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DELTA REPORT

10-Q

AMPH - AMPHASTAR PHARMACEUTICALS

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	10761
CHANGES	108
DELETIONS	1479
ADDITIONS	9174

REFINITIV

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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AMPHASTAR PHARMA
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FORM 10-Q FOR THE QUARTERLY PERIOD END

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SPECIAL NOTE ABOUT FORWAR

This Quarterly Report on Form 10-Q, or Quarterly Report, contains “forward-looking statements” that involve substantial risks and uncertainties. In sor “plan,” “anticipate,” “believe,” “estimate,” “predict,” “project,” “potential,” “continue,” “ongoing” or the negative of these terms or other comparable termi financial performance or condition and involve known and unknown risks, uncertainties and other factors that could cause actual results, levels of acti statements include, but are not limited to, statements about:

- our expectations regarding the sales and marketing of our products;
- our expectations regarding our newly acquired product, BAQSIMI®, including with respect to our ability to increase our revenues and derive ce
- our ability to successfully acquire and integrate assets, including our ability to integrate BAQSIMI®BAQSIMI®;
- our expectations regarding our manufacturing and production and the integrity of our supply chain for our products, including the risks associat
- our business and operations in general, including: any resurgence of the COVID-19 pandemic, adverse impacts of the Russia-Ukraine conflict liquidity;
- our ability to attract, hire, and retain highly skilled personnel;
- interruptions to our manufacturing and production as a result of natural catastrophic events or other causes beyond our control such as power East conflicts;
- global, national and local economic and market conditions, specifically with respect to geopolitical uncertainty, including the Russia-Ukraine co
- the timing and likelihood of U.S. Food and Drug Administration, or FDA, approvals and regulatory actions on our product candidates, manufact
- our ability to advance product candidates in our platforms into successful and completed clinical trials and our subsequent ability to successful
- cost and delays resulting from the extensive pharmaceutical regulations to which we are subject;
- our ability to compete in the development and marketing of our products and product candidates;
- our expectations regarding the business of our Chinese subsidiary, Amphastar Nanjing Pharmaceuticals, Ltd., or ANP;
- the potential for adverse application of environmental, health and safety and other laws and regulations on our operations;
- our expectations for market acceptance of our new products and proprietary drug delivery technologies, as well as those of our active pharmac
- the effects of reforms in healthcare regulations and reductions in pharmaceutical pricing, reimbursement and coverage;
- our expectations in obtaining insurance coverage and adequate reimbursement for our products from third-party payers;
- the amount of price concessions or exclusion of suppliers adversely affecting our business;
- variations in intellectual property laws, our ability to establish and maintain intellectual property protection for our products and our ability to su
- the implementation of our business strategies, product development strategies and technology utilization;
- the potential for exposure to product liability claims;
- our ability to successfully bid for suitable acquisition targets or licensing opportunities, or to consummate and integrate acquisitions, divestiture
- our ability to expand internationally;

- economic and industry trends and trend analysis;
- our ability to remain in compliance with laws and regulations that currently apply or become applicable to our business both in the United State
- the impact of trade tariffs, export or import restrictions, or other trade barriers;
- the impact of Patient Protection and Affordable Care Act (as amended) and other legislative and regulatory healthcare reforms in the countries
- the impact of global and domestic tax reforms;
- the timing for completion and the validation of the new construction at our ANP and Amphastar facilities;
- the timing and extent of share buybacks; and

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- our financial performance expectations, including our expectations regarding our backlog, revenue, cost of revenue, gross profit or gross marg ability to achieve and maintain future profitability.

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You should read this Quarterly Report and the documents that we reference elsewhere in this Quarterly Report completely and with the understar the significant risks and uncertainties to which our forward-looking statements are subject, you should not place undue reliance on or regard th timeframe, or at all. We discuss many of these risks and uncertainties in greater detail in this Quarterly Report and in our Annual Report on Form represent our estimates and assumptions only as of the date of this Quarterly Report regardless of the time of delivery of this Quarterly Report, a inquiry into, or review of, all potentially available relevant information. Except as required by law, we undertake no obligation to update or revise Report.

Unless expressly indicated or the context requires otherwise, references in this Quarterly Report to “Amphastar,” “the Company,” “we,” “our,” and “

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PART I – FINANCIA

ITEM 1. FINANCIAL STATEMENTS

AMPHASTAR PHARM
CONDENSED CONSOLIDATED
(in thousands, exc

	ASSETS
Current assets:	
Cash and cash equivalents	
Restricted cash	
Short-term investments	
Restricted short-term investments	
Accounts receivable, net	
Inventories	
Income tax refunds and deposits	
Prepaid expenses and other assets	
Total current assets	
Property, plant, and equipment, net	
Finance lease right-of-use assets	
Operating lease right-of-use assets	
Investment in unconsolidated affiliate	
Goodwill and intangible assets, net	
Long-term investments	
Other assets	
Deferred tax assets	
Total assets	
	LIABILITIES AND STOCKHOLDERS' EQUITY
Current liabilities:	
Accounts payable and accrued liabilities	
Accrued payments for BAQSIMI® (see Note 3)	
Income taxes payable	
Current portion of long-term debt	
Current portion of operating lease liabilities	
Total current liabilities	
Long-term reserve for income tax liabilities	
Long-term debt, net of current portion and unamortized debt issuance costs	
Long-term operating lease liabilities, net of current portion	
Deferred tax liabilities	
Other long-term liabilities	
Total liabilities	
Commitments and contingencies	
Stockholders' equity:	
Preferred stock: par value $0.0001; 20,000,000 shares authorized; no shares issued and outstanding	
Common stock: par value $0.0001; 300,000,000 shares authorized; 59,220,178 and 47,898,466 shares issued and outstanding as 48,112,069 shares issued and outstanding as of December 31, 2022, respectively	
Common stock: par value $0.0001; 300,000,000 shares authorized; 60,160,459 and 48,841,343 shares issued and outstanding as of Ma shares issued and outstanding as of December 31, 2023, respectively	
Additional paid-in capital	
Retained earnings	
Accumulated other comprehensive loss	
Treasury stock	
Total equity	
Total liabilities and stockholders' equity	

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AMPHASTAR PHARM
CONDENSED CONSOLIDATED ST
(Unaudited; in thousands,

Net revenues:	
Product revenues, net	
Other revenues	
Total net revenues	
Cost of revenues	
Gross profit	
Operating expenses:	
Selling, distribution, and marketing	
General and administrative	
Research and development	
Total operating expenses	
Income from operations	
Non-operating income (expenses):	
Interest income	
Interest expense	
Other income (expenses), net	
Total non-operating income (expenses), net	
Income before income taxes	
Income tax provision	
Income before equity in losses of unconsolidated affiliate	
Equity in losses of unconsolidated affiliate	
Net income	$
Net income per share:	
Basic	$
Diluted	$
Weighted-average shares used to compute net income per share:	
Basic	

Diluted	

See Accompanying Notes to Condensed

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AMPHASTAR PHARM
CONDENSED CONSOLIDATED STATEMI
(Unaudited; in

Net income	
Other comprehensive income (loss), net of income taxes	
Foreign currency translation adjustment	
Total other comprehensive income (loss)	
Total comprehensive income	

See Accompanying Notes to Condensed

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AMPHASTAR AMPHASTAR P
CONDENSED CONSOLIDATED STATEM
(Unaudited; in thousand

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive loss	Treasury Stock		Total
	Shares	Amount				Shares	Amount	
Balance as of December 31, 2022	58,110,231	$ 6	$ 455,077	$ 271,723	$ (8,624)	(9,998,162)	$ (189,524)	$ 528,658
Net income	—	—	—	26,032	—	—	—	26,032
Other comprehensive income	—	—	—	—	356	—	—	356
Purchase of treasury stock	—	—	—	—	—	(263,131)	(8,015)	(8,015)
Issuance of common stock in connection with the Company's equity plans	330,300	—	(4,565)	—	—	—	—	(4,565)
Share-based compensation expense	—	—	6,111	—	—	—	—	6,111
Balance as of March 31, 2023	58,440,531	$ 6	$ 456,623	$ 297,755	$ (8,268)	(10,261,293)	$ (197,539)	$ 548,577
Net income	—	—	—	26,124	—	—	—	26,124

Other comprehensive loss	—	—	—	—	(56)	—	—	(56)
Purchase of treasury stock	—	—	—	—	—	(3,585)	(129)	(129)
Issuance of treasury stock in connection with the Company's equity plans	—	—	(231)	—	—	15,207	231	—
Issuance of common stock in connection with the Company's equity plans	627,946	—	9,853	—	—	—	—	9,853
Share-based compensation expense	—	—	4,865	—	—	—	—	4,865
Balance as of June 30, 2023	59,068,477	$ 6	$ 471,110	$ 323,880	$ (8,324)	(10,249,671)	$ (197,437)	$ 589,235
Net income	—	—	—	49,222	—	—	—	49,222
Other comprehensive loss	—	—	—	—	(87)	—	—	(87)
Purchase of treasury stock	—	—	—	—	—	(1,072,041)	(50,000)	(50,000)
Issuance of common stock in connection with the Company's equity plans	151,701	—	2,126	—	—	—	—	2,126
Share-based compensation expense	—	—	4,644	—	—	—	—	4,644
Balance as of September 30, 2023	59,220,178	$ 6	$ 477,880	$ 373,102	$ (8,411)	(11,321,712)	$ (247,437)	$ 595,140

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Tr Share
	Shares	Amount				
Balance as of December 31, 2023	59,390,194	$ 6	$ 486,056	$ 409,268	$ (8,478)	(11,3
Net income	—	—	—	43,177	—	
Other comprehensive loss	—	—	—	—	(291)	
Issuance of treasury stock in connection with the Company's equity plans	—	—	(33)	—	—	
Issuance of common stock in connection with the Company's equity plans	770,265	—	(17,311)	—	—	
Share-based compensation expense	—	—	7,360	—	—	
Balance as of March 31, 2024	60,160,459	$ 6	$ 476,072	$ 452,445	$ (8,769)	(11,3

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accum Oth Compre los
	Shares	Amount			
Balance as of December 31, 2021	56,440,202	$ 6	$ 422,423	$ 180,337	$
Balance as of December 31, 2022					
Net income	—	—	—	24,253	
Other comprehensive loss	—	—	—	—	
Purchase of treasury stock	—	—	—	—	
Issuance of treasury stock in connection with the Company's equity plans	—	—	(428)	—	
Issuance of common stock in connection with the Company's equity plans	1,055,200	—	6,437	—	
Share-based compensation expense	—	—	5,022	—	
Balance as of March 31, 2022	57,495,402	$ 6	$ 433,454	$ 204,590	$
Net income	—	—	—	17,346	
Other comprehensive loss	—	—	—	—	
Purchase of treasury stock	—	—	—	—	
Issuance of treasury stock in connection with the Company's equity plans	—	—	(430)	—	
Issuance of common stock in connection with the Company's equity plans	400,935	—	5,783	—	
Share-based compensation expense	—	—	4,235	—	
Balance as of June 30, 2022	57,896,337	$ 6	$ 443,042	$ 221,936	$
Net income	—	—	—	15,874	
Other comprehensive loss	—	—	—	—	
Other comprehensive income					
Purchase of treasury stock	—	—	—	—	
Issuance of common stock in connection with the Company's equity plans	98,511	—	1,400	—	
Share-based compensation expense	—	—	4,299	—	
Balance as of September 30, 2022	57,994,848	$ 6	$ 448,741	$ 237,810	$

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Balance as of March 31, 2023

See Accompanying Notes to Condensed Cons

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AMPHASTAR PHARM
CONDENSED CONSOLIDATED ST
(Unaudited; in

Cash Flows From Operating Activities:
Net income
Reconciliation to net cash provided by operating activities:
Loss (gain) on disposal of assets
Impairment of long-lived assets
Gain on interest rate swaps and foreign currency transactions, net
Loss on disposal of assets
Loss (gain) on interest rate swaps and foreign currency transactions, net
Depreciation of property, plant, and equipment
Amortization of product rights, trademarks, and patents
Operating lease right-of-use asset amortization
Amortization of discounts, premiums, and debt issuance costs
Equity in losses of unconsolidated affiliate
Share-based compensation expense
Changes in operating assets and liabilities:
Accounts receivable, net
Inventories
Prepaid expenses and other assets
Income tax refunds, deposits, and payable, net
Operating lease liabilities
Accounts payable and accrued liabilities
Net cash provided by operating activities
Cash Flows From Investing Activities:
BAQSIMI® acquisition
Purchases and construction of property, plant, and equipment
Proceeds from the sale of property, plant and equipment
Purchase of investments
Maturity of investments
Deposits and other assets
Net cash used in investing activities

Net cash provided by (used in) investing activities	
Cash Flows From Financing Activities:	
Proceeds from equity plans, net of withholding tax payments	
Purchase of treasury stock	
Debt issuance costs	
Proceeds from issuance of long-term debt	
Proceeds from borrowing under lines of credit	
Principal payments on long-term debt	
Net cash provided by (used in) financing activities	
Net cash used in financing activities	
Effect of exchange rate changes on cash	
Net increase in cash, cash equivalents, and restricted cash	
Cash, cash equivalents, and restricted cash at beginning of period	
Cash, cash equivalents, and restricted cash at end of period	
Noncash Investing and Financing Activities:	
Deferred payment for BAQSIMI® acquisition	
Capital expenditures included in accounts payable	
Operating lease right-of-use assets in exchange for operating lease liabilities	
Equipment acquired under finance leases	
Supplemental Disclosures of Cash Flow Information:	
Interest paid, net of capitalized interest	
Income taxes paid	

See Accompanying Notes to Condensed

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AMPHASTAR PHARMA
NOTES TO CONDENSED CONSOLIDA
(Unaudit

Note 1. GeneraGeneral I

Amphastar Pharmaceuticals, Inc., a Delaware corporation (together with its subsidiaries, hereinafter referred to as the "Company challenging generic and proprietary injectable, inhalation, and intranasal products, including products with high technical barrier Company's products are used in hospital or urgent care clinical settings and are primarily contracted and distributed through gro companies for use in their own products and are being used by the Company in the development of injectable finished pharmaceutic

The accompanying unaudited condensed consolidated financial statements should be read in conjunction with the audited consolida filed with the Securities and Exchange Commission, or SEC, in the Company's Annual Report on Form 10-K for the year ended statements prepared in accordance with accounting principles generally accepted in the United States generally accepted accou

financial statements. The accompanying year-end condensed consolidated balance sheet was derived from the audited financial st
of management, necessary for a fair statement presentation of the Company's consolidated financial position, results of operations
such adjustments are of a normal, recurring nature. The Company's results of operations, comprehensive income (loss) and cash
future periods.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The unaudited condensed consolidated financial statements include the accounts of the Company and its subsidiaries, and are p
condensed consolidated statements of cash flows to conform to the current period presentation. All intercompany activity has b
accompanying unaudited condensed consolidated financial statements include all adjustments, which are of a normal recurring natu

The Company's subsidiaries include: (1) International Medication Systems, Limited, or IMS, (2) Armstrong Pharmaceuticals, Inc., or
Amphastar UK Ltd., or AUK, (6) International Medication Systems (UK) Limited, or IMS UK, and (7) Amphastar Medication Co., LLC

Investments Investment in Unconsolidated Affiliate

The Company applies the equity method of accounting for investments when it has significant influence, but not controlling interest
ownership interest, representation on the board of directors, participation in policy-making decisions and material intercompany t
"Equity in losses of unconsolidated affiliate" in the accompanying consolidated

statements of operations. Investments accounted for using the equity method may be reported on a lag of up to three months if finar
reporting date. The determination of whether an investee's results are recorded on a lag is made on an investment-by-investment ba

The carrying value of equity method investments is reported as "Investment in unconsolidated affiliate" in the accompanying cons
Company's share of the investee's earnings or losses and dividends paid, if any.

The Company assesses equity method investments for impairment whenever events or changes in circumstances indicate that Duri
If the decline in value is considered Hanxin was reduced to be other than temporary, the investment is written down to its estimated

recording of the periods presented. Company's share of the losses of Hanxin

Use of Estimates

The preparation of condensed consolidated financial statements in accordance with GAAP requires management to make estimat
notes. Actual results could differ from those estimates. The principal accounting estimates include: fair value of acquired asse
chargebacks and rebates, provision for product returns, adjustment of inventory to its net realizable value, impairment of investmer
volatility for share-based compensation expense, valuation allowances for deferred tax assets, and liabilities for uncertain income ta

Foreign Currency

The functional currency of the Company, its domestic subsidiaries, its Chinese subsidiary ANP, and its U.K. subsidiary, AUK, is th
currency of USD using the current or historical exchange rates. The resulting currency remeasurement adjustments and other tran
operations.

The Company's French subsidiary, AFP, maintains its book of record in euros. AUK's subsidiary, IMS UK, maintains its book of rec
Activities in the statements of operations are translated to USD using average exchange rates during the period. Assets and liabili
exchange at the date of the equity transactions. Translation adjustments are reflected in stockholders' equity and are included as
currency transactions that are of a long-term investment nature are reported in other accumulated comprehensive income (loss).

The unrealized gains and losses of intercompany foreign currency transactions that are of a long-term investment nature were a
three March 31, 2024 and nine months ended September 30, 2022, the unrealized gains and losses of intercompany foreign currenc
million gain, respectively.

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Comprehensive Income

The Company's comprehensive income includes its foreign currency translation gains and losses as well as its share of other compr

Acquisitions Acquisitions

The Company evaluates acquisitions and other similar transactions to assess whether or not the transaction should be accounted fo
of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. If the screen is m
whether or not the Company has acquired inputs and substantive processes that

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have the ability to create outputs, which would meet the definition of a business.

Acquisitions meeting the definition of business combinations are accounted for using the acquisition method of accounting, wh combination, any excess of the purchase price over the estimated fair values of the net assets acquired is recorded as goodwill.

For asset acquisitions, a cost accumulation model is used to determine the cost of an asset acquisition. Direct transaction costs allocated to identifiable assets acquired and liabilities assumed based on a relative fair value basis, with the exception of non-qua includes an in-process research and development, or IPR&D, asset, the IPR&D asset is only capitalized if it has an alternative futu arrangements that encompass obligations to make future payments to sellers contingent upon the achievement of future financial resolved and the consideration is paid or becomes payable (unless contingent considerations meets the definition of a derivative, ir assets acquired based on their relative fair values at the acquisition date, with the exception of non-qualifying assets.

Judgments are used in determining estimates of useful lives of long-lived assets. Useful life estimates are based on, among other trends on each asset's life cycle and other factors. These judgments can materially impact the estimates used to allocate purchase current and future operating results. For these and other reasons, actual results may vary significantly from estimated results.

Advertising Expense

Advertising expenses, primarily associated with Primatene MIST®, are recorded as they are incurred, except for expenses related campaign is first presented, and are reflected as a component of selling, distribution and marketing in the Company's condensed c advertising expenses were $1.9 million $2.7 million and $8.1 million, respectively. For the three and nine months ended September 3

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Financial Instruments

The carrying amounts of Company's accompanying condensed consolidated balance sheets include the following financial instrum accounts payable, accrued expenses, and short-term borrowings, and long-term obligations. The Company considers the carrying a financial instruments due to the short maturity of these items. The carrying value of the Company's long-term obligations, with the e rates currently offered to the Company for instruments with similar maturities. Investments and short-term investments are recorded times enters into interest rate swap contracts to manage its exposure to interest rate changes and its overall cost of long-term debt.

Table of each reporting period with changes in fair value recorded in other income (expenses) on the condensed consolidated stater to purchase foreign currency. As of December 31, 2022, the Company had an unsettled forward currency contract to purchase fore accounts payable and accrued liabilities line in the condensed consolidated balance sheets.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash, money market accounts, certificates of deposit and highly liquid investments with origina

Investments

Investments as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 consisted of certificates of d months.

Restricted Cash

Restricted cash is collateral required for the Company to guarantee certain vendor payments in France and China. France. As of Se million and $0.2 million, respectively. .

Restricted Short-Term Investments

Restricted short-term investments consist of certificates of deposit that are collateral for standby letters of credit to qualify for worke one year. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the balance of restricted short-ter

Deferred Income Taxes

The Company utilizes the liability method of accounting for income taxes, under which deferred taxes are determined based on the valuation allowance is recorded when it is more likely than not that the deferred tax assets will not be realized.

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Debt Issuance Costs

Debt issuance costs related to non-revolving debt are recognized as a reduction to the related debt balance in the accompanying c the effective interest method. Debt issuance costs associated with revolving debt are capitalized within other long-term assets on the

Convertible Debt

The Company accounts for its convertible debt instruments as a single unit of accounting, a liability, because the Company conclu 815-15,*Derivatives and Hedging* and the Company did not issue its convertible debt instruments at a substantial premium. The amortizes them over the contractual term of the convertible debt instrument using the effective interest rate.

In accordance with Accounting Standards Update, or ASU, 2020-06, *2020-06,*Debt—*Debt with Conversion and Other Options Accounting for Convertible Instruments and Contracts in an Entity's Entity's Own Equity*, the Company evaluates convertible debt conversion

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feature is not bifurcated from the host instrument. If the conversion feature does not require derivative treatment under ASC 815, th beneficial conversion features. If no beneficial conversion features exist that require separate recognition, convertible notes debt ins and recognition as derivatives.

Impairment of Long Lived Assets, including Identifiable Definite-Lived Intangible Assets

The Company assesses long-term and identifiable definite-lived intangible assets or asset groups for impairment when events or ch expected future undiscounted cash flows is less than the carrying amount of the asset or an asset group, further impairment analy exceeds the fair value (assets to be held and used) or fair value less cost to sell (assets to be disposed of). The Company also a remaining useful life. Changes in the useful life are adjusted prospectively by revising the remaining period over which the asset is a

Litigation, Commitments and Contingencies

Litigation, commitments and contingencies are accrued when management, after considering the facts and circumstances of each amount of the loss can be reasonably estimated. When only a range of amounts is reasonably estimable and no amount within th inherent uncertainties surrounding gain contingencies, the Company generally does not recognize potential gains until they are reali

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Recent Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board, or FASB, issued ASU 2023-07, *Segment Reporting (Topic 280): In* primarily through additional disclosures about significant segment expenses. The standard is effective for fiscal years beginning permitted. The amendments should be applied retrospectively to all prior periods presented in the financial statements. The Compar

In December 2023, the FASB issued ASU 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures* which req
yet tax rate reconciliation as well as expanded information on income taxes paid by jurisdiction. The disclosure requirements will be
a material effect on for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently eva

Note 3. BAQSIMI® Asset Acquisition

On June 30, 2023, the Company completed its acquisition of BAQSIMI® glucagon nasal powder, or BAQSIMI® pursuant to an asse
the closing of the transaction, or the Closing, the Company paid Lilly $500.0 million in cash. In addition, the Company is required t
Lilly $4.0 million upon the assignment of certain contracts to the Company after the first anniversary of the Closing, but no later tha
million to Lilly based on the achievement of certain milestones. The Purchase Agreement provides that the contingent considerati
achieves annual net sales of $175.0 million or more of BAQSIMI® and certain related products, or the Milestone Products, in any
annual net sales of $200.0 million or more of Milestone Products in any one year during the first five years after the Closing; and (
Milestone Products for the first five years after the Closing.

In addition, the Company assumed certain contingent consideration of Lilly, which would require the Company to pay up to an aggr
million.

The Company has accounted for the BAQSIMI® acquisition as an asset acquisition in accordance with Accounting Standard Codifi
single identifiable asset, BAQSIMI® product rights. The BAQSIMI® product rights include the license for the BAQSIMI® intellectual p
are inextricably linked. As an asset acquisition, the cost to acquire the group

Table of assets, including transaction costs, is Contents

The total purchase price was allocated to the individual acquired assets acquired based on their relative fair values, with as follow:

	Fair Value (in thousands)
Property, plant, and equipment	$ 34,426
BAQSIMI® product rights	591,338
Deferred tax assets	2,341
Total assets acquired	$ 628,105

The Company amortizes the exception acquired intangible asset on a straight line basis over its estimated useful life of non-qualifyin

A portion of the consideration for the asset acquisition was a deferred cash payment. The relative fair values value of identifiable a
acquisition through interest expense. During the three months ended March 31, 2024, $1.8 million of BAQSIMI® are based on est
reasonable. deferred cash payments.

Manufacturing Services Agreement

In connection with the Closing, the Company entered into a Manufacturing Services Agreement, or the MSA, with Lilly, pursuant to w
supply services for BAQSIMI® directly or through third-party contractors to the Company in connection with its operation of the deve

purchase all API, components, and finished goods on hand at prices agreed upon in the MSA.

Transition Services Agreement

In connection with the Closing, the Company entered into a Transition Services Agreement, or the TSA, with Lilly pursuant to which

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Company to support the transition of BAQSIMI® operations to the Company, including with respect to the conduct of certain clinical,

The following table summarizes During the aggregate amount paid for the assets acquired by first quarter of 2024, the Company a countries in Europe. As a result, the Company has recorded the sales and related cost of BAQSIMI®; in these countries as produ remaining territories on a country by country basis throughout 2024.

	Fair Value
	(in thousands)
Cash payment	$ 500,000
Fair value of deferred cash payments	121,699
Transaction costs	6,406
Total purchase price	$ 628,105

Note 4. Revenue Recognition

Product revenues, net

In accordance with ASC 606 *Revenue from Contracts with Customers*, revenue is recognized at the time that the Company's custon

Generally, revenue is recognized at the time of product delivery to the Company's customers. In some cases, revenue is recognized

The total purchase consideration to which the Company expects to be entitled includes a stated list price, was allocated to the acq chargebacks and rebates, accrual for product returns, prompt pay discounts,

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	Fair Value

	(in thousands)
Property, plant, and equipment	$ 34,426
BAQSIMI® product rights	591,338
Deferred tax assets	2,341
Total assets acquired	$ 628,105

distributor fees, patient co-pay assistance, and other related deductions. These deductions to product sales are referred to as gro offered to customers generally range from 30 to 75 days; however, payment terms differ by jurisdiction, by customer and, in some i significant reversal in the amount of cumulative revenue recognized is not probable of occurring when the uncertainty associate customers are excluded from product sales. If the Company expects, at contract inception, that the period between the transfer of c the effects of a financing component. Shipping and handling activities are considered to be fulfillment activities rather than a se condensed consolidated statements of operations.

Provision for Chargebacks and Rebates

The provision for chargebacks and rebates is a significant estimate used in the recognition of revenue. Wholesaler chargebacks rel at which the Company sells its products to wholesalers and the actual prices of such products that wholesalers resell under the C United States. Rebates include primarily amounts paid to retailers, payers, and providers in the United States, including those paid chargebacks and rebates using the expected value method at the time of sale to wholesalers based on wholesaler inventory stockin

The provision for chargebacks and rebates is reflected as a component of product revenues, net. The following table is an analysis c

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Beginning balance	$ 27,920	$ 26,606
Provision for chargebacks and rebates	61,971	69,027
Credits and payments issued to third parties	(55,673)	(67,289)
Ending balance	$ 34,218	$ 28,344

Changes in the chargeback provision from period to period are primarily dependent on the Company's sales to its wholesalers, th period are primarily dependent on retailers' and other indirect customers' purchases. The approach that the Company uses to es historically small. The Company is amortizing continually monitors the acquired intangible asset provision for chargebacks and reb settlement of chargebacks and rebates generally occurs within 20 days to 60 days after the sale to wholesalers. Accounts receiva depending on a straight line basis over its estimated useful life of 24 years (See Note 10 for additional information). whether the Com

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The provision for chargebacks and rebates is included in the following balance sheet accounts:

	March 31, 2024	December 31, 2023

	(in thousands)	
Reduction to accounts receivable, net	$ 19,782	$ 21,861
Accounts payable and accrued liabilities	14,436	6,059
Total	$ 34,218	$ 27,920

Accrual for Product Returns: The Company offers certain customers the right to return qualified excess or expired inventory for pa returns of expired products from sales made in prior periods. Returned products cannot be resold. At the time product revenue is based, in part, upon the historical relationship of product returns to sales and customer contract terms. The Company also assesses

Prompt Pay Discounts: The Company provides its customers with a percentage discount on their invoice if the customers pay w estimates the probability of customers paying promptly based on the percentage of discount outlined in the purchase agreement bet time revenue is recognized.

