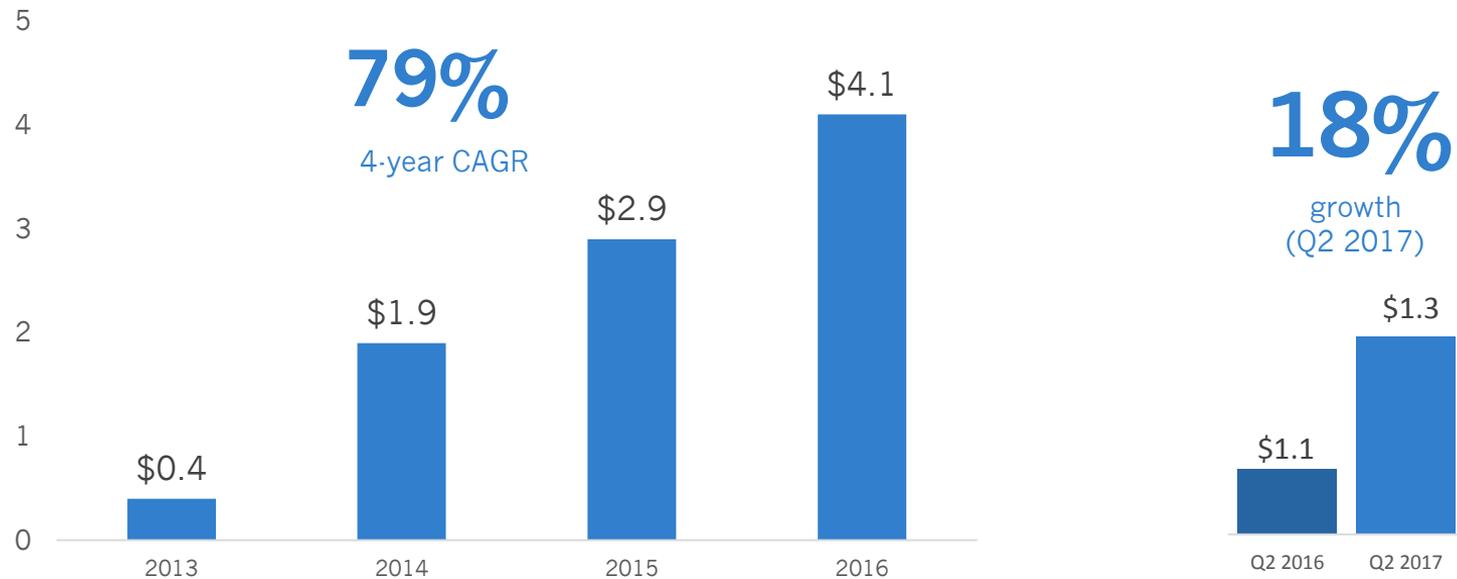
Ozanex

Topical antibiotic for impetigo
in patients 2 months and older
(Early 2018 launch)

