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

# FORM 8-K

**CURRENT REPORT**
**Pursuant to Section 13 or 15(d)**
**of The Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 2, 2017**

# JUNIPER PHARMACEUTICALS, INC.

**(Exact name of registrant as specified in its charter)**

| **Delaware** | **001-10352** | **59-2758596** |
|---|---|---|
| **(State or other jurisdiction of incorporation)** | **(Commission File Number)** | **(I.R.S. Employer Identification No.)** |

**33 Arch Street**
**Suite 3110**
**Boston, Massachusetts** **02110**
**(Address of principal executive offices)** **(Zip Code)**

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

Emerging Growth 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. ☐

**Item 2.02. Results of Operation and Financial Condition**

On November 2, 2017, Juniper Pharmaceuticals, Inc. (the "Company"), issued a press release announcing the financial results for the three-month period ended September 30, 2017, entitled "Juniper Pharmaceuticals Reports Third Quarter 2017 Financial and Operating Results" (the "Press Release"). A copy of the Press Release is furnished as Exhibit 99.1 hereto.

Also on November 2, 2017, following the issuance of the press release referred to above, the Company conducted a conference call to discuss the reported operating and financial results. A copy of the script of the conference call is furnished herewith as Exhibit 99.2.

The information contained in this Item 2.02 of the Current Report on Form 8-K and Exhibits 99.1 and 99.2, shall not be deemed filed for the purposes of Section 18 of the United State Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of Section 18. Furthermore, such information shall not be deemed incorporated by reference into any registration statement or any other filing under the United States Securities Act of 1933, as amended, except as shall be expressly set forth by specific references in such filings.

**Item 9.01. Financial Statements and Exhibits**

(d) Exhibits

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release dated November 2, 2017, entitled "Juniper Pharmaceuticals Reports Third Quarter 2017 Financial and Operating Results", furnished herewith. |
| 99.2 | Script of the Juniper Pharmaceuticals Q3 2017 Financial Results Call. |

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 hereunto duly authorized.

**JUNIPER PHARMACEUTICALS, INC.**

By: /s/ Jeffrey E. Young
Name: Jeffrey E. Young
Title: Senior Vice President, Finance, Chief Financial Officer and Treasurer

Date: November 7, 2017

**EXHIBIT INDEX**

| Exhibit No. | Description |
|---|---|
| 99.1 | Press Release dated November 2, 2017, entitled “Juniper Pharmaceuticals Reports Third Quarter 2017 Financial and Operating Results”, furnished herewith. |
| 99.2 | Script of the Juniper Pharmaceuticals Q3 2017 Financial Results Call. |

Exhibit 99.1

# Juniper Pharmaceuticals Reports Third Quarter 2017 Financial and Operating Results

## CRINONE® Revenues Increased 19% and Juniper Pharma Services Revenues Increased 38% Year-over-Year

## Implemented Strategic Reprioritization

BOSTON, November 2, 2017 — Juniper Pharmaceuticals (Nasdaq:JNP), a diversified healthcare company focused on women's health, today announced financial results for the three-month period ended September 30, 2017. Cash and cash equivalents were $22.1 million at September 30, 2017, an increase of 3% from June 30, 2017.

"During the third quarter, we delivered robust revenue growth for our core businesses, CRINONE® and Juniper Pharma Services (JPS), which resulted in positive cash flow for the quarter. Our third quarter G&A expense has decreased to align closer to 2016 expenses," said Alicia Secor, Chief Executive Officer. "The strength in our core businesses provide a solid financial foundation and represents a key near-term growth driver for Juniper. We will continue to focus our resources in 2018 to maintain this momentum and drive further growth in these businesses."

**Corporate Update**

- Juniper Pharma Services achieved record revenues this quarter, reflecting the continued expansion of customers and service offerings.
- Active discussions with partner Merck KGaA to extend the CRINONE® Progesterone Gel agreement are progressing, and the expansion of this relationship remains a strategic priority for the Company.
- IND-enabling preclinical studies were initiated this quarter, and results from these studies for Juniper's IVR formulations, JNP-0101, JNP-0201 and JNP-0301, remain on track for topline preclinical data by the end of 2017. At the completion of the *in vivo* preclinical studies, the Company may decide to further develop JNP-0201, a combination of Estradiol plus natural progesterone IVR, for hormone replacement therapy (HRT) to address symptoms of menopause.