Distributor Fees: The Company engages with wholesalers to distribute its products to end customers. The Company pays the who Company estimates the amount of distribution services fees to be paid and adjusts the transaction price with the amount of such est

Patient Co-Pay Assistance: Co-pay assistance represents financial assistance to qualified patients, assisting them with prescription the Company expects to receive associated with inventory that exists in the distribution channel at period end.

Revenues derived from contract manufacturing services are recognized when third-party products are shipped to customers. The determine if there are multiple revenue-generating activities that constitute more than one unit of accounting. Revenues are recogniz

Service revenues derived from research and development contracts are recognized over time based on progress toward satisfac method to be used for revenue recognition, either an input method to measure progress toward the satisfaction of services or an out and 2023, revenues from research and development services at ANP were $0.4 million and $0.1 million, respectively.

Other revenues

Revenues related to sales of BAQSIMI®, which was supplied and sold by Lilly under the TSA during the three months

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ended March 31, 2024, or BAQSIMI® NEB, were recorded on a net basis, similar to a royalty arrangement. This includes revenues i

Disaggregation of Revenues

The following table summarizes total net revenues by product and by geographic area, based on customers' locations:

	Three Months Ended March 31,					
	2024			2023		
	U.S.	International	Total	U.S.	International	Total
	(in thousands)					
Product revenues, net						
Glucagon	$ 25,276	$ 3,259	$ 28,535	$ 25,696	$ —	$ 25,696
Epinephrine	26,110	—	26,110	20,091	—	20,091

Primatene MIST®	24,166	—	24,166	23,453	30	23,483
BAQSIMI®	13,089	754	13,843	—	—	—
Lidocaine	12,773	—	12,773	13,646	—	13,646
Phytonadione	9,973	—	9,973	7,713	—	7,713
Enoxaparin	7,096	—	7,096	9,867	—	9,867
Naloxone	4,287	—	4,287	4,957	—	4,957
API	669	1,023	1,692	2,075	1,937	4,012
Other product revenues, net	28,354	800	29,154	30,227	330	30,557
	$ 151,793	$ 5,836	157,629	$ 137,725	$ 2,297	140,022
Other revenues						
BAQSIMI® NEB			14,207			—
Total net revenues			$ 171,836			$ 140,022

Note 5. Net Income per Share

Basic net income per share is calculated based upon the weighted-average number of shares outstanding during the period. Dilute vested restricted stock units and shares issuable under the Company's Employee Stock Purchase Plan, or ESPP, and potential com

For the three months ended March 31, 2024, the Company did not have any options that were excluded from the computation of computation of diluted net income per share, as the average stock price during the period was less than the conversion price.

For the three months ended March 31, 2023, options to purchase 1,403,859 shares of stock with a weighted-average exercise pric dilutive.

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The following table provides the calculation of basic and diluted net income per share for each of the periods presented:

Basic and dilutive numerator:						
Net income						
Denominator:						
Weighted-average shares outstanding — basic						
Net effect of dilutive securities:						
Incremental shares from equity awards						
Weighted-average shares outstanding — diluted						
Net income per share — basic						
Net income per share — diluted						

Note 6. Segment Reporting

The Company's business is the development, manufacture, and marketing of pharmaceutical products. The Company has identified *Reporting*. The Company's performance is assessed and resources are allocated by the CODM based on the following two reportab

- Finished pharmaceutical products
- APIs

The finished pharmaceutical products segment manufactures, markets and distributes BAQSIMI®, Primatene MIST®, glucagon, contract manufacturing and contract research revenues. The API segment manufactures and distributes recombinant human insulin

Other revenues includes the portion of BAQSIMI® sales by Lilly on the Company's behalf under the TSA and is accounted for as a c

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Selected financial information by reporting segment is presented below:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Net revenues:		
Finished pharmaceutical products	$ 170,144	$ 136,010
API	1,692	4,012
Total net revenues	171,836	140,022
Gross profit (loss):		
Finished pharmaceutical products	96,142	76,176
API	(6,042)	(2,336)
Total gross profit	90,100	73,840
Operating expenses	42,090	40,407
Income from operations	48,010	33,433
Non-operating (expenses) income	(134)	136
Income before income taxes	$ 47,876	$ 33,569

The Company manages its business segments to the gross profit level and manages its operating and other costs on a company-w assess performance, make strategic decisions, or allocate resources based on assets.

The amount of net revenues in the finished pharmaceutical product segment is presented below:

	Three Months Ended

	March 31,	
	2024	2023
	(in thousands)	
Finished pharmaceutical products segment net revenues:		
Glucagon	$ 28,535	$ 25,696
Epinephrine	26,110	20,091
Primatene MIST®	24,166	23,483
BAQSIMI®	13,843	—
Lidocaine	12,773	13,646
Phytonadione	9,973	7,713
Enoxaparin	7,096	9,867
Naloxone	4,287	4,957
Other finished pharmaceutical products	29,154	30,557
Total finished pharmaceutical products net revenues	155,937	136,010
BAQSIMI® NEB	14,207	—
Total finished pharmaceutical products segment net revenues	$ 170,144	$ 136,010

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The amount of depreciation and amortization expense included in cost of revenues by reporting segment is presented below:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Depreciation and amortization expense		
Finished pharmaceutical products	$ 8,658	$ 2,446
API	1,004	953
Total depreciation and amortization expense	$ 9,662	$ 3,399

Net revenues and carrying values of long-lived assets by geographic regions, based on where the Company conducts its operations

	Net Revenues		Long-Lived Assets	
	Three Months Ended March 31,		March 31,	December 31,
	2024	2023	2024	2023
	(in thousands)			
United States(1)	$ 169,657	$ 137,958	$ 762,832	$ 765,102
China	403	127	93,748	91,913
France	1,776	1,937	36,670	37,647
Total	$ 171,836	$ 140,022	$ 893,250	$ 894,662

(1) Includes Other revenues from the sales of BAQSIMI®

Note 7. Customer and Supplier Concentration

Customer Concentrations

Three large wholesale drug distributors, Cencora Inc., formally AmerisourceBergen, or Cencora, Cardinal Health, Inc., or Cardina range of health care products. Lilly currently manufactures and sells BAQSIMI® on the Company's behalf pursuant to the terms of t major customers, as each individually, and these customers collectively, represented a significant percentage of the Company's net 31, 2023, respectively. The following table provides accounts receivable and net revenue information for these major customers:

	% of Total Accounts Receivable		% of Net Revenues Three Months Ended March 31,	
	March 31, 2024	December 31, 2023	2024	2023
McKesson	27 %	26 %	22 %	23 %
Cencora	13 %	16 %	20 %	24 %
Cardinal Health	24 %	13 %	19 %	16 %
Lilly	12 %	20 %	8 %	—

Supplier Concentrations

The Company depends on suppliers for raw materials, APIs, and other components that are subject to stringent FDA

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requirements. Some of these materials may only be available from one or a limited number of sources. Establishing additional or Furthermore, a significant portion of raw materials may only be available from foreign sources. If the Company is unable to secure, materially adverse effect on the Company's business, financial condition, and results of operations.

Note 8. Fair Value Measurements

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction be exit price). These standards also establish a hierarchy that prioritizes observable and unobservable inputs used in measuring fair va

- *Level 1* – Inputs to measure fair value are based on quoted prices (unadjusted) in active markets on identical assets or liabi
- *Level 2* – Inputs to measure fair value are based on the following: a) quoted prices in active markets on similar assets or liab collaborated observable market data used in a pricing model from which the fair value is derived; and
- *Level 3* – Inputs to measure fair value are unobservable and the assets or liabilities have little, if any, market activity; these i or liabilities based on best information available in the circumstances.

As of March 31, 2024 and December 31, 2023, cash equivalents include money market accounts and corporate and municipal bond corporate, agency and municipal bonds with original maturity dates between three and fifteen months. The certificates of deposit a

determined based on Level 2 inputs. The corporate, agency and municipal bonds are classified as held-to-maturity and are carried based on Level 2 inputs. The restrictions on restricted cash and investments have an immaterial effect on the deferred cash payme nine months ended September 30, 2023 $1.8 million fair value of interest expense was recognized related to accretion these financia

The fair values of the deferred cash payments. Company's financial assets and liabilities measured on a recurring basis as of March

	Total	(Level 1)	(Level 2)	(Level 3)
		(in thousands)		
Cash equivalents	$ 160,420	$ 160,420	$ —	$ —
Restricted cash	235	235	—	—
Short-term investments	34,891	—	34,891	—
Restricted short-term investments	2,200	—	2,200	—
Interest rate swaps related to variable rate loans	(20)	—	(20)	—
Total assets and liabilities measured at fair value as of March 31, 2024	$ 197,726	$ 160,655	$ 37,071	$ —

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	Total	(Level 1)	(Level 2)	(Level 3)
		(in thousands)		
Cash equivalents	$ 116,441	$ 116,441	$ —	$
Restricted cash	235	235	—	
Short-term investments	37,142	—	37,142	
Restricted short-term investments	2,200	—	2,200	
Interest rate swaps related to variable rate loans	(5,243)	—	(5,243)	
Total assets and liabilities measured at fair value as of December 31, 2023	$ 150,775	$ 116,676	$ 34,099	$

The Company does not hold any Level 3 instruments that are measured at fair value on a recurring basis.

Nonfinancial assets and liabilities are not measured at fair value on a recurring basis but are subject to fair value adjustments in c intangible assets for which the fair value is determined as part of an impairment test. As of March 31, 2024 and December 31, 2023,

The Company's deferred compensation plan assets are valued using the cash surrender value of the life insurance policies and are

Note 9. Investments

The following is a summary of the Company's investments that are classified as held-to-maturity:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value

	(in thousands)			
Corporate and agency bonds (due within 1 year)	$ 69,573	$ 1	$ (65)	$ 69,509
Corporate bonds (due within 1 to 3 years)	15,088	8	(60)	15,036
Total investments as of March 31, 2024	$ 84,661	$ 9	$ (125)	$ 84,545
Corporate and agency bonds (due within 1 year)	$ 73,815	$ 7	$ (21)	$ 73,801
Corporate bonds (due within 1 to 3 years)	14,621	56	(1)	14,676
Municipal bonds (due within 1 year)	1,081	1	—	1,082
Total investments as of December 31, 2023	$ 89,517	$ 64	$ (22)	$ 89,559

At each reporting period, the Company evaluates securities for impairment when the fair value of the investment is less than its significant deterioration since purchase nor any other factors that would indicate a material credit loss.

The Company measures expected credit losses on held-to-maturity investments on a collective basis. All the Company's held-to-ma adjusted for current conditions and reasonable and supportable forecasts. Expected credit losses on held-to-maturity investments w

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Note 10. Goodwill and Intangible Assets

The table below shows the weighted-average life, original cost, accumulated amortization, and net book value by major intangible as

	Weighted-Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
		(in thousands)		
Definite-lived intangible assets				
BAQSIMI® product rights(1)	24	$ 591,338	$ 18,479	$ 572,859
Patents	12	486	377	109
Land-use rights	39	2,540	821	1,719
Subtotal	24	594,364	19,677	574,687
Indefinite-lived intangible assets				
Trademark	*	29,225	—	29,225
Goodwill - Finished pharmaceutical products	*	3,152	—	3,152
Subtotal	*	32,377	—	32,377
As of March 31, 2024	*	$ 626,741	$ 19,677	$ 607,064

	Weighted-Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
		(in thousands)		
Definite-lived intangible assets				
BAQSIMI® product rights(1)	24	$ 591,338	$ 12,319	$ 579,019
IMS (UK) international product rights(2)	10	$ 8,462	8,462	—
Patents	12	486	376	110

Land-use rights	39	2,540	815	1,725
Subtotal	11	602,826	21,972	580,854
Indefinite-lived intangible assets				
Trademark	*	29,225	—	29,225
Goodwill - Finished pharmaceutical products	*	3,216	—	3,216
Subtotal	*	32,441	—	32,441
As of December 31, 2023	*	$ 635,267	$ 21,972	$ 613,295

* Intangible assets with indefinite lives have an indeterminable average life.

(1) See Note 3

(2) In June 2023, the Company recorded an impairment related to its IMS (UK) international product rights in the amount of $2.7 million. The Company recorded the

Goodwill

The changes in the carrying amounts of goodwill are as follows:

	March 31, 2024	December 31, 2023
	(in thousands)	
Beginning balance	$ 3,216	$ 3,126
Currency translation	(64)	90
Ending balance	$ 3,152	$ 3,216

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Note 11. Inventories

Inventories consist of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Raw materials and supplies	$ 51,411	$ 50,082
Work in process	33,331	30,822
Finished goods	30,752	24,929
Total inventories	$ 115,494	$ 105,833

Charges of $5.7 million and $1.9 million were included in the cost of revenues in the Company's condensed consolidated statemer related firm purchase commitments to its net realizable value.

Losses on firm purchase commitments related to raw materials on order as of March 31, 2024 and December 31, 2023 were $3 statement of operations.

Note 12. Property, Plant, and Equipment

Property, plant, and equipment consist of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Buildings	$ 168,647	$ 168,771
Leasehold improvements	42,012	41,686
Land	7,460	7,484
Machinery and equipment	259,845	259,484
Furniture, fixtures, and automobiles	33,251	31,943
Construction in progress	28,916	18,676
Total property, plant, and equipment	540,131	528,044
Less accumulated depreciation	(251,608)	(245,298)
Total property, plant, and equipment, net	$ 288,523	$ 282,746

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Note 13. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Accrued customer fees and rebates	$ 29,002	$ 16,702
Accrued payroll and related benefits	25,392	25,203
Accrued product returns, current portion	12,704	12,263
Accrued loss on firm purchase commitments	3,632	918
Other accrued liabilities	9,433	12,842
Total accrued liabilities	80,163	67,928
Accounts payable	36,534	25,438
Total accounts payable and accrued liabilities	$ 116,697	$ 93,366

Note 14. Debt

Debt consists of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Convertible Debt		
2029 Convertible Notes	$ 345,000	$ 345,000
Term Loan		
Wells Fargo Term Loan due June 2028	250,000	250,000
Mortgage Loans		
Mortgage payable with East West Bank due June 2027	7,972	8,016
Other Loans and Payment Obligations		
French government loans due December 2026	157	158
Line of Credit Facilities		
Line of credit facility with China Merchant Bank due October 2026	—	—
Wells Fargo Revolving line of credit facility due June 2028	—	—
Line of credit facility with ICBC Bank due November 2033	4,082	—
Equipment under Finance Leases	562	616
Total debt	607,773	603,790
Less current portion of long-term debt	428	436
Less: Loan issuance costs	13,339	13,775
Long-term debt, net of current portion and unamortized debt issuance costs	$ 594,006	$ 589,579

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Credit Agreement *Customer Concentrations*

On June 30, 2023 Three large wholesale drug distributors, Cencora Inc., in conjunction with formally AmerisourceBergen, or Ce acquisition products, as well as suppliers of a broad range of health care products. Lilly currently manufactures and sells BAQSIM Agreement, by and among the Company, certain subsidiaries terms of the TSA in certain jurisdictions (See Note 3 for additional individually, and Wells Fargo Bank, National Association, or Wells Fargo, these customers collectively, represented a significant pe Administrative Agent (in such capacity, Agent) of March 31, 2024 and December 31, 2023, Swing line Lender respectively. The follow

	% of Total Accounts Receivable	% of Net Revenues
		Three Months Ended

	March 31, 2024	December 31, 2023	March 31, 2024	March 31, 2023
McKesson	27 %	26 %	22 %	23 %
Cencora	13 %	16 %	20 %	24 %
Cardinal Health	24 %	13 %	19 %	16 %
Lilly	12 %	20 %	8 %	—

Supplier Concentrations

The Credit Agreement provides Company depends on suppliers for a senior secured term loan, or the Wells Fargo Term Loan in an

The Credit Agreement also provides a senior secured revolving credit facility, or the Revolving Credit Facility, in an aggregate prin loan sublimit. The Revolving Credit Facility matures on June 30, 2028. As of September 30, 2023, the Company had no borrowings

Proceeds from the Term Loan were used other components that are subject to finance the acquisition of BAQSIM®. stringent FDA

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Note 4. Revenue Recognition

Product revenues, net

In accordance with ASC 606 *Revenue requirements. Some of these materials may only be available from Contracts with Customers* substantial period of time, as suppliers must be approved by the FDA. Furthermore, a significant portion of raw materials may control unable to secure, on a timely basis, sufficient quantities of the promised goods.

Generally, revenue is recognized at the time of product delivery materials it depends on to the Company's customers. In some cases

The consideration the Company receives in exchange for its goods or services is only recognized when it is probable that a signif various forms of variable consideration. The Company makes significant estimates for related variable consideration at the point of s

The Company's payment terms vary by types and locations of customers and the products or services offered. Payment terms diffe or satisfaction of the performance obligation. For certain products or services and certain customer types, the Company may require

Provisions for estimated chargebacks, rebates, discounts, product returns and credit losses are made at the time of sale and are an

Revenues derived from contract manufacturing services are recognized when third-party products are shipped to customers.

The Company's accounting policy is to review each agreement involving contract development and manufacturing services to de recognized for each unit of accounting based on revenue recognition criteria relevant to that unit. The Company does not have any r

Service revenues derived from research and development contracts are recognized over time based on progress toward satisfac method to be used for revenue recognition, either an input method to measure progress toward the satisfaction of services or an

September 30, 2023, revenues from research and development services at ANP were $0.8 million and $2.1 million, respectively. F
$0.8 million and $2.1 million, respectively.

Other revenues

Revenues related to sales of BAQSIMI®, which was acquired on June 30, 2023 and was manufactured and sold by Lilly under the T

Provision for Chargebacks and Rebates

The provision for chargebacks and rebates is a significant estimate used in the recognition of revenue. Wholesaler chargebacks rel
at which the Company sells market its products, to wholesalers and the actual prices of such products that

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wholesalers resell under the Company's various contractual arrangements with third parties such as hospitals and group purchasin
States, including those paid to state Medicaid programs, and are based on contractual arrangements or statutory requirements. The
wholesaler inventory stocking levels, historic chargeback and rebate rates, and current contract pricing.

The provision for chargebacks and rebates is reflected as it could have a component of net revenues. The following table is an analy

	Nine Months Ended September 30,	
	2023	2022
	(in thousands)	
Beginning balance	$ 26,606	$ 20,167
Provision for chargebacks and rebates	200,317	147,899
Credits and payments issued to third parties	(201,650)	(144,233)
Ending balance	$ 25,273	$ 23,833

Changes in the provision for chargebacks from period to period are primarily dependent materially adverse effect on the Compa
wholesalers' customer mix. Changes in the provision for rebates from period to period are primarily dependent on retailer's and
applied for all periods presented. Variations in estimates have been historically small. The Company continually monitors the provis
from the estimates. The settlement of chargebacks and rebates generally occurs within 20 days to 60 days after the sale to wholesa
liabilities depending on whether the Company has the right to offset with the customer.

Of the provision for chargebacks and rebates as of September 30, 2023 and December 31, 2022, $18.9 million and $20.5 million
remaining provision as of September 30, 2023 and December 31, 2022 of $6.4 million and $6.1 million, respectively, which were incl

Accrual for Product Returns

The Company offers most customers the right to return qualified excess or expired inventory for partial credit; however, API produc
sales made in prior periods. Returned products cannot be resold. At the time product revenue is recognized, the Company records
relationship of product returns to sales and customer contract terms. The Company also assesses other factors that could affect pro

give the Company's customers the right to return products outside of the regular return policy, the Company realizes that such fac
adjustments to the product return reserve as appropriate.

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The provision for product returns is reflected as a component of net revenues. The following table is an analysis of the product retur

	Nine Months Ended September 30,	
	2023	2022
	(in thousands)	
Beginning balance	$19,451	$21,677
Provision for product returns	2,750	3,086
Credits issued to third parties	(4,467)	(5,019)
Ending balance	$17,734	$19,744

Of the provision for product returns as of September 30, 2023 and December 31, 2022, $12.9 million and $14.9 million, were inclu
provision as of September 30, 2023 and December 31, 2022 of $4.8 million and $4.6 million, were included in other long-term liabi
was 1.1% and 1.4% of qualified sales, respectively. operations.

Note 5. Net Income per Share 8. Fair Value Measurements

Basic net income per share is calculated based upon GAAP defines fair value as the weighted-average number price that would be
most advantageous market for the asset or liability at the measurement date (an exit price). These standards also establish a hierar
Diluted net income per share gives effect to all potentially dilutive shares outstanding during the period, such an asset or liability, a
ESPP, and potential common shares issued upon the conversion of Convertible Notes of the Company, due March 2029, or the 202

- *Level 1* – Inputs to measure fair value are based on quoted prices (unadjusted) in active markets on identical assets or liabi
  For the nine months ended September 30, 2023, options to purchase 45,934 shares of stock, with a
  income per share because the effect would be anti-dilutive. The 2029 Convertible Notes had no impac
  less than the conversion price.
- *Level 2* – Inputs to measure fair value are based on the following: a) quoted prices in active markets on similar assets or liab
  collaborated observable market data used in a pricing model from which the fair value is derived; and
- *Level 3* – Inputs to measure fair value are unobservable and the assets or liabilities have little, if any, market activity; these i
  or liabilities based on best information available in the circumstances.

For the As of March 31, 2024 and December 31, 2023, cash equivalents include money market accounts and corporate and m
investment-grade corporate, agency and municipal bonds with original maturity dates between three and nine months ended Septer
price of $34.79 per share, were excluded deposit are carried at amortized cost in the computation Company's condensed consoli
municipal bonds are classified as held-to-maturity and are carried at amortized cost net of diluted net income per share because allo
restrictions on restricted cash and investments have an immaterial effect on the effect would be anti-dilutive. fair value of these finan

The following table provides the calculation of basic and diluted net income per share for each fair values of the periods presented: C follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands, except per share data)			
Basic and dilutive numerator:				
Net income	$ 49,222	$ 15,874	$ 101,378	$ 57,473
Denominator:				
Weighted-average shares outstanding — basic	48,701	48,904	48,368	48,635
Net effect of dilutive securities:				
Incremental shares from equity awards	5,220	3,884	4,629	4,030
Weighted-average shares outstanding — diluted	53,921	52,788	52,997	52,665
Net income per share — basic	$ 1.01	$ 0.32	$ 2.10	$ 1.18
Net income per share — diluted	$ 0.91	$ 0.30	$ 1.91	$ 1.09

	Total	(Level 1)	(Level 2)	(Level 3)
	(in thousands)			
Cash equivalents	$ 160,420	$ 160,420	$ —	$ —
Restricted cash	235	235	—	—
Short-term investments	34,891	—	34,891	—
Restricted short-term investments	2,200	—	2,200	—
Interest rate swaps related to variable rate loans	(20)	—	(20)	—
Total assets and liabilities measured at fair value as of March 31, 2024	$ 197,726	$ 160,655	$ 37,071	$ —

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Note 6. Segment Reporting

	Total	(Level 1)	(Level 2)	(Level 3)
	(in thousands)			
Cash equivalents	$ 116,441	$ 116,441	$ —	$
Restricted cash	235	235	—	
Short-term investments	37,142	—	37,142	
Restricted short-term investments	2,200	—	2,200	
Interest rate swaps related to variable rate loans	(5,243)	—	(5,243)	

Total assets and liabilities measured at fair value as of December 31, 2023	$ 150,775	$ 116,676	$ 34,099	$

The Company does not hold any Level 3 instruments that are measured at fair value on a recurring basis.

Nonfinancial assets and liabilities are not measured at fair value on a recurring basis but are subject to fair value adjustments in c intangible assets for which the fair value is determined as part of an impairment test. As of March 31, 2024 and December 31, 2023,

The Company's business is deferred compensation plan assets are valued using the development, manufacture, cash surrender segments that each report to are not included in the Chief Operating Decision Maker, or CODM, as defined in ASC 280, Segment reportable segments: table above.

- Finished pharmaceutical products
- APIs

Note 9. Investments

The finished pharmaceutical products segment manufactures, markets and distributes Primatene MIST®, glucagon, enoxaparin, Company's investments that are classified as well as certain contract manufacturing and contract research revenues. The API segm product development. held-to-maturity:

Other revenues from the sale of BAQSIMI® are accounted for as a component of the finished pharmaceutical products segment.

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(in thousands)		
Corporate and agency bonds (due within 1 year)	$ 69,573	$ 1	$ (65)	$ 69,509
Corporate bonds (due within 1 to 3 years)	15,088	8	(60)	15,036
Total investments as of March 31, 2024	$ 84,661	$ 9	$ (125)	$ 84,545
Corporate and agency bonds (due within 1 year)	$ 73,815	$ 7	$ (21)	$ 73,801
Corporate bonds (due within 1 to 3 years)	14,621	56	(1)	14,676
Municipal bonds (due within 1 year)	1,081	1	—	1,082
Total investments as of December 31, 2023	$ 89,517	$ 64	$ (22)	$ 89,559

Selected financial information by At each reporting segment period, the Company evaluates securities for impairment when the fair v and credit ratings of the issuers, identifying neither a significant deterioration since purchase nor any other factors that would indicat

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
		(in thousands)		
Net revenues:				
Finished pharmaceutical products	$ 176,366	$ 117,120	$ 455,242	$ 353,789
API	4,190	3,009	11,048	10,175
Total net revenues	180,556	120,129	466,290	363,964
Gross profit (loss):				
Finished pharmaceutical products	109,499	61,439	262,742	185,462
API	(1,096)	(2,929)	(7,761)	(7,770)
Total gross profit	108,403	58,510	254,981	177,692
Operating expenses	35,725	35,282	111,974	108,027
Income from operations	72,678	23,228	143,007	69,665
Non-operating income	(9,041)	(632)	(12,993)	5,115

Income before income taxes	$ 63,637	$ 22,596	$ 130,014	$ 74,780

The Company manages its business segments measures expected credit losses on held-to-maturity investments on a collective ba historical loss information that is adjusted for current conditions and reasonable and supportable forecasts. Expected credit losses company-wide basis. The Company does not identify total assets by segment for internal purposes, as the Company's CODM does condensed consolidated financial statements.

