UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

(Amendment No. 1)

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

Date of Report (Date of earliest event Reported): June 30, 2023

Amphastar Pharmaceuticals, Inc.

(Exact Name of Registrant as Specified in Charter)

Delaware	**001-36509**	**33-0702205**
(State or Other Jurisdiction of Incorporation)	(Commission File Number)	(I.R.S. Employer Identification Number)

11570 6th Street **Rancho Cucamonga, California**	**91730**
(Address of Principal Executive Offices)	(Zip Code)

Registrant's telephone number, including area code: **(909) 980-9484**

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:

☐ 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 Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.0001 per share	AMPH	The Nasdaq Stock Market LLC

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. ☐

Explanatory Note

On June 30, 2023, Amphastar Pharmaceuticals, Inc., a Delaware corporation ("Amphastar" or the "Company") filed a Current Report on Form 8-K disclosing that on June 30, 2023, pursuant to the Asset Purchase Agreement (the "Purchase Agreement") dated April 21, 2023 by and among Eli Lilly and Company, an Indiana corporation ("Lilly"), Amphastar, and Amphastar's wholly-owned subsidiary, Amphastar Medication Co., LLC, the Company completed its acquisition of BAQSIMI® glucagon nasal powder ("BAQSIMI®") and the related assets from Lilly, and assumption of certain liabilities of Lilly pursuant to the Purchase Agreement.

This amendment to the Form 8-K, or Form 8-K/A, is being filed for the purpose of satisfying Amphastar's undertaking to file the financial statements and pro forma condensed combined financial statements required in connection with the above-referenced acquisition by Item 9.01 of Form 8-K, and this Form 8-K/A should be read in conjunction with the Form 8-K. Except as set forth herein, no modifications have been made to information contained in the Form 8-K, and Amphastar has not updated any information contained therein to reflect events that have occurred since the date of the Form 8-K.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements of businesses acquired

The audited abbreviated financial statements of BAQSIMI® as of and for the years ended December 31, 2022 and 2021, together with the notes and auditor's report thereon, are attached as Exhibit 99.1 and are incorporated by reference. The consent of Ernst & Young LLP, the independent auditors of Lilly, is attached hereto as Exhibit 23.1 to this Amendment.

The unaudited abbreviated financial statements of BAQSIMI® as of and for the three months ended March 31, 2023 and 2022, together with the notes thereto are attached as Exhibit 99.2 and are incorporated herein by reference.

(b) Pro forma financial information

The unaudited pro forma consolidated combined balance sheet for the Company and BAQSIMI® as of March 31, 2023 and unaudited pro forma consolidated combined statements of operations for the Company and BAQSIMI® for the three months ended March 31, 2023 and for the year ended December 31, 2022 that give effect to the acquisition of BAQSIMI® are attached as Exhibit 99.3 and are incorporated herein by reference.

(d) Exhibits

Exhibit No.	Description
23.1	Consent of Ernst & Young LLP, independent auditors
99.1	Audited abbreviated financial statements of BAQSIMI® as of and for the years ended December 31, 2022 and 2021
99.2	Unaudited abbreviated financial statements of BAQSIMI® as of and for three months ended March 31, 2023 and 2022
99.3	Unaudited pro forma consolidated combined balance sheet for the Company and BAQSIMI® as of March 31, 2023 and unaudited pro forma consolidated statements of operations for the Company and BAQSIMI® for the three months ended March 31, 2023 and for the year ended December 31, 2022
104	Cover Page Interactive Data File (embedded within the Inline XBRL document).

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.

AMPHASTAR PHARMACEUTICALS, INC.

Date: August 16, 2023

By: **/S/WILLIAM J. PETERS**
William J. Peters
Chief Financial Officer, Executive Vice President and Treasurer

Exhibit 23.1

Consent of Independent Auditors

We consent to the incorporation by reference in the following Registration Statements:

(1) Registration Statement (Form S-8 No. 333-197054) pertaining to the 1999-2002 Stock Option/Stock Issuance Plans, the Amended and Restated 2005 Equity Incentive Award Plan and the 2014 Employee Stock Purchase Plan,
(2) Registration Statement (Form S-8 No. 333-203017) pertaining to the Amended and Restated 2005 Equity Incentive Award Plan,
(3) Registration Statement (Form S-8 No. 333-205470) pertaining to the 2015 Equity Incentive Plan,
(4) Registration Statement (Form S-8 No. 333-210213) pertaining to the 2015 Equity Incentive Plan,
(5) Registration Statement (Form S-8 No. 333-216700) pertaining to the 2015 Equity Incentive Plan,
(6) Registration Statement (Form S-8 No. 333-223651) pertaining to the 2015 Equity Incentive Plan,
(7) Registration Statement (Form S-8 No. 333-230330) pertaining to the 2015 Equity Incentive Plan,
(8) Registration Statement (Form S-8 No. 333-237223) pertaining to the 2015 Equity Incentive Plan,
(9) Registration Statement (Form S-8 No. 333-254293) pertaining to the 2015 Equity Incentive Plan,
(10) Registration Statement (Form S-3 No. 333-260916),
(11) Registration Statement (Form S-8 No. 333-263491) pertaining to the 2015 Equity Incentive Plan, and
(12) Registration Statement (Form S-8 No. 333-270180) pertaining to the 2015 Equity Incentive Plan

of Amphastar Pharmaceuticals, Inc. of our report dated June 27, 2023, relating to the abbreviated financial statements of the Baqsimi product of Eli Lilly and Company as of and for the years ended December 31, 2022 and 2021 appearing in this Current Report on Form 8-K/A of Amphastar Pharmaceuticals, Inc. dated August 16, 2023.

