Aquestive®

ESG REPORT 2022

Environmental, Social, and Governance 2022 Sustainability Report

Table of Content

WHO WE ARE

About this report

Welcome to Aquestive Therapeutics, Inc.'s Environmental, Social, and Governance (ESG) Report ("Sustainability Report"). Aquestive Therapeutics ("we", "our", "Aquestive", "Aquestive Therapeutics" or the "Company") first Sustainability Report describes our ESG efforts and performance for our Fiscal Year 2022. This report includes disclosures containing relevant, industry-specific data and information aligned with the Sustainability Accounting Standards Board ("SASB") framework.

Content within this report should not be considered a substitute for financially material information provided in Aquestive's filings with the U.S. Securities and Exchange Commission (SEC), including, but not limited to, our Form 10-K, Forms 10-Q and Forms 8-K.

Our Sustainability Report endeavors to provide transparency into our vision, goals, commitments, and achievements. It highlights the progress we continue to make along our sustainability journey and how we are delivering long-term value to all of our stakeholders.

For questions about this report, please contact **info@aquestive.com**

Message from the CEO

"Since the inception of the Company, driven by our core values and principles, we have been committed to our purpose: advancing medicines to solve patients' problems with current standards of care. Our mission after 19 years remains the same: to provide transformative products to improve patients' lives. We continue to uphold our own company values collectively and remain committed to leading with integrity, respect, and humanity, recognizing we are citizens of the world in which we live and operate. We understand that, to support these principles, we must continue to build a healthier, safer, and more sustainable future for all of us. The dedication of our team enables us to achieve our sustainability goals and deliver innovative and effective medicines for patients and their caregivers. This Sustainability Report is the first one of a continuing series that will share our path and our commitment to a more sustainable world for all of us.

Sustainability is one of the defining issues of our time. As individuals and organizations, as citizens of the communities and world we live and work in, we have responsibilities that define how we participate and to what we aspire.

We do all of this following a set of core principles and beliefs that we feel make us attractive to patients, customers, and partners who interact with us, colleagues who work on the Aquestive team, and shareholders who do or may invest in us. These are the three constituencies of our business; and, with them, we participate as citizens of the communities and markets in which we live and operate. Aquestive believes that certain behaviors and actions driven by our core values and principles make us a better company for our business constituencies.

While sustainability reporting is an emerging field, these are all areas that Aquestive has lived and operated in because of those core principles and values. No person or company is perfect, and there is always room to learn, grow, improve and adapt to an evolving world. Aquestive is prepared to live and operate in the world as good, contributing principle-driven citizens. The following is a discussion of how Aquestive lives these issues every day and how it plans to evolve.

We aim to provide transparency in our reporting on environmental, social, and governance (ESG) topics to share what we do with all of the constituencies of Aquestive. At Aquestive, we are focused on continuing to operate in a manner consistent with our core values and ensure sustainability.

We are committed to learning, growing, improving, and evolving with the communities around us and being transparent about those issues with our colleagues, customers, and investors. Our sustainability values and programs have grown from within our Company, and our colleagues believe and experience them every day. Applying these values and programs, we are working hard to build a healthier future for our communities and people who depend on our medicines every day."

Dan Barber,
President and Chief Executive Officer

About Aquestive

Aquestive Therapeutics is a pharmaceutical company advancing medicines to solve patients' problems with current standards of care and provide transformative products to improve their lives.

We are developing orally administered products to deliver complex molecules, providing novel alternatives to invasive and inconvenient standard of care therapies. Aquestive has five commercialized products marketed by its licensees in the U.S. and around the world, and is the exclusive manufacturer of these licensed products. The Company also collaborates with pharmaceutical companies to bring new molecules to market using proprietary, best-in-class technologies, like PharmFilm®, and has proven drug development, manufacturing, packaging and commercialization capabilities.

Aquestive is advancing a late-stage proprietary product pipeline focused on treating diseases of the central nervous system (CNS) and a pipeline for the treatment of severe allergic reactions, including anaphylaxis.

Headquartered in Warren, New Jersey and in business since 2004, Aquestive has 132 colleagues throughout the United States. We are an FDA-approved manufacturer with production facilities in Portage, Indiana.

Aquestive (NASDAQ:AQST) is a publicly traded company. For more information, visit **Aquestive.com** and follow us on **LinkedIn**.

Living our values

Aquestive Core Values form the philosophy of how we operate. They are the core of the habits we build and ingrain to become the basis of the culture that defines our Company. They are the foundation on which Aquestive is built and grows. Even as market conditions and the business environment change and possibly affect «what» we do, our values are constant, and they define «who» we are and «how» we act.

Our values define the choices we make and our day-to-day behavior. They drive our decision-making processes and, when faced with difficult or tough choices, provide a model to guide consistent action.

Safety and Compliance

Our success in the market depends on the trust of our patients, prescribers, and partners in our products. We can never lose sight of our obligation to produce safe and effective products.

Innovation

How stakeholders value our collective expertise, know-how, products, and services is based on innovation. We use the core technology we have developed over the years to create innovative, novel and valuable applications that help fulfill the purpose of the organization thereby creating outstanding value for patients, caregivers, and stakeholders.

Ethical Behavior/ Integrity

The responsibility for ethical behavior lies wherever decisions are made. And each of us, regardless of our role, makes numerous decisions each and every day. The responsibility for the ethical standards and reputation of Aquestive lies in the hands of our colleagues in all roles in the organization.

High Performance/ High Achievement

(Performance & Hard Work)

We perform at a high level of achievement as a company, as individuals, and in teams. We recognize our accomplishments, hold each other accountable, and are never satisfied. We continually and relentlessly pursue improvement, innovation, and superior performance against stated goals.

Collaboration

Collaboration ensures the involvement of the people most knowledgeable and able to contribute and encourages the growth and learning of our colleagues. Anyone, regardless of position or background, can make a difference.

Colleague Focused

Our success derives directly from our colleagues. We seek the best people and provide them with the best environment in which to work, learn and develop.

