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Officers and Speakers

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- Jennifer Kiernan; Titan Pharmaceuticals, Inc.; Administration and Communications
- Marc Rubin; Titan Pharmaceuticals, Inc.; Executive Chairman
- Dane Hallberg; Titan Pharmaceuticals, Inc.; EVP and Chief Commercial Officer
- Kate DeVarney; Titan Pharmaceuticals, Inc.; EVP and Chief Scientific Officer
- Brian Crowley; Titan Pharmaceuticals, Inc.; VP, Finance

Analysts

- Ben Haynor, Alliance Global Partners
- Anita Dushyanth, Zacks Small Capital Research
- Deepankar Roy, Brookline Capital Markets

Presentation

Operator: Thank you for holding, and welcome to the Titan Pharmaceuticals First Quarter 2019 Financial Results Conference Call.

(Operator Instructions)

Please be advised that today's call is being taped at the company's request and will be archived on the company's website starting later today.

At this time I would like to turn the call over to Sunil Bhonsle, President and CEO of Titan Pharmaceuticals. Please go ahead.

Sunil Bhonsle: Thank you, Keith, and thank you all for joining us. Welcome to the Titan Pharmaceuticals call to review financial and operational results for the first quarter ended March 31, 2019, and we'll provide an update on our business.

Now before we begin, I wanted to inform you that we filed our quarterly report on Form 10-Q with the SEC, and the press release issued earlier today provides a summary of the results and can be found on our website at titanpharm.com.

Joining me on the call today from Titan are Dr. Marc Rubin, our Executive Chairman; Dr. Kate DeVarney, our Executive Vice President and Chief Scientific Officer; Dane Hallberg, our Executive Vice President and Chief Commercial Officer; and Brian Crowley, Vice President of Finance.

Before we go into the details of the financial results and provide an update on the company, Jennifer Kiernan will review the required cautions regarding forward-looking statements. Jennifer?

Jennifer Kiernan: Thank you, Sunil. I want to remind everyone that certain matters that will be discussed today, other than historical information, 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 commercialization and 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.

And now back to you, Sunil.

Sunil Bhonsle: Thank you. Thank you, Jennifer. As always, we will start the call with an overview from our Executive Chairman, Dr. Marc Rubin, followed by commercial updates from Dane Hallberg and then medical affairs, regulatory and product development updates from Dr. Kate DeVarney. Brian Crowley will then summarize the financial results and I will close with a brief recap before opening the call for your questions. So we'll go ahead and get started. Marc?

Marc Rubin: Thank you, Sunil, and hello, everybody. Thank you for joining us this afternoon. As you all know, we provided an updated quite recently, on April 2, together with the full year and fourth quarter 2018 results. And since only a few weeks have passed since the last call, I will briefly focus on the most recent activities and accomplishments, and that's not to say we haven't been busy. Indeed, Titan reported several key developments since the last conference call, and I'd like to highlight three.

First, we expanded our specialty pharmacy network through partnerships with AllianceRx Walgreens Prime, which recently placed an order to stock specialty pharmacies in five key geographies; and more recently with Accredo, which is a specialty pharmacy unit of Express Scripts.

Secondly, in April, we commenced transition of the Probuphine hub to AppianRx, and this is an important change for us. It's one that's going to significantly improve our ability to provide key patient and healthcare provider services for accessing treatment with Probuphine.

Finally, we announced that the European Medicines Agency adopted a positive opinion recommending Sixmo, which is the name in Europe, for market authorization. This is a major milestone towards advancing the global footprint of Probuphine.

In addition, our sales, marketing and medical affairs teams participated in the annual meeting of the American Society for Addiction Medicine in Orlando, and as you may know, this is the preeminent U.S. conference on addiction medicine. We were very impressed and very pleased with the continuous stream of participants that came to our booth to learn more about Probuphine. Our presence at the meeting actually generated a great deal of new interest in the product, and in fact, there was more demand for the Probuphine REMS training session, which we conducted during the conference, than we were able to actually accommodate. And I'm going to let Dane and Kate elaborate on all of these activities and more, starting with the commercial area. And with that, I will turn it over to you, Dane.

