August 14, 2018

Titan Pharmaceuticals Reports Second Quarter 2018 Financial Results

SOUTH SAN FRANCISCO, Calif., Aug. 14, 2018 /PRNewswire/ -- Titan Pharmaceuticals, Inc. (NASDAQ: TTNP), a company developing proprietary therapeutics for the treatment of select chronic diseases utilizing its ProNeura™ long-term, continuous drug delivery technology, today reported financial results for the second quarter ended June 30, 2018, and provided an update on its business.



Second Quarter 2018 Business Highlights

- In May 2018, Titan announced the appointment of accomplished global pharmaceuticals executive, Federico Seghi Recli, to its Board of Directors.
- In May 2018, Titan and Braeburn Pharmaceuticals, Inc. reached an agreement pursuant to which Titan regained all rights to the commercialization and clinical development of Probuphine® (buprenorphine) implant in the United States and Canada.

"We are making good progress in transitioning to a commercial company," said Titan's President and CEO, Sunil Bhonsle. "Moving forward, we will be focusing on four key market segments: high Probuphine-prescribing physicians with long-term recovery oriented treatment programs; residential facilities that utilize medication-assisted treatment; academic institutions with addiction residency and fellowships programs; and the criminal justice system."

Titan's Executive Chairman, Dr. Marc Rubin, commented, "We are encouraged by the early progress we have made in the relaunch of Probuphine in the U.S., and continue to work closely with Molteni and the team of addiction medicine experts that we have assembled to help position Probuphine for global success."

Second Quarter 2018 Financial Results

For the three months ended June 30, 2018, Titan reported approximately $2.7 million in revenue, compared with approximately $77,000 in the same period in 2017. Revenues for

the second quarter of 2018 reflect approximately $0.5 million related to the amortization of deferred revenue related to the sale to L. Molteni & C. Dei Frattelli Alitti Società Di Esercizio S.P.A. ("Molteni") of the European intellectual property rights to Probuphine in March 2018, $7,000 related to the recognition of royalties earned on net sales of Probuphine by Braeburn prior to the termination of the Braeburn license, approximately $2.1 million related to terms of the license termination agreement, and $75,000 generated from Titan's own sales of Probuphine after the return of the Braeburn license. Revenue for the 2017 period reflects the recognition of royalties earned on net sales of Probuphine by Braeburn.

Total operating expenses for the second quarter of 2018 were approximately $3.3 million, compared with approximately $3.7 million from the same quarter in 2017, and consisted primarily of research and development (R&D) and general and administrative (G&A) expenses. R&D expenses for the quarter ended June 30, 2018 were approximately $1.9 million, compared with approximately $2.5 million for the same quarter in 2017. G&A expenses for the 2018 second quarter were approximately $1.4 million, compared with approximately $1.2 million in the same quarter a year ago.

Net other expense, consisting primarily of interest expense, was approximately $0.2 million in the second quarter of 2018, compared with net other income of approximately $0.2 million, consisting primarily of non-cash gains on changes in the fair value of warrants, in the same quarter in 2017.

Net loss applicable to common shareholders in the second quarter of 2018 was approximately $0.9 million, or approximately $0.04 per share, compared with a net loss applicable to common shareholders of approximately $3.5 million, or approximately $0.16 per share, in the same quarter in 2017.

As at June 30, 2018, Titan had cash of approximately $1.6 million. Subsequent to the end of the second quarter, Titan entered into an amendment to its purchase agreement with Molteni, pursuant to which Molteni paid €950,000 (approximately $1.1 million) to Titan, and has committed to make a convertible loan to Titan of €550,000 (approximately $0.6 million) in mid-September 2018, subject to Titan's submission of a response to questions posed by the European Medicines Agency (EMA), in exchange for the elimination of an aggregate of €2.0 million (approximately $2.3 million) of regulatory milestones provided for in the purchase agreement. Assuming the convertible loan is made to Titan, the Company believes it will have sufficient cash to fund its operating activities through the end of the third quarter of 2018, beyond which it will require additional funds to finance its operations, including the commercialization of Probuphine in the U.S., completion of the Probuphine Phase IV clinical trials mandated by the FDA and advancement of our current ProNeura development programs to later stage clinical studies.

No Conference Call Scheduled

Due to a scheduling conflict, Titan has elected not to host a conference call to discuss its second quarter 2018 financial results.

About Titan Pharmaceuticals

Titan Pharmaceuticals, Inc. (NASDAQ:TTNP), based in South San Francisco, CA, is developing proprietary therapeutics primarily for the treatment of select chronic diseases.

The company's lead product is Probuphine®, a novel and long-acting formulation of buprenorphine for the long-term maintenance treatment of opioid dependence. Probuphine employs Titan's proprietary drug delivery system ProNeura™, which is capable of delivering sustained, consistent levels of medication for three months or longer. Approved by the U.S. Food and Drug Administration in May 2016, Probuphine is the first and only commercialized treatment of opioid dependence to provide continuous, around-the-clock blood levels of buprenorphine for six months following a single procedure. The ProNeura technology has the potential to be used in developing products for treating other chronic conditions such as Parkinson's disease and hypothyroidism, where maintaining consistent, around-the-clock blood levels of medication may benefit the patient and improve medical outcomes. For more information about Titan, please visit www.titanpharm.com.

Forward-Looking Statements

This press release may contain "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. Such statements include, but are not limited to, any statements relating to our product development programs and any other statements that are not historical facts. Such statements involve risks and uncertainties that could negatively affect our business, operating results, financial condition and stock price. Factors that could cause actual results to differ materially from management's current expectations include those risks and uncertainties relating to the commercialization of Probuphine, the regulatory approval process, the development, testing, production and marketing of our drug candidates, patent and intellectual property matters and strategic agreements and relationships. We expressly disclaim any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in our expectations or any changes in events, conditions or circumstances on which any such statement is based, except as required by law.

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TITAN PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF OPERATIONS AND COMPREHENSIVE LOSS
(in thousands, except per share amount)
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2018	2017	2018	2017
Revenue:				
License revenue	$ 2,593	$ 77	$ 3,657	$ 117
Product revenue	75	-	75	-

Total revenue	2,668	77	3,732	117
Operating expense:				
Cost of goods sold	70	-	70	-
Research and development	1,857	2,501	3,713	4,627
General and administrative	1,380	1,197	2,995	2,548
Total operating expense	3,307	3,698	6,778	7,175
Loss from operations	(639)	(3,621)	(3,046)	(7,058)
Other income (expense), net	(230)	170	(428)	602
Net loss and comprehensive loss	$ (869)	$ (3,451)	$ (3,474)	$ (6,456)
Basic net loss per share	$ (0.04)	$ (0.16)	$ (0.16)	$ (0.30)
Diluted net loss per share	$ (0.04)	$ (0.17)	$ (0.16)	$ (0.33)
Weighted average shares used in computing basic net loss per share	21,204	21,204	21,204	21,199
Weighted average shares used in computing diluted net loss per share	21,204	21,204	21,204	21,201

CONDENSED BALANCE SHEETS
(in thousands)
(unaudited)

	June 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	$ 1,614	$ 7,522
Restricted cash	361	361
Receivables	189	65
Inventory	1,317	-
Contract assets	291	-
Prepaid expenses and other current assets	421	362
Total current assets	4,193	8,310
Furniture and equipment, net	424	595
Total assets	$ 4,617	$ 8,905
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities	$ 2,389	$ 4,464
Long-term debt	3,541	3,584
Stockholders' equity (deficit)	(1,313)	857
Total liabilities and stockholders' equity (deficit)	$ 4,617	$ 8,905

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