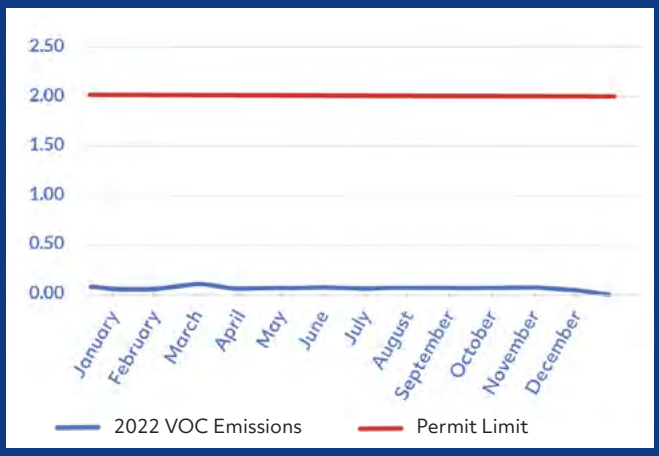

OUR
PLANET

Environmental Regulations at Heart

We operate our manufacturing facilities and laboratories in both New Jersey and Indiana in adherence to the **environmental regulations** in these two states. We collect both wastewater and hazardous waste generated in our core processes and dispose of it in accordance with the applicable regulations of the New Jersey Department of Environmental Protection (DEP) and Indiana Department of Environmental Management (IDEM).

• The Aquestive manufacturing sites in Portage, Indiana are permitted under the IDEM, and we strive to keep our **air emissions** low and our air clean and healthy. We are committed to limiting our emissions far below the permitted limit, being 2 tons per month.

2022 Monthly Trending Emission in Tons



• **Wastewater** is a by-product of manufacturing our medications and needs to be responsibly managed by collecting, treating, and reusing such wastewater to protect water resources. This wastewater is tested, reviewed, and disposed of in accordance with the Clean Water Act and IDEM permits. Aquestive has an excellent record of being well under permit levels with a goal of reducing wastewater even more for 2022/2023.

• Aquestive joined the **Pharmaceutical Product Stewardship Work Group** (PPSWG) in 2021 to address the need for mandated drug take-back programs. PPSWG coordinates the pharmaceutical industry's efforts to respond to household pharmaceutical products and sharps take-back laws, provides legislative and regulatory updates to its members on developing and existing laws, and provides strategic guidance for stewardship programs.

• MED-Project USA ("MED-Project") serves as the stewardship organization designated by PPSWG members to implement and operate mandated take-back programs. These efforts aim to advance a "product stewardship" approach to the challenge of disposing of unwanted medications, help prevent drugs from being dumped into water supplies, and reduce medication misuse. Pharmaceutical manufacturers are responsible for the initiative, including public education and awareness.

Going Green

Aquestive seeks opportunities for going green. Our office's lighting system in New Jersey is equipped with sensors to not waste energy when rooms are not in use. Recycling containers are available in prominent locations across our facilities in New Jersey and Indiana, and all our colleagues are invited to make the most of them.

Carbon Footprint Reduction

• **Universal/Electronic Waste:** Universal and electronic waste produced at Aquestive is sent to be recycled. This waste includes batteries, lightbulbs, computers, and even printer toner/ink.

• **Hazardous Waste:** Aquestive produces hazardous waste at both facilities. The waste is predominantly sent for fuel blending as a way to recycle our solvent-based waste in an environmentally friendly way. Aquestive only produced 2.1 tons of waste in 2021.

• **COVID-19:** When the COVID-19 pandemic first hit, business travel was suspended to protect colleagues and communities. This new normal allowed us to learn that a lot of work can get done by remote colleagues, and many goals can be met by video. The COVID-19 pandemic had a significant impact on how we interact but not on how we collaborate. We reduced air travel by 75% in 2021, and 60% in 2022 compared to 2019; and road travel by 45% in 2021, and 28% in 2022 compared to 2019, but this isn't about just decreasing expenses. This is the opportunity for Aquestive to travel with a purpose and not by default. Knowing that in 2020, the drop in air travel significantly reduced worldwide carbon emissions by 7%, we want to contribute to global sustainability efforts and be conscious of the impact of our actions.

Energy Efficiency Improvements at our manufacturing facilities in Portage, Indiana

• **Energy Audits:** Aquestive has partnered with Indiana University–Purdue University Indianapolis (IUPUI) to perform regular energy audits. These audits are used to set reduction goals and monitor trends and improvements from the prior audits.

•**Led lighting:** The lighting was upgraded in our Ameriplex facility warehouse and cubicle areas to LED. This upgrade reduces power usage by 84,000 kWh. The Melton facility was also upgraded to LED with a power savings of 43,000 kWh.

• **Air Handler upgrades:** Air handlers at our Ameriplex facility are currently being replaced by more efficient models. The replacement is scheduled to be completed by 2024. The efficiency rating is moving from 10.8 EER to 8.5 EER per unit. This reduces usage by 230 watts per air handler.

Hybrid work model

. COVID-19 made working from home a necessity overnight, whether we preferred working that way or not. Now, after realizing the benefits and challenges of remote work, Aquestive is adopting a hybrid work model to extend greater flexibility to colleagues while maintaining the in-person interactions that are crucial for the company community and culture. Not only can hybrid working benefit the Company and colleagues, it also has a positive impact on the environment by reducing the need for high-carbon activities such as the daily commute to work and is an opportunity to reduce travel and real estate costs. At their peak, daily global CO2 emissions decreased by 26% on average during the COVID-19 pandemic, nearly half of which resulted from reduced ground transportation, according to research by Nature Journal. Reduced commutes and business travel from hybrid work coupled with a reduction in office space heating and electricity will help promote a more sustainable future.

OUR PEOPLE

We strive to be a company that every colleague has a stake in, where the diverse mix of our collective voices can lead to better discussions, decisions, and outcomes for everyone.
We remain committed to treating people fairly and with respect. And we believe that we have a responsibility to foster a culture of fairness and inclusion that drives us to value and embrace our differences.

Our Code of Business Conduct and Ethics ("Code of Ethics") provides that we do not tolerate any discrimination, harassment or bullying for any reason. This applies to our business partners (both direct and indirect) throughout our supply chain. Our Code of Ethics provides behavioral guidance and expectations to help all colleagues understand that doing what is right every day is what matters. All colleagues are required to complete a course on aspects of our Code of Ethics and on Diversity and Inclusion including our Executive Leadership Team.

