



Contingent Value Rights - Overview

The consideration payable by Lough Ree Technologies Limited ("**LRT**") on behalf of Gurnet Point L.P. ("**Gurnet Point**") in respect of its acquisition of Innocoll Holdings plc ("**Innocoll**"), which completed in July 2017, was made up of both cash and contingent value rights (each a "**CVR**"). Each CVR represents the contractual right to receive payments up to a maximum aggregate amount of \$4.90 in cash conditional upon the achievement of certain events (the "**CVR Payment Events**"). A summary of the CVR Payment Events is set out below.

- First CVR Payment Event: LRT will pay \$0.70 in cash per CVR if, on or before December 31, 2018, XARACOLL is approved by the FDA with a label covering indications for the treatment of postsurgical pain immediately following open abdominal Hernia repair;
- Second CVR Payment Event: LRT will pay an additional \$1.33 in cash per CVR if, on or before December 31, 2018, XARACOLL is approved by the FDA with a label covering indications for the treatment of postsurgical pain immediately following Soft Tissue repair (and not limited to Hernia repair);
- Third CVR Payment Event: LRT will either pay:
 - \$1.00 in cash per CVR if, on or before December 31, 2019, XARACOLL is approved by the FDA with a label covering indications for the treatment of postsurgical pain immediately following Hard Tissue repair; or, if not,
 - \$0.60 in cash per CVR if, after December 31, 2019 but on or before June 30, 2020, XARACOLL is approved by the FDA with a label covering indications for the treatment of postsurgical pain immediately following Hard Tissue repair;
- Fourth CVR Payment Event: LRT will either pay:
 - \$1.87 in cash per CVR if worldwide Net Sales of XARACOLL exceed \$60 million in any four (4) consecutive Calendar Quarters ending on or prior to December 31, 2019; or if not,
 - \$1.00 in cash per CVR if worldwide Net Sales of XARACOLL exceed \$60 million in any four (4) consecutive Calendar Quarters ending on or prior to March 31, 2020.

If and when the First CVR Payment has been made, the CVR holders shall have no future rights to payment with respect to the First CVR Payment Event. If and when the Second CVR Payment has been made, the CVR holders shall have no future rights to payment with respect to the Second CVR Payment Event. If and when the Third CVR Payment 2019 or (as the case may be) the Third CVR Payment 2020 has been made, the CVR holders shall have no future rights to payment with respect to any Third



CVR Payment Event. If and when the Fourth CVR Payment 2019 or (as the case may be) the Fourth CVR Payment 2020 has been made, the CVR holders shall have no future rights to payment with respect to any Fourth CVR Payment Event. If none of the CVR Payment Events occur by the relevant dates, then the CVRs will have no value. The minimum payment under the CVRs is zero and the maximum payment is \$4.90 in cash per Innocoll Share.

Innocoll and Gurnet Point are under no obligation to disclose any information at any time regarding the status of any of the CVR Payment Events. This announcement is made solely at the discretion of Innocoll and Innocoll has not and is not undertaking any obligation to disclose any future information regarding the status of the CVR Payment Events as a consequence of making this announcement. At the discretion of Innocoll and Gurnet Point, information regarding the status of the CVR Payment Events may be made from time to time on the Innocoll website (innocoll.com).

Unless otherwise defined in this document, all capitalised terms have the meaning afforded to such term in the Rule 2.5 Announcement dated 4 April 2017.