

**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): July 30, 2021

ADAMIS PHARMACEUTICALS CORPORATION

(Exact Name of Registrant as Specified in Charter)

Delaware
(State or other jurisdiction
of incorporation)

0-26372
(Commission File Number)

82-0429727
(IRS Employer
Identification No.)

11682 El Camino Real, Suite 300
San Diego, CA
(Address of Principal Executive Offices)

92130
(Zip Code)

Registrant's telephone number, including area code: **(858) 997-2400**

(Former name or Former Address, if Changed Since Last Report.)

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))

Securities registered pursuant to Section 12(b) of the Exchange Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock	ADMP	NASDAQ Capital Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 1.01 Entry into Material Definitive Agreement

On July 30, 2021, Adamis Pharmaceuticals Corporation (the “Company”) and the Company’s wholly-owned subsidiary US Compounding, Inc. (“USC”) entered into an Asset Purchase Agreement (the “Agreement”) effective as of July 30, 2021 (the “Effective Date”) with Fagron Compounding Services, LLC d/b/a Fagron Sterile Services (the “Purchaser”), providing for the sale and transfer by USC and the purchase by the Purchaser, effective as of the Effective Date, of certain assets of USC related to its human compounding pharmaceutical business (the “Business”), including certain customer information and information on products sold to such customers by USC (together, the “Book of Business”), including related formulations, know-how, and expertise regarding the compounding of pharmaceutical preparations, clinical support knowledge and other data and certain other information relating to the customers and products (collectively, the “Assets”). After the Effective Date, Purchaser may use the Book of Business to secure customers for its products and services and may otherwise use the Book of Business. Pursuant to the Agreement, the Purchaser will not assume any liabilities of USC, and the transaction does not include the sale or transfer of any USC equipment, buildings or real property, or any products, information, agreements, relationships or other assets relating to the veterinary business of USC.

The Agreement provides that the consideration payable by the Purchaser to the Company for the Assets sold and transferred will consist of the following amounts: (i) a payment of \$107,500 on the Effective Date; and (ii) monthly payments in an amount equal to (a) two (2.0) times the amount actually collected by Purchaser or its affiliates for sales of products or services made to certain identified customers included in the Book of Business during the 12-month period following the Effective Date (the “Payment Term”), and (b) a lower multiple of the amount actually collected by Purchaser or its affiliates for sales of products or services made to certain other customers included in the Book of Business. In addition, to the extent that such product or service is supplied by USC pursuant to the supply arrangement provided for by the Agreement (the “Supply Agreement”), the Purchaser agreed to reimburse USC for the cost of such product or service, as set forth in the Supply Agreement. The Agreement provides that during the Payment Term, the Purchaser will maintain the Book of Business and use commercially reasonable efforts to maximize the consideration payable to the Company and collect amounts outstanding related to sales of products or services made to customers included in the Book of Business. However, the Agreement does not provide for any minimum purchase price consideration to the Company or USC. Accordingly, there is no assurance as to the amount of purchase price consideration that the Company or USC may ultimately receive as a result of the transactions contemplated by the Agreement. Certain of the customers included in the Book of Business may decide to not purchase products or to reduce their purchases of products from Purchaser after the Effective Date, and Purchaser may, in good faith, decide not to change its product mix from those products offered by Purchaser as of the Effective Date and may decide not to carry all of the products offered and sold by USC as part of the Business prior to the Effective Date.

The Agreement includes certain restrictive covenants of the Company and USC, including noncompetition provisions, pursuant to which, for a period of five years from the Effective Date (the “Restricted Period”), the Company and USC have agreed not to solicit any Business from any customers included in the Book of Business, including employment by, ownership of, assistance to, contracting with, or in any other way supporting or working with an outsourcing facility registered pursuant to Section 503B of the Food Drug and Cosmetic Act with the intent to compete against Purchaser in the Business; however, (a) the sale of equipment by USC or its affiliates, (b) the fulfillment by USC or the Company of their respective duties under the Agreement and the Supply Agreement, and (c) the passive ownership by USC or its affiliates of less than 5% of the outstanding stock of any publicly-traded corporation, are not prohibited by the restrictive covenants.

Each of the Agreement and the Supply Agreement includes standard indemnification provisions, and a number of other covenants and agreements of the parties concerning the transactions contemplated by the Agreement and the Supply Agreement, including concerning cooperation and assistance, confidentiality, non-disparagement and the transfer of information and documents, compliance with laws, and personnel matters.

In connection with the transaction, the Company will pay a fee to a financial advisor of \$700,000, and may pay an additional amount depending on the total consideration received by the Company, in connection with advisory services relating to the transaction.

The preceding description of the Agreement does not purport to be complete, and is qualified in its entirety by reference to the Agreement, including the Supply Agreement, which is filed as an Exhibit to this Current Report on Form 8-K. The representations, warranties and covenants contained in the Agreement have been made solely for the benefit of the parties to the Agreement and: (i) may be intended not as statements of fact but rather as a way of allocating risk among the parties if those statements prove to be inaccurate; and (ii) were made only as of the date of the Agreement or such other dates as may be specified in the Agreement and are subject to more recent developments. Accordingly, any such representations and warranties should not be relied upon as characterizations of the actual state of facts or affairs on the date they were made or at any other time.

Item 2.01 Completion of Acquisition or Disposition of Assets.

The information, discussion and disclosures under Item 1.01 are hereby incorporated by reference into this Item.

Item 2.05 Costs Associated with Exit or Disposal Activities.

Effective upon the Effective Date of the Agreement described under Item 1.01 above, and in light of a number of factors including without limitation the transactions contemplated by the Agreement and the restrictive covenants contained in the Agreement, the Company determined to engage in a restructuring process of winding down and winding up the remaining operations and business activities of USC, including its veterinary business. The Company expects that the employment of substantially all of USC's employees will terminate sometime after the Effective Date in connection with the transactions described under Item 1.01 above, although a small number of employees are expected to continue for a period of time after the Effective Date in order to assist with the Company's transition and support covenants under the Agreement, including the Supply Agreement, and to take other actions with respect to the Company's remaining business and assets. The Company expects that the restructuring will ultimately reduce its workforce by approximately 92 employees associated with USC's business. The Company currently estimates that the range of costs associated with providing termination payments to USC employees, employee salaries and incentive payments during a transition period after the Effective Date, severance or other termination benefits or payments in connection with workforce reduction and termination of employment, and payments anticipated to be made pursuant to retention agreements or incentive agreements with certain employees, could be from approximately \$1.3 million to approximately \$1.6 million. The substantial majority of the cash payments related to personnel-related restructuring charges are expected to be paid during the third and fourth quarters of 2021. The charges that the Company expects to incur in connection with the workforce reduction and winding down of operations of USC are subject to a number of assumptions, and actual expenses and results may differ materially from the Company's estimates. The Company may also incur additional costs not currently contemplated due to events that may occur as a result of, or that are associated with, the workforce reduction and winding down of operations of USC. In addition, as part of the restructuring, the Company and USC intend to sell or dispose of tangible assets relating to USC's business, including equipment, building and property. The Company expects to incur commissions and other costs associated with the sale or other disposition of certain of such assets but is unable, at this time, to make a good faith determination of cost estimates, or ranges of cost estimates, associated with such future sales or dispositions of such tangible assets or other costs associated with the sale or disposition of such tangible assets. If required, the Company will amend this Current Report on Form 8-K at such time as its management is able in good faith to estimate the amount, or range of amounts, of these costs.

Item 2.06 Material Impairments.

The information disclosed in Item 2.05 of this Current Report on Form 8-K is incorporated by reference into this Item 2.06. As a result of the transactions contemplated by the Agreement described in Item 1.01 above and the restructuring activities described in Item 2.05 above, the Company has determined that its financial results for the quarter ending September 30, 2021, will include an impairment of certain assets relating to USC, including inventories, intangible assets, goodwill, fixed assets, and right of use assets. The Company currently estimates that the range of such impairment charges for intangibles, goodwill and right of use assets could be from approximately \$5.0 million to approximately \$5.6 million. The impairment charges that the Company expects to incur in connection with the matters described in Items 1.01 and 2.05 above are subject to a number of assumptions, and the actual amount of impairment charges may differ materially from those estimated by the Company. In addition, the Company may determine in the future that additional impairments of assets are appropriate in connection with the matters described in Items 1.01 and 2.05 above. However, the Company is not able to estimate the amount or range of amounts of such additional impairments as of the date of this Report. If required, the Company will amend this Current Report on Form 8-K at such time as its management is able in good faith to estimate the amount, or range of amounts, of these costs.

7.01 Regulation FD Disclosure

On August 4, 2021, the Company issued a press release announcing the entering into of the Agreement described in Item 1.01 above. A copy of the press release, which is attached to this Current Report on Form 8-K as Exhibit 99.2, is furnished pursuant to this Item 7.01.

The information in this Item 7.01 and Exhibit 99.1 are furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, and shall not be deemed incorporated by reference into any filing under the Securities Act of 1933, as amended, regardless of any general incorporation language in such filing, unless expressly incorporated by specific reference in such filing.

Item 8.01 Other Events

In connection with the transactions contemplated by the Agreement described in Item 1.01 above, the Company paid to Arvest Bank, as lender, the full remaining outstanding principal, interest balance and fees of \$2,029,016 owed under the Company's outstanding building and real property loan relating to USC's building and real property, the maturity date of which was in August 2021. Following such payment, the Company does not have any outstanding indebtedness under any of the loan agreements that were assumed by the Company in connection with its previous acquisition of USC.

