Norgine is a leading European specialist pharmaceutical company which has been established for over 110 years. Norgine has a direct commercial presence in all major European markets, Australia and New Zealand.

Vision 2020: Norgine is the ‘go to’ European specialist pharma company

Norgine employs over 1,000 people across its commercial, development and manufacturing operations and manages all aspects of product development, production, marketing, sales and supply.

Norgine believes that high quality health outcomes are best achieved through constructive partnerships with commercial partners, health services, health professionals and patients.

Norgine’s Vision 2020 is intended to ensure that Norgine brings transformative products which add value and benefits to healthcare systems and patients, that might not otherwise be available to patients in Europe.

With its pan-European presence, fully integrated business model and strong partnering track record, Norgine is well placed to realise Vision 2020.

In 2016, Norgine continued to execute its three strategic priorities:

**Achieve double digit growth**

**Strengthen late stage pipeline**

**Be a dynamic place to work**
Norgine in 2016
Key highlights

Norgine brings transformative products to market which might not otherwise be available to patients in Europe, Australia and New Zealand

Specialist products portfolio

<table>
<thead>
<tr>
<th>Product</th>
<th>2016</th>
<th>2015</th>
<th>Cancer and Supportive Care</th>
<th>Other***</th>
</tr>
</thead>
<tbody>
<tr>
<td>MOVICOL®</td>
<td>€159 million</td>
<td>€159 million</td>
<td>€62.2 million</td>
<td>€59.2 million</td>
</tr>
<tr>
<td>XIFAXAN®</td>
<td>€41.3 million</td>
<td>€34 million</td>
<td>€12.6 million</td>
<td>€13.4 million</td>
</tr>
<tr>
<td>ENDOCUFF VISION®</td>
<td>€19.9 million</td>
<td>€34.4 million</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Flexible partnerships

- **VALEANT (NYSE: VRX and TSX: VRX)**
  - Norgine licensed PLENVU™ rights to Valeant for the US and Canada
  - Norgine fully acquired SpePharm Europe B.V.

- **Norgine divested its MENA operations and product rights to Acino**
  - Norgine continued to divest non-core products

Strengthen late stage pipeline

- **PLENVU™**
  - Positive Phase III programme studies – NOCT, MORA, and DAYB

- **LYMPHOSEEK®**
  - European Medicines Agency (EMA) approved a new LYMPHOSEEK® 50 microgram kit for radiopharmaceutical preparation

Everyone is valued and empowered to contribute to Vision 2020

**Over 1,000 employees**

- 14 sites in Europe, Australia and New Zealand

Norgine’s core values

- One Norgine
- Innovation
- Trustworthiness

Patient centricity is key to Norgine’s future

- **Over 12 million patients** used Norgine’s key products MOVICOL®, MOVIPREP® and XIFAXAN®
- Norgine collaborated with and provided support to 26 patient organisations

Dr Alastair Benbow
- appointed as Chief Development & Medical Officer

Philippe Caroff
- appointed as VP Manufacturing & Supply

Workforce diversity

- 59% women
- 41% men

Norgine in 2016

Key highlights

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    - Innovation
    - Trustworthiness

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1. XIFAXAN® 550: COGNOS sales (calculated assuming 130-day duration of therapy) / MOVICOL® 2016 actual sales (calculated assuming 100-days of treatment on average per year and per patient) / MOVIPREP™: number of procedures assuming that one patient would have one procedure per year
Partnering milestones and other income


2016 Results

Norgine has a very strong financial position having repaid €23 million of borrowing in 2016. It has increased its net cash position from the prior year by €45 million from €35 million, to €80 million as at December 2016. Shareholders’ equity has increased from the prior year by €66 million to €195 million as at December 2016.

