



Eagle Pharmaceuticals, Inc. Reports Third Quarter 2014 Results

August 11, 2014

Eagle Pharmaceuticals, Inc. ("Eagle" or "the Company") (Nasdaq: EGRX) today announced its financial results for the three-month period ended June 30, 2014. Highlights of the third quarter of 2014 and subsequent events include:

- The U.S. Food and Drug Administration ("FDA") approved Ryanodex[®] (dantrolene sodium) injectable suspension indicated for the treatment of malignant hyperthermia ("MH"), along with the appropriate supportive measures. Shipments are expected to start near the end of August.
- The U.S. Patent and Trademark Office ("USPTO") issued a patent for Ryanodex for treatment of heat stroke; Eagle aims to initiate a pilot study in exertional heat stroke ("EHS") patients around the end of this year.
- FDA tentatively approved our New Drug Application ("NDA") for bendamustine hydrochloride Ready-to-Dilute ("RTD") formulation.
- [Received orphan drug designation for our bendamustine low-volume, shorter infusion time product for Chronic Lymphocytic Leukemia \("CLL"\) and indolent B-Cell Non-Hodgkin's Lymphoma \("NHL"\)](#), which the Company is evaluating in an ongoing clinical study.
- FDA approved our Abbreviated New Drug Application ("ANDA") for diclofenac/misoprostol tablets. The product will be self-marketed by Eagle with distribution to begin early in the fourth quarter.
- Total revenue increased to \$5.8 million compared to \$5.1 million for the third quarter of 2013.
- Net loss attributable to common stockholders was \$2.9 million compared to net loss of \$0.3 million for the third quarter of 2013.
- \$49.8 million in cash and cash equivalents and a working capital surplus of \$41.5 million.

"This has been a positive few months for Eagle, highlighted by the FDA approval of Ryanodex, which we expect to begin shipping around the end of this month, and FDA's tentative approval of bendamustine RTD," said Scott Tarriff, President and Chief Executive Officer. "We look forward to building on these recent developments and continuing to carry out our growth strategy of developing products that address the shortcomings of existing injectable products in proven markets."

"Near-term milestones include the Ryanodex and diclofenac/misoprostol launches, conclusion of the patent litigation for bendamustine RTD, and completing the clinical trial of our lower-dose shorter infusion time bendamustine candidate. We remain on track for a first half 2015 NDA filing for our novel RTU bivalirudin liquid, and anticipate filing for approval of Ryanodex with the European Medicines Agency by mid-2015 as well. Successful execution should enable us to deliver long-term shareholder value," concluded Tarriff.

Third Quarter 2014 Financial Results

Total revenue increased by \$0.7 million for the three months ended June 30, 2014 to \$5.8 million, as compared to \$5.1 million for the three months ended June 30, 2013. A summary of total revenue is outlined below (in millions except share and per share data):

	Three Months Ended		
	June 30,		
	2014	2013	Increase (Decrease)
Product sales	\$ 0.4	\$ 2.5	\$ (2.1)
Royalty income	1.9	2.6	(0.6)
Other income	3.5	---	3.5
Total revenue	\$ 5.8	\$ 5.1	\$ 0.7

Our product sales and royalty income are derived from the sale of argatroban to two commercial partners. The increase in total revenue was due to the recognition of other income of \$3.5 million related to a milestone event associated with the FDA approval of diclofenac/misoprostol, offset by lower argatroban product sales and royalty income.

Cost of net revenues decreased by \$1.4 million to \$1.6 million in the three months ended June 30, 2014 from \$2.9 million in the three months ended June 30, 2013 as a result of the decrease in argatroban product sales and royalty expense associated with our commercial and development partners.

Research and development expenses increased by \$2.9 million for the three months ended June 30, 2014 to \$4.5 million, compared to \$1.6 million in the three months ended June 30, 2013. The increase was primarily a result of a net increase in project spending specifically for RTU bivalirudin and

the bendamustine projects, and the diclofenac/misoprostol product.

Selling, general and administrative expenses increased by \$1.4 million for the three months ended June 30, 2014 to \$2.7 million as compared to \$1.3 million for the three months ended June 30, 2013. This increase is primarily related to increases in headcount, professional and legal fees associated with operating as a public company and Ryanodex product launch expenses.

Net loss attributable to common stockholders for the third quarter of 2014 was \$2.9 million, or (\$0.21) per basic and diluted share, compared to a net loss of \$0.3 million, or (\$0.11) per basic and diluted share, for the third quarter of 2013.