In connection with entering into the Agreement, the Company delivered a notice of termination terminating the non-binding letter of intent, previously announced by the Company on January 26, 2021, with a third party relating to the possible sale of the assets of USC.

Cautionary Note Regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or operations, including, but not limited to: the amount of consideration expected to be received by the Company as a result of the sale of the assets described in Item 1.01 above, the fees, expenses and costs associated with the transactions contemplated by the Agreement and the Supply Agreement and the other matters described in this Current Report; estimates of costs and liabilities associated with the restructuring activities described in Item 2.05 above and the financial impact of the reduction in force and winding down of the remaining business activities of USC; estimates of the range of impairment charges that the Company may incur as described in Item 2.06 above as a result of the matters described in Items 1.01, 2.05 and 2.06 above; and the assumptions and estimates included in the pro forma financial information filed with this Current Report. These forward-looking statements are based on the Company's current expectations and inherently involve significant risks and uncertainties. The Company's actual results, the timing of events, and costs, expenses, charges and liabilities associated with the activities described in this Current Report may differ materially from those anticipated by such forward-looking statements. The Company may incur additional cash or non-cash costs, expenses or liabilities not currently contemplated due to events associated with or resulting from the transactions described in Item 1.01 or the activities described in Item 2.05 and 2.06. There can be no assurances concerning the amount of consideration that we will receive as a result of the sale of the assets described in Item 1.01 above, or concerning the fees, costs, expenses, charges or liabilities that we may incur in the future in connection with the transactions and actions described in this Current Report. Certain risks relating to the forward-looking statements and estimates set forth in this Current Report, as well as other risks relating to the Company's business, financial conditions and prospects, are described in the Company's other filings from time to time with the Securities and Exchange Commission, including the risk factors identified under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K, as updated by the Company's subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which the Company strongly urges you to read and consider and all of which are available free of charge on the SEC's web site at <http://www.sec.gov>. Such forward-looking statements speak only as of the date of this Current Report, and except to the extent otherwise required by law, the Company undertakes no duty or obligation, and expressly disclaims any obligation, to update any forward-looking statements contained in this Current Report as a result of new information, future events or changes in its expectations.

Item 9.01 Financial Statements and Exhibits

(b) Pro Forma Financial Information

The unaudited pro forma condensed consolidated balance sheet of the Company as of December 31, 2020, and the unaudited pro forma condensed consolidated statements of income of the Company for the year ended December 31, 2020, and the notes thereto, which give pro forma effect to the transaction described in Items 1.01 and 2.01 above, are included as Exhibit 99.1 to this Current Report on Form 8-K and are incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
2.1	Asset Purchase Agreement effective as of July 30, 2021, by and among the Registrant, US Compounding, Inc. and Fagron Compounding Services, LLC. *+
10.1	Supply Agreement Addendum by and among the Registrant, US Compounding, Inc. and Fagron Compounding Services, LLC. +
99.1	Unaudited pro forma condensed consolidated financial information of the Registrant.
99.2	Press release dated August 4, 2021.
104	Cover Page Interactive Data File (embedded within the Inline XBRL document)

* Non-material schedules and exhibits have been omitted pursuant to Item 601(a)(5) of Regulation S-K. The Registrant hereby undertakes to furnish supplementally copies of any of the omitted schedules and exhibits upon request by the SEC.

+ Pursuant to Item 601(b)(10) of Regulation S-K, certain confidential portions of this exhibit were omitted by means of marking such portions with an asterisk because the Registrant customarily and actually treats the information contained in such portions as private or confidential and such information is not material.

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 hereunto duly authorized.

ADAMIS PHARMACEUTICALS CORPORATION

Dated: August 5, 2021

By: /s/ Robert O. Hopkins

Name: Robert O. Hopkins

Title: Chief Financial Officer

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is both not material and is the type that the Registrant treats as private or confidential.

ASSET PURCHASE AGREEMENT

This Asset Purchase Agreement (the “**Agreement**,” which term shall include the Exhibits hereto) is hereby entered into by and between:

Fagron Compounding Services, LLC d/b/a Fagron Sterile Services (FSS) with a principal place of business located at 8710 E 34th St. N., Wichita, KS 67226 (“**Purchaser**”)

and

US Compounding, Inc. with a principal place of business located at 1270 Jims Ln., Conway, AR 72032 (“**USC**”) and its owner, Adamis Pharmaceuticals Corporation, with a principal place of business located at 11682 El Camino Real, Suite 300, San Diego, CA 92130, referred to herein as the “**Owner**.”

Purchaser, USC and the Owner may be referred to collectively as the “**Parties**” or individually as a “**Party**.”

This Agreement is effective as of 7/30/2021 (the “**Effective Date**”).

WHEREAS, Purchaser and USC are both engaged in the compounding of pharmaceutical preparations (the “**Business**”) and USC intends to discontinue such Business (which, for the avoidance of doubt, shall not include USC’s veterinary business, as presently conducted and as proposed to be conducted (the “**Remaining Business**”), except to the extent necessary to comply with its obligations pursuant to this Agreement and the Supply Agreement Addendum, attached hereto as **Exhibit D** (the “**Supply Agreement Addendum**”); and

WHEREAS, USC wishes to sell and transfer the Book of Business (as defined below), including the Business Knowledge in connection therewith, to the Purchaser and the Purchaser wishes to acquire the Book of Business, including the Business Knowledge (as defined below) in connection therewith, from USC on the terms stated herein.

NOW THEREFORE, in consideration for the mutual promises, terms and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1. **Transfer of Book of Business and Business Knowledge.**

1.1 For purposes of this Agreement, (a) the “**Book of Business**” shall be defined as all customer information belonging to USC or in USC’s control and possession at the time of the execution hereof and specifically related to those customers included in **Exhibit C-1** (“**New Customers**”) or **Exhibit C-2** (“**Shared Customers**”) and, together with the New Customers, the “**Customers**”) hereto including, but not limited to, contact information, Customer ordering history, customer financial information, organization and prescriber information and all other information on products sold to Customers by USC including formulations and regulatory agency treatment of the same and (b) “**Business Knowledge**” is defined as USC’s know how, information and expertise regarding the Business including, but not limited to, formulations, clinical support knowledge and services, data from BUD and other studies, SOP/work instructions/process flows/instruction documents, information relating to Customers and other business relationships, to the extent any such information and expertise has been memorialized in writing by USC. For the avoidance of doubt, customer information pertaining to the Remaining Business shall not be included in the Book of Business or Business Knowledge.

1.2 Subject to and with the benefit of the terms and conditions set forth in this Agreement, USC shall sell, assign, transfer, convey and deliver to Purchaser its Book of Business and Business Knowledge, free and clear of any mortgage, pledge, lien, charge, security interest, claim or other encumbrance, within five business days of the Effective Date, if such information and documents have not already been transferred on or prior to such date, in exchange for the Book of Business Purchase Price (as defined below). Subject to compliance with the terms and conditions of this Agreement, on and after the Effective Date, Purchaser shall have the right to take any other action not otherwise prohibited by law with respect to the Book of Business and no confidentiality agreements previously executed between the Parties shall restrict Purchaser's use of the Book of Business for securing Customers for its products and or services. For the avoidance of doubt (a) Purchaser is not purchasing any liabilities of USC, expressly declines any such liabilities and makes no representations whatsoever as to any liabilities that USC may have, and (b) the sale of the Book of Business and Business Knowledge pursuant to this Agreement does not include the sale or transfer of any equipment, inventory, or other property, whether real or personal, tangible or intangible and whether or not used in the Book of Business, except as otherwise expressly provided herein.

1.3 USC shall deliver all documents and summaries of all data relating to the Book of Business and Business Knowledge, as well as any other documents and data required by law or reasonably requested by Purchaser that relates to the Book of Business and Business Knowledge, within five business days of the Effective Date of this Agreement if not delivered on or prior to such date, and shall retain copies thereof. If requested by Purchaser, all documents and data shall be transferred in native format or any other format reasonably requested.

1.4 For a period of 90 days following the Effective Date (the "**Post-Closing Period**"), USC (individually or through the Owner) shall, in compliance with applicable law (a) contact the Customers included in the Book of Business and inform them of the transfer of their accounts to Purchaser, and (b) make appropriate representatives available to answer questions relating to the Business or which may relate to the promotion of the Business and sales or servicing of the Book of Business.