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The amount of net revenues in the finished pharmaceutical product segment is presented below:**Note 10. Goodwill and Intangible**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Finished pharmaceutical products segment net revenues:				
Glucagon	$ 29,514	$ 14,224	$ 82,486	$ 37,003
Primatene MIST®	24,834	18,359	64,837	62,030
Epinephrine	20,199	19,502	57,004	52,777
Lidocaine	15,522	12,621	43,174	39,253
Phytonadione	7,449	13,978	33,017	37,834
Enoxaparin	7,702	7,983	25,441	27,138
Naloxone	4,715	6,818	14,774	21,424
Other finished pharmaceutical products	37,730	23,635	105,808	76,330
Total finished pharmaceutical products net revenues	147,665	117,120	426,541	353,789
BAQSIMI®	28,701	—	28,701	—
Total finished pharmaceutical products segment net revenues	$ 176,366	$ 117,120	$ 455,242	$ 353,789

The amount of depreciation table below shows the weighted-average life, original cost, accumulated amortization, and amortizati classification:

	Thre S 2023
Depreciation and amortization expense	
Finished pharmaceutical products	$ 8,61
API	1,0
Total depreciation and amortization expense	$ 9,61

	Weighted-Average Life (Years)	Original Cost	Accumulated Amortization	Net Book Value
		(in thousands)		
Definite-lived intangible assets				
BAQSIMI® product rights(1)	24	$ 591,338	$ 12,319	$ 579,019
IMS (UK) international product rights(2)	10	$ 8,462	8,462	—
Patents	12	486	376	110
Land-use rights	39	2,540	815	1,725
Subtotal	11	602,826	21,972	580,854
Indefinite-lived intangible assets				
Trademark	*	29,225	—	29,225
Goodwill - Finished pharmaceutical products	*	3,216	—	3,216
Subtotal	*	32,441	—	32,441
As of December 31, 2023	*	$ 635,267	$ 21,972	$ 613,295

* Intangible assets with indefinite lives have an indeterminable average life.

(1) See Note 3

(2) In June 2023, the Company recorded an impairment related to its IMS (UK) international product rights in the amount of $2.7 million. The Company recorded the

Net revenues and*Goodwill*

The changes in the carrying values amounts of long-lived assets by geographic regions goodwill are as follows:

				—
				—
				—
United States(1)				$
China				
France				
Total				$
Beginning balance				
Currency translation				
Ending balance				

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Note 11. Inventories

Inventories consist of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Raw materials and supplies	$ 51,411	$ 50,082
Work in process	33,331	30,822
Finished goods	30,752	24,929
Total inventories	$ 115,494	$ 105,833

Charges of $5.7 million and $1.9 million were included in the cost of revenues in the Company's condensed consolidated statements of operations for the three montl

Losses on firm purchase commitments related to raw materials on order as of March 31, 2024 and December 31, 2023 were $3.6 million and $1.0 million, respectivel

Note 7. Customer 12. Property, Plant, and Supplier Concentration Equipment

Property, plant, and equipment consist of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Buildings	$ 168,647	$ 168,771
Leasehold improvements	42,012	41,686
Land	7,460	7,484
Machinery and equipment	259,845	259,484
Furniture, fixtures, and automobiles	33,251	31,943
Construction in progress	28,916	18,676
Total property, plant, and equipment	540,131	528,044
Less accumulated depreciation	(251,608)	(245,298)
Total property, plant, and equipment, net	$ 288,523	$ 282,746

Note 13. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Accrued customer fees and rebates	$ 29,002	$ 16,702
Accrued payroll and related benefits	25,392	25,203
Accrued product returns, current portion	12,704	12,263
Accrued loss on firm purchase commitments	3,632	918
Other accrued liabilities	9,433	12,842
Total accrued liabilities	80,163	67,928
Accounts payable	36,534	25,438
Total accounts payable and accrued liabilities	$ 116,697	$ 93,366

Note 14. Debt

Debt consists of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Convertible Debt		
2029 Convertible Notes	$ 345,000	$ 345,000
Term Loan		
Wells Fargo Term Loan due June 2028	250,000	250,000
Mortgage Loans		
Mortgage payable with East West Bank due June 2027	7,972	8,016
Other Loans and Payment Obligations		
French government loans due December 2026	157	158
Line of Credit Facilities		
Line of credit facility with China Merchant Bank due October 2026	—	—
Wells Fargo Revolving line of credit facility due June 2028	—	—
Line of credit facility with ICBC Bank due November 2033	4,082	—
Equipment under Finance Leases	562	616

Total debt	607,773	603,790
Less current portion of long-term debt	428	436
Less: Loan issuance costs	13,339	13,775
Long-term debt, net of current portion and unamortized debt issuance costs	$ 594,006	$ 589,579

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Customer Concentrations

Three large wholesale drug distributors, Cencora Inc., formally AmerisourceBergen, Corporation, or AmerisourceBergen, Cencora, C well as

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suppliers of a broad range of health care products. Lilly currently manufactures and sells BAQSIMI® on the Company's behalf purs four customers to be its major customers, as each individually, and these customers collectively, represented a significant percenta and accounts receivable as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. The f

	% of Total Accounts Receivable	
	September 30, 2023	Decemb 202
McKesson	24 %	
AmerisourceBergen	9 %	
Cencora		
Cardinal Health	17 %	
Lilly	24 %	

Supplier Concentrations

The Company depends on suppliers for raw materials, APIs, and other components that are subject to stringent FDA

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requirements. Some of these materials may only be available from one or a limited number of sources. Establishing additional or r
Furthermore, a significant portion of raw materials may only be available from foreign sources. If the Company is unable to secure,
materially adverse effect on the Company's business, financial condition, and results of operations.

Note 8. Fair Value Measurements

GAAP defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction be
exit price). These standards also establish a hierarchy that prioritizes observable and unobservable inputs used in measuring fair va

- *Level 1* – Inputs to measure fair value are based on quoted prices (unadjusted) in active markets on identical assets or liabi
- *Level 2* – Inputs to measure fair value are based on the following: a) quoted prices in active markets on similar assets or liab
collaborated observable market data used in a pricing model from which the fair value is derived; and
- *Level 3* – Inputs to measure fair value are unobservable and the assets or liabilities have little, if any, market activity; these i
or liabilities based on best information available in the circumstances.

As of September 30, 2023 March 31, 2024 and December 31, 2023, cash equivalents include money market accounts and corporat
as investment-grade corporate, agency and municipal bonds with original maturity dates between three and fifteen months. Th
approximates their fair value determined based on Level 2 inputs. The corporate, agency and municipal bonds are classified as h
value of such bonds is disclosed in Note 9 and was determined based on Level 2 inputs. The restrictions on restricted cash and inve

The fair values of the Company's financial assets and liabilities measured on a recurring basis as of March 31, 2024 and December

	Total	(Level 1)	(Level 2)	(Level 3)
		(in thousands)		
Cash equivalents	$ 160,420	$ 160,420	$ —	$ —
Restricted cash	235	235	—	—
Short-term investments	34,891	—	34,891	—
Restricted short-term investments	2,200	—	2,200	—
Interest rate swaps related to variable rate loans	(20)	—	(20)	—
Total assets and liabilities measured at fair value as of March 31, 2024	$ 197,726	$ 160,655	$ 37,071	$ —

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determined based on Level 2 inputs. The restrictions on restricted cash and investments have an immaterial effect on the fair value

The fair value of the Company's financial assets and liabilities measured on a recurring basis as of September 30, 2023 and Decem

	Total	(Level 1)	(Level 2)	(Level 3)
		(in thousands)		
Assets:				
Cash equivalents	$ 230,668	$ 230,668	$ —	$ —
Restricted cash	4,259	4,259	—	—
Short-term investments	6,016	—	6,016	—
Restricted short-term investments	2,200	—	2,200	—
Corporate, agency and municipal bonds	33,632	—	33,632	—
Interest rate swaps related to variable rate loans	3,387	—	3,387	—
Total assets measured at fair value as of September 30, 2023	$ 280,162	$ 234,927	$ 45,235	$ —

	Total
Assets:	
Cash equivalents	$ 13
Restricted cash	
Short-term investments	
Restricted short-term investments	
Corporate, agency and municipal bonds	1
Interest rate swaps related to variable rate loans	
Total assets measured at fair value as of December 31, 2022	$ 15
Total assets and liabilities measured at fair value as of December 31, 2023	

The Company does not hold any Level 3 instruments that are measured at fair value on a recurring basis.

Nonfinancial assets and liabilities are not measured at fair value on a recurring basis but are subject to fair value adjustments in c intangible assets for which the fair value is determined as part of an impairment test. As of September 30, 2023, March 31, 2024 liabilities.

The Company's deferred compensation plan assets are valued using the cash surrender value of the life insurance policies and are

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Note 9. Investments

A The following is a summary of the Company's investments that are classified as held-to-maturity are as follows: held-to-maturity:

	Amortized Cost
Corporate and agency bonds (due within 1 year)	
Corporate bonds (due within 1 to 3 years)	
Total investments as of March 31, 2024	
Corporate and agency bonds (due within 1 year)	$ 32
Corporate bonds (due within 1 to 3 years)	
Municipal bonds (due within 1 year)	
Total investments as of September 30, 2023	$ 33
Corporate and agency bonds (due within 1 year)	$ 21
Municipal bonds (due within 1 year)	1
Total investments as of December 31, 2022	$ 23
Total investments as of December 31, 2023	

At each reporting period, the Company evaluates securities for impairment when the fair value of the investment is less than its significant deterioration since purchase nor any other factors that would indicate a material credit loss.

The Company measures expected credit losses on held-to-maturity investments on a collective basis. All the Company's held-to-ma adjusted for current conditions and reasonable and supportable forecasts. Expected credit losses on held-to-maturity investments w

Investment in unconsolidated affiliate

The Company accounts for its share of the earnings or losses of its unconsolidated affiliate (Nanjing Hanxin Biomedical Testing Se basis that is sufficient for the Company to apply the equity method on a current basis. The Company's share of Hanxin's losses for

the “Equity in losses of unconsolidated affiliate” line on the condensed consolidated statement of operations. The Company’s share which was recorded in the “Equity in losses of unconsolidated affiliate” line on the condensed consolidated statement of operations.

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Note 10. Goodwill and Intangible Assets

The table below shows the weighted-average life, original cost, accumulated amortization, and net book value by major intangible as

	Weighted-Average Life (Years)	O
Definite-lived intangible assets		
BAQSIMI® product rights(1)	24	$
IMS (UK) international product rights(2)	10	
Patents	12	

Land-use rights	39	
Subtotal	23	
Indefinite-lived intangible assets		
Trademark	*	
Goodwill - Finished pharmaceutical products	*	
Subtotal	*	
As of September 30, 2023	*	$
As of March 31, 2024		

	Weighted-Average Life (Years)	O
Definite-lived intangible assets		
BAQSIMI® product rights(1)		
IMS (UK) international product rights(2)	10	$
Patents	12	
Land-use rights	39	
Subtotal	11	
Indefinite-lived intangible assets		
Trademark	*	
Goodwill - Finished pharmaceutical products	*	
Subtotal	*	
As of December 31, 2022	*	$
As of December 31, 2023		

* Intangible assets with indefinite lives have an indeterminable average life.Intangible assets with indefinite lives have an indeterminable averag

(1) See Note 3. 3

(2) In June 2023, the Company recorded an impairment related to its IMS (UK) international product rights in the amount of $2.7 million. The Company rec

2023 December 31, 2023

Goodwill

The changes in the carrying amounts of goodwill are as follows:

Beginning balance	
Currency translation	
Ending balance	

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Note 11. Inventories

Inventories consist of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Raw materials and supplies	$ 51,411	$ 50,082
Work in process	33,331	30,822
Finished goods	30,752	24,929
Total inventories	$ 115,494	$ 105,833

Charges of $5.7 million and $1.9 million were included in the cost of revenues in the Company's condensed consolidated statemer related firm purchase commitments to its net realizable value.

Losses on firm purchase commitments related to raw materials on order as of March 31, 2024 and December 31, 2023 were $3 statement of operations.

Note 12. Property, Plant, and Equipment

Property, plant, and equipment consist of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Buildings	$ 168,647	$ 168,771
Leasehold improvements	42,012	41,686
Land	7,460	7,484
Machinery and equipment	259,845	259,484
Furniture, fixtures, and automobiles	33,251	31,943
Construction in progress	28,916	18,676
Total property, plant, and equipment	540,131	528,044
Less accumulated depreciation	(251,608)	(245,298)
Total property, plant, and equipment, net	$ 288,523	$ 282,746

Note 13. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Accrued customer fees and rebates	$ 29,002	$ 16,702
Accrued payroll and related benefits	25,392	25,203
Accrued product returns, current portion	12,704	12,263
Accrued loss on firm purchase commitments	3,632	918
Other accrued liabilities	9,433	12,842
Total accrued liabilities	80,163	67,928
Accounts payable	36,534	25,438
Total accounts payable and accrued liabilities	$ 116,697	$ 93,366

Note 14. Debt

Debt consists of the following:

	March 31, 2024	December 31, 2023
	(in thousands)	
Convertible Debt		
2029 Convertible Notes	$ 345,000	$ 345,000
Term Loan		
Wells Fargo Term Loan due June 2028	250,000	250,000
Mortgage Loans		
Mortgage payable with East West Bank due June 2027	7,972	8,016
Other Loans and Payment Obligations		
French government loans due December 2026	157	158
Line of Credit Facilities		
Line of credit facility with China Merchant Bank due October 2026	—	—
Wells Fargo Revolving line of credit facility due June 2028	—	—
Line of credit facility with ICBC Bank due November 2033	4,082	—
Equipment under Finance Leases	562	616

Total debt	607,773	603,790
Less current portion of long-term debt	428	436
Less: Loan issuance costs	13,339	13,775
Long-term debt, net of current portion and unamortized debt issuance costs	$ 594,006	$ 589,579

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Credit Agreement

2029 Convertible Notes

In September 2023, the Company issued the 2029 Convertible Notes, in the aggregate principal amount of $345.0 million in a pri portions of the net proceeds from the 2029 Convertible Notes to (i) repay approximately $200.0 million of the Company's borrowings

In connection with the issuance of the 2029 Convertible Notes, the Company incurred approximately $10.8 million of debt issuance the 2029 Convertible Notes were $9.8 million as of March 31, 2024. The fair value of the 2029 Convertible Notes was approximately

The 2029 Convertible Notes are general senior, unsecured obligations and bear an interest rate of 2.0% per year. The 2029 Conv U.S. Bank Trust Company, National Association, as trustee.

The 2029 Convertible Notes will rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated that is not so subordinated; effectively junior to any of the Company's secured indebtedness to the extent of the value of the assets all indebtedness and other liabilities of the Company's current or future subsidiaries, including trade payables.

Interest is payable semi-annually in arrears on March 15 and September 15 of each year. The 2029 Convertible Notes may bear ad the Indenture or if the 2029 Convertible Notes are not freely tradeable as required by the Indenture.

The 2029 Convertible Notes will mature on March 15, 2029, unless earlier converted, repurchased or redeemed.

Conversions of the 2029 Convertible Notes will be settled in cash up to the aggregate principal amount of the 2029 Convertible Company's election, with respect to the remainder, if any, of the Company's conversion obligation in excess of the aggregate princip

Holders may convert their 2029 Convertible Notes at their option prior to the close of business on the business day immediately p calendar quarter commencing after the calendar quarter ending on December 31, 2023 (and only during such calendar quarter), if t consecutive trading days ending on and including, the last trading day of the immediately preceding calendar quarter is greater tha business day period after any five consecutive trading day period in which the trading price, as defined in the Indenture, per $1,00 product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day, (iii) if the trading day immediately preceding the redemption date, and (iv) upon the occurrence of specified corporate events defined in the

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Indenture.

On or after December 15, 2028, until the close of business on the second scheduled trading day immediately preceding the maturit option of the holder regardless of the foregoing circumstances.

The Company may redeem the 2029 Convertible Notes, at its option, in whole or in part (subject to certain limitations), on or after Se Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or including the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption pric but excluding, the redemption date.

The initial conversion rate is 15.8821 shares of the Company's common stock per $1,000 principal amount of the 2029 Convertible price of $62.96 represents a premium of approximately 35.0% over the last reported sale price of the Company's common sto circumstances in accordance with the terms of the Indenture.

If a fundamental change, as defined in the Indenture, occurs at any time prior to the maturity date, then, subject to certain conditi Convertible Notes at a repurchase price equal to 100% of the principal amount of the 2029 Convertible Notes to be repurchased, pl of redemption, the Company will, under certain circumstances, increase the conversion rate for holders who convert their 2029 Conv

Syndicated Line of Credit Facility with ICBC Bank – Due November 2033

In January 2024, the Company entered into a credit agreement with Industrial and Commercial Bank of China Limited, or ICBC Ban secured by equipment and buildings at ANP. The interest rate and other terms will be determined at the time of the borrowing, depe

In the first quarter of 2024, the Company borrowed approximately $4.1 million under the credit agreement. The loan bears interest a of the principal amount are biannual and begins May 2026. As of March 31, 2024, the Company had $4.1 million outstanding under

Interest Rate Swap Contracts

As of March 31, 2024, the fair value of the loans listed above approximated their carrying amount based on Level 2 inputs. For the swap contracts to exchange the variable interest rates for fixed interest rates. The interest rate swap contracts are recorded at fair v were $5.2 million gain and $1.0 million loss for the three months ended March 31, 2024 and 2023, respectively.

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Covenants

At March 31, 2024 and December 31, 2023, the Company was in compliance with all of its debt covenants.

Note 15. Income Taxes

The following table sets forth the Company's income tax provision for the periods indicated:

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Income before taxes	$ 47,876	$ 33,569
Income tax provision	4,126	6,752
Income before equity in losses of unconsolidated affiliate	$ 43,750	$ 26,817
Income tax provision as a percentage of income before income taxes	8.6 %	20.1 %

Valuation Allowance

In assessing the need for a valuation allowance, management considers whether it is more likely than not that some portion or all
Management considers sources of taxable income such as income in prior carryback periods, future reversal of existing deferred tax

The Company continues to record a full valuation allowance on the net deferred income tax assets of its France subsidiary, AFP, an
income to realize their respective deferred income tax assets.

The Company records a valuation allowance on net deferred income tax assets in states where it files separately and will continue t

Note 16. Stockholders' Equity

Share Buyback Program

Pursuant to the Company's existing share buyback program, the Company did not purchase any shares of its common stock durir
shares of its common stock, totaling $8.0 million.

In August 2023, the Company's Board of Directors authorized a $50.0 million increase to the Company's share buyback program,
Directors have authorized a total of $285.0 million in the share buyback program. The primary goal of the program is to offset dilutio

Purchases are made through open market and private block transactions pursuant to Rule 10b5-1 plans, privately negotiated trans
and applicable laws. The timing and actual number of treasury share purchases will depend on a variety of factors including price, c
method and are included as a component of treasury stock in the Company's condensed consolidated balance sheets.

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Amortization
Amended and Restated 2015 Equity Incentive Plan

As of September 30, 2023 March 31, 2024, the expected amortization Company reserved an aggregate of 7,874,154 shares of c
1,201,722 shares, which were reserved in January 2024 pursuant to the evergreen provision in the 2015 Plan.

2014 Employee Stock Purchase Plan

As of March 31, 2024, the Company has issued 1,192,134 shares of common stock under the ESPP and 807,866 shares of its comm

For the three months ended March 31, 2024 and 2023, the Company recorded ESPP expense of $0.3 million and $0.3 million, respe

Share-Based Award Activity and Balances

The Company accounts for share-based compensation payments in accordance with ASC 718, which requires measurement an employees and directors. Under these standards, the next five fiscal years fair value of option awards and the option components estimated at the grant date using the Company's common share price. Compensation cost for all share-based payments granted wit

The weighted-averages for key assumptions used in determining the fair value of options granted are as follows:

	Three Months Ended March 31,	
	2024	2023
Average volatility	41.3 %	41.5 %
Average risk-free interest rate	4.2 %	4.2 %
Weighted-average expected life in years	6.3	6.3
Dividend yield rate	— %	— %

A summary of option activity under all plans for the three months ended December 31 March 31, 2024, is presented below:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value(1)
				(in thousands)
Outstanding as of December 31, 2023	7,762,298	$ 19.70		
Options granted	579,532	46.68		
Options exercised	(1,160,737)	12.70		
Options forfeited	(3,830)	35.97		
Options expired	—	—		
Outstanding as of March 31, 2024	7,177,263	$ 23.01	5.41	$ 151,732
Exercisable as of March 31, 2024	5,336,486	$ 18.53	4.29	$ 135,419
Vested and expected to vest as of March 31, 2024	6,970,643	$ 22.55	5.31	$ 150,339

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(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the estimated fair value of the Company's

For the three months ended March 31, 2024 and thereafter 2023, the Company recorded expense of $3.7 million and $3.0 million, re

Information relating to option grants and exercises is as follows:

	(in thousands)
2023	$ 6,180
2024	24,718
2025	24,718
2026	24,718
2027	24,718
Thereafter	481,982
Total amortizable intangible assets	587,034
Indefinite-lived intangibles	32,317
Total intangibles (net of accumulated amortization)	$ 619,351

	Three Months Ended March 31,	
	2024	2023
	(in thousands, except per share data)	
Weighted-average grant date fair value per share	$ 22.16	$ 16.67
Intrinsic value of options exercised	35,823	2,341
Cash received from options exercised	1,821	1,388
Total fair value of the options vested during the period	8,663	7,584

A summary of the status of the Company's non-vested options as of March 31, 2024, and changes during the three months ended M

	Options	Weighted-Average Grant Date Fair Value
Non-vested as of December 31, 2023	2,076,355	12.68
Options granted	579,532	22.16
Options vested	(811,280)	10.68
Options forfeited	(3,830)	16.63
Non-vested as of March 31, 2024	1,840,777	16.54

As of March 31, 2024, there was $24.6 million of total unrecognized compensation cost, net of forfeitures, related to non-vested stoc average period of 3.0 years and will be adjusted for future changes in estimated forfeitures.

Primatene Restricted Stock Units®

The Company grants restricted stock units, or RSUs, to certain employees and members of the Board of Directors with a vesting p The RSUs may not be sold or otherwise transferred until vested. The RSUs do not have any voting or dividend rights prior to the issu common stock fair value at the time of grant and is amortized over the requisite service period, which generally is the vesting perio $3.4 million and $2.9 million, respectively, related to RSU awards granted under all plans.

As of March 31, 2024, there was $26.1 million of total unrecognized compensation cost, net of forfeitures, related to non-vested RSU period of 3.0 years and will be adjusted for future changes in estimated forfeitures.

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Information relating to RSU grants and deliveries is as follows:

	Total RSUs Issued	Total Fair Market Value of RSUs Issued(1)
		(in thousands)
RSUs outstanding at December 31, 2023	920,376	
RSUs granted	274,862	$ 12,831
RSUs forfeited	(1,752)	
RSUs vested(2)	(355,387)	
RSUs outstanding at March 31, 2024	838,099	

(1) The total fair market value is derived from the number of RSUs granted times the current stock price on the date of grant.

(2) Of the vested RSUs, 143,277 shares of common stock were surrendered to fulfil tax withholding obligations.

Share-based Compensation Expense

The Company recorded share-based compensation expense, which is included in the Company's condensed consolidated statemer

	Three Months Ended March 31,	
	2024	2023
	(in thousands)	
Cost of revenues	$ 2,125	$ 1,706
Operating expenses:		
Selling, distribution, and marketing	260	209
General and administrative	3,876	3,357
Research and development	1,099	839
Total share-based compensation	$ 7,360	$ 6,111

Note 17. Employee Benefits

401(k) Plan

The Company has a defined contribution 401(k) plan, or the Plan, whereby eligible employees voluntarily contribute up to a defined contributions, and pays the administrative costs of the Plan. Total employer contributions for the three months ended March 31, 202

Defined Benefit Pension Plan

The Company's subsidiary, AFP, has an obligation associated with a defined-benefit plan for its eligible employees. This plan prov Company. The calculation is based on a statistical calculation combining a number of factors that include the employee's age, lengt

The liability under the plan is based on a discount rate of 3.25% as of March 31, 2024 and December 31, 2023. The liability is includ and the benefit obligation under the plan was $2.6 million at March 31, 2024 and December 31, 2023. The Company recorded an im

Non-qualified Deferred Compensation Plan

In January 2009, December 2019, the Company acquired established a non-qualified deferred compensation plan. The plan allows c rights discretion of the Company. The plan obligations are payable upon retirement, termination of employment and/or certain other allocate their deferred compensation amongst various investment options with earnings accruing to the trademark, domain name, assets. Eligible participants began contributing to the plan in January 2020. The plan assets were valued at approximately $7.5 approximately $8.1 million and $7.1 million as of March 31, 2024 and December 31, 2023, respectively. The plan assets and l consolidated balance sheets.

Note 18. Commitments and Contingencies

Purchase Commitments

As of March 31, 2024, the Company has entered into commitments to purchase equipment and raw materials for an aggregate amo

Note 19. Related Party Transactions

Investment in Hanxin

The Company has an 11.5% ownership in Hanxin that is accounted for as an equity method investment. The Company maintains a and the chairman of the board of directors of Hanxin. Additionally, Dr. Mary Luo and Dr. Jack Zhang, have an ownership interest in H

Contract manufacturing agreement with Hanxin

In April 2022, ANP, entered into a contract manufacturing agreement with Hanxin, whereby Hanxin will develop several active phar cost-plus basis. Hanxin will commit to purchase certain quantities from ANP subject to the terms and conditions set forth in the agre

During the three months ended March 31, 2024, the Company recognized $0.3 million of revenue from manufacturing services pro from manufacturing services provided to Hanxin. As of March 31, 2024, the Company had $0.3 million of receivables from Hanxin.

Contract Research Agreement with Hanxin

In July 2022, the Company entered into a three-year contract research agreement with Hanxin, a related party, whereby Hanxin will subject to a fully paid, exclusive, perpetual, transferable, sub-licensable worldwide license. The RCBs will be used by the Company developed, prepared and produced by Hanxin in conducting research and

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development will belong to the Company. The Company will also own any confidential and proprietary information, technology re formula, research data, design, and procedures and others to develop and manufacture the RCBs, in use or developed by Hanxin. on the then current exchange rates. Any additional work or changes to the scope of work requested by the Company will be charged

In March 2023, the Company amended the agreement with Hanxin, whereby Hanxin will perform scale-up manufacturing proce confidential and proprietary information and technology produced during the scale-up manufacturing. This will include engineering, s the RCBs. The amendment agreement will remain in full force and effect until July 5, 2025. The total cost of the amended agreem under the contract research agreement, with payments adjusted based on actual currency exchange rates. Any additional work or c any applicable taxes.

During the three months ended March 31, 2024 and 2023, the Company paid $0.2 million and $0.6 million, respectively, under th 2023.

Supply Agreement with Letop

In November 2022, ANP, entered into a supply agreement with Nanjing Letop Biotechnology Co., Ltd., or Letop, which is considered and deliver chemical intermediates to ANP on a cost-plus basis. The agreement is effective for three years and the total cost of the a

During the three months ended March 31, 2024, ANP did not make any payments under this agreement. During the three month Company did not have any amounts payable to Letop.

Note 20. Litigation

The Company is subject to various claims, arbitrations, investigations, and lawsuits from time to time arising in the ordinary course other communications.

