



Imprimis Pharmaceuticals Closes the Acquisition of the Assets of the Largest Provider of Compounded Sinus Medications in the U.S.

October 20, 2015

SAN DIEGO, Oct. 20, 2015 /PRNewswire/ -- Imprimis Pharmaceuticals, Inc. (NASDAQ: IMMY), a pharmaceutical company focused on the development and commercialization of proprietary compounded drug formulations, today announced that through a wholly owned subsidiary, it has acquired substantially all of the assets and tradenames of Thousand Oaks Holding Company's wholly-owned subsidiaries Topical Apothecary Group, LLC (d/b/a TAG Pharmacy), Aerosol Science Laboratories, Inc. (d/b/a ASL Pharmacy), SinuTopic, Inc. (d/b/a Sinus Dynamics Pharmacy) and Mycotoxins, LLC. TAG, ASL and Sinus Dynamics were the largest providers of compounded sinus medications in the U.S.



The asset purchase agreement provides Imprimis with:

- Customer lists of more than 8,000 active prescribers, representing 8 out of 10 ear, nose and throat (ENT) doctors in the U.S., all of whom have recently ordered prescriptions from either TAG, ASL or Sinus Dynamics;
- Over 38,000 chronic sinus patients who have been prescribed the sellers' formulations in the past year;
- A PCAB-accredited compounding facility that can ship to 47 states;
- A portfolio of delivery options and proprietary individual vial packaging for administering topical sinusitis compounded medications; and
- Inventory and equipment which will be used to launch a chronic sinusitis focused business.

Mark L. Baum, CEO of Imprimis stated, "We are pleased with our recent acquisition, our fourth to date, and are encouraged by its tremendous growth opportunity. The assets we purchased, including the TAG, ASL and Sinus Dynamics customer relationships, were the foundation of a business that had 80% percent market penetration in the U.S. ENT community, servicing more than 38,000 patients annually. However, following certain changes in their structure and management, their commitment to the U.S. chronic care otolaryngology market and other related insurance reimbursement issues for their products, former management decided to exit the business. However, the need and demand for these medicines has not abated and we believe with a focused effort, using our existing resources, and a commitment to delivering proven compounded sinus medications and proprietary delivery options, we can re-establish a market-leading position in this valuable and growing segment. With our proven track record of marketing compounded drug formulations, the fact that we are acquiring tens of thousands of potential customers, and key operational and strategic initiatives we intend to begin, we believe we will drive the potential of our new sinus business into a significant source of value for our shareholders in 2016 and beyond."

Mr. Baum concluded, "Topical administration of sinusitis medications such as antibiotics, antifungals and steroids have gained increasing popularity as an alternative to systemic oral therapies. Topical delivery may minimize the side effects seen with systemic oral agents that non-specifically deliver medicine to the entire body. Our topical delivery platform delivers sinusitis medications locally to the sinonasal mucosa, the direct site and probable source of the problem. Many researchers believe topical delivery of antibiotics, antifungals and corticosteroids with saline is a more effective method to deliver sinus medications."

Sinusitis is an infection, inflammation, or swelling of the sinuses and nasal cavity. According to the [American Academy of Otolaryngology—Head and Neck Surgery 2015 Guidelines](#), sinusitis affects about 1 in 8 adults in the U.S. resulting in over 30 million annual diagnoses. More than 20% of antibiotics prescribed for adults in the U.S. are to treat sinus infections and the total direct cost of managing acute and chronic sinusitis exceeds \$11 billion per year.

All Imprimis compounded formulations may only be prescribed pursuant to a physician prescription for an individually identified

patient consistent with federal and state laws governing compounded drug formulations.

ABOUT IMPRIMIS PHARMACEUTICALS

San Diego-based Imprimis Pharmaceuticals, Inc. (NASDAQ: IMMY) is a national leader in the development, production and dispensing of novel compounded pharmaceuticals. The company's business primarily consists of four therapeutic segments including ophthalmology, urology, sinus and integrative medicine. Imprimis dispenses compounded pharmaceuticals in all 50 states from four facilities located in California, Texas, New Jersey and Pennsylvania. For more information about Imprimis, please visit the corporate website at www.ImprimisPharma.com.

SAFE HARBOR

This press release contains forward looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Any statements in this release that are not historical facts may be considered forward looking statements, including statements regarding, among other things, development and growth of our pharmacy operations, including integration of recently acquired pharmacies, the proposed opening of an outsourcing facility in 2015 and compliance with applicable governmental standards; development and commercialization of the company's currently available and potential new proprietary compounded formulations; the market potential for Imprimis' ophthalmology and urology formulations and the company's ability to capture a significant share of these markets; plans to expand the company's ophthalmology and urology business units and the success of any such expansion, including the launch of new formulations and any anticipated growth in the sales of or the customer base for these formulations; the success of the company's compounding pharmacy commercialization model; the company's anticipated use of proceeds received under its loan agreement and its potential to receive additional proceeds under the loan agreement; and the company's projections regarding its future operating results, including expectations regarding future revenue growth and any potential to achieve profitability. Forward looking statements are based on management's current views, expectations and assumptions and therefore are not guaranties of future performance and are subject to risks and uncertainties that may cause actual results to differ materially and adversely from those predicted by the forward looking statements. Some of the potential risks and uncertainties that could cause actual results to differ from those predicted include, among others, risks and uncertainties related to Imprimis' ability to make commercially available its compounded formulations and technologies in a timely manner or at all; physician interest in prescribing, and patient interest in using, compounded formulations generally and the company's proprietary formulations; risks related to its compounding pharmacy operations, including its ability to develop and open an outsourcing facility and maintain compliance with applicable state and federal laws and regulations; its ability to obtain third-party payor reimbursement for any of its proprietary formulations; its ability to enter into other strategic alliances, including arrangements with investors and with pharmacies, physicians and healthcare organizations for the development and distribution of its formulations; its ability to obtain intellectual property protection for its assets; its ability to accurately estimate its expenses and cash burn and raise additional funds when necessary; risks related to research and development activities; the projected size of the potential markets for its technologies and formulations; unexpected new data, safety and technical issues; regulatory and market developments impacting compounding pharmacies, outsourcing facilities and the pharmaceutical industry generally; competition; and market conditions. As a result of these risks and uncertainties, undue reliance should not be placed on forward looking statements. The limited information contained in this press release is not adequate for making an informed investment judgment about the company, and you are encouraged to read Imprimis' filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K and its Quarterly Reports on Form 10-Q, which more fully describe the company and its business and the risks and uncertainties that may impact future performance. Such documents may be read free of charge on the SEC's web site at www.sec.gov. Forward looking statements speak only as of the date they are made and except as required by law, Imprimis undertakes no obligation to update any forward looking statements to reflect new information, events or circumstances after the date they are made, or to reflect the occurrence of unanticipated events.

Sales & Marketing Contact

John Saharek
jsaharek@imprimispharma.com
858.704.4298

Investor Contact

Bonnie Ortega
bortega@imprimispharma.com
858.704.4587

Logo - <http://photos.prnewswire.com/prnh/20150108/167712LOGO>

To view the original version on PR Newswire, visit: <http://www.prnewswire.com/news-releases/imprimis-pharmaceuticals-closes-the-acquisition-of-the-assets-of-the-largest-provider-of-compounded-sinus-medications-in-the-us-300162557.html>

SOURCE Imprimis Pharmaceuticals, Inc.