- Partnering opportunities will be explored for JNP-0101, the oxybutynin IVR for the treatment of overactive bladder (OAB), and JNP-0301, a natural progesterone IVR for the prevention of pre-term birth (PTB) in women with a short cervical length at mid-pregnancy.
- Jennifer Good was appointed to the Juniper Board of Directors, and will serve as a member of both the Audit and Compensation Committees. Ms. Good brings to the board proven executive operational experience and financial leadership.

**Third Quarter Financial Results**

"We continued to see strong year-over-year growth in our core business during the third quarter of 2017," said Jeff Young, Chief Financial Officer at Juniper. "CRINONE® product revenues were up 19%, and revenues from Juniper Pharma Services grew 38%, compared to the third quarter of 2016."

Third quarter total revenues increased 12% to $13.0 million, compared with $11.6 million for the prior year quarter.

Product revenues increased by $1.3 million to $8.4 million, driven by continued in-market growth and new market sales of CRINONE® by Merck KGaA, Darmstadt, Germany.

Service revenues from Juniper Pharma Services were $4.6 million, an increase of $1.3 million, or 38%, versus the third quarter of last year, driven by new and existing customer growth.

Gross profit decreased to $5.3 million as compared to $5.9 million in the quarter ended September 30, 2016. Excluding the impact of royalty revenue from the prior period, the gross profit for the quarter ended September 30, 2016 would have been $4.7 million.

Total operating expenses were $6.8 million in the third quarter of 2017, a $1.1 million increase as compared to the prior year period. This increase was primarily driven by the approximately $0.8 million restructuring charge recorded in September related to the Company's reprioritization efforts.

Juniper's net loss was $1.4 million, or $(0.13) per diluted share, in the third quarter of 2017, compared to a net income of $0.2 million, or $0.2 per diluted share, in the third quarter of 2016.

**Liquidity**
Cash and cash equivalents were $22.1 million as of September 30, 2017, versus $21.5 million at June 30, 2017.

**Conference Call**
As previously announced, Juniper's management team will hold a conference call to discuss financial results for the second quarter ended September 30, 2017, as follows:

| | |
|---|---|
| Date: | November 2, 2017 |
| Time: | 4:30 p.m. ET |
| Dial-in numbers: | Toll free: (866) 374-4635 (U.S.), (855) 669-9657 (Canada),<br>or International: (412) 902-4218 |

Webcast (live and archive): www.juniperpharma.com, under "Investors" or click here.

The teleconference replay will be available approximately one hour after completion through Thursday, November 9, 2017, at (877) 344-7529 (U.S.), (855) 669-9658 (Canada) or (412) 317-0088 (International). The replay access code is 10113476.

The archived webcast will be available for one year via the aforementioned URLs.

**About Juniper Pharmaceuticals**
Juniper Pharmaceuticals, Inc. core businesses include its CRINONE® (progesterone gel) franchise and Juniper Pharma Services, which provides high-end fee-for-service pharmaceutical development and clinical trials manufacturing to clients. The Company is also leveraging its differentiated intravaginal ring technology, which offers the potential to address unmet needs in women's health. Please visit www.juniperpharma.com for more information.

CRINONE® is a registered trademark of Merck KGaA, Darmstadt, Germany, outside the U.S. and of Allergan plc in the U.S.