Dane Hallberg: Thank you very much, Marc. Hello, everybody, and good to speak with you once again.

Let me start with a very important accomplishment. As discussed on our last call, we selected AppianRx as the new hub for Probuphine, and during the month of April, integrated AppianRx into the Probuphine ordering process. The key to making Probuphine available to eligible patients is the ability to make the product ordering and treatment process a smooth one for prescribers and patients. AppianRx will enable more efficient interaction between physicians, payers, specialty pharmacies, by managing elements such as benefits verification, prior authorizations and appeals, and co-pay in patient assistance programs. We have been working closely with AppianRx to develop this efficient new hub, and the initial feedback from the users is very encouraging, as we have seen a remarkable increase in efficiencies and reduction in paperwork errors and omissions.

We are also pleased to engage AllianceRx Walgreens specialty pharmacy to support Probuphine's supply chain process. AllianceRx has been adding Probuphine to their system, facilitating patient access to treatment by streamlining the product ordering and fulfillment process.

In line with our strategy, we have continued to pursue opportunities to expand our network with additional well-established, nationally recognized specialty pharmacies, and recently announced, a product purchase and supply agreement with Accredo specialty pharmacy, a subsidiary of Express Scripts. Accredo is one of the largest U.S. specialty pharmacies, with an award-winning advanced opioid management program, so we are pleased to partner with Accredo through this, the second major specialty pharmacy distribution agreement signed since relaunching Probuphine in the U.S.

We have built a strong commercial foundation. We continue to pursue opportunities to expand our specialty pharmacy network while pursuing greater market access amongst third-party payers. During the last few months, we have also made important progress with Medicare and Medicaid programs and initiated the process with the Veterans Administration to establish a federal supply schedule agreement. We have continued to increase awareness of Probuphine

through various outreach and marketing initiatives, which has increased the number of active prescribers from under 200 in Q4 of last year to nearly 300 and growing.

Additionally, we recently attended a meeting hosted by the Academy of Managed Care Pharmacy, which uses an evidence-based approach to help patients access safe and cost-effective medicines, and held meetings with several large national payers in effort to increase patient access to Probuphine for their members. We also attended a meeting hosted by the [MAMCP], a nonprofit that offers resources to help purchasers, plans and providers make effective and informed decisions. And finally, we had a significant presence at the Rx Drug Abuse & Heroin Summit, which hosts an international discussion on addressing the opioid crisis.

We recently attended the American Society of Addiction Medicine, or ASAM, annual conference in Orlando, Florida, where we conducted meetings with key stakeholders, participated as an exhibitor, held interviews with the news media and unveiled our newly launched brand campaign, Step into Stability, which has proven to resonate positively with key stakeholders. We plan on doing the same at upcoming conferences, including the American Academy of Physician Assistants, or AAPA, and the American Academy of Nurse Practitioners, or AANP.

Through our public relations program, we have established relationships with a wide variety of media and earned coverage in several major news outlets. Dr. DeVarney and I were interviewed by Jerry Penacoli of News Channel 8's Daytime program, and the interview aired in the Tampa, Florida, TV stations on April 25 and was syndicated to over 220 affiliates nationwide. Recently, Dr. Michael Frost, an addiction medicine clinical expert, participated in more than 20 interviews with radio and TV program hosts, which have aired in several regions already and help to increase awareness of medication-assisted treatment for opioid use disorder and, of course, Probuphine.

I will turn the call over to our Chief Scientific Officer, Dr. Kate DeVarney, who will discuss Titan's progress on our medical affairs, regulatory, drug safety compliance functions, as well as product development. Kate?

Kate DeVarney: Thank you very much, Dane, and hello, everyone. First, our medical affairs and our drug safety compliance team continues to provide Probuphine training and certification to healthcare providers across the country. And as Dane mentioned, Probuphine debuted at ASAM, which our first major U.S. addiction medicine conference, and it generated lots of interest from a variety of stakeholders, including prescribers. And in addition to the Probuphine commercial exhibit that Dane described, the medical affairs team had a separate exhibit to provide one-on-one discussions with healthcare providers and others about scientific and medical questions, including REMS training.