/s/ Ernst & Young LLP

Indianapolis, Indiana

August 16, 2023

Exhibit 99.1

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Abbreviated Financial Statements
As of and for the Years Ended December 31, 2022 and 2021
(With Report of Independent Auditors)

Index to Abbreviated Financial Statements

Report of Independent Auditors

The Board of Directors of Eli Lilly and Company

Opinion

We have audited the accompanying abbreviated financial statements of Baqsimi, a product of Eli Lilly and Company ("Baqsimi"), which comprise the Statements of Assets Acquired as of December 31, 2022 and 2021, and the Statements of Revenue and Direct Expenses for each of the two years in the period ended December 31, 2022, and the related notes (collectively referred to as the "abbreviated financial statements").

In our opinion, the accompanying abbreviated financial statements present fairly, in all material respects, the assets acquired of Baqsimi as of December 31, 2022 and 2021, and its revenues and direct expenses for each of the two years in the period ended December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Abbreviated Financial Statements section of our report. We are required to be independent of Baqsimi and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 to the abbreviated financial statements, which describes that the accompanying abbreviated financial statements were prepared for the purpose of complying with the rules and regulations of the Securities and Exchange Commission and are not intended to be a complete presentation of Baqsimi's financial position, revenues and expenses. As a result, the abbreviated financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Abbreviated Financial Statements

Management is responsible for the preparation and fair presentation of these abbreviated financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Baqsimi's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Abbreviated Financial Statements

Our objectives are to obtain reasonable assurance about whether the abbreviated financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the abbreviated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the abbreviated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the abbreviated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Baqsimi's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the abbreviated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Baqsimi's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

/s/ Ernst & Young LLP

Indianapolis, Indiana

June 27, 2023

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Statements of Assets Acquired
(Dollars in thousands)

	December 31, 2022	December 31, 2021
Intangible assets, net	$ 100,299.3	$ 108,514.2
Inventories	60,234.2	73,748.9
Equipment, net	22,244.1	25,132.4
Prepaid expenses	4,782.6	5,272.7
Total assets acquired	$ 187,560.2	$ 212,668.2

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

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Statements of Revenues and Direct Expenses[1]
(Dollars in thousands)

	Year Ended December 31, 2022	2021
Revenue	$ 139,300.6	$ 113,228.8
Direct expenses:		
Cost of sales	50,565.5	40,113.0
Marketing, selling, and administrative	24,241.9	68,370.6
Research and development	4,740.3	7,048.9
Total direct expenses	79,547.7	115,532.5
Revenue less direct expenses	$ 59,752.9	$ (2,303.7)

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

[1] Omits certain expenses in accordance with applicable rules of the Securities and Exchange Commission (SEC). See Notes to Abbreviated Financial Statements.

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Notes to Abbreviated Financial Statements
(Tables present dollars in thousands)

1. Background

On April 21, 2023, Eli Lilly and Company (Lilly), entered into an Asset Purchase Agreement (APA) with Amphastar Pharmaceuticals, Inc (Amphastar), pursuant to which Amphastar will acquire global rights to Baqsimi® (glucagon). This transaction is subject to customary closing conditions and regulatory approval. At closing, Lilly and Amphastar will enter into a Manufacturing Services Agreement (MSA) and Locemia Assumption Agreement (LAA), substantially in the form of exhibits attached to the APA. Under the terms of the MSA, Amphastar has the right and obligation to purchase Baqsimi inventory from Lilly over a period of up to 18 months following closing. Under the terms of the LAA, Lilly will transfer and Amphastar will assume Lilly's worldwide rights to Baqsimi and any remaining obligations under Lilly's asset purchase agreement with Locemia Solutions ULC (Locemia).

Baqsimi is the first and only nasally administered glucagon for the treatment of severe hypoglycemia in people with diabetes ages four years and above and is currently available in 27 markets worldwide. At closing, Lilly will receive a $500 million cash payment and will be entitled to an additional $125 million in cash upon the one-year anniversary of the closing. Lilly will also be eligible to receive sales milestone payments of up to $450 million in aggregate.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying statements of assets acquired as of December 31, 2022 and 2021, and of revenues and direct expenses for the years then ended of the Baqsimi product of Lilly (the Abbreviated Financial Statements) represent an incomplete presentation of Baqsimi assets, liabilities, revenues and expenses and are therefore not intended to represent the financial condition, results of operations or cash flows of Baqsimi. These Abbreviated Financial Statements are based upon the APA, the MSA, the LAA and relief under SEC Regulation S-X Rule 3-05, *Significant Acquisition Carveout Financial Statement Reporting Requirements*, as amended, as the acquisition by Amphastar meets the criteria established by the SEC to provide abbreviated financial statements in lieu of full financial statements of the acquired business.

The statements of assets acquired only present the assets which will be, or are expected to be, acquired or are contractually obligated to be acquired at closing in accordance with the APA, the MSA, and the LAA. Liabilities as of December 31, 2022 and 2021 will not be assumed under the APA, the MSA, and the LAA. The statements of revenues and direct expenses present only those revenues and expenses directly related to the certain assets to be acquired. The Abbreviated Financial Statements were derived from the historical accounting records of Lilly and were prepared in accordance with the basis of accounting described in these Notes, which is in accordance with accounting principles generally accepted in the United States (U.S. GAAP).

Baqsimi was not operated as a separate business or division of Lilly. It was a fully integrated part of Lilly's consolidated business and operations and did not represent a substantial portion of Lilly's assets and liabilities. It is impracticable to prepare complete financial statements related to Baqsimi as Lilly never accounted for Baqsimi on a standalone basis or as a separate division or subsidiary, nor has Lilly maintained the distinct and separate books and records necessary to prepare full stand-alone or carve-out financial statements and it would be impracticable to do so.