Our values — safety, innovation, collaboration, high performance, integrity, and colleague focus — are built on the foundation that our people and the way we treat one another promote creativity, innovation, and productivity, which spur the Company's success.

We provide market competitive pay and benefit programs, supported by third-party advisors, as well as opportunities to participate in the success colleagues help create through incentive programs that target specific areas of our business (such as our Manufacturing Quarterly Incentive Plans and Colleague Annual Incentive Plans.)

Our highly qualified, diverse, and experienced team, which includes scientists, physicians, and professionals across research and development, marketing, manufacturing, regulatory, intellectual property and data management, legal, finance, and other important functions, are critical to our success.

We provide a comprehensive and competitive benefits package to our colleagues that includes:

- Medical, Dental and Vision Plans
- Company paid Short and Long-Term Disability programs that provide salary continuation during extended illness or injury
- 401(k) Retirement Savings Plan with matching dollars up to 6%
- Company paid Life Insurance
- Paid time off programs
- Employee stock purchase plan
- Equity stock awards
- Flexible Spending Account Program
- Colleague Assistance Program offering confidential support and assistance
- Tuition Assistance Program
- Colleague Referral Bonus Program
- Colleague Recognition Program (cash and non-cash)
- Legal support services through third-party advisors

The safety of our colleagues, their families, our patients, and our products are of the utmost importance to us. It is boldly stated as our number one value and was tested in 2020-2022 with the COVID-19 pandemic. With safety as a guiding principle, we continued manufacturing, formulating, and, most importantly, employing all of our colleagues during extremely challenging times. Our colleagues supported each other by voluntarily providing insight into COVID-19 exposures and following the guidelines implemented around quarantining and vaccinating. We were able to meet a >90% vaccination rate without any mandate, a testament to our colleagues' knowledge, understanding, and support.

We educate and train all colleagues on the importance of safety across all of our functions and facilities, which include two labs and a current Good Manufacturing Practices (cGMP) manufacturing site.

Employee Health and Safety: The health and safety of all Aquestive colleagues is a top priority. We encourage a safety culture dedicated to open communication, teamwork, and education. Our goal as an organization is to find root causes and corrective actions as a team with input from all levels. At our manufacturing sites in Portage, Indiana, we focus on our communication and training by performing monthly EH&S walkthroughs, sending weekly safety talks, working with our safety team, and even sending our colleagues to off-site training programs.

OUR PATIENTS

Aquestive's mission is to advance medicines to solve patients' problems with current standards of care and provide transformative products to improve their lives. We are developing orally administered products to deliver complex molecules, providing novel alternatives to invasive and inconvenient standard of care therapies. We consult with and listen to our patients. Our technologies aim to address shortfalls in medication design that make it hard for patients to use the prescribed medicines.

At Aquestive, we conduct high-caliber clinical research following **Good Clinical Practices** (GCPs) throughout our Product Development lifecycle. Wherever in the world we conduct clinical trials, we adhere to the ethical and scientific standards set forth by domestic and international health authorities as well as clinical Internal Review Boards (IRBs). We review whether our clinical trials, including those we commission through clinical research organizations (CRO), comply with these standards by means of risk-based audits. During our clinical trials, we protect the safety, well-being, dignity and rights of our trial subjects. All study participants must give their explicit informed consent before enrolling in a clinical study. Participants are fully informed about all aspects of the clinical trial in a language that they understand. This includes the potential risks and benefits from participating in the study and the opportunity to inquire about details. We assure the privacy of the study participants in our clinical sites by assuring unanimity of data collected and adhere to applicable state, federal and international privacy laws. Our colleagues are trained on these privacy laws and assure that any information collected that is governed by these laws is handled appropriately.

We continuously collect and communicate safety data on our investigational drugs to ensure the safe use of our pharmaceuticals. Potential adverse effects and risks are taken into consideration in an effort to evaluate the benefit-risk ratio of our products and manage any risk. Product information, including the Investigator's Brochure and Information for study participants, is updated accordingly. Our trials are posted on clinicaltrials.gov for full transparency to the public.

We also continually collect safety data on our drugs post-market. We continuously review any safety signals from our products on the market. Our patient safety program is overseen by our Safety Review committee, which is comprised of our Chief Medical Officer, VP of Quality, VP of Regulatory Affairs, Head of Corporate Compliance and General Counsel.

Supporting patient access: pricing principles

Aquestive recognizes, as a participant and citizen of the markets we operate in, that we have a responsibility to balance the needs of our patients and the needs of our investors. Our business is primarily composed of licensed products manufactured by Aquestive but sold and marketed by others where Aquestive has no influence or input into the selling price of these products. In the case of our single proprietary product, Sympazan®, prior to it being exclusively licensed to a third party in 2022 and is now being marketed by that third party, we believed its pricing was fair, based on the value this product brings to patients in relation to other available alternatives. We also supported Sympazan with significant pricing mechanisms to ensure access. We view pricing as part of the ethics of our business.

Drug prices are at the center of health policy debates at both the state and federal levels. Medicaid provides health coverage for millions of Americans, including many with substantial health needs. Prescription drug coverage is a key component of Medicaid for many beneficiaries who rely on medications for acute problems and for managing ongoing chronic or disabling conditions. **The Medicaid Prescription Drug Rebate Program** (MDRP) was created in 1990 by the Omnibus Reconciliation Act in response to rising drug prices. Under the program, a manufacturer who wants its drug covered under Medicaid must enter into a rebate agreement with the Secretary of Health and Human Services (HHS) stating that it will rebate a specified portion of the Medicaid payment for the drug to the states, who in turn share the rebates with the federal government. Aquestive participates in the Medicaid Drug Rebate Program with the HHS and all other Federal Agencies. The discounts provided by Aquestive help offset state and federal costs of Sympazan.

Affordability is our priority

Prior to its outlicensing, Aquestive engaged in the following activities in 2022 that supported bringing Sympazan to patients in need:

• Aquestive sponsored a **Patient Assistance Program (PAP)** for uninsured patients. The Company's program provided Sympazan "**Free of Charge**" to Uninsured Patients with income at or below 200% of the federal poverty levels. This program helped the most in-need patients gain access to Sympazan even if they could not afford the typical drug pricing.