1.5 In the performance of its covenants and agreements under this Agreement and the Supply Agreement Addendum, USC and Owner shall use commercially reasonable efforts to comply, in all material respects, with the applicable requirements of the compliance plan attached hereto as **Exhibit A**, which is subject to change from time to time (the "**Compliance Plan**"), and applicable law and regulation. If there is any inconsistency between the Compliance Plan and an applicable law or regulation, the Parties shall bring such discrepancy to each other's attention and shall not take any action which violates any such applicable law or regulation. Each of USC and Owner shall ensure that any of their respective staff, representatives, and assigns performing work in connection with this Agreement or the Supply Agreement Addendum will review the Compliance Plan and execute the acknowledgement of the same contained at the end of the Compliance Plan prior to commencing work. Each of USC and Owner, as applicable, shall collect the signed acknowledgments from its staff, representatives, and assigns which may perform services pursuant to this Agreement or the Supply Agreement Addendum and remit the same to Purchaser. Each of USC and Owner shall ensure that none of its staff, representatives, and assigns perform work under this Agreement prior to reviewing and signing the acknowledgment of the Compliance Plan, shall promptly report to Purchaser any known or suspected violation of the Compliance Plan, and shall take appropriate action against staff, representatives, and assigns who materially violate the Compliance Plan pursuant to employment policies or other policies currently in effect at USC and/or Owner. For the avoidance of doubt, each of USC and Owner acknowledge and agree that (a) although the Compliance Plan purports to cover the actions of Fagron North America employees, the requirements and limitations on conduct therein shall apply to USC, Owner and their respective staff, representatives, and assigns performing work under this Agreement and (b) references to certain expenditures and potential reimbursements in the Compliance Plan should not be read as an authorization to make expenditures or that any such expenditure will be reimbursed. Except as expressly set forth in this Agreement or the Supply Agreement Addendum, Purchaser does not agree to reimburse any costs and expenses incurred by USC, Owner or their respective staff, representatives, or assigns. USC, Owner, and their respective staff, representatives, and assigns are not the employees of Purchaser and nothing herein shall be interpreted to establish an employee-employer relationship between Purchaser and USC, Owner or any of their respective staff, representatives, or assigns, unless a separate employment agreement is executed or other arrangement is entered into pursuant to which Purchaser specifically agrees to employ specific individuals. Nothing in this agreement shall obligate any employee of USC, other than Owner, to undertake any additional action on behalf of Purchaser that they are not obligated to take under their existing employment agreement with USC, unless an agreement directly between Purchaser and such employee is executed.

1.6 The aggregate consideration payable by the Purchaser for USC's transfer of the Book of Business and Business Knowledge pursuant to **Section 1.2** above shall be the sum of (a) an amount equal to \$107,500, payable to Owner on the Effective Date by wire transfer of immediately available funds to an account designated by Owner prior to the Effective Date, and (b) the aggregate additional consideration calculated and paid to Owner by the Purchaser in accordance with the provisions of **Exhibit B** hereto (such sum, the "**Book of Business Purchase Price**"). The parties agree that the Book of Business Purchase Price is fair market value in an arm's-length transaction, consistent with the general market value of the subject transaction.

2. USC and Owner's Obligations.

2.1 USC and Owner shall, jointly and severally, indemnify and hold harmless Purchaser and its officers, directors, employees, agents, affiliates, insurers, consultants and attorneys (the "**Purchaser Indemnified Parties**") from and against any and all losses incurred or suffered by the Purchaser Indemnified Parties arising or resulting from any (a) breach of this Agreement by USC and (b) third-party actions, claims, demands, suits, liabilities, losses, damages, obligations, judgments, settlements and costs related to any action or inaction by USC or its Owner prior to the Effective Date with respect to sales made to Customers identified in the Book of Business by USC. No indemnity or other liability shall arise under this Section to the extent that the losses incurred or suffered by the Purchaser Indemnified Parties were caused by the negligent acts or willful misconduct of the Purchaser Indemnified Parties.

2.2 Other than for the purposes of (a) fulfilling their respective obligations under this Agreement and the Supply Agreement Addendum, (b) financial, regulatory and securities law reporting obligations (as determined in good faith by USC, its Owner or their respective consultants or attorneys) and (c) disclosure in connection with any legal proceeding, interrogatory, subpoena, civil investigative demand or similar process, as required in connection therewith, for the period beginning on the Effective Date and ending five (5) years from Effective Date (the “**Restricted Period**”), USC and Owner shall not share information related to the Book of Business or any portion thereof with any party other than Purchaser and the affiliates and representatives of USC and Owner that have a need to know such information, and shall hold its contents in confidence in accordance with industry standards and at least in the same manner that it handled such information prior to entering into this Agreement. For the avoidance of doubt, this **Section 2.2** shall not apply to information that (i) is generally available to the public other than as a result of a disclosure by USC, Owner or their respective affiliates; or (ii) was received after the date of this Agreement from another person without any limitations on use or disclosure, but only to the extent that the recipient had no reason to believe that the other person was prohibited from using or disclosing the information by a contractual or fiduciary obligation.

2.3 During the Restricted Period, USC shall use commercially reasonable efforts to prevent its employees from dispersing the contents of the Book of Business to any other parties (other than Purchaser and the affiliates and representatives of USC and Owner that have a need to know such information), including periodically reminding employees and former employees of any outstanding confidentiality requirements, using commercially reasonable efforts to enforce existing non-compete agreements, trade secret laws and any other applicable theories of law as reasonably necessary, at USC’s sole expense where appropriate. During the Restricted Period, the Parties shall reasonably cooperate to protect the Book of Business from being disseminated to third parties in violation of this Agreement.

2.4 During the Restricted Period, if USC or Owner become aware of a breach of Sections 1.5, 2.2, 2.3 or 4, USC or Owner shall promptly inform Purchaser of any individuals known or suspected of sharing the contents of the Book of Business with any third party, the details of the information shared and the identities of the third party with which such information was shared.

2.5 USC and Owner hereby agree not to solicit Business from any Customers in the Book of Business during the Restricted Period. For the avoidance of doubt, employment by, ownership of, assistance to, contracting with, or in any other way supporting or working with an outsourcing facility registered pursuant to Section 503B of the Food Drug and Cosmetic Act with the intent to compete against Purchaser in the Business during the Restricted Period is a violation of this Agreement; provided, however, (a) the sale of equipment by USC or its affiliates, (b) the fulfillment by USC, Owner and their respective staff, representatives, and assigns of their respective duties under this Agreement or the Supply Agreement Addendum and (c) the passive ownership by USC or its affiliates of less than 5% of the outstanding stock of any publicly-traded corporation shall not be deemed to be a breach of this **Section 2.5**.

2.6 During the Restricted Period, USC and Owner shall use commercially reasonable efforts to obtain and deliver to Purchaser such consents as are reasonably requested by Purchaser and required to allow the assignment by USC to Purchaser of USC’s rights, title and interest in, to and under any Business contract with a customer included in the Book of Business. For the avoidance of doubt, Purchaser is under no obligation to assume any such contracts or any liabilities that may exist pursuant to such contracts. The failure to effectuate the assignment of one or more contracts shall not be considered a breach of this Agreement.

2.7 Purchaser is aware of a certain investigation of USC's activities by the Department of Justice. It is the understanding and belief of the Parties that the transaction contemplated in this Agreement shall not impact the investigation or in any way subject Purchaser to liability relating to the investigation. Should USC or Owner at any point become informed or reasonably conclude that this Agreement or the underlying transaction may become the subject of the investigation or any other similar investigation it shall promptly notify Purchaser of the same, unless required not to do so by applicable law or instruction of the investigating agency.

2.8 On or after the Effective Date, Purchaser may employ certain members of USC's sales team that were employed by USC or its Affiliates and engaged in the Business prior to the Effective Date. USC shall not prevent such employment by Purchaser. During the Restricted Period, USC and Owner shall not intentionally interfere with the employee-employer relationship between Purchaser and such employees; provided, that a general solicitation through advertising or similar means, which is not specifically directed at such employees shall not be deemed, in and of itself, to constitute a breach of this **Section 2.8**. Any communications between the employees hired by Purchaser and USC or Owner which in any way relate to this Agreement shall go through Purchaser's authorized personnel and USC and Owner shall only communicate with such employees regarding this Agreement to the extent authorized in writing by Purchaser. Purchaser shall exclusively compensate such employees during the time of their employment with Purchaser.

2.9 Owner shall assign two of its sales managers, [***] and [***] (the "**Transition Team**"), or such appropriate substitutes as may be designated, from time to time, by Owner in its reasonable discretion, to help with transition of the Book of Business during the Post-Closing Period. During the Post-Closing Period, the Transition Team will be tasked with helping transition the Book of Business and Business Knowledge to Purchaser and shall perform such duties in good faith. The Transition Team shall be employed by Owner at all times relevant to this Agreement and nothing herein shall be construed so as to create an employee-employer relationship between members of the Transition Team and Purchaser. During the Post-Closing Period, USC shall use commercially reasonable efforts, in compliance with applicable law, to portray Purchaser in a positive light and shall not intentionally make any statements or take any actions which would reasonably be expected to reflect negatively upon Purchaser; *provided, however*, that the foregoing shall not prevent USC from providing truthful testimony or information (a) in response to a subpoena, court order or valid request by a governmental authority, (b) in connection with any good faith dispute arising under this Agreement or the Supply Agreement Addendum or (c) as otherwise required by applicable law.

3. Purchaser's Obligations.

3.1 Purchaser is a limited liability company duly formed, validly existing and in good standing under the laws of the state of its organization. Purchaser (a) has the requisite power and authority to enter into, and perform its obligations under, this Agreement and each other agreement delivered in connection herewith, and (b) has taken all requisite action to authorize (i) the execution, delivery and performance of this Agreement and each such other agreement delivered in connection herewith and (ii) the consummation of the purchase of the Book of Business and Business Knowledge and the other transactions contemplated by this Agreement and each such other agreement delivered in connection herewith. This Agreement has been duly executed and delivered by Purchaser and is binding upon, and legally enforceable against, Purchaser in accordance with its terms, except as such enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar Laws affecting enforcement of creditors' rights generally and by general principles of equity. Purchaser shall pay to Owner the Book of Business Purchase Price, on the terms and subject to the conditions set forth herein.

