



November 3, 2016

## Tetraphase Pharmaceuticals Reports Third Quarter 2016 Financial Results and Reviews Recent Progress

WATERTOWN, Mass., Nov. 03, 2016 (GLOBE NEWSWIRE) -- [Tetraphase Pharmaceuticals, Inc.](#) (NASDAQ:TPPH), a clinical stage biopharmaceutical company developing novel antibiotics to treat life-threatening multidrug-resistant (MDR) infections, today reported financial results for the third quarter ended September 30, 2016, and highlighted recent clinical development achievements in antibiotics pipeline.

"The third quarter was one of meaningful progress for Tetraphase and our phase 3 eravacycline program," said Guy Macdonald, Tetraphase's President and Chief Executive Officer. "We successfully initiated IGNITE4 evaluating twice-daily intravenous (IV) eravacycline in patients with complicated intra-abdominal infections (cIAI) and announced dosing of the first patient in October. Top-line results from IGNITE4 are expected as early as the fourth quarter of 2017. We also continue to prepare for the initiation of IGNITE3, our planned phase 3 trial exploring once-daily IV eravacycline in complicated urinary tract infections (cUTI)."

Mr. Macdonald continued, "For our other antibiotic pipeline candidates, we continue phase 1 development of TP-271, which is being developed for respiratory disease caused by antibiotic-resistant public health pathogens, and TP-6076, our second-generation candidate targeting multidrug-resistant Gram-negative bacterial infections. Following completion of the single-ascending dose trials this year, we plan to present data at scientific meetings and initiate multiple-ascending dose studies in 2017."

### Third Quarter 2016 Financial Results

As of September 30, 2016, Tetraphase had cash and cash equivalents of \$162.1 million and 36.7 million shares outstanding. The company expects that its cash and cash equivalents, as well as expected revenue from its U.S. government awards, will be sufficient to fund operations into the second half of 2018.

Revenues during the third quarter of 2016 were \$0.9 million compared to \$2.9 million for the same period in 2015. Revenues for each period consisted of contract and grant revenue under the Company's U.S. government awards for the development of Tetraphase compounds for the treatment of diseases caused by bacterial biothreat pathogens and for certain infections caused by life-threatening multidrug-resistant bacteria. The decrease in revenues was primarily due to the scope and timing of activities related to our BARDA Contract conducted during the third quarter of 2016.

Research and development (R&D) expenses for the third quarter of 2016 (\$17.2 million) were similar to the same period in 2015 (\$17.0 million), which is reflective of spending patterns related to our phase 3 clinical program for eravacycline.

General and administrative (G&A) expenses for the third quarter of 2016 were \$4.9 million compared to \$3.9 million for the same period in 2015. This increase was primarily due to a higher stock-based compensation expense and an increase in legal fees, offset by a decrease in pre-commercialization activities.

For the third quarter of 2016, Tetraphase reported a net loss of \$21.1 million, or \$0.58 per share, compared to a net loss of \$18.0 million, or \$0.49 per share, for the same period in 2015. The net loss for the three and nine months ended September 30, 2016 includes stock-based compensation expense of \$3.3 million and \$10.3 million, respectively.

### Third Quarter and Recent Corporate Highlights

- 1 Presented data at IDWeek 2016, including *in vitro* data for eravacycline demonstrating consistent and potent *in vitro* activity against drug-resistant bacteria, including carbapenem-resistant *Enterobacteriaceae* (CRE), *Acinetobacter baumannii*, vancomycin-resistant enterococci (VRE) and methicillin-resistant *Staphylococcus aureus* (MRSA), isolated from recent patients.
- 1 Initiated the phase 3 IGNITE4 clinical trial of IV eravacycline in cIAI. Assuming a successful outcome, this study, along with data from IGNITE1, will support an NDA filing for IV eravacycline for cIAI. IGNITE4, compared to meropenem in patients with cIAI, is expected to enroll approximately 450 patients and the primary analysis will be conducted using a 12.5% non-inferiority margin. Tetraphase expects to have top-line results in the fourth quarter of 2017.
- 1 Initiated patient dosing in a single-ascending dose phase 1 clinical trial evaluating the safety and pharmacokinetics of

TP-6076 in healthy volunteers. TP-6076 is being developed for the treatment of serious and life-threatening bacterial infections, including those caused by pathogens otherwise resistant to current treatment options.