The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amount expected to have a material adverse effect on its financial position, results of operations, or cash flows; however, the results of litiga of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of mana

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the consolidated operating results, financial condition, liquidity and cash flows of our c the "Condensed Consolidated Financial Statements" and the related notes thereto included in this Quarterly Report on Form 10-Q, c well as assumptions made by, and information currently available to, our management. Actual results could differ materially from tho those identified under the "Special Note About Forward-Looking Statements," above and described in greater detail elsewhere in t "Risk Factors".

Overview

We are a bio-pharmaceutical company focusing primarily on developing, manufacturing, marketing and selling rights related to techn currently manufacture and sell over 25 products.

Our largest products by net revenues currently include BAQSIMI®, Primatene MIST®, an over-the-counter bronchodilator product, re $29.2 million FDA approved our naloxone hydrochloride nasal spray 4mg, REXTOVY™, which is its carrying value as of September

The trademark was determined to have an indefinite life. In determining its indefinite life, the Company considered the following: t insulin product candidates and proprietary product candidates, which are in various stages of development and target a variety contractual provisions that affect their maximum useful life; the Company's ability to renew or extend the asset's legal or contractua expenditures required to obtain the expected future cash flows from the asset; and considerations for obsolescence, demand, comp

To complement our internal growth and expertise, we have made several strategic acquisitions of companies, products and techno by providing additional manufacturing, marketing, and research and development capabilities, including the ability to manufacture ra

Macroeconomic Trends and Uncertainties

Recent uncertain macroeconomic conditions and worldwide events, including extended periods of heightened inflation, rising inter conflicts, as well as rising healthcare costs continue to pose challenges to our business.

See the section titled "Risk Factors" in our Annual Report on Form 10-K for the year ended December 31, 2023, for further discu operations and financial conditions.

Recent Developments

BAQSIMI® Product Rights Acquisition

As discussed in Note 3, in June 2023, the Company acquired the BAQSIMI® product rights. BAQSIMI® is an emergency nasal spra of 24 years.

In determining the BAQSIMI® product rights' useful life, the Company considered the following: the expected use of the intangible Company's ability to renew or extend the asset's legal or contractual life without substantial costs; effects of the regulatory environm from the asset; and considerations for obsolescence, demand, competition and other economic factors.

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Note 11. Inventories

Inventories consist of the following:

	September 30, 2023	December 31, 2022
	(in thousands)	
Raw materials and supplies	$ 55,180	$ 47,607
Work in process	28,293	37,090
Finished goods	26,505	18,887
Total inventories	$ 109,978	$ 103,584

Charges of $9.6 million were included in the cost of revenues in the Company's condensed consolidated statements of operations f their net realizable value. For the three and nine months ended September 30, 2022, charges of $5.5 million and $14.1 million were their net realizable value.

Losses on firm purchase commitments related to raw materials on order as of September 30, 2023 and December 31, 2022 were statement of operations.

Note 12. Property, Plant, and Equipment

Property, plant, and equipment consist of the following:

	September 30, 2023	December 31, 2022
	(in thousands)	
Buildings	$ 131,488	$ 130,726
Leasehold improvements	41,686	31,535
Land	7,438	7,451
Machinery and equipment	257,295	208,068
Furniture, fixtures, and automobiles	31,141	29,674
Construction in progress	49,540	50,842
Total property, plant, and equipment	518,588	458,296
Less accumulated depreciation	(237,752)	(220,030)
Total property, plant, and equipment, net	$ 280,836	$ 238,266

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Note 13. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consisted of the following:

	September 30, 2023	December 31, 2022
	(in thousands)	
Accrued customer fees and rebates	$ 16,261	$ 14,198
Accrued payroll and related benefits	26,681	22,847
Accrued product returns, current portion	12,884	14,867
Accrued loss on firm purchase commitments	701	2,686
Accrued payments for BAQSIMI® (see note 3)	123,894	—
Other accrued liabilities	10,328	9,143
Total accrued liabilities	190,749	63,741

Accounts payable	31,970	20,501
Total accounts payable and accrued liabilities	$ 222,719	$ 84,242

Note 14. Debt

Debt consists of the following:

	September 30, 2023	December 31, 2022
	(in thousands)	
Convertible Debt		
2029 Convertible Notes	$ 345,000	$ —
Term Loan		
Wells Fargo Term Loan due June 2028	300,000	—
Capital One N.A. Term Loan paid off June 2023	—	68,250
Mortgage Loans		
Mortgage payable with East West Bank due June 2027	8,060	8,188
Other Loans and Payment Obligations		
French government loans due December 2026	209	204
Line of Credit Facilities		
Line of credit facility with China Merchant Bank expired April 2023	—	—
Wells Fargo Revolving line of credit facility due June 2028	—	—
Capital One N.A. Revolving line of credit facility closed in June 2023	—	—
Equipment under Finance Leases	660	790
Total debt	653,929	77,432
Less current portion of long-term debt	433	3,046
Less: Loan issuance costs	15,290	1,547
Long-term debt, net of current portion and unamortized debt issuance costs	$ 638,206	$ 72,839

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Credit Agreements

2029 Convertible Notes

In September 2023, the Company issued the 2029 Convertible Notes, in the aggregate principal amount of $345.0 million in a pri
portions of the net proceeds from the 2029 Convertible Notes to (i) repay approximately $200.0 million of the Company's borrowings

In connection with the issuance acquisition of BAQSIMI® in June 2023, we entered into a Transition Service Agreement, or the TS
support the transition of the 2029 Convertible Notes, the Company incurred approximately $10.8 million of debt issuance costs, whi
Convertible Notes were $10.8 million as of September 30, 2023.

The 2029 Convertible Notes are general senior, unsecured obligations and bear an interest rate of 2.0% per year. The 2029 Conv
U.S. Bank Trust Company, National Association, as trustee.

The 2029 Convertible Notes will rank senior in right of payment to all of the Company's indebtedness that is expressly subordinated
that is not so subordinated; effectively junior to any of the Company's secured indebtedness to the extent of the value of the assets
and structurally junior to all indebtedness and other liabilities of the Company's current or future subsidiaries, including trade payable

Interest will be payable semi-annually in arrears on March 15 and September 15 of each year, beginning on March 15, 2024. The 2
with its reporting obligations under the Indenture or if the 2029 Convertible Notes are not freely tradeable as required by the Indentu

The 2029 Convertible Notes will mature on March 15, 2029, unless earlier converted, repurchased or redeemed.

Conversions of the 2029 Convertible Notes will be settled in cash up to the aggregate principal amount of the 2029 Convertible
Company's election, with respect to the remainder, if any, of the Company's conversion obligation in excess of the aggregate princip

Holders may convert their 2029 Convertible Notes at their option prior to the close of business on the business day immediately p
calendar quarter commencing after the calendar quarter ending on December 31, 2023 (and only during such calendar quarter), if th
consecutive trading days ending on and including, the last trading day of the immediately preceding calendar quarter is greater tha
business day period after any five consecutive trading day period in which the trading price, as defined in the Indenture, per $1,00
product of the last reported sale price of the Company's common stock and the conversion rate on each such trading day, (iii) if the
trading day immediately preceding the redemption date, and (iv) upon the occurrence of specified corporate events defined in the In

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On or after December 15, 2028, until the close of business on the second scheduled trading day immediately preceding the maturit
option of the holder regardless of the foregoing circumstances.

The Company may redeem the 2029 Convertible Notes, at its option, in whole or in part (subject to certain limitations), on or after Se
Company's common stock has been at least 130% of the conversion price then in effect for at least 20 trading days (whether or
including the trading day immediately preceding the date on which the Company provides notice of redemption at a redemption pric
but excluding, the redemption date.

The initial conversion rate is 15.8821 shares of the Company's common stock per $1,000 principal amount of the 2029 Convertible
price of $62.96 represents a premium of approximately 35.0% over the last reported sale price of the Company's common sto

circumstances in accordance with the terms of the Indenture.

If a fundamental change, as defined in the Indenture, occurs at any time prior to the maturity date, then, subject to certain conditio Convertible Notes at a repurchase price equal to 100% of the principal amount of the 2029 Convertible Notes to be repurchased, plu of redemption, the Company will, under certain circumstances, increase the conversion rate for holders who convert their 2029 Conv

Syndicated Credit Agreement with Wells Fargo Bank, National Association - Due June 2028

In June 2023, in connection with the BAQSIMI® acquisition, the Company entered into a syndicated credit agreement with Wells Far term loan, or the Wells Fargo Term Loan. Proceeds from the Wells Fargo Term Loan were used to finance the acquisition of BA incurred in connection with each of the foregoing. Outstanding borrowings with respect to the Wells Fargo Term Loan initially accru funds rate, plus 0.50%, (y) the prime rate then in effect and (z) an adjusted daily one-month Secured Overnight Financing Rate, o 1.25%, or (ii) an adjusted Term SOFR rate, subject to a floor of 0.00%, plus an applicable margin of 2.25%. Following delivery of fina to Lilly on June 30, 2024, the applicable margin for outstanding borrowings with respect to the Wells Fargo Term Loan will range fr depending on the Company's consolidated net leverage ratio as of the most recently ended fiscal quarter. The Wells Fargo Term Loa

The Wells Fargo Term Loan requires principal payments of $12.5 million for the first year, which increases to $25.0 million during the secured by substantially all of the Company's and certain of its subsidiaries' assets, subject to certain exceptions and limitations. I Loan with the proceeds from the 2029 Convertible Notes, thereby satisfying all

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of the current and future loan amortization payments required by the Wells Fargo Term Loan until maturity.

The Credit Agreement also provides for a $200.0 million Revolving Credit Facility and bears the same interest rate as the Wells Farg

In conjunction with the Credit Agreement, the Company entered into an interest rate swap agreement with Wells Fargo, with a no interest swap asset had a fair value of $3.2 million as of September 30, 2023.

For lenders that were part of the previous credit agreement with Capital One N.A. as well as the new Credit Agreement, the transact of the present value of the cash flows for each lender under the terms of the debt immediately before and after the transaction, whic

The Company incurred approximately $14.3 million in issuance costs in connection with the Credit Agreement, of which $3.0 mi statement of operations for nine months ended September 30, 2023.

Debt issuance costs associated with the Credit Agreement (other than its Revolving Credit Facility component) are presented as a capitalized within other long-term assets on the condensed consolidated balance sheets. Unamortized debt issuance costs related Agreement using the effective interest rate method.

As a result of the $200.0 million repayment of the principal balance of the Wells Fargo Term Loan, approximately $3.0 million of una

Syndicated Credit Agreement with Capital One N.A. – Paid off June 2023

In August 2021, the Company entered into a $140.0 million credit agreement with Capital One N.A. acting as a lender and as agent the Capital One N.A. Term Loan. Proceeds from the loan were used to pay down certain of the Company's outstanding loans and re

on a variable interest rate, plus an applicable margin rate ranging between 0.5% and 2.5%, determined based on the Company's ne the Capital One N.A. Term Loan.

Interest Rate Swap Contracts

As of September 30, 2023, the fair value of the loans listed above approximated their carrying amount based on Level 2 inputs. For rate swap contracts to exchange the variable interest rates for fixed interest rates. The interest rate swap contracts are recorded a swaps were $4.9 million gain and $2.7 million gain for the three and nine months ended September 30, 2023, respectively. Chang September 30, 2022, respectively.

Covenants

At September 30, 2023 and December 31, 2022, the Company was in compliance with all of its debt covenants.

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Long-Term Debt Maturities

As of September 30, 2023, the principal amounts of long-term debt maturities during each of the next five fiscal years ending Decem

	Long-term Debt
	(in thousands)
2023	$ 229
2024	241
2025	250
2026	7,548
2027	—
Thereafter	645,000
	$ 653,268

Note 15. Income Taxes

The following table sets forth the Company's income tax provision for the periods indicated:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Income before taxes	$ 63,637	$ 22,596	$ 130,014	$ 74,780
Income tax provision	14,025	6,559	27,160	16,187

Income before equity in losses of unconsolidated affiliate	$ 49,612	$ 16,037	$ 102,854	$ 58,593
Income tax provision as a percentage of income before income taxes	22.0 %	29.0 %	20.9 %	21.6 %

The change in the Company's effective tax rate for the three and nine months ended September 30, 2023, was primarily due to diffe

In connection with the purchase accounting for its acquisition of BAQSIMI®, the Company recorded a deferred tax asset of $2.3 milli

Valuation Allowance

In assessing the need for a valuation allowance, management considers whether it is more likely than not that some portion or all
Management considers sources of taxable income such as income in prior carryback periods, future reversal of existing deferred tax

During the nine months ended September 30, 2023, the Company determined its U.K. subsidiaries, AUK and IMS UK, more likely
expense of an immaterial amount and will discontinue recognizing income tax benefits until sufficient taxable income is generated to

The Company continues to record a full valuation allowance on AFP's net deferred income tax assets and will continue to do so unti

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The Company records a valuation allowance on net deferred income tax assets in states where it files separately and will continue t

Note 16. Stockholders' Equity

Share Buyback Program

Pursuant to the Company's existing share buyback program, the Company purchased 1,072,041 and 1,338,757 shares of its com
million, respectively. The Company purchased 478,255 and 719,263 shares of its common stock during the three and nine months e

In August 2023, the Company's Board of Directors authorized a $50.0 million increase to the Company's share buyback program.
Directors have authorized a total of $285.0 million in the share buyback program. The primary goal of the program is to offset dilutio

Purchases are made through open market and private block transactions pursuant to Rule 10b5-1 plans, privately negotiated trans
and applicable laws. The timing and actual number of treasury share purchases will depend on a variety of factors including price, c
method and are included as a component of treasury stock in the Company's condensed consolidated balance sheets.

Amended and Restated 2015 Equity Incentive Plan

As of September 30, 2023, the Company reserved an aggregate of 6,776,746 shares of common stock for future issuance under th
January 2023 pursuant to the evergreen provision in the 2015 Plan.

2014 Employee Stock Purchase Plan

As of September 30, 2023, the Company has issued 1,155,478 shares of common stock under the ESPP and 844,522 shares of its

In May 2023, the Company issued 65,933 shares at a purchase price of $25.52 per share under the ESPP. For the three and nine
the three and nine months ended September 30, 2022, the Company recorded ESPP expense of $0.2 million and $0.6 million, respe

Share-Based Award Activity and Balances

The Company accounts for share-based compensation payments in accordance with ASC 718, which requires measurement and
Under these standards, the fair value of option awards and the option components of the ESPP awards are estimated at the grant d
common share price. Compensation cost for all share-based payments granted with service-based graded vesting schedules is reco

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The weighted-averages for key assumptions used in determining the fair value of options granted during the three and nine months

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
Average volatility	40.2 %	42.7 %	41.4 %	41.0 %
Average risk-free interest rate	4.4 %	2.9 %	4.1 %	2.3 %
Weighted-average expected life in years	6.3	6.3	6.2	6.1
Dividend yield rate	— %	— %	— %	— %

A summary of option activity under all plans for the nine months ended September 30, 2023, is presented below:

	Options	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value(1)
				(in thousands)
Outstanding as of December 31, 2022	7,929,150	$ 17.66		
Options granted	759,820	35.84		
Options exercised	(786,891)	15.27		
Options forfeited	(4,526)	29.60		
Options expired	(543)	16.25		
Outstanding as of September 30, 2023	7,897,010	$ 19.65	4.78	208,046
Exercisable as of September 30, 2023	5,819,517	$ 16.54	3.52	171,365
Vested and expected to vest as of September 30, 2023	7,703,355	$ 19.37	4.68	205,029

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the estimated fair value of the Company's

For the three and nine months ended September 30, 2023, the Company recorded expense of $2.2 million and $7.5 million, res
Company recorded expense of $2.0 million and $6.5 million, respectively, related to stock options granted under all plans.

Information relating to option grants and exercises is as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands, except per share data)			
Weighted-average grant date fair value per share	$ 21.49	$ 14.40	$ 16.76	$ 14.75
Intrinsic value of options exercised	5,628	1,421	24,544	20,131
Cash received from options exercised	2,277	1,483	12,015	18,402
Total fair value of the options vested during the period	167	167	8,887	8,157

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A summary of the status of the Company's non-vested options as of September 30, 2023, and changes during the nine months ende

	Options	Weighted-Average Grant Date Fair Value
Non-vested as of December 31, 2022	2,378,453	$ 9.48
Options granted	759,820	16.76
Options vested	(1,056,254)	8.41
Options forfeited	(4,526)	13.40
Non-vested as of September 30, 2023	2,077,493	12.68

As of September 30, 2023, there was $18.9 million of total unrecognized compensation cost, net of forfeitures, related to non-ves weighted-average period of 2.7 years and will be adjusted for future changes in estimated forfeitures.

Restricted Stock Units

The Company grants restricted stock units, or RSUs, to certain employees and members of the Board of Directors with a vesting p The RSUs may not be sold or otherwise transferred until vested. The RSUs do not have any voting or dividend rights prior to the issu common stock fair value at the time of grant and is amortized over the requisite service period, which generally is the vesting per expenses of $2.2 million and $7.3 million, respectively, related to RSU awards granted under all plans. For the three and nine month awards granted under all plans.

As of September 30, 2023, there was $19.9 million of total unrecognized compensation cost, net of forfeitures, related to non-veste average period of 2.7 years and will be adjusted for future changes in estimated forfeitures.

Information relating to RSU grants and deliveries is as follows:

	Total RSUs Issued	Total Fair Market Value of RSUs Issued(1)
		(in thousands)

RSUs outstanding at December 31, 2022	1,007,052	
RSUs granted	356,176	$ 12,725
RSUs forfeited	(2,017)	
RSUs vested[2]	(440,337)	
RSUs outstanding at September 30, 2023	920,874	

(1) The total fair market value is derived from the number of RSUs granted times the current stock price on the date of grant.
(2) Of the vested RSUs, 168,007 shares of common stock were surrendered to fulfill tax withholding obligations.

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Share-based Compensation Expense

The Company recorded share-based compensation expense, which is included in the Company's condensed consolidated statemer

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2023	2022	2023	2022
	(in thousands)			
Cost of revenues	$ 1,004	$ 915	$ 3,868	$ 3,238
Operating expenses:				
Selling, distribution, and marketing	213	178	649	540
General and administrative	2,975	2,810	9,323	8,389
Research and development	452	396	1,780	1,389
Total share-based compensation	$ 4,644	$ 4,299	$ 15,620	$ 13,556

Note 17. Employee Benefits

401(k) Plan

The Company has a defined contribution 401(k) plan, or the Plan, whereby eligible employees voluntarily contribute up to a defined contributions, and pays the administrative costs of the Plan. Total employer contributions for the three and nine months ended Sep million and $1.6 million for the three and nine months ended September 30, 2022, respectively.

Defined Benefit Pension Plan

The Company's subsidiary, AFP, has an obligation associated with a defined-benefit plan for its eligible employees. This plan prov Company. The calculation is based on a statistical calculation combining a number of factors that include the employee's age, length

The liability under the plan is based on a discount rate of 3.8% as of September 30, 2023 and December 31, 2022. The liability unfunded, and the benefit obligation under the plan was $2.3 million and $2.2 million at September 30, 2023 and December 31, months ended September 30, 2023 and 2022.

Non-qualified Deferred Compensation Plan

In December 2019, the Company established a non-qualified deferred compensation plan. The plan allows certain eligible participa plan obligations are payable upon retirement, termination of employment and/or certain other times in a lump-sum distribution or in amongst various investment options with earnings accruing to the participant. The Company has established a Rabbi Trust to fund t assets were valued at approximately $5.5 million and $4.5 million as of September 30, 2023 and December 31, 2022, respectively. T

$5.7 million and $4.6 million as of September 30, 2023, and December 31, 2022, respectively. The plan assets and liabilities are balance sheets.

Note 18. Commitments and Contingencies

Purchase Commitments

As of September 30, 2023, the Company has entered into commitments to purchase equipment and raw materials for an aggregate

Note 19. Related Party Transactions

Investment in Hanxin

As of September 30, 2023, the Company has a 11.5% ownership in Hanxin that is accounted for as an equity method investmen holder, the general manager, and the chairman of the board of directors of Hanxin. Additionally, Dr. Mary Luo and Dr. Jack Zhang, ha

Contract manufacturing agreement with Hanxin

In April 2022, ANP, entered into a contract manufacturing agreement with Hanxin, whereby Hanxin will develop several active phar cost-plus basis. Hanxin will commit to purchase certain quantities from ANP subject to the terms and conditions set forth in the agre

During the three and nine months ended September 30, 2023, the Company recognized an immaterial amount of revenue from ma from Hanxin.

Contract Research Agreement with Hanxin

In July 2022, the Company entered into a three-year contract research agreement with Hanxin, a related party, whereby Hanxin will subject to a fully paid, exclusive, perpetual, transferable, sub-licensable worldwide license. The RCBs will be used by the Company developed, prepared and produced by Hanxin in conducting research and development will belong to the Company. The Company which shall include engineering, scientific and practical information and formula, research data, design, and procedures and others not exceed approximately $2.2 million, with payments adjusted based on the then current exchange rates. Any additional work or cl any applicable taxes.

In March 2023, the Company amended the agreement with Hanxin, whereby Hanxin will perform scale-up manufacturing proce
confidential and proprietary information and technology produced during the scale-up manufacturing, which shall include engineering

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and procedures and others to develop and manufacture the RCBs. The amendment agreement will remain in full force and effect
additional payments beyond the $2.2 million in payments under the contract research agreement, with payments adjusted based
charged by Hanxin to the Company on a cost-plus basis, plus any applicable taxes.

During the three and nine months ended September 30, 2023, the Company paid $0.4 million and $1.4 million, respectively, under th

Supply Agreement with Letop

In November 2022, ANP, entered in to a supply agreement with Nanjing Letop Biotechnology Co., Ltd., or Letop, a subsidiary of H
effective for three years and the total cost of the agreement shall not exceed approximately $1.5 million, with payments adjusted bas

During the three months ended September 30, 2023, ANP did not have any payments under this agreement. During the nine month
have any amounts payable to Letop.

Note 20. Litigation

Hatch-Waxman Litigation

Regadenoson (0.4 mg/5 mL, 0.08 mg/mL) Patent Litigation

On February 25, 2020, Astellas US LLC, Astellas Pharma US, Inc., and Gilead Sciences, Inc. (collectively, “Astellas-Gilead”) filed
8,106,183 (the “‘183 patent”), RE47,301 (the “‘301 patent”), and 8,524,883 (the “‘883 patent”) (collectively, “Astellas-Gilead Pater
solution of Regadenoson. On January 26, 2022, the Company and Astellas-Gilead reached an agreement to resolve the lawsuit. Ur
Company recorded the settlement amount in the other income (expenses) line in its condensed consolidated statement of operation

Other Litigation

The Company is also subject to various other claims, arbitrations, investigations, and lawsuits from time to time arising in the ordi
letters and other communications.

The Company records a provision for contingent losses when it is both probable that a liability has been incurred and the amoun
expected to have a material adverse effect on its financial position, results of operations, or cash flows; however, the results of litiga
of the outcome, litigation can have an adverse impact on the Company because of defense and settlement costs, diversion of mana

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Note 21. Subsequent Events

On October 27, 2023, the Company made a principal payment of $50.0 million on its Wells Fargo Term Loan, reducing the balance t

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ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following is a discussion and analysis of the consolidated operating results, financial condition, liquidity and cash flows of our c the "Condensed Consolidated Financial Statements" and the related notes thereto included in this Quarterly Report on Form 10-Q, c well as assumptions made by, and information currently available to, our management. Actual results could differ materially from tho those identified under the "Special Note About Forward-Looking Statements," above and described in greater detail elsewhere in t "Risk Factors".

Overview

We are a bio-pharmaceutical company focusing primarily on developing, manufacturing, marketing and selling technically challe manufacture and sell over 20 products.

Our largest products by net revenues currently include BAQSIMI®, Primatene MIST®, glucagon, epinephrine, lidocaine, enoxaparin which we launched in June 2022. In July 2022, the FDA approved our vasopressin injection, USP 20 Units/mL, 1 mL single-dose v dose prefilled syringe, which we launched in April 2023.

In March 2023, the FDA approved our naloxone hydrochloride nasal spray 4mg, REXTOVY®, which we plan to launch in the first qua

We are currently developing a portfolio of generic abbreviated new drug applications, or ANDAs, biosimilar insulin product candidate the ANDAs are currently on file with the FDA.

To complement our internal growth and expertise, we have made several strategic acquisitions of companies, products and techno by providing additional manufacturing, marketing, and research and development capabilities, including the ability to manufacture ra

Macroeconomic Trends and Uncertainties

The Russia-Ukraine conflict and resulting sanctions and other actions against Russia have led to uncertainty and disruption in the g one of our insulin API customers in Western Europe, that previously bought our product and resold it into Russia, did not purchas conflict and its impact on Europe and throughout the rest of the world. It is not clear at this time how long the conflict will endure, or results of operations.

Certain other worldwide events and macroeconomic factors, such as international trade relations, new legislation and regulations, and civil unrest, global conflicts such as the Israel-Hamas war, supply chain disruptions, inflationary pressures, and rising intere

experienced historically high levels of inflation. The existence of inflation in the United States, and global economy has and may cor
effects.

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See the “Risk Factors” section for further discussion of the possible impact of the Russia-Ukraine conflict and other macroeconomic

Recent Developments

BAQSIMI® Acquisition

On June 30, 2023, we completed our acquisition of BAQSIMI® glucagon nasal powder, or BAQSIMI® pursuant to an Asset Purcha
owned subsidiary of Amphastar, dated April 21, 2023. In connection with the closing of the transaction, or the Closing, we paid Lilly
the closing. We may also be required to pay additional contingent consideration of up to $450.0 million to Lilly based on the achieve

On June 30, 2023, in conjunction with our acquisition of BAQSIMI®, we entered into a $700.0 million syndicated credit agreement, c
as guarantors, certain lenders, and Wells Fargo Bank, National Association, or Wells Fargo, as Administrative Agent, (in such capac

The Credit Agreement provides for a senior secured term loan in an aggregate principal amount of $500.0 million, or the Wells Farg
30, 2023.

The Credit Agreement provides for a senior secured revolving credit facility, or the Revolving Credit Facility, in an aggregate prin
Revolving Credit Facility matures on June 30, 2028. As of September 30, 2023, we had no borrowings outstanding under the Revo
issuance of $345.0 million of the 2.00% Convertible Notes, or 2029 Convertible Notes. We repaid approximately $200.0 million of th

commercial sales channel activities. Revenues from the sales of BAQSIMI®, under the Transition Services Agreement, or TSA with
arrangement. The impact of this revenue recognition method resulted in lower reported revenues relative to the revenue that would l

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During the first quarter of 2024, we assume assumed distribution responsibilities from Lilly to our customers in the United States, wh
portion of the quarter ended March 31, 2024, we will begin started recognizing gross revenues and cost of revenues from the s
respectively. revenue, respectively on the condensed consolidated statement of operations.The assumption of distribution in countrie
been transferred to us, we have set up distribution agreements, and we have obtained sufficient inventory.

