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Engineering Better Medicines

Q2 2016

Business Update and Financial Results

August 2016

Forward Looking Statements

Any statements in this presentation about our future expectations, plans and prospects, including statements about the development of our product candidates and the timing, conduct, enrollment and outcome of our clinical studies, the availability of data from those studies, our ability to sell any approved products, and other statements containing the words "anticipate," "believe," "estimate," "expect," "intend," "goal," "may", "might," "plan," "predict," "project," "target," "potential," "will," "would," "could," "should," "continue," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including statements about the clinical trials of our product candidates. Such forward-looking statements involve substantial risks and uncertainties that could cause our clinical development programs, future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, those related to the timing and costs involved in developing and commercializing our products and product candidates, the timing for results, the initiation, conduct, enrollment and timing of clinical trials, delays in potential approvals by FDA of the commencement of trials, availability of data from clinical trials, positive results from such trials and timing and expectations for regulatory approvals, our ability to successfully manage the cost of goods sold in the event any of our products are approved for sales, our scientific approach and general development progress, the composition of our management supervisory board, the availability or commercial potential of our product candidates, the sufficiency of cash resources and need for additional financing or other actions and other factors discussed in the "Risk Factors" section of our Annual Report on Form 20-F for the year ended December 31, 2015, which is on file with the Securities and Exchange Commission. In addition, the forward-looking statements included in this presentation represent our views as of the date of this presentation. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so. These forward-looking statements should not be relied upon as representing our views as of any date subsequent to the date of this presentation.

Q2 2016 Highlights

INNL Q2 2016

FINANCE

CLINICAL RESULTS

MANU-FACTURING

POST-SURGICAL PAIN

DFI MARKET

Successful secondary stock offering

Well capitalized after the recent offering

Approvable postsurgical analgesic in the US

XARACOLL met primary endpoints with highly significant p-values

Efficient in-house manufacturing

Manufacturing expansion on-target

Differentiated post-surgical analgesic

Data and product characteristics for differentiation

Collagen platform for sustainable growth

COGENZIA for diabetic foot infections is expected to report Phase 3 results later this year

and building a best-in-class organization to commercialize our brands

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Q2 2016 Financial Results

FINANCE

Summary Financial Statement (USD Million)	US GAAP		Non - US GAAP*	
	Q2 2016	Q2 2015	Q2 2016	Q2 2015
Revenues	**1.3**	**0.6**	**1.3**	**0.6**
Cost of Goods Sold	(1.9)	(1.3)	(1.9)	(1.3)
Gross profit / (loss)	**(0.6)**	**(0.7)**	**(0.6)**	**(0.7)**
Research and Development	(10.6)	(4.9)	(10.6)	(4.9)
Selling, General and Administrative	(6.0)	(4.2)	(3.9)	(3.4)
Total Operating Expenses	**(16.6)**	**(9.1)**	**(14.5)**	**(8.3)**
Other Income / (Expenses)	4.3	(17.8)	(0.1)	(1.9)
Net Income (Loss)	**(12.9)**	**(27.4)**	**(15.1)**	**(10.8)**
Basic and diluted	(0.53)	(1.24)	(0.62)	(0.49)

* Non-US GAAP excludes share based payments ($2.1 million and $0.8 million in Q2 2016 and Q2 2015 respectively), fair value expense or income on warrants outstanding (-$4.3 million and $15.9 million in Q2 2016 and Q2 2015 respectively). Positive is an expense and negative is a gain.

