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

FORM 10-Q

☒ **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended March 31, 2018

OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number 1-10352

JUNIPER PHARMACEUTICALS, INC.

(Exact name of Registrant as specified in its charter)

Delaware	**59-2758596**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. Employer Identification No.)**
33 Arch Street Boston, Massachusetts	**02110**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (617) 639-1500

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☐ No ☒

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this Chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "small reporting company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	☐	Accelerated filer	☒
Non-accelerated filer Emerging Growth Company ☐	☐ (Do not check if a smaller reporting company)	Smaller reporting company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The number of shares outstanding of the registrant's common stock as of May 3, 2018: 11,101,007.

EXPLANATORY NOTE

Unless the context indicates otherwise, references in this Quarterly Report to “Juniper Pharmaceuticals,” “Juniper,” “the Company,” “we” “our,” and “us” mean Juniper Pharmaceuticals, Inc. and its subsidiaries.

Juniper Pharmaceuticals, Inc.

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Part I—Financial Information

Item 1. Financial Statements

Juniper Pharmaceuticals, Inc.

Condensed Consolidated Balance Sheets
(in thousands, except per share data)
(unaudited)

	March 31, 2018	December 31, 2017
Assets		
Current assets:		
Cash and cash equivalents	$ 20,685	$ 21,446
Accounts receivable, net	8,737	4,734
Inventories	6,318	6,326
Prepaid expenses and other current assets	2,675	3,467
Total current assets	38,415	35,973
Property and equipment, net	15,880	15,229
Intangible assets, net	698	744
Goodwill	9,473	9,123
Other assets	73	151
Total assets	$ 64,539	$ 61,220
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 5,079	$ 4,038
Accrued expenses and other	3,916	5,615
Deferred revenue	635	6,141
Current portion of long-term debt	572	546
Total current liabilities	10,202	16,340
Long-term debt, net of current portion	3,232	3,253
Other non-current liabilities	85	115
Total liabilities	13,519	19,708
Stockholders' equity:		
Common stock $0.01 par value; 150,000 shares authorized; 12,521 issued and 11,101 outstanding at March 31, 2018 and 12,257 issued and 10,844 outstanding at December 31, 2017	125	123
Additional paid-in capital	294,061	292,108
Treasury stock (at cost), 1,420 shares at March 31, 2018 and 1,413 shares at December 31, 2017	(8,661)	(8,601)
Accumulated deficit	(232,288)	(238,961)
Accumulated other comprehensive loss	(2,217)	(3,157)
Total stockholders' equity	51,020	41,512
Total liabilities and stockholders' equity	$ 64,539	$ 61,220

The accompanying notes are an integral part of these condensed consolidated financial statements.

Juniper Pharmaceuticals, Inc.

Condensed Consolidated Statements of Operations
(in thousands, except per share data)
(unaudited)

	Three Months Ended March 31	
	2018	**2017**
Revenues		
Product revenues	$ 10,074	$ 7,726
Service revenues	5,450	3,521
Total revenues	15,524	11,247
Cost of product revenues	6,016	4,313
Cost of service revenues	3,010	2,243
Total cost of revenues	9,026	6,556
Gross profit	6,498	4,691
Operating expenses		
Sales and marketing	419	379
Research and development	974	1,346
General and administrative	4,089	4,421
Total operating expenses	5,482	6,146
Income (loss) from operations	1,016	(1,455)
Interest expense, net	(45)	(28)
Other income, net	(199)	42
Total non-operating (expense) income	(244)	14
Income (loss) before income taxes	772	(1,441)
Income tax (benefit) expense	—	—
Net income (loss)	$ 772	$ (1,441)
Adjustments attributable to preferred stockholders	—	(7)
Net income (loss) available to common stockholders	$ 772	$ (1,448)
Basic net income (loss) per common share	$ 0.07	$ (0.13)
Diluted net income (loss) per common share	$ 0.06	$ (0.13)
Basic weighted average common shares outstanding	10,943	10,803
Diluted weighted average common shares outstanding	12,287	10,803

The accompanying notes are an integral part of these condensed consolidated financial statements.

Juniper Pharmaceuticals, Inc.

Condensed Consolidated Statements of Comprehensive Income (Loss)
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2018	**2017**
Net income (loss)	$ 772	$ (1,441)
Other comprehensive income (loss) components:		
Foreign currency translation	940	228
Total other comprehensive income (loss)	940	228
Comprehensive income (loss)	$ 1,712	$ (1,213)

The accompanying notes are an integral part of these condensed consolidated financial statements.

Juniper Pharmaceuticals, Inc.

Condensed Consolidated Statements of Cash Flows
(in thousands)
(unaudited)

	Three Months Ended March 31,	
	2018	**2017**
Operating activities:		
Net income (loss)	$ 772	$ (1,441)
Reconciliation of net loss to net cash used in operating activities:		
Depreciation and amortization	590	484
Stock-based compensation expense	566	341
Changes in operating assets and liabilities:		
Accounts receivable	(3,799)	2,107
Inventories	8	(72)
Prepaid expenses and other current assets	1,145	48
Accounts payable	1,117	(1,363)
Accrued expenses and other	(1,675)	(1,039)
Deferred rent	(11)	(9)
Deferred revenue	186	806
Net cash used in operating activities	(1,101)	(138)
Investing activities:		
Purchases of property and equipment	(875)	(520)
Net cash used in investing activities	(875)	(520)
Financing activities:		
Proceeds from sale of common stock / exercise of options	1,387	—
Proceeds from equipment loans	—	1,501
Principal payments on debt	(138)	(79)
Payments to satisfy employee taxes due on vesting of restricted awards	(60)	—
Dividends paid	—	(7)
Net cash provided by financing activities	1,189	1,415
Effect of exchange rate changes on cash and cash equivalents	26	8
Net (decrease) increase in cash and cash equivalents	(761)	765
Cash and cash equivalents, beginning of period	21,446	20,994
Cash and cash equivalents, end of period	$ 20,685	$ 21,759
Supplemental cash flow information		
Cash paid for interest	$ 46	$ 23
Supplemental noncash information		
Purchases of equipment through accounts payable and accrued expenses	$ 98	$ 215

The accompanying notes are an integral part of these condensed consolidated financial statements.

(1) Interim Condensed Consolidated Financial Statements

The accompanying unaudited interim condensed consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States ("U.S. GAAP") for interim information and pursuant to the rules and regulations of the Securities and Exchange Commission (the "SEC") for reporting on Form 10-Q. Accordingly, certain information and footnote disclosures required for complete financial statements are not included herein. It is recommended that these financial statements be read in conjunction with the consolidated financial statements and related notes that appear in the Annual Report on Form 10-K of Juniper Pharmaceuticals, Inc. ("Juniper" or the "Company") for the year ended December 31, 2017 filed with the SEC on March 9, 2018 (the "2017 Annual Report"). In the opinion of the Company, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only normal recurring adjustments, necessary for a fair statement of its financial position as of March 31, 2018, and its results of operations for the three months ended March 31, 2018 and 2017, and cash flows for the three months ended March 31, 2018 and 2017. The condensed consolidated balance sheet at December 31, 2017 was derived from audited annual financial statements, but does not contain all of the footnote disclosures from the annual financial statements. Results of operations for the three months ended March 31, 2018 are not necessarily indicative of the results for the year ending December 31, 2018 or any period thereafter.

At March 31, 2018, cash and cash equivalents were $20.7 million. The Company's future funding requirements depend on a number of factors, including the rate of market acceptance of its current and future products and services and the resources the Company devotes to developing and supporting the same. The Company believes that current cash and cash equivalents, as well as cash generated from operations, will be sufficient to meet anticipated cash needs for working capital and capital expenditures through the next twelve months from the date of the filing of this Form 10-Q. The Company may be dependent on its ability to raise additional capital to finance operations. If the Company is not able to raise additional capital on terms acceptable to it, or at all, as and when needed, it may be required to evaluate future anticipated capital or operational needs.

Management Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and related disclosures at the date of the financial statements during the reporting period. Significant estimates are used for, but are not limited to, revenue recognition, allowance for doubtful accounts, inventory reserves, impairment analysis of goodwill and intangibles including their useful lives, research and development accruals, deferred tax assets, liabilities and valuation allowances, and fair value of stock options. On an ongoing basis, management evaluates its estimates. Actual results could differ from those estimates.

(2) Inventories

Inventories are stated at the lower of cost or market, determined on a first-in, first-out method. The Company monitors standard costs on a monthly basis and updates them annually as necessary to reflect change in raw material costs and labor and overhead rates. Components of inventory cost include materials, labor and manufacturing overhead. Inventories consist of the following (in thousands):

	March 31, 2018	December 31, 2017
Raw materials	$ 1,823	$ 1,921
Work in process	3,701	3,299
Finished goods	794	1,106
Total	$ 6,318	$ 6,326

The Company provides inventory allowances when conditions indicate that the selling price could be less than cost due to physical deterioration, usage, obsolescence, reductions in estimated future demand and reductions in selling prices. The Company balances the need to maintain strategic inventory levels with the risk of obsolescence due to changing technology and customer demand levels. Unfavorable changes in market conditions may result in a need for additional inventory reserves that could adversely impact its gross margins. The inventory reserve balance at March 31, 2018 and December 31, 2017 was $0.5 million. During the three months ended March 31, 2018 and 2017, the Company recorded charges in the condensed consolidated statements of operations for excess and obsolete inventory of $11,000 and $0.1 million, respectively.

(3) Goodwill and Intangible Assets

Goodwill represents the excess of the purchase price over the fair value of assets acquired and liabilities assumed in a business combination. The Company does not amortize its goodwill, but instead tests for impairment annually in the fourth quarter and more frequently whenever events or changes in circumstances indicate that fair value of the asset may be less than the carrying value of the asset.

Changes to goodwill during the three months ended March 31, 2018 were as follows (in thousands):

	Total
Balance—December 31, 2017	$ 9,123
Effects of foreign currency translation	350
Balance—March 31, 2018	$ 9,473

The Company capitalizes and includes in intangible assets the costs of trademark, developed technology and customer relationships. Intangible assets are recorded at fair value at the time of their acquisition and stated net of accumulated amortization. The Company amortizes its intangible assets that have finite lives using either the straight-line or accelerated method, based on the useful life of the asset over which it is expected to be consumed utilizing expected undiscounted future cash flows. Amortization is recorded over the estimated useful lives ranging from 3 to 7 years. The Company evaluates the realizability of its definite lived intangible assets whenever events or changes in circumstances or business conditions indicate that the carrying value of these assets may not be recoverable based on expectations of future undiscounted cash flows for each asset group. If the carrying value of an asset or asset group exceeds its undiscounted cash flows, the Company estimates the fair value of the assets, generally utilizing a discounted cash flow analysis based on the present value of estimated future cash flows to be generated by the assets using a risk-adjusted discount rate. To estimate the fair value of the assets, the Company uses market participant assumptions pursuant to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurement and Disclosures,* ("ASC 820"). If the estimate of an intangible asset's revised useful life is changed, the Company will amortize the remaining carrying value of the intangible asset prospectively over the revised useful life.

Intangible assets consist of the following at March 31, 2018 and December 31, 2017 (in thousands):

	Trademark	Developed Technology	Customer Relationships	Total
Gross carrying amount	$ 300	$ 1,370	$ 1,240	$ 2,910
Foreign currency translation adjustment	(53)	(153)	(138)	(344)
Accumulated amortization	(247)	(907)	(714)	(1,868)
Balance—March 31, 2018	$ —	$ 310	$ 388	$ 698

	Trademark	Developed Technology	Customer Relationships	Total
Gross carrying amount	$ 300	$ 1,370	$ 1,240	$ 2,910
Foreign currency translation adjustment	(53)	(198)	(179)	(430)
Accumulated amortization	(247)	(839)	(650)	(1,736)
Balance—December 31, 2017	$ —	$ 333	$ 411	$ 744

Amortization expense for the three months ended March 31, 2018 and 2017 was $0.1 million. Amortization expense related to developed technology is classified as a component of cost of service revenues in the accompanying consolidated statements of operations. Amortization expense related to trademark and customer relationships is classified as a component of general and administrative expenses in the accompanying consolidated statements of operations.

As of March 31, 2018, amortization expense remaining on existing intangible assets is as follows (in thousands):

Year ending December 31,	Total
Remainder of 2018	$ 225
2019	272
2020	201
Total	$ 698

(4) Debt and Other Contractual Obligations

In September 2013, Juniper assumed debt of $3.9 million in connection with its acquisition of Juniper Pharma Services ("JPS"). JPS had entered into a Business Loan Agreement ("Loan Agreement") covering three loan facilities (collectively referred to as the "original agreements") with Lloyds TSB Bank ("Lloyds") as administrative agent. In May 2017, JPS repaid one of the existing loan facilities upon which JPS subsequently entered into a new loan facility with the same administrative agent for the same outstanding balance. The refinancing was accounted for as a modification with no resulting gain or loss. The remaining original agreements and the new agreement are collectively referred to as the "loan facilities".

As of March 31, 2018, the Company owed $2.5 million on the loan facilities. All facilities are due for repayment over periods ranging from 7-15 years from the date of drawdown. Two of the facilities bear interest at the Bank of England's base rate plus 1.95%, and 2.55%, respectively. The weighted average interest rates at March 31, 2018 for these two facilities were 2.45% and 3.05%, respectively. The third facility is a fixed rate agreement bearing interest at 2.99% per annum. The weighted average interest rate for the three loan facilities for the three months ended March 31, 2018 was 2.76%. The loan facilities are secured by the mortgaged property and an unlimited lien on other assets of JPS. The loan facilities contain financial covenants that limit the amount of indebtedness Juniper Pharma Services may incur, requires Juniper Pharma Services to maintain certain levels of net worth, and restricts Juniper Pharma Services' ability to materially alter the character of its business. As of March 31, 2018, the Company is in compliance with all of the covenants under the loan facilities.

As of March 31, 2018, the Company owed $1.4 million on its equipment loans. During the quarter ending March 31, 2017, the Company entered into two loans totaling $1.5 million with payments through March 2022 for equipment in its Nottingham, U.K. facility at an interest rate of 2.09%. The transactions were considered failed sales-leaseback arrangements as the Company will obtain title to the equipment at the end of the term of the financing for little or no consideration. These failed sale-leaseback arrangements have been recorded as a component of long-term debt on the Company's condensed consolidated balance sheets. The initial terms of the loans are 60 months.

In October 2015, the Company entered into an operating lease agreement for its corporate office in Boston, Massachusetts. The initial term of the lease agreement is approximately 39 months and ends in the first quarter of 2019, which includes a three-month free rent period.

In December 2016, the Company entered into an API Supply Agreement for a manufacturer of progesterone under which the Company has agreed to annual minimum volume commitments until December 2019.

The Company's significant outstanding contractual obligations relate to operating leases for the Company's facilities, loan agreements and minimum volume commitments. The Company's facility leases are non-cancellable and contain renewal options. The Company's future contractual obligations as of March 31, 2018 include the following (in thousands):

	Total	Remainder of 2018	2019	2020	2021	2022	Thereafter
Operating lease obligations	$ 407	$ 333	$ 74	$ —	$ —	$ —	$ —
Loan principal repayments	2,453	193	251	258	265	273	1,213
Capital lease obligations	1,351	243	337	351	365	55	
Minimum purchase obligation	5,062	3,203	1,859	—	—	—	—
Total	$ 9,273	$ 3,972	$ 2,521	$ 609	$ 630	$ 328	$ 1,213

(5) Intravaginal Ring Technology License

In March 2015, the Company obtained an exclusive worldwide license ("License Agreement") to the intellectual property rights for a novel segmented intravaginal ring ("IVR") technology. Due to its novel polymer and segmentation composition, the Company believes the IVR has the potential to deliver one or more drugs, including hormones and larger molecules such as peptides, at different dosages and release rates within a single segmented ring. Drugs such as progesterone and leuprolide have already been tested using the technology and demonstrated sustained release for up to three weeks. This technology was developed by Dr. Robert Langer from the Massachusetts Institute of Technology ("MIT") and Dr. William Crowley from Massachusetts General Hospital ("MGH") and Harvard Medical School. Drs. Langer and Crowley each agreed to serve a three-year term, which ended in March 2018, as strategic advisors to the Company in exchange for an upfront one-time payment plus quarterly fees and equity compensation.

Unless earlier terminated by the parties, the License Agreement will remain in effect until the later of (i) the date on which all issued patents and filed patent applications within the licensed patent rights have expired or been abandoned and (ii) one year after the last sale for which a royalty is due under the License Agreement or 10 years after such expiration or abandonment date referred to in (i), whichever is earlier. Juniper has the right to terminate the License Agreement by giving 90 days advance written notice to MGH. MGH has the right to terminate the License Agreement based on the Company's failure to make payments due under the License Agreement, subject to a 15 day cure period, or the Company's failure to maintain the insurance required by the License Agreement. MGH may also terminate the License Agreement based on Juniper's non-financial default under the License Agreement, subject to a 60 day cure period.

Pursuant to the terms of the License Agreement, Juniper has agreed to reimburse MGH for all costs associated with the preparation, filing, prosecution and maintenance of the licensed patent rights, and has agreed to pay MGH a $50,000 annual license fee on each of the first five year anniversaries of the effective date of the License Agreement, and a $100,000 annual license fee beginning on the sixth anniversary of the effective date of the License Agreement and on each subsequent anniversary thereafter. The annual license fee is creditable against any royalties or sublicense income payable in each calendar year.

Under the terms of the License Agreement, Juniper has agreed to use commercially reasonable efforts to develop and commercialize at least one product and/or process related to the IVR technology, which efforts will include the making of certain minimum annual expenditures in each of the first five years following the effective date of the License Agreement. Juniper has also agreed to pay MGH certain milestone payments totaling up to $1.2 million tied to the Company's achievement of certain development and commercialization milestones, and certain annual royalty payments based on net sales of any such patented products or processes developed by Juniper.

On April 24, 2018, Juniper entered into an Exclusive License Agreement with Daré Bioscience, Inc. ("Daré"), the "Daré License Agreement") pursuant to which the Company granted Daré (a) an exclusive worldwide license under certain patent rights (i) owned by the Company and (ii) exclusively licensed to the Company under the License Agreement dated as of March 25, 2015 by and between Juniper and The General Hospital Corporation, as amended, to make, have made, use, have used, sell, have sold, import and have imported products and processes; and (b) a non-exclusive worldwide license under certain technological information owned by the Company to make, have made, use, have used, sell, have sold, import and have imported products and processes. Daré is also entitled to sublicense the rights granted to it under the Daré License Agreement.

(6) Segments and Geographic Information

The Company and its subsidiaries currently operate in two segments, product and service. The product segment oversees the supply chain and manufacturing of Crinone, the Company's sole commercialized product. The service segment includes product development, clinical trial manufacturing, and advanced analytical and consulting services for the Company's customers as well as characterizing and developing pharmaceutical product candidates for the Company's internal programs. The Company conducts its advanced formulation, analytical and consulting services through its subsidiary, Juniper Pharma Services, the Company's UK-based provider of pharmaceutical development, clinical trial manufacturing and advanced analytical and consulting services to the pharmaceuticals industry. The Company has integrated its supply chain management for Crinone into those operations and has therefore sought to capture synergies by transferring all operational activities related to its historic business. The Company owns certain plant and equipment physically located at third-party contractor facilities in the United Kingdom and Switzerland.

The Company's largest customer, Merck KGaA, utilizes a Switzerland-based subsidiary to acquire product from the Company, which it then sells throughout the world, excluding the United States.

The following tables show selected information by geographic area (in thousands):

Revenues:

	Three Months Ended March 31,	
	2018	2017
United States	$ 3,542	$ 1,628
Switzerland	10,278	7,757
United Kingdom	793	949
Other countries	911	913
Total	$ 15,524	$ 11,247

Total assets:

	March 31, 2018	December 31, 2017
United States	$ 21,233	$ 21,683
Switzerland	4,916	1,366
United Kingdom	38,371	38,129
Other countries	19	42
Total	$ 64,539	$ 61,220

Long-lived assets:

	March 31, 2018	December 31, 2017
United States	$ 396	$ 523
Switzerland	536	535
United Kingdom	15,717	15,064
Other countries	2	2
Total	$ 16,651	$ 16,124

Long-lived assets include fixed assets, intangibles and other assets.

No other individual country represented greater than 10% of total revenues, total assets or long-lived assets for any period presented.

For the three months ended March 31, 2018 and 2017, Merck KGaA accounted for 100% of the product segment revenue. At March 31, 2018 and December 31, 2017, Merck KGaA made up 100% of the product segment accounts receivable.

For the three months ended March 31, 2018 and 2017, the same customer accounted for 33% and 17% of the service segment total revenue, respectively. No additional customers accounted for 10% or more of the service segment total revenue for the three months ended March 31, 2018 and 2017. At March 31, 2018 and December 31, 2017, one customer accounted for 44% and 53% of total service segment accounts receivable, respectively.

