

COMPANY UPDATE

To Our Shareholders, Employees & Partners:

I am very pleased to announce that we enjoyed an outstanding financial performance in the first quarter of 2019. Revenues surged 38%, delivering adjusted earnings of \$1.8 million or \$.11 a share. Our financial position remained strong with nearly \$115 million in total assets, including \$34 million in cash and investments at the end of the quarter.

We have also made significant progress toward achieving our goals of expanding our commercial portfolio and advancing our regulatory initiatives. These efforts have led to three near - term growth catalysts:

- The acquisition of **Vibativ**[®] represents our largest transaction to date. It's a potentially lifesaving antibiotic designed for difficult to treat infections. We have transitioned the brand to Cumberland and it will significantly impact our financial performance.
- In addition to our business development efforts, we also strive to expand the use of our FDA - approved brands. During the first quarter, we received FDA approval of our *Next Generation Caldolor*[®] product - featuring an improved package and formulation. Caldolor has been our fastest growing brand and this new presentation should help continue that growth.
- Also during the first quarter, the FDA accepted for filing our submission for a new line of **methotrexate** products designed for the treatment of patients with arthritis and psoriasis. The FDA has begun its review of the submission and provided an approval decision date for September 2019.

To make the most of these three opportunities, we initiated a **strategic review** of our brands, capabilities and international partners. This review followed our accelerated business development initiative, which delivered a series of transactions over the last 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. As a result:

- In China, the largest market for pharmaceutical products outside the U.S., we have changed partners. Hong Kong WinHealth Pharmaceuticals will assume responsibility for our Acetadote[®] and Caldolor[®] brands in that important market. WinHealth will provide \$2 million in milestone payments and up to an estimated \$290 million in revenue contribution over a ten - year period for supplies of both products.
- Meanwhile, we plan to return the U.S. rights to the Ethylol[®] and Totect[®] brands later this year in exchange for financial consideration provided over a two-year period. As a result, our hospital product efforts will become focused on our three key acute care products. We are expanding our hospital sales division as well as our field-based medical science team in order to ensure coverage and support for the majority of our acute care business in the U.S.
- We have also been meeting with our other key international partners and expect to announce additional improvements to our network over the remainder of the year.

On the clinical front, we have completed enrollment in our study of Caldolor[®] in patients ranging from newborn to six months of age. We look forward to announcing the top line results once the resulting data is collected, verified and analyzed. We also continued to advance our ifetroban clinical programs, which feature several potential orphan drug candidates. We progressed our **Vasculan**[®] and **Boxaban**[®] clinical programs, with patient enrollment continuing in each of those Phase II studies. Additionally, we are supplementing our acquisition and late-stage development activities with the early-stage drug development activities at **Cumberland Emerging Technologies ("CET")**.

I would like to acknowledge and thank our team for their dedicated efforts so far this year. 2019 is off to a very fine start and we will work hard to continue this momentum throughout the year and beyond. We remain focused on our mission of advancing patient care through the delivery of high-quality pharmaceutical products, and we look forward to keeping you updated as the year progresses.

With best wishes,



May 2019