For more information regarding our acquisition of BAQSIMI®, see “Part I – Item 1. Financial Statements – Notes to Condensed Cons

Business Segments

As of June 30, 2023 March 31, 2024, our performance is assessed and resources are allocated based on the following two reporta
pharmaceutical products segment manufactures, markets and distributes BAQSIMI®, Primatene MIST®, epinephrine, glucagon, ph
sale of BAQSIMI® are also accounted for as a component of the finished pharmaceutical product segment. The API segment manu
product development. Information reported herein is consistent with how it is reviewed and evaluated by our chief operating decisior

For more information regarding our segments, see “Part I – Item 1. Financial Statements – Notes to Condensed Consolidated Finan

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Results of Operations

Three Months Ended September 30, 2023 March 31, 2024 Compared to Three Months Ended September 30, 2022 March 31, 2

Net revenues

	Three Mo Septer 2023
Net revenues	
Finished pharmaceutical products	$ 147,665
API	4,190
Total product revenues, net	151,855
Other revenues	28,701
Total net revenues	$ 180,556
Cost of revenues	
Finished pharmaceutical products	$ 66,867
API	5,286
Total cost of revenues	$ 72,153
Gross profit	$ 108,403
as % of net revenues	*60 %*

The increase in net revenues of the finished pharmaceutical products for the three months ended September 30, 2023 March 31, 20

Finished pharmaceutical products net revenues	
Glucagon	$
Epinephrine	
Primatene MIST®	
Epinephrine	
BAQSIMI®	
Lidocaine	
Phytonadione	
Enoxaparin	
Phytonadione	
Naloxone	
Other finished pharmaceutical products	
Total finished pharmaceutical products net revenues	$

Product Revenues, net

In the first quarter of 2024, we assumed distribution responsibilities for BAQSIMI® from Lilly to our customers in the United States, similar to other products.

For more information, see “Part I – Item 1. Financial Statements – Notes to the Condensed Consolidated Financial Statements – No

The increase in sales of glucagon was due to a growth in unit volumes, impacting sales by $1.8 million, as well as a higher average phytonadione was primarily due to an increase in unit volumes, as a result of two suppliers discontinuing their glucagon injection pro

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caused by other supplier shortages. Primatene MIST® sales increased due to an increase in unit volumes. The increase in sales of The decrease in the sales of phytonadione was lidocaine is primarily due to a decrease in lower unit volumes, as a result of incr naloxone was primarily due to a decrease in unit volumes. The increase decrease in other finished pharmaceutical products was

partially offset by higher unit volumes of dextrose atropine, calcium chloride, and sodium bicarbonate due to increased an increase i launched in August 2022, and the launch of regadenoson in April 2023.

We anticipate that sales of naloxone and enoxaparin will continue to fluctuate in the future due to competitive dynamics. We also ant

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depending on the ability of our competitors to supply market demands. Sales of medroxyprogesterone have were essentially been h the process fourth quarter of qualifying 2023, we qualified our subsidiary, ANP, to make manufacture this API. However, we do not k are not sure when we will be able to return to selling this product. Sales of medroxyprogesterone totaled $0.7 million $0.2 million in t September 30, 2022 March 31, 2023. We plan to relaunch the product during the second half of 2024.

Sales of API primarily depend on the timing of customer purchases. purchases, and will be lower because MannKind, our largest produced inclusion bodies made at AFP. Until they complete this process, we anticipate sales will be at levels lower than historical o

Other Revenues

Other revenues includes revenues from include the sales portion of BAQSIMI® of $28.7 million sales made by Lilly on our behalf und total BAQSIMI® sales of $48.7 million $24.6 million as reported to us by Lilly, which was recognized on a net basis similar to a roya services to support the transition of the BAQSIMI® operations to us. The transfer of the BAQSIMI® marketing authorizations to us expected to transfer to us in the first quarter of 2024. Upon the assumption of distribution responsibilities, we will begin to recognize

Backlog

A significant portion of our customer shipments in any period relate to orders received and shipped in the same period, generally re we experienced an immaterial amount a backlog of backlog approximately $6.8 million for various products, primarily as a result of c of our ability to achieve any particular level of overall revenue or financial performance.

Gross margins Margins

The decrease in gross margins during the three months ended March 31, 2024, is primarily due to an increase in depreciation and well as charges included in cost of revenues to adjust our inventory and related purchase commitments to their net realizable valu margin products, the sales of ganirelix and vasopressin, both of which we launched last year, as well as the sales of regadenoson 2023. sales of BAQSIMI® into the United States and certain countries in Europe as we assumed distribution responsibilities from Lilly Lilly are reported on a net basis similar to a royalty arrangement with no amount reported as cost of revenues.

We are experiencing increased costs for labor and certain APIs and purchased components. Additionally, the cost of heparin may increased sales of our higher-margin products, including Primatene MIST BAQSIMI®, glucagon, vasopressin, ganirelix, regadenosor

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Selling, distribution and marketing, and general and administrative

	2023
Selling, distribution, and marketing	$
General and administrative	$

The increase in selling, distribution and marketing expenses was primarily due to expenses related to the expansion of our sales increase in general and administrative expense was primarily due to an increase in salary and personnel-related expenses as well a

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Legal fees may fluctuate from period to period due to the timing of patent challenges and other litigation matters.

Research and development

	Three Months Ended September 30,		Change	
	2023	2022	Dollars	%
	(in thousands)			
Salaries and personnel-related expenses	$ 7,007	$ 6,217	$ 790	13 %
Pre-launch inventory	460	—	460	N/A
Clinical trials	673	2,726	(2,053)	(75)%
FDA fees	45	29	16	55 %
Materials and supplies	3,664	5,217	(1,553)	(30)%
Depreciation	2,452	2,473	(21)	(1)%
Other expenses	2,363	1,852	511	28 %
Total research and development expenses	$ 16,664	$ 18,514	$ (1,850)	(10)%

The decrease in research and development expenses is primarily due to the timing of clinical trials. Additionally, materials and supp partially offset by an increase in salary and personnel-related expenses.

Research and development expenses consist primarily of costs associated with the research and development of our product candi

We have made, and expect to continue to make, substantial investments in research and development to expand our product po increased clinical trials cost related to our insulin and inhalation product candidates. These expenditures will include costs of API performing the clinical trials. As we undertake new and challenging research and development projects, we anticipate that the assoc

Other income (expenses), net

	Three Months Ended September 30,		Change	
	2023	2022	Dollars	%
	(in thousands)			
Other income (expenses), net	$ 3,459	$ (397)	$ 3,856	NM

Other income (expenses), net is primarily a result of foreign currency fluctuation, as well as the mark-to-market adjustments relating

Income tax provision

	Three Months Ended September 30,		Change	
	2023	2022	Dollars	%
	(in thousands)			
Income tax provision	$ 14,025	$ 6,559	$ 7,466	114 %
Effective tax rate	*22 %*	*29 %*		

Our effective tax rate for the three months ended September 30, 2023 decreased in comparison to the three months ended Septer regarding our income taxes, see “Part I – Item 1. Financial Statements – Notes to Condensed Consolidated Financial Statements –

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Nine Months Ended September 30, 2023 Compared to Nine Months Ended September 30, 2022

Net revenues

	Nine Months Ended September 30,		Change	
	2023	2022	Dollars	%
	(in thousands)			
Net revenues				
Finished pharmaceutical products	$ 426,541	$ 353,789	$ 72,752	21 %
API	11,048	10,175	873	9 %
Total product revenues, net	437,589	363,964	73,625	20 %
Other revenues	28,701	—	28,701	N/A
Total net revenues	$ 466,290	$ 363,964	$ 102,326	28 %
Cost of revenues				
Finished pharmaceutical products	$ 192,500	$ 168,327	$ 24,173	14 %

API	18,809	17,945	864	5 %
Total cost of revenues	$ 211,309	$ 186,272	$ 25,037	13 %
Gross profit	$ 254,981	$ 177,692	$ 77,289	43 %
as % of net revenues	*55 %*	*49 %*		

The increase in net revenues of the finished pharmaceutical products for the nine months ended September 30, 2023, was due to th

	Nine Months Ended September 30,		Change	
	2023	2022	Dollars	%
	(in thousands)			
Finished pharmaceutical products net revenues				
Glucagon	$ 82,486	$ 37,003	$ 45,483	123 %
Primatene MIST®	64,837	62,030	2,807	5 %
Epinephrine	57,004	52,777	4,227	8 %
Lidocaine	43,174	39,253	3,921	10 %
Phytonadione	33,017	37,834	(4,817)	(13)%
Enoxaparin	25,441	27,138	(1,697)	(6)%
Naloxone	14,774	21,424	(6,650)	(31)%
Other finished pharmaceutical products	105,808	76,330	29,478	39 %
Total finished pharmaceutical products net revenues	$ 426,541	$ 353,789	$ 72,752	21 %

Product Revenues, net

The increase in sales of glucagon was primarily due to an increase in unit volumes, as a result of two suppliers discontinuing their contributing $3.5 million, which was partially offset by a reduction in unit volume, as a result of inventory drawdowns by retailers, ar due to an increase in demand caused by supplier shortages. The decrease in sales of phytonadione was due to a decrease in uni volumes. The decrease in sales of naloxone was due to both a decrease in unit volumes, as well as a lower average selling price. T chloride, and sodium bicarbonate, due to increased demand caused by supplier shortages, as well as a full period of sales for gar April 2023.

We anticipate that sales of naloxone and enoxaparin will continue to fluctuate in the future due to competitive dynamics.

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We also anticipate that sales of epinephrine and other finished pharmaceutical products will continue to fluctuate depending on the a 2023 as our API supplier has discontinued making this product. We are currently in the process of qualifying our subsidiary ANP to approved by the FDA. Therefore, we are not sure when we will be able to return to selling this product. Sales of medroxyprogester September 30, 2022.

Sales of API primarily depend on the timing of customer purchases.

Other Revenues

Other revenues includes revenues from the sales of BAQSIMI® of $28.7 million during the nine months ended September 30, 2023 royalty arrangement. Currently, BAQSIMI® is being sold by Lilly on our behalf under the TSA, whereby Lilly would provide certain s us is anticipated to occur at different points in time depending on the jurisdiction, with the United States being the first that is expect gross revenues and cost of revenues in their respective lines on the consolidated statements of comprehensive income.

Backlog

A significant portion of our customer shipments in any period relate to orders received and shipped in the same period, genera immaterial amount of backlog for various products, primarily as a result of competitor shortages and supplier constraints. Historical revenue or financial performance.

Gross margins

The increase in sales of glucagon, Primatene MIST®, and epinephrine, which are higher-margin products, the sales of ganirelix ar helped increase our gross margins for the nine months ended September 30, 2023. Additionally, as a result of the TSA with Lilly, th of revenues. These increases in gross margins were partially offset by an impairment charge of $2.7 million in June 2023 relating inventory and related purchase commitments to their net realizable value.

We are experiencing increased costs for labor and certain purchased components. Additionally, the cost of heparin may fluctuate, w of our higher-margin products, including glucagon, vasopressin, ganirelix, regadenoson and new products we anticipate launching ir

Selling, distribution and marketing, and general and administrative

	Nine Months Ended September 30,		Change	
	2023	2022	Dollars	%
	(in thousands)			
Selling, distribution, and marketing	$ 20,234	$ 16,059	$ 4,175	26 %
General and administrative	$ 38,418	$ 34,433	$ 3,985	12 %

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The increase in selling, distribution and marketing expenses was primarily due to expenses related to the expansion of our sales fo administrative expense was primarily due to an increase in salary and personnel-related expenses, as well as costs related to the ac

We expect that selling, distribution and marketing expenses will continue to increase due to the increase in marketing expenditures and other litigation matters.

Research and development

	2023

Salaries and personnel-related expenses	$	2
Pre-launch inventory		
Clinical trials		
FDA fees		
Materials and supplies		1
Depreciation		
Other expenses		
Total research and development expenses	$	5

The decrease in research and development expenses is primarily due to a decrease in clinical trial expense, as well as a decrea insulin inhalation pipeline products. This was partially offset by an increase in salary and personnel-related expenses.

Research and development expenses consist primarily of costs associated with the research and development of our product candi

We have made, and expect to continue to make, substantial investments in research and development to expand our product po increased clinical trials costs related to our insulin and inhalation product candidates. These expenditures will include costs of AP performing the clinical trials. As we undertake new and challenging research and development projects, we anticipate that the assoc

Other income (expenses), net

	Nine Months Ended September 30,		Change	
	2023	2022	Dollars	%
	(in thousands)			
Other income (expenses), net	$ 1,553	$ 5,692	$ (4,139)	NM

Other income (expenses), net is primarily a result of foreign currency fluctuation, as well as the mark-to-market adjustments rel September 30, 2022, we received a settlement of $5.4 million in connection with the Regadenoson patent litigation. For more in Financial Statements – Note 20. Litigation".

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Non-operating income (expenses), net

	Three Months Ended March 31,		Change	
	2024	2023	Dollars	%
	(in thousands)			
Non-operating income (expenses)				
Interest income	$ 2,556	$ 924	$ 1,632	NM

Interest expense	(8,611)	(398)	(8,213)	NM
Other income (expenses), net	5,921	(390)	6,311	NM
Total non-operating income (expenses), net	$ (134)	$ 136	$ (270)	NM

The change in non-operating income (expenses), net is primarily a result of:

- An increase in interest income resulting from an increase in cash and investments.
- An increase in interest expense resulting from the Term Loan used to finance the acquisition of BAQSIMI®, as well as the 2(Condensed Consolidated Financial Statements – Note 14. Debt."
- A change to Other income (expenses), net primarily as a result of foreign currency fluctuation, as well as mark-to-market ad

Income tax provision

	2023
Income tax provision	$
Effective tax rate	

Our effective tax rate for the nine three months ended September 30, 2023 March 31, 2024 decreased in comparison to the nine thr discrete tax items. For more information regarding our income taxes, see "Part I – Item 1. Financial Statements – Notes to Condens

Beginning in 2024, many countries are implementing some or all of the Organisation for Economic Co-operation and Developr digitalization of the global economy. While we continue to evaluate those countries' implementations, we do not expect those implem

Liquidity and Capital Resources

Cash Requirements and Sources

We need capital resources to maintain and expand our business. We expect our cash requirements to increase significantly in the current development stage product candidates and pursue strategic acquisitions of businesses or assets. Our future capital expend a significant increase in capital expenditures over the next few years. We plan to fund this facility expansion primarily with cash flows

principal and interest payments due on our existing loans and lease payments, as described below and throughout this Quarterly Re

As of September 30, 2023 March 31, 2024, our foreign subsidiaries collectively held $5.8 million $11.2 million in cash and cash equiv United States. We believe that our cash reserves, operating cash flows, and borrowing availability under our credit facilities will be We expect additional cash flows to be generated in the longer term from future product introductions, including from sales of BAC developing or the timing of any product introductions, which could be lengthy or ultimately unsuccessful.

We maintain a shelf registration statement on Form S-3 pursuant to which we may, from time to time, sell up to an aggregate of $ contracts, or units. If we require or elect to seek additional capital through debt or equity financing in the future, we may not be al convertible debt securities, the issuance of such securities will result in dilution to our stockholders. If we are required and unable to

Working capital increased by $1.5 million $35.7 million to $285.0 million $299.9 million at September 30, 2023 March 31, 2024, comp

Cash Flows from Operations

The following table summarizes our cash flows used in operating, investing, and financing activities for the nine three months ended

Statement of Cash Flow Data:
Net cash provided by (used in)
Operating activities
Investing activities
Financing activities
Effect of exchange rate changes on cash
Net increase in cash, cash equivalents, and restricted cash

Sources and Use of Cash

Operating Activities

Net cash provided by operating activities was $159.6 million $55.3 million for the nine three months ended September 30, 2023 million $16.1 million of depreciation and amortization, $15.6 million which includes $6.8 million related to deprecation of property, amortization of discounts, premiums, and debt issuance costs. Additionally, non-cash items included share-based compensation ex million.

Additionally, for the nine three months ended September 30, 2023, there was a net cash inflow from changes in operating assets a offset by an increase in accounts receivables and inventories. Accounts payable and accrued liabilities increased primarily due to BAQSIMI® during the quarter, which was received subsequent to the quarter end.

Net cash provided by operating activities was $74.0 million for the nine months ended September 30, 2022, which included net inco share-based compensation expense. Additionally, for the nine months ended September 30, 2022 March 31, 2024, there was a net accounts receivables and an increase in inventories, which was partially offset by an increase in accounts payable and accrued customer fees and rebates associated with BAQSIMI® sales. The increase in accounts receivables was primarily due to the increas was received subsequent to the quarter end.

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Net cash provided by operating activities was $40.4 million for the three months ended March 31, 2023, which included net income million of share-based compensation expense. Additionally, for the three months ended March 31, 2023, there was a net cash outf which was partially offset by an increase in accounts payable and accrued liabilities. Accounts payable and accrued liabilities incre timing of sales.

Investing Activities

Net cash used in provided by investing activities was $546.1 million $15.2 million for the nine three months ended September 30 purchases of investments during the BAQSIMI® acquisition, $28.7 million quarter. This was partially offset by $8.8 million in purchas million in France, and $7.5 million $4.7 million in China.

Net cash used in investing activities was $32.5 million $6.3 million for the nine three months ended September 30, 2022 March 31, million $6.6 million incurred in the United States, $0.9 million $0.1 million in France, and $5.7 million $2.8 million in China. activities investments during the period was $15.1 million of $3.5 million.

Financing Activities

Net cash provided by used in financing activities was $501.2 million $13.6 million for the nine three months ended September 30, 202 the issuance of the 2029 Convertible Notes, which was

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partially offset by $268.5 million in principal payments of our long-term debt and $24.6 million in debt issuance cost. Additionally, w
which and for tax payments related to the net share settlement of options exercised. This was partially offset by the $58.4 million use

Net cash used in financing activities was $10.3 million $13.5 million for the nine three months ended September 30, 2022 March 3
million in net proceeds from the settlement of and $4.5 million used to settle share-based compensation awards under our equity pla

Indebtedness

For more information regarding our outstanding indebtedness, see “Part I – Item 1. Financial Statements – Notes to Condensed Cor

Critical Accounting Policies

The preparation of our condensed consolidated financial statements in conformity with GAAP requires management to make estim
financial statements. Some of those judgments can be subjective and complex, and therefore, actual results could differ materially
Part II, Item 7, of our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023. There have been no
Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Recent Accounting Pronouncements

For information regarding recent accounting pronouncements, see “Part I – Item 1. Financial Statements – Notes to Condensed Cor

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Government Regulation

Our products and facilities are subject to regulation by a number of federal and state governmental agencies. The FDA, in particul
Enforcement Administration, or DEA, maintains oversight over our products that are considered controlled substances.

From February 6 through February 16, 2023, our IMS facility in South El Monte, California was subject to pre-approval inspection b
The inspection resulted in two observations on Form 483. We responded to those observations. We believe that our response to the

From February 20 through March 1, 2024, our Amphastar facility in Rancho Cucamonga, California was subject to pre-approval ar
pending applications as well as to compliance with Good Manufacturing Practices. The inspection resulted in several observatio
requirements of the FDA and that no significant further actions will be necessary.

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ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

Except for the broad, ongoing macroeconomic challenges facing the global economy and financial markets, there have been no ma
31, 2022 December 31, 2023. We are exposed to market risk in the ordinary course of business. Market risk represents the potentia
of adverse changes in fair values, cash flows or future earnings. We are exposed to market risk for changes in the market value
currency exchange changes (Foreign Currency Exchange Risk).

ITEM 4. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, o
and operation of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act of 1
Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective
recorded, processed, summarized and reported within the time periods specified in SEC rules and forms and (b) to include, witho
submitted under the Exchange Act is accumulated and communicated to our management, including our Chief Executive Officer and

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting that occurred during the quarter ended September 3
financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act).

Inherent Limitations of Internal Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and
matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control
assurance that all control issues and instances of fraud, if any, within the Company have been detected. These inherent limitations i
or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more peop
assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stat
or the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective c

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PART II. OTHER IN

ITEM 1. LEGAL PROCEEDINGS

For information regarding legal proceedings, see “Part I – Item 1. Financial Statements – Notes to Condensed Consolidated Financi

ITEM 1A. RISK FACTORS

Except as noted below, there There were no material changes from the risk factors previously disclosed in our Annual Report on Fo
March 1, 2023 February 29, 2024.

Our actual financial and operating results could differ materially from any expectations or guidance provided by us concer

Although we currently expect to realize increased revenues as a result of our acquisition of BASQIMI®, the expectations and guida
including assumptions derived from our diligence efforts concerning the status of and prospects for BAQSIMI® business, which we
products generally and the markets for BAQSIMI® in particular. Additional assumptions we have made relate to numerous matters, i

- projections of BAQSIMI®'s future revenues;

- the amount of intangibles that will result from the Acquisition;

- certain other purchase accounting adjustments that we expect to record in our financial statements in connection with the Acqu

- acquisition costs, including transaction costs payable to our financial, legal, and accounting advisors;

- our ability to maintain, develop, and deepen relationships with BAQSIMI® customers and suppliers;

- other financial and strategic risks of the Acquisition, including the possible impact of our reduced liquidity resulting from deal-rel global economic downturn; and

- the FDA approval process is time-consuming and complicated, and we may not obtain the FDA approval required for a product

We cannot provide any assurances with respect to the accuracy of our assumptions, including our assumptions with respect to fut realize the cost savings that we currently anticipate. There are a variety of risks and uncertainties, some of which are outside of ou provided by us, concerning our future results with respect to the Acquisition.

We may fail to realize the projected revenue and other benefits expected from the Acquisition, which could adversely affec

Our ability to realize the projected revenue and other benefits from the Acquisition will depend, in part, on our ability to integrate BA time frame, or at all, or if the projected revenue or other benefits take longer to realize than expected, then the value of our common

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It is possible that the integration process following the Acquisition could result in the disruption of our business or ongoing business two businesses that could adversely affect our ability to maintain relationships with our customers, suppliers, distributors, creditors, l

Specifically, in order to realize the anticipated benefits of the Acquisition, we will:

- rely on Lilly for manufacturing services and transition services, including for performance of clinical and commercial activities

- be required to enter into our own arrangements with certain suppliers/manufacturers in the supply chain;

- be required to set up distribution and sales arrangements for BAQSIMI® including payor and other agreements; and

- transfer regulatory approvals relating to BAQSIMI® to us following the closing of the Acquisition.

Integration efforts between us and the business associated with BAQSIMI® will also divert management attention and resources. In that may be assumed in connection with the Acquisition), and any anticipated benefits of the integration plan may not be realized. business, or to realize some or any of the anticipated benefits of the Acquisition.

Delays encountered in the integration process could have a material adverse effect on our revenues, expenses, operating results a can be no assurance that we will realize these or any other anticipated benefits.

Our current and future indebtedness has and may continue to adversely affect our operating results and cash flows.

The Acquisition was financed with proceeds of the Wells Fargo Term Loan. The material increase in our indebtedness as a result o flows and our ability to use cash generated from operations as we satisfy our materially increased underlying interest and principal p

Specifically, our materially increased indebtedness could have important consequences to investors in our common stock, including

- we could be subject to substantial variable interest rate risk because interest rates applicable to certain of our indebtedness are it could have a material adverse effect on our operating results and could affect our ability to service the indebtedness;
- our ability to obtain any necessary financing in the future for working capital, capital expenditures, debt service requirements, o
- a substantial portion of our cash flows must be dedicated to the payment of principal and interest on our indebtedness and othe
- our level of indebtedness could limit our flexibility in planning for, or reacting to, changes in our business and the markets in w better access to capital;

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- our high degree of indebtedness will make us more vulnerable to changes in general economic conditions and/or a downturn in
- any conversion of the 2029 Convertible Notes could dilute the interests of existing investors in our common stock.

Our ability to make scheduled payments of the principal and interest when due, or to refinance our borrowings under the Credit Ag competitive and other factors beyond our control.

Our business may not continue to generate cash flow from operations in the future sufficient to satisfy our obligations under our generate such cash flow, we may be required to adopt one or more alternatives, such as reducing or delaying investments or ca dilutive. Our ability to refinance our existing or future indebtedness will depend on the capital markets and our financial condition a could result in a default under the Credit Agreement, the 2029 Convertible Notes or future indebtedness.

If we fail to make required payments under our existing or future indebtedness, we would be in default under the terms of these agr of this debt and could cause defaults under other indebtedness that we have, any of which could have a material adverse effect on t

Our outstanding loan agreements contain restrictive covenants that may limit our operating flexibility.

Our loan agreements are collateralized by substantially all of our presently existing and subsequently acquired assets and subject u or acquire other companies, make investments, pay dividends, incur additional indebtedness and liens and conduct transactions w operational freedom or ability to pursue strategic transactions that we would otherwise consider to be in the best interests of stockho

We are also subject to certain covenants that require us to maintain certain financial ratios and are required under certain condi limitations on the manner in which we can conduct our business, and we may be restricted from engaging in favorable business act of our lenders, which we may not be able to obtain. For example, the Credit Agreement contains financial and operational covenan

stock repurchases, guarantees, and similar transactions, without obtaining the consent of the lenders, which may or may not be forth a minimum consolidated interest coverage ratio test.

We may not be able to generate sufficient cash flow or revenue to meet the financial covenants or pay the principal and interes indebtedness due and payable immediately, which would adversely impact our liquidity and reduce the availability of our cash flow failure to pay any amount due and payable under the loan agreements, the occurrence of a material adverse change in our busi proceeding. Additionally, a lender could exercise its lien on substantially all of our assets and our future working capital, borrowings o

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We may not have sufficient cash to settle conversions of the 2029 Convertible Notes in cash, to repurchase the 2029 Conv their maturity, and our future debt may contain limitations on our ability to pay cash upon conversion or repurchase of the

Holders of the 2029 Convertible Notes will have the right to require us to repurchase all or a portion of the 2029 Convertible Notes u price equal to 100% of the principal amount of such 2029 Convertible Notes to be repurchased, plus accrued and unpaid interest o the 2029 Convertible Notes, we will be required to settle a portion or all of its conversion obligation in respect of the 2029 Convertib Notes in cash at their maturity unless earlier converted, redeemed or repurchased. However, we may not have enough available c surrendered therefor or pay cash with respect to the 2029 Convertible Notes being converted or at their respective maturity.

In addition, our ability to repurchase the 2029 Convertible Notes or to pay cash upon conversions of the 2029 Convertible Notes ou repurchase the 2029 Convertible Notes at a time when the repurchase is required by the indenture governing the 2029 Convertib would constitute a default under the indenture. A default under the indenture or the fundamental change itself could also lead to a d under the indenture could constitute an event of default under any such agreement. If the payment of the related indebtedness wer which would have a material adverse effect on our business, results of operations and financial condition.

The conditional conversion feature of the 2029 Convertible Notes, if triggered, may adversely affect our financial condition

In the event the conditional conversion feature of the 2029 Convertible Notes is triggered, holders of the 2029 Convertible Notes will Upon such event, if one or more holders elect to convert their 2029 Convertible Notes, we would be required to settle a portion o Convertible Notes do not elect to convert their 2029 Convertible Notes, we could be required under applicable accounting rules to re which would result in a material reduction of our net working capital.

Our business relationships, including customer relationships, and those of the business related to BAQSIMI® may be subje

Suppliers, vendors, and other third parties with whom we or the business related to BAQSIMI® do business or otherwise have relatio with respect to existing or future business relationships with us. As a result, we are currently unable to predict the effect of the Acqui

Contracts, agreements, licenses, permits, authorizations and other arrangements related to the BAQSIMI® business that contain p such agreement or a “change in control” of Lilly or its subsidiaries. The definitions of “assignment” and “change in control” vary Acquisition. If an “assignment” or “change in control” occurs, a counterparty may

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be permitted to terminate its contract with respect to BAQSIM®.

