INVESTOR UPDATE

Robert Tessarolo, President & CEO
Stephen Lemieux, CFO

January 2018

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, expectations, anticipations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to, our ability to enter into in-licensing, development, manufacturing and marketing and distribution agreements with other pharmaceutical companies and keep such agreements in effect; our dependency on a limited number of products; integration difficulties and other risks if we acquire or in-license technologies or product candidates; reliance on third parties for the marketing of certain products; the product approval process is highly unpredictable; the timing of completion of clinical trials; reliance on third parties to manufacture our products; we may be subject to future product liability claims; unexpected product safety or efficacy concerns may arise; we generate license revenue from a limited number of distribution and supply agreements; the pharmaceutical industry is highly competitive; requirements for additional capital to fund future operations; dependence on key managerial personnel and external collaborators; no assurance that we will receive regulatory approvals in the U.S., Canada or any other jurisdictions; current uncertainty surrounding health care regulation in the United States; certain of our products are subject to regulation as controlled substances; limitations on reimbursement in the healthcare industry; limited reimbursement for products by government authorities and third-party payor policies; various laws pertaining to health care fraud and abuse; reliance on the success of strategic investments and partnerships; the publication of negative results of clinical trials; unpredictable development goals and projected time frames; rising insurance costs; ability to enforce covenants not to compete; risks associated with the industry in which it operates; we may be unsuccessful in evaluating material risks involved in completed and future acquisitions; we may be unable to identify, acquire or integrate acquisition targets successfully; inability to meet covenants under our long term debt arrangement; compliance with privacy and security regulation; our policies regarding returns, allowances and chargebacks may reduce revenues; certain current and future regulations could restrict our activities; additional regulatory burden and controls over financial reporting; reliance on third parties to perform certain services; general commercial litigation, class actions, other litigation claims and regulatory actions; the effects of our delisting from the NASDAQ Global Market (the "NASDAQ") and deregistration of our Common Shares under the U.S. Securities Exchange Act of 1934, as amended (the "U.S. Exchange Act"); the difficulty for shareholders to realize in the United States upon judgments of U.S. courts predicated upon civil liability of the Company and its directors and officers who are not residents of the United States; certain adverse tax rules applicable to U.S. holders of our Common Shares if we are a passive foreign investment company for U.S. federal income tax purposes; the potential violation of intellectual property rights of third parties; our efforts to obtain, protect or enforce our patents and other intellectual property rights related to our products; changes in U.S., Canadian or foreign patent laws; litigation in the pharmaceutical industry concerning the manufacture and supply of novel and generic versions of existing drugs; inability to protect our trademarks from infringement; shareholders may be further diluted if we issue securities to raise capital; volatility of our share price; the actions of a significant shareholder; we do not currently intend to pay dividends; our operating results may fluctuate significantly; and our debt obligations will have priority over the Common Shares in the event of a liquidation, dissolution or winding up.

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

SIGNIFICANTLY IMPROVED OPERATIONS AND FINANCIAL POSITION

OPERATIONS	FINANCIAL POSITION
Streamlined and simplified our business • Sale of underperforming US assets • Restructured continuing operations and redeployed resources	**Reduced debt/improved cost of capital** • Reduced debt by 50% to US$20mm • Closed new senior debt facility with CIBC (LIBOR plus 1.5% to 2.5% vs. 10.25% under original debt)
Strengthened the management team • Attracted many highly accomplished professionals to Cipher • Added extensive product launch capabilities	**Significant expense reduction** • Reduced Q3 OPEX by 15% YoY • Reduced YTD OPEX by 21% YoY
Disciplined Pipeline review and rationalization • Reduced the number of high risk/capital intensive programs • Identified and advancing most promising candidates	**Income from continuing operations** • Q3 2017: $3.9mm • YTD 2017: $6.8mm • EPS: $0.15 Q3; $0.26 YTD
Introduced NEW Growth Strategy • Product License, M&A, Product Development • Expanding number of transaction opportunities for each	**Strong cash position** • US$24.3mm in cash (Q3 2017) • US$12.8mm YTD cashflow from continuing operations

GROWTH STRATEGY

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

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

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.