The statements of revenues and direct expenses include the revenue and costs that directly relate to Baqsimi including an allocation of direct costs that can be attributed to this product. The operations of Baqsimi rely, to varying degrees, on Lilly for manufacturing and distribution, quality and regulatory support, research and development, and marketing and sales activities, and such expenses have been allocated to Baqsimi in these Abbreviated Financial Statements. The allocations were based on a specific identification basis or, when specific identification was not practicable, a proportional cost allocation method, depending on the nature of the services rendered. Management considers that such allocations have been made on a reasonable basis but may not necessarily be indicative of the costs that would have been incurred if Baqsimi had been operated on a stand-alone basis for the periods presented. The statements of revenues and direct expenses do not include any indirect allocations or corporate overhead, such as accounting, human resources, information technology, treasury and legal support, or a provision for income taxes as Baqsimi never functioned on a stand-alone basis. Accordingly, no allocation of these support fees or income taxes has been made to Baqsimi. The Abbreviated Financial Statements presented are not indicative of the financial condition or results of operations of Baqsimi going forward because of the omitted expenses.

During the fiscal years ended December 31, 2022, and 2021, Baqsimi did not have any stand-alone financing requirements, and any cash generated was collected at the consolidated level by Lilly. As Baqsimi has historically been managed as part of the operations of Lilly and has not been operated on a stand- alone basis, it is not practical to prepare historical cash flow information regarding Baqsimi's operating, investing, and financing cash flows. As such, a statement of cash flows was not prepared.

b) Use of Estimates and Assumptions in the Preparation of Financial Statements

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates about future events and assumptions that may affect the following: (i) the reported amounts of assets acquired and (ii) the reported amounts of revenues, including sales rebates, discounts, and returns, and direct expenses and related disclosures at the date of the abbreviated financial statements and during each reporting period. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and any such differences could be material. Also, as discussed above, these Abbreviated Financial Statements include allocations and estimates that are not necessarily indicative of the amounts that would have resulted if Baqsimi had been operated as a stand-alone entity.

c) Foreign Currency Translation

Operations in Lilly's subsidiaries outside the United States (U.S.) are recorded in the functional currency of each subsidiary which is determined by a review of the environment where each subsidiary primarily generates and expends cash. The revenues and direct expenses for Baqsimi as a result of operations of Lilly's subsidiaries outside the U.S. are translated from functional currencies into U.S. dollars using the weighted average currency rate for the period. Assets acquired are translated using the period end exchange rates.

d) Revenue Recognition

Revenue from sales of products is recognized at the point where the customer obtains control of the goods and Lilly satisfies its performance obligation, which generally is at the time Lilly ships the product to the customer. Revenue for product sales has not been adjusted for the effects of a financing component as Lilly expects, at contract inception, that the period between when Lilly transfers control of the product and when Lilly receives payment will be one year or less. Provisions for rebates, discounts, and returns are established in the same period the related product sales are recognized. Lilly generally ships product shortly after orders are received; therefore, Lilly generally only has a few days of orders received but not yet shipped at the end of any reporting period. Shipping and handling activities are considered to be fulfillment activities and are not considered to be a separate performance obligation. Lilly excludes from the measurement of the transaction price all taxes assessed by a governmental authority that are imposed on sales of product and collected from a customer.

Significant judgments must be made in determining the transaction price for sales of products related to anticipated rebates, discounts, and returns. The following describe the most significant of these judgments:

Sales Rebates and Discounts

- Lilly initially invoices customers at contractual list prices. Contracts with direct and indirect customers may provide for various rebates and discounts that may differ in each contract. As a consequence, to determine the appropriate transaction price for product sales at the time Lilly recognizes a sale to a direct customer, Lilly estimates any rebates or discounts that ultimately will be due to the direct customer and other customers in the distribution chain under the terms of the contracts. Significant judgments are required in making these estimates.

- The rebate and discount amounts are recorded as a deduction to arrive at revenue. Sales rebates and discounts that require the use of judgment in the establishment of the deduction to arrive at revenue include managed care, Medicare, Medicaid, chargebacks, patient assistance programs, and various other programs. Lilly estimates these deductions to arrive at revenue using an expected value approach.

- The largest of Lilly's sales rebate and discount amounts include rebates associated with sales covered by managed care, Medicaid, chargeback, and Medicare programs in the U.S. In determining the appropriate revenue amount to be recognized, Lilly considers historical rebate payments for these programs as a percentage of historical sales as well as any significant changes in sales trends, an evaluation of the current contracts for these programs, the percentage of Baqsimi that is sold via these programs, and product pricing. Although revenue reductions related to these programs are recorded at the time of sale, the reduction related to that sale is typically paid for up to six months later. Because of this time lag, in any particular period revenue may incorporate revisions related to prior periods.

- Most of Lilly's rebates outside the U.S. are contractual or legislatively mandated and are estimated and recognized in the same period as the related sales. In some large European countries, government rebates are based on the anticipated budget for pharmaceutical payments in the country. An estimate of these rebates, updated as governmental authorities revise budgeted deficits, is recognized in the same period as the related sale.

Sales Returns

- When product sales occur, to determine the appropriate transaction price for sales, Lilly estimates a reserve for future product returns related to those sales using an expected value approach. This estimate is based on several factors, including: historical return rates, expiration date by product, and estimated levels of inventory in the wholesale and retail channels. Lilly maintains a returns policy that allows most U.S. customers to return most product for dating issues within a specified period prior to and subsequent to the product's expiration date. Adjustments to the returns reserve have been and may in the future be required based on revised estimates to assumptions. Lilly records the return amounts as a deduction to arrive at revenue.

e) Cost of Sales

Cost of sales includes third party manufacturing and distribution costs, the cost of drug substance, amortization of intangible assets, product liability insurance, freight, shipping, handling and storage costs as well as allocations of manufacturing plant operating costs and compensation and benefits of employees involved with production.

f) Marketing, Selling, and Administrative

Costs associated with marketing, selling, and administrative are expensed as incurred. Marketing, selling, and administrative expenses include direct sales and marketing costs together with allocated expenses primarily related to compensation and benefits of employees involved with marketing, selling, and administrative.