We cannot predict the effects, if any, if the Acquisition is deemed to constitute an assignment or change in control under certain o would be exercised, if at all, or the effect on our financial condition, results of operations or cash flows.

Our business may be adversely affected by resurgence of COVID-19 cases or other public health outbreaks that result in b

While the U.S. government ended the COVID-19 public health emergency on May 11, 2023, any resurgence of COVID-19 cases o present challenges to our business. Mass and rapid production of the vaccines, for example, has placed increased pressure on the the operations of our customers, suppliers and partners for an indefinite period of time, including as a result of travel restrictions a Disruptions to our manufacturing partners and suppliers could result in disruption to the production of our products and failure to s financial markets globally and nationally, including inflationary pressures and changes in interest rates, which have and could contir the extent macroeconomic uncertainty persists or if a resurgence of COVID-19 cases or macroeconomic conditions worsen, we may the related challenging macroeconomic conditions globally on our business will depend on several factors, such as the duration pandemic and the challenging macroeconomic conditions globally, all of which continue to evolve and remain uncertain at this time.

During the COVID-19 pandemic, FDA has issued various COVID-19 related guidance documents applicable to biopharmaceutical public health emergency declaration in May 2023, although some COVID-19 related guidance documents continue in effect. These a to develop and implement new policies and procedures, make significant adjustments to our clinical trials, or increase the amount tir

Certain suppliers delayed shipments to us in 2022. These delays may have been caused by manufacturing disruptions due to th shutdowns and delays at the ports in Shanghai, which led to temporary delays in shipping certain APIs and starting materials. Future

Any of the negative impacts of any ongoing pandemic, including any resurgence of COVID-19 cases, and the related challenging m material adverse effect on our business and operations, results of operations, financial condition, and cash flows. It is not possible could have on our business, as the impact will depend on future developments, which are highly uncertain and cannot be predicted.

Macroeconomic conditions may continue to worsen leading to changes in monetary policy and other responses from government distribute our products, as well as any closures or supply disruptions, may be enacted or extended for longer periods of time, each c results. We will continue to monitor the impact of the COVID-19 pandemic, any resurgence of COVID-19 cases, and related challeng

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Because a portion of our manufacturing takes place in China, a significant disruption in the construction or operation of o the COVID-19 pandemic, or changes in social, political, trade, health, economic, environmental, or climate-related conditi financial condition and results of operations.

We currently manufacture the starting material for Amphadase® and enoxaparin as well as the APIs for isoproterenol and nitroprus our pipeline. Additionally, we intend to continue to invest in the expansion of this manufacturing facility. Our manufacturing facility an

- disruptions in the construction of the manufacturing facility;
- interruptions to our operations in China or the inability of our manufacturing facility to produce adequate quantities of raw power disruptions or widespread disease outbreaks, including the recent outbreaks that impact animal-derived products, s COVID-19 pandemic, which has resulted in and may in the future result in, business closures, transportation restrictions, manufacturing capability;

- product supply disruptions and increased costs as a result of heightened exposure to changes in the policies of the Chine 19;
- the imposition of additional tariffs, export controls or other trade barriers as a result of changes in social, political, and eco as U.S. controls preventing the export of a wide-range of items to Russia, new controls impacting the ability to send certai export license, and the addition of new China-based entities to certain U.S. restricted party lists including the Entity List ar that have been proposed by the U.S. government on various imports from China and by the Chinese government on certa
- the nationalization or other expropriation of private enterprises or intellectual property by the Chinese government, which
- interruptions to our manufacturing or business operations resulting from geo-political actions, including war and terrorism epidemics or outbreaks in livestock or animals that impact or restrict importation, use, or distribution of animal-derived pro

Any of these matters could materially and adversely affect our business and results of operations. These interruptions or failur introduction of new products, impact our product quality, or impair our competitive position.

We are actively monitoring and assessing the ongoing impact of the COVID-19 pandemic on our business. This includes evaluatin curtail the spread of the virus. For example, in the first quarter of 2022, increases in COVID-19 cases in Shanghai, China, led to s difficult to predict. Any material adverse effect on our employees, suppliers, and logistics providers could have a material adverse ef

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The FDA approval process for changes to existing products (such as change of components or API supplier) is time-cons desire, or at all.

The development, testing, manufacturing, marketing and sale of generic and proprietary pharmaceutical products and biological pro requirements, which typically takes years for drugs that require regulatory approval in ANDAs, NDAs, biological license applications the expenditure of substantial resources for research (including qualification of suppliers and their supplied materials), developme scale up. Some of our products are drug-device combination products that are regulated as drug products by the FDA, with consul applications to the FDA. All of our products are subject to compliance with the FFDCA and/or the Public Health Service Act, or PHS our business partners would have a material adverse effect on our operations and financial condition. In addition, in the event w regulation in such countries. Such foreign regulations and product approval requirements are expected to be time consuming and ex

We may encounter delays or agency rejections during any stage of the regulatory review and approval process based upon a requirements for safety, efficacy and quality. Those requirements may become more stringent prior to submission of our application new regulations. After submission of an application, the FDA may refuse to file the application, deny approval of the application or re related to the application. For example, we initially filed an NDA, for our Primatene MIST® product in July 2013, but FDA approval information, label revision and follow-up studies (including label comprehension and behavioral/human factor studies), and that we more information before they could approve the ANDA for our epinephrine vial product. These CRLs have delayed the approval of th

Under various user fee enactments, the FDA has committed to timelines for its review of NDAs, ANDAs, BLAs and biosimilar applica workload and other potential review issues that may delay the FDA's review of an application. Further, the terms of approval of any a

The FDA also has the authority to revoke or suspend approvals of previously approved products for cause, to debar companies ar allegedly violative products, to obtain injunctions that may, among other things, close manufacturing plants that are not operating i violations of the FFDCA.

We were informed that one of our API suppliers has discontinued manufacturing an API included in one of our commercial products FDA approval of our new API supply. In the event the FDA does not grant approval or any additional approvals for the new API sup for a considerable period of time. If we are forced to stop manufacturing this commercial product or any of our commercial products

Our business may be affected by new sanctions and export controls targeting Russia and other responses to Russia's inva

As a result of Russia's invasion of Ukraine, the U.S., the U.K. and the EU governments, among others, have developed coordinated

Based on the public statements to date, these packages include:

- comprehensive financial sanctions against major Russian banks (including SWIFT cut off);
- designations of individuals and entities involved in Russian military activities;
- additional designations of Russian individuals including but not limited to those with significant business interests and gover
- enhanced export controls and trade sanctions targeting Russia's imports of a wide range of goods as a whole, including pot policy with respect to issuing export licenses, and/or increased use of "end-use" controls to block or impose licensing requir

Prior to Russia's invasion of Ukraine, we sold APIs indirectly to Russian customers. The imposition of enhanced export controls an from selling our products to Russian customers. In addition, even if a Russian entity is not formally subject to sanctions, customers impact on us as if sanctions were applied directly as described above. Depending on the extent and breadth of new sanctions or ex could be adversely affected.

The Affordable Care Act and certain legislation and regulatory proposals may increase our costs of compliance and negati

In March 2010, former President Barack Obama signed the Patient Protection and Affordable Care Act, as amended by the Health Care Act made extensive changes to the delivery of health care in the United States. We expect that the rebates, discounts, taxes a the future. Furthermore, the Independent Payment Advisory Board created by the Affordable Care Act to reduce the per capita rate Moreover, expanded government investigative authority and increased disclosure obligations may increase the cost of compliance w

Since its enactment, there have been judicial and Congressional challenges to certain aspects of the Affordable Care Act, or ACA. ACA, dismissing the case without specifically ruling on the constitutionality of the ACA. Accordingly, the ACA remains in effect in Biden administration will impact our business, financial condition and results of operations. Complying with any new legislation or ch

In addition, there have been a number of other legislative and regulatory proposals aimed at changing the pharmaceutical industry. federal pedigree tracking standards requiring drugs to be labeled and tracked at the lot level, preempts state drug pedigree require track and trace system. The DQSA also establishes new requirements for drug wholesale

distributors and third-party logistics providers, including licensing requirements in states that had not previously licensed such ent additional benefits or change our contract arrangements, any of which could have a material adverse effect on our business, financia

Former President Barack Obama also signed into law the Food and Drug Administration Safety and Innovation Act. The law and re that could have a significant impact on the pharmaceutical industry, including, among other things, the following:

- reauthorizes the Prescription Drug User Fee Act, which increases the amount of associated user fees, and, for certain types

- permanently reauthorizes and makes some revisions to the Best Pharmaceuticals for Children Act and the Pediatric Resear respectively;
- revises certain standards and requirements for FDA inspections of manufacturing facilities and the importation of drug produ
- creates incentives for the development of certain antibiotic drug products;
- modifies the standards for accelerated approval of certain new medical treatments;
- expands the reporting requirements for potential and actual drug shortages;
- requires the FDA to issue a report on, among other things, ensuring the safety of prescription drugs that have the potential f
- requires the FDA to hold a public meeting regarding the potential rescheduling of drug products containing hydrocodone, wh
- requires electronic submission of certain marketing applications following the issuance of final FDA regulations.

The full impact of new laws and regulations and changes to any existing regulations by the Biden administration is uncertain; howev

There has been heightened governmental scrutiny recently over the manner in which drug manufacturers set prices for their mark designed to, among other things, bring more transparency to product pricing, review the relationship between pricing and manufactu the American Rescue Plan Act of 2021, effective January 1, 2024, the statutory cap on Medicaid Drug Rebate Program rebates manufacturers to pay more in rebates than it receives on the sale of products, which could have a material impact on our business. multiple provisions aimed at increasing competition for prescription drugs. In August 2022, Congress passed the Inflation Reduction Medicare beneficiaries, including allowing the federal government to negotiate a maximum fair price for certain high-priced single s requirements, requiring inflation rebates for all Medicare Part B and Part D drugs, with limited exceptions, if their drug prices increas

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drug costs for beneficiaries, among other changes. Various industry stakeholders, including pharmaceutical companies, the U.S. Ch Research and Manufactures of America, have initiated lawsuits against the federal government asserting that the price negotiation p administrative actions and any future healthcare measures and agency rules implemented by the government on us and the pharm prevent us from being able to generate revenue, attain profitability, or commercialize our approved products.

At the state level, legislatures have increasingly passed legislation and implemented regulations designed to control pharmaceutical access and marketing cost disclosure and transparency measures, and, in some cases, designed to encourage importation from ot California one step closer to establishing its own generic drug label, which could have significant impact on the generic drug indust and reporting laws that could substantially increase our compliance burdens and expose us to greater liability under such state laws

Additionally, we encounter similar regulatory and legislative issues in most other countries. In the European Union, or EU, and son prices, patient eligibility or reimbursement levels to control costs for the government-sponsored health care system. This internationa

If significant additional reforms are made to the U.S. health care system, or to the health care systems of other markets in which we could cause the market value of our common stock to decline.

ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS AND ISSUER PURCHASES OF EQUITY

(c) Issuer Purchases of Equity Securities

The table below provides information with respect to repurchases of our common stock.

	Total Number of Shares	Maximum Number of

Period	Total Number of Shares Purchased (1)	Average Price Paid per Share	Purchased as Part of Publicly Announced Plans or Programs	Shares that May Yet Be Purchased Under the Plans or Programs
July 1 – July 31, 2023	—	$ —	—	—
August 1 – August 31, 2023	—	—	—	—
September 1 – September 30, 2023	1,072,041	46.64	1,072,041	—

Period	Total Number of Shares Purchased (1)
January 1 – January 31, 2024	—
February 1 – February 29, 2024	—
March 1 – March 31, 2024	—

(1) On August 28, 2023, we announced that our Board of Directors authorized an increase of $50.0 million to our share buyback program. As of September 30, 202 date. date.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

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ITEM 5. OTHER INFORMATION

Securities Trading Plans of Directors and Executive Officers

During our last fiscal quarter, none the following officer, as defined in Rule 16a-1(f), adopted a Rule 10b5-1 trading arrangement, as

On March 14, 2024, William J. Peters, our Chief Financial Officer, Executive Vice President of Finance, and Treasurer, President o from time to time of an aggregate of up to 95,738 shares of our common stock. The trading arrangement is intended to satisfy the af under the trading arrangement are completed.

of No ourother directors or officers, or directors, as defined in Rule 16a-1(f), adopted or terminated a Rule 10b5-1 trading arrangeme

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ITEM 6. EXHIBITS

Exhibit No.	
4.1	Indenture, dated September 15, 2023, between Amphastar Pharmaceuticals, Inc. and U.S. Report on Form 8-K filed with the SEC on September 15, 2023)
4.2 10.1*	Form of 2.00% Convertible Notes due 2029 (incorporated by reference to Exhibit 4.2 (included
10.1	Purchase Syndicated Loan Agreement dated September 12, 2023 January 17, 2024, among Fargo Securities LLC Industrial and BofA Securities Inc. (incorporated by reference to Exhibit 2023) original sum of approximately $40,000,000.
31.1	Certification of the Principal Executive Officer pursuant to Rule 13a-14(a) or 15d-14a of the Se
31.2	Certification of the Principal Financial Officer pursuant to Rule 13a-14(a) or 15d-14a of the Se
32.1#	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pu
32.2#	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pur
101.INS	XBRL Instance Document - – The instance document does not appear in the interactive data f
101.SCH	Inline XBRL Taxonomy Extension Schema Document
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document
101.DEF	Inline XBRL Taxonomy Extension Definitions Linkbase Document
104	Cover Page Interactive File (Formatted as Inline XBRL and contained in Exhibit 101)

The information in Exhibits 32.1 and 32.2 shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange A incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act (including this Report

* Certain confidential information contained in this Exhibit was omitted by means of marking such portions with brackets because

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SIGNATUI

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its

AMPHASTAR PHARMACEUTICALS, INC.

(Registrant)

By: **/s/ JACK Y. ZHANG**

Jack Y. Zhang

Chief Executive Officer

(Principal Executive Officer)

Date: November 8, 2023 May 10, 2024

AMPHASTAR PHARMACEUTICALS, INC.

(Registrant)

By: **/s/ WILLIAM J. PETERS**

William J. Peters

Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: November 8, 2023 May 10, 2024

CERTAIN CONFIDENTIAL INFORMATION CONTAINED IN THIS DOCUME
THE INFORMATION (I) IS N
(II) WOULD BE COMPETITIVELY HARM

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Contract No

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Header **Page**

This Contract was entered into by the following parties on [*January*] [*17*], [2024] in [Nanjing City]:

I. [Amphastar Nanjing Pharmaceuticals Inc.], as the borrower (the "**borrower**")

Registered address: No. 5 Xinghe Road, Nanjing Economic and Technol
[***]

Legal representative:

II. [Nanjing Branch of Industrial and Commercial Bank of China Limited], as the lead bank (the "**lead**

Registered address: No. 379, Jiangdong Middle Road, Jianye District, Na
Responsible person: [***]
Handling bank: Nanjing Zidong Sub-branch of Industrial and Comm
Building B, Financial Building, Xingang Industrial Zo
Registered address of the handling bank:
Responsible person of the handling bank: [***]

III. [Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited], as the agent ba

Registered address:	Building B, Financial Building, Xingang Industrial Zo
Responsible person:	[***]
Handling bank:	Nanjing Zidong Sub-branch of Industrial and Comm
	Building B, Financial Building, Xingang Industrial Zo
Registered address of the handling bank:	
Responsible person of the handling bank:	[***]

IV. The following financial institutions, as the lenders (the "**original lenders**")

[Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited]

Registered address:	Building B, Financial Building, Xingang Industrial Zo
Responsible person:	[***]
Handling bank:	Nanjing Zidong Sub-branch of Industrial and Comm
	Building B, Financial Building, Xingang Industrial Zo
Registered address of the handling bank:	
Responsible person of the handling bank:	[***]

[East West Bank (China) Limited]

Registered address:	Units 01-08, 33/F, Jinmao Building, No. 88 Century A
	[***]
Responsible person:	East West Bank (China) Limited
Handling bank:	Units 01-08, 33/F, Jinmao Building, No. 88 Century A
Registered address of the handling bank:	[***]
Responsible person of the handling bank:	

Whereas:

(1) On [November] [5], [2008], the **borrower** was officially incorporated with a registered capital of [USD 93

(2) In order to [purchase production equipment, decorate and renovate workshops, and construct new **borrower** intends to raise fixed asset loans from the **original lenders**.

In witness whereof, both parties, through friendly and equal negotiations, based on genuine intentions, hereby e

I.Definitions and interpretation

1.1 Definitions

In this Contract:

Contract of guarantee	Refers to a [/] contract of guarantee entered
Warrantor	Refers to [/].
Financial year	Refers to the period from January 1 (inclusi
Loan amount ratio	Refers to, for each **lender**, the ratio betwee
Loan amount	Refers to: 1. For each **original lender**, the **original lo** amount canceled or transferred in accordar
	2. For each **transferee bank**, the **loan amo** of the total **loan funds** already withdrawn, r Agreement
Original loan amount	Refers to each **original lender**'s original l Contract (*Lenders' Original Loan Amount*).
Pledgor	Refers to [/].
Lender	Refers to the **original lender** and/or the **tra**
Loan interest rate	Refers to the annual loan interest rate agre
Loan balance	Refers to the total amount of **loan funds** th
Loan fund	Refers to any loan principal under this Cont
Loan fund account	Refers to such accounts listed in Appendix
Agent bank	Refers to [Nanjing Zidong Sub-branch of In
Agent bank's payment account	Refers to such accounts listed in Appendix
Guaranty contract	Refers to **contract of guarantee**, **mortgag**

Guarantor	Refers to **warrantor**, **mortgagor** and/or **ple**
Security interest	Refers to any mortgage, pledge, lien, depos

	of whether such agreement or arrangemer the security interests in proportion to their a
Mortgage contract	Refers to the mortgage contract signed by t
Mortgagor	Refers to [Amphastar Nanjing Pharmaceuti
Majority lender	Refers to one or more **lenders** whose prop
Penalty interest rate	Refers to the **overdue penalty interest rat**
Fee letter	Refers to the fee letter signed by the **borro**
Interest payment date	Refers to (Check √ one of the following opti [√] [the day immediately following the end d [x] [the end date of each **interest period**].
Liabilities	Refer to all external payment or repaymer debts or guarantee obligations, actual or co
Administration for market regulation	Refers to the State Administration for Mark
Repayment date	Refers to each date for repayment of loan a
Loan prime rate	Refers to the **loan prime rate** for RMB loar Center on each **business day**, expressed a
Interest settlement date	Refers to (Check √ one of the following opti [x] The twentieth (20th) day of each month a

	[√] The twentieth (20th) day of the last mont a non-business day, as the **interest settlen** [x] The maturity date of the loan as the inte interest being cleared along with the princip [x] Other date: refers to [/].
Borrower's counterparty account	Refers to those account notified by the **borr**
Handling bank	Refers to the handing agency for the perfo including the **handling bank** after change a
Accounting standards	Refer to the accounting standards that com
Interest rate determination date	Refers to, for each **loan fund**, (i) the **effe** following options according to the situation, [x] The [/] day of each month starting from t [x] The [/] day of the last month of each qua [x] The [/] [/] of each year starting from the d [x] The day immediately following each **inte** [x] The date of adjustment of the **loan prim** [√] Other date, refers to [every 12th month a
Interest period	Refers to the period determined according t
Potential event of default	Refers to any event or circumstance that w notice, the making of any decision and/or si
People's bank	Refers to the People's Bank of China.
RMB	Refers to the fiat currency of **China**.

Financing documents	Include this Contract, any **fee letter**, **gua** **financing documents** by the **agent bank** a
Effective date	Refers to the definition stipulated in Article 1
Taxes and fees	Refer to taxes, fees, duties, withholding administrative authorities of any jurisdiction
Tax bureau	Refers to the State Taxation Administration
Withdrawal period	Refers to the period from the **effective date**

Withdrawal date	Refers to each date for withdrawal of **loan** date be different from the date for withdra **fund** is transferred to the **loan fund accou**
Event of default	Refers to any event or circumstance listed i
Document confirmation letter	Refers to the document confirmation letter required in Appendix II to this Contract (*For*
Project	Refers to the [***].
Information memo	Refers to the information memo on the ["Insulin and Injection Solution Phase I Proje
Permitted liability	Refers to any of the following **liabilities** of t

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	1. Any **liability** under the **financing docum** 2. [/]; and/or 3. Any **liability** as agreed by the **agent ban**
Permitted investment	Refers to any of the following investments c 1. [/]; 2. [/]; and/or 3. Any investment as agreed by the **agent l**
Business day	Refers to the day on which the **syndica** Saturdays and Sundays (excluding Saturd regulations) and other statutory holidays).
Syndicate member bank	Refers to the **lead bank**, various **lenders** a
Syndicate member bank account	Refers to the account of various **syndicate**
Pledge contract	Refers to the pledge contract signed by the
Material adverse effect	Refers to a material change in the legal **guarantor** that, in the reasonable judgme **borrower** or such **guarantor** to fully meet i
China	Refers to the People's Republic of China, Region, the Macao Special Administrative F

Certified public accountant	Refers to a certified public accountant with
Transfer certificate	Refers to the transfer document signed and in accordance with the form and content re
Total loan amount	Refers to the sum of the **loan amount** of ea
Total amount	Refers to the sum of the **total loan amount**

1.2 Interpretation rules

In this Contract:

1. The table of contents and the headings are provided for the convenience of reading only, and may
2. "Assets" shall be construed to include all present and future, tangible or intangible assets, property
3. "Person" shall be construed to include any natural person, corporation, partnership, enterprise or a
4. The "persistence" of an **event of default** means that the **event of default** has occurred and has Contract.
5. A "month" refers to the period of time that begins on a day of a Gregorian calendar month and en day in the next Gregorian calendar month, the period shall end on the last day of the next Gregorian cal
6. The "cessation of operations", "dissolution", "liquidation", "bankruptcy", "reorganization", "reconcili under the laws of the place of its establishment or its place of business, and the "entering into" of such the application of any other person.
7. Any reference to a party to this Contract or to any other person shall include its legal successors a
8. This Contract, any other agreement or document shall be construed to include itself, as well as any

II. Loan amount

All **lenders** agree to provide the **borrower** with a medium- and long-term loan amount with the total princip Yuan Only) in accordance with the provisions of this contract.

Wherein, the **original loan amount** of each **original lender** is listed in Appendix I to this Contract (*Lenders*

III. Intended use of loan

3.1 The **borrower** shall use each **loan fund** withdrawn to [purchase production equipment, decorate and Injection Solution Phase I Project"], provided that the use of the **loan funds** shall comply with relevant r

3.2 The **borrower**shall actually use each **loan fund** according to the intended use of the **loan funds** sp decision of the **majority lender**), the **borrower** shall not change the intended use of the loan.

3.3 Notwithstanding the provisions of paragraph (5) of Article 4.3 and paragraph (12) of Article 14.1 (*Positi* actual use of each **loan fund** by the **borrower**.

IV. Withdrawal

4.1 Withdrawal

1. Subject to Article 4.2 and Article 4.3 below, the **borrower** shall withdraw the **loan funds** according

Before [December] [31], [2026], withdraw RMB [280,000,000.00] Yuan in installments.

2. The withdrawal plan may be changed upon the **borrower**'s written request and the **agent bank**'s c

4.2 Prerequisites for first withdrawal

1. [Five business days] prior to the first **withdrawal date** mentioned above, the **borrower** has provid in the form and content of Appendix II to this Contract (Form of Document Confirmation Letter), and the and that the form and content of such documents are acceptable to the **majority lenders**. After receivin condition is not met, the **borrower** should not be allowed to make a withdrawal.

(1) The original of each **financing document** duly signed and effective.

(2) A **document confirmation letter** signed by the legal representative or authorized signatory o should be affixed with the **borrower** or (when applicable) relevant **guarantor**'s official seal:

1)The latest corporate legal person business license of the **borrower** and each **guarantor** with

2)The shareholders' agreement or joint venture contract of the **borrower** and each **guarantor** (i

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3)The latest articles of association of the **borrower** and each **guarantor** (including previous sup

4)The list of current [board members] of the [board of directors]/[other internal authority] of th officer.

5)Identity documents of the legal representatives of the **borrower** and each **guarantor**.

6)Resolutions passed by the [board of shareholders]/[board of directors]/[other internal authority

(a)Approving the terms of a **financing document** to which it is a party and agreeing to the e

(b)Authorizing a relevant person to sign the **financing document** to which it is a party on be

(c)Authorizing a relevant person to sign all the documents and notices under the **financing**

7)Resolutions passed by the [board of shareholders]/[board of directors]/[other internal authority

(a)Approving the terms of a **guaranty contract** to which the **guarantor** is a party and agree

(b)Authorizing a relevant person to sign the **guaranty contract** to which it is a party on beha

(c)Authorizing a relevant person to sign all the documents and notices under the **guaranty c**


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8)Identity documents and signature samples of the legal representatives or authorized signatorie

9)The most recent annual report or audited financial statement of the **borrower** and each **guara**

10) Information on actual progress of the **project** as confirmed by the **agent bank** (as per ins

11) Approval documents or consents from government agencies or other competent authoritie

12) [/].

(3) Original documents certifying the completion of registration of the guaranty under each **guara**

(4) Documents certifying that all fees due and payable by the **borrower** as stipulated in Article XV

2. The **agent bank** shall, within [5] **business days** after receiving the documents listed in paragraph review of the prerequisite documents submitted by the **borrower** and determine whether its form mee **bank** whether it accepts such documents within [10] **business days** after receiving the documents.

3. Once the prerequisites for first withdrawal stipulated in this article are met, the **agent bank** shall im

4. The **agent bank** shall, within [10] **business days** after receiving each **withdrawal notice**, forwar **amount ratio** and amount of the **loan funds**.

5. The **agent bank** shall properly keep the originals of all **financing documents** and withdrawal-rela

4.3 Prerequisites for each withdrawal

After the following conditions are met, each **lender** shall notify its **agent bank** to disburse each **loan fu** Contract (*Disbursement of loan funds*).

1.On the scheduled **withdrawal date** of the **loan fund**, all statements of facts made by the **bo** circumstances then existing.

2.No **event of default** or **potential event of default** has occurred or persisted, and the withdrawal c

3.Nothing stipulated in paragraph 2 of Article 5.2 and paragraph 4 of Article 8.2 of this Contract has

4.The capital fund of the **project** is in place before the **loan fund**, or in the same proportion as the **l**

5.The **agent bank** has received the loan purpose certification documents and vouchers required for

6.Nothing stipulated in paragraph 2 of Article 7.4 of this Contract has occurred.

V. Interest

5.1 Loan interest rate

The interest rate (simple interest) for each **loan fund** under this Contract is the **loan prime rate** on eac

5.2 Penalty interest rate

1.If the **borrower** fails to pay any amount due and payable in accordance with the provisions of this **rate**") from the date when the amount is normally due to the date when it is fully repaid.

2.If the **borrower** misappropriates any **loan funds**, the interest on such **loan funds** shall be c misappropriation to the date of the end of the misappropriation.