• A **Patient Co-Pay Support Program** was made available to eligible insured patients and provided Sympazan at a $0 Co-Pay. The Company's $0 Co-Pay program was implemented in April 2020 (from the Company's original $10 Co-Pay program) to help patients impacted during the COVID19 pandemic. The program was extended through 2022.

• Aquestive also provided **significant discounts to payers and insurers** to enable commercially insured patients broad access to Sympazan.

• Aquestive supported a **Prior Authorization Program** to help facilitate Sympazan reimbursement approval between payers and physicians on behalf of patients.

QUALITY & COMPLIANCE

Because Aquestive is involved in the preparation of therapeutics for clinical trials or commercial sale, the Company is subject to extensive regulation. Components of a finished therapeutic product approved for commercial sale or used in late-stage clinical trials must be manufactured in accordance with cGMP and equivalent foreign standards. These regulations govern manufacturing processes and procedures (including record keeping) and the implementation and operation of quality systems to control and assure the quality of investigational products and products approved for sale. The development, manufacture, supply, and distribution of our products and our product candidates is highly regulated and technically complex. We, along with our third-party providers, comply with all applicable regulatory requirements of the FDA and foreign healthcare authorities where medicines are sold.

Regulatory Inspections

As a regulated company developing and manufacturing medicinal products for human use, Aquestive is routinely subject to both announced and unannounced regulatory agency inspections at its manufacturing sites and other places of business. Domestically, Aquestive has supported the FDA, DEA, and individual state professional licensing agencies for on-site inspections of its facilities and quality systems. Aquestive products are distributed in international markets which also permits foreign agencies such as the European Medicines Agency of the European Union (EMA), the Therapeutic Goods Administration of Australia (TGA), the Medicines and Healthcare products Regulatory Agency of the U.K. (MHRA), the Brazilian Health Regulatory Agency (ANVISA), and many others to conduct surveillance inspections at Aquestive facilities. Aquestive has robust inspection readiness programs in-place to respond to regulatory authority requests and inspections at any time.

In 2021-2022, Aquestive was inspected by the FDA, the Australian TGA, and the Indiana Professional License Agency. All Aquestive facilities and quality systems remain GMP certified to continue business operations in the regulated markets in which the Company conducts business.

Date	Inspection Body	Type of Inspection
April 2021	United States – Indiana Professional License Agency	Registration Inspection
June 2021	Therapeutic Goods Administration of Australia	Routine cGMP Inspection
Sept- Oct 2021	United States Food and Drug Administration	Post-Marketing Adverse Drug Experience Reporting Inspection
May 2022	Indiana Department of Environmental Management (IDEM)	Air Compliance Inspection
June 2022	New Jersey Drug Enforcement Agency (DEA)	Routine Renewal Inspection
August 2022	Indiana Drug Enforcement Agency (DEA)	Routine Inspection
October 2022	Indiana Department of Environmental Management (IDEM)	Hazardous Waste Compliance Inspection
November 2022	New Jersey Department of Health (NJ DOH)	Routine Renewal Inspection
November 2022	United States – Indiana Professional License Agency	Registration Inspection
December 2022	Portage Publicly Owned Treatment Works (POTW)	Routine Inspection

Quality Systems and Documentation

Aquestive has a robust and compliant Quality Management System which supports the development, manufacture, and distribution of safe and effective medicinal products The Quality Management System is routinely inspected by regulatory authorities and through continuous internal improvement and auditing programs. Given the need for robust documentation management to fulfil regulatory obligations, Aquestive produces thousands of quality systems documents each year in support of product manufacture, testing, release, and investigational work. The creation, maintenance, and storage of this documentation contributes to Aquestive's ability to continually meet regulatory requirements and ensure the products produced are safe and effective.

Aquestive has made a commitment to reduction of paper-based systems in an effort, in part, to reduce the impact of these systems on the environment and allow for more advanced data management. The Quality Management Systems and their associated documentation represent one key area where paper-reduction strategies have improved efficiency, access to information, and reduction in environmental impact through the reduction of thousands of paper-based documents created each year. The table below outlines the current quality system elements which have been transitioned from paper-based records to electronic systems. Aquestive remains committed to further reducing paper records within the Quality Management System in the coming years.

System	Description
Document Control	Aquestive Standard Operations Procedures, Work Instructions, Forms, Templates, and many other document types are edited, maintained, and stored electronically
Training System	Aquestive colleagues complete training to documentation in an electronic environment
Change Control	Aquestive manages and documents change within the GMP environment through electronic records
Events, Deviations, Product Complaints, Corrective/Preventive Action	Aquestive's formal nonconformance management, investigation, and corrective action processes are captured, documented, and approved electronically

GIVING BACK

Supporting each other in Times of Need

We are a part of our local communities, and they are part of who we are. It's why we are dedicated to uplifting them in times of need. As a company, we support a range of organizations that promote awareness and education through both our advocacy work and our culture of giving back. This support was even more critical throughout 2021 and 2022. It required us to show up in new ways, and we rose to the challenge, volunteering virtually and donating to more organizations than ever before.

We are focused on the needs of patients and caregivers, physicians, and the communities that we serve, including supporting patient advocacy groups.

Aquestive works closely with national and local advocacy organizations, volunteering and donating money. In 2022, we sponsored walks and attended conferences and medical events in support of the epilepsy communities. Our sponsorship efforts include contributing dollars towards making events more successful in helping raise awareness and funds for the cause.

Members of the Aquestive team attended these events to:

- Gain insights into patients' needs,
- Provide accurate, timely, and helpful information on our products to patients and caregivers,
- Identify and improve resources that support patients and caregivers throughout their treatment journey.

As an organization, we also believe that supporting the communities we operate in is a critical aspect of our culture. We engage colleagues in "Aquestive Gives Back" events. We have been coordinating regular team-building events with philanthropy for the past fifteen years, supporting local Food Banks, emergency services, and shelters. Shifting gears during the pandemic, we broadened that to include supporting individual colleague activities whereby they participated in a charitable giving event of their choosing in the name of Aquestive. Stories and photos were then broadly shared across the organization, enabling colleagues to proudly provide insights into organizations that are important to them.