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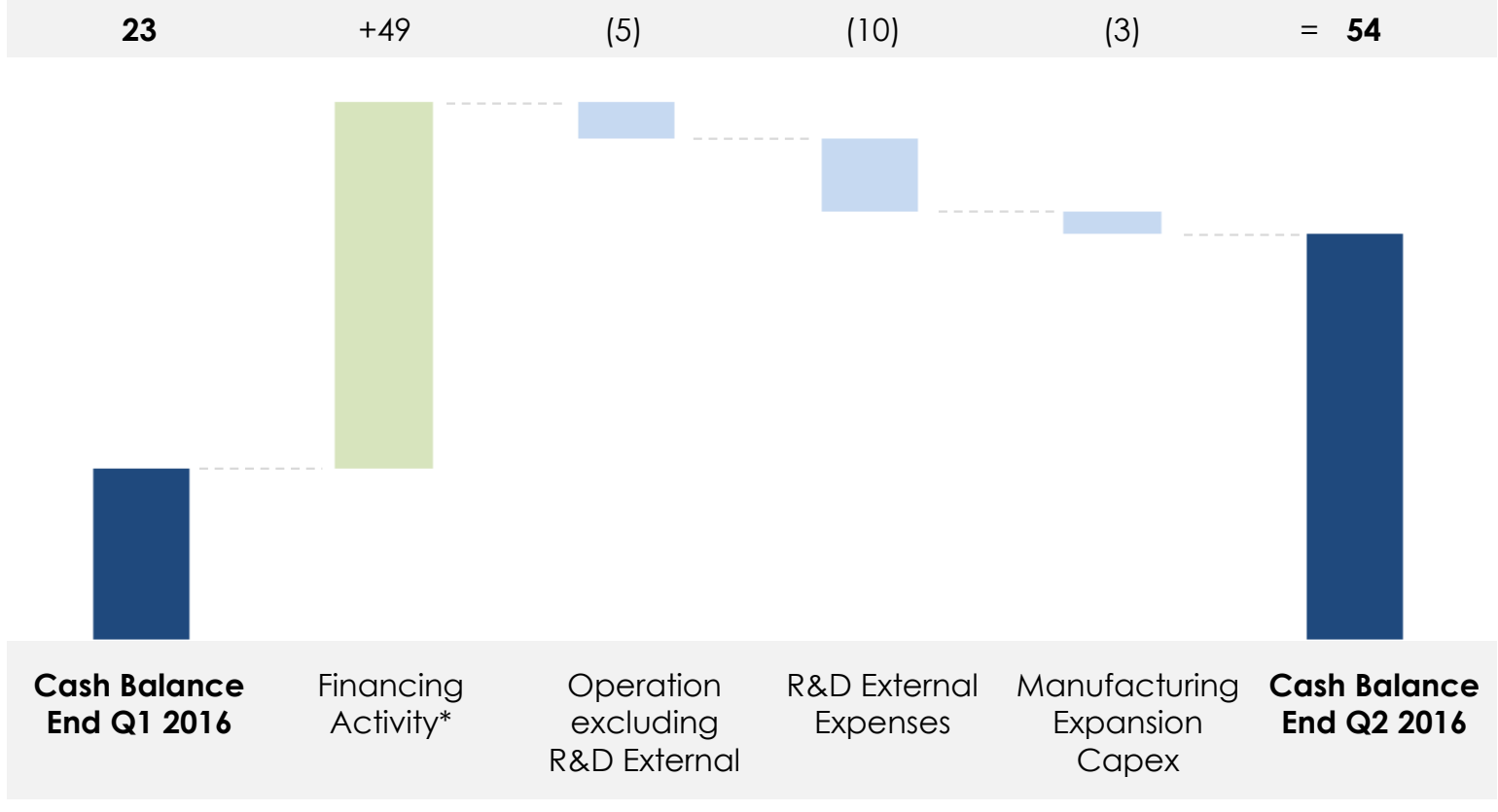
Cash Flows

Q2 2016 Cash flows

Numbers in USD Million



*Includes the draw down the second tranche of the European Investment Bank loan (EUR 10M or $11.2 million) and the net proceeds of the public follow-on equity offering ($37.4 million)

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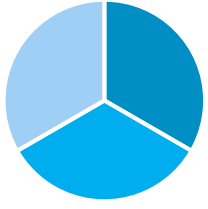
Cash Runway and Resource Allocation

RUNWAY

Cash position should enable us to manage resources to extend the cash runway for at least another year and until after the anticipated XARACOLL NDA approval, expected in the third quarter of 2017