3.If the same **loan funds** are both overdue and misappropriated, the higher **penalty interest rate** sh

4.For the interest ("**penalty interest**") generated based on the **overdue penalty interest rate** or **mi** its **interest period**. That is, the first **interest period** for **penalty interest** starts from the date wh **settlement date** (exclusive). If the **borrower** fails to pay the **penalty interest** on the **repayment d** compound interest based on the **overdue penalty interest rate** or **misappropriation penalty inter**

5.The **lender**'s right to charge penalty interest shall not affect the **lender**'s other rights or remedies u

5.3 Interest period

1.Interest shall accrue on the **loan funds** for a number of consecutive periods ("**interest period**") months.

2.Under this Contract:

(1) The first **interest period** of each **loan fund** begins on the **withdrawal date** (inclusive) an

(2) Each withdrawal of the **loan funds** after the first withdrawal is consolidated with the **loan**

(3) Each **interest period** after the first **interest period** for each **loan fund** withdrawn be **settlement date** (exclusive).

(4) The last **interest period** for **loan funds** ends on the **last repayment date** (exclusive).

3.If the original date of an **interest payment date** is not a **business day**, the date shall be postpone the nearest **business day** before it (if there is no **business day** after it within the same Gregorian ca

5.4 Interest accrual

1.The interest and/or penalty interest on any **loan funds** under this Contract shall be calculated dai interest rate/penalty interest rate = corresponding annual interest rate/360.

2.The **agent bank** shall determine the applicable **loan interest rate** on each **interest rate determi** immediately after determination.

5.5 Interest payment

1. The **borrower** shall pay the interest calculated in accordance with the provisions of this Contra

2. The **agent bank** shall notify the **borrower** on or before the [fifth] **business day** before each **i date**.

VI. Repayment

6.1 Loan term

1. The loan term under this Contract shall begin on the **withdrawal date** of the first **loan fund** (**term**"). The **borrower** shall pay off all debts it owes under this Contract in accordance with the prov

2. The extension of the **loan term** shall be subject to all **lenders**' approval.

6.2 Repayment

The **borrower** shall repay the loan on each **repayment date** according to the following repayment plan.

Repayment date	
May 20, 2026	
November 20, 2026	
May 20, 2027	
November 20, 2027	
May 20, 2028	
November 20, 2028	
May 20, 2029	
November 20, 2029	
May 20, 2030	
November 20, 2030	
May 20, 2031	
November 20, 2031	
May 20, 2032	
November 20, 2032	

May 20, 2033	
November 20, 2033	

If the loan is not fully withdrawn in the end, the above repayment plan can be adjusted in proportion to th

6.3 Repayment reserve account

The **borrower** shall open a repayment reserve account at the **agent bank** within [one day after the sig then used by the **borrower**. The fund balance in this account shall not be less than [the sum of principal

In the event that the **borrower** fails to repay any amount due and payable on time and in full in accorda directly from the repayment reserve account for repayment.

VII. Early repayment and cancellation

7.1 Voluntary early repayment

1.When the **borrower** intends to repay all or part of the **loan balance** in advance, it shall

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submit an early repayment notice ("**early repayment notice**") to the **agent bank** and obtain the w before the proposed early repayment date.

2.The **early repayment notice** shall state the amount and date of the proposed early repayment.

3.If part of the **loan balance** is repaid in advance, the amount of early repayment shall be at least **RMB** [10,000,000.00] Yuan (in words: **RMB** [Ten Million] Yuan Only) or other amounts agreed by the

4.The early repayment date shall be an **interest payment date**.

5.All interest and/or penalty interest incurred on the principal to be repaid in advance up to the early

6.The amount repaid in advance shall set off against the principal of the **loan balance** [in reverse (*Repayment*), [with the later due being repaid first].

7.Any amounts repaid in advance may not be withdrawn again.

8.The **borrower** has no right to revoke any **early repayment notice** it has sent; the **borrower** shall

9.The **borrower** shall, at the same time of making early repayment, pay an early repayment comp follows: [/].

7.2 Voluntary cancellation

1.If the **borrower** intends to cancel all or part of the **total loan amount**, it shall submit a cancella cancellation and obtain the written consent of the **agent bank** (according to the decision of the **majo**

2.The **cancellation notice** shall state the amount and date of the proposed cancellation.

3.If part of the **total loan amount** is cancelled, the amount of cancellation shall be at least **RMB** [10,

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integral multiple of **RMB** [10,000,000.00] Yuan (in words: **RMB** [Ten Million] Yuan Only).

4.Cancellation shall be effective on the cancellation date stated in the **cancellation notice**, which sh

5.If the **total loan amount** is cancelled, the **loan amount** of each **lender** shall be reduced according

6.The **borrower** shall, on the date of cancellation, pay all the commitment fees due and payable in a

7.Any **total loan amount** canceled may not be reinstated.

8.The **borrower** has no right to revoke any **cancellation notice** it has sent.

7.3 Automatic cancellation

Unless otherwise agreed by the parties to this Contract, after the end of the **withdrawal period**, all the **amount** of each **lender** will be canceled at the same time, and any such canceled **total loan amount** a

7.4 Forced cancellation

1.The **loan amount** of the **lender affected by the change of law** shall be cancelled in accordance

2.If there is a change in control of the **borrower**:

(1) The **borrower** shall notify the **agent bank** as soon as possible after becoming aware of th

(2) No **lender** shall be obliged to provide **loan funds** for any withdrawal; and

(3) The **agent bank** shall (according to the decision of all the **lenders**), upon giving at least 1 the **total loan amount**. At the same time, all loans under the **financing documents** shall be due

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The change in control mentioned above refers to [a change in the actual controller of the borrower].

VIII. Provisions as to payment

8.1 Disbursement of loan funds

When participating in the disbursement of each **loan fund** in accordance with the provisions of this before [17:00] (Beijing time) on the scheduled **withdrawal date** of the **loan fund**.

Should any **lender** fail to disburse its share of the **loan funds** to be withdrawn, the **borrower** shall still w

Each **lender** shall disburse its share of the **loan fund** to be withdrawn in accordance with the **loan amo** may make other flexible arrangements for the allocation of the ratio of the **loan fund** through consensus by each **lender** to the **borrower** under this Contract.

8.2 Payment of loan funds

1.In any of the following circumstances, payment shall be made by the **lender** on entrustment. The the **loan fund account** on the **withdrawal date** according to the **borrower**'s payment entrustment,

(1) The amount of a single payment exceeds 5% of the total **project** investment;

(2) The amount of a single payment exceeds **RMB** 5,000,000 Yuan (in words: **RMB** Five Milli

(3) [/].

If the **lender**'s entrusted payment method is adopted, the **borrower** shall submit documentation pro **agent bank**(at its sole discretion) will disburse the loan funds after review and approval. No **syndica**

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authenticity and legality of the transactions corresponding to the entrusted payment.

2.Except for the circumstances specified in paragraph 1 above, payment can be made by the **b** borrower's self-payment method means that the **agent bank** will disburse the **loan funds** to the payment shall be the counterparty of the **borrower** that complies with the provisions of this Contra before the [/] of each month.

3.If payment is made by the **borrower**'s self-payment method, after the **effective date**, if the follow to change the payment method of the **loan funds** to the **lender**'s entrusted payment.

(1) The **borrower**'s credit standing declines;

(2) The **project** progress lags behind the fund utilization progress;

(3) The **borrower** fails to pay the **loan funds** according to provisions of this Contract; and/or

(4) [/].

4.After the **effective date**, if the following circumstances occur, the **agent bank** (according to the de

(1) The **borrower** violates the provisions of this Contract and circumvents the **lender**'s entrus

(2) The **project** progress lags behind the fund utilization progress.

8.3 Payment by borrower

The **borrower** shall pay the amount due and payable under this Contract to the **payment account of the agent**

8.4 Payment by agent bank

1.The **agent bank** shall pay the relevant **loan funds** actually received by it in accordance with the [17:00] (Beijing time) on each **withdrawal date**, and make the payment in accordance with the pr payment status of the **loan funds** to each **lender**.

2.The **agent bank** shall pay each amount actually received by it in accordance with the provisions order and proportion stipulated in Article 8.5 of this Contract (Order of payment) before [17:00] (Beiji

3.In the case where the **lender**'s entrusted payment is adopted, should the entrusted payment inforr which results in the **agent bank**'s failure to complete the entrusted payment obligations in a timely n this Contract shall not be affected.

4.Should a refund occur from the opening bank of the **borrower's counterparty account**, which re **bank** shall not bear any responsibility, and the **borrower**'s repayment obligations under this Contrac the opening bank of the **borrower's counterparty account**. In this case, the **borrower** shall resub **agent bank** (at its sole discretion), the **loan funds** will be paid to the **borrower's counterparty acc**

8.5 Order of payment

Unless otherwise required by laws and regulations, the **agent bank** shall distribute the various amounts r

1. Pay any agency fees due and payable under Article 17.1 of this Contract (Syndication fees), and **documents**.

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2. Pay any arrangement fees due and payable under Article 17.1 of this Contract (Syndication fees);

3. Pay any commitment fees due and payable under Article 17.1 of this Contract (Syndication fees) a

4. Pay any interest due and payable under this Contract (including but not limited to any compou extended to the **borrower**;

5. Pay any principal due and payable under this Contract to each **lender** in proportion to the amount

6. Pay other amounts due and payable under this Contract.

8.6 Advance

1. The **agent bank** may (but is not obliged to) advance any payment on behalf of any party to this Co

2. If, in accordance with the provisions of this Contract, any payment shall be made to any party to date when such payment is made, then, the party that has received the payment from the **agent ba** the same time, pay interest to the **agent bank** at an interest rate of [/] from the date of payment by the

8.7 Currency of payment

Unless otherwise agreed by the parties, any payment under this Contract shall be made in **RMB**.

8.8 Set-off

The **borrower** shall not exercise any right of set-off in making any payment under this Contract.

8.9 Non-business day

If the date an amount becomes due and payable does not fall on a **business day**, the payment date of s month (if any) or advanced to the nearest **business day** before it (if there is no **business day** after **business day**.

8.10 Apportionment

1. Except as otherwise agreed in paragraph 4 of this article, if any **syndicate member bank** ("**rec** other than as agreed in Article 8.3 of this Contract (*Payment by borrower*), the **receiving bank** sh **apportioned amount** to the **agent bank** as soon as possible.

2. Where the **receiving bank** transfers the **apportioned amount** to the **agent bank** in accordance w the **receiving bank**.

3. The **agent bank** shall regard the **apportioned amount** received by it in accordance with the a **syndicate member bank account** in accordance with the agreement in paragraph 2 of Article 8.4 of

4. Paragraphs 1 to 3 above do not apply to any of the following amounts:

(1) Any amount received by the **lender** from transfer or indirect sub-lending in accordance with th

(2) Any amount received by a **syndicate member bank** from filing a lawsuit or arbitration aga following conditions: (i) it has notified other **syndicate member banks** in advance, and (ii) ot indicated that they will not participate in such litigation or arbitration within [10] **business days** aft

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IX. Taxes and fees

9.1 Taxes and fees

Unless otherwise expressly required by laws and regulations, any amount paid or payable by the **borr** provisions of this Contract shall be the net amount that the **syndicate member bank** shall receive, and

9.2 Stamp tax

The **borrower** and each **syndicate member bank** shall separately bear the stamp duty related to the **fi**

X. Cost increase

10.1 Notice of cost increase

After the **effective date**, if any of the following costs is caused or will occur to any **lender** ("**cost affecte** interpretation, and/or in order to comply with the requirements of the central bank, the fiscal, tax, financia

1.Increased costs or additional costs incurred in signing or performing **financing documents**;

2.Reduction in any amount received or receivable under the **financing documents**; and/or

3.Increased costs or additional costs incurred in participating in the disbursement of any **loan fund**,

Then, after the **cost affected lender** becomes aware of the situation, it shall notify the **agent bank** ("**no**

increased costs and the basis for calculation; after receiving the **notice of cost increase**, the **agent ba**

10.2 Compensation

Within [10] **business days** after the **borrower** receives the **notice of cost increase**, the **borrower** sh
However, the **borrower** is not required to compensate for the following **increased costs**:

1. The **borrower** has already made compensation in accordance with other provisions of the **financi**

2. **Increased costs** resulting from changes in tax rates and changes in the basis of calculation of **tax**

3. **Increased costs** resulting from any **lender**'s failure to comply with any applicable laws, regulati
authorities having jurisdiction over it;

4. **Increased costs** resulting from a decline in any **lender**'s credit rating; and/or

5. **Increased costs** resulting from any **lender**'s transactions under non-**financing documents**.

XI. Change of law

11.1 Notice of change of law

After the **effective date**, if, due to the promulgation, implementation or change of any applicable laws, r
fiscal, financial supervisory or other administrative authorities having jurisdiction over it, it is or it would b
continue to perform the **financing documents**, participate in the disbursement of any **loan funds**, main
of law

shall, after becoming aware of such situations, promptly notify ("**notice of change of law**") the **agent ba**
agent bank shall promptly notify the **borrower** after receiving any **notice of change of law**.

11.2 Cancellation and early repayment

1. After the **borrower** receives the **notice of change of law**, the **loan amount** of the **lender affecte**

2. The **borrower** shall repay in advance its share of any **loan balance** and accrued interest to the **l**
affected by change of law.

3. In the event of cancellation of the **loan amount** and early repayment in accordance with the provis
the **borrower**.

XII. Mitigation of losses

12.1 Mitigation of losses

In any of the following circumstances, the affected **syndicate member bank** shall negotiate in good fai
the impact of such circumstances. However, the **borrower**'s obligations under the **financing document**

1.The **borrower** shall compensate any **lender** for any **increased costs** in accordance with the provi

2.The **borrower** shall repay any **lender** in advance in accordance with the provisions of Article XI of

3.Any **loan amount** shall be canceled in accordance with the provisions of Article 11 of this Contract

The measures that any **syndicate member bank** shall take under this article include but are not limited

(a) Change the **handling bank**;

(b) Transfer its **loan amount** or its share of the relevant **loan balance** to any other person not aff

(c) Apply for any exemptions, deductions, tax refunds or extensions.

12.2 Limitation of obligations

1.In case of an **event of default** or **potential event of default**, or if, in any **syndicate member ba**
losses) would adversely affect its business, operations or financial condition, such **syndicate memb**

2.The **borrower** shall compensate the relevant **syndicate member bank** for any reasonable fees a
with Article 12.1 of this Contract (Mitigation of losses).

XIII. Statement of facts

The borrower shall make the following statements to each **syndicate member bank** on each **effective**
that time:

1. Legal status

The **borrower** and each **guarantor** are corporate legal persons legally established and validly existi

2. Capacity to contract

The **borrower** and each **guarantor** have the necessary civil capacity of conduct and civil rights to o

3. Authorization from the company

All internal authorizations from the company required for the **borrower** and each **guarantor** to sign
and effect, and such **financing documents** have been validly signed by their legal representatives

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4. Permits

The **borrower** and each **guarantor** have obtained all necessary approvals, permits, consents, regi sign and perform the **financing documents** to which they are a party.

5. Industrial and commercial information submission

The **borrower** and each **guarantor** have submitted annual reports in accordance with the requir enterprises with abnormal operations or the list of enterprises with serious violations of law.

6. Validity of terms

The obligations of the **borrower** and each **guarantor** under the **financing documents** to which they

7. Violation of law or other documents

The **borrower** and each **guarantor**'s execution and performance of the **financing documents** to wh

(1) Any contract, agreement or other documents binding on them or their assets;

(2) Their shareholders' agreement, articles of association and other corporate governance do

(3) Any laws and regulations.

8. Litigation and arbitration

No court action, arbitration, administrative proceeding, enforcement proceeding by a judicial or a **borrower** or any **guarantor** that has or is likely to have any **material adverse effect** on the perform

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9. Liquidation and bankruptcy events

The **borrower** and each **guarantor** have not initiated or been initiated any cessation of operations, d

10. Event of default

No **event of default** has occurred or subsisted.

11. Compliance with law

The **borrower** and each **guarantor** comply in all respects with all laws and regulations applicable to

12. Priority of creditor's rights

The creditor's rights of each **syndicate member bank** against the **borrower** (or, as the case may b unsecured or non-statutory priority rights of other creditors of the **borrower** (or, as the case may be,

13. Judicial immunity

The **borrower**, each **guarantor** and their respective assets shall not enjoy any immunities or privileg judicial proceeding.

14. Information disclosure

(1) The information disclosed in the **information memo** is true, complete and accurate in al information which has or may have any **material adverse effect**.

(2) As of the date of issue of the **information memo**, no circumstances have occurred that h

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condition, financial condition or asset condition of the **borrower** (**guarantor**, if any).

(3) The most recent financial statements and reports provided by the **borrower** to each completely and accurately reflected the **borrower**'s financial position on the date such financ significant **liabilities**, significant income or significant losses of the **borrower**.

(4) All materials provided by the **borrower** to each **syndicate member bank** are true, compl

15. No material adverse effect

No events or circumstances of **material adverse effect** has occurred.

XIV. Agreed matters

The **borrower** undertakes that from the **effective date** until the date on which all obligations of the **borr**

14.1 Positive obligations

1. Priority of creditor's rights

The creditor's rights of each **syndicate member bank** against the **borrower** (or, as the case may existing and future unsecured or non-statutory priority rights of other creditors of the **borrower** (or,

2. Legal status and capacity

The **borrower** shall (and cause each **guarantor** to) maintain the legal, continuous and effective ex and civil rights to perform the **financing documents** to which it is a party.

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3. Compliance with law

The **borrower** shall (and cause each **guarantor** to) ensure compliance in all material aspects wi regulations on environmental protection and taxation, as well as laws and regulations on energy co

4. Permits

The **borrower** shall (and cause each **guarantor** to) obtain in a timely manner all necessary approv a party, and comply with such matters, and maintain such matters in full force and effect continuous

5. Industrial and commercial information submission

The **borrower** shall (and cause each **guarantor** to) submit an annual report to the **Administratio** included in the list of enterprises with abnormal operations or the list of enterprises with serious viol

6. Insurance

The **borrower** shall insure its business and assets with a reputable insurance company, and the ty the same or similar business; the **borrower** shall continuously keep such insurance in full force and

7. Provision of information

(1) The **borrower** shall, within [20] days after the end of each month, provide its financial sta

(2) The **borrower** shall, within [90] days after the end of each quarter, provide its financial sta

(3) The **borrower** shall, within [120] days after the end of every half **financial year**, provide i

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(4) The **borrower** shall, within [120] days after the end of each **financial year**, provide its **financial year** to the **agent bank**, and attach a copy of the **certified public accountant**'s profe

(5) The **borrower** shall (and cause each **guarantor** to) ensure that its financial statements a

(6) The **borrower** shall, within [10] days after the **agent bank**'s request, provide the **agent** may be, each **guarantor**) under paragraph 4 of Article 14.1 of this Contract (*Positive obligation*

(7) The **borrower** shall, within [10] days after the **agent bank**'s request, provide the **age** accordance with paragraph 6 of Article 14.1 of this Contract (*Positive obligations*).

(8) Where the **borrower** provides copies of financial statements or other materials in accor officer of the **borrower** and stamped with the official seal, stating that the copies are consistent

(9) Where the **borrower** provides financial statements as required by paragraph (2) and pa **borrower** and stamped with the official seal, specifying in reasonable detail the calculation basi

(10) The **borrower** shall provide records and information on the use of **loan funds** as required

(11) All the materials provided by the **borrower** to each **syndicate member bank** are true, co

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8. Notification obligation

In case of any of the following circumstances, the **borrower** shall notify the **agent bank** immediatel

(1) The occurrence of any **event of default** or **potential event of default**;

(2) The occurrence of any court action, arbitration, administrative proceeding, enforcement p the **borrower** or any **guarantor**, or against another person by the **borrower** or any **guarantor**

(3) Related transactions whose total amount reaches or exceeds 10% of its net assets, inc transactions, transaction amounts and corresponding ratios, pricing policies, etc.; and/or

(4) The occurrence of any event that has or is likely to have **material adverse effect**.

9. Compliance with financial indicators

The **borrower** shall comply with the following financial indicators:

[/].

10. Project capital fund

The **borrower** shall ensure that the capital fund of the **project** is in place before the **loan fund** or with the **loan fund**.

11. Project progress

The **borrower** shall ensure that the actual progress of the **project** matches the investment amount

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12. Loan management

The **agent bank** may inspect and supervise the **borrower**'s use of each **loan fund** at any tin management and related inspections. The **agent bank**'s methods of inspection and supervision in conducting account analysis, voucher inspection or on-site investigation on the use of **loan funds**;

13. Guarantee or support

The **borrower** and each **guarantor** agree to provide each **lender** with the following support or guar

(1) Guarantee under the **contract of guarantee**;

(2) Mortgage guarantee under the **mortgage contract**;

(3) Pledge guarantee under the **pledge contract**; and

(4) [/].

14.2 Restrictions

1. Security interest

The **borrower** shall ensure that no **security interest** is created or exists in any of its assets, othe **majority lender**.

2. Asset disposal

The **borrower** shall ensure that it will not sell, lease, assign, transfer or otherwise dispose of any o of the **majority lender**.

3. Spin-offs and mergers

The **borrower** shall ensure that no merger, spin-off, contracted operation or similar arrangement wi

4. Reduction of registered capital

The **borrower** shall ensure that it will not reduce its registered capital, unless with the consent of th

5. Restrictions on dividend distribution

In case of any of the following circumstances, the **borrower** shall not distribute profits:

(1) [With the written consent of the syndicate].

6. Permitted liabilities

The **borrower** shall not incur any **liabilities** other than the **permitted liabilities**.

7. Permitted investments

The **borrower** shall not make any external investments other than the **permitted investments**.

XV. Event of default

15.1 Event of default

Any of the following circumstances constitutes an **event of default**:

1.Payment default

The **borrower** fails to pay any amount due and payable in the amount, currency, payment method a

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administrative or technical error and such payment is made within (5 business days) after the due da

2.Misappropriation of loans

The **borrower** has not used any of the **loan funds** for the purposes agreed under this Contract.

3.Misrepresentation

Any statement of fact made by the **borrower** under Article XIII of this Contract (*Statement of facts*) is

4.Violation of agreements or other obligations

The **borrower** fails to comply with the obligations under Article 14 (*Agreed matters*) or fails to perfor

5.Cross default

The **borrower** has not paid off any **liabilities** due and payable, and the total amount reaches or exc

6.Insolvency

(1) Any creditor of the **borrower** declares a deferred repayment on any **liabilities** of the **borr**

(2) The **borrower** begins discussions with any of its creditors on deferred repayment and c [10,000,000.00] Yuan.

(3) The **borrower** completely ceases or suspends payments to its creditors, or becomes inc the debts fall due, or declares that it will not fulfill its due debts.

7.Liquidation and bankruptcy events

The **borrower** or any **guarantor** has initiated or been initiated any cessation of operations, dissolutio

8.Enforcement events

The **borrower**'s assets, whose total market value or book value (whichever is lower) reaches or imposed by other similar measures, and such measures are not lifted within [30] **business days** afte

9.Financial indicators

The **borrower** fails to comply with any of the financial indicators stipulated in paragraph 9 (*Compliar*

10. Material adverse effect

Any event or circumstance with a **material adverse effect** occurs.

11. Invalidity of financing documents

The **financing documents** become invalid or unenforceable.

15.2**Remedies of syndicate member banks**

1. Notice

(1) Should the **borrower** or any **lender** become aware of an **event of default** or of facts or **agent bank**.

(2) After receiving the above notice, the **agent bank** shall promptly notify each **lender**.

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(3) If any **event of default** is not notified to the **agent bank** by the **borrower**, the **agent ba** explain or take remedial measures.

2. Rights to remedies

During the duration of any **event of default**, the **agent bank** (according to the decision of the **majo**

(1) Waive the relevant **event of default**, or agree to remedy the relevant **event of default**;

(2) Declare the suspension of the withdrawal of any **loan funds**; upon such declaration, the v

(3) Cancel all or part of the **total loan amount**; upon such declaration, the **loan amount** of e may not be reinstated;

(4) Declare that all or part of the **loan balance** together with all accrued interest, fees and c immediately become due and payable without any further notice from the **agent bank**;

(5) Require the **borrower** to provide additional security measures immediately;

(6) Execute the **guaranty contract**; and/or

(7) Exercise any other rights granted by laws, regulations and this Contract.

3. Actions of the agent bank

(1) The various rights to remedies listed in paragraph 2 (*Rights to remedies*) of Article 15.2 resolution legal proceedings against the **borrower** shall be organized through the **agent bank**. the relevant **syndicate member banks** may take such actions on their own.

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(2) During the continuance of an **event of default**, the **agent bank** shall have the right to tak **syndicate member bank** under this Contract.

4. Undertakings of each syndicate member bank

(1) Each **syndicate member bank** will not exercise its rights under this Contract in a manner

(2) Each **syndicate member bank** undertakes to the other **syndicate member banks**, unles

1)It will not separately demand or accept any form of debt repayment from anyone to repay

2)It will not separately demand or accept any **security interest** or financial support for any

5. Withholding

During the continuance of an **event of default**, each **syndicate member bank** shall have the ri (including any of its branches) and forward it to the **agent bank** in accordance with Article 8.10 of th

XVI. Relationships of syndicate member banks

16.1 Appointment of the agent bank

1. Each **syndicate member bank** other than the **agent bank** hereby appoints the **agent bank** a the rights expressly conferred on the **agent bank** by the provisions of this Contract and all other rig

2. For the sole purpose of registration of the guarantee as agreed under the **guaranty contrac** modification agreement to the **guaranty contract** with the relevant **guarantor** in accordance with t in the form required by the local registration authority, or to appropriately reduce the amount of t requirements that the amount of the guaranteed claim must be lower than the assessed value of th

16.2 Agency relationship

1.The relationship between the **agent bank** and other **syndicate member banks** is only an agency **lenders** and protect the interests of the syndicate in accordance with this Contract. It shall perform t that the various agreements and the **lender**'s instructions and authorizations are carried out effective

2.The **agent bank** is not an agent of the **borrower** in any respect.

16.3 Responsibilities of the agent bank

1.The **agent bank** shall, within [10] **business days** after receiving the original or photocopy of any such document to the other party; unless otherwise agreed in this Contract, the **agent bank** shall r document transmitted by it.

2.The **agent bank** shall establish and maintain ledgers related to this Contract and provide such led

3.The **agent bank** shall disburse and pay **loan funds** in accordance with the provisions of Article 8. control the same.

4.The **agent bank** shall notify each **syndicate member bank** within [10] **business days** after receiv

5.The **agent bank** shall notify each **syndicate member bank** within [10] **business days** after bec **syndicate member bank** in accordance with the provisions of this Contract. If the **agent bank** disc from the investigations to each **lender** in a timely manner.

6.The **agent bank** shall, according to the decision of the **majority lender**, organize each **syndicate** to this Contract, provided, however, that each **lender** has, in accordance with this Contract, reimburs and liabilities that the **agent bank** has expended or incurred or may expend or incur in compliance w

7.The **agent bank** shall not be liable to any other party to this Contract for any violations of the provi

8.Where acting in accordance with any decision of the **majority lender** would result in or may res **bank**may refrain from acting in accordance with such decisions.

9.The **agent bank** shall perform all its duties under this Contract with diligence and conscientiousnes

16.4 Rights of the agent bank

1.Unless it has actual knowledge to the contrary, the **agent bank** may presume that:

(1) Any statement of facts made by any other party to this Contract in this Contract or in relat

(2) No **event of default** has occurred or persisted;

(3) None of the other parties to this Contract has violated its obligations under this Contract; a

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(4) Neither any of the other parties to this Contract nor the **majority lender** has exercised an

However, if the **agent bank** is aware of, or any other party to this Contract is aware of, the contrary each **lender** in accordance with the relevant provisions of this Contract.