PRINCIPLES OF GOVERNANCE

Our company has implemented a comprehensive governance framework that reflects our mission and vision with a focus on building transparency and accountability, and on ensuring compliance in all our business endeavors. The success of our business is dependent on the trust and confidence we earn from our colleagues, customers and stockholders. We gain credibility by adhering to our commitments, displaying honesty and integrity and reaching goals solely through ethical and honorable conduct. Aquestive's commitment to integrity begins with complying with laws, rules and regulations where we do business. Further, the Company expects that each of our directors, officers and employees ("Colleagues") has an understanding of Company policies, laws, rules and regulations that apply to his or her specific role.

Code of Business Conduct and Ethics

Aquestive is committed to ethical and lawful behavior and seeks to ensure that our standards are not compromised and that we do not violate laws and regulations. The Company maintains certain policies to guide our Colleagues with respect to standards of conduct expected in areas where improper behavior and activities could damage the Company's reputation and otherwise result in serious adverse consequences to the Company and to Colleagues, stockholders or business partners involved. Our Code of Business Conduct and Ethics ("Code of Ethics") affirms these required standards of conduct and practices.

Our management has the responsibility for demonstrating, through their actions, the importance of this Code of Ethics. **In any business, ethical behavior does not simply happen; it is the product of clear and direct communication of behavioral expectations, modeled from the top and demonstrated by example.** Ultimately, our actions are what matters. Our Colleagues are expected to adhere to the standards set forth in the Code of Ethics in letter and spirit. To make our Code of Ethics work, managers are responsible for promptly addressing ethical questions or concerns raised by Colleagues and for taking the appropriate steps to deal with such issues. Managers do not consider Colleagues' ethics concerns as threats or challenges to their authority, but rather as another encouraged form of business communication.

Corporate Governance Guidelines

Our Board of Directors ("Board") has the principal responsibility to foster the long-term success of the Company and the interests of our stockholders. While our senior executives have primary responsibility for managing the business and risks posed to the Company, one of the key responsibilities of the Board is to provide informed oversight of our risk management process. In furtherance of this objective, **the Board has adopted the Company's Corporate Governance Guidelines, which provides for effective governance and reinforces the Company's values of establishing and maintaining the highest standards of legal and ethical conduct in all the Company's business practices.** These guidelines, together with the Company's Certificate of Incorporation and Bylaws and charters of the committees of the Board, provide an overall framework for the Company's governance.

We monitor adherence to our Corporate Governance Guidelines and laws, regulations, standards, controls and initiatives that apply to our business throughout our organization. In addition to tracking key metrics, we have improvement teams regularly visit and actively monitor our facilities to determine the adherence to protocols and to test the effectiveness of programs and initiatives. And program design, execution and effectiveness are tested and refined through our internal audit processes and reviews by external experts.

The Board reviews the Corporate Governance Guidelines at least annually to determine whether they should be modified in response to changed circumstances or legal or stock exchange requirements, or otherwise to be made more effective. Over the years, the Board has modified the Corporate Governance Guidelines and will continue to do so if the directors believe that changes to these principles will advance the interests of the Company's stockholders.

Copies of our **Code of Ethics** and our **Corporate Governance Guidelines** may be accessed free of charge by visiting our website at **www.aquestive.com** under "Investors" at "Corporate Governance: Governance Documents" or by requesting a copy via an e-mail addressed to **investorrelations@aquestive.com** or by written request addressed to our Corporate Secretary at our principal executive offices. To the extent required by applicable law and regulation, we intend to post on our website any amendment to, or waiver under, a provision of the Code of Ethics that applies to our executive officers and directors within the time period required.

Board Oversight

Director Independance

Under Nasdaq rules, a majority of a listed company's board of directors must be comprised of independent directors. In addition, Nasdaq rules require that, subject to specified exceptions, each member of a listed company's audit committee, compensation committee and nominating and governance committee be independent, and members of the audit committee and compensation committee must also satisfy additional independence criteria set forth in Rules 10A-3 and 10C-1, respectively, under the Securities Exchange Act of 1934, as amended. Under Nasdaq rules, a director will only qualify as an "independent director" if the director meets certain objective independence tests and does not have a relationship that, in the opinion of the Board, would interfere with the exercise of independent judgment in carrying out the responsibilities of a director.

In accordance with these standards and criteria, the Board undertakes an annual review of the independence of our directors. During this review the Board considers whether there are any relationships or related party transactions between each director, any member of his or her immediate family or other affiliated entities, and the Company. The purpose of this review is to determine whether any such relationships or transactions existed that were inconsistent with a determination that the director is independent.

The Board follows a number of procedures to review related party transactions, as described in more detail below under "Related Person Transaction Policy." Each director also answers a questionnaire designed to disclose information concerning conflicts and transactions which may impact independence, and we also review our internal records for any such transactions.

Based on a review of these standards and materials, our Board determines whether any of our independent directors has any relationship with the Company impacting his or her independence as a director under applicable listing and regulatory standards.

Board Responsabilities and Duties

In fulfilling their decision-making and oversight responsibilities, our directors exercise their business judgment in a manner that they reasonably believe to be in the best interests of the Company and our stockholders and in a manner consistent with their fiduciary duties.

The Board's primary functions are to:

a. Oversee management ethical conduct in all of the Company's businesses, including conformity with all applicable laws and regulations;

b. Review, evaluate and, where appropriate, approve, the Company's major strategies and long-term plans and its performance against these objectives;

c. Select, evaluate and compensate the Company's Chief Executive Officer ("CEO") and other senior officers and review management succession planning;

d. Oversee management's efforts to protect the Company's assets through the maintenance of appropriate accounting, financial reporting and financial and other controls;

e. Review the Company's policies and practices with respect to risk assessment and risk management;

f. Review and approve material transactions and commitments not entered into in the ordinary course of business;

g. Provide advice and counsel to senior management;

h. Evaluate the overall effectiveness of the Board and its committees;

i. Evaluate, select and recommend appropriate candidates for election as directors; and

j. Ensure that effective systems are in place for periodic and timely reporting to the Board on important matters concerning the Company, including the following:

i. Current business and financial performance, the degree of achievement of approved objectives and the need to address forward-planning issues;

ii. Future business prospects and forecasts, including actions, facilities, personnel and financial resources required to achieve forecasted results;

iii. Financial statements prepared in accordance with U.S. generally accepted accounting principles, with appropriate segment or divisional breakdowns;

iv. Compliance programs to assure the Company's compliance with law and corporate policies;

v. Material litigation and governmental and regulatory matters; and

vi. Monitoring and, where appropriate, responding to communications from stockholders.