<table>
<thead>
<tr>
<th></th>
<th>2015 (€million)</th>
<th>2016 (€million)</th>
<th>Growth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total net product revenue</td>
<td>300</td>
<td>295</td>
<td>-2%</td>
</tr>
<tr>
<td>Milestone &amp; other income</td>
<td>20</td>
<td>73</td>
<td>265%</td>
</tr>
<tr>
<td>Total</td>
<td>320</td>
<td>368</td>
<td></td>
</tr>
</tbody>
</table>
Part of Norgine’s strength as a partner lies in its high quality manufacturing and distribution facilities in Hengoed, Wales and Dreux, France and with its external contract manufacturing.

Norgine has the ability to integrate and launch new innovative products very quickly.

Manufacturing

A number of significant efficiency improvements were introduced at Hengoed, which further contributed a substantial increase in its output of MOVICOL® and MOVIPREP® for Europe but also for Norgine’s partners in the US, Japan and the rest of the world.

Of note, in 2016, for the second time, the Hengoed site was awarded the RoSPA Health and Safety Award in recognition of excellence in safety performance.

Norgine introduced new technologies in the Dreux facility in France to support the launch of MOVICOL® Ready to Take.

Patient centricity

Over the years, Norgine has established relationships with key opinion leaders, professional organisations and health services to help navigate complex systems and ensure that patients gain access to its products.

Norgine has a long history of actively working with patient groups. In 2016, Norgine supported 26 such organisations.

Norgine works together with patient groups to achieve common goals whether these are to shape policies for the benefit of the patients or to improve the understanding of complex diseases and treatments, without compromising their independence.

Support the detection of colorectal cancer

As a leader in bowel cleansing and colonoscopy, Norgine continued to collaborate with patient groups both pan-European and country-specific, to increase the detection of colorectal cancer and to help improve patients’ quality of life. Colorectal cancer is the second most common cause of cancer-related mortality in the world,1 with nearly 1.4 million new cases diagnosed worldwide and 412,000 people in Europe.2,3

Advance the understanding of hepatic encephalopathy

We continued to collaborate with patient groups both pan-European and country-specific to ensure that hepatic encephalopathy is recognised as a life threatening condition and healthcare systems report it like other critical conditions, so that patients can be managed accordingly.

In Europe 200,0004 people are affected by hepatic encephalopathy and yet it remains under-diagnosed and under-treated, as many patients and carers are unaware of the signs and symptoms of the disease.

Improve diagnosis of head and neck cancer

Norgine started collaborating with patient groups to help standardise the use of sentinel lymph node detection, in particular in the field of head and neck cancer. In current practice, patients with early oral cancer undergo major surgery to remove the lymph nodes to evaluate if the cancer has spread. Sentinel lymph node biopsy is a procedure to remove and examine the first nodes where cancer cells may be present. The standardisation of sentinel lymph node biopsy is important because 70-80% of patients with head and neck cancer may receive a potentially avoidable major operation which they did not need to identify that their lymph nodes were in fact negative.5

Governance

In 2016, Norgine continued to operate and meet the strict regulatory requirements which govern the pharmaceutical sector. Norgine seeks to always remain compliant with relevant laws, regulations and the Norgine Business Code. All Norgine employees are expected to conduct their duties according to the highest ethical and professional business standards.

**Priority 1:**
*Achieve double digit growth*

Growing Norgine’s core products – MOVICOL®, MOVIPREP® and XIFAXAN®, and raising the profile and reach of its other products is central to delivering on Norgine’s goal to achieve double digit growth. While total sales growth, net of divestments, was short of the long term target of sustained double digit growth, the progress made with Norgine’s newer products sets the stage for attaining this objective in 2020.

<table>
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<tr>
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</tr>
</thead>
<tbody>
<tr>
<td>MOVICOL®</td>
<td>Constipation</td>
<td>159</td>
<td>159</td>
<td>0%</td>
</tr>
<tr>
<td>MOVIPREP®</td>
<td>Bowel preparation</td>
<td>51</td>
<td>54</td>
<td>5%</td>
</tr>
<tr>
<td>XIFAXAN®</td>
<td>Traveller’s diarrhoea and hepatic encephalopathy</td>
<td>34</td>
<td>41</td>
<td>21%</td>
</tr>
</tbody>
</table>

**Maximise the growth of our core products**

- MOVICOL® maintained its leading position in Europe, generating more than €159 million in sales, despite generic competition (2015: €159 million). Although MOVICOL® was launched 20 years ago it continues to be the market leader in Europe in its class. Norgine remains focused on providing a product that is trusted by patients and prescribers.