Operation and pre-commercialization plans

Finalize manufacturing facility

Finalize Cogenzia study and file XARACOLL NDA

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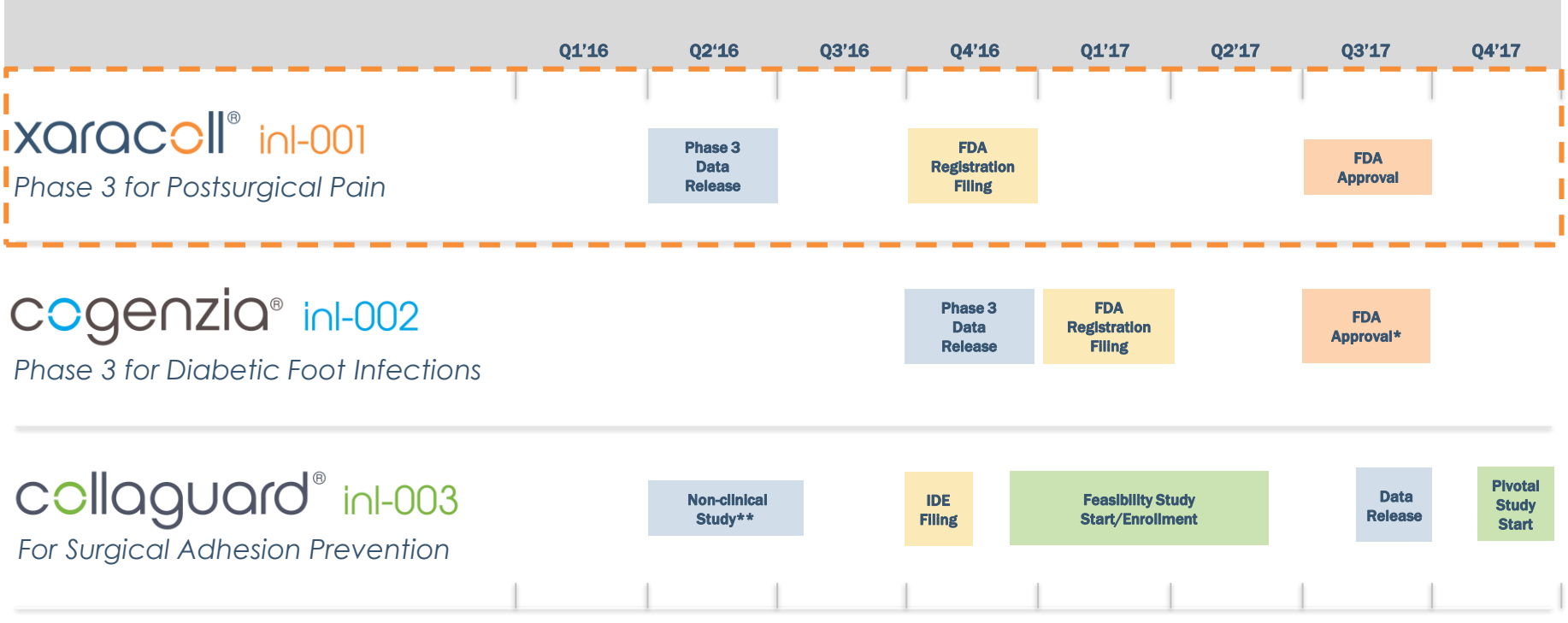
PIPELINE

Innocoll Pipeline: 3 Late Stage Assets



Note: These products have not been approved by the FDA, and therefore, the FDA has not determined their safety and efficacy for commercial marketing and sale. Estimated timing only and is subject to change.
*Subject to fast track designation
**Infectivity study in animals

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EFFICACY RESULTS

XARACOLL Phase 3: Top-line Efficacy Results

- **Met the Primary Endpoints (SPI24), the sum of pain intensity 0-24 hrs.**
  - MATRIX 1 met the primary endpoint (p=0.0004)
  - MATRIX 2 met the primary endpoint (p<0.0001)
- **First long-acting, opioid-sparing, local anesthetic with positive Phase 3 clinical results in open hernia repair, a painful and commonly performed surgery** (~1MM US procedures per year*)
- **XARACOLL treatment effect for pain reduction and opioid reduction was consistent across both studies**

*2016 Co-Factor analysis of Agency for Healthcare Research and Quality Statistical Brief #188, "Surgeries in Hospital-Owned Outpatient Facilities, 2012", February 2015

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EFFICACY RESULTS

XARACOLL Phase 3: Safe and well tolerated

- XARACOLL safe and well tolerated with no unexpected safety signals
- Incidence of adverse events similar in XARACOLL and placebo groups
- Opioid related adverse events higher in placebo treatment group
- No risk of intravascular administration
- No difference in incidence of cardiovascular adverse events including bradycardia between XARACOLL and placebo treatment groups

