

Cipher Pharmaceuticals is a specialty pharmaceutical company with a robust and diversified portfolio of commercial and early to late-stage products. Cipher acquires products that fulfill unmet medical needs, manages the required clinical development and regulatory approval process, and markets those products either directly in Canada or indirectly through partners in Canada, the U.S., and South America.

Investment Highlights

- HIGHLY EXPERIENCED NEW MANAGEMENT TEAM
- STRONG TRACK RECORD OF COMMERCIALIZATION IN MULTIPLE MARKETS AND THERAPEUTIC AREAS
- HIGHLY PROFITABLE CORE BUSINESS
- STRONG FINANCIAL BASE TO SUPPORT GROWTH
- WELL POSITIONED TO EXECUTE ON NEW GROWTH STRATEGY

Market Facts

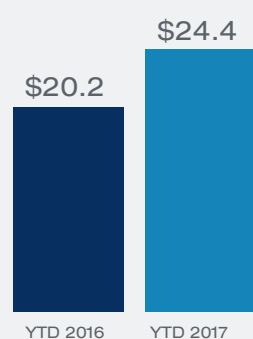
- TICKER/LISTING: TSX:CPH
- SHARES OUTSTANDING: 26.7MM
- 52-WEEK RANGE: CDN\$4.20-\$5.75
- RECENT PRICE [DEC 29, 2017]: CDN\$4.90
- MARKET CAP: CDN\$130MM
- CASH [AS AT SEPT 30, 2017]: US\$24.3MM
- INSIDER OWNERSHIP: ~38%

GLOBAL LICENSING BUSINESS

Cipher currently has five licensed products, which provide the company with a solid, profitable and predictable financial base to fund its growth strategy

PRODUCT/BRAND	INDICATION (marketing partner)
ABSORICA	SEVERE NODULAR ACNE <i>(Ranbaxy Laboratories, U.S.)</i>
Lipofen	HIGH CHOLESTEROL <i>(Kowa Pharmaceuticals, U.S.)</i>
ConZip	ONCE-DAILY TREATMENT OF MODERATELY SEVERE PAIN <i>(Vertical Pharmaceuticals, U.S.)</i>
Durela	ONCE-DAILY TREATMENT OF MODERATELY SEVERE PAIN <i>(Aralez Pharmaceuticals, Canada)</i>
Ultragesic	ONCE-DAILY TREATMENT OF MODERATELY SEVERE PAIN <i>(Tecnofarma, Argentina)</i>

LICENSING REVENUE (\$US mm)

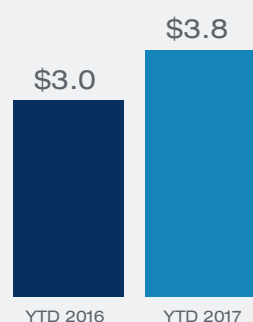


CANADIAN COMMERCIAL BUSINESS

Cipher has a growing Canadian commercial platform, with four marketed products and one launching in Q1 2018.

PRODUCT/BRAND	INDICATION (marketing partner)
epuris	SEVERE NODULAR ACNE <i>(Launched July 2013)</i>
actikerall	HYPERKERATOTIC ACTINIC KERATOSIS <i>(Launched Feb. 2016)</i>
Beteflam	MILD TO MODERATE PLAQUE PSORIASIS <i>(Launched Apr. 2016)</i>
VANIQA	ENZYME INHIBITOR FOR HAIR GROWTH <i>(Launched June 2015)</i>
ozanex	TOPICAL ANTIBIOTIC FOR IMPETIGO IN PATIENTS 2 MONTHS AND OLDER <i>(Early 2018 launch)</i>

PRODUCT REVENUE (\$US mm)



Highly Experienced 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.

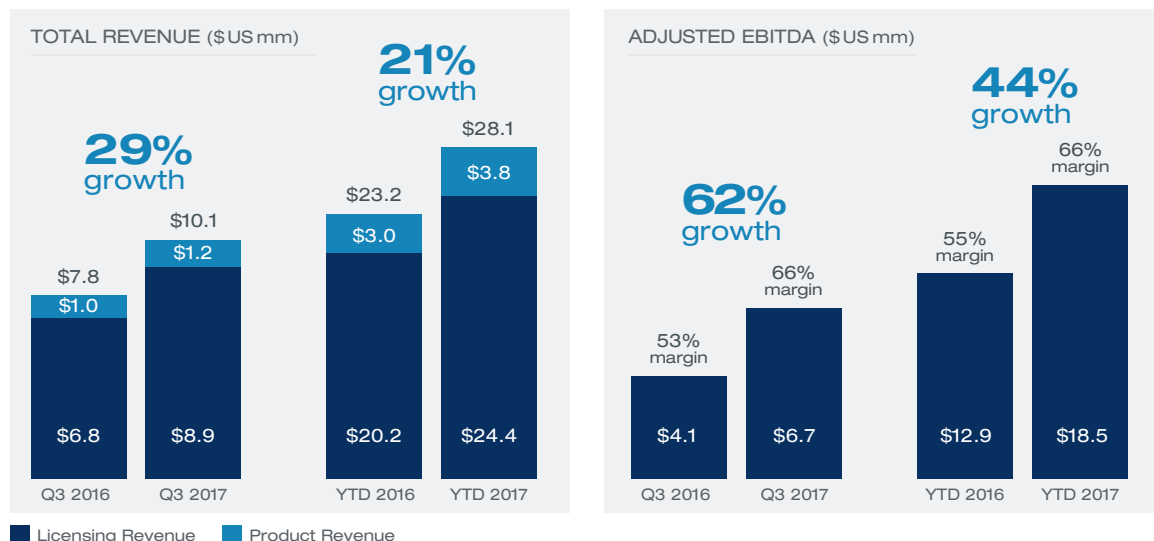
STEPHEN LEMIEUX CFO

- 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%.

Strong Financial Performance



Growth Strategy

Cipher is pursuing a three-pronged growth strategy aimed at building a portfolio of prescription products across a broad range of therapeutic areas that serve unmet medical needs.

- 1. ACQUIRE OR IN-LICENSE RX MEDICINES FOR THE CANADIAN MARKET**
Dermatology, GI, Women's Health, CNS, Urology, Immunology, Ophthalmology, Cardiology, Hepatology and Respiratory
- 2. ACQUIRE BUSINESSES WITH COMMERCIAL PRODUCTS, PROVEN CAPABILITIES OR WHERE SUBSTANTIAL SYNERGIES ARE AVAILABLE**
Prudent approach to capitalization aimed at reducing debt levels, ensuring balance sheet flexibility and minimizing our cost of capital
- 3. SELECTIVELY INVEST IN DRUG DEVELOPMENT PROGRAMS WHERE WE SEE A FAVOURABLE RISK/RETURN PROFILE**
Create valuable products through application of innovative technologies requiring less capital and faster time to market

ANALYST COVERAGE

FIRM	ANALYST
BLOOM BURTON & CO.	David Martin
CIBC WORLD MARKETS	Prakash Gowd
CORMARK SECURITIES INC.	David Novak
ECHELON WEALTH PARTNERS	Douglas Loe
GMP SECURITIES	Martin Landry
MACKIE RESEARCH CAPITAL	André Uddin
TD SECURITIES	Lennox Gibbs

INVESTOR CONTACT

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