

Rockwell Medical
Q3 2015 Financial Results Conference Call Script

Operator: *Good afternoon, ladies and gentlemen and welcome to the Rockwell Medical Third Quarter Financial Results and Corporate Update conference call. At this time, all participants are in a listen-only mode. Following the prepared remarks, we will open the call for your questions. Please be advised that this call is being recorded at the company's request.*

I would now like to turn the call over to Mr. Paul Arndt, Managing Director of LifeSci Advisors. Mr. Arndt, please go ahead.

PAUL ARNDT: Thank you Operator, and thank you all for participating in today's Third Quarter 2015 Financial Results and Corporate Update conference call. I am Paul Arndt, Managing Director of LifeSci Advisors and leading the call today will be Rob Chioini, Founder, Chairman and CEO of Rockwell Medical and Tom Klema, Rockwell's Chief Financial Officer.

Before we begin, I would like to remind everyone that various remarks about future expectations, plans, and prospects, constitute forward-looking statements for purposes of Safe Harbor provisions under the Private Securities Litigation Reform Act of 1995. Rockwell cautions that these forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those indicated. Among the factors that could cause actual results to differ materially are risks and uncertainties related to Triferic, including the company's ability to successfully commercialize Triferic, manufacturing capabilities and other risk factors identified from time-to-time in reports filed with the Securities and Exchange Commission.

Any forward-looking statements made on this conference call speak only as of today's date, Monday, November 9, 2015, and the company does not intend to

update any of these forward-looking statements to reflect events or circumstances that occur after today's date.

As a reminder, this conference call is being recorded and will be available for audio rebroadcast on Rockwell's website, www.rockwellmed.com. As the operator mentioned, all participants are currently in listen-only mode and there will be a brief question-and-answer session following the company's prepared remarks.

With that, I would now like to turn the call over to Mr. Rob Chioini, Founder, Chairman, and CEO of Rockwell Medical. Rob...

ROB CHIOINI: Thank you Paul, and good afternoon to everyone joining us on the call. We made significant progress on a number of fronts during the third quarter and we're excited to provide this update. On the call today, I'll review some of our accomplishments, including the U.S. launch of Triferic, before I turn the call over to Tom who will discuss the financials, after which we will take your questions.

I'd like to begin by mentioning that I'm delighted with the positive feedback that I've received from the renal centers since we launched Triferic, eight weeks ago. Our senior team is directly handling customer negotiations, and we're very pleased with how those conversations have progressed. As you know, we've successfully launched a number of renal products over the past 20 years, cultivating long-term relationships with the major dialysis providers, and we're continuing to build on that success with the roll-out of Triferic. To that end, we recorded \$150 thousand in initial sales for the third quarter and continue to anticipate broad adoption. I'd like to thank our clinical and commercial team for all of their hard work toward making Triferic a success.

With that, I'll highlight some of our financial results for the quarter, before providing more detail on our commercial programs. Our sales for the third quarter of 2015 were \$14.4 million, up 4.6% over the third quarter of 2014. And I'm very happy to report that gross profit was \$2.5 million, representing a 10.3% increase over the same period last year. Our net loss for the quarter was (\$2.4) million or (\$0.05) per share, compared with a net loss of (\$4.0) million or (\$0.10) per share in the third quarter of 2014 representing a \$0.05 per share improvement. Additionally, I'm pleased to note that the net loss for the year-to-date was (\$8.7) million or (\$0.17) per share, a \$0.20 per share improvement compared to the net loss of (\$14.9) million or (\$0.37) per share for the first nine months of 2014. And finally, we ended September 30, 2015 with approximately \$73 million in cash and investments, and no debt.

Our favorable financial profile was instrumental in supporting our commercial programs and contributed to our success in achieving significant progress toward a number of our goals during the quarter.

In addition to the product launch, we were proud that Triferic was featured in two peer reviewed journals, and at the American Society for Nephrology meeting in San Diego, that just wrapped-up yesterday. As you know, the annual ASN meeting is a premier forum and we were honored to have four abstracts selected for presentation. Additionally, in July, the journal, Kidney International, published results from the Triferic ESA-Sparing PRIME study, and the journal Nephrology Dialysis Transplantation, published data related to the Phase 3 CRUISE studies. Both articles highlighted Triferic's unique mode-of-action, optimal safety, and favorable efficacy profile. Triferic is the only treatment approved by the FDA for iron maintenance and because the iron is used immediately and not stored in the liver, Triferic is the only anemia drug that can replace iron and maintain hemoglobin concentration without increasing iron stores. As such, it addresses a major unmet need and benefits patients, nurses, doctors and healthcare providers.

Triferic immediately and significantly lowers costs by eliminating the needle and syringe necessary with I.V. iron administration, and adoption is expected to greatly reduce the time nurses spend administering I.V. iron, giving them more time for other duties. To that point, interest from renal providers is very strong and we're very pleased with the level of awareness among healthcare workers. As you know, Triferic is part of the CMS bundled reimbursement and is already accounted for in the bundled payment. The reimbursement code became effective on the first of July and we anticipate continued near-term adoption. We are confident in the enormous potential of Triferic to become the global standard of care in iron replacement therapy for patients receiving dialysis.

Triferic is a true iron maintenance therapy with an exceptional safety profile and its position as the most important new option for treating patients on chronic hemodialysis has facilitated our ongoing discussions with several key potential partners. We are looking for the best partner to commercialize Triferic outside of the U.S. We understand the importance of this drug and intend to select the partner best suited to maximizing its potential.

With that, I'll now turn the call over to Tom for a more detailed discussion of the financials. Tom...

TOM KLEMA: Thank you Rob and good afternoon everybody...

Q&A

END OF CALL

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