

ZOGENIX

Zogenix Announces Preliminary Fourth Quarter 2013 Gross Product Sales

January 13, 2014

SAN DIEGO, Jan. 13, 2014 (GLOBE NEWSWIRE) -- Zogenix, Inc. (Nasdaq:ZGNX), a pharmaceutical company developing and commercializing products for the treatment of central nervous system disorders and pain, announced today preliminary unaudited gross product sales on sales of SUMAVEL[®] DosePro[®] for the quarter ended December 31, 2013. Zogenix expects to report fourth quarter 2013 gross product sales of approximately \$14 million on 141,780 units shipped, with unit volume up approximately 2.2% sequentially from third quarter 2013.

Zogenix announced preliminary unaudited net product revenue on sales of SUMAVEL DosePro for the fourth quarter 2013 of approximately \$9 million, up approximately 30% sequentially from \$6.9 million in the third quarter 2013, which included a \$2.4 million increase to the Company's estimate of future product returns. This does not include other revenue related to the service fee received by the Company for its co-promotion of Migranal[®] Nasal Spray.

Gross margin for the fourth quarter 2013 is expected to be impacted by a one-time charge of approximately \$1.3M due to scrap and excess capacity. Preliminary unaudited cash and cash equivalents as of December 31, 2013 were approximately \$72 million.

Roger Hawley, chief executive officer of Zogenix, stated, "We ended the year with positive momentum for SUMAVEL DosePro, with sequential unit growth demonstrating the ability of our sales team, which was reduced in June 2013, to continue driving product adoption among migraine specialists and patients. During the fourth quarter we also focused on preparing for the launch of our recently approved second product addressing the pain market."

The preliminary estimates discussed above are subject to the completion of financial closing procedures, including final adjustment of allowances for sales returns and discounts, and other developments that may arise between now and the time the financial results for the fourth quarter are finalized, as well as the completion of the audit of the 2013 financial statements. Therefore, actual results may differ materially from these estimates. In addition, the above estimates do not present all information necessary for an understanding of Zogenix's financial condition as of December 31, 2013. Zogenix expects to report full financial results for the fourth quarter and full year ended December 31, 2013 in early March 2014.

About Zogenix

Zogenix, Inc. (Nasdaq:ZGNX), with offices in San Diego and Emeryville, California, is a pharmaceutical company committed to developing and commercializing therapies that address specific clinical needs for people living with central nervous system disorders and pain-related conditions who need innovative treatment alternatives to help them return to normal daily functioning. Zogenix recently received FDA approval for Zohydro[™] ER (hydrocodone bitartrate) extended-release capsules, the first extended-release oral formulation of hydrocodone without acetaminophen. Zogenix developed and commercialized the first needle-free subcutaneous injection, SUMAVEL[®] DosePro[®] (sumatriptan injection) for migraine and cluster headache. The development pipeline for Zogenix includes a once-monthly subcutaneous injection for schizophrenia.

Forward Looking Statements

Zogenix cautions you that statements included in this press release that are not a description of historical facts are forward-looking statements. Words such as "believes," "plans," "expects," "will," "potential" and similar expressions are intended to identify forward-looking statements. These statements are based on the company's current beliefs and expectations. These forward-looking statements include statements regarding preliminary financial estimates for the fourth quarter 2013, as well as Zogenix's cash position as of December 31, 2013. Actual results may differ from those set forth in this release due to the risk and uncertainties inherent in Zogenix's business, including, without limitation: risks related to changes in estimated financial amounts based on the completion of financial closing procedures and the audit of the financial statements; and other risks described in the company's prior press releases and filings with the Securities and Exchange Commission.

You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and Zogenix undertakes no obligation to revise or update this release to reflect events or circumstances after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement. This caution is made under the safe harbor provisions of Section 21E of the Private Securities Litigation Reform Act of 1995.

SUMAVEL[®], DosePro[®] and Zohydro[™] ER are trademarks of Zogenix, Inc.

MIGRANAL[®] is a registered trademark of Valeant Pharmaceuticals International, Inc. or its affiliates.

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