3.2 Purchaser and its employees shall, at all times, act in compliance with all applicable Federal and state laws as well as the Compliance Plan.

3.3 Purchaser shall indemnify and hold harmless USC, its Owner and their respective officers, directors, employees, agents, affiliates, insurers, consultants and attorneys (the "**USC Indemnified Parties**") from and against any and all losses incurred or suffered by the USC Indemnified Parties arising or resulting from any (a) breach of this Agreement by Purchaser or (b) third-party actions, claims, demands, suits, liabilities, losses, damages, obligations, judgments, settlements and costs related to any action or inaction by Purchaser (i) on or after the Effective Date with respect to sales made to New Customers identified in the Book of Business and (ii) with respect to sales made to Shared Customers identified in the Book of Business by Purchaser. No indemnity or other liability shall arise under this Section to the extent that the losses incurred or suffered by the USC Indemnified Parties were caused by the negligent acts or willful misconduct of the USC Indemnified Parties. For the avoidance of doubt, Purchaser shall have no liability relating to or arising from the distribution of any products by USC pursuant to this Agreement or the Supply Agreement Addendum, including relating to the manufacturing process or for claims related to the products, including, but not limited to, products liability claims.

3.4 The Parties acknowledge and agree that they have used commercially reasonable efforts to evaluate the New Customers and Shared Customers to be included in the Book of Business; *provided, however*, that should either Party, in good faith, determine an error with respect to such determination, they shall promptly report the same to the other Party and the Parties shall negotiate, in good faith, to update the list as appropriate. An inadvertent error shall be reconciled in favor of accuracy, as supported by the business records of the Parties.

3.5 Purchaser shall, at all times during the Payment Period, maintain the Book of Business and use commercially reasonable efforts to maximize the Book of Business Purchase Price, including by using commercially reasonable efforts to collect all amounts outstanding related to sales of products or services made to Customers included in the Book of Business during the Payment Term. Nothing herein shall be construed so as to require a minimum payment to Owner pursuant to this Agreement or for Purchaser to materially alter its business operations in any way. USC and Owner understand and acknowledge the risk that certain Book of Business Customers will not purchase products from Purchaser after the Effective Date, that Purchaser may, in good faith, decide not to change its product mix from those products offered by Purchaser as of the Effective Date and that Purchaser may decide not to carry all products carried by USC prior to the Effective Date. At all times during the Payment Term, Purchaser shall operate its business consistent with applicable legal and regulatory requirements and sound business practices.

3.6 Purchaser may employ certain members of USC's sales team after the Effective Date. Purchaser is under no requirement to employ any specific employee and will make decisions related to employment and management of its employees in its sole discretion. Failure to employ any specific individual shall not be a breach of this Agreement. Purchaser is free to set the terms and conditions of employment with its employees and shall have no obligations with respect to Owner, USC or any other third party with respect to the same, except as required by law.

3.7 During the Post-Closing Period, Purchaser shall use commercially reasonable efforts, in compliance with applicable law, to portray USC and Owner in a positive light and shall not intentionally make any statements or take any actions which would reasonably be expected to reflect negatively upon USC or Owner; *provided, however*, that the foregoing shall not prevent Purchaser from providing truthful testimony or information (a) in response to a subpoena, court order or valid request by a governmental authority, (b) in connection with any good faith dispute arising under this Agreement or the Supply Agreement Addendum or (c) as otherwise required by applicable law.

4. **Confidentiality.**

The Parties acknowledge a Confidential Disclosure Agreement was executed between Owner and Purchaser's parent company, Fagron Holding USA, LLC, on or about May 5, 2021 (the "**NDA**") and it is acknowledged and agreed that the terms of the NDA fully apply to the Owner and Purchaser as if they were direct parties to the NDA. The Parties acknowledge that nothing herein, nor termination of this Agreement, shall have any impact on the obligations under the NDA and that the confidentiality requirements set forth in the NDA shall apply to this Agreement. In the event of any conflict between the terms of this Agreement and the NDA, the terms of this Agreement shall prevail. Subject to **Section 2.2** of this Agreement, the Parties further agree that upon the Effective Date, the Book of Business shall be considered Confidential Information of the Purchaser as that term is defined in the NDA.

5. **Compliance with Law.**

In addition to all requirements to comply with law, whether expressly stated or implied, the Parties agree that should any portion of this agreement be reasonably deemed in violation of any applicable law, the Parties shall work together in good faith to amend this Agreement in a manner that will comply with applicable law and maintain the main requirements of the Agreement to the extent possible. Furthermore, the Parties agree that they will reasonably cooperate with each other and carry out such further actions as may be necessary to give effect to the intent of this Agreement to the full extent permissible in law and will act in the utmost good faith in not seeking to frustrate, circumvent or diminish the intent and effect of this Agreement. Should Purchaser, on advice of outside counsel, reasonably determine that sales to Customers in the Book of Business or payments to Owner on account of such sales violate any applicable law, Purchaser may temporarily suspend making such payments to Owner for the effected Customers until such time as the Parties can investigate and, if possible, restructure the payment arrangement in a manner that will comply with applicable law.

In the event of a dispute arising out of or in connection with the determination made by the Purchaser pursuant to the preceding paragraph, the Parties agree that the Purchaser Executive Officer and the Owner Executive Officer shall promptly meet at a mutually acceptable time and place, and thereafter as often as they reasonably deem necessary, to attempt to resolve the dispute in good faith. All reasonable requests for information made by one Party to another shall be honored. All negotiations pursuant to this clause are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence. If such Executive Officers cannot resolve such dispute within fourteen (14) days after such meeting, then each Party reserves its right to any and all remedies available under law or equity with respect to such dispute.

6. Governing Law and Interpretation.

This Agreement shall be governed in accordance with the laws of the State of Delaware, except with regard to its conflict of law provisions and the Parties subject themselves to the jurisdiction of the state and federal courts located in New Castle County, Delaware. Should any provision of this Agreement be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Agreement in full force and effect. **THE PARTIES HEREBY WAIVE THE RIGHT TO A JURY TRIAL WITH REGARD TO ANY DISPUTE RELATING TO OR ARISING FROM THIS AGREEMENT.**

7. Waiver.

No waiver by a Party of any breach of this Agreement shall be construed to be a waiver of any subsequent breach of any provision of the Agreement.

8. Assignment.

This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective legal representatives, successors and assigns. The Parties may not assign this Agreement without the prior written consent of the other and any attempt to do so without the express written consent of the other shall be null and void, except in the case of Purchaser which can assign this agreement in the case of sale of a Party in full or merger.

9. Entire Agreement.

This Agreement supersedes any prior agreements relating to the subject matter of this Agreement, is the entire agreement between the parties with respect to such subject matter, except the NDA and Supply Agreement Addendum, as referenced herein, and may not be modified without the express written approval of both parties.

10. **No Strict Construction.**

The Parties hereto have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any Party hereto by virtue of the authorship of any of the provisions of this Agreement.

11. **Notice.**

Whenever written notice is required or permitted to be given by one party to the other under this Agreement, it shall be deemed to be sufficiently given when sent via (a) common carrier with verifiable tracking evidencing delivery or (b) electronic mail if such transmission occurs on a business day before 5:00 p.m. Pacific Time, or the next succeeding business day if such transmission occurs at any other time, in each case using the names and addresses for each party as shown at the outset of the Agreement. Either party may change the address for notice by written notice in accordance with this paragraph.

12. **Audit and Verification.**

Purchaser shall supply to Owner its calculations of all payments to be made in accordance with this Agreement and upon request from Owner will provide all such documentation and other records necessary to verify calculations of the Book of Business Purchase Price and, upon reasonable notice and during normal business hours, shall allow Owner to carry out an independent audit of Purchaser's books and records with respect to compliance with all matters in this Agreement. The right to independent audit shall survive termination and expiration of this Agreement and remain after the termination or expiry of this Agreement insofar as reasonably necessary to implement or verify compliance with the provisions hereof. To that end, USC, Owner and their respective representatives shall have the right to inspect and audit Purchaser's books and records, upon reasonable prior notice and solely for purposes relating to amounts due, or potentially due, to Owner under the terms of **Exhibit B** hereto. Should a third party be used in connection with an audit, such third party shall enter into a non-disclosure agreement to the reasonable satisfaction of Purchaser.

IN WITNESS WHEREOF, the parties, by their duly authorized officers whose signatures appear below, have executed this Agreement effective as of the date first set forth above.

Fagron Compounding Services, LLC d/b/a Fagron Sterile Services

By : /s/ Andrew Pulido
Name : Andrew Pulido
Title : President NA
Date : July 30, 2021

US Compounding, Inc.