**Forward Looking Statements**

*This press release contains "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including statements relating to the corporate reprioritization, reduction in force and restructuring charges, the potential cost savings resulting from these changes and the ability to achieve at least a cash flow neutral position in 2018, the timing of an IND for JNP-201, the potential to partner Juniper's other product candidates, the potential to complete a contract extension under Juniper's CRINONE® supply contract with Merck, the ability to continue to grow the JPS business, the strength of Juniper's core business, product candidates and future results. Management believes that these forward-looking statements are reasonable as and when made. However, such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results to differ materially from those projected in the forward-looking statements. These risks and uncertainties include, but are not limited to: risks associated with potential employee retention challenges following our restructuring; risks associated with the drug development process generally, including the outcomes of planned clinical trials and the regulatory review process; the risk that the results of previously conducted studies involving our product candidates will not be repeated or observed in ongoing or future studies or following commercial launch, if such product candidates are approved; risks associated with obtaining, maintaining and protecting intellectual property; risks associated with Juniper Pharmaceuticals' ability to enforce its patents against infringers and defend its patent portfolio against challenges from third parties; the risk of competition from currently approved therapies and from other companies developing products for similar uses; risk associated with Juniper Pharmaceuticals' ability to manage operating expenses and/or obtain additional funding to support its business activities; and risks associated with Juniper Pharmaceuticals' dependence on third parties, particularly with respect to JPS and CRINONE®. For a discussion of certain risks and uncertainties associated with Juniper Pharmaceuticals' forward-looking statements, please review the Company's reports filed with the SEC, including, but not limited to, its Annual Report on Form 10-K for the period ended December 31, 2016 and subsequent filings with the SEC. Readers are cautioned not to place undue reliance on these forward-looking*

*statements, which speak only as of the date on which they are made. These statements are based on management's current expectations and Juniper Pharmaceuticals does not undertake any responsibility to revise or update any forward-looking statements contained herein, except as expressly required by law.*

**Investor Contact:**
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heather@argotpartners.com

*To receive Juniper's press releases, SEC filings or calendar alerts by email click here.*
*Follow us on LinkedIn*

**JUNIPER PHARMACEUTICALS, INC.**
**CONDENSED CONSOLIDATED BALANCE SHEETS**
**(Unaudited)**
***(In thousands)***

| | September 30, 2017 | December 31, 2016 |
|---|---|---|
| **Assets:** | | |
| Cash and cash equivalents | $ 22,106 | $ 20,994 |
| Accounts receivable, net | 6,521 | 6,573 |
| Inventories | 5,897 | 5,621 |
| Prepaid expenses and other current assets | 2,152 | 1,539 |
| Total current assets | 36,676 | 34,727 |
| Property and equipment, net | 15,127 | 13,366 |
| Intangible assets, net | 817 | 969 |
| Goodwill | 9,056 | 8,342 |
| Other assets | 79 | 167 |
| **Total Assets** | $ 61,755 | $ 57,571 |
| | | |
| **Liabilities, contingently redeemable preferred stock, and stockholders' equity:** | | |
| Accounts payable | $ 4,607 | $ 3,893 |
| Accrued expenses and other | 5,739 | 5,271 |
| Deferred revenue | 7,444 | 5,624 |
| Current portion of long-term debt | 535 | 204 |
| Total current liabilities | 18,325 | 14,992 |
| Long-term debt, net of current portion | 3,369 | 2,203 |
| Other noncurrent liabilities | 148 | 56 |
| **Total Liabilities** | 21,842 | 17,251 |
| | | |
| **Commitments and Contingencies** | | |
| Series C preferred stock | — | 550 |
| Total stockholders' equity | 39,913 | 39,770 |
| **Total liabilities, contingently redeemable preferred stock, and stockholders' equity** | $ 61,755 | $ 57,571 |

**JUNIPER PHARMACEUTICALS, INC.**
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**
**(Unaudited)**
***(In thousands, except per share data)***

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2017 | 2016 | 2017 | 2016 |
| **Revenues** | | | | |
| Product revenues | $ 8,389 | $ 7,057 | $ 25,684 | $ 20,716 |
| Service revenues | 4,597 | 3,337 | 12,505 | 9,964 |
| Royalties | — | 1,162 | — | 2,963 |
| **Total net revenues** | 12,986 | 11,556 | 38,189 | 33,643 |
| Cost of product revenues | 5,160 | 3,683 | 14,776 | 11,892 |
| Cost of service revenues | 2,559 | 2,022 | 7,149 | 6,630 |
| **Total cost of revenues** | 7,719 | 5,705 | 21,925 | 18,522 |
| **Gross profit** | 5,267 | 5,851 | 16,264 | 15,121 |
| **Operating expenses** | | | | |
| Sales and marketing | 517 | 259 | 1,306 | 910 |
| Research and development | 2,291 | 2,304 | 5,285 | 8,234 |
| General and administrative | 3,238 | 3,111 | 12,263 | 9,815 |
| Restructuring charge | 756 | — | 756 | — |
| **Total operating expenses** | 6,802 | 5,674 | 19,610 | 18,959 |
| **Loss from operations** | (1,535) | 177 | (3,346) | (3,838) |
| Interest expense, net | (47) | (24) | (105) | (74) |
| Other income, net | 127 | 90 | 179 | 296 |
| **(Loss) income before income taxes** | (1,455) | 243 | (3,272) | (3,616) |
| Income tax (benefit) expense | (45) | (5) | (45) | 47 |
| **Net loss (income)** | $ (1,410) | $ 248 | $ (3,227) | $ (3,663) |
| Diluted net (loss) income per share | $ (0.13) | $ 0.02 | $ (0.26) | $ (0.34) |
| Diluted weighted average shares outstanding | 10,844 | 11,060 | 10,817 | 10,791 |
| Basic net (loss) income per share | $ (0.13) | $ 0.02 | $ (0.26) | $ (0.34) |
| Basic weighted average shares outstanding | 10,844 | 10,799 | 10,817 | 10,791 |

