Form 51-102F3

MATERIAL CHANGE REPORT

1. **Name and Address of Company**

Cipher Pharmaceuticals Inc. (“**Cipher**”)
2345 Argentia Road
Mississauga, Ontario L5N 8K4

2. **Date of Material Change**

May 15, 2018.

3. **News Release**

Cipher issued a news release with respect to the material change on May 15, 2018. The news release was disseminated via Canada News Wire (CNW).

4. **Summary of Material Change**

On May 15, 2018, Cipher announced that it had completed its previously announced strategic acquisition of the Canadian business portfolio of Cardiome Pharma Corp. (“**Cardiome**”) by acquiring all of the issued and outstanding shares of Cardiome (the “**Common Shares**”)(the “**Acquisition**”) pursuant to the terms and conditions of a definitive arrangement agreement (the “**Arrangement Agreement**”) entered into among Cipher, Cardiome and Correvio Pharma Corp. (“**Correvio**”) on March 19, 2018. The Acquisition was completed following a restructuring of Cardiome pursuant to a plan of arrangement (the “**Arrangement**”) under the *Canada Business Corporations Act* (“**CBCA**”).

Pursuant to the Arrangement, among other steps and procedures, the following transactions occurred:

- All of the outstanding Common Shares were assigned and transferred to Correvio in exchange for common shares of Correvio (on a one-for-one basis). Following the completion of the share exchange, each former shareholder of Cardiome held the same *pro rata* interest in Correvio as it held in Cardiome immediately prior to such share exchange.

- All of the assets and liabilities of Cardiome, other than the Canadian business portfolio, were transferred to and assumed by Correvio.

- Cipher subsequently acquired from Correvio all of the outstanding common shares of Cardiome, which held only the Canadian business portfolio, for cash consideration of CDN$25,500,000.

Complete details of the terms and conditions of the Arrangement are set out in the Arrangement Agreement, which was publicly filed by each of Cipher and Cardiome under their respective profiles on SEDAR at www.sedar.com and, in the case of Cardiome, on EDGAR at www.sec.gov.

5. **Full Description of Material Change**

On May 15, 2018, Cipher completed the Acquisition in accordance with the terms and conditions of the Arrangement Agreement and the Arrangement contemplated thereunder. The Canadian business portfolio acquired by Cipher includes commercial and pipeline hospital products administered in the acute care setting, including:

- Brinavess® (vernakalant IV), for the rapid conversion of recent onset atrial fibrillation to sinus rhythm;

- Aggrastat® (tirofiban hydrochloride), for the reduction of thrombotic cardiovascular events in patients with acute coronary syndrome;

- Xydalba™ (dalbavancin hydrochloride), the first and only 30-minute, one-dose treatment option for the treatment of acute bacterial skin and skin structure infections; and

- Trevyent® a drug device combination that delivers treprostinil, the world's leading treatment for pulmonary arterial hypertension.

The Acquisition was completed following a restructuring of Cardiome pursuant to the Arrangement for cash consideration of CDN$25,500,000.

Pursuant to the Arrangement, Cardiome shareholders received common shares of Correvio, a newly-created entity, which applied for and received approval for a substitution listing on the Nasdaq and the Toronto Stock Exchange. Correvio acquired all of Cardiome's pre-Arrangement assets, excluding the Canadian business portfolio acquired by Cipher pursuant to the Acquisition.

Summary of Arrangement

The Arrangement was completed by way of a statutory plan of arrangement under the CBCA. Pursuant to the Arrangement, among other steps and procedures, the following transactions occurred:

- All of the outstanding Common Shares were assigned and transferred to Correvio in exchange for common shares of Correvio (on a one-for-one basis). Following the completion of the share exchange, each former shareholder of Cardiome held the same *pro rata* interest in Correvio as it held in Cardiome immediately prior to such share exchange.

- All of the assets and liabilities of Cardiome, other than the Canadian business portfolio acquired by Cipher, were transferred to and assumed by Correvio.

- Cipher subsequently acquired from Correvio all of the outstanding common shares of Cardiome, which held only the Canadian business portfolio, for cash consideration of CDN$25,500,000.

Cipher financed the Acquisition with a combination of cash and USD$5,000,000 drawn from an amendment to its debt facility with the Canadian Imperial Bank of Commerce.

Under the terms of the Arrangement Agreement, Cipher has a right of first refusal, for a limited period following closing, to license from Correvio the Canadian rights of any pharmaceutical product that it (or its affiliates) licenses in the future for additional consideration to Correvio.

The Arrangement received the requisite approval of shareholders of Cardiome at an annual and special meeting of Cardiome held on May 9, 2018.

Additional Information

Complete details of the terms and conditions of the Arrangement are set out in the Arrangement Agreement, which was publicly filed by each of Cipher and Cardiome under their respective profiles on SEDAR at www.sedar.com and, in the case of Cardiome, on EDGAR at www.sec.gov.

In addition, further information regarding the Arrangement is contained in the management information circular dated April 6, 2018 which was mailed to shareholders of Cardiome in connection with the annual and special meeting of Cardiome held to consider and approve the Arrangement, which was filed by Cardiome on SEDAR and EDGAR.

6. **Reliance on subsection 7.1(2) of National Instrument 51-102**

Not applicable.

7. **Omitted Information**

No information has been omitted on the basis that it is confidential information.

8. **Executive Officer**

For further information, please contact:

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Chief Financial Officer
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9. **Date of Report.**

May 24, 2018.