May 15, 2018

Titan Pharmaceuticals Reports First Quarter 2018 Financial Results

SOUTH SAN FRANCISCO, Calif., May 15, 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 first quarter ended March 31, 2018, and provided an update on its business.

First Quarter 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. The Company has been reviewing pertinent documents and contracts as part of the due diligence process, and, in preparation for potential participation in commercial activities, has also been conducting preliminary research in select market segments where Probuphine® may be used for the treatment of opioid use disorder.
- In February 2018, Titan entered into an amendment to its July 2017 loan agreement with Horizon Technology Finance Corporation, 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 Marketing Authorization Application under review by the European Medicines Agency, 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 ('the "Molteni Territory"). Titan received an initial payment of approx. $2.4 million for the purchased assets and will receive potential additional payments totaling up to approx. $5.5 million upon the achievement of certain regulatory and product label milestones. Additionally, Titan is entitled to receive earn-out payments for up to 15 years on net sales of Probuphine in the Molteni

Territory ranging in percentage from the low-teens to the mid-twenties.
- 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.
- Over the past several months, Titan has been working closely with Molteni to address all questions pertaining to the Marketing Authorization Application for Probuphine under review by the European Medicines Agency, and will continue to fully support Molteni in the product review and approval process through to its completion.

"We believe that entering into our strategic partnership with Molteni marked a potential important inflection point for both Probuphine and Titan," said Titan's President and CEO, Sunil Bhonsle. "There is a significant and growing potential U.S. market for Probuphine that, at this stage, remains largely untapped. There is also an attractive international commercial opportunity for the product. We hope to make significant strides in driving Probuphine's commercial success in both the United States and internationally this year, and look forward to updating our stakeholders as we progress."

Titan's Executive Chairman, Dr. Marc Rubin, commented, "We remain confident that Probuphine can play a prominent role in combatting what has become a truly global opioid addiction epidemic. Accordingly, while continuing the process to regain control of Probuphine in the U.S., we are working with our partner Molteni to position the product for commercial success both here in the United States and in select international markets."

First Quarter 2018 Financial Results

For the three months ended March 31, 2018, Titan reported approximately $1.1 million in revenue, compared with approximately $40,000 in the same period in 2017. Revenues for the 2018 period reflect approximately $1.0 million related to the sale to Molteni of the European intellectual property rights to Probuphine and $25,000 related to the recognition of royalties earned on net sales of Probuphine by Braeburn. Revenue for the 2017 period reflects the recognition of royalties earned on net sales of our Probuphine product by Braeburn.

Total operating expenses for the first quarter of 2018 were approximately $3.5 million, unchanged 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 March 31, 2018 were approximately $1.9 million, compared with approximately $2.1 million for the same quarter in 2017. G&A expenses for the 2018 first quarter were approximately $1.6 million, compared with approximately $1.4 million in the same quarter a year ago.

Net other expense, consisting primarily of interest expenses related to outstanding debt, was approximately $0.2 million in the first quarter of 2018, compared with net other income of approximately $0.4 million, consisting primarily of non-cash gains on changes in the fair value of warrant liabilities and interest income, in the same quarter in 2017.

Net loss applicable to common shareholders in the first quarter of 2018 was approximately

$2.6 million, or approximately $0.12 per share, compared with a net loss applicable to common shareholders of approximately $3.0 million, or approximately $0.14 per share, in the same quarter in 2017.

At March 31, 2018, Titan had cash of approximately $3.5 million, which the company believes is sufficient to fund its planned operations into the third quarter of 2018. While Titan is exploring several financing alternatives to fund its operations beyond that period, there can be no assurance that those efforts will be successful.

Conference Call Scheduled for Tomorrow, May 16, 2018

Titan is pleased to invite all interested parties to participate in a conference call on May 16, 2018 at 4:15 p.m. EST / 1:15 p.m. PST, 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 Scientific 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. Alternatively, a live webcast and replay of the call may accessed by visiting http://www.titanpharm.com/news/events.

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 March 31,	
	2018	**2017**
Revenue:		
License revenue	$ 1,064	$ 40
Total revenue	1,064	40
Operating expense:		
Research and development	1,856	2,126
General and administrative	1,615	1,351
Total operating expense	3,471	3,477
Loss from operations	(2,407)	(3,437)
Other income (expense), net	(198)	432
Net loss and comprehensive loss	$ (2,605)	$ (3,005)
Basic net loss per share	$ (0.12)	$ (0.14)
Diluted net loss per share	$ (0.12)	$ (0.16)
Weighted average shares used in computing basic net loss per share	21,204	21,199
Weighted average shares used in computing diluted net loss per share	21,204	21,376

CONDENSED BALANCE SHEETS
(in thousands)

(unaudited)

	March 31, 2018	December 31, 2017
Assets		
Cash and cash equivalents	$ 3,465	$ 7,522
Restricted cash	361	361
Receivables	27	65
Contract assets	291	-
Prepaid expenses and other current assets	605	362
Total current assets	4,749	8,310
Furniture and equipment, net	541	595
Total assets	$ 5,290	$ 8,905
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities	$ 2,718	$ 4,464
Long-term debt	3,418	3,584
Stockholders' equity (deficit)	(846)	857
Total liabilities and stockholders' equity (deficit)	$ 5,290	$ 8,905

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