By : /s/ Dennis J. Carlo
Name : Dennis J. Carlo
Title : President and CEO
Date : July 30, 2021

Adamis Pharmaceuticals Corporation

By : /s/ Dennis J. Carlo
Name : Dennis J. Carlo
Title : President and CEO
Date : July 30, 2021

Exhibit B

Deferred Book of Business Purchase Price

1. Purchaser shall pay to Owner, in cash (the ***“Deferred Book of Business Purchase Price”***):
 - a. for any sales of products or services made to [***] included in the Book of Business and [***] during the Payment Term, an amount equal to two (2.0) times the amount actually collected by Purchaser or its affiliates during the Collection Term on such sales; and
 - b. for any sales of products or services made to [***] included in the Book of Business and [***] during the Payment Term, an amount equal to the multiple set forth opposite such Customer’s name [***], multiplied by the amount actually collected by Purchaser or its affiliates during the Collection Term. The multiples set forth [***] are intended to reflect the percentage of total sales made by USC to [***] during the year prior to the Effective Date, multiplied by two (2.0). Should it be reasonably determined by any of the Parties that the multiples are inaccurate in any way, USC and Purchaser shall confer in good faith to adjust the multiple to the correct amount.
 - c. The ***“Payment Term”*** shall commence on Effective Date and end on the one-year anniversary of the Effective Date. The ***“Collection Term”*** shall commence on the Effective Date and shall end three months following the end of the Payment Term.
2. On or before the 15th calendar day of each month, commencing the first calendar month after the Effective Date and ending the first calendar month after the end of the Collection Term, Purchaser shall provide Owner with a certificate setting forth its calculation of the Deferred Book of Business Purchase Price for the previous month (the ***“Payment Certificate”***), certified by the Vice President, Finance of Fagron North America or his designee to be a good faith calculation of the Deferred Book of Business Purchase Price for such calendar month. The Payment Certificate for each calendar month shall be accompanied by any documents reasonably necessary to support such calculation and a corporate check for immediately available funds in an amount equal to the Deferred Book of Business Purchase Price for such month. By way of example, on or before February 15, 2022, Purchaser shall pay to Owner an aggregate amount equal to the amount actually collected by Purchaser or its affiliates during January 2022 for sales of products or services made to [***] included in the Book of Business, multiplied by the appropriate multiples, as set forth in Section 1 above, from the Effective Date through January 31, 2022. To the extent that, as of the expiration of the Collection Term, any amounts remain outstanding for sales of products or services made to [***] included in the Book of Business during the Payment Term, Purchaser shall promptly assign such receivables to Owner.

3. Purchaser shall make available to Owner copies of all work papers, documents, receipts, invoices and other materials and grant Owner such reasonable access to Purchaser's personnel during regular business hours as may be necessary or reasonably requested by Owner in its review of any Payment Certificate or in connection with any dispute or disagreement relating to the determination of the Deferred Book of Business Purchase Price for any month.

4. To the extent that Purchaser reasonably determines that regulatory or other issues call for a transition of product preparation (with respect to a product sold to Customers included in the Book of Business on or after the Effective Date) from [***] to [***] to one or more Customers, Purchaser may transition to selling [***]. With respect to [***], the calculation of the Deferred Book of Business Purchase Price shall follow the provisions of Sections 1 through 3 of this Exhibit B except that Purchaser shall pay half (1/2) of the amount otherwise called for in connection with sales of [***] as described in Sections 1 through 3.

[***] Certain information in this document has been excluded pursuant to Regulation S-K, Item 601(b)(10). Such excluded information is both not material and is the type that the Registrant treats as private or confidential.

SUPPLY AGREEMENT ADDENDUM

This Supply Agreement Addendum (the “**Addendum**”), is entered into by and between Fagron Compounding Services, LLC d/b/a Fagron Sterile Services (“**FSS**” or “**Purchaser**”), US Compounding, Inc. (“**USC**”) and Adamis Pharmaceuticals Corporation (“**Owner**”), and is entered into in connection with the Asset Purchase Agreement entered into by the Parties contemporaneously herewith (the “**Sales Agreement**”).

WHEREAS, the Parties have entered into the Asset Purchase Agreement contemporaneously herewith;

WHEREAS, on and after the Effective Date, Purchaser may not be willing or able to manufacture all products that USC sold to the Book of Business Customers prior to the Effective Date;

WHEREAS, Purchaser wishes to have USC fill orders that it gets from Book of Business Customers for certain products, as listed in **Exhibit E-1** hereto (such products, the “**Products**”), during the 90 (ninety) day period (or such extended period, as may be mutually agreed by the Parties in writing, including in connection with **Section 3.2** herein) following the Effective Date (the “**Transition Period**”), in order to provide Purchaser time to transition to replacement offerings;

WHEREAS, USC wishes to sell such Products, on the terms and subject to the conditions contained herein, in order to enable Purchaser to fulfill orders for Products from the Book of Business Customers during the Transition Period; and

WHEREAS, Purchaser and USC agree that the sale of the Products are regulated by the Federal Food Drug and Cosmetic Act, and regulations of the Federal Food and Drug Administration (“**FDA**,” and such laws being referred to as “**Good Manufacturing Practices**” or “**cGMP**”).

NOW, THEREFORE, in consideration of the mutual representations, warranties, covenants, agreements, and conditions contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I CERTAIN DEFINITIONS

- 1.1 **General.** Any capitalized term used but not defined herein will have the meaning set forth in the Sales Agreement.
 - 1.2 “**Specifications**” means the procedures, requirements, formulae and standards related to Products, and as stated in **Exhibit E-1**.
-

ARTICLE II OBLIGATIONS OF USC

Subject to the limitations and conditions of this Addendum and the Sales Agreement, during the Transition Period, USC will:

2.1 Promptly fill orders for Products from Customers in the Book of Business, as relayed to USC by Purchaser, at the price per Product set forth in **Exhibit E-1**. For the avoidance of doubt, Purchaser shall never take possession or ownership of the Products. USC shall ship Products directly to customers, and shall have sole responsibility for all regulatory compliance requirements relating to the Products unless specifically otherwise agreed to by the Parties. Orders for Products to Customers will be shipped on or before the second business day following the date on which they are received, provided that USC is provided all required information. Standard shipping costs are included in the prices listed in **Exhibit E-1**.

2.2 Provide Products which conform, in all material respects, to the Specifications and are consistent, in all material respects, with the products that USC supplied to Customers prior to the Effective Date.

2.3 Have in stock, as of the Effective Date, the minimum inventory of each Product set forth opposite the name of such Product on **Exhibit E-1**, with sufficient shelf life to be saleable during the Transition Period. For the avoidance of doubt, USC is not under any obligation to manufacture additional quantities of any Product after the inventory set forth on **Exhibit E-1** has been sold pursuant to this Addendum. However, while Purchaser is not obligated to make sales to consume the quantities of Products specified on **Exhibit E-1**, Purchaser agrees to use its best efforts to make sufficient sales during the Transition Period to consume the quantities of Products specified on **Exhibit E-1**.

2.4 Invoice Purchaser on a monthly basis, based on the pricing set forth on **Exhibit E-1**, which is fair market value in an arm's-length transaction, consistent with the general market value of the subject transaction, for all Products ordered by Customers during the Transition Period which were fulfilled by USC, and maintain appropriate records to support all invoices. For the avoidance of doubt, the monthly invoice for sales of Products during the last month of the Transition Period shall be provided promptly following the expiration of the Transition Period.

2.5 Handle all customer inquiries, complaints, adverse event investigation and reporting, and recalls or market withdrawals relating to orders filled by USC.

2.6 Reasonably cooperate with Purchaser to (i) resolve any disputes with Customers and (ii) ensure a high-quality Customer experience.

2.7 At all times operate, in all material respects, in compliance with all applicable laws relating to the sales of Products, including cGMP.

ARTICLE III OBLIGATIONS OF PURCHASER

Subject to the limitations and conditions of this Addendum and the Sales Agreement, during the Transition Period, Purchaser will:

- 3.1 Where it does not make a Product that would satisfy a Customer in the Book of Business and such Customer wishes to order a Product, Purchaser will relay orders from Customers in the Book of Business to USC during the Transition Period. Such relayed orders will include all information necessary for USC to properly fill the orders. Purchaser shall be solely responsible for the accuracy of information related to orders for Products from Customers pursuant to this Addendum.
- 3.2 For any Products that Purchaser does not begin manufacturing during the Transition Period, but Book of Business Customers continue to order, Purchaser shall continue to relay such orders to USC until the minimum inventory listed in **Exhibit E-1** is exhausted or is no longer salable for any reason, including insufficient shelf life for individual Products.
- 3.3 Handle all customer inquiries and complaints relating to orders for Products filled by Purchaser and not dispensed under UCS's label.
- 3.4 Pay USC, in immediately available funds, for all invoices delivered by USC to Purchaser pursuant to **Section 2.4** herein. All payments shall be due within thirty (30) days of USC invoicing Purchaser for such deliveries.

ARTICLE IV COMPLIANCE WITH LAWS

4.1 The Parties intend for this Addendum to comply with all applicable laws. Should any of the Parties reasonably conclude that any portion of this Addendum does not comply with any applicable law or regulation, the Parties will negotiate in good faith to modify as appropriate to ensure legal compliance. Should the Parties fail to reach a mutually agreeable resolution which brings this Addendum into compliance with applicable laws and regulations, this Addendum shall be deemed automatically terminated upon such failure, and all amounts due to USC for orders fulfilled prior to such termination shall become immediately due and payable.

ARTICLE V PATENTS & INTELLECTUAL PROPERTY

5.1 The trademarks, patents and other intellectual property of each of the Parties prior to the Effective Date shall remain the property of the respective owners of such intellectual property and nothing herein shall be construed so as to transfer ownership of any such intellectual property from the owner of the same prior to the Effective Date.

