April 24, 2020

Dear Fellow Shareholders,

2019 was a transformative year for Paratek, with several key achievements that we believe set the stage for our sustained long-term growth and established our leadership in the anti-infective sector. Most importantly we successfully launched NUZYRA® (omadacycline) in the U.S. and witnessed the successful U.S. launch of SEYSARA® (sarecycline) by our partner, Almirall. Further, both of these products now enjoy an expanded global footprint through partnerships into the greater China region. And in December, we announced our unique public-private partnership with the Biomedical Advanced Research and Development Authority (BARDA) through a broad-based Project BioShield award with a total value of up to $285 million.

Sales of NUZYRA and SEYSARA continue to progress well. These innovative medicines are now providing essential new therapeutic alternatives for patients in need. NUZYRA, in particular, is an effective, life-saving oral and intravenous (IV) once-daily antibiotic for serious community-acquired infections, including acute bacterial skin and skin structure infections (ABSSSI) and community-acquired bacterial pneumonia (CABP). Interestingly, as with influenza, many serious COVID-19 infections are associated with secondary bacterial pneumonia infections. Recent data suggest that COVID-19 patients with secondary bacterial infections suffer higher rates of morbidity and mortality. These secondary bacterial infections are commonly treated with older generic antibiotics that have both resistance and efficacy deficiencies as well as safety concerns, neither of which are associated with NUZYRA, further highlighting the importance of a novel once daily, well-tolerated oral and IV antibiotic in the treatment paradigm for pandemic preparedness. For these reasons, we are aggressively pursuing other strategic partnerships through government contracts to further support NUZYRA’s potential role in national pandemic preparedness and to ensure that our government, military warfighters and patients in need have access to NUZYRA.

Results from the NUZYRA launch were particularly encouraging, with significant increases in demand quarter-by-quarter throughout 2019, predominantly driven by the oral formulation. From our launch in February 2019 through the end of the year, NUZYRA achieved net sales of $11.5 million. Based on these results, NUZYRA is on track to have one of the most successful antibiotics launches in the last decade.

We believe NUZYRA has the potential to address important unmet needs in serious community-acquired infections, while combating antibiotic resistant pathogens that often arise from clinical failures and poor outcomes with generic antibiotics. NUZYRA offers convenient once-daily oral and IV dosing and provides prescribing flexibility, the potential for reduced hospital stays, and in some cases, allowing patients to avoid hospital admissions altogether. In the setting of this ongoing COVID-19 pandemic, our principal “go home” strategy throughout the NUZYRA launch is even more relevant.
given that the oral transition provides the opportunity to free up much-needed hospital beds for those in more clinical need.

In our key targeted hospitals and Integrated Delivery Networks, we have been focused on gaining institutional access for NUZYRA while making steady progress in raising awareness. In 2019, we achieved institutional access in over 60% of 600 targeted hospitals. Awareness of NUZYRA now exceeds 90% in the targeted infectious disease community, and over 60% with our broader physician target base. This is important, because awareness serves as the gatekeeper for physicians to consider writing a prescription for NUZYRA.

In December, we announced that BARDA awarded Paratek with Project BioShield funding to support the development of NUZYRA for the treatment of pulmonary anthrax. The five-year contract is valued up to $285 million and includes an option to extend to 10-years. This Project BioShield award also provides full cost reimbursement to fund all of the U.S. Food and Drug Administration post-marketing requirements associated with NUZYRA’s initial approval, the first of its kind procurement of up to 10,000 treatment courses of NUZYRA for the treatment of anthrax to be secured in the Strategic National Stockpile for use against potential biothreats, and importantly, funding for on-shoring our end to end supply chain to bring NUZYRA secondary supply chain fully within the US borders. This unique public-private partnership recognizes our commitment to studying NUZYRA in the fight against Anti-Microbial Resistance (AMR) and the treatment of bioterrorism pathogens, including anthrax.

We are pleased with the recent progress of Zai Lab Limited, our NUZYRA partner in the greater China region. Zai has made significant progress following the completion of the Phase 3 development program for omadacycline. Following the successful submission of the New Drug Application (NDA) in China for omadacycline in late 2019, Zai Lab recently announced the NDA acceptance by the China National Medical Products Administration for the treatment of CABP and ABSSI.

Turning to SEYSARA, Almirall’s U.S. launch has successfully generated clinical demand and we are pleased to see its growth trajectory in 2019, which we believe augurs well for continued growth in 2020. SEYSARA is a once-daily, oral, tetracycline-derived antibiotic with anti-inflammatory properties for the treatment of moderate to severe acne in the community setting. In addition to licensing Almirall in the U.S. for Seyesara, Paratek entered a licensing agreement with Almirall granting them rights for sarecycline in the greater China region, which includes the Peoples Republic of China, Hong Kong, and Macau. Almirall plans to develop sarecycline for acne in China, with a submission to the China National Medical Products Administration expected in 2023.

In closing, we believe that the achievements and sales trajectory seen in 2019 are setting the foundation for future sustained growth in 2020 and beyond. The COVID-19 pandemic provides a compelling opportunity for physicians to consider the use of NUZYRA as part of the end-to-end treatment paradigm for this virus that has a
predilection for massive lung injury and enhanced risk for secondary bacterial pneumonia.

We believe that the progress of NUZYRA and SEYSARA in the U.S. market and our external partnerships in the greater China region, combined with the magnitude of the projected funding through Project BioShield, will provide Paratek with a potential path to long-term growth and sustainable profitability.

We thank you for your continued support. Our important mission to develop and commercialize novel life-saving therapies for life threatening diseases or other public health threats for civilian, government and military use depends upon it.

Sincerely,

Michael F. Bigham
Executive Chairman

Evan Loh, M.D.
Chief Executive Officer