The following summarizes other information by segment for the three months ended March 31, 2018 (in thousands):

	Product	Service	Total
Revenues			
Product revenues	$ 10,074	$ —	$ 10,074
Service revenues	—	5,450	5,450
Total revenues	$ 10,074	$ 5,450	$ 15,524
Cost of product revenues	$ 6,016	$ —	$ 6,016
Cost of service revenues	—	3,010	3,010
Total cost of revenues	$ 6,016	$ 3,010	$ 9,026
Gross profit	$ 4,058	$ 2,440	$ 6,498
Total operating expenses			5,482
Total non-operating expense			(244)
Income (loss) before income taxes			$ 772

The following summarizes other information by segment for the three months ended March 31, 2017 (in thousands):

	Product	Service	Total
Revenues			
Product revenues	$ 7,726	$ —	$ 7,726
Service revenues	—	3,521	3,521
Total revenues	$ 7,726	$ 3,521	$ 11,247
Cost of product revenues	$ 4,313	$ —	$ 4,313
Cost of service revenues	—	2,243	2,243
Total cost of revenues	$ 4,313	$ 2,243	$ 6,556
Gross profit	$ 3,413	$ 1,278	$ 4,691
Total operating expenses			6,146
Total non-operating income			14
Income (loss) before income taxes			$ (1,441)

(7) Property and Equipment

Property and equipment consists of the following (in thousands):

	Estimated Useful Life (Years)	March 31, 2018	December 31, 2017
Machinery and equipment	3-10	$ 13,013	$ 12,358
Furniture and fixtures	3-5	1,083	1,083
Computer equipment and software	3-5	628	628
Buildings	Up to 39	8,301	7,995
Land	Indefinite	532	513
Construction in-process		1,508	1,133
		25,065	23,710
Less: Accumulated depreciation		(9,185)	(8,481)
Total		$ 15,880	$ 15,229

Depreciation expense was $0.5 million and $0.4 million for the three-month periods ended March 31, 2018 and 2017, respectively.

Machinery and equipment includes $1.5 million of equipment purchased under equipment loans.

(8) Shareholders' Equity

Preferred Stock

During the quarter ending June 30, 2017, the Company issued a Notice of Conversion to the holders of its Series B and a Notice of Redemption to the holders of its Series C giving notice that on June 30, 2017 (the "Redemption and Conversion Date") all outstanding shares of the respective Preferred Stock issuance would be converted, as in the case of the Series B, or redeemed, as in the case of the Series C. The Series B, by its terms, automatically converted into shares of common stock, upon the occurrence of the event. On the Redemption and Conversion Date, each share of the 130 shares of Series B outstanding converted into 2.78 shares of common stock resulting in an issuance of 361 shares.

The holders of each share of the 550 shares of Series C outstanding had the right to require the Company to redeem their shares in cash plus all accrued and unpaid dividends thereon the date such redemption is demanded. On the Redemption and Conversion Date, the Company paid to the holders of the Series C approximately $0.01 million and as a result of the transaction recorded the excess of the carrying value of Series C over redemption value of approximately $0.5 million to accumulated deficit for the year ended December 31, 2017. There are no outstanding shares of either the Series B or the Series C at March 31, 2018 or December 31, 2017.

(9) Net Income (Loss) Per Common Share

The calculation of basic and diluted income (loss) per common share and common share equivalents is as follows (in thousands except for per share data):

	Three Months Ended March 31,	
	2018	2017
Basic net income (loss) per common share		
Net income (loss)	$ 772	$ (1,441)
Less: Preferred stock dividends	—	(7)
Net income (loss) applicable to common stock	$ 772	$ (1,448)
Basic weighted average number of common shares outstanding	10,943	10,803
Basic net income (loss) per common share	$ 0.07	$ (0.13)
Diluted income (loss) per common share		
Net income (loss) applicable to common stock	$ 772	$ (1,448)
Add: Preferred stock dividends	—	7
Net income (loss) applicable to dilutive common stock	$ 772	$ (1,441)
Basic weighted average number of common shares outstanding	10,943	10,803
Effect of dilutive securities		
Dilutive stock awards	1,344	—
Diluted weighted average number of common shares outstanding	12,287	10,803
Diluted net income (loss) per common share	$ 0.06	$ (0.13)

Basic net income (loss) per common share is computed by dividing the net income (loss), less preferred dividends through March 31, 2018, by the weighted-average number of shares of common stock outstanding during a period. The diluted income (loss) per common share calculation gives effect to dilutive options, convertible preferred stock, and other potential dilutive common stock including restricted shares of common stock outstanding during the period. Diluted net income (loss) per share is based on the treasury stock method and includes the effect from potential issuance of common stock, such as shares issuable pursuant to the exercise of stock options, assuming the exercise of all in-the-money stock options. Common share equivalents have been excluded where their inclusion would be anti-dilutive.

Shares to be issued upon the exercise of the outstanding options, performance-based restricted stock units, convertible preferred stock, and selected restricted shares of common stock excluded from the income per share calculation amounted to 0.7 million and 2.3 million in each of the three-month periods ended March 31, 2018 and 2017, respectively, because the awards were anti-dilutive.

(10) Accumulated Other Comprehensive Loss

Changes to accumulated other comprehensive loss during the three months ended March 31, 2018 were as follows (in thousands):

	Translation Adjustment
Balance—December 31, 2017	$ (3,157)
Current period other comprehensive income	940
Balance—March 31, 2018	$ (2,217)

(11) Stock-Based Compensation

Stock Incentive Plan – Stock Options

Juniper granted options to purchase 293,500 and 655,400 shares of common stock to employees during the three months ended March 31, 2018 and 2017, respectively. There were no options granted to non-employees during the three months ended March 31, 2018 and 2017. Stock options granted to employees typically vest over a four-year term and options granted to non-employee directors typically vest over a three-year term.

The Company uses the Black-Scholes option pricing model to determine the estimated grant date fair values for stock-based awards. The Black-Scholes option pricing model requires the input of various subjective assumptions, including the option's expected life and the price volatility of the underlying stock. The Company's assumptions do not include an estimated forfeiture rate.

The weighted-average grant date fair values of options granted to employees during the three months ended March 31, 2018 and 2017 were $3.40 and $2.44, respectively, using the following assumptions:

	Three Months Ended March 31,	
	2018	2017
Risk free interest rate	2.15%	1.45% - 1.48%
Expected term	4.75 years	4.5 - 4.75 years
Dividend yield	—	—
Expected volatility	47.79% - 47.86%	54.60% - 55.20%

The Company records stock-based compensation expense for stock options granted to non-employees based on the fair value of the stock options, which is re-measured over the graded vesting term resulting in periodic adjustments to stock-based compensation expense. The stock-based compensation expense recorded for non-employees is primarily reflected in the research and development line of the statement of operations and is remeasured on a quarterly basis from the date of grant. The Company did not record any stock-based expense for non-employee awards during the three months ended March 31, 2018 as all options were fully vested. During the three months ended March 31, 2017, the Company recorded a reduction of stock-based compensation expense of $0.1 million for non-employee options as a result of changes in the fair value of the options during the period.

Stock Option Plan – Restricted Stock

Juniper granted 122,300 and 5,625 time-based restricted stock units to employees and non-employee directors, respectively, during the three months ended March 31, 2018. The Company granted 52,700 time-based restricted stock units to employees during the three months ended March 31, 2017. The weighted-average grant date fair value of the time-based restricted stock units was $8.18 and $5.15 per share during the three months ended March 31, 2018 and 2017, respectively. The Company recognizes stock-based compensation expense for time-based restricted stock units over the vesting period. There were 9,300 time-based restricted stock units that vested during the three months ended March 31, 2018. No time-based restricted stock units vested during the three months ended March 31, 2017.

The Company granted 181,000 performance-based restricted stock units to employees during the three months ended March 31, 2017. No additional performance-based restricted stock units were granted during the three months ended March 31, 2018. These performance-based restricted stock units vest based upon the occurrence of certain operational and strategic events that were determined by the Company's Board of Directors and approved by the Company's Compensation Committee. The Company considers the performance criteria at each balance sheet date and recognizes stock-based compensation expense for those criteria considered probable. During the year ended and at December 31, 2017, 109,550 performance-based restricted stock units expired. At December 31, 2017, performance-based restricted stock units outstanding totaled 76,450. On January 8, 2018, the Company announced the 4.5-year extension of its supply agreement for Crinone with an affiliate of Merck KGaA, Darmstandt, Germany. On February 7, 2018, the Company's Compensation Committee of the Board of Director approved the vesting of 27,800 awards affiliated with this performance condition and as a result the Company recorded a charge to stock compensation expense during the first quarter of 2018 totaling $0.1 million. At March 31, 2018, performance-based restricted stock units outstanding totaled 48,650.

Stock-based compensation relates to options granted to employees, non-employee directors and non-employees, time-based restricted stock units granted to employees and non-employee directors and performance-based restricted stock units granted to employees. Stock-based compensation expense was $0.6 million and $0.3 million for the three months ended March 31, 2018 and 2017, respectively. Total stock-based compensation expense was recorded to cost of revenues and operating expenses based upon the functional responsibilities of the individuals holding the respective awards as follows (in thousands):

	Three Months Ended March 31,	
	2018	2017
Cost of revenues	$ 38	$ 28
Sales and marketing	13	11
Research and development	18	(43)
General and administrative	497	345
Total	$ 566	$ 341

There were 226,876 of stock option exercised during the three months ended March 31, 2018 for which the Company received $1.4 million. There were no option exercises during the three months ended March 31, 2017.

As of March 31, 2018, the total unrecognized compensation cost related to outstanding stock options and time-based restricted stock units expected to vest was $4.3 million, which the Company expects to recognize over a weighted-average period of 2.98 years.

(12) Fair Value of Financial Instruments

The Company is required to disclose information on all assets and liabilities reported at fair value that enables an assessment of the inputs used in determining the reported values. ASC 820 establishes a framework for measuring fair value U.S. GAAP and enhances disclosures about fair value measurements. Fair value is defined as the amount that would be received for an asset or paid to transfer a liability (i.e., an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value maximize the use of observable inputs and minimize the use of unobservable inputs. The standard describes the following fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

The fair value of cash and cash equivalents are classified as Level 1 at March 31, 2018 and December 31, 2017.

Some of the estimates and assumptions in the Company's goodwill impairment assessment include: the amount and timing of the projected net cash flows, the discount rate, and the tax rate.

The fair values of accounts receivable and accounts payable approximate their respective carrying amounts. The Company’s long-term debt is carried at amortized face value, which approximates fair value based on current market pricing of similar debt instruments and is categorized as a Level 2 measurement.

The Company did not have transfers of financial assets between Level 1 and Level 2.

(13) Income Taxes

During the three months ended March 31, 2018, Juniper recorded no income tax expense as the Company had net loss carryforwards to off-set expected taxable income forecasted for the year which are fully offset by valuation allowances maintained in the U.S., United Kingdom and France. During the three months ended March 31, 2017, Juniper recorded no income tax expense due to expected losses forecasted for the year.

On December 22, 2017 President Donald Trump signed into U.S. law the Tax Cuts and Jobs Act of 2017 ("Tax Reform"). ASC Topic 740, *Accounting for Income Taxes*, requires companies to recognize the effect of tax law changes in the period of enactment even though the effective date for most provisions is for tax years beginning after December 31, 2017, or in the case of certain other provisions of the law, January 1, 2018.

One of the Tax Reform provisions effective January 1, 2018 includes a minimum tax on certain foreign earnings in excess of 10% of the foreign subsidiaries tangible assets (i.e., global intangible low-taxed income or "GILTI"). Under the U.S. generally accepted accounting principles, companies are allowed to make an accounting policy election of either (i) account for GILTI as a component of tax expense in the period in which the Company is subject to the rules (the "period cost method"), or (ii) account for GILTI in the Company's measurement of deferred taxes (the "deferred method"). The Company is currently accounting for GILTI using the period cost method as it continues to evaluate the two policies available. Under the period cost method, the Company has included approximately $0.5 million GILTI in US taxable income, fully off-set by net operating loss carryforwards.

Given the significance of the legislation, the FASB issued ASU No. 2018-05, *Amendments to SEC Paragraphs Pursuant to SEC Staff Accounting Bulletin No. 118*, which allows registrants to record provisional amounts during a one year "measurement period" similar to that used when accounting for business combinations. However, the measurement period is deemed to have ended prior to the one-year term when the registrant has obtained, prepared, and analyzed the information necessary to finalize its accounting. During the measurement period, impacts of the law are expected to be recorded at the time a reasonable estimate for all or a portion of the effects can be made, and provisional amounts can be recognized and adjusted as information becomes available, prepared, or analyzed. As of March 31, 2018, the Company has not recorded any incremental accounting adjustments related to the impact of Tax Reform that were recorded in its December 31, 2017 financial statements and it continues to assess its provisional estimate and technical interpretations of its application.

The Company operates in multiple countries. Accordingly, separate tax filings are required based on jurisdiction. Due to the separate tax filings of our U.S., U.K. and France jurisdictions, the Company has evaluated the need for a valuation allowance on a separate jurisdiction basis. As of March 31, 2018, the Company continues to maintain a full valuation allowance against all net deferred tax assets.

Tax Reform included a mandatory one-time tax on accumulated earnings of foreign subsidiaries, and as a result, all previously unremitted earnings for which no U.S. deferred tax liability had been accrued have now been subject to U.S. tax. Notwithstanding the U.S. taxation of these amounts, the Company intends to continue to invest all of these earnings, as well as the capital in these subsidiaries, indefinitely outside of the U.S. The amount of any unrecognized deferred tax liability on these undistributed earnings would be immaterial.

The Company files tax returns in the United States, United Kingdom, France and various state jurisdictions. All of the Company's tax years remain open to examination by major taxing jurisdictions to which the Company is subject, as carryforward attributes generated in past years may still be adjusted upon examination by the Internal Revenue Service or state and foreign tax authorities if they have or will be used in future periods. The Internal Revenue Service has concluded their audit of the 2011 and 2012 tax years. There were no material findings resulting from their audit. Additionally, with few exceptions, Juniper is no longer subject to U.S. state tax examinations for years prior to 2012.

(14) Recent Accounting Pronouncements

Adopted

In August 2016, the FASB issued ASU No. 2016-15, *Classification of Certain Cash Receipts and Cash Payments*, ("ASU 2016-15"), which amends the guidance of ASC No. 230 on the classification of certain items in the statement of cash flows. The primary purpose of ASU 2016-15 is to reduce the diversity in practice by making amendments that add or clarify the guidance on eight specific cash flow issues. ASU 2016-15 is effective for all fiscal years beginning after December 15, 2017, including interim periods within those fiscal years. ASU 2016-15 should be applied retrospectively to all periods presented, but may be applied prospectively from the earliest practicable if retrospective application would be impracticable. The adoption of this standard did not have an impact on the Company's consolidated financial statements and related disclosures.

In January 2016, the FASB issued ASU 2016-01, *Financial Instruments – Recognition and Measurement of Financial Assets and Financial Liabilities*, which provides new guidance for the recognition, measurement, presentation, and disclosure of financial assets and liabilities. The standard became effective beginning in the first quarter of 2018 and early adoption is permitted. The adoption of this standard did not have an impact on the Company's consolidated financial statements and related disclosures.

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers* ("ASU 2014-09"), which provides guidance for revenue recognition. ASU 2014-09 affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in Topic 605, *Revenue Recognition*, and most industry-specific guidance. This ASU also supersedes some cost guidance included in Subtopic 605-35, *Revenue Recognition-Construction-Type and Production-Type Contracts*. In August 2015, the FASB issued ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date*, which defers the effective date of ASU 2014-09 by one year, but permits companies to adopt one year earlier if they choose (i.e. the original effective date). As such, ASU 2014- 09 will be effective for annual and interim reporting periods beginning after December 15, 2017. In March and April 2016, the FASB issued ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Consideration (Reporting Revenue Gross versus Net)* and ASU No. 2016-10*, Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing*, respectively, which clarify the guidance on reporting revenue as a principal versus agent, identifying performance obligations and accounting for intellectual property licenses. In addition, in May 2016 and December 2016, the FASB issued ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients* and ASU No. 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers*, both of which amend certain narrow aspects of Topic 606. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which a company expects to be entitled in exchange for those goods or services. See the Company's discussion of the impact of this adoption in Note 16 – Revenue Recognition.

To be adopted

In January 2017, the FASB issued ASU 2017-04, *Simplifying the Test for Goodwill Impairment*. The standard simplifies the accounting for goodwill impairment by removing Step 2 of the goodwill impairment test, which requires a hypothetical purchase price allocation. The ASU is effective for annual or interim goodwill impairment tests in fiscal years beginning after December 15, 2019, and should be applied on a prospective basis. Early adoption is permitted for interim or annual goodwill impairment tests performed on testing dates after January 1, 2017. The adoption of this standard is not expected to have an impact on the Company's consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU No. 2016-02, *Leases*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record a ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Company is currently evaluating the method and impact that the adoption will have on its consolidated financial statements and related disclosures.

(15) Restructuring Charges

In September 2017, the Company announced a corporate reprioritization which aimed to re-focus its resources on the core businesses of Crinone progesterone gel and JPS and reduce expenditures on research and development activities associated with the Company's IVR program with the goal of potentially identifying a partner for one or more of its IVR product candidates. As a result, during the fiscal year ended December 31, 2017, the Company incurred approximately $0.8 million in restructuring charges. The Company accounted for these actions in accordance with ASC 420, *Exit or Disposal Cost Obligations*.

The following table summarizes the components of the Company's restructuring activity recorded in the accompanying balance sheets (in thousands):

	Amounts accrued at December 31, 2017	Expense incurred	Amounts paid	Amounts accrued at March 31, 2018
Employee severance, benefits and related costs	$ 72	$ —	$ (72)	$ —
Obligations under manufacturing and development contracts	283	—	(113)	170
	$ 355	$ —	$ (185)	$ 170

No significant additional charges are anticipated relating to this restructuring plan. The Company expects to pay approximately $0.1 million and $0.1 million during the remainder of 2018 and beyond, respectively.

(16) Revenue from Contracts with Customers

The new accounting standard for recognition of revenue, Topic 606, was adopted by the Company for its fiscal year beginning on January 1, 2018. In accordance with Topic 606, the Company recognizes revenue following the five-step model based on the principle that an entity should recognize revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. The five-step model prescribed under Topic 606 include: (i) identify contract(s) with a customer; (ii) identify the performance obligations in the contract; (iii) determine the transaction price; (iv) allocate the transaction price to the performance obligations in the contract; and (v) recognize revenues when (or as) the Company satisfies the performance obligation. The Company adopted Topic 606 using the modified retrospective transition method. In adopting Topic 606, the Company applied the new guidance only to contracts that were not completed on January 1, 2018. The Company does not disclose information about remaining performance obligations that are part of contracts with an original expected duration of one year or less and does not adjust for the effect of the financing components when the period between customer payment and revenue recognition is one year or less, which are practical expedients provided within Topic 606.

Product Revenue

The adoption of Topic 606 resulted in a change in the pattern of revenue recognition for product revenue. Our revenue and related cost of sales are primarily the result of firm purchase commitments, generally only for a short period of time. Revenue is recognized when our performance obligation has been met, upon shipment to the customer. Selling prices to Merck KGaA for Crinone are determined on an annual and country-by-country basis. Juniper records revenue at a transaction price that most closely approximate what it will be sold for by Merck KGaA. The transaction price is determined by evaluating the Merck KGaA selling price. The Company records as deferred revenue amounts invoiced above the transaction price. Accordingly, product revenue in each period includes both an amount for product shipped to Merck KGaA in the current period recognized at the transaction price and an amount for product shipped by Merck KGaA to its customers in the current period equal to the difference between the invoice price and the transaction price.

Product revenue is recorded net of variable consideration which include volume discounts and price adjustments. Merck KGaA is entitled to a volume discount based on annual purchases. The Company records reserves against revenue on a quarterly basis to reflect the volume discount expected to be earned by Merck KGaA during the year. In addition, any difference between selling price to Merck KGaA and Merck KGaA's actual net selling price are billed or credited to Merck KGaA in the quarter the product is sold through by Merck KGaA. Product sales are recorded net of value-added tax and similar taxes. Shipping and handling costs are recorded in cost of revenue.

Upon adoption, the Company recorded approximately $5.7 million as an adjustment to both deferred revenue and accumulated deficit. In accordance with Topic 605, the Company would have recognized approximately $8.7 million in product revenue for the three months ended March 31, 2018 and product deferred revenue as of that date would have been $7.3 million.

Service Revenue

The adoption of Topic 606 did not have an impact on how the Company recognizes service revenue.

Juniper recognizes substantially all of the Company's professional services revenues under written contracts as the services are provided, and only in those situations where collection from the client is reasonably assured. Contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenues to each performance obligation based on its relative standalone selling price. When entering into multiple element arrangements, the Company identifies whether its performance obligations under the arrangement represent a distinct good or service or a series of distinct goods or services. A series of distinct goods or services is required to be accounted for as a single performance obligation provided that (i) each distinct good or service in the series promised would meet the criteria to be a performance obligation satisfied over-time; and (ii) the same method would be used to measure the Company's progress toward complete satisfaction of the performance obligation to transfer each distinct good or service in the series to the customer. If a contract is separated into more than one performance obligation, the Company allocates the total transaction price to each performance obligation in an amount based on the estimated relative standalone selling prices of the promised goods or services underlying each performance obligation. The fair value of deliverables under the arrangement may be derived using a "best estimate of selling price" if vendor-specific objective evidence and third-party evidence is not available.

Significant management judgment is required in determining the consideration to be earned under an arrangement and the period over which the Company is expected to complete its performance obligations under an arrangement. Service revenues from a majority of Juniper's fixed-price engagements are recognized on a proportional performance method based on the ratio of costs incurred, substantially all of which are labor-related, to the total estimated project costs. The proportional performance method is used for fixed-price contracts because reasonably dependable estimates of the revenues and costs applicable to various stages of a contract can be made, based on historical experience and the terms set forth in the contract, and are indicative of the level of benefit provided to Juniper's clients. Project costs are classified in costs of services and are based on the direct salary of the employees on the engagement plus all direct expenses incurred to complete the engagement, including any amounts billed to Juniper by its vendors. In the event of a termination, fixed-price contracts generally provide for payment for services rendered up to the termination date. Service revenues also include reimbursements, which include reimbursement for travel and other out-of-pocket expenses, outside consultants, and other reimbursable expenses. Amounts invoiced not yet earned on service revenue are deferred until such time as performance is rendered or the obligation to perform the service is completed for service revenues.