We also took this opportunity to provide a REMS training in which we certified more than 30 healthcare providers. We continue to have regular training sessions and plan on providing REMS trainings at additional medical conferences this year, including the upcoming AAPA and AANP. Nurse practitioners are a very important and integral part of the overall treatment paradigm for patients with opioid use disorder, and we are focusing our efforts on training those with surgical experience.

At the end of April, we were pleased to announce that the European Medicines Agency's Committee for Medicinal Products for Human Use adopted a positive opinion that recommended granting marketing authorization for the medicinal product Sixmo, which, as Marc mentioned, is the brand name for Probuphine in the European Union. When approved, Sixmo will be indicated for substitution treatment for opioid dependence in clinically stable adult patients who require no more than 8 milligrams a day of sublingual buprenorphine, and this is within a framework of medical, social and psychological treatment. This positive opinion of Sixmo will now be transmitted to the European Commission, which is expected to issue its decision for Sixmo for all 28 member states of the EU towards the end of June 2019, and we're certainly looking forward to supporting Molteni as it prepares for Sixmo's pending European commercial launch, while we continue to evaluate opportunities to commercialize the product in additional regions around the world.

Now in the U.S., we are completing final preparations for starting our first Phase 4 study of Probuphine, and this study will evaluate the safety and pharmacokinetics of reimplantation into a previously used site on a patient's inner upper arm, as well as implantation into the lower abdomen. We expect to initiate this trial during the third quarter of this year. A second Phase 4 trial assessing implant procedure safety is expected to begin before the end of 2019, and we are also participating in an industry consortium study to evaluate QT prolongation in people treated with the various formulations of buprenorphine.

As you may know, last September we were awarded a grant by the National Institute for Drug Abuse, NIDA, to develop a subdermal implant using our proprietary ProNeura technology to administer a drug called Nalmefene, which is an opioid antagonist, and this will be for the prevention of opioid relapse and overdose in patients with opioid use disorder who have already undergone detoxification. The two-year grant award of approximately $8.7 million is subject to the terms and conditions specified in the grant, including our fund-matching obligation in the amount of approximately $1.3 million during the first year. This support is sufficient to fund the formulation development and nonclinical testing that is required to file the IND. We've made good progress to date and are currently optimizing the Nalmefene implant formulation in nonclinical animal models. So far, we're on track to file this IND as planned in the last half of 2020.

We are also collaborating with the Walter Reed Army Institute of Research and the Southwest Research Institute to evaluate our ProNeura platform for malaria prophylaxis, and we're currently working on novel implant formulations of compounds that are of interest to the army, which, if successful, could be available to us for potential commercialization.

And finally, we're also seeking additional grant funding through other mechanisms to support further development of Probuphine, as well as other new product opportunities.

That concludes my remarks for today, and I really look forward to keeping you all updated on our progress over the next several months. And now I'll turn the call to Brian to discuss Titan's financial results. Brian?

Brian Crowley: Thank you, Kate. A summary of our financial results was provided in our press release today and details our available -- and our Form 10-Q, filed with the SEC. At this time, I'll

just highlight a few key items. Please note that all the numbers I'm about to provide have been rounded and are therefore approximate, and have been adjusted to reflect the January 2019 reverse split of our common stock.

In the first quarter of 2019, we reported $0.9 million in revenues. This included $0.3 million from product sales, a 46% sequential increase over the prior quarter; $0.3 million related to the amortization of deferred revenue from the sale to Molteni of the European intellectual property rights to Probuphine; and $0.3 million of grant revenues related to our Nalmefene product development project. This compared with revenues of approximately $1.1 million in the same period in 2018, which were primarily related to the upfront payment from the sale of the European intellectual property rights for Probuphine to Molteni.

First quarter 2019 operating expenses, consisting primarily of R&D and SG&A expenses and cost of goods sold, were $5.2 million, compared with $3.5 million in the same quarter in 2018. The first quarter 2019 operating expense includes $1.7 million in sales-and-marketing-related expenses that were not present in the comparable quarter of 2018.

Our net loss applicable to common shareholders in the first quarter of 2019 was $4.5 million, or $0.34 per share, compared with a net loss of $2.6 million, or $0.74 per share, in the same quarter of 2018.