Board Leadership Structure

Our Board of Directors is chaired by one of our independent directors. As a general policy, our Board believes that separation of the positions of Chairman and Chief Executive Officer reinforces the independence of the Board from management, creates an environment that encourages objective oversight of management's performance and enhances the effectiveness of the Board as a whole. Our Chief Executive Officer is also a member of the Board, which we believe promotes strategy development and execution and facilitates information flow between management and the Board. We currently expect the positions of Chairman of the Board and Chief Executive Officer to continue to be held by two individuals.

Board Selection and Membership Criteria

The Board is responsible for selecting candidates for election as directors based on the recommendation of the Nominating and Corporate Governance Committee of the Board. The responsibilities of the Nominating and Corporate Governance Committee include reviewing with the Board from time to time the appropriate skills and characteristics required of Board members in the context of the make-up of the Board and developing criteria for identifying and evaluating candidates for the Board. These criteria include, among other things, an individual's business experience and skills (including skills in core areas such as operations, management, technology, drug commercialization, drug development industry knowledge, accounting and finance, leadership, strategic planning and international markets), independence, judgment, integrity and ability to commit sufficient time and attention to the activities of the Board, as well as the absence of any potential or existing conflicts with the Company's interests. The Board and the Nominating and Corporate Governance Committee believe that it is essential that Board members represent diverse viewpoints. In considering candidates for the Board, the Nominating and Corporate Governance Committee considers gender and ethnicity as well as a diversity of perspectives, experience and skills such that the Board represents diverse viewpoints, backgrounds and experience. The Board and Nominating and Corporate Governance Committee consider these criteria in the context of an assessment of the perceived needs of the Board as a whole and seeks to achieve diversity, including with respect to occupational and personal backgrounds, on the Board. It is expected that the Nominating and Corporate Governance Committee will have direct input from the Chairman of the Board and the CEO. The Nominating and Corporate Governance Committee may also consider candidates proposed by stockholders. Recommendations should be submitted to the Nominating and Corporate Governance Committee, c/o the Company's Corporate Secretary, and include at least the following information: name of the stockholder and evidence of the person's ownership of our common stock, number of shares owned and the length of time of ownership, name of the candidate, the candidate's employment history or a listing of his or her qualifications to be a director and the person's written consent to be named as a director if nominated. Stockholders may also nominate directors for election at our annual meetings of stockholders in accordance with our Bylaws.

Board Operations and Committees

Our Board has established four standing committees to assist it in effectively discharging its responsibilities: an Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee, and a Science and Technology Committee; each of which has the composition and responsibilities described below. Each of the four standing committees consists solely of independent directors. The membership of these committees is usually determined at the organizational meeting of the Board held in conjunction with the annual meeting of stockholders.

Each of the Audit, Compensation, Nominating and Corporate Governance, and Science and Technology Committees operates pursuant to a written charter, and each committee will review and assess the adequacy of its charter annually, submitting any changes to the Board for approval. Each of the standing committee charters is available on our website at **www.aquestive.com** under "Investors" at "Corporate Governance: Governance Documents." The Board may, from time to time, establish and maintain additional standing or ad hoc committees as it deems appropriate. Other Board members may attend the Committee meetings at the invitation of the Committee Chairperson.

Relevant Board committees review specific risk areas, as discussed below, and report on their deliberations to the Board. The full Board oversees risk in several ways. Through periodic management updates on the financial and operating results of Aquestive, including its annual operating plans and strategic planning, the Board provides input to management on ordinary course business and commercial operating risks. In addition, management reports to the Board and each committee periodically on specific material risks as they arise or as requested by individual Board members.

The Board administers this oversight function directly through the Board as a whole, as well as through the standing committees of our Board that address risks inherent in their respective areas of oversight. In particular, our Board is responsible for monitoring and assessing strategic risk exposure and our Audit Committee has the responsibility to consider and discuss major financial risk exposures and the steps management has taken to monitor and control these exposures. Our Nominating and Corporate Governance Committee oversees the effectiveness of our corporate governance practices, including overseeing these practices in seeking to prevent improper conduct, and generally monitors compliance with our Code of Ethics, and provides oversight of management's responsibility for ESG matters. Our Compensation Committee is responsible for assessing and monitoring whether any of our compensation policies and programs has the potential to encourage excessive risk-taking. Our Science and Technology Committee assists senior management in its oversight of the Company's major product development programs.

Set forth below are summaries of the responsibilities of each of our standing Board committees.

AUDIT COMMITTEE

Our Audit Committee provides oversight of our accounting and financial reporting processes and the audits of our financial statements.

All members of our Audit Committee meet the requirements for financial literacy under applicable rules of Nasdaq. Our Board determines each year that the audit committee chair is a financial expert as defined under applicable rules of the Securities Exchange Committee (SEC) based on the chair's financial experience and business background. All of the members of our Audit Committee are independent directors as defined under applicable rules of the SEC and Nasdaq.

The annual report of the Audit Committee can be found in our Proxy Statement under "Audit Committee Report" available on our website at www.aquestive.com under "Investors" at "SEC Filings".

COMPENSATION COMMITTEE

Our Compensation Committee is responsible for the oversight of our overall compensation structure and establishes the Company's philosophy, objectives, policies and practices in the areas of executive compensation, benefit arrangements, performance evaluations and management development.

All of the members of our Compensation Committee are independent under applicable rules of Nasdaq. Our Board determines each year that each member of our Compensation Committee is a non-employee director, as defined in Exchange Act Rule 16b-3.

NOMINATING AND CORPORATE GOVERNANCE COMMITTEE

Our Nominating and Corporate Governance Committee oversees our corporate governance structure.

All members of our Nominating and Corporate Governance Committee are independent under the applicable rules of Nasdaq.

SCIENCE AND TECHNOLOGY COMMITTEE

Our Science and Technology Committee provides assistance to senior management in its oversight of the Company's scientific activities related to the major product development programs of the Company, including providing strategic advice regarding emerging scientific issues and trends related to these programs and that will have a significant impact on the business of the Company.

All of the members of the Scientific and Technology Committee are independent as defined under Nasdaq rules.