The professional service contracts that Juniper enters into and operates under specify whether the engagement will be billed on a time-and-materials or a fixed-price basis. These engagements generally last three to six months, although some of Juniper's engagements can be longer in duration. Payments terms vary by the type and services offered. The term between invoicing and when payment is due is not significant. In certain cases, Juniper bills clients prior to work being performed, which requires Juniper to defer revenue in accordance with U.S. GAAP. Revenues from time-and-materials service contracts are recognized as the services are performed based upon hours worked and contractually agreed-upon hourly rates, as well as indirect fees based upon hours worked. Juniper collects value-added tax from its customers for revenue generated out of the United Kingdom for which the customer is not tax exempt and remits such taxes to the appropriate governmental authority. Juniper presents its value added tax on a net basis; therefore, these taxes are excluded form revenues.

The Company generally expenses commission when incurred because the amortization period would have been one year or less. These costs are recorded within sales and marketing expenses. Juniper does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognized revenue at the amount to which it has the right to invoice for services performed. For contracts that exceed one year in duration, the Company has recorded contract costs totaling $0.2 million. For the quarter ended March 31, 2018, in accordance with Topic 605, the Company would have recognized a reduction in sales and marketing expense of approximately $4 thousand. The ending balance of prepaid expenses and other current assets as of March 31, 2018 was $0.2 million.

A summary of changes in deferred revenue balances for product and service revenue is as follows:

	Product Revenue	Service Revenue	Total
Opening Balance - December 31, 2017	$ 5,888	$ 253	$ 6,141
Additions	191	335	526
Recognized into Revenue	(150)	(179)	(329)
Recognized into Accumulated Deficit	(5,703)	—	(5,703)
Ending Balance - March 31, 2018	$ 226	$ 409	$ 635

(17) Subsequent Event

On April 24, 2018, Juniper entered into an Exclusive License Agreement with Daré Bioscience, Inc. (Daré), the "Daré License Agreement") pursuant to which the Company granted Daré (a) an exclusive worldwide license under certain patent rights (i) owned by the Company and (ii) exclusively licensed to the Company under the License Agreement, dated as of March 25, 2015, by and between Juniper and The General Hospital Corporation, as amended, to make, have made, use, have used, sell, have sold, import and have imported products and processes; and (b) a non-exclusive worldwide license under certain technological information owned by the Company to make, have made, use, have used, sell, have sold, import and have imported products and processes. Daré is also entitled to sublicense the rights granted to it under the Daré License Agreement.

As consideration, the Company would receive a $250,000 license fee from Daré in connection with the execution of the Daré License Agreement, and the Company is entitled to receive an annual license maintenance fee from Daré in the amount of $50,000 for the first two anniversaries of the effective date of the Daré License Agreement, increasing to $100,000 for each anniversary thereafter. The Company is also entitled to receive potential future development and sales milestone payments of up to $43.8 million (up to $13.5 million in development milestones and up to $30.3 million in sales milestones) for each product or process covered by the licenses granted under the License Agreement, and is eligible to receive mid-single-digit to low double-digit royalties based on worldwide net sales of products and processes covered by the licenses granted under the Daré Licensee Agreement. The royalty term shall terminate on a product-by-product basis (or process-by-process) basis on the latest of (i) the expiration date of the last valid

claim within the licensed patent rights in a country, (ii) ten (10) years following the first commercial sale of a product or process in a country, or (iii) the entry of generic competition for a product or process in a country, provided that if there is no generic competition for a product or process in a country by the ten (10) year anniversary of the first commercial sale of a product or process in a country, the royalty term shall terminate on the ten (10) year anniversary of the first commercial sale of such product or process in the country. In addition, if Daré sublicenses any of its rights under the Daré License Agreement, the Company is eligible to a low double-digit percentage of all sublicense income received by Daré for the sublicense of such rights to a third party, in lieu of the royalties on net sales noted above.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Forward-Looking Information

This Quarterly Report on Form 10-Q ("Quarterly Report") contains information that may constitute forward-looking statements. Generally, forward-looking statements can be identified by words such as "may," "will," "plan," "believe," "expect," "intend," "anticipate," "potential," "should," "estimate," "predict," "project," "would," and similar expressions, which are generally not historical in nature. However, the absence of these words or similar expressions does not mean that a statement is not forward-looking. All statements that address operating performance, events or developments that we expect or anticipate will occur in the future—including statements relating to our future operating or financial performance or events, our strategy, goals, plans and projections regarding our financial position, our liquidity and capital resources, and our product development—are forward-looking statements. Management believes that these forward-looking statements are reasonable as and when made. However, caution should be taken not to place undue reliance on any such forward-looking statements because such statements speak only as of the date when made. Our Company undertakes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law. In addition, forward-looking statements are subject to certain known and unknown risks, uncertainties and factors that may cause actual results to differ materially from our Company's historical experience and our present expectations or projections. These risks and uncertainties include, but are not limited to, those described in this Quarterly Report on Form 10-Q, and our Annual Report on Form 10-K for the year ended December 31, 2017, and those described from time to time in our future reports filed with the Securities and Exchange Commission (the "SEC").

You should read this Quarterly Report and the documents that we have filed as exhibits to this Quarterly Report completely and with the understanding that our actual future results may be materially different from what we expect. While we may elect to update forward-looking statements at some point in the future, we do not undertake any obligation to update any forward-looking statement, whether written or oral, that may be made from time to time, whether as a result of new information, future events or otherwise.

Company Overview

We are a diversified healthcare company with core businesses consisting of our Crinone (progesterone gel) franchise and our fee-for-service pharmaceutical development and manufacturing business called Juniper Pharma Services ("JPS"). Our commercial product and product development programs utilize our proprietary drug delivery technologies, which we believe are suited to applications in women's health. These technologies consist of our bioadhesive delivery system ("BDS"), a polymer designed to adhere to epithelial surfaces or mucosa and achieve sustained and controlled delivery of active drug product, and our novel IVR technology. In April 2018, we partnered the development our differentiated intravaginal ring ("IVR") technology to Daré Bioscience, Inc. ("Daré") to advance a pipeline of product candidates intended to address the unmet needs in women's health. In addition, under the agreement, Daré licensed worldwide rights to our IVR technology and will be responsible for conducting all research, development and commercial activities for the IVR program.

In January 2018, we announced that we would be exploring strategic alternatives in order to enhance shareholder value. We engaged Rothschild Global Advisory Group as our independent financial advisor to assist us and our Board of Directors in evaluating potential strategic alternatives.

In September 2017, we announced a reduction of approximately 8% of our workforce, primarily in the areas of new product research and development, in order to focus our resources on our core businesses. In addition, as part of our more focused research and development strategy, we completed our *in vivo* preclinical animal studies and expect to finalize the results for our IVR programs, which consist of JNP-0101, JNP-0201 and JNP-0301 (the "IVR program") in the first half of 2018 and effective in April 2018, we partnered the development of our IVR platform to Daré.

We currently operate in two segments: product and service. Our product segment oversees the supply chain and manufacturing of Crinone, our sole commercialized product, to our international commercial partner, Merck KGaA. Our service segment includes advanced analytical and consulting services, product development and clinical trial manufacturing as well as characterizing and developing pharmaceutical product candidates for our internal programs and managing certain preclinical activities.

CRINONE:

Crinone is a progesterone gel designed for progesterone supplementation or replacement as part of an assisted reproductive technology treatment for infertile women with progesterone deficiency. Crinone is approved for marketing in the United States, Europe, Asia, Japan and certain other markets, and the primary source of our commercial revenue. We have licensed Crinone to our commercial partner, Merck KGaA, for the markets outside the United States and we receive product revenues from the manufacture and sale of Crinone internationally. In 2010, we sold the U.S. intellectual property rights of Crinone to Allergan, and received royalty revenues from Allergan based on their U.S. sales through October 2016.

Crinone continues to be introduced in new countries by Merck KGaA. In April 2013, our license and supply agreement with Merck KGaA for the sale of Crinone outside the United States was renewed for an additional five-year term, extending the expiration date to May 19, 2020. Under the terms of our current license and supply agreement with Merck KGaA, we sell Crinone to Merck KGaA on a country-by-country basis at the greater of (i) direct manufacturing cost plus 20% or (ii) a percentage of Merck KGaA's net selling price based on a tiered structure. Additionally, we are jointly cooperating with Merck KGaA to evaluate and implement clinical manufacturing cost reductions, with both parties sharing any benefits realized from these initiatives. In January 2018, we announced the extension of this supply agreement for an additional 4.5-years through at least December 31, 2024. This extension allows for a volume tiered, fixed price per unit with minimum annual volume guarantees, beginning on July 1, 2020.

If, at the end of the supply term, the parties cannot agree upon mutually acceptable terms for renewal of the supply arrangement, Merck KGaA will have the option to negotiate the purchase of all of the Company's assets related to the Crinone supply chain and to transfer the manufacturing to a third party or take over the management of the supply of the product.

Pharmaceutical Service Business:

JPS, our pharmaceutical service business, offers a range of sophisticated technical services to the pharmaceutical and biotechnology industry. Our customers range from start-up biotechnology firms to global pharmaceutical companies.

Within our services offering, we provide expertise to our customers on the characterization, development, and manufacturing of pharmaceutical compounds for clinical trials. We believe we have particular expertise in problem solving for challenging compounds that are considered "difficult to progress." Our service model allows us to take our customers' product candidates from early development through clinical trial manufacturing. We also support our customers with advanced analytical and consulting services for intellectual property issues. We deploy these same capabilities for our inhouse proprietary product development activities.

Through JPS, we also manage the global supply chain and contract manufacturing of Crinone, for our partner Merck KGaA.

Our Strategy:

Our strategy is to grow Crinone in key markets and expand both the JPS technical and geographic reach. Key elements of our strategy include:

- Supplying Crinone to our commercial partner, Merck KGaA, for sale in over 90 countries around the world; and
- Growing revenue from our formulation, analytical and product development capabilities at JPS, and deploying those same capabilities for the advancement of our in-house product candidates;

Our Product Candidates:

In April 2018, we partnered the development of our IVR platform, which consist of JNP-0101, JNP-0201 and JNP-0301 (the "IVR program"), to Daré. In addition, under the agreement, Daré will be responsible for conducting all research, development and commercial activities for the IVR program.

We have a pipeline of proprietary product candidates to treat unmet medical needs in women's health. We have three preclinical product development programs utilizing our IVR technology, which target overactive bladder, hormone replacement therapy in women, and prevention of preterm birth in women with short cervical length, each as outlined below.

Preclinical Programs

JNP-0101 - Oxybutynin IVR for the treatment of OAB

JNP-0101 is an IVR product candidate designed to deliver oxybutynin for the treatment of overactive bladder ("OAB") in women. Oxybutynin is currently approved for the treatment of OAB, however, oral oxybutynin therapy is frequently discontinued by patients due to undesirable side effects including dry mouth, blurred vision, and constipation. We expect that the delivery of oxybutynin using our IVR technology will provide an improved side effect profile as the drug will bypass first pass hepatic metabolism issues. Oxybutynin is metabolized by the liver to an active metabolite resulting an increased in central nervous system ("CNS") side effects. In addition, we believe that delivery using our IVR technology will improve patient compliance and convenience versus other routes of administration, including oral therapies, patches, and gels. We completed our *in vivo* preclinical animal studies and expect to finalize the results of these studies for our IVR programs, which consist of JNP-0101, JNP-0201 and JNP-0301 (the "IVR program") in the first half of 2018. In April 2018, we partnered the development of our IVR platform to Daré Bioscience, Inc.

JNP-0201 - Progesterone and Estradiol IVR for HRT

JNP-0201 is a segmented IVR product candidate containing both natural progesterone and natural estradiol to be used for HRT in menopausal women. JNP-0201 has been designed to deliver natural hormones locally to vaginal tissue. This is another example where avoiding first pass, hepatic metabolism of estradiol may result in an improved side-effect profile. We also believe our delivery approach will provide an improvement in the beneficial effects of estradiol when compared to the currently approved combination HRT therapies; these include orally administered formulations utilizing synthetic progestogens, which have been associated in published clinical trials with higher risk of side effects including cardiovascular events. In addition, we believe that delivery using our IVR technology will improve patient compliance and convenience versus other routes of administration, including oral therapies and patches. We completed our *in vivo* preclinical animal studies and expect to finalize the results of these studies for our IVR programs, which consist of JNP-0101, JNP-0201 and JNP-0301 (the "IVR program") in the first half of 2018. In April 2018, we partnered the development of our IVR platform to Daré Bioscience, Inc.

JNP-0301 - Progesterone IVR for the prevention of PTB

JNP-0301 is a natural progesterone IVR product candidate for the prevention of preterm birth ("PTB") in women with a short cervical length. Short cervical length at mid-pregnancy is a critical predictor of preterm birth in women. Medical guidelines issued by the American College of Obstetricians and Gynecologists and the Society of Maternal Fetal Medicine, among others, support use of vaginal progesterone in women with a short cervical length at mid-pregnancy to reduce the risk of PTB. There is no Food and Drug Administration ("FDA") approved therapy to prevent PTB in women at risk due to short cervix. We believe JNP-0301 can enable the consistent local delivery of progesterone while facilitating patient compliance. We completed our *in vivo* preclinical animal studies and expect to finalize the results of these studies for our IVR programs, which consist of JNP-0101, JNP-0201 and JNP-0301 (the "IVR program") in the first half of 2018. In April 2018, we partnered the development of our IVR platform to Daré Bioscience, Inc.

Business Development Collaborations:

Our IVR technology can be applied to life-cycle management strategies for existing commercial products that may benefit from intravaginal delivery of drugs. Existing commercial products that are injectable, experience poor compliance, or have systemic toxicity limitations may particularly benefit from our delivery technologies.

We continue to explore business development collaborations that will leverage the IVR technology and in-house expertise at JPS. If successful, we expect to be an active participant in these collaborations, including participating as a co-development partner, depending on the product and market opportunity.

Sources of Revenue

We generate revenues primarily from the sale of our products and services.

We recognize revenue from the sale of our products to Merck KGaA when the customer obtains control of the product, which is when the product has been received by the customer. We record revenue at a transaction price that most closely approximates what it will be sold for by Merck KGaA. We record deferred revenue related to amounts invoiced above the transaction price. Revenues from services are recognized as the work is performed. During the three months ended March 31, 2018, we derived approximately 65% of our revenues from the sale of our products and 35% from the sale of our services. During the three months ended March 31, 2017, we derived approximately 69% of our revenues from the sale of our products and 31% from the sale of our services.

We expect that future recurring revenues will be derived from product sales to Merck KGaA, and from offering pharmaceutical development, clinical trial manufacturing, and analytical and consulting services. Quarterly sales results can vary widely and affect comparisons with prior periods because (i) products shipped to Merck KGaA occur only in full batches and (ii) service revenues are driven by contracting and maintaining an active backlog of customer projects, which may vary widely from quarter to quarter.

Results of Operations – Three Months Ended March 31, 2018 Compared to Three Months Ended March 31, 2017

The following tables contain selected consolidated statements of operations information, which serves as the basis of the discussion surrounding the results of our operations for the three months ended March 31, 2018 and 2017:

	Three Months Ended March 31,					
	2018		2017			
(in thousands, except for percentages)	Amount	As a % of Total Revenues	Amount	As a % of Total Revenues	$ Change	% Change
Product revenues	$ 10,074	65%	$ 7,726	69%	$ 2,348	30%
Service revenues	5,450	35	3,521	31	1,929	55
Total revenues	15,524	100	11,247	100	4,277	38
Cost of product revenues	6,016	39	4,313	38	1,703	39
Cost of service revenues	3,010	19	2,243	20	767	34
Total cost of revenues	9,026	58	6,556	58	2,470	38
Gross profit	6,498	42	4,691	42	1,807	39
Operating expenses:						
Sales and marketing	419	3	379	3	40	11
Research and development	974	6	1,346	12	(372)	(28)
General and administrative	4,089	26	4,421	39	(332)	(8)
Total operating expenses	5,482	35	6,146	55	(664)	(11)
Income (loss) from operations	1,016	7	(1,455)	(13)	2,471	(170)
Interest expense, net	(45)	—	(28)	—	(17)	61
Other income, net	(199)	(1)	42	—	(241)	(574)
Income (loss) before income taxes	772	5	(1,441)	(13)	2,213	(154)
Income tax (benefit) expense	—	—	—	—	—	—
Net income (loss)	$ 772	5%	$ (1,441)	(13)%	$ 2,213	(154)%

Revenues

	Three Months Ended March 31,		$	%
(in thousands, except for percentages)	2018	2017	Change	Change
Product revenues	$ 10,074	$ 7,726	$ 2,348	30%
Service revenues	5,450	3,521	1,929	55
Total revenues	$ 15,524	$ 11,247	$ 4,277	38%

Revenues in the three months ended March 31, 2018 increased by $4.3 million, or 38%, compared to the three months ended March 31, 2017. The increase was primarily attributable to the following factors by segment:

Product

- Revenues from the sale of Crinone, increased by approximately $2.3 million, or 30%, from 2017 primarily due to in- market growth by Merck KGaA.
- For the three months ended March 31, 2017, revenue was $7.7 million which included $5.9 million related to product shipped to Merck KGaA and $1.8 million related to product sold through by Merck KGaA to its customers. In comparison, for the three months ended March 31, 2018, revenue, as reported under ASC 605, would have been $8.7 million and included $7.7 million related to product shipped to Merck KGaA and $1.0 million related to product sold through by Merck KGaA to its customers.

Service

- Service revenues increased approximately $1.9 million, or 55%, from the first quarter of 2017 primarily due to increases in customer volume across our service offerings and a sales focus on larger customer contracts and the strengthening of the Euro and British pound against the U.S. dollar.

Cost of revenues

(in thousands, except for percentages)	Three Months Ended March 31, 2018	2017	$ Change	% Change
Cost of product revenues	$ 6,016	$ 4,313	$ 1,703	39%
Cost of service revenues	3,010	2,243	767	34
Total cost of revenues	$ 9,026	$ 6,556	$ 2,470	38%
Total cost of revenues (as a percentage of total revenues)	58%	58%		
Product gross margin	40%	44%		
Service gross margin	45%	36%		

Total cost of revenues was $9.0 million and $6.6 million for the three-month periods ended March 31, 2018 and 2017, respectively. The increase in total cost of revenues in the first quarter of 2018 was largely driven by an increase in volumes shipped to Merck KGaA for Crinone product and higher legal and other consulting costs associated with finalizing and executing the Merck extension and other third-party supply agreements.

Cost of service revenues are largely fixed and consist mainly of facility costs, external consultant fees, depreciation and materials used in connection with generating our service revenues. Personnel costs are scaled to support customer volume.

Product gross margin decreased in 2018 as compared to 2017 primarily due to higher progesterone costs and higher costs associated with finalizing and executing the Merck extension. Service gross margin increased in 2018 as compared to 2017 due to mix of revenue type within the service segment and higher labor utilization due to fixed labor costs.

Sales and marketing expenses

(in thousands, except for percentages)	Three Months Ended March 31, 2018	2017	$ Change	% Change
Sales and marketing	$ 419	$ 379	$ 40	11%
Sales and marketing (as a percentage of total revenues)	3%	3%		

Sales and marketing expenses incurred during the three months ended March 31, 2018 and 2017 were attributable to our service business and consisted of personnel costs for our sales force as well as marketing costs for certain tradeshows and conference fees. The increase in 2018 was largely attributable to higher professional fees to support the expanded growth of our service business.

Research and development

(in thousands, except for percentages)	Three Months Ended March 31, 2018	2017	$ Change	% Change
Research and development	$ 974	$ 1,346	$ (372)	(28)%
Research and development (as a percentage of total revenues)	6%	12%		

Research and development expenses primarily include clinical trial costs to conclude our sheep studies, personnel-related expenses and professional and consulting services costs. The decrease in research and development costs incurred during the three months ended March 31, 2018 as compared to the same period of 2017 was largely associated with lower salary and employee related costs resulting from the Strategic Reprioritization action taken in September 2017, reduced expenditures incurred on our IVR clinical programs in preparation for potential regulatory filings. In addition, in the first quarter of 2017, we recorded a one-time credit associated with the final adjustments on the COL-1077 clinical trial. The trial did not achieve its primary and secondary endpoints, and further development was discontinued. As part of our more focused research and development strategy, we partnered the development of our IVR platform to Daré Bioscience, Inc.

General and administrative expenses

(in thousands, except for percentages)	Three Months Ended March 31, 2018	2017	$ Change	% Change
General and administrative	$ 4,089	$ 4,421	$ (332)	(8)%
General and administrative (as a percentage of total revenues)	26%	39%		

General and administrative expenses decreased by $0.3 million to $4.1 million for the three months ended March 31, 2018 compared with $4.4 million for the three months ended March 31, 2017. This modest decrease reflects our continued efforts to closely manage general and administrative expense offset by stock compensation expenses incurred upon the achievement of the signing of the Merck agreement and financial advisor fees and other related expenses incurred as part of our strategic alternatives process.

