April 2, 2018

Titan Pharmaceuticals Reports Fourth Quarter And Full Year 2017 Financial Results

Titan Management Team to Host Conference Call April 2 at 4:15 p.m. EDT / 1:15 p.m. PDT

SOUTH SAN FRANCISCO, Calif., April 2, 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 fourth quarter and full year ended December 31, 2017, and provided an update on its business.

Full Year 2017 Business Highlights

- In January 2017, Titan announced the appointments of Mr. Scott Smith, President and Chief Operating Officer at Celgene Corporation, and Dr. Rajinder Kumar, CEO of MeRaD Pharmaceutical Ltd., to its Board of Directors.
- In the first quarter of 2017, Braeburn Pharmaceuticals, Inc. commenced its full U.S. commercial launch of Probuphine®, the first product to provide maintenance treatment of opioid addiction continuously for six months following a single procedure.
- In June 2017, Titan's ProNeura technology was featured in a*Fortune* article entitled "The Buzzy New Technology That Could Make Pills Obsolete."
- In July 2017, Titan entered into a cooperative research and development agreement with the Walter Reed Army Institute of Research and the Southwest Research Institute to evaluate the development of ProNeura-based implants for a long-term regimen in the prevention of malaria.
- In July 2017, Titan entered into a venture loan and security agreement with Horizon Technology Finance Corporation and received $7.0 million in funding.
- In August 2017, the U.S. Food and Drug Administration (FDA) cleared the Investigational New Drug (IND) application for Titan's ropinirole implant intended for treatment of the signs and symptoms of Parkinson's disease (PD) and, in October 2017, the first patient was enrolled in the Phase 1/2 clinical study.

- In October 2017, Titan announced a collaboration on a feasibility assessment of a subcutaneous implant using the ProNeura technology to administer an opioid antagonist for the prevention of opioid relapse and overdose in individuals with opioid use disorder.
- In October 2017, Titan received a notice of allowance from the European Patent Office for a patent covering methods of use claims for treating opioid dependence with a subdermal implant containing buprenorphine, with expected patent protection into 2023.
- In November 2017, the European Medicines Agency (EMA) accepted for review Titan's Marketing Authorization Application (MMA) for Probuphine.

Year-to-Date 2018 Business Highlights

- In January 2018, Titan confirmed that it was in preliminary discussions with Braeburn for the return of U.S. commercialization rights to Probuphine. This followed a substantial sales and marketing staff reduction at Braeburn, and consistently lower than expected sales of Probuphine during 2017.
- In February 2018, Titan entered into an amendment to the July 2017 loan agreement with Horizon, pursuant to which it prepaid $3.0 million of the outstanding $7.0 million loan balance.
- In March 2018, Titan entered into a definitive asset purchase, supply and support agreement with Molteni & C. dei F.lli Alitti Società di Esercizio S.p.A. through which Molteni acquired the European intellectual property related to Probuphine, including the MAA under review by the EMA, and gained the exclusive right to commercialize the Titan supplied Probuphine product in Europe, as well as certain countries of the Commonwealth of Independent States, the Middle East and North Africa.
- In March 2018, Molteni also made an indirect strategic investment in Titan by purchasing $2.4 million of the outstanding $4.0 million principal balance owed under the July 2017 loan agreement with Horizon, and assumed majority and administrative control of the debt. Molteni has the right and, under certain circumstances, the obligation to convert its portion of the debt into shares of Titan's common stock at a conversion price of $1.20 per share.

"Our clinical and business development teams had a very busy 2017 and that has continued into 2018," said Titan's President and CEO, Sunil Bhonsle. "In many ways, our recent strategic partnership with Molteni marks a potential important inflection point. Armed with the additional financial resources and flexibility that it provided, we are continuing to evaluate options to further strengthen our balance sheet to better position us to execute important elements of our growth strategy. We look forward to updating our stakeholders as we make progress."

Titan's Executive Chairman, Dr. Marc Rubin, commented, "We believe that Probuphine can play a prominent role in combatting the epidemic of opioid addiction, both at home and abroad. To that end, while continuing the process to regain control of Probuphine and drive its commercial success in the U.S., we are looking forward to building a strong and successful partnership with Molteni. We also continue to be encouraged by the progress we are making to advance our pipeline of other ProNeura-based product candidates."

Fourth Quarter 2017 Financial Results

For the three months ended December 31, 2017, Titan reported approximately $58,000 in revenue from royalties earned on net sales of Probuphine by Braeburn, compared with approximately $35,000 in the same period in 2016.

Total operating expenses for the fourth quarter of 2017 were approximately $3.4 million, compared with approximately $3.3 million in the same quarter in 2016, and consisted primarily of research and development (R&D) and general and administrative (G&A) expenses. R&D expenses for the quarter ended December 31, 2017 were approximately $2.3 million, compared with approximately $2.1 million for the same quarter in 2016. G&A expenses for the 2017 fourth quarter were approximately $1.1 million, compared with approximately $1.2 million in the same quarter a year ago.