ARTICLE VI USC'S WARRANTY

6.1 **Compliance with Specifications.** USC warrants that the Products will be in material compliance with the Specifications and the other provisions of this Addendum respecting quality and cGMP and any other applicable law or regulatory requirement (including as it relates to the adulteration or misbranding of Products, as those terms are defined by the Federal Food Drug and Cosmetic Act, as amended, and regulations issued thereunder) at the time such Products are delivered to a common carrier for shipment to Book of Business Customers.

6.2 USC warrants that all goods delivered hereunder shall be merchantable, fit for their intended purpose and free from defects, whether latent or apparent. USC warrants that all services performed hereunder shall be performed in a good and workmanlike manner by qualified, trained personnel, free from material errors.

6.3 EXCEPT AS EXPRESSLY SET FORTH IN THIS ADDENDUM, USC MAKES NO OTHER REPRESENTATIONS, STATEMENTS OR WARRANTIES WITH RESPECT TO THE SERVICES TO BE PROVIDED PURSUANT TO THIS ADDENDUM, AND ALL IMPLIED WARRANTIES ARE HEREBY DISCLAIMED.

ARTICLE VII INDEMNIFICATION

7.1 USC will defend, indemnify, and hold Purchaser and its officers, directors, employees, agents, affiliates, insurers, consultants and attorneys (the "**Purchaser Indemnitees**") harmless from and against any and all claims, losses, liabilities, damages, costs and expenses actually incurred (including, without limitation, reasonable fees and expenses of attorneys incurred by Purchaser) arising from or relating to USC's breach of this Addendum. The indemnification provisions herein shall not apply to the extent that a loss is caused by the negligence or intentional conduct of the Purchaser Indemnitees.

7.2 Purchaser will defend, indemnify, and hold USC and its officers, directors, employees, agents, affiliates, insurers, consultants and attorneys (the "**USC Indemnitees**") harmless from and against any and all claims, losses, liabilities, damages, costs and expenses actually incurred (including, without limitation, reasonable fees and expenses of attorneys incurred by USC) arising from or relating to Purchaser's breach of this Addendum. The indemnification provisions herein shall not apply to the extent that a loss is caused by the negligence or intentional conduct of the USC Indemnitees.

7.3 Each Party hereby waives, acknowledges and agrees that it shall not have and shall not exercise or assert, any right of indemnity or other right or remedy under the terms of this Addendum against any other Party in connection with any right of indemnity or other right or remedy brought against such other Party under the terms of the Sales Agreement.

7.4 Notwithstanding anything to the contrary herein, no Party shall be liable, whether in contract, in tort (including negligence and strict liability), in connection with the indemnification obligations in this **Article VII** or otherwise, for any special, indirect, punitive, exemplary, incidental or consequential damages whatsoever which in any way arise out of this Addendum.

ARTICLE VIII INSURANCE

8.1 USC shall obtain and maintain product liability insurance covering the Products with policy limits of not less than \$2,000,000 and shall maintain such insurance for four years after shipment of the Product pursuant to this Addendum, which coverage may be satisfied through tail coverage. Upon request, evidence of such insurance shall be provided by USC to Purchaser.

ARTICLE IX TERM AND TERMINATION

9.1 **Term.** This Addendum shall automatically terminate upon the earlier to occur of (a) expiration of the Transition Period and (b) the sale of all quantities of Products set forth on **Exhibit E-1**, unless terminated earlier or extended in accordance with this Addendum.

9.2 **Termination.** A party not in default under this Agreement (the "**Non-Defaulting Party**") may terminate this Agreement by giving written notice to the other party (the "**Defaulting Party**") of the Non-Defaulting Party's intention to terminate this Agreement upon the occurrence of either or both of the following events:

- (a) a material breach by the Defaulting Party of any of its obligations hereunder; or
- (b) the filing by or against the Defaulting Party of a petition in bankruptcy, or any appointment of a receiver for the Defaulting Party or any substantial part of its assets, or any assignment for the benefit of the Defaulting Party's creditors.

Such notice will identify a date for termination of this Agreement, which date will not be sooner than fifteen (15) business days after receipt of such notice by the Defaulting Party ("**Termination Date**"). If the event on which the notice is based is not cured prior to the Termination Date, then this Agreement shall terminate on the Termination Date pursuant to such notice.

9.3 **Effect on Other Agreements/Survival of Certain Provisions.** Any Sections which by their nature are intended to survive termination or expiration of this Addendum shall survive any such termination or expiration including: **Articles V through XI**.

ARTICLE X MISCELLANEOUS

10.1 **Entire Agreement.** This Addendum, along with the exhibits hereto and the Sales Agreement constitute the entire agreement between USC and Purchaser with respect to, among other things, the sale of Products by USC. In the event of any inconsistency between this Addendum and the Sales Agreement, the Sales Agreement shall control.

10.2 **No Strict Construction.** The Parties hereto have participated jointly in the negotiation and drafting of this Addendum. In the event an ambiguity or question of intent or interpretation arises, this Addendum shall be construed as if drafted jointly by the Parties hereto, and no presumption or burden of proof shall arise favoring or disfavoring any Party hereto by virtue of the authorship of any of the provisions of this Addendum.

10.3 **Assignment.** The obligations of the Parties hereunder shall not be assignable except with the written consent of the other Parties.

10.4 **Independent Status.** This Addendum shall not be construed as forming a partnership, joint venture or similar relationship between any of the Parties. All employees and representatives of USC providing services pursuant to this Addendum shall be under the direction, control and supervision of USC (and not of Purchaser), and USC shall have the sole right to exercise all authority with respect to such employees and representatives and in no event shall such employees and representatives be deemed to be employees or agents of Purchaser.

10.5 **Force Majeure.** Neither Party will be liable to the other for failure to perform any part of this Addendum if such failure results from an act of God, war, terrorism, revolt, revolution, sabotage, actions of a governmental entity, laws, regulations, embargo, fire, strike, other labor trouble, endemic, insolvency or other financial difficulty of any manufacturer or any cause beyond a party's control. Upon the occurrence of any such event which results in, or will result in, delay or failure to perform according to the terms of this Addendum, the impacted party will promptly give notice to the other party of such occurrence and the effect and/or anticipated effect of such occurrence. The impacted party will use its reasonable efforts to minimize disruptions in its performance and to resume performance of its obligations under this Addendum as soon as practicable; *provided, however*, the resolution of any strike or labor trouble shall be within the sole discretion of the impacted party. USC shall have the right to shut down temporarily, for routine maintenance purposes, the operation of the facilities providing any services pursuant to this Addendum whenever, in its reasonable judgement, such action is necessary; *provided, however*, that such shut down shall not materially adversely and unduly affect Purchaser. USC shall be relieved of its obligations to provide services pursuant to this Addendum only for the period of time that its facilities are so shut down but shall use diligent and commercially reasonable efforts to minimize any such shutdown.

10.6 **Notice.** Whenever written notice is required or permitted to be given by one party to the other under this Addendum, a Party may satisfy such notice requirements by conforming with the requirements for giving notice in the Sales Agreement.

10.7 **Governing Law.** This Addendum shall be governed by the laws of the State of Delaware, except with regard to its conflict of law provisions and the Parties subject themselves to the jurisdiction of the state and federal courts located in New Castle County, Delaware. Should any provision of this Addendum be declared illegal or unenforceable by any court of competent jurisdiction and cannot be modified to be enforceable, such provision shall immediately become null and void, leaving the remainder of this Addendum in full force and effect. **THE PARTIES HEREBY WAIVE THE RIGHT TO A JURY TRIAL WITH REGARD TO ANY DISPUTE RELATING TO OR ARISING FROM THIS ADDENDUM.**

10.8 **Confidentiality.** The Confidential Disclosure Agreement that was executed between Owner and Purchaser's parent company, Fagron Holding USA, LLC, on or about May 5, 2021 (the "**NDA**") shall apply to this Addendum. The Parties agree to treat the terms of this Addendum as Confidential Information, as defined in the NDA, except that each of the Parties can disclose the minimum amount of Confidential Information necessary to employees, officers, shareholders, agents, consultants and customers as necessary to carry out the purpose of this Addendum.

IN WITNESS WHEREOF, the parties, by their duly authorized officers whose signatures appear below, have executed this Addendum effective as of the date first set forth above.

Fagron Compounding Services, LLC
d/b/a Fagron Sterile Services

By : /s/ Andrew Pulido
Name : Andrew Pulido
Date : July 30, 2021

US Compounding, Inc.

By : /s/ Dennis J. Carlo
Name : Dennis J. Carlo
Date : July 30, 2021

Adamis Pharmaceuticals Corporation

By : /s/ Dennis J. Carlo
Name : Dennis J. Carlo
Date : July 30, 2021

EXHIBIT E-1

[***]

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS OF ADAMIS PHARMACEUTICALS CORPORATION**Overview**

On July 30, 2021, Adamis Pharmaceuticals Corporation (the “Company”) and the Company’s wholly-owned subsidiary US Compounding, Inc. (“USC”) entered into an Asset Purchase Agreement (the “Agreement”) effective as of July 30, 2021 (the “Effective Date”) with Fagron Compounding Services, LLC d/b/a Fagron Sterile Services (the “Purchaser”), providing for the sale and transfer by USC and the purchase by the Purchaser, effective as of the Effective Date, of certain assets of USC relating to its human compounding pharmaceutical business (the “Business”), including certain customer information and information on products sold to such customers by USC (together, the “Book of Business”), including related formulations, know-how, and expertise regarding the compounding of pharmaceutical preparations, clinical support knowledge and other data and certain other information relating to the customers and products (“Business Knowledge” and together with the Book of Business, the “Assets”). Pursuant to the Agreement, the Purchaser will not assume any liabilities of USC.

