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Emmaus Life Sciences Reports Sharply Improved 2019 Second Quarter Financial Results

-- Net Revenues Increase 128% Year-Over-Year, as FDA-Approved Treatment for Sickle Cell Disease Rolls Out --

TORRANCE, Calif., Aug. 12, 2019 /PRNewswire/ -- **Emmaus Life Sciences, Inc. (Nasdaq: EMMA)**, a leader in sickle cell disease treatment, today reported significantly improved financial results at its EMI Holding, Inc. (EMI) subsidiary for the 2019 second quarter and six-months ended June 30, 2019. EMI is the company's principal operating subsidiary.

2019 Second Quarter Financial Results of EMI
Net revenues of EMI for the 2019 second quarter increased 128% to $5.9 million, up from $2.6 million for the same period last year, and 11% from the first quarter of 2019. The increase was driven by the continuing roll-out and market acceptance of Endari®, the first treatment approved by the FDA for sickle cell disease in nearly 20 years.

Total operating expenses equaled $6.3 million, compared with $5.1 million for the prior-year second quarter. The increase resulted primarily from higher selling costs related to the marketing and continued commercialization of Endari, higher research and development costs associated with EMI's pilot/phase 1 diverticulosis study, and an increase in general and administrative expenses to support the commercialization of Endari and other business operations.

Operating loss for the 2019 second quarter was reduced substantially to $0.6 million, from $2.8 million last year.

"We have made substantial progress in the commercialization and roll-out of Endari, which is reflected in our 128% quarter-over-quarter revenue growth and improved financial results. Additionally, our recent merger has considerably strengthened our balance sheet and positioned Emmaus to better access the capital markets to support our growth," said Yutaka Niihara, M.D., M.P.H., Chairman and Chief Executive Officer of Emmaus. "We are continuing to broaden Endari's expansion throughout the global marketplace, while studying the use of the same pharmaceutical-grade L-glutamine oral powder used in Endari as a new treatment option for patients with diverticulosis and diabetes."

2019 First-Half Financial Results
EMI's net revenues for the first six months of 2019 increased 233% to $11.2 million, up from $3.4 million for the same period last year.

Total operating expenses were $12.0 million, compared with $10.2 million for the prior-year first half.

Operating loss for the six months ended June 30, 2019 was reduced to $1.2 million, versus $7.2 million last year.

As previously disclosed, in conjunction with and immediately prior to the merger, approximately $35.5 million principal amount of, and accrued interest on, outstanding convertible promissory notes and notes payable of EMI were converted into shares of EMI common stock and cancelled in the merger in exchange for Emmaus shares, with a resulting increase in stockholders' equity. This conversion is expected to save Emmaus approximately $3.6 million in annual interest expense, which should benefit future cash flows. Additionally, in conjunction with the merger, EMI's outstanding 10% senior secured debentures were amended and restated to extend their maturity date by six months to October 21, 2020 and to make the debentures convertible into common stock at a current conversion price of $9.52, subject to possible future adjustments.

Recent Highlights

- Received clearance on its investigational new drug application from the Food and Drug Administration (FDA) for the study of a new L-glutamine treatment for patients suffering from diverticulosis. EMI commenced a pilot/phase 1 study of the safety and efficacy of its treatment at multiple study sites, with patents approved in the United States, the EU, China, Russia, Japan, South Korea, Mexico, Australia and Indonesia. Emmaus has patents pending related to diverticulosis treatment in Brazil and India.
- Commenced a clinical study to determine the efficacy of the company's pharmaceutical-grade L-glutamine in lowering blood sugar in patients with type II diabetes.
- Signed an agreement with Express Scripts, one of the nation's largest pharmacy benefits managers (PBM), and launched a commercial co-payment assistance program to help ensure that patients in need have access to Endari.
- Entered into an exclusive agreement with taiba Healthcare for the registration, commercialization and distribution of Endari in certain countries throughout the Middle East and North Africa (MENA) region.

As previously reported, on July 17, 2019, Emmaus, formerly known as "MYnd Analytics, Inc.," completed its merger transaction with EMI, whereby EMI became a wholly owned subsidiary of Emmaus and the business of Emmaus became that of EMI. On July 18, 2019, Emmaus common stock began trading on The Nasdaq Capital Market under the symbol "EMMA."

Since the merger transaction occurred subsequent to the 2019 second quarter, Emmaus' Quarterly Report on Form 10-Q for the quarter ended June 30, 2019 filed with the Securities and Exchange Commission reflects the historical business, assets, liabilities, financial condition and operations and financial results of the former MYnd Analytics which were spun off in conjunction with and prior to the merger. As a result, those results bear no relation to the company's current business, assets, liabilities, financial condition or results of operations. EMI's historical financial statements, along with pro forma financial information for Emmaus which give effect to the spin off and the merger, can be found in the exhibits to the Current Report on Form 8-K/A to be filed on August 14, 2019 which can be accessed at

www.sec.gov.

