Paratek Pharmaceuticals Generates Net Revenues of $2.0 Million in the Second Quarter of 2019

August 6, 2019

-- NUZYRA® (omadacycline) Net Sales increased 26% to $1.7 Million in the Second Quarter of 2019 --

-- Over 50% of Commercial Lives in U.S. now have Access to NUZYRA --

-- Paratek Promotes Evan Loh, M.D. to Chief Executive Officer --

BOSTON, Aug. 06, 2019 (GLOBE NEWSWIRE) -- Paratek Pharmaceuticals, Inc. (Nasdaq: PRTK), a commercial-stage biopharmaceutical company focused on the development and commercialization of innovative therapeutics, today reported financial results and provided an update on corporate activities for the second quarter ended June 30, 2019.

"We are encouraged with the second quarter performance of NUZYRA in the United States. We saw a significant increase in demand, continued success in obtaining access and positive momentum in building awareness across our target prescribers." said Evan Loh, M.D., Chief Executive Officer. "As we look towards the end of the year, we have several important potential value drivers including data from our two phase 2 studies of NUZYRA in urinary tract infections, plans to initiate a study for an oral-only indication for NUZYRA in community-acquired bacterial pneumonia with potential approval of the indication in time for the 2020 influenza-pneumonia season and additional clarity on potential partnerships with the Department of Defense. We believe these events provide opportunity to continue to drive the momentum of NUZYRA's commercial launch in the U.S."

Second Quarter 2019 NUZYRA Commercial Highlights

- NUZYRA generated $1.7 million in net sales in the U.S. in the second quarter of 2019.
  -- Accounting for inventory, NUZYRA gross revenue demand increased from approximately $250 thousand in the first quarter of 2019 to approximately $1.7 million in the second quarter of 2019.
- Over 50% of commercial lives in U.S. now have access to NUZYRA.
- Aided awareness with target prescribers conducted through market research has increased to over 50% compared to 27% at launch.

Other Second Quarter 2019 Highlights

- Announced the promotion of Evan Loh, M.D., to Chief Executive Officer. Michael Bigham, who has served as Paratek's Chairman and CEO since 2014, will remain active with the Company in the newly created role of Executive Chairman.
- Adam Woodrow was promoted to President and will retain his current Chief Commercial Officer title.
- Randy Brenner has been promoted to Chief Development & Regulatory Officer.

Second Quarter 2019 Financial Results
Paratek reported a net loss of $33.2 million, or ($1.02) per share, for the second quarter of 2019, compared to a net loss of $29.8 million, or ($0.94) per share, for the same period in 2018.

Revenue earned during the second quarter of 2019 was attributable to net U.S. NUZYRA product sales of $1.7 million and royalty revenue of $0.3 million, which included royalties earned from SEYSARA sales in the U.S.

Research and development expenses were $10.7 million in the second quarter of 2019 compared to $14.8 million for the same period in 2018. The $4.1 million decrease is primarily the result of the capitalization of NUZYRA commercial supply costs, which were classified as research and development expense until FDA approval of NUZYRA on October 2, 2018, partially offset by higher clinical study costs associated with our Phase 2 UTI program.

Selling, general and administrative expenses were $20.9 million in second quarter of 2019, compared to $12.9 million for the same period in 2018. The $8.0 million increase is primarily the result of the cost of our contract sales force, higher marketing, trade and distribution fees, and increased salaries, benefits and other personnel-related costs in support of the commercialization of NUZYRA.

Based upon our current operating plan, we anticipate that our existing cash, cash equivalents and marketable securities of $252.3 million as of June 30, 2019, and estimated NUZYRA product sales, will fund company operating expenses, capital expenditures, and debt service beyond the first quarter of 2021.

Financial Guidance
The company maintained its previously provided range of $10.0 to $13.0 million for 2019 NUZYRA U.S. net product sales.

This guidance assumes appreciable acceleration in net product revenue growth in the second half of 2019. The Company anticipates that this acceleration will be partially driven by recent initiatives that include increasing the size of the field force to approximately 60 representatives in time for the fall flu season, further expanding institutional access within our group of the approximately 400 targeted hospitals and securing one or more contracts specific to certain governmental organizations. The Company expects the full impact of these initiatives to be evident in the latter half of this year and extend into 2020 and beyond.

The timing of and results from these initiatives could cause actual results to vary from this guidance.

Upcoming Events

- Topline data from both Phase 2 studies in urinary tract infections expected in the fourth quarter of 2019.
- Decision in the EU regarding the Marketing Authorization Application for omadacycline expected in the second half of 2019.
- J-Code established for October 1, 2019.
- Additional clarity regarding contracts specific to certain governmental organizations expected by the end of 2019.
- Initiate study in the second half of this year to obtain oral-only indication in CABP with potential approval of the indication in time for the 2020 influenza-pneumonia season.

Call and Webcast
Paratek's earnings conference call for the quarter ended June 30, 2019 will be broadcast today at 4:30 p.m. EDT on August 6, 2019. The live webcast can be accessed under "Events and Presentations" in the Investor Relations section of Paratek's website at www.ParatekPharma.com.

Domestic investors wishing to participate in the call should dial: 855-327-6838 and international investors should dial: 604-235-2082. The conference ID is 10007405. Investors can also access the call at http://public.viavid.com/index.php?id=135649.