**Exhibit 99.2**

Event ID:
Event Name: JNP—Juniper Pharmaceuticals Q3 2017 Financial Results Call
Event Date: 2017-11-02

Officers and Speakers
Heather Savelle; Argot Partners, LLC; Senior Vice President
Alicia Secor; Juniper Pharmaceuticals, Inc.; President & CEO
Jeff Young; Juniper Pharmaceuticals, Inc.; CFO
Nikin Patel; Juniper Pharmaceuticals, Inc.; COO

Analysts
Michael Higgins, ROTH Capital Partners
Unknown Analyst

Presentation

Operator: Good afternoon, and welcome to the Juniper Pharmaceuticals third quarter 2017 financial results.

(Operator Instructions)

Please note this event is being recorded.

I would now like to turn the conference over to Heather Savelle. Please go ahead.

Heather Savelle: Thank you, Amy, and good afternoon, everyone. Thanks for joining us to discuss Juniper's financial results for the third quarter 2017. With me today are Alicia Secor, Chief Executive Officer; Jeff Young, Chief Financial Officer; and Nikin Patel, Chief Operating Officer.

If you have not already received it, please access the third quarter financial results press release issued earlier this afternoon on our website at ir.juniperpharma.com. A webcast of today's call is also available on the same section of the website.

During the course of this call, management will make projections and other forward-looking remarks regarding future events and Juniper's future performance. These forward-looking statements reflect our perspective on current trends and information and are not based on historical information. Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, including those noted in today's press release and Juniper's Form 10-Q that we filed with the SEC today.

Actual results may differ materially from those projected in the forward-looking statements. Juniper specifically disclaims any intent or obligation to update these forward-looking statements except as required by law.

Information for the replay and the archived webcast of this call can be accessed in today's press release. For the benefit of those who may be listening to the replay or archived webcast, this call was held and recorded on November 2, 2017. Please reference our most recent press releases and SEC filings for any subsequent announcements related to the topics discussed.

I'll now turn the call over to our Chief Executive Officer, Alicia Secor.

Alicia Secor: Thank you, Heather, and good afternoon, everyone.

I am thrilled to report that we delivered a strong performance in the third quarter, marked by revenue growth of 19% for Crinone and 38% for Juniper Pharma Services, or JPS, year over year. Additionally, we ended the quarter cash positive, with just over $22 million in cash and cash equivalents. This quarter we also realized a normalization in G&A expenses, and you'll hear more in detail around that from Jeff in a few minutes.

Consistent with our announcement in September, we've successfully executed a strategic reprioritization intended to provide us with the financial flexibility to focus on our core businesses while we advance our overall corporate strategy. I'll talk in a moment about how this has impacted our intravaginal ring, or IVR platform, and provide an update on the status of these innovative programs.

Importantly, we were able to achieve a cash-flow positive position for this quarter following the strategic changes to our development plans and the associated headcount reduction in our R&D organization, coupled with the strong growth we've maintained across JPS and Crinone. Given the reduced R&D spend and the continued growth in the core businesses, we expect to be cash neutral to cash positive in 2018.

Crinone and Juniper Pharma Services, or JPS, continue to perform very well, with JPS having achieved its third consecutive quarter of continued growth, and we're very pleased to report an increase of 12% in total revenues over the third quarter of last year. Crinone product revenues were up 19% compared to the prior year.