At March 31, 2019, we had cash and cash equivalents of $5.9 million, which we believe is sufficient to fund our planned operations through August 2019.

Subsequent to the end of the first quarter, we entered into an aftermarket sales agreement with Alliance Global Partners for the sale of our common stock, net market price.

Now I'll pass the call back to Sunil. Sunil?

Sunil Bhonsle: Thank you. Well, that was a good summary of all of the activities, and as I can very strongly say, it has been a very productive quarter, and we're very pleased with the team's progress, which includes the execution of a patient support services agreement with AppianRx and the integration of the new hub into the Probuphine ordering process, addition of two large specialty pharmacies that will help improve the patient access to Probuphine, all of which are key to our commercialization strategy for Probuphine.

The focus during the last few months on healthcare providers who actively prescribed Probuphine is starting to bear fruit, and training select new ones who have the right patient population is starting to build the medical community supporting Probuphine. We have also commenced on a program to increase awareness of Probuphine in the medical community, and we are seeing promising early outcomes.

While it's still very early in the U.S. relaunch, that progress is now starting to be reflected in our financial results. When you look at our revenues on a sequential quarter-to-quarter basis, product sales in the first quarter increased about 46% from the last quarter of 2018. The progress made by our product development team in using grants to support a future product pipeline is also very promising, and while grant revenues are important, our primary focus remains on getting Probuphine-related revenue to continue its growth trend.

Outside of the U.S., we're also looking forward to receiving the European Commission's final decision on Sixmo and to supporting our partner, Molteni, as it prepares for market launch in the world's second largest market for buprenorphine-based products.

This concludes our prepared remarks for today. Before I open the call to questions, I'd like to thank Titan's board, executive management and staff for their continued hard work and dedication.

So Keith, we're ready to take questions from the call participants.

Questions & Answers

Operator: *(Operator Instructions)*

And the first question comes from Ben Haynor with Alliance Global Partners.

Ben Haynor: So first off, I guess, is -- by the way, I like the name Sixmo. I think that's pretty clever. But just curious on, following the prospective clearance here at the end of June, hopefully, how quickly might you guys be able to -- and your partner, Molteni -- be able to get the first patients implanted in Europe, and what's kind of the timeline there?

Sunil Bhonsle: Sure. The process, as you know, Ben, in Europe, once the approval is received, the company still needs to get the pricing approvals, which happens for country by country based upon their local practices. That process is typically a three-, four-month process, and that's what Molteni will be doing during that third quarter and early fourth quarter.

So I expect, certainly, by the end of the year, they will have started patient treatments in certain regions. They will not be going after all regions at the same time, so they have selected, clearly, places where they feel they have the quickest and fastest way to get the product into the market, and that's what they have indicated they will be pursuing.

Ben Haynor: Okay, that makes perfect sense. And then obviously -- and congrats on setting up Accredo as well, along with AllianceRx. Just curious on the integration with AppianRx and both of them. It sounds like it's maybe in place with AllianceRx, or not quite yet? I might have gotten confused there. And then, wouldn't it -- how does that process work, integrating the AppianRx and then the specialty pharmas, pharmaceuticals?

Sunil Bhonsle: Sure. Dane can give you a good view on that.

Dane Hallberg: So Ben, the – and, good question, because I think a lot of times patient services hubs -- they remain kind of a mystery to folks. And so what this is, is really providing patient services. And they process all of the prescriptions that physicians send in. And so Appian is now integrated. We got it integrated and fully functioning here in mid-April. And it took some time because you have to build all the processes and SOPs and make sure we're doing everything correctly and ensuring that the communications between the hub, the physicians and specialty pharmacies are functioning properly. And so -- and the paperwork.

So we, for the most part, have automated the process, taking the heavy lift away from the physicians, or the clinicians that are ordering Probuphine, and automated that so that the paperwork that's done is really online, actually, through our physician portal coming live soon, at the end of the month. But it's all done and processed at the hub, and then they do a benefits investigation, which interacts with the specialty pharmacy.