- 1 Continued clinical testing designed to advance the development of an oral dose formulation of eravacycline. Additional clinical testing is ongoing to evaluate variables associated with increasing drug exposure and optimizing the oral eravacycline dosing regimen.

### About Tetrphase Pharmaceuticals, Inc.

Tetrphase is a clinical-stage biopharmaceutical company using its proprietary chemistry technology to create novel antibiotics for serious and life-threatening bacterial infections, including those caused by many of the multidrug-resistant (MDR) bacteria highlighted as urgent public health threats by the CDC. Tetrphase has created more than 3,000 novel tetracycline analogs using its proprietary technology platform. Tetrphase's pipeline includes three antibiotic clinical candidates: eravacycline, which is in phase 3 clinical trials, and TP-271 and TP-6076, which are in phase 1 clinical trials. Please visit [www.tphphase.com](http://www.tphphase.com) for more company information.

### Forward-Looking Statements

Any statements in this press release about our future expectations, plans and prospects, including statements regarding our strategy, future operations, prospects, plans and objectives, and other statements containing the words "anticipates," "believes," "expects," "plans," "will" and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including: whether results obtained in preclinical studies and early or interim clinical trials will be indicative of results obtained in future clinical trials; whether eravacycline or any other clinical candidate will advance through the clinical trial process on a timely basis or at all; whether the results of the Company's development efforts will warrant regulatory submission and whether any such submissions will receive approval from the United States Food and Drug Administration or equivalent foreign regulatory agencies; whether, if any clinical candidate obtains approval, it will be successfully distributed and marketed; and other factors discussed in the "Risk Factors" section of our quarterly report on Form 10-Q, filed with the Securities and Exchange Commission on November 3, 2016. In addition, the forward-looking statements included in this press release represent our views as of November 3, 2016. We anticipate that subsequent events and developments will cause our views to change. However, while we may elect to update these forward-looking statements at some point in the future, we specifically disclaim any obligation to do so.

**Tetrphase Pharmaceuticals, Inc.**  
**Condensed Consolidated Statements of Operations (Unaudited)**  
(In thousands, except per share data)

	Three Months Ended		Nine Months Ended	
	September 30, 2016	2015	September 30, 2016	2015
Revenues	\$ 850	\$ 2,856	\$ 4,055	\$ 9,215
Operating expenses				
Research and development	17,190	16,972	44,459	58,752
General and administrative	4,858	3,937	14,870	15,329
Total operating expenses	22,048	20,909	59,329	74,081
Loss from operations	(21,198)	(18,053)	(55,274)	(64,866)
Other income (expense)				
Other income (expense), net	88	9	255	(207)
Net loss	\$(21,110)	\$(18,044)	\$(55,019)	\$(65,073)
Net loss per share-basic and diluted	\$ (0.58)	\$ (0.49)	\$ (1.50)	\$ (1.87)
Weighted-average number of common shares used in net loss per share applicable to common stockholders-basic and diluted	36,692	36,463	36,640	34,824

**Tetrphase Pharmaceuticals, Inc.**  
**Condensed Consolidated Balance Sheets (Unaudited)**  
(In thousands)

September 30, December 31,  
2016                      2015

**Assets**

Cash and cash equivalents	\$ 162,076	\$ 205,912
Accounts receivable	745	4,151
Prepaid expenses and other current assets	6,692	3,705
Property and equipment, net	932	943
Other assets, noncurrent	199	206
Total assets	<u>\$ 170,644</u>	<u>\$ 214,917</u>

**Liabilities and stockholders' equity**

Accounts payable and accrued expenses	\$ 10,011	\$ 9,953
Deferred revenue	1,077	909
Stockholders' equity	159,556	204,055
Total liabilities and stockholders' equity	<u>\$ 170,644</u>	<u>\$ 214,917</u>

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