Nasdaq Listing Status Update
Emmaus is currently reviewing a number of options related to maintaining the listing of its common stock on The Nasdaq Capital Market. The company has appealed the initial decision of the Listing Qualifications Staff of The Nasdaq Stock Market LLC. The appeal is scheduled to be heard on September 5, 2019. In the event the appeal is unsuccessful, Emmaus common stock may be eligible for quotation on the OTC Market.

About Emmaus Life Sciences
Emmaus Life Sciences, Inc. is a commercial-stage biopharmaceutical company engaged in the discovery, development, marketing and sale of innovative treatments and therapies, including those in the rare and orphan disease categories. For more information, please visit www.emmausmedical.com.

About Endari® (L-glutamine oral powder)
Indication - Endari is indicated to reduce the acute complications of sickle cell disease in adult and pediatric patients five years of age and older.

Important Safety Information - The most common adverse reactions (incidence >10 percent) in clinical studies were constipation, nausea, headache, abdominal pain, cough, pain in extremities, back pain, and chest pain.

Adverse reactions leading to treatment discontinuation included one case each of hypersplenism, abdominal pain, dyspepsia, burning sensation, and hot flash.

The safety and efficacy of Endari in pediatric patients with sickle cell disease younger than five years of age has not been established.

For more information, please see full Prescribing Information of Endari at: www.ENDARIrx.com/PI.

About Sickle Cell Disease
Sickle cell disease is an inherited blood disorder characterized by the production of an altered form of hemoglobin which polymerizes and becomes fibrous, causing red blood cells to become rigid and change form so that they appear sickle shaped instead of soft and rounded. Patients with sickle cell disease suffer from debilitating episodes of sickle cell crises, which occur when the rigid, adhesive and inflexible red blood cells occlude blood vessels. Sickle cell crises cause excruciating pain as a result of insufficient oxygen being delivered to tissue, referred to as tissue ischemia, and inflammation. These events may lead to organ damage, stroke, pulmonary complications, skin ulceration, infection and a variety of other adverse outcomes. Sickle cell disease is a significant unmet medical need, affecting approximately one hundred thousand patients in the U.S. and millions worldwide, the majority of which are of African descent. An estimated 1-in-365 African-American children are born with sickle cell disease.

Forward-looking Statements
This press release contains forward-looking statements made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995, as amended, including statements regarding the possible future financial condition and results of operations of the

company and possible future growth and continued listing of Emmaus common stock. These forward-looking statements are subject to numerous assumptions, risks and uncertainties which change over time, including uncertainties related to the continued listing and the factors previously disclosed in EMI's reports filed with the Securities and Exchange Commission, and actual results may differ. Such forward-looking statements speak only as of the date they are made, and Emmaus assumes no duty to update them.

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(financial tables follow)

EMI Holding, Inc.
Condensed Consolidated Statements of Operations
(Unaudited)
(In thousands, except share and per share amounts)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Revenues, Net	$5,869	$2,571	$11,176	$3,352
Cost of Goods Sold	195	221	395	355
Gross Profit	5,674	2,350	10,781	2,997
Operating Expenses	6,294	5,107	11,973	10,194
Loss from Operations	(620)	(2,757)	(1,192)	(7,197)
Other Income (Expense)	(18,490)	(44,588)	(32,071)	(46,243)
Comprehensive Income (Loss)	(18,633)	(47,343)	(32,794)	(53,426)
Net Loss per Common Share	(0.52)	(1.36)	(0.91)	(1.53)
Weighted Average Common Shares Outstanding	36,029,940	34,824,961	35,857,944	34,858,022

EMI Holding, Inc.
Condensed Balance Sheet
(In thousands)

	June 30, 2019 (unaudited)	**December 31, 2018**
Assets		
Current Assets:		
Cash and cash equivalents	$15,169	$17,080
Accounts receivable, net	1,981	1,351
Inventories, net	5,906	4,705
Investment in marketable securities	32,890	49,343
Prepaid expenses and other	703	981
Total Current Assets	56,649	73,460
Property and Equipment, Net	145	152
Other Assets	4,697	944

Total Assets	$61,491	$74,556
Liabilities and Stockholders' Deficit		
Current Liabilities:		
Accounts payable and accrued expenses	$11,455	$9,122
Notes payable	11,633	6,862
Convertible notes payable	28,047	16,342
Other current liabilities	6,116	5,200
Total current liabilities	57,251	37,526
Long-term Liabilities:		
Notes payable	703	1,021
Convertible notes payable	450	14,014
Other long-term liabilities	40,311	37,889
Total long-term liabilities	41,464	52,924
Total liabilities	98,715	90,450
Stockholders' Deficit		
Total stockholders' deficit	(36,439)	(15,797)
Non-controlling interests	(785)	(97)
Total liabilities & stockholders' deficit	$61,491	$74,556

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