November 14, 2018

Titan Pharmaceuticals Reports Third Quarter 2018 Financial Results

SOUTH SAN FRANCISCO, Calif., Nov. 14, 2018 /PRNewswire/ -- Titan Pharmaceuticals, Inc. (NASDAQ: TTNP), a company developing and commercializing proprietary therapeutics for the treatment of select chronic diseases utilizing its ProNeura™ long-term, continuous drug delivery technology, today reported financial results for the third quarter ended September 30, 2018, and provided an update on its business.

"In order to maximize the significant market opportunity represented by our lead product, Probuphine®, we were focused during the third quarter on successfully completing our transition to a commercial-stage company," said Titan's President and CEO, Sunil Bhonsle. "To that end, we strengthened our balance sheet via a public offering and completed the transfer of supply chain and logistics functions. More recently, Titan appointed Dane Hallberg to the newly created position of Executive Vice President and Chief Commercial Officer. Under Dane's leadership, we have rapidly built our commercial infrastructure, including a small, experienced and highly-accomplished sales, marketing and medical liaison team that has hit the ground running."

Third Quarter 2018 Business Highlights

- In August 2018, Titan entered into an amendment of the previously announced definitive asset purchase, supply and support agreement with L. Molteni & C. dei F.lli Alitti Società di Esercizio S.p.A., and in connection with the amendment received approximately $1.7 million during the quarter.
- In September 2018, Titan initiated a pilot program in collaboration with the Nevada Center for Behavioral Health to evaluate a medication-assisted treatment (MAT) program utilizing the Probuphine® (buprenorphine) implant within the State of Nevada criminal justice system.
- In September 2018, Titan was awarded a two-year grant of approximately $6.7 million from the National Institutes of Health's National Institute on Drug Abuse (NIDA) for the development of a ProNeura-based six-month implantable formulation of the opioid antagonist, Nalmefene.

- In September 2018, Titan closed an underwritten public offering, which provided net proceeds of approximately $8.5 million. Additionally, in October and November 2018, Titan received approximately $4.6 million from the full exercise of the Underwriters' over-allotment option and the exercise of 13,070,900 common stock purchase warrants issued in the financing.

Titan's Executive Chairman, Dr. Marc Rubin, commented, "Having now strengthened our commercial readiness, including establishing our market segmentation strategy for Probuphine, our top priority moving forward is to execute a full product relaunch. We look forward to updating our shareholders as we progress."

Third Quarter 2018 Financial Results

For the three months ended September 30, 2018, Titan reported approximately $1.7 million in revenue, compared with approximately $40,000 in the same period in 2017. Revenues for the third quarter of 2018 reflect approximately $0.2 million in product sales, approximately $0.3 million related to the amortization of deferred revenue related to the sale to Molteni of the European intellectual property rights to Probuphine and approximately $1.1 million related to the amendment to the Molteni Purchase Agreement in August 2018.

Total operating expenses for the third quarter of 2018 were approximately $3.6 million, compared with approximately $4.1 million from the same quarter in 2017, and consisted primarily of research and development (R&D) and general and administrative (G&A) expenses and costs of goods sold. R&D expenses for the quarter ended September 30, 2018 were approximately $1.9 million, compared with approximately $2.7 million for the same quarter in 2017. G&A expenses for the 2018 third quarter were approximately $1.5 million, compared with approximately $1.4 million in the same quarter a year ago. Costs of goods sold for the third quarter of 2018 were approximately $0.2 million.

Net other expense was approximately $0.1 million in the third quarter of 2018 and 2017. Net other expense consisted primarily of interest expense relating to Titan's outstanding secured loan.

Net loss applicable to common shareholders in the third quarter of 2018 was approximately $2.3 million, or approximately $0.11 per share, compared with a net loss applicable to common shareholders of approximately $4.2 million, or approximately $0.20 per share, in the same quarter in 2017.

At September 30, 2018, Titan had cash of approximately $8.4 million.

Conference Call Scheduled Today, November 14, 2018

Titan is pleased to invite all interested parties to participate in a conference call on November 14, 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; Kate Beebe DeVarney, Ph.D., Executive Vice President and Chief Scientific Officer; Dane Hallberg, Executive Vice President and Chief Commercial 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 a commercial stage company developing proprietary therapeutics with its ProNeura™ long-term, continuous drug delivery technology. The company's lead product is Probuphine® (buprenorphine) implant, a novel and long-acting formulation of buprenorphine for the long-term maintenance treatment of opioid dependence. 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 also 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 September 30,	Nine Months Ended September 30,

	2018	2017	2018	2017
Revenue:				
License revenue	$ 1,406	$ 40	$ 5,063	$ 157
Product revenue	244	-	318	-
Total revenue	1,650	40	5,381	157
Operating expense:				
Cost of goods sold	178	-	248	-
Research and development	1,910	2,714	5,623	7,341
General and administrative	1,514	1,396	4,508	3,944
Total operating expense	3,602	4,110	10,379	11,285
Loss from operations	(1,952)	(4,070)	(4,998)	(11,128)
Other income (expense), net	(93)	(121)	(521)	481
Net loss and comprehensive loss	$ (2,045)	$ (4,191)	$ (5,519)	$ (10,647)
Deemed dividend on trigger of down round provision	(285)	-	(285)	-
Net loss attributable to common stockholders	$ (2,330)	$ (4,191)	$ (5,804)	$ (10,647)
Basic net loss per share	$ (0.11)	$ (0.20)	$ (0.27)	$ (0.50)
Diluted net loss per share	$ (0.11)	$ (0.20)	$ (0.28)	$ (0.53)
Weighted average shares used in computing basic net loss per share	21,902	21,204	21,439	21,202
Weighted average shares used in computing diluted net loss per share	21,902	21,204	21,439	21,222

CONDENSED BALANCE SHEETS
(in thousands)
(unaudited)

	September 30, 2018	December 31, 2017
Assets		
Cash and cash equivalents	$ 8,427	$ 7,522
Restricted cash	361	361
Receivables	682	65
Inventory	1,293	-
Contract assets	195	-
Prepaid expenses and other current assets	567	362
Total current assets	11,525	8,310
Furniture and equipment, net	329	595
Total assets	$ 11,854	$ 8,905
Liabilities and Stockholders' Equity		
Current liabilities	$ 2,202	$ 4,464
Long-term debt	4,146	3,584

Derivative liability	17	-
Stockholders' equity	5,489	857
Total liabilities and stockholders' equity	$ 11,854	$ 8,905

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