Non-operating income and expense

(in thousands, except for percentages)	Three Months Ended March 31, 2018	2017	$ Change	% Change
Interest expense, net	$ (45)	$ (28)	$ (17)	61%
Other income, net	$ (199)	$ 42	$ (241)	(574)%

Interest expense, net, primarily relates to interest payments, denominated in British pounds, associated with our loan facilities and equipment loans. Other income, net, primarily relates to net foreign currency transaction losses related to the strengthening of the Euro and British pound against the U.S dollar offset by the non-recurrence of income associated with the Regional Growth Fund which concluded in October 2017.

Liquidity and Capital Resources

We require cash to fund operating expenses, working capital needs and capital expenditures.

At March 31, 2018, cash and cash equivalents were $20.7 million. Cash and cash equivalents are highly liquid investments with original maturities of 90 days or less at date of purchase and consist of cash in operating accounts.

In September 2013, Juniper assumed debt of $3.9 million in connection with its acquisition of JPS. JPS had entered into a Business Loan Agreement ("Loan Agreement") covering three loan facilities (collectively referred to as the "original agreements") with Lloyds TSB Bank ("Lloyds") as administrative agent. In May 2017, JPS repaid on one of the existing loan facilities upon which JPS subsequently entered into a new loan facility with the same administrative agent for the same outstanding balance. The refinancing was accounted for as a modification with no resulting gain or loss. The remaining original agreements and the new agreement are collectively referred to as the "loan facilities".

As of March 31, 2018, we owed $2.5 million on the loan facilities. The loan facilities are each repayable over periods ranging from 7-15 years from the date of drawdown. Two of the facilities bear interest at the Bank of England's base rate plus 1.95%, and 2.55%, respectively. The interest rates at March 31, 2018 for these facilities were 2.45% and 3.05%, respectively. The third facility is a fixed rate agreement bearing interest at 2.99% per annum. The weighted average interest rate for the three loan facilities for the three months ended March 31, 2018 was 2.76%. The loan facilities are secured by the mortgaged property and an unlimited lien on other assets of JPS. The loan facilities contain financial covenants that limit the amount of indebtedness JPS may incur, requires JPS to maintain certain levels of net worth, and restricts JPS's ability to materially alter the character of its business. As of March 31, 2018, we are in compliance with all of the covenants under the loan facilities.

As of March 31, 2018, we owed $1.4 million on its equipment loans. During the quarter ending March 31, 2017, we entered into two loans totaling $1.5 million with payments through March 2022 for equipment in our Nottingham, U.K. facility at an interest rate of 2.09%. The transactions were considered failed sales-leaseback arrangements as the Company will obtain title to the equipment at the end of the term of the financing for little or no consideration. These failed sale-leaseback arrangements have been recorded as a component of long-term debt on our condensed consolidated balance sheets. The initial terms of the loans are 60 months.

In October 2015, we entered into an operating lease agreement for our corporate office in Boston, Massachusetts. The initial term of the lease agreement is approximately 39 months and ends in the first quarter of 2019, which includes a three-month free rent period.

In December 2016, we entered into an API Supply Agreement for a manufacturer of progesterone under which we agreed to annual minimum volume commitments until December 2019.

Commitments under our lease arrangements are as follows as of March 31, 2018 (in thousands).

	Total	Remainder of 2018	2019	2020	2021	2022	Thereafter
Operating lease obligations	$ 407	$ 333	$ 74	$ —	$ —	$ —	$ —
Loan principal repayments	2,453	193	251	258	265	273	1,213
Capital lease obligations	1,351	243	337	351	365	55	
Minimum purchase obligation	5,062	3,203	1,859	—	—	—	—
Total	$ 9,273	$ 3,972	$ 2,521	$ 609	$ 630	$ 328	$ 1,213

Our future capital requirements depend on a number of factors, including the rate of market acceptance of our current and future products and services and the resources we devote to developing and supporting the same. Our capital expenditures were $0.9 and $0.5 million for the three months ended March 31, 2018 and March 31, 2017, respectively. Our capital expenditures primarily relate to investments in capital equipment made at our Nottingham, U.K. site and our contract manufacturer sites.

Research and development expenses include costs for product and clinical development, which were a combination of internal and third-party costs, and regulatory fees. For the remainder of 2018, we expect our research and development expenses will decrease from current levels as we conclude our ongoing *in vivo* preclinical studies cease certain development efforts. In addition, under the agreement, Daré will be responsible for conducting all research, development and commercial activities for the IVR program.

We believe that our current cash and cash equivalents, as well as cash generated from operations, will be sufficient to meet our anticipated cash needs for working capital, including advancing our product candidates, and capital expenditures at least through the next twelve months from the date of issuance of this report. We may be dependent on our ability to raise additional capital to finance operations and fund research and development programs beyond that period. If we are not able to raise additional capital on terms acceptable to us, or at all, as and when needed, we may be required to evaluate future anticipated capital or operational needs.

Cash Flows

Net cash used in operating activities for the three months ended March 31, 2018 was $1.1 million, which resulted primarily from net income of $0.8 million for the period and $1.2 million in depreciation and amortization and stock-based compensation expense offset by a $3.0 million decrease in net changes in working capital changes primarily due to higher accounts receivable. Net cash used in investing activities was $0.9 million for the three months ended March 31, 2018, which resulted from the purchase of property plant and equipment. Net cash provided by financing activities was approximately $1.2 million for the three months ended March 31, 2018, primarily relating to proceeds from the exercises of stock options, partially offset by the principal payments on debt.

Net cash used in operating activities for the three months ended March 31, 2017 was $0.1 million, which resulted primarily from net loss of $1.4 million for the period offset by $0.8 million in depreciation and amortization and stock-based compensation expense and $0.5 million of working capital changes primarily due to a decrease in accounts receivable and an increase in deferred revenue offset by a decrease in accounts payable and accrued expenses. Net cash used in investing activities was $0.5 million for the three months ended March 31, 2017, which resulted from the purchase of property plant and equipment. Net cash provided by financing activities was approximately $1.4 million for the three months ended March 31, 2017, primarily relating to proceeds from the equipment loans offset by the principal payments on debt.

Off-Balance Sheet Arrangements

As of March 31, 2018, we did not have any off-balance sheet arrangements as defined in Regulation S-K, Item 303(a)(4)(ii).

Contractual Obligations

There have been no other material changes to our contractual obligations and commitments outside the ordinary course of business or described above from those disclosed in our Annual Report on Form 10-K for the year ended December 31, 2017.

Critical Accounting Policies and Estimates

The discussion and analysis of our financial condition and results of operations set forth above are based on our financial statements, which have been prepared in accordance with U.S. GAAP. The preparation of these financial statements requires us to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. On an ongoing basis, we evaluate our estimates and judgments, including those described in our Annual Report on Form 10-K for the year ended December 31, 2017. We base our estimates on historical experience and on various assumptions that we believe to be reasonable under the circumstances. These estimates and assumptions form the basis for making judgments about the carrying values of assets and liabilities, and the reported amounts of revenues and expenses, that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions. Except for the adoption of the new accounting standard for the recognition of revenue, ASC 606 - *Revenue from Contracts with Customers*, adopted for the fiscal year beginning on January 1, 2018, described above, there have been no material changes to our critical accounting policies as of December 31, 2017.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Market Rate Risk

We do not believe that we have material exposure to market rate risk. We may, however, seek additional financing to fund future obligations and no assurance can be given that the terms of future sources of financing will not expose us to material market rate risk.

There has been no material change to our market rate risk exposure since December 31, 2017.

Foreign Currency Exchange

Overall, we are a net recipient of currencies other that the U.S. dollar and, as such, benefit from a weaker dollar and are adversely affected by a strong dollar relative to major currencies worldwide. Accordingly, changes in exchange rates, and in particular a strengthening of the U.S. dollar, may negatively affect our consolidated revenues or operating costs and expenses as expressed in U.S. dollars. Our significant foreign currency exposures include the British pound and the Euro. Our exposure is reduced given assets and liabilities, revenues and expenses are designated in U.S. dollars, or U.S. dollar linked. We have not historically engaged in hedging activities relating to our non-U.S. dollar operations. We may be exposed to exchange rate fluctuations that occur from certain intercompany transactions with our subsidiaries, which we recognize as unrealized gains and losses in our statements of operations.

Revenues from our international operations that were recorded in U.S. dollars represented approximately 77% of our total international revenues for the three months ended March 31, 2018. The remaining 23% were sales in British pounds. Since we conduct our business in U.S. dollars, our main exposure, if any, results from changes in the exchange rate between the British pound and the U.S. dollar.

There has been no material change to our foreign currency exchange risk exposure since December 31, 2017.

Item 4. Controls and Procedures

Evaluation of Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of our management, including our Chief Executive Officer and our Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as such term is defined by Rules 13a-15e and 15d-15e with the Securities Exchange Act of 1934 (the Exchange Act)) as of the end of March 31, 2018. Based on this evaluation, our Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures were effective as of March 31, 2018 at a reasonable assurance level.

Changes in Internal Control over Financial Reporting

During our most recent fiscal quarter, there has not been any change in our internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) that has materially affect, our internal control over financial reporting.

Part II—Other Information

Item 1. Legal Proceedings

Claims and lawsuits are filed against our Company from time to time. Although the results of pending claims are always uncertain, we believe that we have adequate reserves or adequate insurance coverage in respect of these claims, but no assurance can be given as to the sufficiency of such reserves or insurance coverage in the event of any unfavorable outcome resulting from these actions.

Item 1a. Risk Factors

An investment in shares of our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described in our Annual Report on Form 10-K for the year ended December 31, 2017 in addition to other information included in this Quarterly Report on Form 10-Q, including the information below and our financial statements and related notes hereto, before deciding to invest in our common stock. The occurrence of any of these risks could have a material adverse effect on our business, financial condition, results of operations and future growth prospects. In these circumstances, the market price of our common stock could decline, and you may lose all or part of your investment.

The longer term growth of our business depends in part on our efforts to utilize our proprietary technologies to expand our portfolio of product candidates for development and commercialization may require substantial financial resources and may ultimately be unsuccessful.

The longer term growth of our business depends in part upon our ability to utilize current and future proprietary technologies to develop and commercialize therapeutic products either internally or with potential partner. In addition, any intention to pursue the development and commercialization of JNP-0101, JNP-0201, and JNP-0301, will require the leveraging of our IVR technology. A significant portion of the research we conducted involves our IVR technology.

Research programs to identify new disease targets or conditions and product candidates require substantial technical, financial, and human resources whether or not we ultimately identify any additional product candidates. Our research programs may initially show promise in identifying potential product candidates, yet fail to yield product candidates for clinical development for a number of reasons, including that:

- the research methodology used may not be successful in identifying potential product candidates; or,
- potential product candidates may on further study be shown to have harmful side effects or other characteristics that indicate they are unlikely to be effective drugs.

If we are able to identify additional potential product candidates and choose to pursue development internally, satisfaction of these regulatory requirements will entail substantial time, effort, and financial resources. We may never satisfy these requirements. The effort, and financial resources we expend on the identification or development of additional product candidates may impair our ability to continue development, obtain regulatory approval, and commercialize our current product candidates, or seek potential partner to do the foregoing, and we or our potential partner may never commence clinical trials of such development programs despite expending significant resources in pursuit of their development. If we or our potential partner do commence clinical trials of other product candidates, these product candidates may never demonstrate sufficient safety and efficacy to be approved by the FDA or other regulatory authorities. If any of these events occur, we may be forced to abandon our development efforts for such program or programs, which would harm our business.

Moreover, we recently entered into an exclusive worldwide license agreement with Daré Bioscience for the development and commercialization of our IVR technology platform, including the platform's three preclinical IVR candidates. Under the agreement, Daré Bioscience will be responsible for conducting all research, development, and commercial activities for this program. As a result, the longer term growth of our business related to our IVR technology platform and candidates will be dependent on a third party, and we cannot assure the scientific or commercial success of such partnership nor can we be assured that the third party will be able fund the development of any of these programs.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

None.

Item 5. Other Information

None.

Item 6. Exhibits

(a) Exhibits

3.1.1***	Restated Certificate of Incorporation, as amended (filed as Exhibit 3.1 to Juniper Pharmaceuticals, Inc.'s Annual Report on Form 10-K filed on March 13, 2006).
3.1.2***	Certificate of Amendment of Restated Certificate of Incorporation, dated July 1, 2010 (filed as Exhibit 3.1 to Juniper Pharmaceuticals, Inc.'s Current Report on Form 8-K filed on July 6, 2010).
3.1.3***	Certificate of Amendment of Restated Certificate of Incorporation, dated August 7, 2013 (filed as Exhibit 3.1 to Juniper Pharmaceuticals, Inc.'s Current Report on Form 8-K filed on August 8, 2013).
3.1.4***	Certificate of Amendment of Restated Certificate of Incorporation, dated April 2, 2015 (filed as Exhibit 3.1 to Juniper Pharmaceuticals, Inc.'s Current Report on Form 8-K filed on April 3, 2015).
3.2.1***	Amended and Restated By-Laws of Juniper Pharmaceuticals, Inc. (filed as Exhibit 3.2 to Juniper Pharmaceuticals, Inc.'s Current Report on Form 8-K filed on January 12, 2015).
3.2.2***	Amendment No. 1 to the Amended and Restated By-Laws of Juniper Pharmaceuticals, Inc. (filed as Exhibit 3.2 to Juniper Pharmaceuticals, Inc.'s Current Report on Form 8-K filed on April 3, 2015).
10.1* †	Supply Agreement, dated as of January 7, 2018, by and between Columbia Laboratories (Bermuda) Limited and Ares Trading S.A.
31.1*	Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer of the Company.
31.2*	Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer of the Company.
32.1**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
32.2**	Certification Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101*	The following materials from the Juniper Pharmaceuticals, Inc. Quarterly Report on Form 10-Q for the quarter ended March 31, 2018, formatted in XBRL (eXtensible Business Reporting Language): (i) Condensed Consolidated Statements of Operations for the three months ended March 31, 2018 and 2017, (ii) Condensed Consolidated Balance Sheets at March 31, 2018 and December 31, 2017, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss) for the three months ended March 31, 2018 and 2017, (iv) Condensed Consolidated Statements of Cash Flows for the three months ended March 31, 2018 and 2017, and (v) Notes to Condensed Consolidated Financial Statements.

* Filed herewith.
** Furnished herewith.
*** Incorporated by reference.
† Portions of this exhibit (indicated by asterisks) have been omitted pursuant to a request for confidential treatment and this exhibit has been submitted separately to the SEC.

Signatures

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Juniper Pharmaceuticals, Inc.

/s/ Jeffrey E. Young
Jeffrey E. Young
Senior Vice President, Finance, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
DATE: May 10, 2018

Exhibit 10.1

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 24B-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SUPPLY AGREEMENT

This Supply Agreement is made and entered into as of this 7th day of January 2018,

BETWEEN:

(1) **COLUMBIA LABORATORIES (BERMUDA) LIMITED**, a Bermuda corporation having its principal place of business at Canon's Court, 22 Victoria Street, PO Box HM 1179, Hamilton HM 12, Bermuda (the "**Supplier**"); and

(2) **ARES TRADING S.A.**, a Swiss company with its principal place of business at Zone Industrielle de l'Ouriettaz, 1170 Aubonne, Switzerland (the "**Purchaser**"),each a "**Party**" and together, the "**Parties**".

BACKGROUND:

(A) The Supplier is engaged in, among other things, the manufacture and commercialization of drug products;

(B) The Purchaser markets the Product in the Territory (as defined below);

(C) The Supplier has previously supplied the Product to the Purchaser pursuant to the Existing License and Supply Agreement (as defined below);

(D) This Supply Agreement terminates the Existing License and Supply Agreement with effect from the Effective Date (as defined below) and sets out the terms on which the Purchaser will purchase the Products from the Supplier with effect from the Effective Date.

In consideration of the mutual promises and covenants contained in this Agreement, the Parties agree as follows:

1. DEFINITIONS

As used in this Supply Agreement, the following terms (except as otherwise expressly provided or unless the context otherwise requires) shall have the respective meanings set forth below (it being understood that the terms defined in this Supply Agreement shall include the singular number in the plural, and the plural number in the singular):

1.1 "**Affiliate**" shall mean any corporation or other business entity that either directly or indirectly controls a Party, is controlled by such Party, or is under common control of such Party. As used herein, the term "control" means possession of the power to direct or cause the direction of the management and policies of a corporation or other entity whether through the ownership of voting securities, by contract or otherwise.

1.2 "**Agreed Interest Rate**" shall mean the three (3) month London Interbank Offered Rate (LIBOR) (or if such rate ceases to exist the nearest comparable rate) plus two per cent (2%) calculated on a daily basis.

1.3 "**Agreement Date**" shall mean the date on which this Supply Agreement is signed by both Parties as set out above.

1.4 "**Amended Product**" shall mean as defined in Section 2.4.

1.5 "**Applicable Laws**" shall mean all applicable statutes, laws, rules, ordinances, regulations, directives, orders and guidelines (including any amendments, extensions or replacements thereto) inside or outside the Territory that apply to the performance of either Party's obligations under this Supply Agreement.

1.6 "**Calendar Year**" shall mean a period commencing on January 1 and ending on December 31.

1.7 "**Capacity Increase Project**" shall mean as defined in Section 3.4.1.

1.8 "**Certificate of Analysis**" shall mean a certificate in the form set out in the example which is scheduled to the Technical Quality Agreement.

1.9 "**Compliance File**" shall mean the Supplier's (or its Affiliate's or Subcontractor's) internal document for each market within the Territory comprising parts of the registered CMC dossier and/or the manufacturing and packaging instructions, analytical specifications of raw materials, in-process and finished Product used to produce the Package Configuration.

1.10 "**Confidential Information**" shall mean all information and/or technical data which is disclosed by one Party to the other Party pursuant to this Agreement which the disclosing Party treats as confidential and identifies as such, other than: (i) information known to the receiving Party or its Affiliates prior to the disclosure of such information to such Party, provided said prior knowledge is supportable by documentary evidence; (ii) information which at the time of the disclosure is, or thereafter becomes, generally known to the public, provided that such public knowledge does not result from any act or disclosure by the receiving party or one of its Affiliates in violation of the terms of this Agreement; (iii) information which can be shown to be independently discovered, after the date hereof, by a Party, or one of its Affiliates, without the aid, application or use of the disclosed information; or (iv) information obtained by the receiving party from a third party which is determined to be in lawful possession of such information, provided such third party is not in violation of any contractual or legal obligation to the disclosing party or one of its Affiliates with respect to such information.

1.11 "**Disclosing Party**" means the Party which discloses Confidential Information to the other Party.

1.12 "**Effective Date**" shall mean July 1 2020.

1.13 "**Equipment**" means molds, tooling, parts, assembly line parts or other equipment required for the manufacture of the Products.

1.14 "**Existing License and Supply Agreement**" shall mean the License and Supply Agreement dated as of May 20, 1999, which agreement was (i) amended and restated as of June 4, 2002; (ii) amended by Amendment No. 1 to the First Amended and Restated License and Supply Agreement, dated December 21, 2006; (iii) amended and restated as of May 14, 2010; (iv) amended by Amendment No. 1 to the Second Amended and Restated License and Supply Agreement dated April 4, 2013; and (v) amended by Amendment No. 2 to the Second Amended and Restated License and Supply Agreement dated December 12, 2016.

1.15 "**Good Manufacturing Practice**" or "**GMP**" or "**cGMP**" shall mean current good manufacturing practices and general biological products standards promulgated under and in accordance with the EEC Guide to Good Manufacturing Practices for Medicinal Products promulgated under the European Commission Directive 2003/94/EC of 8 October 2003 (laying down the principles and guidelines of good manufacturing practice in respect of medicinal products for human use and investigational medicinal products for human use). For the avoidance of doubt, Good Manufacturing Practice shall not include the United States Federal Food Drug and Cosmetic Act Title 21 of the U.S. Code of Federal Regulations, Parts 210, 211, 600, 601 and 610 or any other regulation applicable in the United States and the Products shall not be manufactured in accordance with such regulations.

1.16 "**Guaranteed Product Unit Volumes**" means the minimum quantities of Product Units to be purchased by the Purchaser as set out in Schedule 3.

1.17 "**Initial Term**" shall mean as defined in Section 12.2.

1.18 "**Intellectual Property Rights**" shall mean trade secrets, trademarks, tradenames, logos, trade dress, graphics, designs, patents, copyrights or other proprietary rights.

1.19 "**Key Performance Indicators**" and "**KPIs**" shall mean the key performance indicators to be agreed between the Parties in accordance with Section 2.10 from time to time (in the form of the example included in Schedule 4 at the Agreement Date) and set out in Schedule 4.

1.20 "**Legal Requirement**" means any present or future law, regulation, directive, instruction, direction or rule of any Regulatory Authority including any amendment, extension or replacement thereof which is from time to time in force.

1.21 "**Losses**" shall mean any and all liabilities, damages, losses and expenses (including reasonable lawyers' and professional fees and disbursements and other expenses of litigation, arbitration or investigation). In calculating "Losses", the duty to mitigate on the part of the Party suffering the Losses shall be taken into account.

1.22 "**Marketing Authorisations**" shall mean with respect to any country, extra-national territory, province, state or other regulatory jurisdiction in the Territory, any and all approvals, licenses, registrations or authorisations of any Regulatory Authority

necessary in order to commercially distribute, sell, manufacture, import, export, or market a product in such country, state, province or some or all of such extra-national territory or regulatory jurisdiction in the Territory.

1.23 "**New Compliance Tests**" shall mean new compliance tests which have been discussed by the Parties prior to the Agreement Date concerning [***] to be agreed in writing between the Parties and which the Purchaser would like the Supplier to implement in accordance with the terms of Section 5.3.