Our partnership with Merck KGaA continues to be strong. We recognize its importance as a contributor to our overall growth, and we remain very committed to extending our long-term relationship as we continue to make good progress. This is just one part of our effort to build shareholder value.

Our efforts to build our world-class contract development and manufacturing organization business have also paid off. We saw continued growth this quarter, with revenues from JPS increasing almost 38% compared to the third quarter of last year. This has been driven by new and existing customer growth, most notably in the U.S. Our team has also been working to expand additional service offerings to customers, and Nikin will share greater detail about that shortly.

I'll turn now to talk about our IVR portfolio. So, as we announced in September, a key element of our reprioritization initiative was to streamline expenses and execute a more focused approach

to our IVR pipeline. As such, we announced that we would expect to prioritize JNP-0201 for hormone replacement therapy, or HRT, as our lead development candidate, and would look to partner our other IVR programs, and these include JNP-0101, an oxybutynin IVR for the treatment of overactive bladder, and JNP-0301, a natural progesterone IVR for the prevention of preterm birth associated with short cervical length.

As planned, and consistent with our guidance, I am pleased to report that we've initiated preclinical sheep studies this quarter. These IND-enabling studies are currently underway. These studies require limited funding to support the potential validation of the platform that will help in our initiative to partner JNP-0101 and JNP-0301 and will inform future development plans for JNP-0201.

So, to remind you, these studies are assessing the in vivo pharmacokinetics and tolerability of our IVRs, testing both actual size and configuration of the rings in animal models or the intended go-to-market formulation. A positive outcome in these studies would eliminate an element of risk and would serve to validate the platform or individual product candidates. We expect to have top-line PK data by the end of the year and look forward to sharing results then.

Through recent initial early-stage discussions with potential partners and following thoughtful evaluation, we believe that there may be external enthusiasm around partnering the entire platform, including JNP-0201. HRT, or hormone replacement therapy, represents a very attractive candidate for future development for a number of reasons.

First, the current FDA guidance clearly defines a clinical and regulatory pathway for development. Second, given the lack of FDA-approved and commercially available combination products for HRT, this remains an unmet medical need.

JNP-0201 has the potential to be a highly differentiated therapy that provides a combination natural hormone IVR for monthly administration. As these conversations evolve and the data become available, we plan to maintain a fiscally disciplined approach to the development of this portfolio.

Finally, as always, we're committed to the prudent use of capital as we advance the business, and the progress we've made this quarter clearly demonstrates that.

With that, let me turn the call over to Jeff for a review of our financial results, and after that Nikin will elaborate on our Crinone and JPS businesses. Following that, we'll hold a Q&A session. Jeff?

Jeff Young: Thank you, Alicia, and good afternoon, everyone. I will now review the Company's third quarter financial results.

Total revenue for the third quarter increased 12%, or approximately $1.4 million, to $13 million, compared with $11.6 million in the third quarter of 2016. Total revenue for the third quarter of 2016 included approximately $1.2 million in U.S. royalties from Allergan. Please let me remind you that we monetized the Allergan royalty last year, which resulted in an $11 million payment

from Allergan in November. Excluding the impact of the Allergan royalties in the third quarter of 2016, revenue from our go-forward core businesses, Crinone and JPS, grew 25%.

Third quarter Crinone revenue increased 19%, or approximately $1.3 million, to $8.4 million in the third quarter of 2017 compared to the same quarter last year. This year-over-year growth largely reflects continued expansion of our existing key markets as well as new markets. We are pleased with this growth, and while we continue to anticipate strong year-over-year growth, we expect to see our Crinone revenue temporarily soften in the fourth quarter, largely due to the timing of shipments. This is a consistent trend we have experienced over the past few years.

Third quarter service revenues increased by 38%, or approximately $1.3 million, to $4.6 million, compared to the third quarter of last year. This increase was largely due to the continued strengthening of our customer base as well as a higher mix of more profitable contracts this past quarter, principally in our U.S. market.

When compared to the second quarter of 2017, our combined Crinone and JPS revenue decreased 7%. This decrease was primarily the result of a 12% reduction in Crinone revenue due to shipments in Q2 of 2017 that were originally anticipated in the third quarter, offset by our continued growth in both volume and mix in our JPS portfolio.