g) Research and Development

Research and development costs are expensed as incurred. Research and development costs consist of expenses incurred in performing research and development activities directly related to Baqsimi, including but not limited to, clinical trial expenses, fees paid to contract research organizations, as well as allocations of compensation and benefits of employees involved in research and development and allocations of facilities and overhead costs used for research and development.

h) Intangible Assets

Intangible assets consist of capitalized regulatory approval milestone payments associated with Lilly's purchase of the worldwide rights to Baqsimi from Locemia. Under the terms of Lilly's asset purchase agreement with Locemia, which transfers to Amphastar as part of the LAA, Locemia is eligible to receive up to $125.0 million in sales-based milestones. Intangible assets are amortized to cost of sales over their estimated useful lives on a straight-line basis. Intangible assets are reviewed for impairment when an indicator of impairment is present. When required, a comparison of fair value to the carrying amount of assets is performed to determine the amount of any impairment.

i) Inventories

Lilly uses the first-in, first-out method for measuring inventories which approximates current replacement cost. Inventories are valued at the lower of cost or net realizable value.

j) Equipment

Equipment is stated on the basis of cost. Provisions for depreciation of equipment are computed by the straight-line method at rates based on their estimated useful lives (three to 25 years). Lilly reviews the carrying value of long-lived assets for potential impairment on a periodic basis and whenever events or changes in circumstances indicate the carrying value of an asset may not be recoverable. Impairment is determined by comparing projected undiscounted cash flows to be generated by the asset to its carrying value. If an impairment is identified, a loss is recorded equal to the excess of the asset's net book value over its fair value, and the cost basis is adjusted.

3. Intangible assets, net

Intangible assets, net consisted of the following:

	December 31, 2022	2021
Acquired developed technologies	$ 127,500.0	$ 127,500.0
Less accumulated amortization	(27,200.7)	(18,985.8)
Intangible assets, net	$ 100,299.3	$ 108,514.2

Amortization of intangibles assets was $8.2 million for each of the years ended December 31, 2022 and 2021. As of December 31, 2022, the remaining weighted-average amortization period for intangible assets was approximately 13 years**.**

4. Inventories

Inventories consisted of the following:

	December 31, 2022	2021
Finished products	$ 9,968.7	$ 6,639.3
Work in process	44,794.5	61,148.8
Raw materials and supplies	5,471.0	5,960.8
Inventories	$ 60,234.2	$ 73,748.9

5. Equipment, net

Equipment, net consisted of the following:

	December 31, 2022	2021
Equipment	$ 39,325.2	$ 37,873.9
Less accumulated depreciation	(17,081.1)	(12,741.5)
Equipment, net	$ 22,244.1	$ 25,132.4

Depreciation of equipment included in cost of sales for the years ended December 31, 2022 and 2021 were $4.3 million and $4.0 million, respectively.

6. Subsequent Events

Subsequent events have been evaluated through June 27, 2023, the date these Abbreviated Financial Statements were issued.

Exhibit 99.2

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Unaudited Abbreviated Financial Statements
As of March 31, 2023 and December 31, 2022
and for the Three Months Ended March 31, 2023 and 2022

Index to Abbreviated Financial Statements (Unaudited)

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Statements of Assets Acquired
(Dollars in thousands)

	March 31, 2023 (unaudited)	December 31, 2022
Intangible assets, net	$ 98,245.5	$ 100,299.3
Inventories	57,326.7	60,234.2
Equipment, net	21,159.1	22,244.1
Prepaid expenses	4,586.1	4,782.6
Total assets acquired	$ 181,317.4	$ 187,560.2

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

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Statements of Revenues and Direct Expenses(Unaudited)[1]
(Dollars in thousands)

	Three Months Ended March 31,	
	2023	**2022**
Revenue	$ 31,400.0	$ 29,211.5
Direct expenses:		
Cost of sales	13,025.7	12,976.8
Marketing, selling, and administrative	4,872.9	5,920.0
Research and development	512.7	1,107.1
Total direct expenses	18,411.3	20,003.9
Revenue less direct expenses	$ 12,988.7	$ 9,207.6

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

[1] Omits certain expenses in accordance with applicable rules of the Securities and Exchange Commission (SEC). See Notes to Abbreviated Financial Statements.

Baqsimi® (glucagon)
(A Product of Eli Lilly and Company)
Notes to Abbreviated Financial Statements (Unaudited)
(Tables present dollars in thousands)

1. Background

On April 21, 2023, Eli Lilly and Company (Lilly), entered into an Asset Purchase Agreement (APA) with Amphastar Pharmaceuticals, Inc (Amphastar), pursuant to which Amphastar will acquire global rights to Baqsimi® (glucagon). This transaction is subject to customary closing conditions and regulatory approval. At closing, Lilly and Amphastar will enter into a Manufacturing Services Agreement (MSA) and Locemia Assumption Agreement (LAA), substantially in the form of exhibits attached to the APA. Under the terms of the MSA, Amphastar has the right and obligation to purchase Baqsimi inventory from Lilly over a period of up to 18 months following closing. Under the terms of the LAA, Lilly will transfer and Amphastar will assume Lilly's worldwide rights to Baqsimi and any remaining obligations under Lilly's asset purchase agreement with Locemia Solutions ULC.

Baqsimi is the first and only nasally administered glucagon for the treatment of severe hypoglycemia in people with diabetes ages four years and above and is currently available in 27 markets worldwide. At closing, Lilly will receive a $500 million cash payment and will be entitled to an additional $125 million in cash upon the one year anniversary of the closing. Lilly will also be eligible to receive sales milestone payments of up to $450 million in aggregate.