1.24 "**Package Configuration**" shall mean an agreed quantity (as stated in the Specifications) of Product Units assembled in a labeled carton ready for sale or Product Units placed in a shipping carton in bulk for final packaging at a facility of the Purchaser in accordance with the Specifications.

1.25 "**Product**" shall mean progesterone vaginal gel containing progesterone in a concentration of eight percent (8%) w/w (mass/mass) with the current applicator.

1.26 "**Product Unit**" shall mean a Product packaged in a single disposable vaginal applicator in a foil wrapper.

1.27 "**Purchase Order**" shall mean as defined in Section 3.2.

1.28 "**Purchase Price**" shall mean the purchase price for each Product Unit determined in accordance with Schedule 2.

1.29 "**Production Forecast**" shall mean the forecast of its requirements for Package Configurations provided by the Purchaser to the Supplier in accordance with Section 3.1

1.30 "**Recipient Party**" means the Party which receives Confidential Information from the other Party.

1.31 "**Regulatory Authority**" shall mean any national, supranational, regional, state or local regulatory agency, department, bureau, commission, council or other governmental entity in any country having jurisdiction over any of the activities contemplated by this Supply Agreement or over the Parties including but not limited to the granting of registrations, approvals and licenses for the manufacture and supply of the Product.

1.32 "**Shipping Agreement**" means the agreement to be entered into by the Parties in the form agreed between them relating to the shipment of Products and related materials as provided in Section 2.9.

1.33 "**Specifications**" shall mean the specifications for the Package Configuration in each applicable country in the Territory (including serialization and/or aggregation of the Package Configuration where applicable) as included in the Compliance File in the data room established by the Supplier and agreed by the Purchaser. A copy of the contents of the data room has been provided to each Party on a memory stick on the Agreement Date.

1.34 "**Stock**" shall mean as defined in Section 3.3.

1.35 "**Subcontractor**" means any Third Party subcontractor appointed by the Supplier to manufacture and/or supply the Product.

1.36 "**Supply Agreement**" shall mean this document including any and all schedules, appendices and other addenda to it as may be added and/or amended from time to time in accordance with the provisions of this document.

1.37 "**Technical Quality Agreement**" means the updated technical and quality agreement signed by representatives of the Parties and dated on or about the Agreement Date or such other technical and/or quality agreement as may be agreed by the Parties in writing from time to time.

1.38 "**Technology**" shall mean all pharmacological, toxicological, preclinical, clinical, technical or other information, data and analysis and know-how relating to the registration, manufacture, packaging, use, marketing and sale of the Product (including, without limitation, all works copyrighted by the Supplier) and all proprietary rights relating thereto owned by the Supplier or its Affiliates or to which the Supplier or its Affiliates has assignable rights, whether prior to or after the Effective Date, and relating or pertaining to the Product but shall exclude the equipment owned by the Supplier or its Subcontractors which is used by it's the Supplier or its Subcontractors for the production of the Product and which is located at the premises of the Supplier or such Subcontractors.

1.39 "**Term**" shall mean the Initial Term and any extension of the Initial Term agreed by the Parties in accordance with Section 12.3.

1.40 "**Territory**" shall mean all countries and territories of the world except for the United States.

1.41 "**Third Party**" shall mean any person other than the Supplier or the Purchaser or an Affiliate of either of them.

1.42 "**Trademarks**" shall mean the trademarks "CRINONE" and "ONE-CRINONE" for use on cosmetic and pharmaceutical products used primarily for progesterone supplementation as set forth in Schedule 1.

1.43 "**United States**" shall mean the several United States of America and its territories and possessions.

1.44 In this Agreement:

1.44.1 unless the context otherwise requires all references to a particular Section, paragraph or Schedule shall be a reference to that Section, paragraph or Schedule, in or to this Supply Agreement as it may be amended from time to time pursuant to this Supply Agreement;

1.44.2 the table of contents and headings are inserted for convenience only and shall not affect the interpretation of any provision of this Supply Agreement;

1.44.3 unless the contrary intention appears, words importing the masculine gender shall include the feminine and vice versa and words in the singular include the plural and vice versa;

1.44.4 unless the contrary intention appears, words denoting persons shall include any individual, partnership, company, corporation, joint venture, trust, association, organisation or other entity, in each case whether or not having separate legal personality;

1.44.5 reference to the words "include" or "including" are to be construed without the limitation to the generality of the preceding words;

1.44.6 unless expressly stated otherwise reference to "dollars" or "$" will mean United States dollars; and

1.44.7 reference to any statute or regulation includes any modification or re-enactment of that statute or regulation.

2. SUPPLY

2.1 Manufacture and Supply. During the Term, the Supplier shall manufacture or have manufactured and shall supply to the Purchaser, its Affiliates and sub-licensees such quantities of the Package Configurations as the Purchaser may order from time to time in accordance with the terms of this Supply Agreement.

2.2 Supplier Exclusivity Undertakings. During the Term, the Supplier undertakes not to manufacture or sell to another party in the Territory any vaginal gel product containing progesterone. For the avoidance of any doubt:

2.2.1 the Supplier is not restricted from developing, licensing, manufacturing or selling other hormones or drugs; and

2.2.2 nothing in this Section 2.2 shall be interpreted to restrict the Supplier's right to manufacture Product in the Territory for sale outside the Territory.

2.2.3 the Supplier represents that as of the Agreement Date, it has not entered into any arrangement which would contravene the intentions of this Section 2.2.

2.3 Purchaser Exclusivity Undertakings. During the Term, the Purchaser undertakes to obtain its entire requirement for the Product (and any Amended Product or replacement product which is supplied by the Supplier to the Purchaser pursuant to this Supply Agreement) from the Supplier on the terms and conditions of this Supply Agreement provided that the Purchaser shall be entitled to purchase quantities of Product from a second source supplier if the Supplier is unable to supply the Product in accordance with the terms and conditions of this Supply Agreement solely to the extent that the Supplier is unable to supply such Products. For the avoidance of doubt, the restriction set out in this Section 2.3 shall not apply to the appointment of a second source supplier appointed by the Purchaser to ensure the continued supply of

the Product as permitted by this Section 2.3 to the extent that the Supplier is unable to supply the Product in accordance with the terms and conditions of this Supply Agreement.

2.4 Improvements, Amendments or Changes to Products. If at any time the Purchaser wishes to make any improvements or amendments to the Product or to make any changes to the Product (the "**Amended Product**") the following provisions shall apply:

2.4.1 the Purchaser shall notify the Supplier in writing setting out in reasonable detail information concerning the proposed improvement, amendment or change and the timescale within which the Purchaser wishes to receive supplies of the Amended Product;

2.4.2 within two (2) weeks of receipt of a notice from the Purchaser in accordance with Section 2.4.1, the Supplier shall notify the Purchaser whether or not the Supplier is interested in supplying the Amended Product;

2.4.3 if the Supplier notifies the Purchaser in accordance with Section 2.4.2 that it is interested in supplying the Amended Product, the Parties shall discuss and agree in good faith the improvements, amendments or changes to be made to the Product and the terms (including the price) on which the Product can be supplied by the Supplier to the Purchaser and the Supplier shall make an offer to the Purchaser setting out the terms on which it would be prepared to supply the Amended Product within eight (8) weeks of the date of the notification provided by the Supplier pursuant to Section 2.4.2.

2.4.4 the Purchaser may request other suppliers to provide quotes for the supply of the Amended Product. If [***]which the Supplier has offered to supply the Amended Product in accordance with Section 2.4.3, the Purchaser shall notify the Supplier [***]the Amended Products provided for the avoidance of doubt that the Purchaser shall not be obliged to provide details of the names of the alternative suppliers to the Supplier. If the Supplier notifies the Purchaser that it agrees to supply the Amended Products [***] from the Supplier at such prices and on such terms. [***], the Purchaser may purchase the Amended Product from the alternative supplier.

2.4.5 If the Supplier notifies the Purchaser that it does not wish to supply the Amended Product to the Purchaser or the Purchaser is entitled to appoint an alternative supplier for the supply of the Amended Product [***], the provisions of Section 2.2 shall cease to apply with effect from the date on which the Purchaser commences the sale of the Amended Product manufactured by an alternative supplier and the Supplier will be entitled to supply products equivalent to the Amended Products and any other vaginal gel product containing progesterone (including for the avoidance of doubt the Product) to any Third Parties. For the sake of clarity, the Supplier will continue to manufacture and supply the Purchaser's requirements of the Product until this Agreement expires or is otherwise terminated.

2.5 Subcontractors. Subject to the prior written consent of the Purchaser (such consent not to be unreasonably withheld, delayed or conditioned), the Supplier may subcontract all or part of the activities to be performed by it under this Supply Agreement to any Subcontractor provided that the subcontracting of any activities shall not relieve the Supplier of, and the Supplier shall remain solely liable for, its obligations under this Supply Agreement. As at the Agreement Date the Purchaser acknowledges that the Supplier subcontracts all of part of the activities to be performed by it under this Supply Agreement to [***] and the Purchaser hereby consents to the use of such Subcontractors by the Supplier.

2.6 Technical Quality Agreement. The Supplier shall, and shall cause its Subcontractors to, perform the quality control and quality assurance testing specified in the Technical Quality Agreement. Unless otherwise explicitly agreed to by the Parties in a written document which acknowledges an exception or amendment to this Agreement:

2.6.1 the Technical Quality Agreement shall control the allocation of responsibilities for the purposes of GMP (including the rights for Merck and Juniper to undertake a joint audit or to appoint any person to undertake an audit); and

2.6.2 this Supply Agreement shall control in all respects except as set out in Section 2.6.1, if any term or condition of the Technical Quality Agreement conflicts with or is otherwise inconsistent with, any term of this Supply Agreement.

2.7 Packaging and Labelling. Product in Package Configuration shall be assembled by the Supplier so as to comply with the packaging and labeling requirements set forth by the relevant Regulatory Authorities as set out in the Specifications.

2.8 Responsibilities of the Purchaser Following Delivery. The Purchaser shall be responsible for all further activities following collection by the Purchaser of any quantity of Product, including all shipping, transportation and certification of the relevant Product, necessary to import such quantity of the relevant Product into any country in the Territory and otherwise distributing, storing, handling, offering for sale and selling the Product in the Territory (or any part thereof) as set out in the Shipping Agreement.

2.9 Shipping. The Supplier shall deliver Product to the Purchaser Free Carrier (manufacturing facilities of [***]) and Ex Works (manufacturing facilities [***]) (Incoterms® 2010). Delivery shall occur and all risk in the Product shall transfer from the Supplier to the Purchaser upon acceptance of the Product by the Purchaser's transportation contractor. The Purchaser shall be responsible for all risk in transporting the Product to, and unloading the Product at, the point of delivery. The Supplier and the Purchaser shall enter into a Shipping Agreement within thirty (30) days of the Agreement Date setting out full shipping and delivery terms. For the avoidance of doubt, where Products are delivered Free Carrier (manufacturing facilities of [***]), the Supplier will organize the export formalities and organize the pickup with the subcontractor transporting the Products in accordance with the Free Carrier Incoterms® 2010.

2.10 Key Performance Indicators. Within thirty (30) days of the Agreement Date, the Parties shall agree the initial KPIs in writing and shall incorporate the KPIs in Schedule 4. The Parties shall agree upon the relative importance of the KPIs by classifying each KPI with a designation of "minor", "major" and "critical". The Parties shall agree in good faith by January of each year the performance level objectives of the Supplier for the following year. The performance level objectives shall be established for individual KPIs and for overall performance and on the basis of actual and past performance, and shall be expressed in measurable values. In addition, minimum acceptance levels that are reflected by the KPI colour code "red" in Schedule 4, shall be agreed upon for all critical KPIs and for overall performance. The Supplier shall use its commercially reasonable efforts to meet the overall minimum acceptance levels of the KPIs and the minimum acceptable levels for each of the critical KPIs during the Term. The Purchaser may request the establishment of reasonable additional mutually agreed KPIs from time to time, which shall be incorporated in Schedule 4 by mutual written agreement of both Parties. Notwithstanding the Supplier's use of its commercially reasonable efforts, if at any time the Supplier's overall performance or performance for critical KPIs falls below the established minimum acceptance levels, the Purchaser may provide the Supplier with written notice of the Supplier's under-performance in specific detail, and the Supplier shall promptly use its commercially reasonable efforts to correct such detailed under-performance.

3. FORECASTS, ORDERS, DELIVERY AND ACCEPTANCE

3.1 Production Forecasts.

3.1.1 The Purchaser will provide the Supplier with, before the fifteenth (15th) day of each calendar month, a non-binding, Production Forecast of the Purchaser's and its Affiliates' requirements for Product for each country in the Territory in which the Product is marketed for the next following eighteen (18) month period.

3.1.2 The first four (4) months of the Production Forecast (being each of the four (4) months immediately following the month in which the Production Forecast is provided to the Supplier) shall be binding and the Purchaser shall be considered to have placed firm orders for the quantities of Product specified in the Production Forecast for such months. The last fourteen (14) months of the Production Forecast shall be provided by the Purchaser to the Supplier for information for use by the Supplier to determine the quantities of raw materials it requires and the amount of raw material inventory, work in process and completed inventory of Product it should create.

3.2 Issue of Purchase Orders. The Purchaser shall issue to the Supplier a formal purchase order (a "**Purchase Order**") showing the total quantity of Product required in each calendar month at least one hundred and twenty (120) days prior to the requested delivery date and method of transportation. If the Purchaser wishes to amend a firm order set out in a Production Forecast for which a Purchase Order has been placed, it may notify the Supplier of such amended quantities provided that such notice is

received by the Supplier during the first three (3) weeks following the date of receipt of the relevant Production Forecast by the Supplier. The Supplier shall within ten (10) business days of receipt of a Purchase Order from the Purchaser give written notice to the Purchaser of the date by when the Supplier will be able to fulfil such Purchase Order. The Supplier shall use its commercially reasonable efforts to deliver the quantities of Product described in a Purchase Order to the Purchaser and its Affiliates one hundred and twenty (120) days from the date of such order and the Supplier shall use its commercially reasonable efforts to supply any order for Product in excess of the relevant Production Forecast.

3.3 Inventory. The Purchaser acknowledges that the Supplier will use the first twelve (12) months of the eighteen (18) month forecast set out in the Production Forecast to create inventory of raw materials, work in progress and finished product ("**Stock**"). The provisions of this Section 3.3 shall apply in the event that (i) the Purchaser reduces its requirement for or no longer intends to sell the Product anywhere in the Territory; or (ii) where the Purchaser reduces its requirement for or no longer intends to sell the Product in a particular country or market in the Territory in circumstances where it is unlikely that the Supplier will be able to use the Stock.

3.3.1 Following the Purchaser reducing its requirement for or no longer intending to sell the Product anywhere in the Territory or the Purchaser reducing its requirement for or no longer intending to sell the Product in a particular country or market in the Territory, the Supplier shall send an invoice to the Purchaser for an amount calculated in accordance with Section 3.3.2 and shall confirm to the Purchaser in writing that the Stock which is the subject of the invoice is either held as inventory by the Supplier or its Subcontractors or that the Supplier and/or its Subcontractors have committed to purchase the Stock. Unless the Supplier or its Subcontractors are able to use such Stock for the manufacture of other products within a reasonable time scale, the Purchaser shall be obliged to pay the invoice in accordance with the provisions of Section 5.5.

3.3.2 The amount payable in accordance with Section 3.3.1 shall be, in respect of Stocks of:

(a) Noveon and Active Pharmaceutical Ingredients, the cost of such Stocks as required to manufacture Products to cover the first twelve (12) months of the Production Forecast received from the Purchaser;

(b) Foils, the cost of such Stocks as required to manufacture Products to cover the first six (6) months of the Production Forecast received from the Purchaser;

(c) Cartons and leaflets, the cost of such Stocks as required to manufacture Products to cover the first four (4) months of the Production Forecast received from the Purchaser;

(d) Finished Product and work in progress, the cost of such Stocks as required to manufacture Products to cover the first four (4) months of the Production Forecast received from the Purchaser;

(e) All other miscellaneous items, the costs of such Stocks for such period as will be agreed by the Parties in good faith.

Stocks in addition to that referred to in paragraphs (a) to (e) above may be purchased by the Supplier at its own risk and the Supplier will only be reimbursed by the Purchaser for the costs of any such Stocks if the Purchaser agrees in writing.

3.4 Capacity Increase Project.

3.4.1 As at the Agreement Date the Supplier is undertaking a project to increase its production capacity which will result in it having bulk gel, applicator filling, flow wrapping and final packaging capacity for the production of up to [***] Product Units per annum (the "**Capacity Increase Project**"). The Parties will work together to (and the Supplier will request that its Subcontractors) seek to complete the Capacity Increase Project as soon as practicable and it is anticipated that the Capacity Increase Project will be completed by [***]. Upon receipt of the Purchaser's reasonable request in writing, the Supplier shall provide the Purchaser with regular updates on the progress of the Capacity Increase Project and in particular the expected completion date.

3.4.2 If completion of the Capacity Increase Project is materially delayed, the Supplier shall notify the Purchaser in writing of such delay and provide an expected completion date for completion of the Capacity Increase Project. The Supplier shall use its reasonable efforts (including arranging for extra shifts and overtime to be worked by relevant employees and for such other reasonable and feasible steps as may be agreed by the Parties to be taken at the Supplier's cost) to provide the Purchaser with additional services and Products to ensure that the Supplier is able to supply quantities of Products to the Purchaser in accordance with the Production Forecasts provided by the Purchaser in accordance with Section 3.1. The Purchaser acknowledges that the completion date for the Capacity Increase Project cannot be guaranteed by the Supplier and that in particular delays may result from action taken (or failure to take action) by Regulatory Authorities or other government and local authorities. The Supplier shall have no liability to the Purchaser as a result of the Capacity Increase Project not being completed by any particular date.

3.4.3 Following completion of the Capacity Increase Project, the Supplier shall use its commercially reasonable efforts to ensure that at all times during the Term it and its Subcontractors have sufficient capacity to produce Products as required to satisfy the forecast set out in Schedule 3. At no time during the Term will the Supplier be obliged to supply more than [***] Product Units per annum, unless otherwise agreed between the Parties.

3.5 The Supplier shall manufacture the bulk Product in [***] batches, unless otherwise agreed between the Parties. In the event that the Parties wish to agree any alternative batch size for any bulk Product, the Parties shall negotiate an adjusted price for such batches in good faith.

4. DEFECTIVE PRODUCTS

4.1 Defective Products.

4.1.1 Following collection of a shipment of a Product from the Supplier, the Purchaser or its designated agent shall, within forty five (45) calendar days, carry out an inspection (as defined below) of such Product to ensure that the Product does not have any defects and is accompanied by an associated Certificate of Analysis, and if such Product shows any defects shall promptly notify rejection of the Products to the Supplier in writing along with any possible documentary evidence. If the Purchaser does not notify Supplier of rejection of such Products within such forty five (45) calendar days, such Products shall be deemed not to have defects.

4.1.2 For the purposes of this Supply Agreement, "**inspection**" shall mean:

(a) comparing the applicable Purchase Order against the documentation accompanying the Products collected to verify that the delivery date, identity, quantity and exterior shipment labelling comply with the order;

(b) verifying that the Certificate of Analysis for the relevant Products collected states that the Product conforms in all material respects to the applicable Specifications; and

(c) visually inspecting the exterior of the Products collected to verify that the Products collected appear to be in good condition.

For the avoidance of doubt, the Supplier shall only be liable for any defect to the Product which occurred prior to the collection of the Product by the Purchaser and the Purchaser shall be liable for any defect which occurred after the collection of the Product by the Purchaser.

4.1.3 Notwithstanding the foregoing, for a period of one hundred and eighty (180) days following delivery of the Product to the Purchaser, the Purchaser shall be entitled to promptly notify rejection of the Products to the Supplier in writing in the event that the Purchaser discovers any latent defect in a Product which renders the relevant Product unusable or unsaleable, if such defect could not reasonably have been discovered by inspection. In the event that such a latent defect is discovered, the Purchaser shall notify the Supplier in writing of such defect and rejection of the relevant Products, along with a comprehensive report setting out all relevant details of the latent defect and any investigations undertaken by the Purchaser or any other person in respect of such latent defect. For the purposes of this Section 4.1.3, a latent defect shall be any

failure to meet the Specifications that exists at the time of delivery and only manifests itself at a later date. This Section 4.1.3 shall not apply to any Product that has been modified and/or reprocessed by the Purchaser, any Affiliate of the Purchaser or any Third Party.

4.1.4 Within ten (10) calendar days of receipt by the Supplier of a notice of rejection from the Purchaser in accordance with Section 4.1.1 or Section 4.1.3 the Supplier shall indicate in writing to the Purchaser whether the Supplier is issuing a return authorisation or not. In the event that a return authorisation is so issued the Purchaser shall either destroy or return to the Supplier as stated in the return authorisation (in either case at the Supplier's expense) the quantities of the Product in question and the Supplier shall replace such quantities within one hundred and twenty (120) calendar days. If payment in respect of such quantities of the Product is outstanding, it shall be postponed until such replacement quantities of the Product are received and accepted by the Purchaser in accordance with this Section 4.