- Norgine launched a new MOVICOL® formulation, MOVICOL® Ready to Take (macrogol 3350, sodium hydrogen carbonate, sodium carbonate, potassium chloride) that offers patients a discrete and convenient way to take their laxative. MOVICOL® Ready to Take is a ready mixed, pocket size dose that can be easily incorporated into daily life. The product was launched in Germany and the UK.

- Norgine progressed with the launch of ENDOCUFF VISION® to ensure its availability in all of Norgine’s markets – Australia and New Zealand, Austria, Belgium, Finland, France, Denmark, Germany, Italy, Ireland, Netherlands, New Zealand, Norway, Portugal, Spain, Sweden, Switzerland and the UK.

- XIFAXAN® continued to be the key growth driver, with sales of €41.3 million in 2016, an increase of 21% (2015: €34 million).

On a like-for-like basis at constant exchange rates, underlying revenue growth was 6.8%.

**Note:**
XIFAXAN® 550 is now reimbursed in most Norgine territories. In 2016, it was granted reimbursement status by the Ministry of Health in the Netherlands, Ministry van Volksgezondheid, Welzijn en Sport, when added to lactulose, for prophylaxis of the 3rd and following episodes of overt hepatic encephalopathy in patients ≥ 18 years.

Recent data, the IMPRESS study, further demonstrated the value that XIFAXAN® 550mg can bring to patients suffering from hepatic encephalopathy and to healthcare systems overall. The study showed that XIFAXAN® 550mg reduces the recurrence of episodes of hepatic encephalopathy, therefore decreasing the number of hospitalisations for patients. This in turn means lower costs for hospital admissions and bed occupancy.
Norgine launched MUGARD® in the UK and Spain and under the name of MUCOGARD® in Australia. Further launches are anticipated in Norgine’s territories in 2017.

MUGARD® is a mucoadhesive oral rinse proven to prevent and manage the lesions and symptoms of oral mucositis by adhering to the mucosal surface of the mouth and forming a soothing, protective layer. Approximately 20-40% of patients receiving conventional chemotherapy and nearly all patients receiving head and neck radiation therapy suffer from oral mucositis. With limited effective treatment options available, MUGARD® has been created for patients to take prior to and during cancer treatment to relieve the signs and symptoms of oral mucositis.

Further to the acquisition of additional distribution rights for ZIVEREL® in April 2016, Norgine prepared for the launch of the product in all of its territories.

ZIVEREL® is a medical device (class III) used to maintain the integrity of the oesophageal mucosa to avoid the irritation of the oesophagus caused by stomach acid among other causes.

Gastroesophageal reflux disease is prevalent worldwide, and the burden of the disease may be increasing. It affects up to 20% of the Western population and is associated with a range of risk factors.

In 2016, Norgine reported three positive studies from its phase II programme:

- **NOCT study.** A U.S. study that compares PLENVU® versus a trisulfate bowel cleansing solution (SUPREP®) using a 2-day split-dosing regimen in adults. Both primary endpoints were met, achieving non-inferior overall bowel cleansing success and ‘Excellent plus Good’ cleansing of the colon ascendens using the Harefield Cleansing Scale (HCS). PLENVU® demonstrated an acceptable safety profile.

- **MORA study.** A European study that compares PLENVU® versus a 2L PEG (MOVIPREP®) with ascorbate bowel cleansing solution using a 2-day split-dosing regimen and a 1-day morning split-dosing regimen in adults. The study met both primary endpoints showing that when administered as either a 2-day overnight or 1-day morning split-dosing regimen, and compared to 2L PEG, PLENVU® was non-inferior in achieving overall bowel cleansing, and non-inferior and superior in achieving ‘Excellent plus Good’ cleansing of the colon ascendens. PLENVU® demonstrated an acceptable safety profile.