Conference Call

As previously announced, Eagle management will host its third quarter conference call as follows:

Date	Monday, August 11, 2014
Time	8:30 a.m. EDT
Telephone	866-952-1906 (U.S.) or 785-424-1825 (International)
Access code	EGRXQ314
Webcast (live and archive)	www.eagleus.com

A telephone replay will be available shortly after the completion of the call for two weeks 800-283-4605 (US) or 402-220-0874 (International), passcode EGRXQ314. The audio webcast will be archived for 30 days under the "Investor Relations" section of the Eagle website at www.eagleus.com.

About Eagle Pharmaceutical, Inc.

Eagle is a specialty pharmaceutical company focused on developing and commercializing injectable products that address the shortcomings, as identified by physicians, pharmacists and other stakeholders, of existing commercially successful injectable products. The Company's strategy is to utilize the FDA's 505(b)(2) regulatory pathway. Additional information is available on the company's website at www.eagleus.com.

Ryanodex® is a registered trademark of Eagle Pharmaceuticals, Inc.

Forward-Looking Statements

This press release contains forward-looking information within the meaning of the Private Securities Litigation Reform Act of 1995, as amended and other securities laws. Forward-looking statements are statements that are not historical facts. Words such as "expect(s)," "feel(s)," "believe(s)," "will," "may," "intends," "anticipate(s)," "look forward," "upcoming," "plan" and similar expressions are intended to identify forward-looking statements. These statements include, but are not limited to, statements regarding the potential benefits of Ryanodex and bendamustine RTD; our ability to successfully launch and market Ryanodex to treat MH; our ability to gain final FDA approval for and bendamustine hydrochloride RTD to treat NHL; the timing of completion of clinical trials, regulatory submissions, and regulatory action; and statements regarding our ability to successfully develop and commercialize our therapeutic products. All of such statements are subject to certain risks and uncertainties, many of which are difficult to predict and generally beyond the control of the Company, that could cause actual results to differ materially from those expressed in, or implied or projected by, the forward-looking information and statements. These risks and uncertainties include, but are not limited to: whether and when, if at all, bendamustine hydrochloride RTD will receive final approval from the FDA or equivalent foreign regulatory agencies and for which indications; the risks inherent in the early stages of drug development and in conducting clinical trials; the strength and enforceability of our intellectual property rights, whether Ryanodex will be successfully marketed; competition from other pharmaceutical and biotechnology companies; the development of, and our ability to take advantage of, the market for our therapeutic products; general economic conditions; and the other risk factors contained in our Prospectus filed with the Securities and Exchange Commission on February 13, 2014, and our other periodic and interim reports filed from time to time with the Securities and Exchange Commission. Readers are cautioned not to place undue reliance on these forward-looking statements that speak only as of the date hereof, and we do not undertake any obligation to revise and disseminate forward-looking statements to reflect events or circumstances after the date hereof, or to reflect the occurrence of or non-occurrence of any events.

-- Financial tables follow --

EAGLE PHARMACEUTICALS, INC. CONDENSED BALANCE SHEETS

	June 30, 2014 (unaudited)	September 30, 2013
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 49,790,920	\$ 10,455,565
Accounts receivable	6,712,244	5,124,182
Inventories	329,034	—
Prepaid expenses and other current assets	922,930	1,902,660
Total current assets	57,755,128	17,482,407
Property and equipment, net	359,509	402,286
Other assets	45,000	46,320
Deferred initial public offering costs	—	171,607