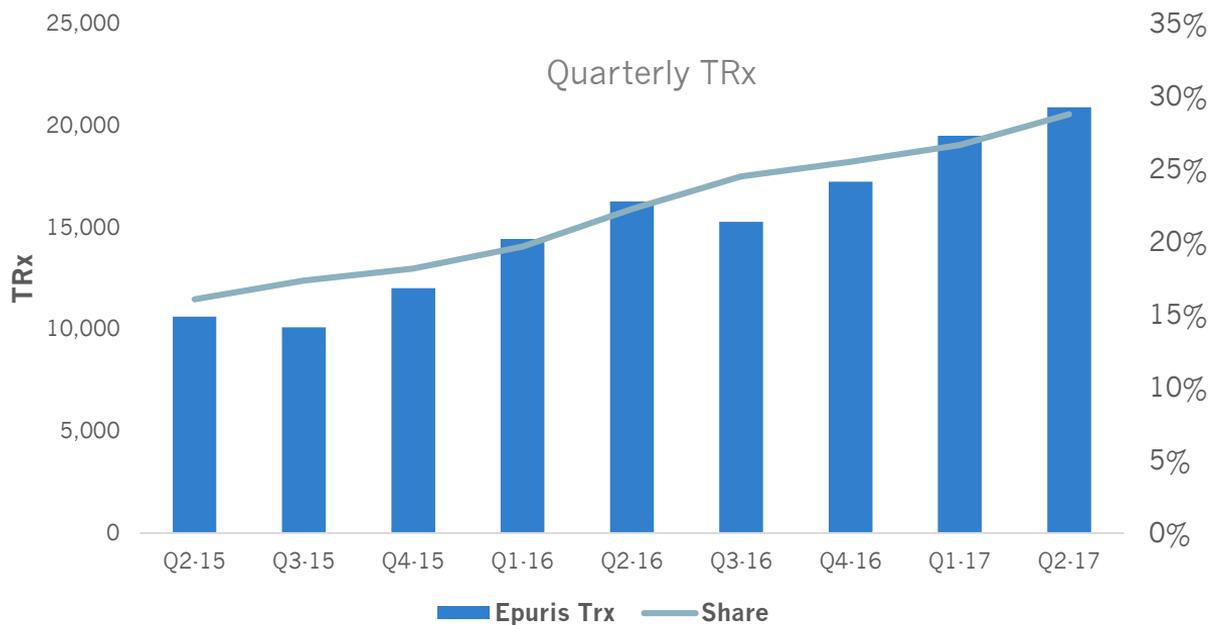
4 MARKETED PRODUCTS AND 2 OTHER HEALTH CANADA APPROVALS

GROWING CANADIAN COMMERCIAL PLATFORM

Product Revenue (\$USmm)



