# Paratek Pharmaceuticals Generates Net Revenues of $3.9 Million in the Third Quarter of 2019

November 12, 2019

*-- Third Quarter 2019 NUZYRA® (omadacycline) Net Sales increased 82% versus the Prior Quarter to $3.1 Million --*

*-- Oral-only CABP Pharmacokinetics Study Initiated--*

BOSTON, Nov. 12, 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 third quarter ended September 30, 2019.

"It has been a productive period for Paratek. We saw a significant increase in demand for NUZYRA with third quarter net sales growing 82% versus the prior quarter." said Evan Loh, M.D., Chief Executive Officer. "We are encouraged by the performance of NUZYRA so far this year as we saw a significant increase in demand, particularly driven by the oral formulation and continued progress in securing institutional and payer access. We also initiated sites for the pharmacokinetics study with the goal of obtaining an oral-only indication in CABP in time for the 2020 pneumonia season. We believe this value driver has the potential to further drive increased utilization of the oral formulation and offer additional treatment options to an even broader universe of patients-in-need."

**Third Quarter 2019 NUZYRA Commercial Highlights**

- NUZYRA generated $3.1 million in net sales in the U.S. in the third quarter of 2019.
  -- Accounting for inventory, NUZYRA gross demand increased from approximately $1.7 million in the second quarter of 2019 to approximately $3.3 million in the third quarter of 2019.
- Expanded the sales force size in time for the 2019 pneumonia season.
- Over 75% of commercial lives in U.S. now have access to NUZYRA.

**Other Recent Highlights**

- Paratek initiated sites for a pharmacokinetics study intended to obtain oral-only indication in CABP with potential approval of the indication in time for the 2020 pneumonia season.
- Paratek announced topline data from its two exploratory Phase 2 clinical studies evaluating the efficacy and safety of omadacycline in patients with two common forms of urinary tract infections.
- Paratek withdrew European Marketing Authorization application (MAA) for oral and intravenous NUZYRA in skin infections and pneumonia. The EMA deemed the MAA approvable for skin infections but requested a second pneumonia study in order to approve the pneumonia indication.
- Paratek presented new data from NUZYRA development program at IDWeek 2019; highlighting Paratek's commitment to further understanding safety and efficacy of NUZYRA in unique population subsets.

**Third Quarter 2019 Financial Results**

Paratek reported a net loss of $32.6 million, or ($1.00) per share, for the third quarter of 2019, compared to a net loss of $32.1 million, or ($1.01) per share, for the same period in 2018.

Revenue earned during the third quarter of 2019 was attributable to net U.S. NUZYRA product sales of $3.1 million and collaboration and royalty revenue of $0.9 million, consisting primarily of royalties earned from SEYSARA sales in the U.S.

Research and development expenses were $8.4 million in the third quarter of 2019 compared to $16.0 million for the same period in 2018. The decrease was 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 $23.6 million in third quarter of 2019, compared to $13.6 million for the same period in 2018. The increase was primarily the result of the cost of our contract sales force, higher marketing, trade and distribution fees, and 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 $225.6 million as of September 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 now anticipates 2019 NUZYRA U.S. net product sales will come in within the previously communicated range of $10.0 to $13.0 million; likely at the lower end of the range.

We anticipate that continued revenue growth in the fourth quarter will be partially driven by recent initiatives that include the increase in the size of the field force in time for the fall pneumonia season and further expansion of institutional access within the group of approximately 600 targeted hospitals.

**Call and Webcast**

Paratek's earnings conference call for the quarter ended September 30, 2019 will be broadcast today at 4:30 p.m. EST on November 12, 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 10008072. Investors can also access the call at http://public.viavid.com/index.php?id=136394.

**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 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 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, the results of our Phase 2 studies of omadacycline in UTI, our plans to evaluate additional indications for NUZYRA, and to work toward an oral-only indication in CABP, and our potential to further drive long-term value for all of our shareholders. 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)**

| | September 30, 2019 (unaudited) | December 31, 2018 |
|---|---|---|
| Cash, cash equivalents and marketable securities | $ 225,637 | $ 292,838 |
| Total assets | 252,774 | 300,192 |
| Working capital | 220,158 | 237,534 |
| Total current liabilities | 25,018 | 17,709 |
| Long-term debt | 260,410 | 228,959 |
| Common stock and additional paid-in-capital | 643,139 | 630,174 |
| Accumulated deficit | (683,893) | (582,468) |
| Total stockholders' equity | (40,606) | 47,578 |

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

| | Three Months Ended September 30, | | Nine Months Ended September 30, | |
|---|---|---|---|---|
| | 2019 | 2018 | 2019 | 2018 |
| Product revenues, net | $ 3,053 | $ — | $ 6,102 | $ — |
| Collaboration and royalty revenue | 881 | 50 | 1,475 | 101 |
| Total revenue | $ 3,934 | $ 50 | $ 7,577 | $ 101 |
| Expenses: | | | | |
| Cost of revenue | 958 | — | 1,731 | — |
| Research and development | 8,350 | 16,040 | 30,421 | 45,706 |
| General and administrative | 23,636 | 13,610 | 67,874 | 38,395 |
| Impairment of intangibles | — | 21 | — | 107 |
| Changes in fair value of contingent consideration | — | (11) | — | (57) |
| Total operating expenses | 32,944 | 29,660 | 100,026 | 84,151 |
| Loss from operations | (29,010) | (29,610) | (92,449) | (84,050) |
| Other income and expenses: | | | | |
| Interest income | 992 | 922 | 2,873 | 2,292 |
| Interest expense | (4,560) | (3,383) | (11,777) | (7,793) |
| Other loss, net | (36) | (12) | (72) | (14) |
| Loss before income taxes | $ (32,614) | $ (32,083) | $ (101,425) | $ (89,565) |
| Provision for income taxes | — | — | — | — |
| Net loss | (32,614) | (32,083) | (101,425) | (89,565) |
| Net loss per share - basic and diluted | $ (1.00) | $ (1.01) | $ (3.12) | $ (2.86) |
| Weighted average common stock outstanding | | | | |
| Basic and diluted | 32,590,454 | 31,742,854 | 32,458,010 | 31,301,249 |

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Source: Paratek Pharmaceuticals