Retrophin Reports Full-Year 2013 Financial Results

March 27, 2014

Management to Host Conference Call and Audio Webcast Today at 4:30 p.m. ET

NEW YORK--(BUSINESS WIRE)-- Retrophin, Inc. (NASDAQ:RTRX) today reported its financial results for the year ended December 31, 2013.

"2013 was a productive and eventful year for Retrophin," said Martin Shkreli, Founder and Chief Executive Officer of Retrophin. "We added significant assets to our pipeline of drugs for debilitating and life-threatening diseases for which patients have limited or no available treatment options. In addition, we added numerous talented individuals to our team and will continue ramping up for increased activity this year."

Shkreli continued, "2014 is off to a great start. We uplisted our stock to the NASDAQ and completed a successful public offering in January that resulted in $40 million in gross proceeds. Our acquisition of Manchester Pharmaceuticals will transform Retrophin into a commercial company with two FDA-approved products - Chenodal® for the treatment of gallstones and Vecamyl® for hypertension. We also intend to pursue U.S. regulatory approval of Chenodal for a rare, underdiagnosed and severe genetic disease called cerebrotendinous xanthomatosis (CTX)."

2013 Highlights

- Entered into a U.S. license agreement with Novartis in December 2013 for Syntocinon™ Nasal Spray. Retrophin is in discussions with the U.S. Food and Drug Administration (FDA) to reintroduce Syntocinon in the U.S. to assist new mothers experiencing lactation deficiency, a condition for which there are currently no FDA-approved products. Additionally, Retrophin is studying Syntocinon as a potential treatment for schizophrenia and autism spectrum disorders.
- Unveiled RE-034 (tetracosactide zinc), a long-acting synthetic analog of the naturally-occurring adrenocorticotropic hormone (ACTH) formulated with zinc, in December 2013. Retrophin plans to initiate Phase 3 pivotal clinical trials of RE-034 for the treatment of infantile spasms, also known as West Syndrome, and nephrotic syndrome in mid-2014.
- Reported positive survival data from a preclinical trial of RE-024 for the treatment of the ultra-orphan disease Pantothenate Kinase-Associated Neurodegeneration (PKAN) in August 2013.
- Initiated enrollment for DUET, a Phase II clinical trial of sparsentan for the treatment of focal segmental glomerulosclerosis (FSGS).
- Raised a total of $35 million in two Private Placements.
- Expanded the management team with the addition of several key positions and welcomed Cornelius E. Golding and Jeffrey Paley, MD to the Board of Directors.

Full-Year 2013 Financial Results

Retrophin reported a net loss of $33.8 million for the year ended December 31, 2013. During the same period in 2012, Retrophin recorded a net loss of $30.3 million.

Research and development expenses were $7 million for the year ended December 31, 2013, compared to $0.7 million for the year ended December 31, 2012. The increase is due primarily to $5 million of direct costs related to the development of our products sparsentan, RE-024, Syntocinon, RE-034, and other product candidates and an increase in internal personnel costs of $1.3 million. General and administrative expenses were $16.9 million for the year ended December 31, 2013, compared to $29.6 million for the year ended December 31, 2012.

Loss from operations was $24 million for the year ended December 31, 2013, compared to a loss from operations of $30.3 million for the year ended December 31, 2012.

Retrophin's balance sheet at December 31, 2013 included approximately $6.1 million in cash, cash equivalents and marketable securities and no debt.

Conference Call Information

Retrophin will host a conference call and webcast today, Thursday, March 27 at 4:30 p.m. ET, to discuss full-year 2013 operational and financial results. To participate in the conference call, dial +1 855-219-9219 (U.S.) or +1-315-625-6891 (International), confirmation code 21043822, shortly before 9:00 a.m. ET. The audio webcast can be accessed at www.retrophin.com, in the Events and Presentations section. A replay of the call will be available 7:30 p.m., March 27, 2014 to 11:59 p.m., April 3, 2014. The replay number is 855-859-2056 (U.S.) or 404-537-3406 (International), confirmation code 21043822.

About Retrophin

Retrophin is a pharmaceutical company focused on the development, acquisition and commercialization of drugs for the treatment of serious,

catastrophic or rare diseases for which there are currently no viable options for patients. The Company's marketed products include Chenodal® and Vecamyl®, and its pipeline includes compounds for several catastrophic diseases, including focal segmental glomerulosclerosis (FSGS), pantothenate kinase-associated neurodegeneration (PKAN), schizophrenia, autism, infantile spasms, nephrotic syndrome and others. Retrophin intends to reintroduce Syntocinon Nasal Spray in the U.S. to assist initial postpartum milk ejection. For additional information, please visit www.retrophin.com.