2. Summary of Significant Accounting Policies

a) Basis of Presentation

The accompanying statements of assets acquired as of March 31, 2023 and December 31 2022, and of revenues and direct expenses for the three months ended March 31, 2023 and 2022 of the Baqsimi product of Lilly (the Unaudited Abbreviated Financial Statements) represent an incomplete presentation of Baqsimi assets, liabilities, revenues and expenses and are therefore not intended to represent the financial condition, results of operations or cash flows of Baqsimi. These Unaudited Abbreviated Financial Statements are based upon the APA, the MSA, the LAA and relief under SEC Regulation S-X Rule 3-05, *Significant Acquisition Carveout Financial Statement Reporting Requirements*, as amended, as the acquisition by Amphastar meets the criteria established by the SEC to provide abbreviated financial statements in lieu of full financial statements of the acquired business.

These financial statements should be read in conjunction with the audited abbreviated financial statements and footnotes of Baqsimi for the years ended December 31, 2022 and 2021 (the Financial Statements), that are filed as an exhibit to the same Form 8-K to which these financial statements are filed as an exhibit. The accounting policies used in preparing these financial statements are the same as those described in Note 2 to the Financial Statements.

b) Use of Estimates and Assumptions in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States (U.S. GAAP) requires management to make estimates about future events and assumptions that may affect the following: (i) the reported amounts of assets acquired and (ii) the reported amounts of revenues, including sales rebates, discounts, and returns, and direct expenses and related disclosures at the date of these financial statements and during each reporting period. Future events and their effects cannot be determined with certainty. Therefore, the determination of estimates requires the exercise of judgment. Actual results could differ from those estimates, and any such differences could be material. Also, the Unaudited Abbreviated Financial Statements include allocations and estimates that are not necessarily indicative of the amounts that would have resulted if Baqsimi had been operated as a stand- alone entity.

3. Intangible assets, net

Intangible assets, net consisted of the following

	March 31, 2023 (unaudited)	December 31, 2022
Acquired developed technologies	$ 127,500.0	$ 127,500.0
Less accumulated amortization	(29,254.5)	(27,200.7)
Intangible assets, net	$ 98,245.5	$ 100,299.3

Amortization of intangibles assets was $2.1 million for each of the three months ended March 31, 2023 and 2022. As of March 31, 2023, the remaining weighted-average amortization period for intangible assets was approximately 13 years.

4. Inventories

Inventories consisted of the following:

	March 31, 2023 (unaudited)	December 31, 2022
Finished products	$ 10,941.2	$ 9,968.7
Work in process	41,651.7	44,794.5
Raw materials and supplies	4,733.8	5,471.0
Inventories	$ 57,326.7	$ 60,234.2

5. Equipment, net

Equipment, net consisted of the following:

	March 31, 2023 (unaudited)	December 31, 2022
Equipment	$ 39,325.2	$ 39,325.2
Less accumulated depreciation	(18,166.1)	(17,081.1)
Equipment, net	$ 21,159.1	$ 22,244.1

Depreciation of equipment included in cost of sales was $1.1 million for each of the three months ended March 31, 2023 and 2022.

6. Subsequent Events

Subsequent events have been evaluated through June 27, 2023, the date these Unaudited Abbreviated Financial Statements were issued.

Exhibit 99.3

AMPHASTAR PHARMACEUTICALS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS
(amounts in thousands)

On June 30, 2023, Amphastar Pharmaceuticals, Inc., or the Company, completed its acquisition of BAQSIMI® glucagon nasal powder, or BAQSIMI®, or the Acquisition, pursuant to an asset purchase agreement, or the Purchase Agreement, with Eli Lilly & Company, or Lilly, dated April 21, 2023. In connection with the closing of the transaction, or the Closing, the Company paid Lilly $500.0 million in cash. In addition, the Company is required to pay Lilly a $125.0 million guaranteed payment on the first anniversary of the closing, as well as an additional $4.0 million upon the assignment of certain contracts to the Company after the first anniversary of the Closing, but no later than 18 months after the Closing. The Company may also be required to pay additional contingent consideration of up to $450.0 million to Lilly based on the achievement of certain milestones. In addition, the Company assumed certain contingent consideration of Lilly, which would require the Company to pay up to an aggregate of $125.0 million based on the achievement of annual net sales milestones of $350.0 million, $400.0 million and $600.0 million.

The pro forma information presented herein consists of (i) an unaudited pro forma condensed combined balance sheet as of March 31, 2023, and (ii) unaudited pro forma condensed combined statements of operations and comprehensive income for the three months ended March 31, 2023 and the year ended December 31, 2022. The presentation of the unaudited pro forma condensed combined balance sheet gives effect to the Acquisition as if it had occurred on March 31, 2023. The presentation of the unaudited pro forma condensed combined statements of operations and comprehensive income for both the three months ended March 31, 2023 and the year ended December 31, 2022, reflects the combined results as if the Acquisition had occurred on January 1, 2022, the beginning of the Company's 2022 fiscal year.

The unaudited pro forma condensed combined financial statements include adjustments that reflect the accounting for the Acquisition in accordance with accounting principles generally accepted in the United States, or U.S. GAAP.

The transaction accounting adjustments consist of those necessary to account for the Acquisition. Separately, as discussed in Note 2 to the unaudited pro forma condensed combined financial statements, the Company entered into a syndicated credit facility which was used to fund the Acquisition. The adjustments related to the issuance of this debt are shown in a separate column as "other transaction accounting adjustments."

As discussed in Note 2 to the unaudited pro forma condensed combined financial statements, the Company has concluded, in accordance with U.S. GAAP, that the Acquisition does not meet the definition of a business. However, for purposes of this Form 8-K/A, and in accordance with Rule 3-05 and Rule 11-01, the Acquisition is considered the purchase of a business since the historical revenue-generating activities of BAQSIMI® will continue in essentially the same fashion following the Acquisition.