Board Meeting, Attendance and Executive Sessions

The Board holds a number of meetings during the year, generally in each calendar quarter of the year, including an annual meeting and special meetings as may be called from time to time. It is the objective of the Company that all Board members attend at least 75% of the meetings of the Board and the committees of the Board on which he or she serves. The independent directors meet in executive sessions, without management present, periodically and as appropriate. All directors are expected to attend our annual meetings of stockholders absent extenuating circumstance. On an annual basis, the Board holds an extended meeting to review the Company's long-term strategy. In addition, at least annually the Chairman provides the Board with a schedule of the expected major agenda topics for the upcoming year.

Director Access to Management and Outside Advisors

The directors have regular access to the Company's senior management; however, the directors do not give direction to management, other than through the CEO. Members of the Company's senior management are routinely invited to attend and participate in Board meetings to brief the Board and the committees on particular topics. The Board encourages senior management to bring into Board or committee meetings and other scheduled events managers who can provide additional insight into matters being considered and/or whom senior management believes have future growth potential with the Company and should be given exposure to the members of the Board. The Board and its committees, consistent with their respective charters, have the authority to retain such outside counsel, experts and other advisors as they determine appropriate to assist them in the full performance of their functions, at the Company's expense.

Communications from Stockholders and other Interested Parties

The Board, any committee of the Board, any individual Board member or the non-management Board members as a group will give appropriate attention to written communications on issues submitted by stockholders or other interested parties, and will respond, if appropriate. Communications to directors must be in writing and sent in care of the Company's Corporate Secretary to the Company's headquarters address as follows: Office of the Corporate Secretary, Aquestive Therapeutics, Inc., 30 Technology Drive, Warren, New Jersey 07059. The name(s) of any specific intended Board recipient(s) should be noted in the communication. The Company will disclose the Company mailing address and e-mail address for such communications in its Proxy Statement for each annual meeting and on its website. A copy of each communication received since the date of the last quarterly Board meeting will be distributed to each director in advance of each regularly scheduled Board meeting, except items that are unrelated to the duties and responsibilities of the Board, such as: spam, junk mail and mass mailings, business solicitations and advertisements, and communications that advocate the Company's engaging in illegal activities or that, under community standards, contain offensive, scurrilous, abusive content or other inappropriate content. The Company's Corporate Secretary is responsible for and oversees the receipt and processing of stockholder communications to Board members. The Corporate Secretary will endeavor to send an acknowledgement of receipt to each stockholder submitting a communication. The Company's Corporate Secretary will retain a copy of each communication for one year from the date of its receipt by the Company.

Director Compensation

The Compensation Committee reviews and recommends to the Board non-employee director compensation in accordance with the policies and principles set forth in its charter and as required by applicable listing standards of the Nasdaq. The Compensation Committee consults with outside advis ors to design a compensation package that is appropriate for attracting quality individuals to serve on the Board. To encourage directors to have a direct and significant investment in shares of common stock of the Company, each director who is not an employee of the Company is awarded, upon becoming a member of the Board, an initial equity grant in the form of stock options and each year thereafter an annual equity stock option grant. The annual equity grant vests on the one-year anniversary of the grant date.

Director and Officer Trading and Hedging Restrictions

Under the Company's Insider Trading Policy, directors, officers and other designated individuals (1) are prohibited from trading in Company securities while aware of material, nonpublic information about the Company; (2) must obtain permission from the Corporate Secretary prior to trading in Company securities; (3) may only trade during an "open window" period; and (4) are prohibited from engaging in hedging transactions with respect to any of their Company stock or pledging any of their Company stock.

Annual Self-Evaluation by the Board and Committees

The Nominating and Corporate Governance Committee conducts an annual self-evaluation program for the Board and its Committees. The results of the program are discussed by the Board and each Committee and opportunities for improvement, including steps necessary to implement such improvements, are adopted as appropriate.

Other Company Governance Policies

Ethics, values and compliance form the foundation to Aquestive's identity and performance. The Board requires all Colleagues to act with integrity and to maintain high ethical standards at all times. The Company has adopted various governance policies that apply to all Colleagues and others who represent the Company. These governance policies are available on the Company's website.

Aquestive Compliance Program Manual

Aquestive has adopted core values which form the philosophy of how we operate and the culture that defines our Company. These values include safety and compliance, innovation, collaboration, high performance and achievement, a focus on our Colleagues and commitment to ethical behavior and integrity. Our mission as a pharmaceutical company is to develop and commercialize innovative, safe, and effective products to solve critical health care problems and meaningfully improve people's lives in accordance with our core values and in compliance with all applicable regulations. We adhere to the guidance issued by the U.S. Department of Health and Human Services' Office of Inspector General ("OIG") for pharmaceutical companies, which sets forth OIG's view on the fundamental elements of an effective compliance program including: (i) establishing written standards of conduct; (ii) appointing a Chief Compliance Officer to develop and monitor compliance; (iii) establishing education and training programs; (iv) maintaining effective communication with colleagues; (v) ongoing auditing; (vi) screening for providers excluded from participating in federal health care programs; and (vii) investigating noncompliance and fraud. As part of our Compliance Program, we have adopted and follow the principles set forth in the Pharmaceutical Research and Manufacturers of America (PhRMA) Code on Interactions with Healthcare Professionals, which sets forth important recommended standards for ethical relationships and interactions with health care professionals to promote appropriate marketing of medicines to ensure access to products patients need for maximum patient benefit. Our Compliance Program supports Aquestive's core values by outlining the rules and principles applicable to all Colleagues, agents and vendors for conducting business with integrity and in a manner that is compliant with all applicable state and federal laws and regulations, industry codes, and other guiding principles, including OIG guidance. Aquestive's Compliance Program includes written policies which contain bright line rules, and standard operating procedures which consist of specific controls and instruction, designed to help our Colleagues, agents and vendors carry out their specific job functions. We train our Colleagues, agents and vendors to have an understanding of our Compliance Program and a general understanding of the laws, regulations, and applicable industry standards that apply to our business. Aquestive has a Chief Compliance Officer who is responsible for developing, overseeing, and monitoring the operation of our Compliance Program. Our Chief Compliance Officer reports directly to the CEO and has direct access to the Board of Directors. Aquestive has a compliance committee comprised of members of management that represent key functions in the organization who assist and support the Chief Compliance Officer in the development, implementation, monitoring and maintenance of our Compliance Program. Aquestive's Compliance Program is dynamic and, therefore, may be modified over time.