In terms of growth in our core businesses over the course of the entire year, we would note that for 2016 we saw 17% growth in revenue year-over-year for our core businesses, and, as mentioned on several of our prior calls, we continue to expect to see at least similar growth in 2017.

Gross profit for the third quarter of 2017 was $5.3 million, versus $5.9 million in the prior-year quarter. Gross profit as a percentage of total revenue was 41% in the third quarter of 2017, compared to 51% in the same period last year. Excluding the impact of royalty revenue from the prior period, the gross profit for the quarter ended September 30, 2016, would have been $4.7 million, or approximately 45%.

Our gross margin on Crinone was 38% in the third quarter of 2017, a decrease from 48% for the same period last year and 45% from the second quarter of 2017. Our year-over-year deterioration is largely due to higher progesterone material cost and an inventory charge of approximately $280,000 that we recorded during the third quarter. In addition, in the first half of the year we continued to benefit from favorable progesterone supply costs from inventory purchased in 2016.

As discussed on previous calls, we expect our Crinone margin to decline slightly for the full year 2017 due to the impact of the increase in progesterone supply cost. We continue to qualify a secondary source of progesterone in certain markets, and as a result we expect to see margin improvement over the next few years.

JPS margin improved to 44% in the third quarter of 2017 from 39% for the same period last year and was slightly down from our second quarter JPS margin of 47%. The year-over-year improvement is due to mix of services being provided, our customer portfolio, as well as continued improved labor utilization. We should note that we may see a decline in JPS gross

margin in the fourth quarter as a result of our planned annual maintenance shutdown at our Nottingham facility, currently scheduled for December.

Total operating expenses were $6.8 million in the third quarter of 2017, as compared to $5.7 million in the third quarter of 2016 and $6.7 million in the second quarter of this year. In the third quarter we recorded a restructuring charge of approximately $756,000 associated with the strategic reprioritization announced in September.

As discussed, the reprioritization was executed to allow us to focus our resources on our core businesses, Crinone and JPS. As a result, we implemented an 8% reduction in force, primarily in our new product development group, within research and development. We expect to pay $308,000 in cash in the fourth quarter related to the restructuring and approximately $356,000 in 2018 and beyond. We estimate the annual savings in personnel and personnel-related cost will be approximately $1.8 million beginning in 2018.

Third quarter sales and marketing expense increased to $517,000, compared to $259,000 in the third quarter last year and $409,000 in the second quarter of this year. The year-over-year and quarter-over-quarter increase is the result of our continued sales efforts to support the growth within JPS, especially in our U.S. markets.

Research and development expenses were $2.3 million in the third quarter of 2017. Our R&D spend was flat year over year, but increased approximately $641,000 from the second quarter of this year. This increase over the second quarter is primarily the result of work related to and in preparation for our ongoing preclinical animal studies for the IVR program, which we expect to complete at the end of this year.

General and administrative expense was $3.2 million in the third quarter of 2017. This compares to $3.1 million in the third quarter of last year and $4.6 million in the second quarter of this year. The 30% decrease from the second quarter 2017 is the result of costs in the second quarter that did not recur in the third quarter, primarily related to matters associated with the restatement of our financial statements for the years December 31, 2013 through 2015.

Net loss for the third quarter was $1.4 million, which resulted in basic and diluted net loss of $0.13 per share. This compares to net income of $248,000, or basic and diluted net income of $0.02 per share in the third quarter of 2016.

Lastly, as mentioned earlier, we closed the third quarter with $22.1 million in cash and cash equivalents, up 5% from year end and 3% from the second quarter of this year. We continue to remain prudent with our spend while moving forward with our strategy to remain focused on our core businesses, which we believe will create shareholder value.

With that, I will turn the call over to Nikin to discuss Crinone and JPS in greater detail. Nikin?

Nikin Patel: Thank you, Jeff, and good afternoon, everyone. Our Crinone and JPS businesses have continued to grow and remain strong through the third quarter this year. As both Alicia and Jeff mentioned, JPS revenues were up approximately 38% year over year in the third quarter.

This continued growth is due largely to securing new and existing customer contracts, with a particular focus in the U.S., as well as continued strong underlying consulting services.