The unaudited pro forma condensed combined financial statements should be read in conjunction with (i) the historical financial statements of the Company included in its Annual Report on Form 10-K for the year ended December 31, 2022 filed with the SEC on March 1, 2023 and its Quarterly Report on Form 10-Q for the three months ended March 31, 2023 filed with the SEC on May 9, 2023 and (ii) the Abbreviated Financial Statements of BAQSIMI® as of and for the years ended December 31, 2022 and 2021, and as of March 31, 2023 and for the three months ended March 31, 2023 and 2022, included in this Form 8-K/A.

The unaudited pro forma condensed combined financial statements are provided for informational purposes only and are not necessarily indicative of results that would have occurred had the Acquisition been completed as of the dates indicated. In addition, the unaudited pro forma condensed combined financial statements do not purport to be indicative of the future financial position or operating results of the combined operations. Actual financial conditions and results of operations may differ significantly from the pro forma amounts reflected herein due to a variety of factors.

AMPHASTAR PHARMACEUTICALS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET
(in thousands, except share data)

	As of March 31, 2023						
	Amphastar (Historical)	BAQSIMI® (Historical)	Transaction Accounting Adjustments	Notes	Other Transaction Accounting Adjustments	Notes	Pro Forma Combined
ASSETS							
Current assets:							
Cash and cash equivalents	$ 176,615	$ —	$ —		$ (76,404)	2D	$ 100,211
Restricted cash	235	—	—		—		235
Short-term investments	16,277	—	—		—		16,277
Restricted short-term investments	2,200	—	—		—		2,200
Accounts receivable, net	100,638	—	—		—		100,638
Inventories	103,647	57,327	(57,327)	2A	—		103,647
Income tax refunds and deposits	731	—	—		—		731
Prepaid expenses and other assets	7,327	4,586	(4,586)	2A	—		7,327
Total current assets	407,670	61,913	(61,913)		(76,404)		331,266
Property, plant, and equipment, net	243,479	21,159	13,267	2B	—		277,905
Finance lease right-of-use assets	706	—	—		—		706
Operating lease right-of-use assets	25,801	—	—		—		25,801
Investment in unconsolidated affiliate	1,758	—	—		—		1,758
Goodwill and intangible assets, net	37,179	98,246	493,092	2B	—		628,517
Other assets	18,536	—	—		(125)	2F	18,411
Deferred tax assets	38,527	—	2,341	2B	—		40,868
Total assets	$ 773,656	$ 181,318	$ 446,787		$ (76,529)		$ 1,325,232
LIABILITIES AND STOCKHOLDERS' EQUITY							
Current liabilities:							
Accounts payable and accrued liabilities	$ 88,886	$ —	$ 126,760	2C	$ —		$ 215,646
Income taxes payable	11,590	—	—		—		11,590
Current portion of long-term debt	2,168	—	—		10,750	2E	12,918
Current portion of operating lease liabilities	2,991	—	—		—		2,991
Total current liabilities	105,635	—	126,760		10,750		243,145
Long-term reserve for income tax liabilities	7,225	—	—		—		7,225
Long-term debt, net of current portion and unamortized debt issuance costs	72,872	—	—		414,067	2E	486,939
Long-term operating lease liabilities, net of current portion	23,994	—	—		—		23,994
Deferred tax liabilities	178	—	—		—		178
Other long-term liabilities	15,175	—	—		—		15,175
Total liabilities	225,079	—	126,760		424,817		776,655
Commitments and contingencies							
Stockholders' equity:							
Preferred stock: par value $0.0001; 20,000,000 shares authorized; no shares issued and outstanding	—	—	—		—		—
Common stock: par value $0.0001; 300,000,000 shares authorized; 58,440,531 and 48,179,238 shares issued and outstanding as of March 31, 2023	6	—	—		—		6
Additional paid-in capital	456,623	—	—		—		456,623
Retained earnings	297,755	—	—		—		297,755
Accumulated other comprehensive loss	(8,268)	—	—		—		(8,268)
Treasury stock	(197,539)	—	—		—		(197,539)
Total equity	548,577	—	—		—		548,577
Total liabilities and stockholders' equity	$ 773,656	$ —	$ 126,760		$ 424,817		$ 1,325,232

See Accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements

AMPHASTAR PHARMACEUTICALS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Three Months Ended March 31, 2023							
	Amphastar (Historical)	BAQSIMI® (Historical)	Transaction Accounting Adjustments	Notes	Other Transaction Accounting Adjustments	Notes	Reclassification adjustments	Notes	Pro Forma Combined
Net revenues	$ 140,022	$ 31,400	$ —		$ —		$ —		$ 171,422
Cost of revenues	66,182	13,026	3,738	2G	—		—		82,946
Gross profit	73,840	18,374	(3,738)		—		—		88,476
Operating expenses:									
Selling, distribution, and marketing	7,109	4,873	—		—		(558)	2K	11,424
General and administrative	13,483	—	—		—		558	2K	14,041
Research and development	19,815	513	—		—		—		20,328
Total operating expenses	40,407	5,386	—		—		—		45,793
Income from operations	33,433	12,988	(3,738)		—		—		42,683
Non-operating income (expenses):									
Interest income	924	—	—		—		—		924
Interest expense	(398)	—	—		(8,822)	2I	—		(9,220)
Other income (expenses), net	(390)	—	—		—		—		(390)
Total non-operating income (expenses), net	136	—	—		(8,822)		—		(8,686)
Income before income taxes	33,569	12,988	(3,738)		(8,822)		—		33,997
Income tax provision	6,752	—	—		104	2J	—		6,856
Income before equity in losses of unconsolidated affiliate	26,817	12,988	(3,738)		(8,926)		—		27,141
Equity in losses of unconsolidated affiliate	(785)	—	—		—		—		(785)
Net income	$ 26,032	$ 12,988	$ (3,738)		$ (8,926)		$ —		$ 26,356
Net income per share:									
Basic	$ 0.54							2L	$ 0.55
Diluted	$ 0.50							2L	$ 0.51
Weighted-average shares used to compute net income per share:									
Basic	48,000								48,000
Diluted	51,970								51,970

See Accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements

AMPHASTAR PHARMACEUTICALS, INC.
UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended December 31, 2022								
	Amphastar (Historical)	BAQSIMI® (Historical)	Transaction Accounting Adjustments	Notes	Other Transaction Accounting Adjustments	Notes	Reclassification adjustments	Notes	Pro Forma Combined
Net revenues	$ 498,987	$ 139,301	$ —		$ —		$ —		$ 638,288
Cost of revenues	250,127	50,566	14,953	2G	—		—		315,646
Gross profit	248,860	88,735	(14,953)		—		—		322,642
Operating expenses:									
Selling, distribution, and marketing	21,531	24,242	—		—		(1,139)	2K	44,634
General and administrative	45,061	—	—		—		1,139	2K	46,200
Research and development	74,771	4,740	—		—		—		79,511
Total operating expenses	141,363	28,982	—		—		—		170,345
Income from operations	107,497	59,753	(14,953)		—		—		152,297
Non-operating income (expenses):									
Interest income	1,321	—	—		—		—		1,321
Interest expense	(1,846)	—	(7,301)	2H	(36,797)	2I	—		(45,944)
Other income (expenses), net	9,068	—	—		—		—		9,068
Total non-operating income (expenses), net	8,543	—	(7,301)		(36,797)		—		(35,555)
Income before income taxes	116,040	59,753	(22,254)		(36,797)		—		116,742
Income tax provision	23,477	—	—		170	2J	—		23,647
Income before equity in losses of unconsolidated affiliate	92,563	59,753	(22,254)		(36,967)		—		93,095
Equity in losses of unconsolidated affiliate	(1,177)	—	—		—		—		(1,177)
Net income	$ 91,386	$ 59,753	$ (22,254)		$ (36,967)		$ —		$ 91,918
Net income per share:									
Basic	$ 1.88							2L	$ 1.89
Diluted	$ 1.74							2L	$ 1.75
Weighted-average shares used to compute net income per share:									
Basic	48,551								48,551
Diluted	52,427								52,427

See Accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Statements

AMPHASTAR PHARMACEUTICALS, INC.
NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

Note 1. Basis of Presentation

The financial statements included in the unaudited pro forma condensed combined financial statements have been prepared in accordance with U.S. GAAP. The historical financial statements have been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that reflect the accounting for the Acquisition in accordance with U.S. GAAP.

The unaudited pro forma condensed combined financial statements have been prepared in a manner consistent with the accounting policies adopted by the Company. The accounting policies of BAQSIMI® have been determined to be similar in all material respects to the Company's accounting policies. As a result, no adjustments for accounting policy differences have been reflected in the unaudited pro forma condensed combined financial statements.

Note 2. Transaction Accounting Adjustments

The Company has accounted for the Acquisition as an asset acquisition in accordance with Financial Accounting Standards Board Accounting Standards Codification, or ASC, 805, *Business Combinations*, as substantially all the fair value of the assets acquired is concentrated in a single identifiable asset, the BAQSIMI® product rights. The BAQSIMI® product rights include the license for the BAQSIMI® intellectual property, regulatory documentation, marketing authorizations, and domain names, which are considered a single asset as they are inextricably linked. As an asset acquisition, the cost to acquire the group of assets, including transaction costs, is allocated to the individual assets acquired based on their relative fair values, with the exception of non-qualifying assets.

The relative fair values of identifiable assets from the Acquisition are based on estimates of fair value using assumptions that the Company believes are reasonable.

In connection with the Closing, the Company entered into a Manufacturing Services Agreement, or the MSA, with Lilly, pursuant to which Lilly has agreed, for a period of time not to exceed 18 months, to provide certain manufacturing, packaging, labeling and supply services for BAQSIMI® directly or through third-party contractors to the Company in connection with its operation of the development, manufacturing, and commercialization of BAQSIMI®. Upon termination of the MSA, the Company will be obligated to purchase all API, components and finished goods on hand at prices agreed upon in the MSA.

In addition, the Company entered into a Transition Services Agreement, or the TSA, with Lilly pursuant to which Lilly has agreed, for a period of time not to exceed 18 months, to provide certain services to the Company to support the transition of BAQSIMI® operations to the Company, including with respect to the conduct of certain clinical, regulatory, medical affairs, and commercial sales channel activities.

The Company may also be required to pay additional contingent consideration of up to $450.0 million to Lilly based on the achievement of certain milestones. Contingent consideration is not recognized until all contingencies are resolved and the consideration is paid or becomes payable.

Credit Agreement

In conjunction with the Acquisition, the Company entered into a $700.0 million syndicated credit agreement, or the Credit Agreement, by and among the Company, certain subsidiaries of the Company, as guarantors, certain lenders, and Wells Fargo Bank, National Association, or Wells Fargo, as administrative agent.

The Credit Agreement provides for a senior secured term loan in an aggregate principal amount of $500.0 million, or the Term Loan.

The Credit Agreement also provides a senior secured revolving credit facility, in an aggregate principal amount of $200.0 million.

Proceeds from the Term Loan were used to finance the Acquisition.

Purchase price

The following table summarizes the aggregate amount paid for the assets acquired by the Company in connection with the Acquisition:

	Fair Value (in thousands)
Cash payment	$ 500,000
Fair value of deferred cash payments	121,699
Transaction cost	6,406
Total purchase price	$ 628,105

The Company has allocated the purchase price to acquired assets based on their relative fair values. This purchase price allocation has been used to prepare the transaction accounting adjustments in the unaudited pro forma condensed combined balance sheet and statements of comprehensive income.