Related Party Transaction Policy

The Board has adopted a Policy and Procedure Regarding Company Transactions with Related Persons that governs the review and approval of transactions between the Company and any "related person" (*i.e.*, director, executive officer, director nominee, any member of the immediate family of the aforementioned persons, and any beneficial holder of greater than 5% of any class of Company securities) in which the related person had, has or will have a direct or indirect material interest. The Nominating and Corporate Governance Committee is responsible for reviewing and approving the Company's Related Party Transaction Policy on an annual basis.

Prohibition of Personal Loans

The Company does not extend or maintain credit, arrange for the extension of credit, or renew an extension of credit, in the form of a personal loan to or for any Board member or executive officer of the Company.

Competition and Fair Dealing

We are dedicated to ethical, fair and vigorous competition. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner's consent, or inducing such disclosures by past or present employees of other companies is prohibited. We will make independent purchasing, pricing and marketing decisions and will not improperly cooperate or coordinate our activities with our competitors. We will not offer or solicit improper payments or gratuities in connection with the purchase of goods and services for Aquestive, nor will we engage or assist in unlawful boycotts of particular customers. Each Colleague is expected to respect the rights of, and to deal fairly with, other Colleagues, clients, suppliers, consultants, competitors, and other persons with whom Aquestive transacts business. The Company does not permit any Colleague to take unfair advantage of any party through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

Gift, Gratuities and Business Courtesies

Aquestive is committed to competing solely on the merit of our products and services. We endeavor to avoid any actions that create a perception that favorable treatment of outside entities by Aquestive was sought, received or given in exchange for personal business courtesies. Business courtesies include gifts, gratuities, meals, refreshments, entertainment or other benefits from persons or companies with whom Aquestive does or may do business. In addition, we will neither give nor accept business courtesies that constitute, or could reasonably be perceived as constituting, unfair business inducements that would violate law, regulation or policies of Aquestive or its customers, or would cause embarrassment or reflect negatively on Aquestive's reputation. Colleagues may never accept cash compensation of any amount from entities with whom Aquestive does, or may do, business.

Avoidance of Conflicts of Interest

The Company has adopted a Conflict of Interest Policy that endeavors to avoid any relationship or activity that might impair or even appear to impair our ability to make objective and fair decisions when performing our roles. A conflict of interest occurs when the personal interests of our Colleagues interferes with the business interests of the Company. The Company expects that each Colleague owes a duty to Aquestive to advance the legitimate interests of the Company when the opportunity to do so arises and does not permit any Colleague to use any Company property or information for personal gain or accept any gifts of material value.

Confidential and Proprietary Information

Integral to Aquestive's business success is the protection of the Company's confidential information, as well as non-public information entrusted to us by Colleagues, customers and others with whom the Company engages in business. Confidential and proprietary information includes such things as pricing and financial data, clinical trials and government contractors, customer names/addresses or nonpublic information about other companies, including current or potential suppliers and vendors, as well as all other non-public

information about the Company and its business. Colleagues are not permitted to disclose confidential and nonpublic information without a valid business purpose and proper authorization.

Each Colleague is required to sign an Aquestive Therapeutics, Inc. Employee Confidentiality, Intellectual Property Assignment, Non-Competition and Non-Solicitation Agreement.

Whistleblower Policy; No Retaliation

The Company is committed to providing a workplace environment that is conducive to open discussion of our business practices and is committed to complying with the laws and regulations to which we are subject. Accordingly, the Company will not tolerate conduct that is in violation of such laws and regulations. Each Colleague is encouraged to promptly report in good faith any complaint regarding accounting, auditing, or ethical conduct matters in accordance with the provisions of the Company's Whistleblower Policy and our Code of Ethics. Any other third-party, such as vendors, consumers or customers, or stockholders, also may report, under the procedures provided in our Whistleblower Policy, a good faith complaint regarding accounting or auditing matters. The Company prohibits our Colleagues from taking retaliatory action against another Colleague who lawfully and in good faith reports suspected crimes, reports a violation of law or the Company's policies or procedures, or provides information or assistance in investigations of possible violations of law. Colleagues and other interested parties may anonymously report these concerns to either the Company's Compliance Hotline, a toll-free help line maintained by the Company at 866-777-9040 and or a dedicated website at www.whistleblowerservices.com/aqst.

Special Note Regarding Forward-Looking Information

This report contains "forward-looking statements" within the meaning of U.S. federal securities laws. Words such as "anticipate," "estimate," "expect," "forecast," "guidance," "could," "may," "should," "would," "believe," "intend," "project," "plan," "predict," "will," "target" and similar expressions identify forward-looking statements, which are not historical in nature. Our forward-looking statements may include, without limitation: our future financial and operational results; our business strategy; our industry; our expected revenues; our future profitability; our maintenance or expansion projects and the expected timing, completion and benefits of our projects; our projected budget and capital expenditures and the impact of such expenditures on our performance; future economic and market conditions in the pharmaceutical industry; and information about sustainability goals and targets and planned social, safety and environmental policies, programs and initiatives. Forward-looking statements are based on our current understanding, assessments, estimates and projections of relevant factors and reasonable assumptions about the future. Forward-looking statements are subject to certain known and unknown risks and uncertainties that could cause actual results to differ materially from our historical experience and our current projections or expectations of future results expressed or implied by these forward-looking statements. These forward-looking statements are subject to the direct and indirect effects of the COVID-19 global pandemic and other public health developments on our business and those of our business partners, suppliers and vendors; and other uncertainties affecting the Company as described in the "Risk Factors" section and in other sections included in our Annual Report on Form 10 K, in our Quarterly Reports on Form 10-Q, and in our Current Reports on Form 8-K filed with the Securities Exchange Commission. Given those uncertainties, caution should be taken not to place undue reliance on any such forward-looking statements since such statements speak only as of the date when made and there can be no assurance that such forward-looking statements will occur and actual results may differ materially from those contained in any forward-looking statement we make. All subsequent forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by this cautionary statement. The Company assumes no obligation to update forward-looking statements or outlook or guidance after the date of this press release whether as a result of new information, future events or otherwise, except as may be required by applicable law.

For more information

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Aquestive®