4.1.5 After receipt of any rejection notice from the Purchaser pursuant to Section 4.1.1 or Section 4.1.3, if the Supplier does not issue a return authorisation under Section 4.1.4, and if the relevant defect relates to non-compliance with the Specification, the Supplier shall analyse a retained sample of any batch of the Product rejected by the Purchaser for non-conformity with the Specifications within thirty (30) calendar days of receipt of such notice, and present its findings with respect to such quantity of the Product to the Purchaser. If such tests confirm non-conformity with the Specification, the Supplier shall promptly supply to the Purchaser (at the Supplier's cost and expense) a conforming batch in the same quantity as the rejected batch. If the Parties cannot agree on whether the batch of Product in question conforms to the Specifications, an independent qualified laboratory reasonably acceptable to both Parties, and at a cost to be borne by the Party found to be in error, shall analyse both the Purchaser's and the Supplier's samples of the Product from the batch in question, and the definitive results of such laboratory shall be final and binding on the Parties. If the batch of the Product in question is determined to be non-conforming, such non-conforming batch shall be held for the Supplier's disposal, or shall be returned to the Supplier, in each case at the Supplier's expense, as directed by the Supplier no later than fifteen (15) calendar days following such determination. The Supplier shall replace each non-conforming batch of the Product, or the non-conforming portion thereof, with conforming Product within one hundred and twenty (120) calendar days. If the batch of the Product in question is determined to be conforming and provided that the Certificate of Analysis did not indicate it to be non-conforming, such batch of the Product shall remain with or be returned to the Purchaser at the Purchaser's cost and expense.

5. PRICE AND PAYMENT TERMS

5.1 Purchase Price.

5.1.1 The Purchaser shall pay the Supplier the Purchase Price for each Product Unit in a specific Package Configuration as set out in Schedule 2. Such Purchase Price shall apply with effect from the Effective Date. Prior to the Effective Date the purchase price shall be determined in accordance with the Existing License and Supply Agreement.

5.1.2 By:

(a) June 1 2020, the Supplier shall calculate the Purchase Price for each Package Configuration to be provided by the Supplier to the Purchaser which will apply for the period from July 1 2020 to December 31 2020; and

(b) December 1 of each Calendar Year commencing on December 1 2020, the Supplier shall calculate the Purchase Price for each Package Configuration to be provided by the Supplier to the Purchaser which will apply for the next following Calendar Year

In each case taking into account any adjustments to be made to the Purchase Price in accordance with Sections 5.3, 5.6, 5.8, 5.9 and 5.10 and the Supplier shall notify the Purchaser in writing of the Purchase Price which will apply for each Product Unit in a specific Package Configuration for the next following Calendar Year.

5.1.3 If the Purchaser wishes to purchase a Package Configuration which is not listed in Schedule 2, then the Parties shall agree the details of the new Package Configuration and shall negotiate and agree in good faith the Purchase Price which will apply to such Package Configuration. Following agreement of the Parties Schedule 2 shall be amended to include the Purchase Price for the new Package Configuration by both Parties signing a revised version of Schedule 2.

5.2 Guaranteed Product Unit Volumes.

5.2.1 In each of the Calendar Years 2021, 2022, 2023 and 2024 the Purchaser undertakes to purchase from the Supplier the Guaranteed Product Unit Volumes.

5.2.2 If in any Calendar Year the actual volumes of Product Units supplied by the Supplier are less than the Guaranteed Product Unit Volumes applicable for that Calendar Year, the Purchaser shall pay to the Supplier an additional fee equal to [***].

5.2.3 The additional fee referred to in Section 5.2.2 shall be payable by the Purchaser and invoiced by the Supplier following the end of each Calendar

Year to which the Guaranteed Product Unit Volume applies except that, if the Production Forecasts provided by the Purchaser and/or the low volumes of Product Units ordered by the Purchaser indicate that the Purchaser will not purchase volumes of Product Units equal to the Guaranteed Product Unit Volumes in any Calendar Year, the Supplier shall be entitled to raise invoices for the Guaranteed Product Unit Volumes at any time from the date on which it is evident that the Purchaser will not purchase volumes of Product Units equal to the Guaranteed Product Unit Volumes and the Purchaser shall pay such invoices in accordance with Section 5.5.

5.2.4 For the avoidance of doubt, if for example, the Purchaser discontinues the sales of Products (as may be evidenced by the Purchaser not ordering any Products or reducing its forecasts for Products to zero), the Supplier shall be entitled to raise an invoice and to receive payment in accordance with this Section 5.2 for all Calendar Years during which it is anticipated that volumes of Product Units equal to the Guaranteed Product Unit Volumes will not be purchased from the date that sales of Products are discontinued or from the date of the relevant Production Forecast and shall not be required to delay raising an invoice for such amounts until the relevant Calendar Year.

5.2.5 In the event that the Supplier raises any invoice in respect of any Guaranteed Product Unit Volumes for any future Calendar Year in accordance with Sections 5.2.3 and 5.2.4, the Purchaser shall be entitled to a reduction in the overall amount due for such Guaranteed Product Unit Volumes equal [***] for each year in advance that such amount is invoiced. By way of example, in the event that in 2021 only [***] Product Units are ordered by the Purchaser and Production Forecasts or discontinuance of sales of the Product by the Purchaser indicate that no further orders for Product will be placed by Purchaser, the Supplier shall be entitled to raise an invoice in respect of [***] Product Units for 2021, [***] Product Units for 2022, [***] Product Units for 2023 and [***] Product Units for 2024. The payments due from the Purchaser on these amounts would be calculated as follows:

2021: [***]

2022: [***]

2023: [***]

2024: [***]

5.3 New Compliance Tests. The Parties acknowledge that the Purchase Price set out in Schedule 2 includes an allowance for the New Compliance Tests that are agreed between the Parties. The Parties will contribute and provide such resources as may reasonably be required to [***], subject to the provisions of Section 5.10 which will apply to any changes or amendments referred to in that Section. If the implementation of the New Compliance Tests by the Supplier results in an increase in the number of batch failures (meaning that more batches fail the New Compliance

Tests than failed the compliance tests in existence before implementation of the New Compliance Tests) the Parties shall negotiate in good faith an increase to the Purchase Price to reflect the increased costs incurred by the Supplier as a result of the increased failure rates from the New Compliance Batches and Schedule 2 shall be amended accordingly.

5.4 Invoices. The Supplier shall send the Purchaser an invoice for all Product Units collected by the Purchaser immediately following collection of the Product Units by the Purchaser.

5.5 Payment of Invoices. Any invoice issued by the Supplier pursuant to this Section 5.5 shall be payable in U.S. dollars forty five (45) days after the date of receipt by the Purchaser of an invoice for such Product.

5.6 Increase in Consumer Price Index. On January 1 of each Calendar Year during the Term, if the total increase in the UK Consumer Price Index as published by the UK Office of National Statistics all item data series D7BT (the "**UK CPI**") has increased by more than [***] during the period from the Agreement Date or the date in the Calendar Year on which this calculation was previously undertaken, then the Purchase Price will be increased by the same amount for the next following Calendar Year and subsequent Calendar Years (subject to further adjustment in accordance with this Section 5.6).

For the avoidance of doubt if the actual increase in the UK CPI in any Calendar Year does not exceed [***], then no price adjustment shall apply for the next following Calendar Year.

The first period during which such an adjustment will be calculated shall be the period beginning on the Effective Date, and ending on December 31 2020 and the last period during which such adjustment shall be made shall be for the period commencing on January 1 2024 and ending on the expiration or termination of the Term.

5.7 Changes to Location of Qualified Person. If following the exit by the United Kingdom from the European Union, the Supplier is obliged to undertake release of the Product by a Qualified Person in the European Union rather than in the United Kingdom, the Supplier undertakes to appoint a Qualified Person in the European Union and any additional costs of such appointment will be borne by the Supplier. As requested by the Supplier, the Purchaser will undertake such action, at the Purchaser's cost, as required to effect any regulatory changes except for any costs relating to severance, recruitment, relocation or payment of the qualified person.

5.8 Changes in Exchange Rate. If the Euro : US Dollar exchange rate increases by more than [***] above the rate of [***] at any time during the Term (so that the number of US$ which can be purchased with €1 is greater than [***]), the Parties shall negotiate in good faith an increase in the Purchase Price to take account of such increase. This provision shall only be applicable if the Supplier can demonstrate to the reasonable satisfaction of the Purchaser that such fluctuation in the rate of exchange has affected or is reasonably likely to affect the cost of raw materials or production costs or the

cost of labour used by the Supplier or its Subcontractors in the manufacture of the Products. If the Parties are unable to agree an amendment to the Purchase Price and the Purchase Price proposed by the Purchaser would result in it being uneconomic for the Supplier to supply the Products to the Purchaser, the matter shall be referred for resolution to the Chief Executive Officer of the Supplier and the Senior Vice President of the Purchaser. If such executives are not able to resolve the dispute within thirty (30) days of the date on which the matter was referred to them, either Party may refer the matter for determination by the courts of England in accordance with Section 30.

5.9 Change in Specifications Requested by Purchaser. If, following the Agreement Date, at any time the Purchaser wishes to make a request to change the Specifications, to obtain services in addition to those covered by this Agreement or to obtain additional products other than the Products from the Supplier, the Purchaser shall notify the Supplier in writing of such request including reasonable details of what is required. Such change or amendment or the supply of additional services or products shall be considered and discussed by the Parties in good faith. The Purchaser shall be responsible for any costs associated with implementing the required change or amendment and, as required, the Parties shall agree an amendment to the Purchase Price or the price that will apply to the provision of the new service or products or agree a one off payment from the Purchaser to the Supplier to cover the costs of making the change or amendment.

5.10 Changes Required by Regulatory Authorities. If, following the Agreement Date, at any time any changes or amendments are required to the Specifications, such change or amendment shall be considered and discussed by the Parties in good faith and the Purchaser shall be responsible for any costs associated with implementing the required change or amendment unless such change or amendment has been implemented due to the negligence of the Supplier or the breach by the Supplier of this Agreement. If the change or amendment would result in an increase in the Supplier's costs of the manufacture of the Product, the Parties shall agree an amendment to the Purchase Price in good faith.

5.11 Withholding Taxes. If the Purchaser is legally required to withhold any taxes from payments due hereunder, the Purchaser shall:

5.11.1 deduct such taxes from the payment made to the Supplier;

5.11.2 timely pay the taxes to the proper taxing authority; and

5.11.3 send proof of payment to the Supplier,

5.11.4 in addition to making the payments provided for in this Section 5, pay an amount to the Supplier such that when any taxes that are required to be withheld have been deducted, the Supplier receives that amount that it would have received had the payment been made with no withholding tax.

The Supplier shall make claims in respect of the resulting tax credits and, if the Supplier is able to use such tax credits, the Supplier shall notify the Purchaser of its

use of the resulting tax credit. The Supplier shall reimburse the Purchaser for any tax withholding made as provided above to the extent the Supplier is able to use the resulting tax credits attributable to such withholding taxes. Each Party agrees to cooperate with the other Party in claiming exemptions from such deductions or withholdings under any agreement or treaty from time to time in effect.

5.12 VAT. All payments to the Supplier under the terms of the Agreement are expressed to be exclusive of value added tax and any other goods and services tax howsoever arising and the Purchaser shall pay to the Supplier in addition to those payments all value added tax and any other goods and services tax for which the Supplier is liable to account to a Regulatory Authority in relation to any supply made or deemed to be made for value added tax purposes to this Agreement on receipt of a tax invoice or invoices from the Supplier.

5.13 Bank Account. The Purchaser shall make all payments to the Supplier under this Agreement by wire transfer to the account of the Supplier as may be notified in advance by the Supplier to Purchaser from time to time.

5.14 Interest for Late Payment. If the Purchaser fails to make any payment to the Supplier in accordance with this Agreement on the due date for payment the Supplier shall be entitled to charge the Purchaser interest (after judgement) on the amount unpaid from the due date of payment at the Agreed Interest Rate calculated on a daily basis until payment is made without prejudice to the Supplier's right to receive payment on the due date.

5.15 Commencement of Proceedings. In the event that the Purchaser fails to make any payment to the Supplier in accordance with this Agreement and the Parties are not able to reach agreement on such payment within one hundred and eighty (180) days of the due date for payment, the Supplier may commence proceedings in respect of any unpaid invoices without prejudice to any other right or remedy it has under this Agreement. If the Purchaser fails to make more than one (1) payment in any Calendar Year in accordance with this Agreement, the Supplier may commence proceedings at any time in respect of any unpaid invoices without prejudice to any other right or remedy it has under this Agreement. Any proceedings brought under this Section 5.15 shall not constitute a waiver of any right or remedy or prevent the Supplier from enforcing any or all provisions of this Agreement or exercising any rights or remedies it may have. For the avoidance of doubt, interest on any payments that are the subject of any proceedings under this Section 5.15 shall be calculated on a daily basis from the due date of payment under the relevant invoice until payment is made, without prejudice to the Supplier's right to receive payment on the due date.

5.16 Shipping and Delivery. All Product shall be delivered by the Supplier to the Purchaser in accordance with the Shipping Agreement.

6. REGULATORY

6.1 Responsibility for Marketing Authorisations. The Purchaser shall be solely responsible for the filing and maintenance of the Marketing Authorisations required for the Product in the Territory. The Purchaser shall promptly (and in any event within thirty (30) days of receipt of notification from the relevant Regulatory

Authority) notify the Supplier in writing of any changes to the Marketing Authorisations. The Purchaser shall provide assistance to the Supplier, at the Purchaser's cost, as reasonably required by the Supplier to obtain approval from any Regulatory Authority for any changes to the manufacture of the Product required as a result of any changes to any Marketing Authorisation.

6.2 [***]. The Supplier undertakes to [***] in addition to the [***] as at the Agreement Date. The Purchaser and the Supplier shall agree the timescale and the regulatory and quality requirements [***] by the Supplier. As requested by the Supplier, the Purchaser will undertake such action, at the Purchaser's cost, [***]. [***] on the same terms as it purchases other Product supplied in accordance with this Agreement.

6.3 [***]. The Purchaser may at any time during the Term notify the Supplier in writing that it wishes to use the [***] of all of the Product Units or some of the Product Units for sale in a particular country. Following receipt of such a notification the Parties shall discuss in good faith the [***]. Any amounts payable by the Supplier [***] as a result of the [***] during the period of one (1) year from the date of completion of [***], including any additional fees payable to a [***], shall be the responsibility of the Purchaser. The Parties shall agree in good faith a revised Purchase Price for the supply of [***] and shall agree a revised Schedule 2.

7. INTELLECTUAL PROPERTY

7.1 Trademark Licence. Commencing on the Effective Date and continuing until all supply obligations of the Supplier under this Agreement have terminated, the Purchaser grants to the Supplier, and the Supplier accepts from the Purchaser, on the terms and conditions stated in this Section 7.1, a nonexclusive right and license, with the right to sublicense, to use the Trademarks to manufacture, have manufactured, package, label, import and export the Products in accordance with the terms and conditions of this Agreement.

7.2 Intellectual Property Rights.

7.2.1 The Parties acknowledge and agree that, as between the Supplier and the Purchaser, all Intellectual Property Rights which are generated or first reduced to practice by the Supplier or its Subcontractors as a result of the manufacture of the Products pursuant to this Supply Agreement shall be owned by the Supplier (or its relevant Subcontractor). The Purchaser undertakes to enter into appropriate assignments of such Intellectual Property Rights or other documents as may be required to give effect to this Section 7.2.

7.2.2 The Purchaser acknowledges after all supply obligations under this Agreement have terminated that nothing in this Agreement will restrict the Supplier or any of its Subcontractors from using any Intellectual Property Rights owned by the Supplier or its Subcontractors which is used for the manufacture of the Products for other customers of the Supplier or its Subcontractors, or for the Supplier or its Subcontractors' own account.

7.2.3 The Purchaser shall, at its sole expense, be responsible for evaluating whether the sale of the Products in each country of the Territory in which it is intending to sell the Products will or is likely to infringe the Intellectual Property Rights of any Third Party.

7.2.4 Neither Party has, nor will it acquire, any interest in any of the other Party's Intellectual Property Rights except as expressly set out in this Supply Agreement or as otherwise expressly agreed to in writing by the Parties. Neither Party will use any Intellectual Property Rights of the other Party, except as specifically authorized by the other Party or as required for the performance of its obligations under this Agreement.

7.2.5 Without limiting the scope of Section 7.2.4, the Purchaser acknowledges that the Technology and equipment used by the Supplier and its Subcontractors for the supply of the Products is proprietary to the Supplier and/or the Subcontractors as the case may be and, except as expressly provided in this Supply Agreement (including specifically pursuant to Section 13.5), neither the Supplier nor the Subcontractors shall be obliged during the Term or thereafter to licence, transfer to the Purchaser or a Third Party, or allow the Purchaser or a Third Party to use, any Technology and/or any Intellectual Property Rights of the Supplier or the Subcontractor.

8. CONFIDENTIALITY

8.1 Each of the Parties shall keep in confidence and shall not use or disclose, other than as provided in this Supply Agreement, any Confidential Information disclosed by or on behalf of one Party and/or its Affiliates to the other Party, or obtained through observation or examination of such Confidential Information.

8.2 Except to the extent expressly authorised by this Supply Agreement or otherwise agreed in writing, each Recipient Party in possession of Confidential Information shall maintain such Confidential Information as confidential and use it only for the purposes of this Supply Agreement and in accordance with this Section 8. This obligation shall continue for so long as the exceptions set out below in the next paragraphs do not apply to the relevant Confidential Information. Each Party shall guard such Confidential Information using the same degree of care as it normally uses to guard its own confidential, proprietary information of like importance, but in any event no less than reasonable care. Notwithstanding the foregoing, the Recipient Party shall be relieved of the confidentiality and limited use obligations of this Supply Agreement to the extent that such Recipient Party establishes by written evidence that:

8.2.1 the Confidential Information was previously known to the Recipient Party from sources other than the Disclosing Party at the time of disclosure and other than under an obligation of confidentiality;

8.2.2 the Confidential Information was generally available to the public or otherwise part of the public domain at the time of its disclosure; or

8.2.3 the Confidential Information became generally available to the public or otherwise part of the public domain after its disclosure to the Recipient Party other than through any act or omission of the Recipient Party in breach of this Agreement; or

8.2.4 the Confidential Information is acquired in good faith in the future by the Recipient Party from a Third Party who has a lawful right to disclose such information and who is not under an obligation of confidence to the Disclosing Party with respect to such information; or

8.2.5 the Confidential Information is subsequently developed by or on behalf of the Recipient Party without use of the Disclosing Party's Confidential Information.

8.3 Notwithstanding the above obligations of confidentiality and non-use a Recipient Party may:

8.3.1 disclose Confidential Information to a Regulatory Authority as reasonably necessary to obtain Registration in a particular jurisdiction; and

8.3.2 disclose Confidential Information: (i) to the extent such disclosure is reasonably necessary to comply with the order of a court; or (ii) to the extent such disclosure is required to comply with a Legal Requirement, including to the extent such disclosure is required in publicly filed financial statements or other public statements under rules governing a stock exchange on which securities issued by either Party may be listed; provided, to the extent possible bearing in mind such Legal Requirements and such Party shall provide the other Party with a copy of the proposed text of such statements or disclosure five (5) business days in advance of the date on which the disclosure is to be made to enable the other Party to review and provide comments, unless a shorter review time is agreed; and

8.3.3 disclose Confidential Information by filing or prosecuting patent rights, the filing or prosecution of which is contemplated by this Agreement, without violating the above secrecy provision; and

8.3.4 disclose Confidential Information on a strict need to know basis to such Recipient Party's licensee's, employees, Affiliates, contractors (including clinical researchers), distributors, agents, consultants, as such Recipient Party reasonably determines is necessary to receive the benefit of the licenses and rights granted or available to it under this Agreement or to fulfil its obligations pursuant to this Supply Agreement; provided, however, any such persons must be obligated to substantially the same extent as set forth in Section 8.2 to hold in confidence and not make use of such Confidential Information for any purpose other than those permitted by this Supply Agreement; and

8.3.5 disclose Confidential Information: (i) to its actual or potential investment bankers; (ii) to existing and potential investors in connection with an offering or placement of securities for purposes of obtaining financing for its business

and to actual and prospective lenders for the purpose of obtaining financing for its business; and (iii) to a bona fide potential acquirer or merger partner for the purposes of evaluating entering into a merger or acquisition, provided, however, any such persons must be obligated to substantially the same extent as set forth in Section 8.2 to hold in confidence and not make use of such Confidential Information for any purpose other than those permitted by this Supply Agreement; and

8.3.6 disclose Confidential Information to its legal advisers for the purpose of seeking advice.

8.4 Save as permitted in Section 8.2 neither Party shall:

8.4.1 mention or otherwise use the name, insignia, symbol, trademark, trade name or logotype of the other Party or its Affiliates in any publication, press release, promotional material, or other form of publicity without the prior written consent of the other Party, except as otherwise expressly provided herein. The restrictions imposed by this Section 8 shall not prohibit either Party from making any disclosure identifying the other Party that is: (i) expressly provided for in this Agreement, or (ii) required by Applicable Laws or the requirements of a national securities exchange or another similar regulatory body. The restrictions imposed on each Party under this Section 8 are not intended, and shall not be construed, to prohibit a Party from identifying the other Party in its internal business communications, provided that any Confidential Information in such communications remains subject to this Section 8;

8.4.2 originate any publicity, news release, public comment or other public announcement, written or oral, whether to the press, to stockholders, or otherwise, relating to this Supply Agreement, without the consent of the other Party, except for such announcements which, in accordance with the advice of legal counsel to the Party making such announcement, are required by Applicable Laws (and which announcements shall be made in accordance with this Section 8) or for such announcements that contain the same disclosure as in prior permitted/approved public announcements in circumstances where such redisclosure would not contain false or misleading information. Where consent of the other Party is required pursuant to this Section 8.4.2, the consent in writing of the Chief Operating Officer (Dr Nikin Patel as at the Agreement Date) of the Supplier and the consent in writing of the Senior Vice President of the Purchaser shall constitute the requisite consent pursuant to this Section 8.4.2. The Parties have agreed upon the form and contents of press releases to be issued by the Purchaser and the Supplier following the execution of this Supply Agreement.