The following table summarizes the allocation of the purchase price:

	Fair Value (in thousands)
Property, plant, and equipment	$ 34,426
BAQSIMI® product rights	591,338
Deferred tax assets	2,341
Total assets acquired	$ 628,105

Adjustment to Unaudited Pro Forma Condensed Combined Balance Sheet

(2A) Inventories and prepaid expenses and other assets

The Company did not acquire any inventory or prepaid expenses in conjunction with the Acquisition. This adjustment reflects the elimination of historical inventory and prepaid expense balances of $57.3 million and $4.6 million, respectively, from BAQSIMI®'s historical balance sheet.

(2B) Purchase price allocation

The following table reflects the adjustment of property, plant and equipment, as well as the BAQSIMI® product rights amounts per the purchase price allocation:

	Purchase Price Allocation	Less BAQSIMI® (Historical)	Pro Forma Adjustments
		(in thousands)	
Property, plant and equipment	$ 34,426	$ (21,159)	$ 13,267
BAQSIMI® product rights	591,338	(98,246)	493,092
Deferred tax asset	2,341	—	2,341
Total assets acquired	$ 628,105	$ (119,405)	$ 508,700

(2C) Accounts payable and accrued liabilities

Reflects the adjustment to record the present value of the deferred cash payment to Lilly, as well as the additional accrued amounts relating to the Acquisition.

Other transaction accounting adjustments

(2D) Cash and cash equivalents

In connection with the Acquisition, the Company paid down its existing syndicated term loan with Capital One N.A. This adjustment reflects the payoff of the existing term loan with Capital One N.A., as well as debt issuance costs incurred in connection with the Credit Agreement and other transaction costs incurred in connection with the Acquisition.

(2E) Debt

The following table reflects the adjustment to record the current and long-term debt balances of the $500.0 million Term Loan that was used to fund the Acquisition, net of debt issuance costs, offset by an adjustment to reflect the payoff of the remaining balance of the syndicated term loan with Capital One, N.A. in the amount of $67.4 million.

	Amphastar Long-term Debt (Historical)	Pro Form Adjustments	Pro Forma Adjusted
		(in thousands)	
New syndicated term loan with Wells Fargo	$ —	$ 500,000	$ 500,000
Syndicated term loan with Capital One N.A.	(67,375)	—	(67,375)
Debt issuance costs	—	(7,808)	(7,808)
Total	$ (67,375)	$ 492,192	$ 424,817

(2F) Other assets

Reflects the reversal of $4.9 million relating to the Capital One, N.A. interest rate swap asset, which was terminated in connection with the payoff of the Capital One N.A. syndicated term loan, offset by an adjustment to record $4.7 million relating to the debt issuance cost incurred in connection with the revolving credit facility with Wells Fargo.

Adjustment to Unaudited Pro Forma Condensed Combined Statements of operations

Transaction accounting adjustments

(2G) Cost of revenues

The BAQSIMI® product rights intangible asset is amortized using the straight-line method over its estimated useful life of 24 years. The acquired property, plant and equipment are depreciated over their estimated useful life of 12 years.

The table below reflects the adjustment to eliminate the historical amortization expense and record the new amortization expense, as well as the adjustment to eliminate the historical depreciation expense and record the new depreciation expense

	Three months ended March 31, 2023	Year ended December 31, 2022
	(in thousands)	
Amortization of BAQSIMI® product rights	$ 6,160	$ 24,639
Reversal of BAQSIMI® historical amortization	(2,054)	(8,215)
Depreciation of BAQSIMI® property, plant, and equipment acquired	$ 717	$ 2,869
Reversal of BAQSIMI® property, plant and equipment historical depreciation	(1,085)	(4,340)
Pro forma adjusted	$ 3,738	$ 14,953

(2H) Accretion of deferred cash payment to Lilly

Reflects the $7.3 million accretion of the deferred cash payments to Lilly to the full $129.0 million amount over a one-year period through interest expense.

Other transaction accounting adjustments

(2I) Interest expense

The table below reflects the adjustment to eliminate the historical interest expense and amortization of debt issuance costs related to the syndicated credit agreement with Capital One N.A. and record the interest expense and amortization of debt issuance costs related to the Credit Agreement with Wells Fargo.

	Three months ended March 31, 2023	Year ended December 31, 2022
	(in thousands)	
Interest expense and amortization of debt issuance costs related to the syndicated term loan with Wells Fargo	$ 9,942	$ 39,421
Reversal of interest expense and amortization of debt issuance costs related to the syndicated term loan with Capital One N.A.	(1,120)	(2,624)
Pro forma adjusted	$ 8,822	$ 36,797

(2J) Income tax provision

The pro forma presentation of the effect on income tax provision was calculated using a U.S. estimated statutory rate of 24.3%. The adjustments are summarized in the following tables:

Three months ended March 31, 2023

	Net income before income taxes	Statutory tax rate	Income tax expense
	(in thousands, except tax rate)		
BAQSIMI® (Historical)	$ 12,988	24.3%	$ 3,156
Transaction accounting adjustments	(3,738)	24.3%	(908)
Other transaction accounting adjustments	(8,822)	24.3%	(2,144)
Total			$ 104

Year ended December 31, 2022

	Net income before income taxes	Statutory tax rate	Income tax expense
	(in thousands, except tax rate)		
BAQSIMI® (Historical)	$ 59,753	24.3%	$ 14,520
Transaction accounting adjustments	(22,254)	24.3%	(5,408)
Other transaction accounting adjustments	(36,797)	24.3%	(8,942)
Total			$ 170

The tax effects of the $7.3 million interest expense related to the accretion of deferred cash payments to Lilly described in Note (2H) will not affect the Company's results of operations beyond 12 months after the acquisition date.

Reclassification adjustments

(2K) General and administrative expenses

BAQSIMI®'s general and administrative expenses have been reclassified from the selling, distribution and marketing expense line to the general and administrative line to conform to the Company's financial statement presentation.

(2L) Net income per share

Net income per share was calculated using the Company's historical weighted average shares outstanding and diluted weighted average shares outstanding, as there were no shares or dilutive securities issued as a result of the Acquisition.