Website Information
Paratek routinely posts important information for investors on the Investor Relations section of its website at www.ParatekPharma.com. Paratek intends to use this website as a means of disclosing material, non-public information and for complying with its disclosure obligations under Regulation FD. Accordingly, investors should monitor the Investor Relations section of Paratek's website, in addition to following its press releases, U.S. Securities and Exchange Commission (SEC) filings, public conference calls, presentations and webcasts. The information contained on, or that may be accessed through, Paratek's website is not incorporated by reference into, and is not a part of, this document.

About Paratek Pharmaceuticals, Inc.
Paratek Pharmaceuticals, Inc. is a commercial-stage biopharmaceutical company focused on the development and commercialization of innovative therapeutics. The company's lead commercial product, NUZYRA™ (omadacycline), which has launched and is available in the U.S., is a once-daily oral and intravenous antibiotic for the treatment of adults with community-acquired bacterial pneumonia and acute bacterial skin and skin structure infections. Paratek is also studying NUZYRA for the treatment of urinary tract infections (UTI).

Paratek has submitted a marketing authorization application of omadacycline in the European Union. Paratek has entered into a collaboration agreement with Zai Lab for the development and commercialization of omadacycline in the greater China region and retains all remaining global rights.

Under a research agreement with the U.S. Department of Defense, omadacycline also is being studied against pathogenic agents causing infectious diseases of public health and biodefense importance, including plague and anthrax.

SEYSARA™ (sarecycline) is an FDA-approved product with respect to which we have exclusively licensed certain rights in the United States to Almirall, LLC, or Almirall. SEYSARA is currently being marketed by Almirall in the U.S. as a new once-daily oral therapy for the treatment of moderate to severe acne vulgaris. Paratek retains development and commercialization rights with respect to sarecycline in the rest of the world.

Recognizing the serious threat of bacterial infections, Paratek is dedicated to providing solutions that enable positive outcomes and lead to better patient stories.

For more information, visit www.ParatekPharma.com or follow @ParatekPharma on Twitter.

Forward Looking Statements
This press release contains forward-looking statements including statements related to our overall strategy, products, prospects, potential and expected results, including statements about the projected net product revenues of NUZYRA® including assumptions related to our financial guidance, our anticipated cash runway, our SEYSARA royalty-backed loan funded on May 1, 2019, the progression of our commercial roll out for NUZYRA, our ability to shape the future treatment paradigm for community-acquired pneumonia and serious skin infections, our plans to evaluate additional indications for NUZYRA, including UTI, and to work toward an oral-only indication in CABP, our potential to further drive long-term value for all of our shareholders and our plans to obtain regulatory approval of omadacycline in the European Union . All statements, other than statements of historical facts, included in this press release are forward-looking statements, and are identified by words such as "advancing," "expect," "look forward," "anticipate," "continue," and other words and terms of similar meaning. These forward-looking statements are based upon our current expectations and involve substantial risks and uncertainties. We may not actually achieve the plans, carry out the intentions or meet the expectations or projections disclosed in our forward-looking statements and you should not place undue reliance on these forward-looking statements. Our actual results and the timing of events could differ materially from those included in such forward-looking statements as a result of these risks and uncertainties. These and other risk factors are discussed under "Risk Factors" and elsewhere in our Annual Report on Form 10-K for the year ended December 31, 2018 and our other filings with the Securities and Exchange Commission. We expressly disclaim any obligation or undertaking to update or revise any forward-looking statements contained herein.

PARATEK PHARMACEUTICALS, INC.

Condensed Consolidated Balance Sheets
(unaudited)
(in thousands)

	June 30, 2019 (unaudited)	**December 31, 2018**
Cash, cash equivalents and marketable securities	$ 252,347	$ 292,838
Total assets	276,577	300,192

Working capital	246,604	237,534
Total current liabilities	22,080	17,709
Long-term debt, less current portion	260,097	228,959
Common stock and additional paid-in-capital	637,386	630,174
Accumulated deficit	(651,279)	(582,468)
Total stockholders' equity (deficit)	(13,677)	47,578

Condensed Consolidated Statements of Operations
(unaudited)
(in thousands, except loss per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2019	**2018**	**2019**	**2018**
Product revenue, net	$ 1,702	$ —	$ 3,049	$ —
Collaboration and royalty revenue	343	40	594	50
Net revenue	$ 2,045	$ 40	$ 3,643	$ 50
Expenses:				
Cost of product revenue	567	—	773	—
Research and development	10,679	14,802	22,071	29,665
Selling, general and administrative	20,920	12,912	44,238	24,785
Impairment of intangible asset	—	86	—	86
Changes in fair value of contingent consideration	—	(31)	—	(46)
Total operating expenses	32,166	27,769	67,082	54,490
Loss from operations	(30,121)	(27,729)	(63,439)	(54,440)
Other income and expenses:				
Interest income	935	894	1,881	1,369
Interest expense	(3,991)	(2,904)	(7,217)	(4,410)
Other gains (losses), net	(24)	6	(36)	(1)
Net loss	$ (33,201)	$ (29,733)	$ (68,811)	$ (57,482)
Basic and diluted net loss per share	$ (1.02)	$ (0.94)	$ (2.12)	$ (1.85)
Weighted average common stock outstanding				
Basic and diluted	32,446,202	31,581,275	32,390,691	31,076,788

CONTACT:

Investor and Media Relations:
Ben Strain
617-807-6688
ir@ParatekPharma.com

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