May 10, 2017

Titan Pharmaceuticals Reports First Quarter 2017 Financial Results

SOUTH SAN FRANCISCO, Calif., May 10, 2017 /PRNewswire/ --

Titan Management Team to Host Conference Call May 10 at 4:15 p.m. EDT / 1:15 p.m. PDT

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 first quarter 2017, and provided an update on its business.

Business highlights include:

Probuphine for opioid addiction

- Braeburn Pharmaceuticals commenced full commercial launch of Probuphine in the first quarter with a field sales force and medical support staff of more than 60, focusing on more than 80 key treatment centers throughout the U.S.
- Probuphine was assigned a permanent J-code from the Centers for Medicare & Medicaid Services (CMS), effective in January 2017, which is expected to facilitate the third-party payor reimbursement process as the code is integrated into the processing systems. Braeburn continues to work to obtain additional codes to further facilitate Probuphine insertion and removal procedures.
- Braeburn added a second specialty pharmacy in April 2017 to expand the distribution network and facilitate patient access to treatment. Braeburn intends to monitor progress and strategically expand the network, as needed. In March 2017, the European Medicines Agency (EMA) confirmed that the Marketing Authorization Application (MAA) for Probuphine is eligible under the centralized procedure.
- Titan is on track to submit an MAA to the EMA in the fourth quarter of 2017.

Ropinirole implant for Parkinson's disease

- Following the completion of the Investigational New Drug application (IND) enabling

non-clinical studies late last year, Titan submitted an IND to the FDA in January 2017.
- Titan received written confirmation from the FDA in late March 2017, following the verbal FDA communication in February, requesting additional information on the final release test data on the implant and applicator for its review before the clinical trial proceeds.
- Titan plans to submit the information to the FDA by the end of the second quarter and expects to initiate the Phase 1/2 pharmacokinetic study in the third quarter, pending FDA clearance of the IND.

T3 implant for Hypothyroidism

- Formulation optimization studies for Titan's T3 implant for hypothyroidism are in process.
- Titan is in discussions with experts on the clinical development pathway for the implant; the timing of further activities will be guided by those consultations and is dependent on available resources.

"Braeburn made steady progress with the full commercial launch of Probuphine in the first quarter and has now expanded the distribution network and capacity for processing third-party payor preapprovals for treatment with the product," said President and CEO Sunil Bhonsle. "As the government and medical community remain focused on addressing the opioid crisis, we believe that long-term product formulations such as Probuphine will offer distinct treatment advantages for patients and caregivers. We look forward to broader commercial uptake of treatment with Probuphine over the next several quarters, as Braeburn continues to focus on the preapproval process, insurance coverage expands in response to those efforts, and awareness, acceptance and adoption of Probuphine among clinicians and patients builds."

"In addition to activities in the U.S., we continued to make good progress during the quarter in defining the regulatory process for Probuphine in Europe and in advancing discussions with potential partners outside of the U.S.," said Executive Chairman Marc Rubin, M.D. "We are enthusiastic about the prospects of our ProNeura long-term, continuous drug delivery platform and look forward to initiating the clinical study of our ropinirole implant in the third quarter."

First Quarter 2017 Financial Results

Titan reported approximately $40,000 in license revenue in the first quarter of 2017, compared with no revenue in the same period of a year ago. License revenue for the quarter ended March 31, 2017 reflects the recognition of royalties earned on net sales of Probuphine by Braeburn.

Total operating expenses for the quarter ended March 31, 2017 were approximately $3.5 million, compared with approximately $1.8 million in the same quarter a year ago, and consisted primarily of research and development (R&D) and general and administrative (G&A) expenses. R&D expenses for the quarter ended March 31, 2017 were approximately $2.1 million, compared with approximately $0.7 million for the same quarter in 2016, an increase of approximately $1.4 million. The increase in R&D expenses was primarily associated with increases in external expenses related to the company's Probuphine and ProNeura product development programs and other research and development activities.

G&A expenses for the first quarter of 2017 were approximately $1.4 million compared with approximately $1.1 million for the same period in 2016. The increase in G&A expenses was primarily related to increases in non-cash stock-based compensation, employee related costs and professional fees.

Net other income for the first quarter 2017 was approximately $0.4 million compared with net other expense of approximately $15,000 in the first quarter of 2016. Net other income for the first quarter of 2017 consisted primarily of non-cash gains on changes in the fair value of warrants.

Net loss applicable to common shareholders in the first quarter of 2017 was approximately $3.0 million, or approximately $0.14 per share, compared with a net loss of approximately $1.8 million, or $0.09, per share in the same quarter in 2016.

At March 31, 2017 Titan had cash and cash equivalents of approximately $10.9 million, which the company believes is sufficient to fund planned operations through the second quarter of 2018.

Conference Call

Titan management will host a live conference call today at 4:15 p.m. ET / 1:15 p.m. PT to discuss the company's financial results as of March 31, 2017. The call will be hosted by Sunil Bhonsle, president and CEO; Kate Beebe, Ph.D., executive vice president and chief development officer; Brian Crowley, vice president of finance; and Marc Rubin, M.D., executive chairman. A summary of the first quarter 2017 results and other highlights will be included in a press release to be issued prior to the call.

The live webcast of the call may be accessed by visitingthe Events page on Titan's website. The call can also be accessed by dialing 1-877-870-4263 (or 1-412-317-0790 from outside the U.S.) five minutes prior to the start time, and asking to be joined to the Titan Pharmaceuticals call. An audio recording of the call will be available on the Titan website approximately two hours after completion of the call.

About Titan Pharmaceuticals

Titan Pharmaceuticals Inc. (NASDAQ: TTNP), based in South San Francisco, CA, is developing proprietary therapeutics primarily for the treatment of serious medical disorders. 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. Titan has granted commercial rights in the U.S. and Canada for Probuphine to Braeburn Pharmaceuticals. 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.

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.

CONTACT:

Titan Pharmaceuticals, Inc.:
Sunil Bhonsle, President
(650) 244-4990

Investors:
Stephen Kilmer
(650) 989-2215
skilmer@titanpharm.com

Media:
Susan Thomas
(650) 989-2216
sthomas@titanpharm.com

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

	Three Months Ended March 31,	
	2017	**2016**
Revenue:		
License revenue	$ 40	$ -
Total revenue	40	-
Operating expense:		
Research and development	2,126	700
General and administrative	1,351	1,131
Total operating expense	3,477	1,831
Loss from operations	(3,437)	(1,831)
Other income (expense), net	432	(15)

Net loss and comprehensive loss	$ (3,005)	$ (1,846)
Basic net loss per share	$ (0.14)	$ (0.09)
Diluted net loss per share	$ (0.16)	$ (0.09)
Weighted average shares used in computing basic net loss per share	21,199	20,060
Weighted average shares used in computing diluted net loss per share	21,376	20,400

CONDENSED BALANCE SHEETS
(in thousands)
(unaudited)

	March 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	$ 10,870	$ 14,006
Receivables	1,009	3,587
Prepaid expenses and other current assets	433	237
Total current assets	12,312	17,830
Furniture and equipment, net	762	837
Total assets	$ 13,074	$ 18,667
Liabilities and Stockholders' Equity		
Current liabilities	$ 2,270	$ 4,857
Warrant liabilities	197	619
Stockholders' equity	10,607	13,191
Total liabilities and stockholders' equity	$ 13,074	$ 18,667

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