

Dear Valued Colleagues, Customers and Friends,

Aquestive, its colleagues and its customers have been profoundly impacted economically and personally by the global pandemic COVID-19 and are doing their best to navigate these challenging times. Aquestive's highest priority is the health and well-being of our 219 colleagues, located in Indiana, New Jersey and around the country, and their families, without whom we could not continue our mission of developing critical medicines for patients. Despite these unparalleled difficulties, we have been able to keep our colleagues employed at full pay and receiving health benefits.

With an uncertain future regarding the length and severity of the virus spread, sheltering in place and the destabilization of the capital markets, we were very pleased to partner with the Federal Government under The CARES Act Paycheck Protection Plan (PPP). Meeting the criteria of the program, and having qualified, we were approved and awarded a loan on April 10th.

Aquestive was successful in accessing funding available via the PPP expressly for the purpose of helping small businesses, exactly like ours, to keep hard working colleagues on the payroll and receiving health benefits during this unprecedented health and economic crisis. The CARES Act does not carve out public companies from the small businesses eligible to receive loans under the Act, those employing less than 500 employees. On the contrary, the Act expressly waived the requirement that a borrower must demonstrate that it had no other access to capital. With the economic downturn caused by this global pandemic, our PPP loan would contribute to sustaining our financial stability and keeping our colleagues working.

Unfortunately, the U.S. Small Business Administration (SBA) issued new revised guidelines on April 23rd which established a strong presumption that every publicly traded company, regardless of its financial or capital position, is not eligible to receive PPP funding. As a small emerging public company, in the midst of the economic and financial crisis resulting from the COVID-19 virus, Aquestive does not have the same access to capital markets as larger well-established public companies. Not all public companies are alike and being public does not equate with having unlimited access to capital. We are very disappointed that the SBA appears to be reacting to some misinformed, generalized public criticism, denying qualified and well-deserving companies like ours from accessing these necessary employment relief programs, just because they happen to be public companies.

Despite qualifying under the PPP program rules and having been granted the loan, given the revised guidance and the implications of possibly not meeting ill-defined and changing criteria for qualification, we have made the difficult decision to return our PPP loan within the time period imposed under these new guidelines, subject to any additional guidance that may be issued by the Federal Government.

While we do not know what the future holds or how long this crisis will continue, our priorities and focus will continue to be keeping our colleagues, their families and communities safe and, to the best of our ability, continuing to bring critical chronic medicines to patients in need.

With Warm Regards,



Keith Kendall
President and Chief Executive Officer