8.5 The undertakings and obligations set out in this Section 8 will continue throughout the Term and will survive expiration or termination of this Supply Agreement and will remain in force for a period of five (5) years following expiration or termination of this Supply Agreement.

9. REPRESENTATIONS, WARRANTIES AND COVENANTS

9.1 Supplier hereby represents, warrants and covenants the following:

9.1.1 Supplier is a corporation duly organized, existing and in good standing under the laws of Bermuda, with full right, power and authority to enter into and perform this Agreement and to grant all of the rights, powers and authorities herein granted.

9.1.2 The execution, delivery and performance of this Agreement do not conflict with, violate or breach any agreement to which Supplier is a party, or Supplier's articles of incorporation or bylaws.

9.1.3 This Agreement has been duly executed and delivered by Supplier and is a legal, valid and binding obligation enforceable against Supplier in accordance with its terms.

9.1.4 The Products supplied hereunder shall conform to the Specifications.

9.1.5 Supplier shall comply with all Applicable Laws, consent decrees and regulations of any federal, state or other governmental authority in performing this Agreement.

9.2 Purchaser hereby represents, warrants and covenants the following:

9.2.1 Purchaser is a corporation duly organized, existing and in good standing under the laws of Switzerland, with full right, power and authority to enter into and perform this Agreement.

9.2.2 The execution, delivery and performance of this Agreement do not conflict with, violate or breach any agreement to which Purchaser is a party, or Purchaser's articles of organization or bylaws.

9.2.3 This Agreement has been duly executed and delivered by Purchaser and is a legal, valid and binding obligation enforceable against Purchaser in accordance with its terms.

9.2.4 Purchaser shall comply with all applicable laws, consent decrees and regulations of any federal, state or other governmental authority in performing this Agreement.

10. INDEMNIFICATION

10.1 Indemnity from Supplier. The Supplier agrees to indemnify and hold harmless the Purchaser and its Affiliates and their respective employees, agents, officers and directors from and against any Losses, incurred by the Purchaser or its Affiliates to the extent arising out of or in connection with any claims or suits brought by a Third Party against the Purchaser, its Affiliates or their respective employees, agents, officers and directors for any claim or demand relating to the Product:

10.1.1 for breach by the Supplier of any representation, warranty, covenant or obligation given under this Agreement;

10.1.2 of personal injury or property damage to the extent that the injury or damage is the direct result of a failure by the Supplier or its Subcontractor to manufacture, package, or label the Product in accordance with the Specifications, GMP or Applicable Laws,

provided, that this indemnification shall not apply to the extent such claim or demand has resulted from manufacturing, packaging, or labeling conducted by or at the direction of Purchaser or its Affiliates or from any negligent act or omission by the Purchaser or its Affiliates or their employees or agents.

10.2 Indemnity from Purchaser. Purchaser agrees to indemnify and hold harmless Supplier and its Affiliates and their respective employees, agents, officers and directors from and against any Losses incurred by Supplier or its Affiliates to the extent arising out of or in connection with any claims or suits brought by a Third Party against the Purchaser, its Affiliates or its Subcontractors or their respective employees, agents, officers and directors for any claim or demand:

10.2.1 for breach by the Purchaser of any representation, warranty, covenant or obligation given under this Agreement;

10.2.2 of personal injury or property damage arising from the Purchaser's or its Affiliates' marketing, distribution and sale of the Product; provided, that this indemnification shall not apply to the extent such claim or demand has resulted from any negligent act or omission with respect to such Product by Supplier, its Affiliates, their employees, agent or contract manufacturers,

10.2.3 third party claims alleging infringement of Intellectual Property Rights as a result of the advertisement, promotion or marketing materials created by or at the direction of Purchaser or its Affiliates and used in connection with the sale of the Product; and

10.2.4 payments, commissions or fees of any kind due to consultants or brokers retained by Purchaser relating to the Product.

10.3 Indemnification Process. A Party seeking indemnification under this Section 10 (the "**Indemnified Party**") must give prompt written notice thereof to the other party (the "**Indemnifying Party**"). The Indemnifying Party shall have the right to defend any such claim or demand subject to the right of the Indemnified Party to participate with counsel of its choice in such defense, but the fees and expenses of such additional counsel shall be at the expense of the Indemnified Party. The Indemnified Party shall cooperate fully in all respects with the Indemnifying Party in any such compromise, settlement or defense, including, without limitation, by making available all pertinent information and personnel under its control to the Indemnifying Party. The Indemnifying Party will not compromise or settle any claim or demand (other than, after consultation with the Indemnified Party, a claim or demand to be settled by the

payment of money damages and/or the granting of releases) without the prior written consent of the Indemnified Party, which consent shall not be unreasonably withheld.

10.4 Insurance. During the Term of this Supply Agreement and for a period of five (5) years after its termination or expiration, the Supplier shall, at its sole cost and expense, obtain and maintain in full force and effect, with financially sound and reputable insurers, insurance of such types and with limits reasonably adequate to cover any liabilities arising out of the Supplier's obligations under this Supply Agreement. The policy limits, deductibles/retentions and other terms and conditions shall be appropriate to the conduct of the Supplier's business. Without prejudice to the foregoing, the Supplier shall, as a minimum, have in full force and effect a commercial general and product liability insurance with a minimum limit of [***] United States Dollars (U.S. $[***]) per annum combined single limit. During the Term of this Supply Agreement and for a period of five (5) years after its termination or expiration, the Purchaser shall obtain and maintain in full force and effect, at its sole cost and expense, insurance of such types and with limits, retentions/deductibles and terms and conditions that are reasonable and customary for companies comparable to the Purchaser. Each Party will provide the other Party upon request with an insurance certificate evidencing the insurance such Party is required to obtain and maintain under this Section 10.4. It is understood and agreed that this insurance clause shall not be construed to limit either Party's liability with respect to its indemnification obligations hereunder. Each Party shall use reasonable efforts to mitigate damages or losses.

11. LIMITATION OF LIABILITY

11.1 Consequential Loss. Except as a consequence of death or personal injury caused by negligence, neither Party shall be liable to the other in contract, tort, negligence, breach of statutory duty or otherwise for any loss, damage, costs or expenses of any nature whatsoever incurred or suffered by the other or its Affiliates:

11.1.1 of a direct nature where the same is a loss of turnover, profits, business or goodwill; or

11.1.2 an indirect or consequential or punitive nature, including any indirect or consequential economic loss or other indirect or consequential loss of turnover, profits, loss of enterprise value, business or goodwill or otherwise;

provided always that nothing in this Section 11 shall prevent the Supplier recovering from the Purchaser in respect of any unpaid invoices or the failure of the Purchaser to make any payment that may fall due under this Agreement (including payments pursuant to Section 5) including any Losses associated therewith.

11.2 Cap on Liability. Except with respect to:

11.2.1 any failure by the Purchaser to pay any invoice submitted by the Supplier pursuant to this Agreement or to meet its obligations in respect of Section 5; or

11.2.2 as a consequence of death or personal injury caused by negligence

the liability of each Party to the other under this Agreement in the aggregate shall not exceed the price paid by the Purchaser to the Supplier during the period of twelve (12) months immediately prior to date on which the relevant claim is made in aggregate for any and all claims

12. **TERM**

12.1 Extension of Existing License and Supply Agreement. The Parties agree that the terms of the Existing License and Supply Agreement shall continue to apply until June 30 2020. The Existing License and Supply Agreement shall not apply to any Products delivered by the Supplier to the Purchaser on or after June 30 2020 and, except for any provisions of the Existing License and Supply Agreement which are expressed to continue following expiry or termination, the Existing License and Supply Agreement shall terminate and the terms of such Existing License and Supply Agreement shall cease to apply with effect from the Effective Date.

12.2 Initial Term. The terms of this Agreement shall apply to the provision of Products by the Supplier to the Purchaser shall commence on the Effective Date and continue to apply until December 31 2024 (the "**Initial Term**").

12.3 Subsequent Term.

12.3.1 On or before December 31 2021 the Supplier shall provide the Purchaser with the contact details for and shall make introductions for the Purchaser to any Subcontractors that are appointed by the Supplier for the manufacture of the Products as at such date and the Purchaser may discuss with such Subcontractors entering into direct contracts with the Purchaser for the supply of the Product following the termination of this Supply Agreement.

12.3.2 Prior to December 31 2022, the Parties shall negotiate in good faith and agree the terms on which either:

(a) the Initial Term shall be extended and the Supplier shall continue to supply the Product to the Purchaser in accordance with the terms of this Agreement (or such amended terms as may be agreed by the Parties), subject to agreement by the Parties on the Purchase Price which will apply to the sale of Package Configurations during any such extension of the Initial Term; or

(b) a Third Party supplier shall assume the supply of the Products to the Purchaser; or

(c) the Purchaser itself shall assume the management of the supply of the Product. If the Parties agree that the Purchaser itself shall assume the management of the supply of the Product the Parties shall agree in good faith the terms on which the Supplier shall sell to the Purchaser the assets and equipment owned by the Supplier which are used by the Supplier or its Subcontractors in the manufacture of the Products for a price which shall be agreed in good faith by the Parties and the Parties

shall negotiate an agreement for the sale and purchase of such assets and equipment. If the Parties are unable to agree the terms on which the Purchaser shall purchase the equipment from the Supplier pursuant to this Section 12.3.2(c), the provisions of Section 13.5 shall apply.

13. TERMINATION

13.1 Termination by Notice. This Agreement may be terminated upon the mutual written agreement of the Parties.

13.2 Termination for Breach. Either Party may terminate this Agreement with immediate effect by giving written notice to the other Party, if the other Party commits a material breach of this Agreement and such breach has not been remedied by the breaching Party within sixty (60) days after written notice of such breach has been given by the other Party. If the breach cannot be remedied within sixty (60) days, the breaching Party may submit a plan within this sixty (60) day period, reasonably acceptable to the other Party, outlining the steps that it intends taking to cure the breach and then must cure the breach in accordance with the terms of such plan or be subject to an action by the other Party for termination of this Agreement pursuant to this Section 13.2 for breach of such plan.

13.3 Termination for Financial Difficulties. This Agreement may also be terminated by written notice of one Party, if the other party shall be involved in financial difficulties as evidenced by its:

13.3.1 commencement of a voluntary case under any applicable bankruptcy code or statute, or by its authorizing, by appropriate proceedings, the commencement of such voluntary case; or

13.3.2 failing to receive dismissal of any involuntary case under any applicable bankruptcy code or statute within sixty (60) days after initiation of such action or petition; or

13.3.3 by the entry of an order by a court of competent jurisdiction finding it to be bankrupt or insolvent, or ordering or approving its liquidation, reorganization or any modification or alteration of the rights of its creditors or assuming custody of, or appointing a receiver or other custodian for, all or a substantial part of its property or assets; or

13.3.4 by its making an assignment for the benefit of, or entering into a composition with its creditors, or appointing or consenting to the appointment of a receiver or other custodian for all or a substantial part of its property.

13.4 Termination by the Purchaser. If at any time the Supplier is unable to supply the Products to the Purchaser as a result of the failure by one or more of its Subcontractors to supply the Product or the constituent parts of the Product to the Supplier or to provide the Supplier with the services required for the Products or any Package Configuration, the Supplier shall notify the Purchaser of such issue in writing and shall use commercially reasonable efforts to appoint a replacement Subcontractor

as soon as practicable to ensure continuity of supply of the Products to the Purchaser. Provided that the Supplier complies with the terms of this Section 13.4 the Supplier shall not be liable for any breach of this Supply Agreement caused by the failure of such Subcontractor to supply the Product or the constituent part of the Product to the Supplier or to provide the Supplier with the services required for the Products or any Package Configuration. For clarity, nothing in this Section 13.4 shall prevent the Purchaser from terminating this Agreement for material breach of this Agreement by the Supplier in accordance with Section 13.2.

13.5 Consequences of Termination. If:

13.5.1 it is agreed by the Parties that a Third Party supplier shall be appointed by the Purchaser to manufacture the Product in accordance with Section 12.3.2(b);

13.5.2 it is agreed by the Parties that the Purchaser shall take over the management of the supply of the Product in accordance with Section 12.3.2(c); or

13.5.3 the Purchaser terminates this Supply Agreement pursuant to Section 13.2 in the case of the Supplier's breach of this Supply Agreement or pursuant to Section 13.3 in the case of the Supplier's financial difficulties

subject to the reimbursement of the Supplier's reasonable costs and expenses (except in the event of termination by the Purchaser pursuant to Section 13.2, in which case no reimbursement of the Supplier's reasonable costs and expenses shall occur), the Supplier shall provide such assistance as the Purchaser may reasonably request to the Purchaser and, if relevant, the Third Party supplier, to ensure the orderly transfer of the manufacture of the Product to the Purchaser or the Third Party supplier. The Supplier shall continue to supply the Product under the then current terms and conditions of this Agreement for as long as is necessary to enable the transfer of the manufacture of the Product to the Purchaser or the Third Party supplier provided that such period shall be for no longer than six (6) months from the date of termination. If requested by the Purchaser the Supplier shall transfer to the Purchaser or the Third Party supplier all Technology necessary or useful to give the Purchaser or the Third Party supplier the capability of manufacturing the Product. The Supplier shall communicate such Technology to Purchaser promptly, effectively and economically, so that Purchaser or the Third Party supplier can undertake the manufacture of the Product and continue the sale of the Product without interruption. Except in the event of termination by the Purchaser pursuant to Section 13.2 in which case no such reimbursement shall occur, the Purchaser undertakes to reimburse the Supplier for its reasonable costs of providing such assistance and to pay to the Supplier an amount for all inventory of raw materials and work in progress of Products and part completed Products purchased or produced in accordance with this Agreement. The Supplier shall not be required to transfer to the Purchaser or any Third Party supplier any Equipment owned by the Supplier or any of its Subcontractors which is used in connection with the manufacture of the Product unless such transfer is expressly agreed by the Parties on terms acceptable to the Parties. For the sake of clarity, following termination of this Supply Agreement as set out in Sections 13.5.1, 13.5.2 or 13.5.3, no provision of this Supply Agreement shall restrict the Purchaser from

acquiring Equipment from any Third Parties or any Sub-Contractor. Subject to reimbursement by the Purchaser of the Supplier's reasonable costs and expenses (except in the event of termination by the Purchaser pursuant to Section 13.2 in which case no such reimbursement shall occur), the Supplier will provide reasonable assistance and information to the Purchaser as reasonably required by the Purchaser to enable the Purchaser to acquire the Equipment from Third Parties. The Supplier undertakes to waive any exclusivity provisions in the agreements between its Subcontractors and the Supplier as necessary to enable the Purchaser to acquire the Equipment.

13.6 No Waiver. The failure by a Party to exercise its rights to terminate this Supply Agreement pursuant to this Section 13 in the event of any occurrence giving rise thereto shall not constitute a waiver of such rights in the event of any subsequent occurrence.

13.7 Survival Clauses. Termination of this Supply Agreement shall not release either Party from its obligations accrued prior to the effective date of termination nor deprive either Party from any rights that this Agreement provides shall survive termination. The provisions of Sections 5.2, 7.2, 8, 10, 11, 13.5, 25 and 30 shall remain in full force and effect and shall survive the termination of this Supply Agreement to the extent necessary to effect the express purposes of such paragraphs and Sections.

14. PUBLICITY

14.1 To the extent possible taking into account the respective obligations of the Parties regarding compliance with the requirements of the Securities and Exchange Commission:

14.1.1 the Parties shall coordinate the preparation and issuance of any public announcement of this Supply Agreement;

14.1.2 any such announcement shall comply with relevant Securities and Exchange Commission requirements and shall take into account any reasonable concerns raised by either Party; and

14.1.3 the wording of such announcement shall be agreed upon by the Parties before release provided that receipt of the consent in writing of the person identified in Section 8.4.2 shall constitute the requisite agreement required pursuant to this Section 14.1.3.

15. NOTICES

All notices required under this Supply Agreement shall be in writing and shall be deemed to be properly given if sent by air courier to the Party to be notified at the address set forth on page 1 of this Supply Agreement, or at such other latest address as either Party may designate in writing to the other Party; provided that:

(a) a copy of each notice to be sent to the Supplier shall also be sent by the same means to The Chief Operating Officer at Juniper Pharma Services, 8 Orchard

Place, Nottingham Business Park, Nottingham, NG8 6PX, United Kingdom; and

(b) a copy of each notice sent to Purchaser shall also be sent by the same means to Legal Department, Ares Trading S.A., Zone Industrielle de l'Ouriettaz, 1170 Aubonne, Switzerland.

The date of service of any notice so sent by air courier shall be the date of receipt.

16. **OWNERSHIP CHANGE: ASSIGNMENT; SUCCESSORS.**

16.1 Binding on Successors. This Supply Agreement shall be binding on and inure to the benefit of the successors and assigns of each of the Parties, including any Affiliate, subsidiary, division or any entity controlled by either Party.

16.2 Assignment by Purchaser. Except as provided in this Supply Agreement, the Purchaser may not sublicense or assign this Agreement, in whole or in part, without the consent in writing of the Supplier, and any purported assignment without such consent (which may be withheld without reason) shall be void; provided, that the Purchaser may upon notice to the Supplier assign all or any portion of this Supply Agreement (a) to any of its Affiliates, but may not then sell such Affiliate without the Supplier's prior written consent unless this Supply Agreement is first assigned back from such Affiliate to the Purchaser and/or (b) in connection with the sale or transfer (by merger or otherwise) of all or substantially all of the business and/or assets of the Purchaser to which the subject matter of this Supply Agreement or the Existing License and Supply Agreement pertains, provided that the acquirer of the business confirms to the Supplier in writing its agreement to be bound by all of the terms and conditions of this Supply Agreement or the Existing License and Supply Agreement.

16.3 Assignment by Supplier. With effect from the Agreement Date, except as provided in this Supply Agreement, the Supplier may not assign its rights under this Supply Agreement or the Existing License and Supply Agreement, in whole or in part, without the consent in writing of the Purchaser; and any purported assignment without such consent (which may not be unreasonably withheld) shall be void; provided, that the Supplier may upon notice to the Purchaser assign all or any portion of this Supply Agreement or the Existing License and Supply Agreement (a) to any of its Affiliates, but may not then sell such Affiliate without the Purchaser's prior written consent unless this Supply Agreement is first assigned back from such Affiliate to the Supplier and/or (b) if such assignment occurs in connection with the sale or transfer (by merger or otherwise) of all or substantially all of the business and/or assets of the Supplier to which the subject matter of this Supply Agreement or the Existing License and Supply Agreement pertains, provided that the acquirer of the business confirms to the Purchaser in writing its agreement to be bound by all of the terms and conditions of this Supply Agreement or the Existing License and Supply Agreement.

17. ANTI-BRIBERY

17.1 The parties agree:

17.1.1 to comply with all Applicable Laws, statutes and regulations relating to anti-bribery and anti-corruption including but not limited to the U.S. Foreign Corrupt Practices Act, US government health care compliance (HCC) policies, regulations and laws, US Export Administration Act of 1979 (50 App. U.S.C. §2401 et. seq.) and the UK Bribery Act, as amended, and the regulations promulgated thereunder and any applicable similar laws and regulations in any other country) (collectively, the "**Relevant Laws**");

17.1.2 to have and maintain in place throughout the term of this Agreement their own policies and procedures to ensure compliance with the Relevant Laws and will appropriately enforce those policies and procedures; and

17.1.3 that no employee, contractor, supplier, agent, broker, or entity will offer or pay anything of value to a public or private official intending to influence or induce an official act or decision or to obtain an improper advantage.

17.2 A material breach of this Section 17 shall be deemed a material breach of this Supply Agreement. In the event of a material breach of this Section 17, the Party not in breach shall have the right to terminate this Supply Agreement, without any liability to the Party in breach, with immediate effect.

17.3 This Supply Agreement is made subject to any restrictions concerning the export of products or technical information from the United Kingdom or other countries which may be imposed upon or related to the Purchaser or the Supplier from time to time. Each Party agrees that it shall not export, directly or indirectly, any technical information acquired from the other Party under this Supply Agreement or any products using such technical information to a location or in a manner that at the time of export requires an export licence or other governmental approval, without first obtaining the written consent to do so from the appropriate agency or other governmental entity.

18. EFFECT OF HEADINGS

The headings for the sections and paragraphs of this Supply Agreement are to facilitate reference only, do not form a part of this Supply Agreement, and shall not in any way affect the interpretation hereof.

19. NO WAIVER

No delay or omission or failure to exercise any right or remedy provided for herein shall be deemed to be a waiver thereof or acquiescence in the event giving rise to such right or remedy.

20. FURTHER ASSURANCES

Supplier and Purchaser each agree to produce or execute such other documents or agreements as may be necessary or desirable for the execution and implementation of this Supply Agreement and the consummation of the transactions contemplated hereby.

21. SCHEDULES

The terms and provisions of the Schedules attached to this Supply Agreement are hereby incorporated herein as if fully set forth herein.