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PHASE 3 RESULTS & NEXT STEPS

Clinical / Regulatory Next Steps

Clinical Summary

- XARACOLL met the Primary efficacy endpoint in two adequate and well controlled studies with highly significant *p*-values
- XARACOLL was safe and well tolerated with no unexpected safety signals
- Document preparation for NDA approximately 75% complete

Next Steps

- NDA submission on track for early Q4 2016
- Full analysis of the pivotal Phase 3 studies will be submitted to future medical conferences and for publication
- Plan for product life cycle management

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Manufacturing Update

MANU-FACTURING

- New quality controlled laboratories now approved for use
  - Added to GMP license by Government of Upper Bavaria
- On track to complete construction phase of the commercial manufacturing area 3Q 2016, with qualification/validation activities targeted for 4Q 2016
- Activities initiated to prepare for Pre-approval Inspection by FDA
- On track to submit CMC components of XARACOLL NDA

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Untapped Opportunity for Long-acting Local Anesthetics

POST-SURGICAL PAIN

	2015
Total Procedures[1]	76M
LAL Appropriate Procedures[1]	22M
Procedures where LAL Used[2]	0.8M
LAL Share of Appropriate Procedures[1]	4%
Dollar Sales for LAL[3]	$240M

96% Untapped Opportunity

[1]Appropriate procedures based on INNL analysis of procedures in LSI procedure database; LAL share for 2015 based on Pacira actual sales and assume 1 vial / procedure [2]2015 based on Pacira actual sales and assumes 1 vial / procedure;. [3]2015 based on Pacira actual sales with average price for the year of $303 per vial

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POST-SURGICAL PAIN

Opportunity for Long-acting Local Anesthetics

	2015		2025
Total Procedures[1]	76M	1% CAGR →	**85M**
LAL Appropriate Procedures[1]	22M	1% CAGR →	**24M**
Procedures where LAL Used[2]	0.8M	18% CAGR →	**4.0M**
LAL Share of Appropriate Procedures[1]	4%	→	**15-20%**
Dollar Opportunity for LAL at constant price[3]	$240M	→	**$1.1-1.5B**

[1]Appropriate procedures based on INNL analysis of procedures in LSI procedure database; LAL share for 2015 based on Pacira actual sales and assume 1 vial / procedure; LAL share for 2025 based on INNL projections. [2]2015 based on Pacira actual sales and assumes 1 vial / procedure; 2025 based on INNL projections. [3]2015 based on Pacira actual sales with average price for the year of $303 per vial; 2025 uses price of $306 per vial, which was Exparel's price in 4Q 2015

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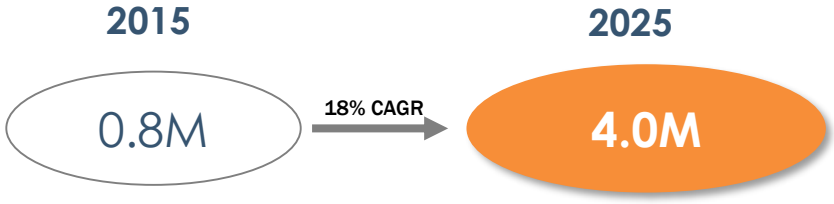
Factors Propelling Category Growth

POST-SURGICAL PAIN

Procedures where LAL Used[1-2]



Category Growth Factors

New relevant clinical evidence
Wide-spread societal pressure to use less opioids
New and differentiated products
Promotional activity expansion

[1]Appropriate procedures based on INNL analysis of procedures in LSI procedure database; LAL share for 2015 based on Pacira actual sales and assume 1 vial / procedure; LAL share for 2025 based on INNL projections. [2]2015 based on Pacira actual sales and assumes 1 vial / procedure; 2025 based on INNL projections.