Forward-Looking Statements

This press release contains "forward-looking statements" as that term is defined in the Private Securities Litigation Reform Act of 1995, regarding the research, development and commercialization of pharmaceutical products. Without limiting the foregoing, these statements are often identified by the words "may", "might", "believes", "thinks", "anticipates", "plans", "expects", "intends" or similar expressions. In addition, expressions of our strategies, intentions or plans are also forward-looking statements. Such forward-looking statements are based on current expectations and involve inherent risks and uncertainties, including factors that could delay, divert or change any of them, and could cause actual outcomes and results to differ materially from current expectations. No forward-looking statement can be guaranteed. Forward-looking statements in the press release should be evaluated together with the many uncertainties that affect the Company's business. You are cautioned not to place undue reliance on these forward-looking statements as there are important factors that could cause actual results to differ materially from those in forward-looking statements, many of which are beyond our control. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future events, or otherwise. Investors are referred to the full discussion of risks and uncertainties as included in the Company's filings with the Securities and Exchange Commission.

RETROPHIN, INC. AND SUBSIDIARY
(A DEVELOPMENT STAGE COMPANY)
CONSOLIDATED BALANCE SHEETS

	December 31, 2013	December 31, 2012
Assets		
Current assets:		
Cash	$ 5,997,307	$ 11,388
Marketable securities	132,994	-
Prepaid expenses and other current assets	1,370,943	21,830
Total current assets	7,501,244	33,218
Property and equipment, net	127,427	23,790
Due from affiliate	-	137,547
Security deposits	244,058	-
Restricted cash	40,000	-
Indefinite lived intangible assets	10,560,355	-
Other Amortizable intangible assets, net	2,025,795	2,196,710
Total assets	$ 20,498,879	$ 2,391,265
Liabilities and Stockholders' Deficit		
Current liabilities:		
Technology license liability	$ -	$ 1,300,000
Deferred technology purchase liability, current portion	1,634,630	-
Accounts payable	3,553,567	1,023,320
Accrued expenses	2,779,695	2,467,796
Offering expense liability	746,739	
Securities sold, not yet purchased	1,457,901	-
Note payable - related party	-	884,764
Investors' deposits	-	100,000
Due to related parties	-	23,200
Derivative financial instruments, warrants	25,037,346	-
Total current liabilities	35,209,878	5,799,080
Deferred technology purchase liability	1,000,000	-
Deferred income tax liability, net	2,600,899	-
Total liabilities	38,810,777	5,799,080
Stockholders' Deficit:		

Preferred stock Series A $0.001 par value; 20,000,000 shares authorized; 0 issued and outstanding	-	-
Common stock $0.0001 par value; 100,000,000 shares authorized; 18,546,363 and 8,952,905 issued and 18,415,573 and 8,952,905 outstanding, respectively	1,855	895
Additional paid-in capital	50,189,127	30,203,402
Treasury stock, at cost, 130,790	(957,272)	-
Deficit accumulated during the development stage	(67,435,621)	(33,612,112)
Accumulated other comprehensive loss	(109,987)	-
Total stockholders' deficit	(18,311,898)	(3,407,815)
Total liabilities and stockholders' deficit	$ 20,498,879	$ 2,391,265

	For the year ended December 31,		For the period from March 11, 2011 (inception) through December 31,
	2013	2012	2013
Operating expenses:			
Selling, general and administrative - inclusive of share base compensation $4,384,220, $22,410,222, and $28,773,741	$ 16,888,064	$ 29,594,515	$ 49,514,264
Research and development - inclusive of share based compensation $259,076, $0, and $259,076	7,084,009	662,502	7,978,522
Total operating expenses	23,972,073	30,257,017	57,492,786
Operating loss	(23,972,073)	(30,257,017)	(57,492,786)
Other income (expenses):			
Interest expense, net	(46,344)	(84,087)	(130,356)
Registration payment obligation income	360,000	-	360,000
Registration payment obligation expense	(360,000)	-	(360,000)
Realized gain on sale of marketable securities, net	374,482	-	374,482
Change in fair value of derivative financial instruments - warrants	(10,099,926)	-	(10,099,926)
Loss on transactions denominated in foreign currencies	(3,873)	(2,752)	(11,260)
Total other expense, net	(9,775,661)	(86,839)	(9,867,060)
Loss before income taxes	(33,747,734)	(30,343,856)	(67,359,846)
Provision for income taxes	(75,775)	-	(75,775)
Net loss	$ (33,823,509)	$ (30,343,856)	$ (67,435,621)
Net loss per common share, basic and diluted	$ (2.38)	$ (8.29)	
Weighted average common shares outstanding, basic and diluted	14,205,264	3,662,114	
Comprehensive Loss:			
Net loss	$ (33,823,509)	$ (30,343,856)	$ (67,435,621)
Unrealized loss on marketable securities	(109,987)	-	(109,987)
Comprehensive Loss	$ (33,933,496)	$ (30,343,856)	$ (67,545,608)

Retrophin, Inc.
Marc Panoff, 646-564-3671
CFO
marc@retrophin.com

Source: Retrophin, Inc.