- **DAYB study.** A European study that compares PLENVU® versus a sodium picosulfate and magnesium salt solution (CITRAFLEET®) using a day before only split-dosing regimen in adults. Although the study met both primary endpoints, demonstrating non inferiority, the data will contribute to safety evaluation only. The study used a dosing schedule for the comparator that is not relevant to current medical practice in U.S. PLENVU® demonstrated an acceptable safety profile.

**Priority 2: Strengthen the late stage pipeline**

Acquiring and developing new transformative products that will change medical care and add value to patients and payers is a priority for Norgine. In 2016, Norgine continued to make progress in the development of its pipeline, in particular for PLENVU® and LYMPHOSEEK®.

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LYMPHOSEEK® is a radiopharmaceutical used for diagnostic purposes of identifying sentinel lymph nodes in adult patients with breast cancer, melanoma, or localised squamous cell carcinoma of the oral cavity.

It is specifically designed for a procedure called Sentinel Lymph Node Biopsy (SNB). When injected into a tumour site, LYMPHOSEEK® is designed to rapidly pass through the lymphatic system, target and bind to the sentinel lymph nodes that drain from that primary tumour and which have the highest probability of harbouring cancer cells. These sentinel lymph nodes can then be removed and examined for cancer by pathology laboratories, giving essential information to guide future treatment.

In September 2016, The European Medicines Agency approved a new LYMPHOSEEK® 50 microgram kit dosing for European radiopharmaceutical preparation.

Recent data showed that LYMPHOSEEK® is highly predictive in the neck of patients with early oral cancer who had no clinical lymph node involvement. If elective neck dissection had been used without sentinel lymph node biopsy, a cancer positive contralateral node may have been missed in 7.2% of the studied patients. In a small number of cases this was the only cancer positive lymph node.

Head and neck cancer is the seventh most common type of cancer in Europe, with more than 150,000 new patients diagnosed in Europe in 2012.9

Norgine employs over 1,000 staff, including 470 in commercial activities, and 160 in development, medical and regulatory.

Being a dynamic place to work is a strategic priority for Norgine.

Dynamism, flexibility and teamwork are at the heart of what Norgine does. That’s what makes Norgine different. Norgine offers employees the flexibility to try new challenges and give them the opportunity to enhance their skills through targeted development programmes.

Norgine prides itself in valuing its employees at all levels by ensuring everyone has a clear role and the tools to be successful and contribute to the company’s success.

Norgine promotes an environment based on trust, self-confidence and achievement.

The One Norgine approach enables Norgine to promote its people internally while still recruiting external talents. This means that Norgine has the right professional skills required in the pharmaceutical and medical device environment.

Norgine believes that all of its employees contribute to its future success.
Looking forward to 2017

Norgine’s performance in 2016 continued to create a solid platform to achieve its Vision 2020. Norgine continued to deliver strong sales of its core products despite challenging market conditions and progressed several drivers of future growth.

In 2017, Norgine’s management will continue to work towards its strategic objectives and realising its long-term vision, to be widely recognised as the ‘go to’ European specialist pharma company partner of choice.

Norgine will continue to focus on using its expertise and established infrastructure to ‘win’ global and local partnership opportunities to expand its product portfolio in gastroenterology, hepatology, cancer and supportive care, as well as other specialist areas that can be effectively accessed through its infrastructure.

New asset acquisitions will remain a priority for Norgine and a number of registrations, launches and reimbursements are anticipated for 2017, including:

- **PLENVU®** is expected to be submitted in the US and approved in Europe
- **LYMPHOSEEK®** is expected to be launched in Norgine’s markets
- **ZIVEREL®** is expected to be launched in Norgine’s markets
- **MOVIPREP®** is expected to be launched in further countries through the Takeda CIS partnership
- **MOVICOL® Ready to Take** is expected to be launched in all remaining Norgine’s markets
- **MUGARD®** is expected to be launched in all remaining Norgine’s markets

References
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