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Highlights of XARACOLL Launch Plan

THE PLAN

Clinical program supports both regulatory and commercial success

- Hernia: 3rd most common invasive procedure[1]
- Soft tissue > two-thirds LAL market potential[2]
- Orthopedic: Clinical program in relevant surgeries

Position for opioid sparing pain relief

- Trend to minimize opioids use
- Strong data on pain relief with less opioid use
- Safe and well-tolerated (reduction of ORAEs; no bradycardia above placebo)

Focused customer strategy

- Target general, GYN and colorectal surgeons as initial focus

Competitive commercial resourcing to win where we play

- 90 sales representatives at launch growing to 120 reps
- Focused MSL team
- Account Managers for 80% formulary access where LALs on formulary

Leverage formulation advantages

- Low COGS and pricing flexibility
- Surgeon preference: ease and flexibility of use
- No risk of intravascular injection

[1] Internal analysis of LSI procedure database [2] Appropriate procedures based on INNL analysis of procedures in LSI procedure database; LAL share for 2015 based on Pacira actual sales and assume 1 vial / procedure; LAL share for 2025 based on INNL projections.

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THE DFI MARKET

Accessible, Actionable Opportunity in DFI Market

cogenzia® inI-002*
(gentamicin-collagen topical matrix)

Clearly identified patient population

- Highly-managed diabetic population
- When DFU presents, patients are referred to a podiatrist for treatment

US addressable market[1]

- US DFU population: 1.6M annually
  - ~$1B US DFI treatment market
- Currently there are no FDA approved topical anti-infectives for diabetic foot infections; 1st to market opportunity[2]

Global market[3]

- Estimated over 15 million patients globally have DFI
- Multi-billion dollar global addressable market opportunity

[1] CDC: Diabetes National Surveillance Data, October 2014 – using the 5 year CAGR 2007 to 2011. DFU Prevalence: Frankel analysis and CDC: Diabetes Complications, October 2014 – using data through 2007. [2] www.accessdata.fda.gov/scripts/cder/ob/default.cfm [3] Global estimates are internal projections calculated from IDF Diabetes Atlas Sixth Edition and Mendes et al, Diabetic Foot Infections: Current Diagnosis and Treatment, The Journal of Diabetic Foot Complications, 2012; Volume 4, Issue 2, No. 1, Pages 26-45.

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THE PLAN

US Commercial Plan Considerations

cogenzia® inI-002*
(gentamicin-collagen topical matrix)

Easily targeted physician audience[1]

- Roughly 8,500 physicians bill through the debridement CPT code
- Over 80% of the podiatrist community is concentrated within 20 states
- 80 sales representatives
- MSL and Account Management support from XARACOLL

US Commercial Plan considerations

- Use in all infection severities: mild, moderate, severe
- Higher shares in more severe infections/patients[2]
- Competitor (Locilex) for non-adjunct mild patients[3]

[1] Data on file 04052016, Innocoll 2016 [2] Data on File 04082016 – Forecast. [3] https://clinicaltrials.gov/ct2/show/NCT01594762?term=locilex&rank=1

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2016 & 2017

Key Milestone Events

xaracoll® inl-001*
Phase 3 for Postsurgical Pain

Pivotal Phase 3 Program

Results ✓ Filing

cogenzia® inl-002*
Phase 3 for Diabetic Foot Infections

Pivotal Phase 3 Program

Results Filing

collaguard® inl-003*
For Surgical Adhesion Prevention

Non-clinical Study**

IDE

* These product candidates have not been approved by the FDA and, therefore, the FDA has not determined their safety and effectiveness for commercial marketing and sale.
Estimated timing only and is subject to change
**Infectivity study in animals

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Investment Highlights Summary

Innocoll (Nasdaq: INNL) is a specialty pharmaceutical company seeking to improve existing medicines with its collagen-based technology

- **XARACOLL Phase 3 program met primary endpoints**
  - Results announced May 25, 2016; FDA submission planned for prior to end of 2016
  - Poised for 2nd product entry with differentiated profile into postsurgical pain market
  - Efficient specialty commercialization and mid-single digit cost of goods
  - Commercial team experienced in product launches
- **XARACOLL results confirm Innocoll's collagen-based technology platform**
- **Sound financial structure** with focused specialty product R&D programs, targeted and efficient commercialization, and high-margin in-house manufacturing
- **Experienced executives with proven track records**
  - Delivering Phase 3 clinical trial results and regulatory agency approvals
  - Building and leading successful organizations and billion dollar brands

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