NEW MANAGEMENT TEAM

HIGHLY SUCCESSFUL CANADIAN PRODUCT LAUNCH EXPERIENCE

Pr fibristal™ ulipristal acetate

RAPAFLO® (silodosin) capsules

Glumetza® (metformin HCl extended release tablets)

Rotarix® Rotavirus Vaccine

VALTREX® VALACYCLOVIR HCl

Pr Constella® linaclotide capsules

Pr TIAZAC® XC

Pr WELLBUTRIN® XL bupropion HCl

Votrient® pazopanib

PROMACTA® (eltrombopag) 25mg, 50mg, 75mg tablets

Ralivia®

NEW MANAGEMENT TEAM

EXTENSIVE SUCCESSFUL PARTNERSHIP COLLABORATIONS

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

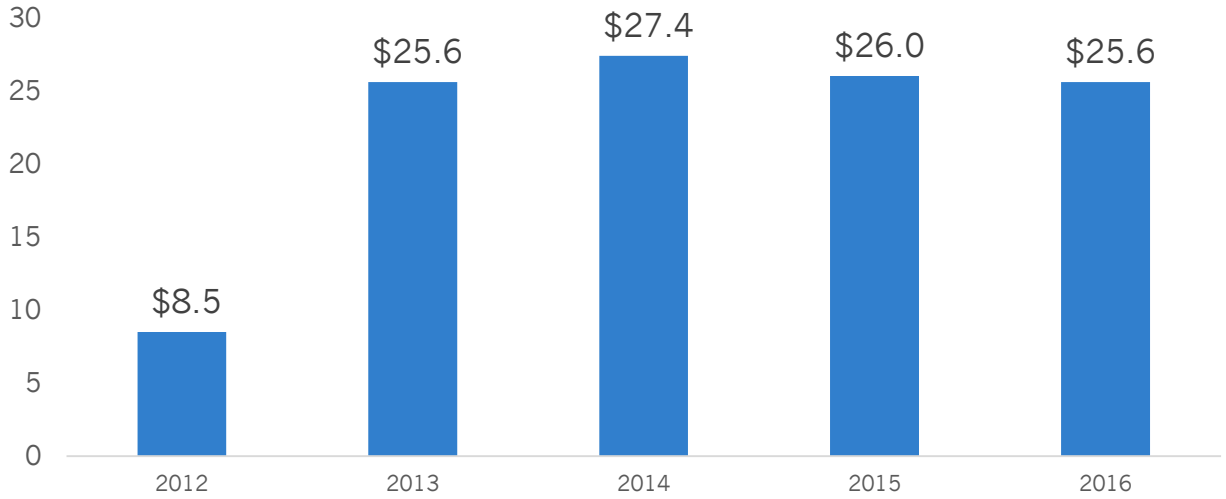
Once-daily treatment of moderately severe pain

(Tecnofarma, Argentina)

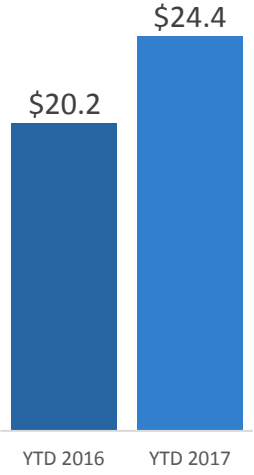
5 LICENSED PRODUCTS WITH AVERAGE ROYALTY OF 10%

LICENSING PROVIDES SOLID, PREDICTABLE FINANCIAL BASE

Licensing Revenue ($USmm)



21%
growth
(YTD 2017)



GROWING CANADIAN COMMERCIAL PLATFORM

epuris®

Severe nodular acne

(Launched Jul. 2013)

Pr actikerall™

Hyperkeratotic actinic keratosis

(Launched Feb. 2016)

Pr Beteflam™

Mild to moderate plaque psoriasis

(Launched Apr. 2016)

Pr VANIQA®

Enzyme inhibitor for hair growth

(Launched Jun. 2015)

Ozanex

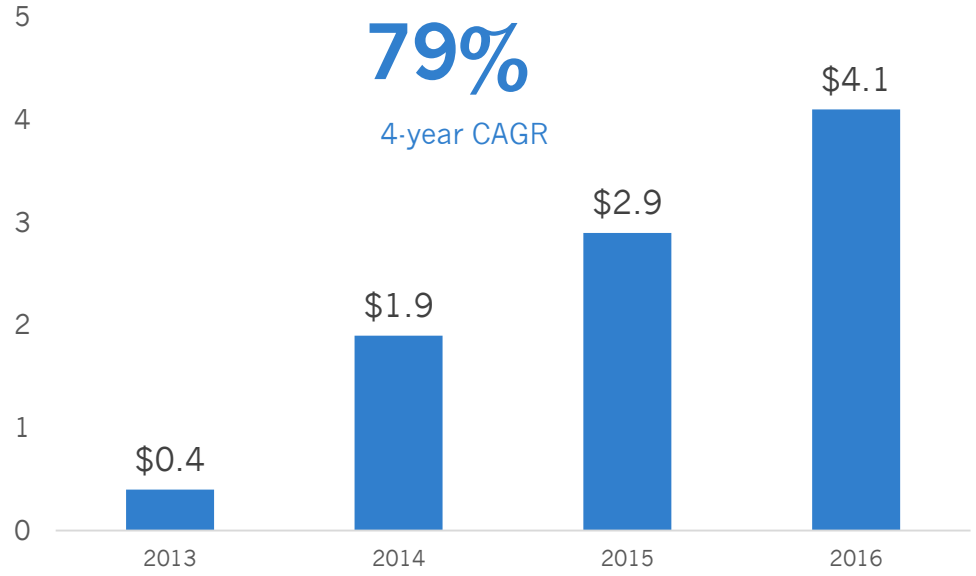
Topical antibiotic for impetigo in patients 2 months and older