We continue to look for opportunities to expand our customer offerings, and we're pleased to add new platforms to accelerate drug developments. Working with our partner and an industry consortium we have put in place a GMP-viable platform for the advanced manufacturing of next-generation medicines that are difficult to formulate. In addition, we have strengthened our strategic alliance with a U.K.-based bioanalytical business to bring on additional modeling software to enhance our renowned early-stage development service.

I will remind you that even with the solid growth we've seen through the first nine months of 2017 at JPS, the fourth quarter numbers tend to be softer, with the maintenance and requisite shutdown that is customary for GMP facilities. This planned shutdown will be conducted at the end of the year.

Turning to Crinone, we also manage the supply of Crinone progesterone gel for our longstanding partner Merck KGaA across all ex-U.S. markets. Currently approved for sale in over 90 countries around the world, including all major pharmaceutical markets, Crinone sales continue to grow, with Merck driving growth in existing key markets while entering into new markets with growth potential. Specifically, we've seen a trend of solid growth throughout Asia, and we expect that to continue.

As Alicia mentioned, we are in active discussions with Merck in the hopes of reaching a long-term partnership agreement. The expansion of our relationship with Merck remains a strategic priority. Crinone is a valuable asset to us, and Merck remains an important partner for us. We will continue to take the necessary steps to support the long-term growth potential of this product, and we are assessing the need to potentially increase supply chain capacity in order to meet growing demand in these markets.

We have previously mentioned an interest in expanding our progesterone supply options, and we have initiated a process to add alternative progesterone suppliers. We have received regulatory approval for a change to a new supplier from several European countries to date and remain on track to complete this approval process for all remaining countries over the next two years.

With that, I will turn the call back over to Alicia. Alicia?

Alicia Secor: Thanks, Nikin. Our recent progress, the reprioritization and determination to continue to grow our businesses reflect our commitment to remaining financially strong and fiscally responsible. This approach will allow us to continue to drive solid growth and maximize shareholder value.

As Nikin shared, targeted investments in JPS are providing a foundation to support the growth trajectory we've seen in our services business. We will continue to advance discussions with Merck regarding an extension agreement for Crinone, and we look forward to updating you on our progress in the near term.

Development of our IVR candidates continues on track. We initiated translational preclinical studies this quarter, and we expect results from these studies for all three candidates by year end. These results could serve to validate the platform or individual candidates. And based on inbound interest and feedback from initial meetings we're excited by the possibility of partnering our IVR candidates. We remain enthusiastic about the opportunity that each candidate presents. With these efforts, we will continue to build our business and create value.

So, in summary, this has been a very productive quarter marked by solid performance, and we're well positioned to achieve our objectives for the year. We have remained focused on executing across all areas of the business. We believe we are in a uniquely strong position following this quarter's results, and we greatly appreciate your ongoing support.

So with that, let me turn it back to the operator and open up the call to questions.

Questions & Answers

Operator: (Operator Instructions)

The first question is from Michael Higgins, at ROTH Capital Partners.

Michael Higgins: Thank you, operator. Hi, guys. Congrats on a nice quarter. How are you?

Alicia Secor: Good. Thank you. Hope you're well.

Michael Higgins: A couple questions for you, first on Crinone. Can you give us further insights as to how the discussions with Merck KGaA are going? If you can highlight any leverage that you can use in your negotiations, any timing for the completion of those discussions it would be helpful. Thanks.

Alicia Secor: Yes, I mean, I think we — it's really hard to comment beyond what we've already stated. All I would say is that it's a very strong, longstanding partnership. The business is growing. The conversations are continuing, and we feel good about it. And as soon as we have something that we can announce we will.

Michael Higgins: Do you think that could be wrapped up in 2018? Is that your expectations?

Alicia Secor: I think we're not really putting a time frame around it, but I think that that's certainly possible.

Michael Higgins: Okay. Thank you. Regarding the IVR assets, you noted, and this sounded like a new comment to me, that there may be enthusiasm for the entire platform. Can you discuss further if that's in fact new comment to make on the calls, at least it's my recollection, and also if that's something that's coming from one or more parties?

Alicia Secor: So, what I'd say is I think I mentioned this on the last call that we had, that we were deploying our BD team to various conferences. They're actually attending EUROBIO next

week, and they've got dozens of meetings set up with all of the obvious potential targets. But also since — we've had ongoing dialog with a few prospective partners, and since our announcement in September I would say that we received additional inbound inquiries of interest.