The Agreement provides that the consideration payable by the Purchaser to the Company for the Assets sold and transferred will consist of the following amounts: (i) a payment of \$107,500 on the Effective Date; and (ii) monthly payments in an amount equal to (a) two (2.0) times the amount actually collected by Purchaser or its affiliates for sales of products or services made to certain identified customers included in the Book of Business during the 12-month period following the Effective Date (the “Payment Term”), and (b) a lower multiple of the amount actually collected by Purchaser or its affiliates for sales of products or services made to certain other customers included in the Book of Business.

Basis of Presentation

The following unaudited pro forma consolidated financial statements of the Company have been prepared and presented in accordance with Article 11 of Securities and Exchange Commission (“SEC”) Regulation S-X, were derived from the Company’s historical consolidated financial statements and are being presented to give effect to the sale of the Assets pursuant to the Agreement (the “Transaction”). The unaudited pro forma consolidated financial statements of the Company are based on currently available information and assumptions that Company’s management believes are reasonable. The actual effects of the Transaction will differ from the pro forma adjustments. The unaudited pro forma consolidated statements of operations for year ended December 31, 2020 reflect the Company’s results as if the Transaction had occurred on January 1, 2020, the beginning of the earliest period presented. The unaudited pro forma consolidated balance sheet as of December 31, 2020 reflects the Company’s assets, liabilities, and equity as if the Transaction had occurred on December 31, 2020.

The unaudited pro forma consolidated financial statements should be read in conjunction with:

- (i) The accompanying notes to the unaudited pro forma consolidated financial statements; and
- (ii) the audited consolidated financial statements of the Company and its subsidiaries, the accompanying notes and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.

The unaudited pro forma consolidated financial statements do not purport to represent the Company’s actual consolidated results of operations or financial condition had the Transaction occurred on the dates assumed, nor are they indicative of the Company’s future consolidated results of operations or financial condition or the Company’s historical consolidated results of operations or financial condition reflecting the USC business.

Accounting for the Transaction

- 1) The Transaction does not meet the conditions for discontinued operations because the subject of the sale is not a component or business; thus, the Transaction will be accounted for as a sale of assets.
 - 2) Since the Company is selling a material portion of the USC assets, pursuant to the terms of its building loan relating to the USC building and property, the Company paid to the lending bank the full outstanding balance of the building loan utilizing the Company’s cash on hand.
 - 3) The consideration for the sale consists of fixed and variable considerations. The ASC 606 - Revenue Recognition guidance will be applied to account for the variable consideration.
 - 4) The assets sold were part of the USC reporting unit, and as a result of Transaction, additional impairment is estimated for the remaining USC assets to be held and used.
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UNAUDITED PRO FORMA CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended December 31, 2020			
	ADMP Historical	Transaction Accounting Adjustments - Sale of USC's Assets	Transaction Accounting Adjustments - Other	Proforma
REVENUE, net	\$ 16,527,397	\$ (9,306,538) a	\$ —	\$ 7,220,859
COST OF GOODS SOLD	14,893,822	(6,362,594) a	—	8,531,228
Gross Profit (Loss)	1,633,575	(2,943,944)	—	(1,310,369)
SELLING, GENERAL AND ADMINISTRATIVE EXPENSES	30,580,740	(8,299,055) a	978,100 f	23,259,785
RESEARCH AND DEVELOPMENT	8,280,750	(240,374) a	—	8,040,376
IMPAIRMENT EXPENSE - Goodwill	6,772,210	—	587,741 e	7,359,951
IMPAIRMENT EXPENSE - Contract Asset	1,750,000	—	—	1,750,000
IMPAIRMENT EXPENSE - CIP	1,115,560	—	—	1,115,560
IMPAIRMENT EXPENSE - Fixed Assets	—	—	336,865 e	336,865
IMPAIRMENT EXPENSE - Inventories	—	—	1,848,899 c	1,848,899
IMPAIRMENT EXPENSE - Intangibles	2,912,610	—	2,778,652 e	5,691,262
Loss from Operations	(49,778,295)	5,595,485	(6,530,257)	(50,713,067)
OTHER INCOME (EXPENSE)				
Interest Expense	(159,628)	—	—	(159,628)
Interest/Other Income	84,008	—	—	84,008
Sale of Assets	—	—	14,507,500 d	14,507,500
Change in Fair Value of Warrant Liabilities	465,000	—	—	465,000
Total Other Income (Expense), net	389,380	—	14,507,500	14,896,880
Loss Before Income Taxes	(49,388,915)	5,595,485	7,977,243	(35,816,187)
Income Tax Expense	(2,174)	—	—	(2,174)
Net Loss	\$ (49,391,089)	\$ 5,595,485	\$ 7,977,243	\$ (35,818,361)
Basic & Diluted Loss Per Share:				
Basic & Diluted Loss Per Share	\$ (0.64)	\$ 0.07	\$ 0.10	\$ (0.46)
Basic & Diluted Weighted Average Shares Outstanding	77,569,745	77,569,745	77,569,745	77,569,745

See accompanying notes to unaudited pro forma consolidated financial statements.

UNAUDITED PRO FORMA CONSOLIDATED BALANCE SHEET

As of December 31, 2020

	ADMP Historical	Transaction Accounting Adjustments - Sale of USC's Assets	Transaction Accounting Adjustments - Other	Pro Forma
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	\$ 6,855,355	\$ —	\$ (2,067,213) b 107,500 d	\$ 4,895,642
Accounts Receivable, net	1,092,857	—	—	1,092,857
Inventories	3,115,926	—	(1,848,899) c	1,267,027
Receivable from Sale of USC	—	—	14,400,000 d	14,400,000
Prepaid Expenses and Other Current Assets	1,459,983	—	—	1,459,983
Total Current Assets	12,524,121	—	10,591,388	23,115,509
LONG TERM ASSETS				
Intangible Assets, net	6,289,684	(1,991,364) a	(2,778,652) e	1,519,668
Goodwill	868,412	—	(587,741) e	280,671
Fixed Assets, net	9,586,593	—	(336,865) e	9,249,728
Right-of-Use Assets	1,543,997	—	—	1,543,997
Other Non-Current Assets	54,655	—	—	54,655
Total Assets	\$ 30,867,462	\$ (1,991,364)	\$ 6,888,130	\$ 35,764,228
LIABILITIES AND STOCKHOLDERS' EQUITY				
CURRENT LIABILITIES				
Accounts Payable	\$ 3,491,717	\$ —	\$ —	\$ 3,491,717
Deferred Revenue, current portion	100,070	—	—	100,070
Accrued Other Expenses	2,524,412	—	978,100 f	3,502,512
Accrued Bonuses	1,047,719	—	—	1,047,719
Contingent Loss Liability	7,900,000	—	—	7,900,000
Lease Liabilities, current portion	494,342	—	—	494,342
Bank Loans - Building, current portion	2,067,213	—	(2,067,213) b	—
Paycheck Protection Plan (PPP) Loan	2,300,253	—	—	2,300,253
Total Current Liabilities	19,925,726	—	(1,089,113)	18,836,613
LONG TERM LIABILITIES				
Deferred Revenue, net of current portion	850,000	—	—	850,000
Deferred Tax Liability, net	112,530	—	—	112,530
Lease Liabilities, net of current portion	1,105,219	—	—	1,105,219
PPP Loan, net of current portion	891,447	—	—	891,447
Warrant Liabilities, at fair value	4,485,000	—	—	4,485,000
Total Liabilities	27,369,922	—	(1,089,113)	26,280,809
COMMITMENTS AND CONTINGENCIES				
STOCKHOLDERS' EQUITY				
	3,497,540	(1,991,364)	7,977,243	9,483,419
Total Liabilities & Stockholders' Equity	\$ 30,867,462	\$ (1,991,364)	\$ 6,888,130	\$ 35,764,228

See accompanying notes to unaudited pro forma consolidated financial statements.