2.The **agent bank** may hire lawyers, accountants, appraisers, translators or other professionals whe such professionals to act accordingly.

3.The **agent bank** may act in reliance on any communication or document it reasonably believes to

4.The **agent bank** may disclose to any other party to this Contract any information it receives in acc

16.5 Independent credit assessment

Each **lender** confirms that it has and will continue to independently investigate, review and assess th include but are not limited to the following, and make independent judgments and decisions based on th

1.The adequacy, accuracy or completeness of any information relating to any other party to this Cor **agent bank** or the **lead bank**;

2.The financial status, creditworthiness, business status, legal status or other conditions of any othe

3.The legality, validity, binding force, sufficiency or enforceability of this Contract or any document re

Accordingly, the **agent bank** shall not be liable to any **lender** for any of the foregoing issues and possibl

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16.6 Agent bank and lead bank as the lenders

Where the **agent bank** or the **lead bank** is also a **lender**, it shall enjoy the rights of the **lender** and assu

16.7 Syndicate meeting

1. Lender decision-making mechanism

(1) In the event of the occurrence of any matter expressly required by the provisions of this C the **agent bank** of the occurrence thereof after becoming aware of it, and the **agent bank** sha becoming aware of the occurrence of the matter and shall request a vote thereon.

(2) Each **lender** shall, after receiving the above notice from the **agent bank**, notify the **agent**

(3) Unless otherwise agreed in this Contract, the **agent bank** shall act in accordance with th
where the **agent bank** acts in accordance with the decision of the **majority lender** or all of the
this Contract.

(4) The decision made by the **majority lender** or all of the **lenders** in accordance with the p
agent bank to implement such decisions of the **majority lender** or all of the **lenders**.

(5) Where the **majority lender** or all of the **lenders** fail to make a decision in accordance
solicit the opinions of each **lender** again in accordance with the above procedures. Should any
the **agent bank**, it will be deemed to have agreed to the solution proposed by the **agent bank**.

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(6) If the **agent bank** believes that a certain act or omission is in the best interests of the **len**

2. Matters requiring unanimous approval from all syndicate member banks

Unless otherwise agreed in this Contract, modifications to the terms of this Contract concerning any

(1) Changes in the currency of the **loan amount**, the **total loan amount** or the **loan funds**;

(2) Changes in the **withdrawal period** and the **loan term**;

(3) Changes in the **loan interest rate** and the **penalty interest rate**;

(4) Changes in the currency, amount and payment date of any payments made or payable to

(5) Modifications to the definition of the "**majority lender**".

(6) Modifications to Article XXI of this Contract (*Modification and exemption*); and/or

(7) Changes in important matters such as the **guarantor**, the guarantee method, the guarant

3. Procedures and rules for syndicate meetings

(1) In the event that a matter arises that requires the **agent bank** to act in accordance wit
organize a syndicate meeting, which shall be chaired by the **agent bank**.

(2) In addition to the agreement in section (1) above, the **agent bank** shall promptly convene

(a) The **lead bank** deems it necessary to convene a syndicate meeting; or

(b) A written proposal from a **lender** whose share of the **total amount** reaches [30%] or mor

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(3) When the **agent bank** convenes a syndicate meeting, it shall notify each **lender** in writi
bank. The meeting notice shall include the time, place (if applicable), method of the meeting and

(4) The syndicate meeting may be held by ways of on-site meeting or communication mee
written consent.

(5) Each **lender** shall notify the **agent bank** whether it will participate in the syndicate meet
[10] **business days** before the meeting.

(6) Each **lender** may send one or two authorized representatives and several ordinary repre
opinions, but only the authorized representatives can vote on behalf of the **lender**. Each **lender**'
authorization. The power of attorney issued by each **lender** shall clearly indicate that the docum
official seal of each **lender** shall be filed with the **agent bank**, and the authorized representative
verify the validity of the power of attorney.

(7) A valid resolution made at the syndicate meeting shall be made in writing by the **agent ba**
shall also sign the resolution. Subject to the relevant provisions of this Contract, this resolution
resolution. If the resolution is related to the **borrower**'s rights and obligations under the **fina**
borrower.

4.The **lenders** may separately negotiate and sign an inter-syndicate agreement for syndicated loans

16.8 Lenders' compensation

1.Each **lender** shall, within [10] **business days** after the **agent bank**'s request, compensate the
liabilities (other than those due to the fault or negligence of the **agent bank**) incurred by the **agent**
amount ratio (unless the **agent bank** has received reimbursement from the **borrower** in accordanc

2.Any **lender** that intends to make compensation in accordance with the provisions of this paragr
amount, and the **agent bank** shall provide such calculation basis to the **lender** within [10] **business**

16.9 Resignation of the agent bank

1.The **agent bank** ("**resigning agent bank**") may notify the **lender** at any time to express its intentio

2.The **majority lender** shall, within [10] **business days** after receiving the resignation notice issued
and experienced financial institution as the successor of the **agent bank** ("**successor agent bank**")
bank may designate a financial institution that it deems to be qualified, reputable and experienced a

3.The resignation of the **resigning agent bank** and the appointment of the **successor agent ban**
Contract of its formal succession.

4.From the effective date of the resignation of the **resigning agent bank** and the appointment of th
other **syndicate member banks** under this Contract shall be immediately terminated, and at the sa
syndicate member banks under this Contract.

5. The **resigning agent bank** shall, within [10] **business days** after receiving the succession notice
necessary assistance that it reasonably requires in order to exercise its rights and perform its obligat

6.The **majority lender** may notify the **agent bank** and request it to resign in accordance with the pr
the provisions of this article. Otherwise, the **majority lender** may decide to change the **agent bank**.

16.10 Deductions by the agent bank

In the event that any **syndicate member bank** owes any money to the **agent bank** under this Contrac
that the **agent bank** should have paid to the **syndicate member bank** in accordance with this Contr
syndicate member bank.

16.11 Other business

Each **syndicate member bank** (including its branches) may accept deposits from the **borrower**, provid

16.12 Dealings with the lenders

Unless notified by the relevant **lender** in accordance with the provisions of this Contract to the contra
Contract and is acting through its **handling bank**.

XVII Fees and compensation

[Each party may separately sign a syndication fee letter with the relevant party for the transactions und
syndication fee letter, the provisions in the syndication fee letter shall prevail.]

17.1 Syndication fees

1.The calculation method of the commitment fee payable by the **borrower** under this Contract is:[/
on each interest payment date during the withdrawal period.

2.The agency fee payable by the **borrower** under this Contract is: [/] /See the agreement in the **fe**

bank on the **withdrawal date** of the first **loan fund**, and subsequent annual agency fees shall be pa

3.The arrangement fee payable by the **borrower** under this Contract is: [/] /See the agreement in t

17.2 Syndication costs

1.Unless otherwise provided by laws and regulations, all parties hereby agree that all reasonab
preparation, signing, modification and exemption of the **financing documents** shall be borne by the

2.Unless otherwise provided by laws and regulations, all parties hereby agree that all costs and exp
documents in any jurisdiction shall be borne by the **borrower**, including but not limited to the fees o

17.3 Compensation for losses

The **borrower** shall, within [10] **business days** after receiving the request from any **syndicate member**
incurred by the **syndicate member bank** as a result of the **borrower**'s violation of its obligations under

(1) The **borrower** fails to repay any amount due on the due date;

(2) The **borrower** repays any amount due on a date other than the due date;

(3) Any **event of default** or **potential event of default** occurs;

(4) Any **loan funds** are not fully withdrawn on time due to the **borrower**'s fault;

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(5) The **borrower** cancels any **lender**'s **loan amount** in violation of this Contract;

(6) The information and materials provided by the **borrower** are untrue; and/or

(7) [/].

17.4 Currency compensation

If any payment made by the **borrower** under this Contract is not made in the currency payable as expre
("**payment currency**"), and after the **syndicate member bank** converts the **payment currency** into the
syndicate member bank should receive, the **borrower**shall compensate for the shortfall and the relate

17.5 Basis of calculation

Any **syndicate member bank** that intends to make a request in accordance with Article 17.2 (Syndic
Contract shall notify the **agent bank** and provide detailed calculation basis of such request, and the **age**

17.6 Exemption from compensation

The **borrower** shall not be liable to any **syndicate member bank** in accordance with Article 17.2 (Sync
Contract in the following circumstances:

1.Liability arising from the gross negligence, fault or willful misconduct of the **syndicate member ba**

2.The **borrower** has compensated the **syndicate member bank** in accordance with other provision

XVIII. Transfer

18.1Transfer by borrower

The **borrower** shall not transfer all or any of its rights or obligations under this Contract.

18.2 Transfer by lenders

1.Any **lender** ("**transferring bank**") that intends to transfer all or any of its rights and/or obligations
the **agent bank** ("**transfer notice**") at least [30] **business days** in advance.

2.Any **lender** shall obtain the prior written consent of the **borrower** to transfer all or part of its **loan a** its disapproval within [30] **business days** of receipt of the **transfer notice**.

3.Any **lender** may transfer its entire share of the **loan balance** without the consent of the **agent ban**

4.Notwithstanding the above provisions, if national laws, regulations or regulatory agencies have oth

18.3 Effectiveness of transfer

The transfer made by the **lender** in accordance with Article 18.2 (*Transfer by lenders*) of this Contract s form and content of Appendix III of this Contract (Form of Transfer Certificate) and signed by the **tran** signing of the **transfer certificate**.

18.4 Binding force of transfer

Any transfer carried out and completed in accordance with the provisions of Article XVIII of this Contract

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18.5 Consequences of transfer

From the effective date of the transfer, the **transferee bank** shall officially become a **lender**, and within t

1.The **transferring bank** shall no longer enjoy and assume all rights and obligations related to the s

2.The **transferee bank** shall enjoy and assume all rights and obligations related to the subject matte

18.6 Exemption of the transferring bank

The **transferring bank** shall not be liable to the **transferee bank** for any of the following:

1.The valid execution, authenticity, accuracy, completeness, legality, validity or enforceability of this C

2.Whether the amounts payable under this Contract can be received; and

3.The authenticity, accuracy and completeness of any statement of facts made by any other party to

18.7 Further exemption of the transferring bank

The **transferring bank** is not obliged to:

1.Repurchase from any **transferee bank** any rights and obligations that the **transferring bank** ha (Transfer by lenders).

2.Compensate any **transferee bank** for any losses suffered due to the failure of the **borrower** or an

18.8 Bookkeeping and archiving

The **agent bank** shall keep a list of all parties to this Contract, be responsible for transfer registration, re transfer occurs.

18.9 Change of handling bank

Any **lender** may change its **handling bank** by notifying the **borrower** and the **agent bank** at least [10] **l**

XIX. Relationship of rights and obligations among syndicate member banks

19.1 Independence of obligations

The obligations of each **syndicate member bank** under this Contract are independent of each other. An any other **syndicate member bank** from performing its obligations under this Contract. No **syndicate m** this Contract.

19.2 Independence of rights

The rights of each **syndicate member bank** under this Contract are independent of each other. Any d Contract shall be separate debts. Unless otherwise agreed in this Contract, each **syndicate member b bank** shall fail to perform any obligation under this Contract on the excuse of independence of rights.

XX. Obligation of confidentiality

20.1 Scope of confidentiality

Each party to this Contract shall be obliged to keep confidential any information provided to it by other p right to disclose such information under the following circumstances:

1.Such information is already known to the public (provided that such information does not become k

2.Such information shall be disclosed in any court action, arbitration, administrative proceeding, enfo

3.Disclose in accordance with the requirements of local laws and regulations and within the scope re

4.Disclose in accordance with the listing and trading rules of the stock exchange where it is listed;

5.Disclose to any governmental, financial, tax or other administrative authority and to the extent requ

6.Disclose to its directors, managers, employees or professional advisors (including but not limited **bank** to comply with the confidentiality obligations stipulated in this article;

7.Disclose within the scope permitted by Article 20.2 of this Contract (Scope of other disclosure);

8.Disclose to relevant rating agencies in loan securitization transactions by each **syndicate membe**

9.Disclose with the consent of the party providing the confidential information.

20.2 Scope of other disclosure

Any **syndicate member bank** may disclose to any person who may or has already entered into any tr **syndicate member bank**:

1.Photocopies of this Contract; and/or

2.Any information that the **syndicate member bank** has obtained about the **borrower**, this Contract

However, the disclosed party must, before receiving any such information, undertake to the **syndica** (Obligation of confidentiality).

20.3 Replacement

The agreements in Article 20.1 (Scope of confidentiality) and Article 20.2 (Scope of other disclosure) before becoming a party to this Contract in relation to the **borrower**, this Contract and the transactions u

20.4 Information collection

The **borrower** agrees and irrevocably authorizes that, the **syndicate member banks**, on the premise o the relevant laws and regulations, and in accordance with the collection requirements of the Financial C Information Basic Database established by the State, the information relating to all the contracts/a information relating to the performance of all the aforesaid contracts/agreements/undertakings and th Information Basic Database set up by the State for query and use by units with the qualification to q information of the **borrower** that has been entered into the Financial Credit Information Basic Database under this Contract by the **syndicate member banks** before and after the signing of this Contract, and s

XXI. Modification and exemption

21.1 Application and consent for modification or exemption

1.After the **borrower** applies for modifications and exemptions to the provisions of this Contract, requirements stipulated in this Contract and check whether the **borrower** has provided the informa etc.). After receiving the required documents mentioned above, the **agent bank** shall promptly notify

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2.Any **lender** proposing a modification to the provisions of this Contract shall first notify the **agent b** vote. In the event that the voting matter proposed by the **lenders** involves the **borrower** and any **g** with the **borrower** on behalf of the syndicate for the modification of the provisions of the contract in a

3.For modifications or exemptions proposed by the **borrower** or any **lender**, the **agent bank** shall the relevant provisions of this Contract. If there is no express agreement in this Contract, or there is

4.After receiving the application for modifications or exemptions from the **borrower** or any **lender**, this Contract (*Syndicate meeting*), and promptly notify each **lender**, the **borrower** and relevant **guar**

21.2Written modification

Any modification to any provision of this Contract shall be made in writing and shall become effective wit

21.3 Agent bank's consent

Modifications to the provisions concerning any of the following matters must be approved by the **agent b**

1.Article VIII (Provisions as to payment), Article XVI (Relationships of syndicate member banks) or A

2.Modify or waive any rights of the **agent bank** under this Contract, or impose any other obligations

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XXII. Notification

22.1Through the agent bank

All communications between the **borrower** and any **syndicate member bank** regarding this Contract sh

22.2 Method of notification

Any notice, request or other document sent by any party to this Contract to any other party shall be mad the recipient at any time and indicating the contact person (if any). The initial contact address, telex nu page of this Contract.

Each party to this Contract confirms that the contact information originally designated by the parties o Contract is the address for service of documents of litigation or arbitration in respect of the dispute unde

22.3 Service of notice

Any communication between the parties to this Contract is deemed to have been received by the recipie

1.If delivered by hand, at the time of actual delivery;

2.If transmitted by telex or fax, when the transmission is completed and the correct reply number or t

3.If sent by e-mail, the day (Beijing time) the e-mail is sent to the correct e-mail address; or

4.If sent by mail, at [17:00] (Beijing time) of the [10th] **business day** after the document is submitted

Notwithstanding the foregoing in this article, any communication or document made or delivered in a days] on the date of receipt at the place of receipt.

22.4 Change of address

When any party to this Contract changes its contact address, telex number, fax number or e-mail, it sha
agent bank shall immediately notify the other parties to this Contract.

22.5 Notification language

Notices given under this Contract shall be in Chinese.

XXIII. Debt certificate

Any **syndicate member bank** shall record relevant accounting information and records related to this manifest errors, the information recorded in the accounting documents of the **syndicate member bank** owed by the **borrower** to the **syndicate member banks**under this Contract.

XXIV. Other agreements

24.1 The borrower shall open a special account for loan payment and a special account for fund withdrawal *Agreement*. During the construction period, the project construction funds must be transferred to the sp relevant requirements of entrusted payment management, and the syndicate shall have the right to supe

24.2 The borrower's comprehensive operating income must be fully deposited into a special account for co and interest of the loan, and the syndicate is authorized to deduct the principal and interest of the loan fi

24.3 Complete the mortgage formalities for the land and factory buildings under the borrower's name, make proceeds;

24.4 The project assets and their proceeds shall not be refinanced externally, the project assets shall not b pledged to parties other than the syndicate. In the event of significant changes in the borrower's equity, loans to the syndicate, the borrower must obtain prior written consent from the syndicate;

24.5 The project funds shall not be misappropriated in any form until the full repayment of the loan principal current year. If the project construction exceeds the budget, the excess amount shall be self-financed proportion required by the relevant national regulations;

24.6 If the borrower has suffered losses for two consecutive years, the syndicate shall have the right to c approved by the syndicate;

Should the borrower violate the conditions above, the syndicate shall have the right to increase the interest rate

XXV. Accumulation of rights and independence of provisions

25.1 Accumulation of rights

The failure or delay of any **syndicate member bank** in exercising any of its rights under this Contract any such rights, alone or in part, shall not preclude the subsequent exercise of such right or any oth remedies stipulated in this Contract are cumulative and do not exclude any other rights or remedies gran

25.2 Independence of provisions

If, at any time, any provision of this Contract becomes illegal, invalid or unenforceable, the legality, validi

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XXVI. Text of the contract

26.1 Language

This Contract is drafted and signed in Chinese.

26.2 Original copy

This Contract is made in [ten] original copies, which are of equal force and effect.

XVII. Governing law and dispute resolution

27.1 Governing law

This Contract shall be governed by and construed in accordance with the laws of **China**.

27.2 Dispute resolution

Any dispute arising out of or in connection with this Contract shall be resolved by amicable negotiation a negotiate within that period, any party shall have the right to choose the [second] dispute resolution meth

1. Submit the dispute to the [/] Arbitration Commission for arbitration in [/] in accordance with the a award is final and binding on all parties; or

2. Submit the dispute to the People's Court of [Jianye District, Nanjing City] for resolution through litig

27.3 Waiver of immunity

The **borrower** hereby irrevocably waives any immunity it or its assets may have or hereafter acquire in a

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XXVIII. Effectiveness

This Contract shall become effective on the date on which the legal representative/responsible person ("**effective date**").

Appendix I Lenders' Orig

Original lender
Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited
East West Bank (China) Limited

Appendix II Form of Docume

To: [Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited]

As the **agent bank**

Date: [ ] [ ], [ ]

Subject: [Syndicated] **Loan Contract signed on [ ] [ ], [ ]**

Our company hereby references the [Syndicated Loan] Contract (hereinafter referred to as the "**Loan Contract**" Branch of Industrial and Commercial Bank of China Limited] as the **lead bank**, (2) [Nanjing Zidong Sub-branch o **lenders**, and (3) [Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited] as the **ag** Confirmation Letter.

Our company hereby confirms:

1.Among the various documents listed in paragraph 1 of Article 4.2 of the **Loan Contract**(*Prerequisites for fir* documents attached to this Confirmation Letter) are true, accurate and complete copies of their originals, and su

2.The resolutions passed at the meeting of our company's [board of shareholders]/[board of directors] and state the date of this Confirmation Letter.

3.Our company is currently solvent.

4. The following is a list of all current directors of our company as of the date of this Confirmation Letter and th

[Zhang Yongfeng, Mary Luo, Rong Zhou, Yakob Liawatidewi, Qiu Yinhua].

5. Unless our company notifies you in writing to the contrary, your bank may believe that the content contained

Legal Representative/Responsible Person
(or Authorized Signatory)
[•] Official seal

Appendix III Form of Tr

To: [/]
Address: [/]
Contact person: [/]

[/]
Address: [/]
Contact person: [/]

From: [**Transferring bank**] and [**Transferee bank**]

[•] Contract dated [•] ('

We hereby reference the Article XVIII of the **Loan Contract** (*Transfer*). The terms defined in the **Loan Contract**

1. The **transferring bank** and the **transferee bank** hereby agree that the **transferring bank** will transfer Article XVIII of the **Loan Contract** (*Transfer*), and the **transferee bank** will assume the same responsibilities

2. The date of transfer is [/].

3. The address of the **transferee bank**'s handling agency is listed in the annex.

4. The provisions of Article 18.3 (Effectiveness of transfer) to Article 18.7 (Further exemption of the transf

5. This Certificate is governed by the laws of **China**.

Annex Shares c

Under the**total loan amount:**

Transferring bank's**loan amount**	
[/]	[/]

Transferring bank's share of **loan balance**	
[/]	[/]

Transferee bank's information: [/]

Name of the **transferee bank**: [/]
Handling agency: [/]
Address for delivery of notices: [/]
Phone: [/]
Telex: [/]
Fax: [/]
Contact person: [/]
Email: [/]

[**Transferring bank**] [/][**Transferee bank**] [/]

Signatory: [/] Signatory: [/]

_____ (Official Seal)_____ (Official Seal)

[**Agent bank**][/]
Signatory: [/]

_____ (Official Seal)

Appendix IV Accounts

Borrower

Loan fund account

Account name: [Amphastar Nanjing Pharmaceuticals Inc.]

Opening bank: [Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited]

Account No.: [***]

Remarks: [Disbursement of syndicated loan]

Syndicate member banks

Agent bank's payment account

Account name: [/]

Opening bank: [/]

Account No.: [/]

Bank No.: [/]

Remarks: [/]

[*Name of the lead bank*]

Account name: [/]

Opening bank: [/]

Account No.: [/]

Bank No.: [/]

Remarks: [/]

[*Name of the agent bank*]

Account name: [/]

Opening bank: [/]

Account No.: [/]

Bank No.: [/]

Remarks: [/]

[*Name of the lender*]

Account name: [/]

Opening bank: [/]

Account No.: [/]

Bank No.: [/]

Remarks: [/]

[*Name of the lender*]
Account name: [/]
Opening bank: [/]
Account No.: [/]
Bank No.: [/]
Remarks: [/]

This page is the stamp page of the *Syndicated Loan Contract* signed by Nanjing Branch of Industrial and Com
Limited, East West Bank (China) Limited and Amphastar Nanjing Pharmaceuticals Inc., and there is no text on th

Borrower

[Amphastar Nanjing Pharmaceuticals Inc.]

Address: [No. 5, Xinghe Road, Nanjing Economic and Technological Development Zone]
Zip code: [210000]
Phone: [***]
Fax: [/]
Contact person: [***]
Email: [***]

Legal Representative/Responsible Person (or Authorized Signatory)

[seal:]
[illegible]

Name:
Title:

This page is the stamp page of the *Syndicated Loan Contract* signed by Nanjing Branch of Industrial and Com
Limited, East West Bank (China) Limited and Amphastar Nanjing Pharmaceuticals Inc., and there is no text on th

Lead bank

[Nanjing Branch of Industrial and Commercial Bank of China Limited]

Address: [No. 379, Jiangdong Middle Road, Jianye District, Nanjing]
Zip code: [210000]
Phone: [***]
Fax: [***] Contact person: [***]
Email: [***]

Legal Representative/Responsible Person (or Authorized Signatory):

Seal of Yang Qingsheng [seal]

Name:
Title:

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This page is the stamp page of the *Syndicated Loan Contract* signed by Nanjing Branch of Industrial and Com
Limited, East West Bank (China) Limited and Amphastar Nanjing Pharmaceuticals Inc., and there is no text on th

Agent bank

[Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited]

Mailing address:Building B, Financial Building, Xingang Industrial Zone, Nanjing
Zip
code: [210038]
Phone: [***]
Fax:[***]
Contact person:[***]
Email: [***]

Legal Representative/Responsible Person (or Authorized Signatory):

Li Lei
[seal]

Name:
Title:

Sp

In

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This page is the stamp page of the *Syndicated Loan Contract* signed by Nanjing Branch of Industrial and Com
Limited, East West Bank (China) Limited and Amphastar Nanjing Pharmaceuticals Inc., and there is no text on th

Lender

[Nanjing Zidong Sub-branch of Industrial and Commercial Bank of China Limited]

Mailing address:Building B, Financial Building, Xingang Industrial Zone, Nanjing
Zip
code: [210038]
Phone: [***]
Fax:[***]
Contact person:[***]
Email: [***]

Legal Representative/Responsible Person (or Authorized Signatory):

Li Lei
[seal]

Name:
Title:

This page is the stamp page of the *Syndicated Loan Contract* signed by Nanjing Branch of Industrial and Com
Limited, East West Bank (China) Limited and Amphastar Nanjing Pharmaceuticals Inc., and there is no text on th

Lender

[East West Bank (China) Limited]

Mailing address: [Units 01-08, 33/F, Jinmao Building, No. 88 Century Avenue, China (Shanghai) Pilot Free Tra
Zip code: [200000]
Phone: [***]
Fax:[***]
Contact person:[***]
Email: [***]

Legal Representative/Responsible Person (or Authorized Signatory):

/s/Julia Zhu
Name:
Title:

CERTIFICATION PURSUANT TO RU
THE SECURITIES EXCHA
AS ADOPTED PURSUAN
OF THE SARBANES OX

I, Jack Y. Zhang, Ph.D., certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Amphastar Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and proced Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be des preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our concl based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the re affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over fina performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the reg

Date: November 8, 2023 May 10, 2024

CERTIFICATION PURSUANT TO RU
THE SECURITIES EXCHA
AS ADOPTED PURSUAN
OF THE SARBANES OX

I, William J. Peters, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Amphastar Pharmaceuticals, Inc.;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and proced Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be des preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our concl based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the re affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over fina performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the reg

Date: November 8, 2023 May 10, 2024 E

CERTIFICATIONS OF PRINCIP
PURSUANT TO 18 U.S.
AS ADOPTED PURSUAN
OF THE SARBANES-OX

The undersigned officer of Amphastar Pharmaceuticals, Inc. (the "Company"), hereby certifies, to the best of such officer's knowledg

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 March 31, 2024 (the "Report'

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operatio

Date: November 8, 2023 May 10, 2024

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. §1350, and is not being filed for any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such fi

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CERTIFICATIONS OF PRINCIP
PURSUANT TO 18 U.S.C
AS ADOPTED PURSUAN
OF THE SARBANES-OX

The undersigned officer of Amphastar Pharmaceuticals, Inc. (the “Company”), hereby certifies, to the best of such officer’s knowledg

(i) the Quarterly Report on Form 10-Q of the Company for the quarter ended September 30, 2023 March 31, 2024 (the “Report’

(ii) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operatio

Date: November 8, 2023 May 10, 2024

The foregoing certification is being furnished solely to accompany the Report pursuant to 18 U.S.C. §1350, and is not being filed for any filing of the Company, whether made before or after the date hereof, regardless of any general incorporation language in such fi

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DISCLAIMER

THE INFORMATION CONTAINED IN THE REFINITIV CORPORATE DISCLOSURES DELTA REP
MATERIAL ERRORS, OMISSIONS, OR INACCURACIES IN THE REPORT INCLUDING THE TE
APPLICABLE COMPANY ASSUME ANY RESPONSIBILITY FOR ANY INVESTMENT OR OTHEF
USERS ARE ADVISED TO REVIEW THE APPLICABLE COMPANY'S ACTUAL SEC FILINGS BE

REFINITIV