And, again, some of these conversations are still very early stage, but we recognize that there's a lot of excitement, particularly emerging around 0201 because of all the buzz that's going around for HRT in light of the new NAMS position statement. And it's occurred to us and throughout these conversations that there indeed may be a partner that would be interested in the entire platform. But it's premature to comment beyond that at this point.

Michael Higgins: Okay. And then just some housekeeping. On the IVR news before year end, if you can give us any further clarity on timing, if we may see that this month, and also are you looking to put out a press release, one press release for all, or separate press releases. Thanks.

Alicia Secor: So, fair question. I think what we stated is that all three are underway and it's on track and consistent with our guidance thus far. I think given the timing of when the data will be rolling in it's more likely to be closer to year end, and given the proximity of the roll-up of all three we'd probably do one simultaneous message.

Michael Higgins: Got you. And then a couple of operating questions, if I could. It may be a little early for 2018 guidance, I recognize. What elements might tip 2018's growth a bit higher, a bit lower next year, or should we still look for high mid-teens growth in 2018?

Jeff Young: Yes, Michael, this is Jeff. Maybe if you don't mind we'll refrain from providing any forecast for 2018 at this point.

Michael Higgins: Okay. I'll suffice it to say trends are in line and no major change is expected. At least that's my thinking on it. In terms of operating expenses, I didn't see any surprises in Q3. If you can any insights as to how Q4 is shaping up that'd be helpful. Thanks.

Jeff Young: Yes, I think from an operating perspective you should see, I guess, from a — if we kind of run down the line quickly, from a sales and marketing perspective, obviously we continue to see growth in the JPS business, although Nikin had alluded to that the fourth quarter obviously will have some pressure on it as a result of the shutdown, so you'll probably see some flatness in the sales and marketing.

Research and development, we still are working through the preclinical work with the animal study, so you should expect a modest increase in the overall spend there. And then on the G&A, I think we've kind of come back to a normalization, as we talked about in prior quarters that we anticipated the second half of the year to see reduction in spend in G&A, and I think we'll continue to see that in the remainder of the year.

Michael Higgins: Okay. That's very helpful. Thanks. Nikin, if you can give us a little feedback in terms of following these changes you've gone through recently, the number of customers you have now versus a year ago, if you can give us any comments on that, and then how the business looks in 2018. Thanks.

Nikin Patel: Well, certainly, Michael, the client base for JPS continues to expand. We're very pleased with not only the increase in new customers but also the repeat clients that we have, introducing new molecules, new projects into JPS. So our numbers of clients increase. If you look at it from a geography point of view, there has been a significant increase in number of clients, which translates into revenue in the U.S., as well.

So, we did establish a relatively small U.S. sales and marketing team two years ago, well, two and a half years ago, and that is performing well, and as a result of that we do have a good pipeline that will extend into 2018. So overall I think I'm very pleased with the progress of the order book and the client portfolio.

Michael Higgins: Great. Appreciate the color. Thanks, Nikin, and thanks, guys. That does it for me.

Alicia Secor: Thanks, Michael.

Operator: The next question is from Ed Arce, at H.C. Wainwright.

Unknown Analyst: Hi. It's (inaudible) behalf of Ed Arce.

Jeff Young: Oh, great, (inaudible). How are you?

Unknown Analyst: I'm good. How are you? Congratulations on a strong quarter. So I have just one quick question regarding the cash runway. So, could you briefly comment on that, considering that the Company is conducting preclinical trials and also might start clinical trials for JNP-0201 next year or in the future?

Jeff Young: Yes, and thank you for the question. So, I think as we've talked historically we do expect a — we have expected a modest cash burn in 2017, but as we just announced here we expect for 2018 to be at least cash flow neutral. And obviously the plans there would be to, at this point, to look at our options with regards to JNP-0201 and move that forward. So I think hopefully that helps.

Unknown Analyst: Okay. Thank you.

Operator: (Operator Instructions)

At this time I show no further questions.

Alicia Secor: Okay. All right. Well, thank you, everyone, for joining us today. Have a nice night.

Jeff Young: Thank you, everyone.

Operator: The conference has now concluded. Thank you for attending today's presentation. You may now disconnect.