Now, Walgreens is now integrated and shipping orders for us, so that -- it started in mid-April. So once we signed the agreement, it took time for the ordering process and then the integration between our hub and Walgreens so that the communications and ordering process and shipping were flawless, where obviously we're shipping a controlled substance to physicians' offices, and that has to be precise. So after several weeks of testing and ensuring that we're doing -- that everything is functioning properly, we went live. And so as you asked, Walgreens is now shipping, and everything's functioning as expected, and it's going very well.

Ben Haynor: And Accredo will take another several weeks, or how long does that process take for . . .

Dane Hallberg: Yes. Accredo -- it'll take a couple weeks to integrate Accredo. But it shouldn't take too long. And I'm glad to have them on board. They're a fantastic partner. We've had orders already for Accredo, waiting in queue, so we'll have them up and running here in a couple weeks.

Ben Haynor: Okay, great. Thanks for the explanation there. That's very helpful. And then lastly from me, and I'll jump back in queue, is -- obviously the justice department has indicted one of your larger competitors. Have you seen any reaction, either at the conferences that you've been at or in the field, to this? And then I guess, what do you think it might do to the industry as a whole? Does it maybe help you? Does it maybe hurt a little bit because they had a big sales force out there promoting buprenorphine as a treatment? How should we think about that?

Dane Hallberg: I assume this question's for myself, or for Sunil? I . . .

Sunil Bhonsle: I'll . . .

Ben Haynor: Whoever wants to take it, I guess.

Sunil Bhonsle: I will. Let me try and address that for you, Ben. And clearly, any disruption of that nature, especially when you have the largest provider of buprenorphine products going through a legal process like this, it's never easy. It's not the best thing for the patients or the doctors or competitors.

We don't directly compete with the daily-dosed products or even the monthly product that they were -- they continue to supply, so in essence, for us, it hasn't hindered us in any way. On the other hand, obviously, people ask questions, like you do, what you think of it, and in my opinion, they are still a major provider of products, they have a lot of boots on the ground, and promote the use of buprenorphine, all of which is very good and helpful for the whole industry. So I hope it gets resolved and things continue. I feel we're all providing a service for a patient population that truly needs it, and as many options and treatments that can be made available is very valuable. Marc or Dane, if anything else, you can add.

Dane Hallberg: Yes, Ben, this is Dane. One of the things, when I came on, and after discussing with leadership at Titan, Kate and Marc and Sunil, one of the things that was very important to the board and to our -- to the executive team is doing things right -- always doing the right thing. And one way to always ensure that you don't make mistakes and you always do the right thing is to put in place a world-class compliance program, and we have that. And that was one of the very first thing that we put in place. We have a compliance program, we have a chief compliance officer, we have a board review of all materials, all activities. Everything we do is scrutinized.

And that's one of the reasons and one of the aspects of the hub and certain things we do, why it takes some time to get up to a launch readiness, is that everything has to go through the regulatory and compliance reviews and get approved, and then submitted to OPDP, the FDA, to show them exactly what we're doing. So always doing the right thing, ensuring we have processes and standard operating procedures in place to ensure that we're always training and ensuring that we're doing the absolute best we can do and the right thing with clinicians and for the patients, because it's a tough market when you're out and you're doing your sales and you have to train on the exact verbiage, and you do not deviate from the label. And you can see what happens when, I guess, sales representatives and other folks possibly have -- allegedly have deviated, and we don't want that at Titan and we will not have that Titan, so.

Operator: And the next question comes from Anita Dushyanth with Zacks Small Cap Research.

Anita Dushyanth: I just have a couple here -- yes. Can you give me a sense of how the number of providers using Probuphine has changed over the last year? And also, how the volume at each individual provider's practice has changed over time in the same period?

Sunil Bhonsle: I can start, and then Dane can add on to it as well. Last year, when we took over Probuphine from Braeburn, in our conference calls we indicated our initial focus was on physicians who were prescribing Probuphine at that time, and despite the fact that a large number had been trained by Braeburn, the real number of those prescribing was really small. It was less than a couple of hundred. And we were starting to focus on really 100 or so physicians who were actively prescribing the product at that time.

