

ANI Pharmaceuticals, Inc. and Subsidiaries
Table 1: US GAAP Income Statement
(unaudited, in thousands, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net Revenues	\$ 57,122	\$ 47,286	\$ 201,576	\$ 176,842
Operating Expenses				
Cost of sales (excl. depreciation and amortization)	20,133	20,446	73,024	79,032
Research and development	3,482	2,651	15,388	9,070
Selling, general, and administrative	13,376	8,885	44,063	31,580
Depreciation and amortization	8,686	7,022	33,742	27,928
Intangible asset impairment charge	-	903	-	903
Total Operating Expenses	45,677	39,907	166,217	148,513
Operating Income	11,445	7,379	35,359	28,329
Other Expense, Net				
Interest expense, net	(3,626)	(3,026)	(14,758)	(12,035)
Other (expense)/income, net	(479)	(3)	(550)	55
Income Before Provision for Income Taxes	7,340	4,350	20,051	16,349
Provision for Income Taxes	(1,910)	(13,979)	(4,557)	(17,425)
Net Income/(Loss)	\$ 5,430	\$ (9,629)	\$ 15,494	\$ (1,076)
Earnings Per Share				
Basic Earnings/(Loss) Per Share	\$ 0.46	\$ (0.83)	\$ 1.31	\$ (0.09)
Diluted Earnings/(Loss) Per Share	\$ 0.46	\$ (0.83)	\$ 1.30	\$ (0.09)
Basic Weighted-Average Shares Outstanding	11,730	11,560	11,677	11,547
Diluted Weighted-Average Shares Outstanding	11,785	11,560	11,772	11,547

ANI Pharmaceuticals, Inc. and Subsidiaries
Table 2: US GAAP Balance Sheets
(in thousands)

	December 31, 2018	December 31, 2017
Current Assets		
Cash and cash equivalents	\$ 43,008	\$ 31,144
Accounts receivable, net	64,842	58,788
Inventories, net	40,503	37,727
Prepaid income taxes, net	-	1,162
Prepaid expenses and other current assets	4,524	2,784
Total Current Assets	152,877	131,605
Property and equipment, net	38,090	20,403
Restricted cash	5,021	5,006
Deferred tax assets, net of deferred tax liabilities and valuation allowance	27,964	22,667
Intangible assets, net	201,604	229,790
Goodwill	3,580	1,838
Other long-term assets	1,468	829
Total Assets	\$ 430,604	\$ 412,138
Current Liabilities		
Current component of long-term borrowing, net of deferred financing costs	\$ 3,256	\$ 3,353
Convertible notes, net of discount and deferred financing costs	112,463	-
Accounts payable	8,884	3,630
Accrued expenses and other	1,707	1,571
Accrued royalties	8,456	12,164
Accrued compensation and related expenses	3,524	2,306
Current income taxes payable, net	5,022	-
Accrued government rebates	8,974	7,930
Returned goods reserve	12,552	8,274
Deferred revenue	711	-
Total Current Liabilities	165,549	39,228
Long-term borrowing, net of deferred financing costs and current borrowing component	67,296	69,946
Convertible notes, net of discount and deferred financing costs	-	128,208
Other long-term liabilities	496	-
Total Liabilities	233,341	237,382
Stockholders' Equity		
Common stock	1	1
Treasury stock	(659)	(259)
Additional paid-in capital	186,812	179,020
Retained earnings/(accumulated deficit)	11,488	(4,006)
Accumulated other comprehensive loss, net of tax	(379)	-
Total Stockholders' Equity	197,263	174,756
Total Liabilities and Stockholders' Equity	\$ 430,604	\$ 412,138