NOTES TO UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS

The unaudited pro forma consolidated statements of operations for the year ended December 31, 2020 and the unaudited pro forma consolidated balance sheet as of December 31, 2020 include the pro forma adjustments described below:

- a) The unaudited pro forma consolidated statements of operations represent the historical direct revenues, operating expenses and certain other expenses directly attributable to the human compounding business of USC. The unaudited pro forma consolidated balance sheet represents the removal of assets, liabilities and equity directly attributable to the sale of the Assets related to the Business pursuant to the Agreement.
- b) Represents the principal payment of the building loan relating to the USC building and property of \$2,067,213. With the sale of a material portion of USC assets, pursuant to the terms of its building loan relating to the USC building and property, the Company paid to the lending bank the full outstanding balance of the building loan.
- c) Represents the impairment of the human business inventory as a result of the Transaction. While the Company intends to sell the remaining inventory, the Company has not yet completed the assessment of its net realizable value. Upon finalizing the assessment, impairment of inventory may range from zero to approximately \$1,849,000.
- d) Represents the consideration payable by the Purchaser to the Company for the Assets sold and transferred, consisting of the following amounts: a payment of \$107,500 on Effective Date; and the aggregate estimated additional consideration calculated based on the amounts collected by Purchaser from the sale of products or services to customers identified in the Book of Business made during the Payment Term. The Company has not yet completed its analysis of the variable consideration, but currently anticipates that it will apply the guidance within ASC 606, Revenue Recognition. Accordingly, the Company will estimate and recognize the variable consideration that is not constrained. Based on historical sales, the Company estimated the variable consideration to be approximately \$1,200,000 per month or a total of approximately \$14,400,000.
- e) Represent the impairment of USC's fixed assets, goodwill and the remaining intangibles as a result of the Transaction, as reflected in the tables below. The sale of the Assets did not constitute a sale of the business or component, and therefore goodwill of the USC reporting unit was not allocated to the sale of Assets. However, the sale of Assets resulted in a triggering event requiring an impairment analysis of long-lived assets and goodwill of the USC reporting unit. Based on the preliminary impairment analysis, the Company estimates the following:

USC's Intangibles Assets:

December 31, 2020	Net Carrying Value	Allocated to Sale of Assets (a)	Impairment Related to the Sale of Assets
Definite-lived Intangible assets, estimated lives in years:			
FDA 503B Registration & Compliance, 10 years	\$ 2,092,684	\$ —	\$ 1,936,037**
Customer Relationships, 10 years	2,942,326	1,991,364*	—
Total Definite-lived Assets	5,035,010	1,991,364	1,936,037
Trade Name and Brand, Indefinite	1,245,000	—	842,615 *
Balance, December 31, 2020	<u>\$ 6,280,010</u>	<u>\$ 1,991,364</u>	<u>\$ 2,778,652</u>

*Calculated based on USC's total 2020 revenues between Human and Veterinary products.

**Calculated based on USC's total 2020 503B revenues between Human and Veterinary products.

USC's Goodwill:

December 31, 2020	Net Carrying Value	Impairment Related to the Sale of Assets
Goodwill	\$ 868,412	\$ 587,741 *

*Calculated based on USC's total 2020 revenues between Human and Veterinary products.

USC's Fixed Assets:

December 31, 2020	Net Book Value (NBV)	Impairment Related to the Sale of Assets
Land	\$ 460,000	\$ —
Building	2,561,763	—
Machinery & Equipment	468,497	170,318
Leasehold Improvements	219,147	148,319
Furniture & Fixtures	37,410	12,660
Tribute Equipment	16,455	5,568
Auto & Truck	6,333	—
Sub-total	3,769,605	336,865
CIP - Equipment	3,319,109	—
	<u>\$ 7,088,714</u>	<u>\$ 336,865</u>

The Company has not yet completed the assessment of the fair value of its fixed assets. Upon finalizing the assessment, there may be some impairment of fixed assets, or impairment of fixed assets could be approximately zero.

- f) Represents the \$700,000 amount payable to a financial advisor for services related to the sale of Assets pursuant to the Agreement, and the estimated costs associated with retention agreements and incentive arrangements with certain personnel of approximately \$278,100.

Cautionary Note Regarding Forward-Looking Statements

This Exhibit -K contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements relate to future events or operations, including, but not limited to: assumptions and estimates concerning the amount of consideration that the Company will receive as a result of the sale of the Assets pursuant to the Agreement; the fees, expenses and costs associated with the transactions contemplated by the Agreement and the other matters described in this Exhibit; and the gain or loss that the Company will recognize as a result of the Transaction. These forward-looking statements are based on the Company's current expectations and inherently involve significant risks and uncertainties. Actual results may differ materially from those anticipated by such forward-looking statements. The Company may receive consideration from the sale of the Assets that is greater than, or less than, the estimates reflected in such forward-looking statements and this Exhibit. There can be no assurances concerning the amount of consideration that we will receive as a result of the sale of the Assets or concerning the fees, costs, expenses, charges or liabilities that we may incur in the future in connection with the Transaction or the matters reflected in the pro forma unaudited consolidated financial information presented in this Exhibit. Certain risks relating to the forward-looking statements and estimates set forth in this Exhibit, as well as other risks relating to the Company's business, financial conditions and prospects, are described in the Company's other filings from time to time with the Securities and Exchange Commission, including the risk factors identified under the heading "Risk Factors" in the Company's most recent Annual Report on Form 10-K, as updated by the Company's subsequent Quarterly Reports on Form 10-Q and Current Reports on Form 8-K, all of which the Company strongly urges you to read and consider and all of which are available free of charge on the SEC's web site at <http://www.sec.gov>. Such forward-looking statements speak only as of the date of this Current Report, and except to the extent otherwise required by law, the Company undertakes no duty or obligation, and expressly disclaims any obligation, to update any forward-looking statements contained in this Current Report as a result of new information, future events or changes in its expectations.

In addition, as the Company has previously disclosed, each of the Company and its US Compounding Inc. subsidiary has received a grand jury subpoena from the U.S. Attorney's Office for the Southern District of New York issued in connection with a criminal investigation, requesting a broad range of documents and materials relating to, among other matters, certain veterinary products sold by the Company's USC subsidiary, certain practices, agreements and arrangements relating to products sold by USC, including veterinary products, and certain regulatory and other matters relating to the Company and USC. The Audit Committee has engaged outside counsel to conduct an independent internal investigation to review these and other matters. The internal investigation is ongoing and the Company cannot predict its duration or outcome. At this time, the Company is unable to determine what, if any, action the U.S. Attorney's Office or other federal or state authorities may take, what, if any, remedial measures the U.S. Attorney's Office may seek, and what, if any, impact the foregoing matters may have on USC's and the Company's previously reported financial results, financial results for the three months ended March 31, 2021, future financial results or the unaudited pro forma consolidated financial information presented above. These matters may, among other things, affect the Company's previously reported financial results, financial results for the three months ended March 31, 2021, future financial results or the unaudited pro forma consolidated financial information presented above.

Adamis Announces Agreement to Sell Portion of US Compounding Business

Transaction Proceeds Will be Used for General Corporate Purposes and Funding Intended Acceleration of Pharmaceutical Pipeline

SAN DIEGO, August 4, 2021-- [Adamis Pharmaceuticals Corporation](#) (NASDAQ: ADMP) (“Adamis” or the “Company”) today announced that it has entered into a definitive agreement to sell a significant portion of the assets of its subsidiary, US Compounding Inc. (“USC”), related to USC’s human compounding pharmaceutical business and customers, in exchange for total gross consideration estimated to be up to \$15 million before transaction fees and expenses. The consideration will be paid by the buyer to Adamis in monthly installments over the course of approximately 12 months based on a multiple of gross revenue generated by the assets during the measurement period.

The transaction aligns with Adamis’ stated goal of focusing its efforts on the development of its prescription pharmaceutical pipeline. Adamis expects to use the proceeds from the sale for general corporate purposes and to fund ongoing development of its pipeline.

Further details related to the transaction and related matters will be contained in a report on Form 8-K to be filed by the Company within four business days of the effective date of the agreement.

About Adamis Pharmaceuticals

Adamis Pharmaceuticals Corporation is a specialty biopharmaceutical company primarily focused on developing and commercializing products in various therapeutic areas, including allergy, opioid overdose, respiratory and inflammatory disease. The Company’s SYMJJEPI (epinephrine) Injection products are approved by the FDA for use in the emergency treatment of acute allergic reactions, including anaphylaxis. Adamis’ naloxone injection product candidate, ZIMHI, for the treatment of opioid overdose, is currently under FDA review. Adamis is developing additional products, including treatments for acute respiratory diseases, such as COVID-19, and radiation dermatitis. The company’s subsidiary, USC, compounds sterile prescription drugs, and certain nonsterile drugs for human and veterinary use by hospitals, clinics, surgery centers, and vet clinics throughout most of the United States. For additional information about Adamis Pharmaceuticals, please visit www.adamispharmaceuticals.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements include those that express plans, anticipation, intent, contingencies, goals, targets or future development and/or otherwise are not statements of historical fact. These statements relate to future events or future results, including, but not limited to, the following statements: the consideration expected to be generated as a result of the sale of USC assets; the Company's ability to develop and commercialize the product candidates described in this press release, itself or through development and/or commercialization partners; the potential of the Company's prescription pharmaceutical pipeline, including the Company's ability to develop such pipeline; and other statements concerning our future operations and activities. These statements are only predictions and involve known and unknown risks, uncertainties, and other factors, which may cause Adamis' actual results to be materially different from the results anticipated by such forward-looking statements. In addition, as previously disclosed, each of the Company and USC has received a subpoena from the U.S. Attorney's Office for the Southern District of New York issued in connection with a criminal investigation. Accordingly, all forward-looking statements are subject to the outcome of this investigation, as well as the related investigation being conducted by the Company's Audit Committee. We cannot assess the impact of each factor on our business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. You should not place undue reliance on any forward-looking statements. Further, any forward-looking statement speaks only as of the date on which it is made, and except as may be required by applicable law, we undertake no obligation to update or release publicly the results of any revisions to these forward-looking statements or to reflect events or circumstances arising after the date of this press release. Certain of these risks and additional risks, uncertainties, and other factors are described in greater detail in Adamis' filings from time to time with the U.S. Securities and Exchange Commission ("SEC"), including its annual report on Form 10-K for the year ended December 31, 2020 and subsequent filings with the SEC, which Adamis strongly urges you to read and consider, all of which are available free of charge on the SEC's web site at <http://www.sec.gov>.

Contact:

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