Total assets	\$ 58,159,637	\$ 18,102,620
LIABILITIES, SHARES SUBJECT TO REDEMPTION AND STOCKHOLDERS' EQUITY (DEFICIT)		
Current liabilities:		
Accounts payable	\$ 2,520,523	\$ 1,192,600
Accrued expenses	7,468,794	3,129,552
Deferred revenue	<u>6,259,653</u>	<u>10,019,653</u>
Total current liabilities	16,248,970	14,341,805
Redeemable Series C Preferred Stock warrants	—	1,706,829
Shares subject to redemption:		
Series A Convertible Preferred Stock, \$0.001 par value; no shares and, 14,948,506 shares authorized at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 14,948,506 shares issued and outstanding as of September 30, 2013	—	20,056,790
Series B Convertible Preferred Stock, \$0.001 par value; no shares and 12,694,561 shares authorized, at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 12,694,561 shares issued and outstanding as of September 30, 2013	—	30,089,853
Series B-1 Convertible Preferred Stock, \$0.001 par value; no shares and 9,331,374 shares authorized at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 9,331,374 shares issued and outstanding as of September 30, 2013	—	19,374,285
Series C Convertible Preferred Stock, \$0.001 par value; no shares and 11,901,336 shares authorized at June 30, 2014 and September 30, 2013, respectively; no shares issued and outstanding as of June 30, 2014 and 11,023,232 shares issued and outstanding as of September 30, 2013	—	20,462,072
Commitments and contingencies		
Stockholders' Equity (Deficit):		
Preferred stock, 1,500,000 shares authorized and no shares issued or outstanding as of June 30, 2014; no shares authorized issued or outstanding as of September 30, 2013	—	—
Common stock, \$0.001 par value; 50,000,000 and 80,000,000 shares authorized as of June 30, 2014 and September 30, 2013, respectively; 14,020,133 and 3,048,131 issued and outstanding as of June 30, 2014 and September 30, 2013, respectively	14,020	3,048
Additional paid in capital	136,970,460	14,203,995
Accumulated deficit	<u>(95,073,813)</u>	<u>(102,136,057)</u>
Total stockholders' equity (deficit)	<u>41,910,667</u>	<u>(87,929,014)</u>
Total liabilities, shares subject to redemption and stockholders' equity (deficit)	<u>\$ 58,159,637</u>	<u>\$ 18,102,620</u>

EAGLE PHARMACEUTICALS, INC.
CONDENSED STATEMENTS OF OPERATIONS
(unaudited)

	<u>Three Months Ended</u>		<u>Nine Months Ended</u>	
	<u>June 30,</u>		<u>June 30,</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Revenue:				
Product sales	\$ 350,350	\$2,489,310	\$ 3,748,800	\$ 3,689,640
Royalty income	1,941,526	2,585,719	8,774,407	5,349,289
Other income	<u>3,500,000</u>	<u>—</u>	<u>3,765,000</u>	<u>—</u>
Total revenue	5,791,876	5,075,029	16,288,207	9,038,929
Operating expenses:				
Cost of revenue	1,555,711	2,925,046	9,539,436	4,449,337
Research and development	4,545,158	1,632,280	10,927,912	6,375,896
Selling, general and administrative	2,673,405	1,251,051	5,471,727	6,130,634
Professional fee benefit	<u>—</u>	<u>(1,993,099)</u>	<u>—</u>	<u>(1,993,099)</u>
Total operating expenses	<u>8,774,274</u>	<u>3,815,278</u>	<u>25,939,075</u>	<u>14,962,768</u>
Income/(loss) from operations	(2,982,398)	1,259,751	(9,650,868)	(5,923,839)
Interest income	17,826	1,036	26,647	2,156
Interest expense	(4,812)	(16,018)	(6,244)	(309,121)
Deferred financing costs	—	(38,567)	—	(96,417)
Amortization of debt discount	—	(436,350)	—	(1,090,878)
Change in value of warrant liability	—	(15,608)	(573,582)	(15,608)
Other income	<u>35,305</u>	<u>332</u>	<u>35,590</u>	<u>3,202</u>
Total other income/(expense)	<u>48,319</u>	<u>(505,175)</u>	<u>(517,589)</u>	<u>(1,506,666)</u>
Net Income/(Loss) before income tax benefit	<u>(2,934,079)</u>	<u>754,576</u>	<u>(10,168,457)</u>	<u>(7,430,505)</u>

Income tax benefit	—	—	1,294,905	898,703
Net Income/(Loss)	<u><u>\$ (2,934,079)</u></u>	<u><u>\$ 754,576</u></u>	<u><u>\$ (8,873,552)</u></u>	<u><u>\$ (6,531,802)</u></u>
Less dividends on Series A, B, B-1 and C Convertible Preferred Stock	—	(1,074,637)	(1,666,063)	(2,704,567)
Net loss attributable to common stockholders	<u><u>\$ (2,934,079)</u></u>	<u><u>\$ (320,061)</u></u>	<u><u>\$ (10,539,615)</u></u>	<u><u>\$ (9,236,369)</u></u>
Loss per share attributable to common stockholders Basic and diluted	<u><u>\$ (0.21)</u></u>	<u><u>\$ (0.11)</u></u>	<u><u>\$ (1.23)</u></u>	<u><u>\$ (3.06)</u></u>
Weighted average common shares outstanding Basic and diluted	14,020,133	3,048,131	8,590,719	3,020,889

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