ANI Pharmaceuticals, Inc. and Subsidiaries
Table 3: Adjusted non-GAAP EBITDA Calculation and US GAAP to Non-GAAP Reconciliation
(unaudited, in thousands)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net Income/(Loss)	\$ 5,430	\$ (9,629)	\$ 15,494	\$ (1,076)
Add back				
Interest expense, net	3,626	3,026	14,758	12,035
Other (income)/expense, net, less loss on and expense on repurchase of convertible debt	(90)	3	(19)	(55)
Provision for income taxes	1,910	13,979	4,557	17,425
Depreciation and amortization	8,686	7,022	33,742	27,928
Intangible asset impairment charge	-	903	-	903
Add back				
Stock-based compensation	1,828	1,422	6,782	6,090
Acquired IPR&D expense	-	-	1,335	-
Excess of fair value over cost of acquired inventory	-	2,946	5,689	10,448
Loss on and expense on repurchase of convertible debt and expense on debt refinancing	691	-	691	-
Transaction and integration expenses	103	-	1,372	477
Adjusted non-GAAP EBITDA	\$ 22,184	\$ 19,672	\$ 84,401	\$ 74,175

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Table 4: Adjusted non-GAAP Net Income and Adjusted non-GAAP Diluted Earnings per Share Reconciliation

(unaudited, in thousands, except per share amounts)

	Three Months Ended December 31,		Year Ended December 31,	
	2018	2017	2018	2017
Net Income/(Loss)	\$ 5,430	\$ (9,629)	\$ 15,494	\$ (1,076)
Add back				
Non-cash interest expense	1,903	1,758	7,741	7,113
Depreciation and amortization expense	8,686	7,022	33,742	27,928
Acquired IPR&D expense	-	-	1,335	-
Stock-based compensation	1,828	1,422	6,782	6,090
Excess of fair value over cost of acquired inventory	-	2,946	5,689	10,448
Intangible asset impairment charge	-	903	-	903
Loss on and expense on repurchase of convertible debt and expense on debt refinancing	691	-	691	-
Transaction and integration expenses	103	-	1,372	477
Less				
Tax impact of adjustments	(3,039)	(5,199)	(13,191)	(19,595)
Add back				
Impact of Tax Cuts and Jobs Act of 2017 on Deferred Tax Assets	-	13,394	-	13,394
Adjusted non-GAAP Net Income	\$ 15,602	\$ 12,617	\$ 59,655	\$ 45,682
Diluted Weighted-Average Shares Outstanding	11,785	11,723	11,772	11,680
Adjusted non-GAAP Diluted Earnings per Share	\$ 1.32	\$ 1.08	\$ 5.07	\$ 3.91

ANI Pharmaceuticals, Inc. and Subsidiaries
Table 5: Cortrophin® Gel Re-Commercialization Milestone Update

Step	Duration	Status	Additional Details
Manufacture small-scale batch of corticotropin API	4 mos.	Complete	<ul style="list-style-type: none"> • Initial batch yields similar to historical yields • Analytical method development and testing ongoing
Select drug product CMO	6 mos.	Complete	<ul style="list-style-type: none"> • Drug product CMO has been selected
Manufacture intermediate-scale batches of corticotropin API	4-6 mos.	Complete	<ul style="list-style-type: none"> • Four intermediate-scale batches successfully completed • Further refined/modernized analytical methods and process • Demonstrated lot-to-lot consistency
Type C meeting with FDA		Complete	<ul style="list-style-type: none"> • Meeting Request submitted 4Q17; FDA granted as Type C Meeting • Information provided on ANI's regulatory plan for re-commercialization • Initial FDA response received March 2018 with additional communications in 2nd Quarter 2018
Manufacture demo batch of Cortrophin® Gel	1 mo.	Ongoing	<ul style="list-style-type: none"> • Initiate non-GMP formulation/fill/finish of drug product at commercial scale
Manufacture commercial-scale batches of corticotropin API	2-3 mos. per batch	Ongoing	<ul style="list-style-type: none"> • Analytical Method Validation for API Release/Stability • Scale-up manufacturing process 5x to projected commercial scale • Manufacture API under cGMPs • Finalize API manufacturing process and initiate process validation/registration batches
Initiate manufacture of registration batches of Cortrophin® Gel	1 mo. per batch	Q2 2019	<ul style="list-style-type: none"> • Analytical Method Validation for drug product Release/Stability • Process validation • Registration/Commercial batches • Initiate registration-enabling ICH stability studies
Initiate registration stability for sNDA	6 mos.	1H 2019	<ul style="list-style-type: none"> • Six months of accelerated stability from drug substance and drug product batches at time of submission
sNDA submission		Q1 2020	<ul style="list-style-type: none"> • Filing - four month PDUFA date