EPURIS DELIVERING CONTINUED GROWTH



Source: IMS GPM TRx data

30%
Market share

75%
3-yr CAGR
in TRx

PRODUCT PIPELINE

■ United States ■ Canada ■ Europe

Candidate | *indication*

Pre-Clinical

Phase I

Phase II

Phase II/III

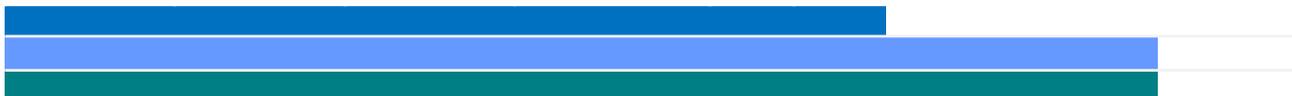
Phase III

Reg Review

Approved

Market

Dermadexin™
seborrheic dermatitis



Pruridexin™
chronic pruritus



CF101
plaque psoriasis



CF101
rheumatoid arthritis



ASF-1096
discoid lupus erythematosus



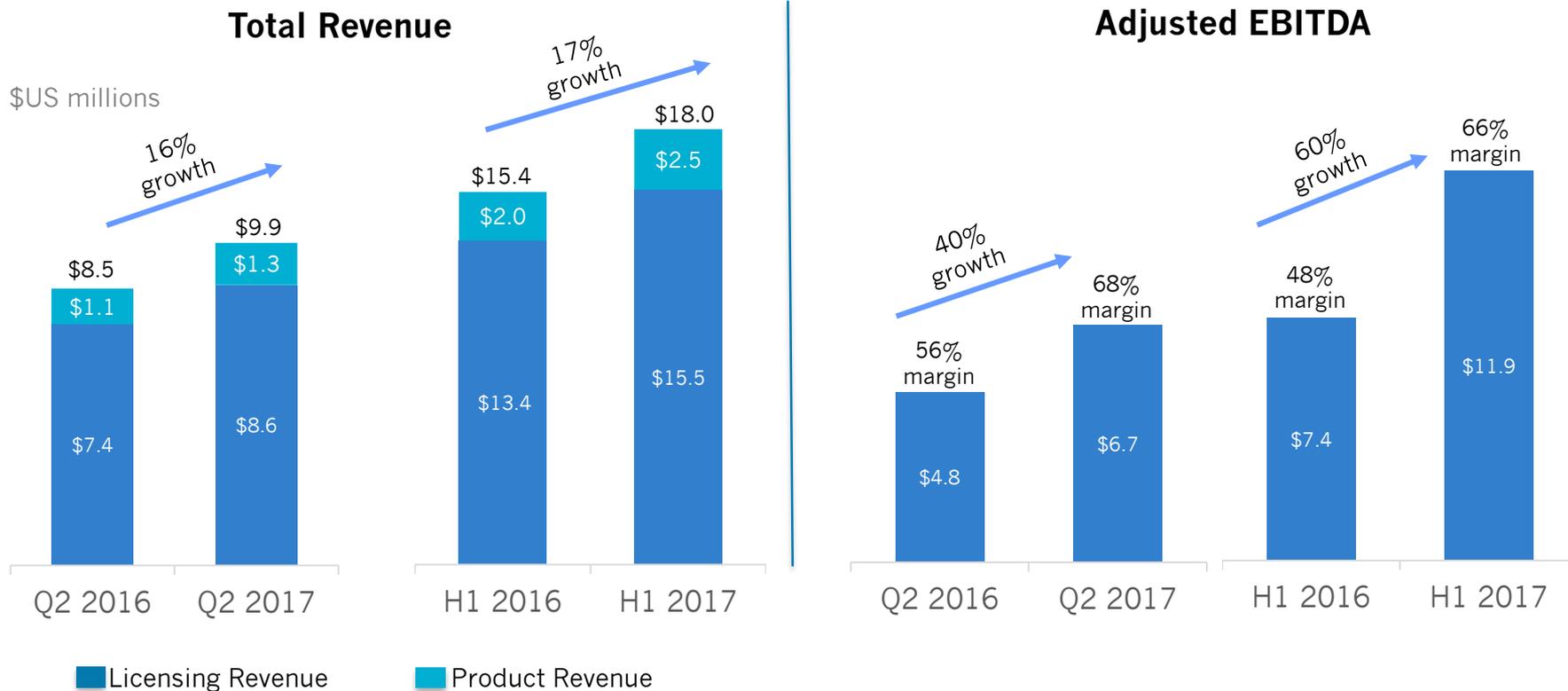
Nanolipolee-007
late stage melanoma



Tattoo Removal Cream



STRONG H1 2017 FINANCIAL PERFORMANCE



IMPROVED FINANCIAL POSITION

Significant debt reduction

- Reduced debt by 50% to US\$20mm

Significant operating expense reduction

- Reduced Q2 OPEX by 25% YoY
- Reduced YTD OPEX by 24% YoY

Strong cash position

- US\$19.7mm in cash (Q2 2017)
- US\$5.6mm YTD cashflow from continuing operations

Net income from continuing operations

- Q2 2017: \$4.4mm
- YTD: \$2.9mm
- EPS: \$0.17 Q2; \$0.11 YTD

GROWTH STRATEGY

- Acquire or in-license new products; broaden focus beyond dermatology
- Growth via M&A
- Selectively invest in new drug development programs
- Out-license internationally

DELIVER RELIABLE GROWTH BY ASSEMBLING A BROAD PORTFOLIO OF
Rx PRODUCTS THAT SERVE UNMET MEDICAL NEEDS

BOARD OF DIRECTORS

Mark Beaudet – *Chair*



Robert Tessarolo – *CEO*



Dr. John Mull – *Director*



Arthur Deboeck – *Director*



Christian Godin – *Director*



Harold Wolkin – *Director*



Board has significant experience including deep expertise in specialty pharmaceuticals and is aligned in creating shareholder value

MARKET FACTS

Market Facts		Analyst Coverage
Ticker/Listing	CPH (TSX)	Bloom Burton
Market Cap	~CDN\$140 million	CIBC World Markets
Shares o/s	26.6 million	Cormark Securities
52-week Range	\$3.50 – \$5.75	Echelon Wealth
Insider Ownership	~38%	GMP Securities
		TD Securities

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