COMPANY UPDATE

To Our Shareholders, Employees & Partners:

We are pleased to report a successful second quarter, which built on the positive momentum generated earlier this year. Net revenues in the second quarter of 2019 were $11.6 million, growing 14% over the prior year period. Adjusted Earnings for the quarter were $1.6 million, or $.10 per share. Year-to-date net revenues were $23.5 million, up 25%, delivering Adjusted Earnings of $3.4 million or $.22 per share. We continue to maintain a strong financial position with total assets of $108 million, including $30 million in cash and investments at the end of the period.

Earlier this year, we announced a strategic review following our accelerated business development activities, which resulted in a series of transactions over the prior thirty-six months. Because of that progress, we felt that it was prudent to take a fresh look at our portfolio, partners and organization to ensure we have the proper focus and capabilities going forward.

As part of the strategic review, we finalized **Vibativ®** agreements with *Hikma Pharmaceuticals LLC* for the Middle East, *R. Pharma LLC* for Russia, and *Dr. Reddy's Laboratories Ltd* for India. These companies are leaders in their respective markets and represent excellent additions to our network of international partners. These partnerships can help expand the availability of this potentially life-saving antibiotic to patients in their countries.

As previously announced, *Hong Kong WinHealth Pharmaceuticals* will assume responsibility for our **Acetadote®** and **Caldolor®** brands in China. We have also formed a Strategic Alliance with WinHealth to explore further business opportunities that will advance the mission and goals of both of our organizations.

In addition, we decided to return the U.S rights to Ethyol® and Totect® and will focus our hospital efforts on our three key acute care brands – Caldolor®, Vibativ® and Vaprisol®. In order to support this acute care business, we have completed the expansion of our hospital sales division as well as our field-based medical science team.

During the second quarter we provided the FDA with additional data in support of our approval submission for a new line of **methotrexate** products which are designed for the treatment of patients with arthritis and psoriasis. The FDA has provided an expected decision date for September 2019, and we will provide further updates.

Meanwhile, we completed enrollment in our study of Caldolor in newborns. Once the data gathering and evaluation is complete, we will provide top line results from this trial. We also submitted a label update to the FDA for Caldolor. Aiming to further expand the product's label, we provided important data generated from our clinical studies regarding an optimal infusion time, additional safety information as well as geriatric and pediatric administration.

Finally, I would like to thank our team for their steadfast efforts thus far in 2019. We look forward to keeping you updated as we continue to remain focused on our mission *to advance patient care through the delivery of high-quality pharmaceutical products.*

All the best,

August 2019