Net other expense, consisting primarily of interest expenses related to outstanding debt, was approximately $0.3 million in the fourth quarter of 2017, compared with net other income of approximately $0.2 million, consisting primarily of non-cash gains on changes in the fair value of warrant liabilities, in the fourth quarter of 2016.

Net loss applicable to common shareholders in the fourth quarter of 2017 was approximately $3.7 million, or approximately $0.17 per share, compared with a net loss applicable to common shareholders of approximately $2.3 million, or approximately $0.11 per share, in the same quarter in 2016.

Full Year 2017 Financial Results

Total revenues from royalties earned on net sales of Probuphine by Braeburn for the full year ended December 31, 2017 were approximately $0.2 million, compared with revenues of approximately $15.1 million in 2016. Revenue in 2016 reflected approximately $15.0 million from a milestone payment from Braeburn, earned upon approval of Probuphine by the FDA in May 2016, and approximately $65,000 from royalties earned on net sales of Probuphine.

Total operating expenses in 2017 were approximately $14.7 million, compared with $10.7 million in 2016, and consisted primarily of R&D and G&A expenses. R&D expenses for the year ended December 31, 2017 were approximately $9.6 million compared to approximately $6.1 million in 2016. The increase in R&D expenses was primarily associated with an increase in external R&D expenses related to the support of Titan's ProNeura product development programs, including the costs associated with the IND and commencement of clinical study of the ropinirole implant and the cost of preparing the Probuphine MAA for submission to the EMA, employee related expenses and other R&D expenses. G&A expenses for 2017 were approximately $5.1 million, compared to approximately $4.6 million in 2016. The increase in G&A expenses was primarily related to increases in non-cash stock-based compensation, employee-related costs and other expenses.

Net other income for the year ended December 31, 2017 was approximately $0.2 million, compared to approximately $0.8 million in 2016. Net other income in 2017 consisted primarily of $0.6 million related to non-cash gains on changes in the fair value of warrant liabilities offset by approximately $0.4 million consisting of interest expenses related to the Horizon loan and other expenses. Net other income in 2016 consisted primarily of $0.8 million related to non-cash gains on changes in the fair value of warrant liabilities.

Net loss applicable to common stockholders for 2017 was approximately $14.3 million, or

approximately $0.67 per share, compared with net income applicable to common stockholders of approximately $5.1 million, or approximately $0.25 per share, for 2016.

As at December 31, 2017, Titan had cash of approximately $7.5 million, which the company believes, following the $3.0 million prepayment of its loan from Horizon in February 2018 and the approximately $2.4 million received from Molteni in March 2018, is sufficient to fund its planned operations into the third quarter of 2018.

Conference Call

Titan is pleased to invite all interested parties to participate in a conference call today at 4:15 p.m. EDT / 1:15 p.m. PDT, during which management will discuss the financial results and provide an update on Titan's corporate developments. The call will be hosted by Sunil Bhonsle, President and CEO; Katherine Beebe, Ph.D., Executive Vice President and Chief Development Officer; Brian Crowley, Vice President of Finance; and Marc Rubin, M.D., Executive Chairman. To participate in this conference call, please dial 1-855-940-9476 (U.S.) or 1-412-317-5223 (international) approximately 10 minutes prior to the start time. A live, listen-only audio webcast of the conference call can be accessed by visiting the "Investors" section at www.titanpharm.com. An audio recording of the call will also be archived on the Titan website.

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 INCOME (LOSS)
(in thousands, except per share amount)
(unaudited)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	**2016**	**2017**	**2016**
Revenue:				
License revenue	$ 58	$ 35	$ 215	$ 15,065
Total revenue	58	35	215	15,065
Operating expense:				
Research and development	2,307	2,090	9,648	6,126
General and administrative	1,125	1,199	5,069	4,596
Total operating expense	3,432	3,289	14,717	10,722
Income (loss) from operations	(3,374)	(3,254)	(14,502)	4,343
Other income (expense), net	(286)	927	195	792
Net income (loss) and comprehensive income (loss)	$ (3,660)	$ (2,327)	$ (14,307)	$ 5,135
Basic net income (loss) per share	$ (0.17)	$ (0.11)	$ (0.67)	$ 0.25
Diluted net income (loss) per share	$ (0.17)	$ (0.15)	$ (0.70)	$ 0.20
Weighted average shares used in computing basic net income (loss) per share	21,204	21,199	21,203	20,744
Weighted average shares used in computing diluted net income (loss) per share	21,204	21,566	21,228	21,459

CONDENSED BALANCE SHEETS
(in thousands)
(unaudited)

	December 31,	
	2017	2016
Assets		
Cash	$ 7,522	$ 14,006
Restricted cash	361	-
Receivables	65	3,587
Prepaid expenses and other current assets	362	237
Total current assets	8,310	17,830
Furniture and equipment, net	595	837
	$ 8,905	$ 18,667
Liabilities and Stockholders' Equity		
Current liabilities	$ 4,464	$ 4,857
Long-term debt	3,584	$ -
Warrant liabilities	-	619
Stockholders' equity	857	13,191
	$ 8,905	$ 18,667

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