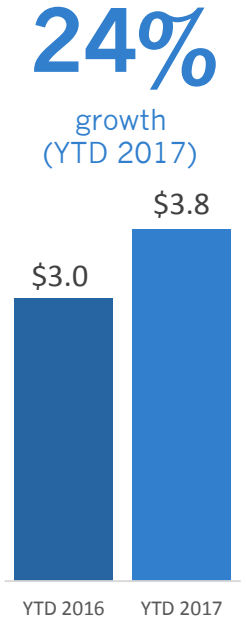
(Launched Jan. 2018)

5 MARKETED PRODUCTS AND 2 OTHER HEALTH CANADA APPROVALS

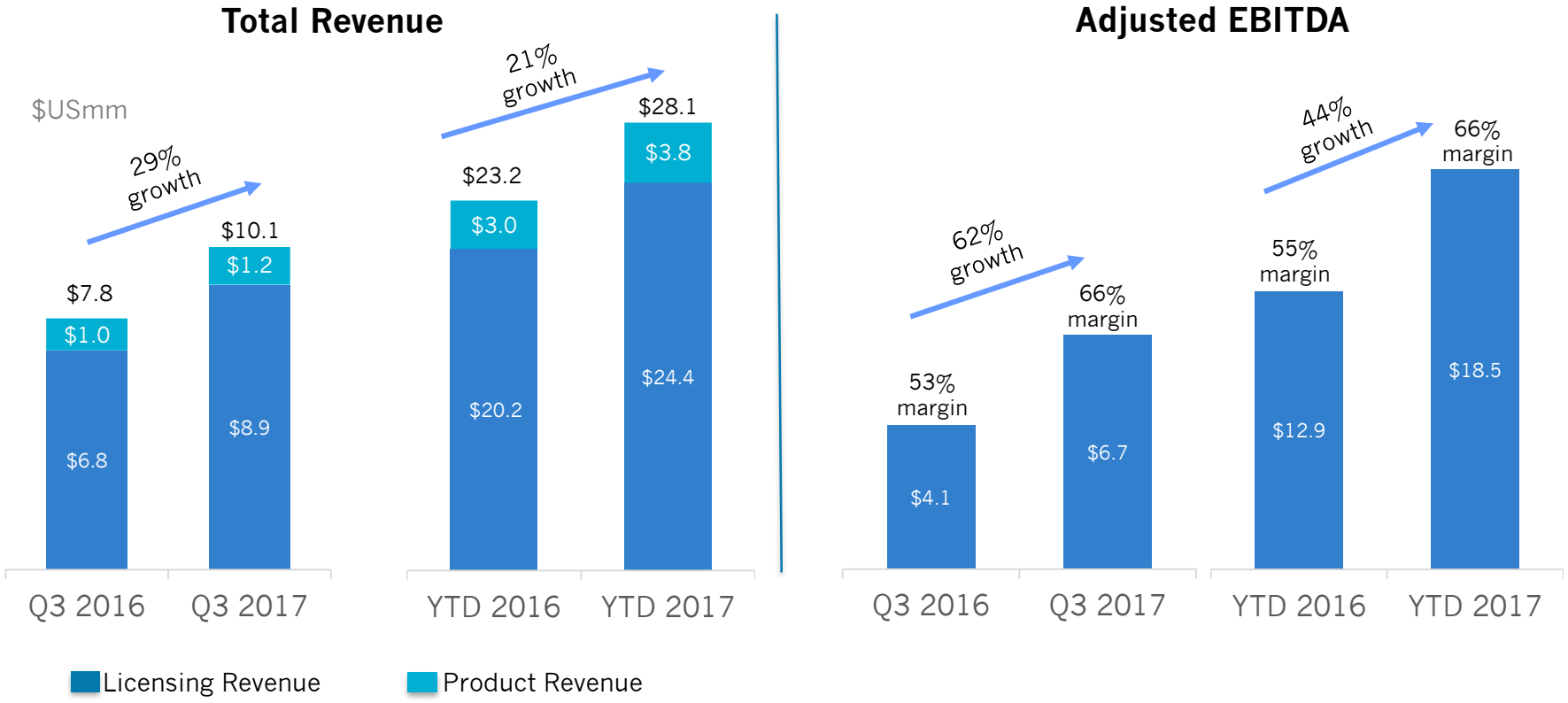
GROWING CANADIAN COMMERCIAL PLATFORM

Product Revenue ($USmm)

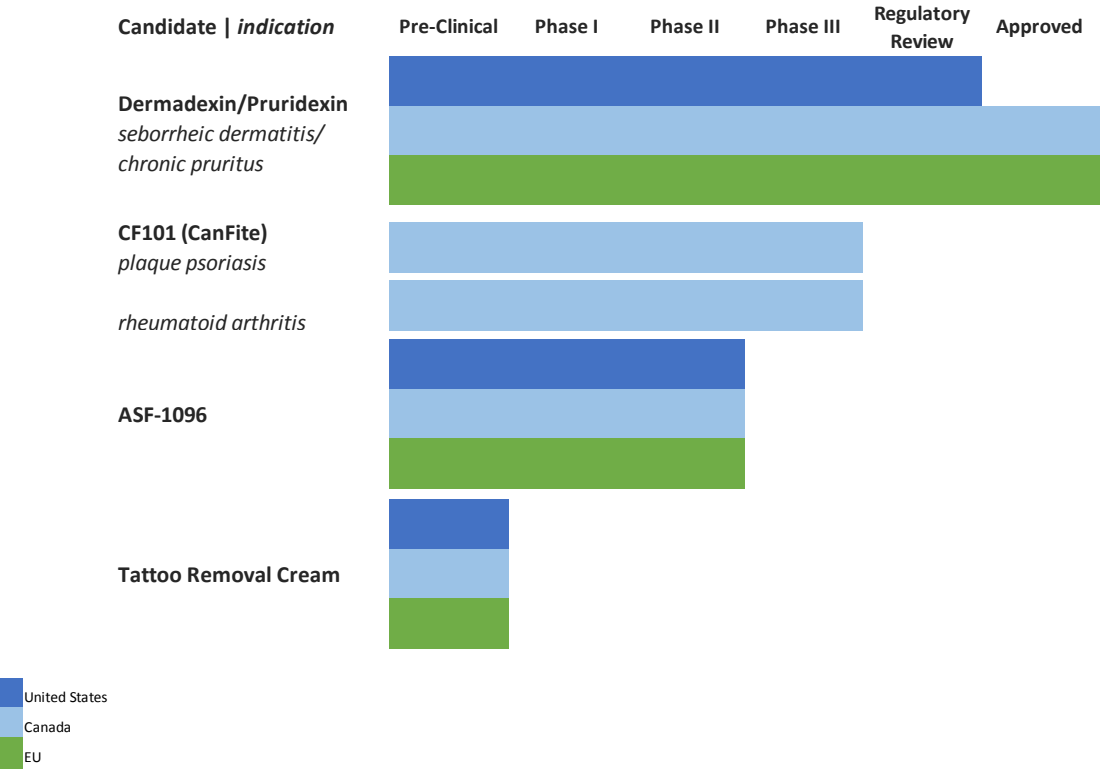




STRONG YTD 2017 FINANCIAL PERFORMANCE



PRODUCT PIPELINE



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    1. *Product Acquisition/License*
    2. *M&A*
    3. *Product Development*

BOARD OF DIRECTORS

Mark Beaudet – *Chair*

Robert Tessarolo – *CEO*

Dr. John Mull – *Director*

Arthur Deboeck – *Director*

Christian Godin – *Director*

Harold Wolkin – *Director*

DEEP EXPERTISE IN SPECIALTY PHARMACEUTICALS ALIGNED IN CREATING SHAREHOLDER VALUE

MARKET FACTS

Market Facts		Analyst Coverage
Ticker/Listing	CPH (TSX)	Bloom Burton
Market Cap	~CDN$130mm	CIBC World Markets
Shares o/s	26.7 million	Cormark Securities
52-week Range	$4.20 – $5.75	Echelon Wealth
Insider Ownership	~38%	GMP Securities
		Mackie Research
		TD Securities

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