22. BANKRUPTCY

All Trademark, Patent and Technology rights and licenses granted to the Product under or pursuant to this Agreement by the Supplier to the Purchaser are, and shall otherwise be deemed to be, for purposes of Section 365(n) of the United States Bankruptcy Code, as amended from time to time (the "**Bankruptcy Code**"), licenses of rights to "intellectual property" as defined under Section 101 (35A) of the Bankruptcy Code, and any comparable law in the Territory. The Parties hereto agree that so long as the Purchaser, as a licensee of such rights under this Agreement, makes all payments to the Supplier required under this Agreement. The Purchaser shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The Parties further agree that, in the event that any proceeding shall be instituted by or against the Supplier seeking to adjudicate it as bankrupt or insolvent, or seeking liquidation, winding up, reorganization, arrangement, adjustment , protection, relief or composition of it or its debts under any law relating to bankruptcy, insolvency or reorganization or relief of debtors, or seeking an entry of an order for relief or the appointment of a receiver, trustee or other similar official for it or any substantial part of its property or it shall take an action to authorize any of the foregoing actions, the Purchaser, as a licensee of such rights under this Agreement, shall retain and may fully exercise all of its rights and elections under the Bankruptcy Code. The Parties further agree that, in the event of the commencement of a bankruptcy proceeding by or against the Supplier under the Bankruptcy Code, the Purchaser shall be entitled to a complete duplicate of (or complete access to, as appropriate) any such intellectual property and all embodiment of such intellectual property, and the same, if not already in its possession, shall be promptly delivered to the Purchaser (i) upon any such commencement of a bankruptcy proceeding upon written request therefor by the Purchaser, unless the Supplier elects to continue to perform all of its obligations under this Agreement, or (ii) if not delivered under (i) above, upon the rejection of this Agreement by or on behalf of Supplier, upon written request therefor by the Purchaser. In addition, the Parties agree that in such event the intellectual property delivered to the Purchaser shall include all Technology owned by the Supplier necessary or useful to give the Purchaser the capability of manufacturing the Product and such Technology shall be delivered to the Purchaser in such a way as to communicate it to the Purchaser promptly, effectively and economically.

23. FORCE MAJEURE

23.1 Force Majeure. No failure or omission by a party hereto in the performance of any obligation of this Supply Agreement shall be deemed a breach of this Agreement nor shall it create any liability if the same shall arise from any cause or causes beyond the control of the Party, including, but not limited to, the following, which, for the purposes of this Supply Agreement, shall be regarded as beyond the control of the party in question: acts of God, acts or omissions of any government, any rules, regulations, or orders issued by any governmental authority or any officer, department, agency, or instrumentality thereof, fire, storm, flood, earthquake, accident, war, rebellion, insurrection, riot, invasion, strikes, lockouts; provided however, that the Party so affected shall promptly advise the other Party of the existence of such causes of nonperformance, shall use its commercially reasonable efforts to avoid or remove such causes of nonperformance and shall continue performance hereunder with the utmost dispatch whenever such causes are removed.

23.2 Termination for Force Majeure. If the circumstances of force majeure as outlined in Section 23.1 prevails for a continuous period in excess of twelve (12) months either Party may, without prejudice to any other rights or remedies which may be available to it under this Supply Agreement, terminate this Supply Agreement with immediate effect by giving written notice of termination to the other Party.

24. ENTIRE AGREEMENT AND SEVERABILITY

24.1 Prior to the Effective Date the Existing License and Supply Agreement will apply to the supply of Products by the Supplier to the Purchaser. With effect from the Effective Date, this Supply Agreement will supersede all prior agreements (including the Existing License and Supply Agreement), whether written or oral, with respect to the subject matter of this Agreement except for the Shipping Agreement and the Technical Quality Agreement.

24.2 Each Party confirms that it is not relying on any representations, warranties or covenants of the other Party except as specifically set out in this Supply Agreement.

24.3 All Schedules referred to in this Supply Agreement are intended to be and are hereby specifically incorporated into and made a part of this Supply Agreement. In the event of any inconsistency between any such Schedules or Exhibits and this Agreement, the terms of this Supply Agreement shall govern.

24.4 If any provision of this Supply Agreement is held to be invalid, illegal or unenforceable, in any respect, then, to the fullest extent permitted by Applicable Law and if the rights or obligations of any Party will not be materially and adversely affected: (i) such provision will be given no effect by the Parties and shall not form part of this Supply Agreement, (ii) all other provisions of this Supply Agreement shall remain in full force and effect, and (iii) the Parties shall use their commercially reasonable efforts to negotiate a provision in replacement of the provision held invalid, illegal or unenforceable that is consistent with Applicable Law and achieves, as nearly as possible, the original intention of the Parties.

24.5 To the fullest extent permitted by Applicable Law, the Parties waive any provision of law that would render any provision in this Supply Agreement invalid, illegal or unenforceable in any respect.

25. ENGLISH LANGUAGE

25.1 This Supply Agreement is written and executed in the English language. Any translation into any other language shall not be an official version of this Supply Agreement and in the event of any conflict in interpretation between the English version and such translation, the English version shall prevail.

26. NO BENEFIT TO THIRD PARTIES

26.1 The provisions of this Supply Agreement are for the sole benefit of the Parties and their successors and permitted assigns, and they shall not be construed as conferring any rights in any other persons except as otherwise expressly provided in Section 10. Except as expressly provided in Section 10 no person who is not a party to this Supply Agreement (including any employee, officer, agent, representative or subcontractor of either Party) shall have the right to enforce any term of this Supply Agreement which expressly or by implication confers a benefit on that person without the express prior agreement in writing of the Parties, which agreement must refer to this Section 26.

27. EXPENSES

Except as otherwise expressly provided in this Supply Agreement, each Party shall pay the fees and expenses of its respective lawyers and other experts and all other expenses and costs incurred by such Party incidental to the negotiation, preparation, execution and delivery of this Supply Agreement.

28. COUNTERPARTS

This Supply Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which taken together shall be deemed to constitute one and the same instrument. An executed signature page of this Supply Agreement delivered by facsimile transmission by electronic mail in "portable document format" (.pdf) form, or by any other electronic means intended to preserve the original graphic and pictorial appearance of a document shall be as effective as an original executed signature page.

29. PERFORMANCE BY AFFILIATES

The Parties agree that certain of their rights and obligations under this Supply Agreement may be carried out by one or more of their Affiliates; provided, however, that each Party shall remain responsible for the acts and omission of its Affiliates. The Parties further understand and agree that no such Affiliate is a Party to this Supply Agreement, and, except as contemplated by this Supply Agreement, is not the agent of such Party for purposes hereof, is not authorized to bind such Party and cannot enter into amendments to this Supply Agreement, which can only be made by agreement in writing by the duly appointed representatives of both of the Parties.

30. **CHOICE OF LAW AND JURISDICTION**

This Supply Agreement and performance hereof shall be construed and governed by the laws of the England and Wales. Any dispute, controversy, claim or difference arising between the parties out of, relating to, or in connection with this Supply Agreement shall be submitted to the jurisdiction of the courts of England.

IN WITNESS WHEREOF, the Parties have set their hands as of the day and year first above written,

Columbia Laboratories (Bermuda) Ltd.

By: /s/ Alicia Secor
(Title) CEO

Ares Trading S.A.

By: /s/ Luigia Bocola
(Title) Authorized Representative

By: /s/ Prisca Von Ballmoos
(Title) Authorized Representative

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 24B-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SCHEDULE 1

CRINONE TRADEMARKS

Country	Serial Number	Filing. Date	Status
Antigua	3739	07/15/94	Reg. No. 3739 Reg. Date. 07/15/94
Argentina	2.507.805	04/16/04	Reg. No. 1,535,140 Reg. Date: 08/31/94
Aruba	96070622	06/03/94	Reg. No. 16860 Reg. Date: 07/06/94
Australia	622,906	02/17/94	Reg. No. A622,906 Reg. Date: 10/05/95
Austria	AM 706/94	02/16/94	Reg. No. 152,207 Reg. Date: 04/20/94
Bahamas	16,603	07/18/94	Reg. No. 16,603 Reg. Date: 07/15/94
Barbados	81/11219	09/01/94	Reg. No. 81/11219 Reg. Date 12/29/00
Bermuda	99127654	12/02/94	Reg. No. 26575 Reg. Date: 12/02/94
Bolivia	97003902	09/16/97	Reg. No. 72444 Reg. Date: 04/08/99
Brazil	817,711,643	03/01/94	Reg. No. 817711643 Reg. Date: 09/17/96
Bulgaria	36027	09/09/96	Reg. No. 30906 Reg. Date: 06/19/97
Canada	748,373	03/01/94	Reg. No. TMA 519903 Reg. Date: 11/25/99
Chile	266,724	02/18/94	Reg. No. 435,742 Reg. Date: 01/02/95
China	960100880	09/04/96	Reg. No. 1118238 Reg. Date: 10/14/97
China (Chinese Characters)	2001016425	02/06/01	Reg. No. 1732465 Reg. Dt. 03/20/12
Columbia	94009937	03/11/94	Reg. No. 163,531 Reg. Date: 06/30/94
Costa Rica	4,426/403	03/17/94	Reg. No. 89,706 Reg. Date: 01/03/95
Czech Republic	114777	09/13/96	Reg. No. 208 376 Reg. Date: 03/25/98
Denmark	01294/1994	02/16/94	Reg. No. 3,349/1994 Reg. Date: 05/20/94
Dominica	Not available	01/11/95	Reg. No. 2/95 Reg. Date: 10/26/95
Dominican Republic	Not available	Not available	Reg. No. 74,643 Reg. Date: 10/15/94
Ecuador	45,168	02/17/94	Reg. No. 2513-95 Reg. Date: 07/14/95
El Salvador	E-4343 /96	09/27/96	Reg. No. 14 book 65 Reg. Date : 12/09/97

Country	Serial Number	Filing Date	Status
Finland	868/94	02/17/94	Reg. No. 135,416 Reg. Date: 12/05/94
France	94/507,153	02/18/94	Reg. No. 94/507,153 Reg. Date: 02/18/94
Gaza	2649	02/21/95	Reg. No. 2649 Reg. Date: 11/10/95
Germany	C 46 417/5 SWz	02/15/94	Reg. No. 2105212 Reg. Date: 11/19/98
Greece	118.091	03/04/94	Reg. No. 118091 Reg. Date: 09/17/96
Grenada	Not available	Not available	Reg. No. 17 of 1995 Reg. Date: 03/07/95
Guatemala	5530/94	08/18/94	Reg. No. 79985/314/171 Reg. Date: 08/05/96
Honduras	3,319/94	04/29/94	Reg. No. 3,319/94 Reg. Date: 12/11/95
Hong Kong	94/01,823	02/18/94	Reg. No. 6779/1995 Reg. Date: 08/10/95
Hungary	M9602956	09/09/96	Reg. No. 149,548 Reg. Date: 03/12/98
Iceland	986/1996	08/16/96	Reg. No. 1305/1998 Reg. Date: 12/02/98
India	686888	11/15/95	Reg. No. 686888 Reg. Date: 11/15/95
Indonesia	Not available	02/25/94	Reg. No. 334.556 Reg. Date: 02/25/94
Ireland	94/1,054	02/21/94	Reg. No. 161 455 Reg. Date: 11/16/95
Israel	91,275	02/16/94	Reg. No. 91,275 Reg. Date: 03/11/95
Italy	MI 94C-001,468	02/18/94	Reg. No. 693083 Reg. Date: 11/26/96
Jamaica	5/6002	07/22/94	Reg. No. 27,566 Reg. Date: 07/22/94
Japan	16,695/94	02/17/94	Reg. No. 4.007.106 Reg. Date: 06/06/97[1]
Japan	22800AMX00421000[2]	09/04/16[3]	-
Korea	04-6072	02/17/94	Reg. No. 327,934 Reg. Date: 11/28/95
Malaysia	94/01,482	02/28/94	Reg. No. 04/101,482 Reg. Date: 01/06/96
Mexico	194.789	03/28/94	Reg. No. 461,390 Reg. Date: 05/23/94

[1] Registered in the name of Ishihara Sangyo Kaisha, Ltd pursuant to license agreement.
[2] Approval Number
[3] Approval Date

Country	Serial Number	Filing. Date	Status
New Zealand	235,877	04/12/94	Reg. No. 235877 Reg. Date: 04/12/94
Nicaragua	94-00692	03/15/94	Reg. No. 27140 Reg. Date: 11/08/94
Norway	94.1168	02/24/94	Reg. No. 167,793 Reg. Date: 05/04/95
Pakistan	133195	01/17/96	Reg. No. 133195 Reg. Date: 12/04/95
Panama	75,910	06/09/95	Reg. No. 075910 Reg. Date: 03/09/98
Peru	237,422	02/25/94	Reg. No. 7560 Reg. Date: 05/24/94
Philippines	93,975	07/01/94	Reg. No. 4-1994-95645 Reg. Date: 04/12/00
Poland	Z-164,217	09/16/96	Reg. No. 112438 Reg. Date: 01/24/00
Portugal	298,172	02/17/94	Reg. No. 298,177 Reg. Date: 05/18/95
Romania	40973	09/19/96	Reg. No. 30355 Reg. Date: 09/19/96
St. Kitts & Nevis	4201	07/12/94	Reg. No. 4201 Reg. Date: 07/12/94
St. Lucia	Not available	11/09/94	Reg. No. 251 of 1994 Reg. Date: 02/21/95
St. Vincent	Not available	Not available	Reg. No. 5 of 1995 Reg. Date: 01/18/95
Saudi Arabia	26,156	02/26/94	Reg. No. 342/76 Reg. Date: 02/26/94
Singapore	1,504/94	02/22/94	Reg. No. 1504/94 Reg. Date: 02/22/94
Slovak Republic	2443-96	09/17/96	Reg. No. 186997 Reg. Date: 09/20/99
South Africa	941,526	02/15/94	Reg. No. 94/1526 Reg. Date: 05/08/96
South Korea	94-6072	02/17/94	Reg. No. 327,934 Reg. Date: 11/28/95
Spain	2466756	04/02/02	Reg. No. 24667565 Reg. Date: 02/05/03
Sweden	C-94-01662	02/15/94	Reg. No. 263,029 Reg. Date: 12/23/94
Switzerland	1078/1994.0	02/17/94	Reg. No. 420,589 Reg. Date: 02/17/94
Taiwan	(83)8061	02/24/94	Reg. No. 665,209 Reg. Date: 02/24/94
Taiwan (Characters)	(89)069768	12/02/00	Reg. No. 975334 Reg. Date: 12/16/0 I
Thailand	261,887	03/15/94	Reg. No. 28243 Reg. Date : 04/24/95
Trinidad	22,865	07/08/94	Reg. No. 22866 Reg. Date : 07/05/95

SCHEDULE 2

PURCHASE PRICE

The Purchase Price for the Products set out below shall apply with effect from the Effective Date. The Purchase Price prior to the Effective Date shall be determined in accordance with the Existing License and Supply Agreement.

	PURCHASE PRICE PER PRODUCT UNIT by PACKAGE CONFIGURATION				
Total Annual Volume of Product Units supplied in any Calendar Year	**15 PRODUCT UNIT PACKS**	**6 PRODUCT UNIT PACKS**	**LATAM Bulk PRODUCT**	**Japan 7 PRODUCT UNIT PACKS**	**Canada 18 PRODUCT UNIT PACKS**
Less than [***] Product Units	USD [***]	USD [***]	USD [***]	USD [***]	USD [***]
Between [***] and [***] Product Units	USD [***]	USD [***]	USD [***]	USD [***]	USD [***]
More than [***] Product Units but less than [***] Product Units	USD [***]	USD [***]	USD [***]	USD [***]	USD [***]

The calculation of the price in accordance with the above table shall be as follows:

(a) As volumes exceed a particular volume tier, the lower price applicable in respect of the higher volumes of Product Units will only apply to the volumes of Product Units sold which are covered by the next volume tier. The Product Units in the lower volume tier shall continue to be charged at the higher rate applicable to the lower volume tier.

(b) As an example, if in a Calendar Year the total number of 15 Product Units Packs sold is [***], the price payable would be as follows:

[***] Product Units x USD [***]= USD [***]

[***] Product Units x USD [***]= USD [***]

[***] Product Units x USD [***]= USD [***]

Total Payment for the supply of [***]15 Product Units Packs in any one Calendar Year = USD [***]

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 24B-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SCHEDULE 3

LONG RANGE FORECAST

YEAR	**2018**	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
Forecasted Product Unit Volumes	[***]	[***]	[***]	[***]	[***]	[***]	[***]
Guaranteed Product Unit Volumes				[***]	[***]	[***]	[***]

*To be capped at [***]

CERTAIN CONFIDENTIAL PORTIONS OF THIS EXHIBIT WERE OMITTED AND REPLACED WITH "[***]". A COMPLETE VERSION OF THIS EXHIBIT HAS BEEN FILED SEPARATELY WITH THE SECRETARY OF THE SECURITIES AND EXCHANGE COMMISSION PURSUANT TO AN APPLICATION REQUESTING CONFIDENTIAL TREATMENT PURSUANT TO RULE 24B-2 PROMULGATED UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED.

SCHEDULE 4

KEY PERFORMANCE INDICATORS

EXAMPLE FORM ONLY

These KPIs are provided by way of example only and will not be used to evaluate the performance of the Supplier under this Supply Agreement. The actual KPIs will be agreed by the Parties in accordance with Section 2.10.

KPIs for CMO: JUNIPER	Mandatory/Critical KPI MB	Merck Default KPI for CMOs	KPI Color Code "Green"	KPI Color Code "Yellow"	KPI Color Code "Red"	Critical KPI	Major KPI	Minor KPI
Default - Accident	☐	☑	<2,4	2,4-4	>4		x	
Default - Batch Right First Time	☐	☑	>95%	85-95%	<85%			x
Default - CAPA RFT Index	☐	☑	>90%	80-90%	<80%			x
Default - CMO OTIF	☑	☑	>95%	85-95%	<85%	x		
Default - CMO Yearly Evaluation	☐	☑	>90%	70-90%	<70%			x
Default - Complaint Closure	☐	☑	>90%	80-90%	<80%		x	
Default - Complaints Index	☐	☑	<3	3-5	>5		x	
Default - Continuous Improvement	☐	☑	1	>0 - <1	0			x
Default - Customer Complaints Index	☐	☑	<0,5	0,5-2	>2			x
Default - Deviation Closure	☐	☑	>90%	80-90%	<80%		x	
Default - Euro Spend	☐	☑	1	>0 - <1	0			x
Default - Flexibility	☐	☑	>95%	80-95%	<80%		x	
Default - Overall Yield (%) - BULK	☐	☑	>96%	94-96%	<94%			x
Default - Overall Yield (%) - PACKAGING	☐	☑	>99%	97-99%	<97%			x
Default - Procurement Yearly Evaluation	☐	☑	>4	3-4	<3			x
Default - Product Availability	☐	☑	>99%	98-99%	<98%		x	
Default - Purchase Order Changes	☐	☑	<10	10-30	>30			x
Default - QA17-Batch Rejection rate	☑	☑	<0,01	2-0,01	>2	x		
Default - QA17-CMO CAPA (associated to Merck products) closure on time	☑	☑	>90%	80-90%	<80%	x		
Default - QA17-Deviation investigation closure at CMO (30 days)	☑	☑	>90%	80-90%	<80%	x		
Default - QA17-Market Complaint investigation closure (20 days)	☑	☑	>90%	80-90%	<80%	x		
Default - QA17-Merck Audit CAPA Closure on time	☑	☑	>90%	80-90%	<80%	x		
Default - QA17-Right First Time batch disposition	☑	☑	>95%	85-95%	<85%	x		
Default - TOTAL OTIF	☑	☑	>93%	83-93%	<83%	x		
Default - Urgent Deliveries	☐	☑	<10	10-30	>30		x	

Exhibit 31.1

Certification Pursuant to Rule 13a-14(a)/15d-14(a)
of the Securities Exchange Act of 1934

I, Alicia Secor, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Juniper 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 necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in 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 under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is 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 designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the 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 conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report 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 registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially 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 financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Alicia Secor
Alicia Secor
President and Chief Executive Officer
(Principal Executive Officer)
DATE: May 10, 2018

Exhibit 31.2

Certification Pursuant to Rule 13a-14(a)/15d-14(a)
of the Securities Exchange Act of 1934

I, Jeffrey E. Young, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Juniper 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 necessary to make the statements made, in light of the circumstances under which such statements were made, not 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 material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in 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 under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is 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 designed under our supervision to provide reasonable assurance regarding the reliability of financial reporting and the 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 conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report 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 registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially 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 financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Jeffrey E. Young
Jeffrey E. Young
Senior Vice President, Finance, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
DATE: May 10, 2018

Exhibit 32.1

Certification Pursuant to
18 U.S.C. Section 1350
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Juniper Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Alicia Secor, President and Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Alicia Secor
Alicia Secor
President and Chief Executive Officer
(Principal Executive Officer)
Date: May 10, 2018

Exhibit 32.2

Certification Pursuant to
18 U.S.C. Section 1350
as Adopted Pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002

In connection with the Quarterly Report of Juniper Pharmaceuticals, Inc. (the "Company") on Form 10-Q for the period ended March 31, 2018 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Jeffrey E. Young, Senior Vice President, Finance, Chief Financial Officer and Treasurer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) The information contained in the Report fairly presents, in all material respects, the financial condition and result of operations of the Company.

/s/ Jeffrey E. Young
Jeffrey E. Young
Senior Vice President, Finance, Chief Financial Officer and Treasurer
(Principal Financial and Accounting Officer)
DATE: May 10, 2018