So one of our goals was to make sure that our commercial relaunch focuses on physicians who really have the right patient population, so that once they're trained they have the ability to start using the product quickly. And that's very important.

So that's what we're focused on, and Kate's team, in training, and Dane's team, in identifying the right physicians, has been very effective in building that initial number, as Dane mentioned, up to close to 300 or so physicians right now. But that's sort of been the strategy around it. Dane? Kate? Anything else?

Dane Hallberg: Yes, absolutely. This is Dane. So as Sunil pointed out, we had about 200 physicians that were writing the product, were actually -- they liked the product, they found patients were doing well, and one of the things that we encountered when we took the product back was the confidence factor. We had to reassure the patients, the clinicians, the caregivers that Probuphine was going to be supported by Titan. As you can imagine, this requires REMS training, it requires interaction with our MSL team, Kate's team, and when you're a clinician you

need to be reassured that if I have a question, I have -- there's someone to talk to. And 80% of our time was spent really reassuring the marketplace that Titan was committed to ensuring that the product remained on the market and that we were going to support it. And then, once overcoming that initial hurdle, was the retraining of some of the physicians and clinicians that had -- their certification had expired. So we are now in a very good uptick phase where clinicians have, now, trust in Titan. They see their patients doing well. And I expect things to continue in an upward trajectory for the next coming several months and this year. So I expect good things, positive results.

Anita Dushyanth: Yes, absolutely. Thank you, that helps a lot. And what are the next steps required between now and approval in the EU?

Kate DeVarney: I think the question is what are the next steps required between now and approval. It's already under review at the EMA for their final decision. There's nothing more for us to do at this point, Anita. We are -- we've already gone through the process of responding to all of their questions. We had an oral hearing with them and answered questions in person. And at this point, they are having their own internal meetings. And as I said earlier, we expect to hear the final approval at the end of June.

Anita Dushyanth: Okay, right. Okay, great. Thanks. And my last one will be, on the previous calls you've highlighted the successes with the criminal justice system initiatives and high-prescribing physicians. How are the other parts of the marketing initiative progressing? Like maybe with academic institutions?

Kate DeVarney: We had an opportunity to meet with a number of leaders in the academic institutions at the recent ASAM meeting in Orlando and also at the Rx Drug Abuse & Heroin Summit. We also continue to meet regularly with NIDA leadership to give them -- provide them with updates about our ongoing programs and how Probuphine is doing. So we're making those frequent connections, and those relationships are as strong as they've ever been for us.

We're also reaching out to training programs for nurse practitioners, physician assistants, and to a lesser degree to addiction medicine physicians, simply because those programs tend to be very small with only one or two fellows per academic site. We're really going for the places where there are larger numbers of clinicians that are qualified, that are eligible for training and who are very interested. This past year, we did a preliminary training at Drexel University. We trained about 40 nurse practitioners who are graduating from Drexel this month, in fact. And we will be going back there to provide the final training and certification to those nurse practitioners who are licensed. This is a very important segment of our provider population that I described earlier. Does that answer your question?

Anita Dushyanth: Yes, yes, yes, absolutely. Thank you. And thanks, that will be all from me, and congrats on the progress.

Operator: *(Operator Instructions)*

And the next question comes from Deepankar Roy with Brookline Capital Markets.

Deepankar Roy: I have a follow-up on the last question asked. I was actually curious about the training sessions at these summits and meetings that you guys are organizing. So specifically, what do these training sessions look like, and who are you targeting? Are there -- any doctor who wants to join can get trained, or are you targeting high-prescribing doctors? And what number of doctors do you plan to cover in these sessions in the coming months? And do you, in reality, expect to see any jump in the prescription numbers as a result of this training?

Kate DeVarney: Those are all great questions, Deepankar. I'm going to take the first few and then I'll probably ask Dane to address your very last question regarding do we expect to see an uptick in the number of doctors using the product.

