



FOR IMMEDIATE RELEASE

PHARMACEUTICS INTERNATIONAL, INC. (Pii) RECEIVES \$93 MILLION IN GROWTH CAPITAL

HUNT VALLEY, MARYLAND (September 6, 2016) – Pharmaceuticals International, Inc. (“Pii”), a contract development and manufacturing organization (“CDMO”) based in Hunt Valley, MD, announced today that it has entered into a definitive agreement with a consortium of investors led by Signet Healthcare Partners and including Athyrium Capital Management, Hildred Capital Partners and Pharmascience Inc. Pursuant to the agreement, the consortium has invested \$93 million in exchange for an equity stake in the company and debt refinancing. Uses of the growth capital will include making significant capital expenditures in the company’s formulation capabilities and commercial manufacturing operations. The company also intends to develop its pipeline of generic products, some in conjunction with marketing partners. Founder Dr. Syed Abidi will remain Chairman and CEO of Pii, and veteran pharmaceutical executive Michael Bogda, most recently President of Lannett Company, Inc., will join the company as President and COO.

“This investment and partnering with experienced life sciences investors will allow us to better serve our clients and marketing partners and to build a bigger pipeline of products.” said Dr. Abidi. “And we are excited to be adding an executive of Michael Bogda’s caliber as a senior executive of the company. He has a tremendous track record in the industry, and I look forward to working with him as the company embarks on its next growth phase.”

Pii has been offering development and manufacturing services to pharmaceutical clients, for both NDA and aNDA products, for more than 20 years. The company has formulation capabilities across virtually all dosage forms and is a sought-after partner for the most complex formulations. The company develops and manufactures drug products for its clients on a fee-for-service basis, and for its marketing partners on a profit-share or royalty basis.

“We are pleased to be partnering with Dr. Abidi and Pii, and we see its renowned development services business as a platform for tremendous growth in commercial manufacturing as both its fee-for-service and profit-share pipelines mature,” said James Gale, Founding Partner of Signet Healthcare Partners, who will join the Pii Board. “Hildred is well positioned to help the company become a premiere U.S.-based pharmaceutical manufacturer,” said Hildred partner and new Pii board member, David Solomon. “Pii has a number of new products to be launched over the next several years, which have already been filed or are soon to be filed with the FDA, and which we expect will significantly contribute to the Company's growth. Pii fits well with our operational experience, and we look forward to working with founder Syed Abidi, new President Michael Bogda, and our partners Signet, Athyrium and Pharmascience, to achieve significant growth over the coming years.”

Teneo Capital acted as exclusive financial advisor to Pii. Hogan Lovells and Jacobs & Dembert acted as legal counsel for Pii, Lowenstein Sandler LLP acted as legal counsel for Hildred, and Sheppard Mullin and Covington & Burling acted as legal counsel for the remainder of the consortium.

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Pharmaceuticals International, Inc.



About Pharmaceuticals International, Inc.

Pii is a privately held contract development and manufacturing organization providing dosage form development and manufacturing services to the global pharmaceutical industry. Headquartered in Hunt Valley, Maryland with European facilities in the UK, services include preformulation testing, formulation development, clinical and commercial CGMP manufacturing of solid, parenteral, inhalation, semi-solid and liquid dosage forms, clinical packaging and labeling, and analytical services. Pii's facilities include manufacturing and containment suites, automated packaging lines and a wide selection of equipment. For more information, please visit www.pharm-int.com.

About Signet Healthcare Partners

Signet Healthcare Partners ("Signet") is an established provider of growth capital to innovative healthcare companies. Signet invests in commercial-stage healthcare companies that are revenue generating or preparing for commercial launch. Signet focuses primarily on the pharmaceutical and medical technology sectors. Signet is an active investor and partners closely with management teams to support growth and build successful businesses. During Signet's 18-year history, Signet has developed a strong reputation and track record of successful investments. Signet has raised four funds with total capital commitments of over \$400 million and has invested in more than 45 companies.

About Athyrium Capital Management

Athyrium Capital Management, LP ("Athyrium") is a specialized asset management company formed in 2008 to focus on investment opportunities in the global healthcare sector. Athyrium advises funds with over \$1.7 billion in committed capital. The Athyrium team has substantial investment experience in the healthcare sector across a wide range of asset classes including public equity, private equity, fixed income, royalties, and other structured securities. Athyrium invests across all healthcare verticals including biopharma, medical devices and products, and healthcare focused services. The team partners with management teams to implement creative financing solutions to companies' capital needs. For more information, please visit www.athyrium.com.

About Hildred Capital Partners

Hildred Capital Partners, LLC ("Hildred") is a family investment firm that invests in a broad range of securities, including equity and debt, across geographies and sectors, on both an active and passively managed basis. Founded in 2014, Hildred has a particular interest in private equity, including situations where the principals can apply their extensive management experience to help a company reach its full potential. Hildred is headed by Howard Solomon, former CEO of Forest Laboratories, and David Solomon, the former Senior Vice President, Corporate Development & Strategic Planning at Forest Laboratories.

About Pharmascience Inc.

Founded in 1983, Pharmascience Inc. is a full-service privately owned pharmaceutical company with strong roots in Canada and a growing global reach with product distribution in over 60

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countries. Ranked 47th among Canada's top 100 R&D investors with \$56 million invested annually, Pharmascience Inc. is the 10th largest pharmaceutical company in Canada. Pharmascience Inc. is a leading manufacturer and marketer of prescription, generic, over-the-counter, and behind-the-counter products as well as FDA approved Canadian-made injectables. In Canada alone, more than 45 million prescriptions a year are filled with Pharmascience products.

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