The way the training -- the REMS training is designed, it's a three- or four-hour workshop. So there's a didactic portion where healthcare providers have a lecture and they learn about the product's labeling, they learn about the indication, they learn about identifying the correct patients who are most likely to benefit from treatment. Then they learn, in an academic lecture, about how to do the procedures to insert Probuphine and remove Probuphine, including proper aseptic wound care and teaching patients how to use utilize proper aseptic wound care. Then they progress to a practicum, laboratory practicum, in which they practice on a surgical meat model. They have to show that they can -- after they observe a demonstration by one of our master trainers, then they have to demonstrate their own proficiency at inserting and removing Probuphine, and they have to pass both a written and a practicum examination to -- in order to become certified. And this is all part of our FDA-mandated REMS program.

It's something that a lot of healthcare providers are very interested in doing. As was mentioned during the call, at the recent ASAM meeting, we held a training on the last day of the meeting, which was a Friday night, late Friday night, and we literally had to turn people away. We didn't have enough room. And we certified 31 providers at that training. So we're getting a lot of uptick and interest in the training. Of course, the procedure is reimbursed, so it's a nice thing for healthcare providers who want to do it.

In terms of numbers of doctors, I really can't speak to that. I'm going to let Dane do it. But just to finish with, we're looking for the right healthcare providers, not necessarily a number, a sheer volume, of healthcare providers, because we want these to be long-term relationships. We want to make sure that these providers have the requisite expertise in either addiction medicine and/or doing a surgery. They don't have to have both, per se. But we want to have the right nurse practitioners, physician assistants and physicians who are going to partner with us over the long term.

Sunil Bhonsle: Absolutely. And Dane, do you want -- any comments on -- I think Deepankar was asking about, what do we expect in terms of prescriptions and growth in the business? And obviously -- yes.

Dane Hallberg: Right, right. Yes, great question, and thanks, Sunil. So yes, we're seeing an uptick in prescriptions now. Now, the difference between the prescription and the shipment -- so this is why we brought AppianRx in, to automate this, to reduce and remove and eliminate the errors that take place. So think of it like -- a hub is a patient services call center, and the physicians send in the patient information with a prescription, and this gets processed. So we'll

see a number of prescriptions, and we see that number increasing, and then you look at the number of shipments.

Now, we're reliant on the previous specialty pharmacies, the small ones we had in place that many times were out of network with the payers, and so you saw more buy-and-bill, and now that we have AllianceRx Walgreens and Accredo, and hopefully we have another large one come on board, we'll have coverage where you won't see a lot of buy-and-bill prescriptions, and you'll see the speed to therapy of that patient journey -- once that prescription comes into our hub and goes to the specialty pharmacy after the benefits investigation, they'll do a secondary benefits investigation with the payer to ensure coverage, which we have really excellent coverage on the medical benefits side, more than 92%. So we should start seeing a corresponding increase in the time from prescription to shipment.

It's been delayed; obviously it was going 60, 90 days or greater, and that was clearly unacceptable for the providers, the patients and for us. And we did not want to continue that because we couldn't continue in that fashion. So we've brought Appian in, we've got solid specialty pharmacy partners, and we've automated it, and I expect to see not only the prescriptions increase but -- as well as the shipments and the time to -- the speed to therapy increase. So like I said, we're starting to see that trend now, and I expect that to increase positively over the course of the year.

Deepankar Roy: Thank you, that's very helpful. I also wanted to ask about the second Phase 4 and the QT prolongation studies, if you have any expected timelines or outcomes that we should think about?

Kate DeVarney: We haven't talked about those timelines yet. We are going to be initiating those studies, the first two certainly, this year. I don't know an exact start date for the QT prolongation study. Again, that's a kind of first-time-ever industry consortium that the FDA has asked for amongst buprenorphine developers and marketers. So we're collaborating with our colleagues, and I will be looking forward to giving you an update on that as we progress further.

Operator: Thank you. And as there are no more questions, I would like to return the conference over to Sunil Bhonsle for any closing comments.

Sunil Bhonsle: Thank you. Thank you, Keith. Thank you, everybody, for participating in this call. As always, we appreciate the ongoing support, and we look forward to reporting continued progress in our Probuphine commercial activities, as well as our ProNeura portfolio, as we move forward. So thank you, and we'll speak to you again in a few months.

Operator: Thank you. The conference has now concluded. Thank you for attending today's presentation. You may now disconnect your lines.