Tetraphase Pharmaceuticals Reports Fourth Quarter and Full-Year 2017 Financial Results, Highlights Achievements and Key 2018 Milestones

March 6, 2018

Achieved positive results of Eravacycline in Phase 3 IGNITE 4 clinical trial for cIAI

Filed NDA in US for IV Eravacycline for cIAI and PDUFA date is August 28th

Raised over $65 million through underwritten equity offering

2018 milestones include preparation for commercial launch of Eravacycline as treatment for cIAI in the U.S. assuming regulatory approval

WATERTOWN, Mass., March 06, 2018 (GLOBE NEWSWIRE) -- Tetraphase Pharmaceuticals, Inc. (NASDAQ:TTPH), a biopharmaceutical company focused on developing and commercializing novel antibiotics to treat life-threatening multidrug-resistant (MDR) infections, today reported financial results for the fourth quarter and year ended December 31, 2017, provided an overview of recent achievements, and highlighted key milestones for 2018.

“2017 was a year of tremendous progress for Tetraphase, as we successfully completed IGNITE4, our second positive phase 3 clinical trial evaluating IV eravacycline in complicated intra-abdominal infections (cIAI), and filed regulatory approval applications in the U.S. and in Europe for cIAI,” said Guy Macdonald, President and Chief Executive Officer of Tetraphase. “Although we were very disappointed with the recently announced topline results from our IGNITE3 trial in complicated urinary tract infections (cUTI), in which eravacycline did not achieve statistical non-inferiority to ertapenem, we are excited to move forward with bringing eravacycline to market for the treatment of cIAI. We recently announced that the FDA has accepted our NDA submission for review and our PDUFA date is August 28, 2018.”

Key Milestones for 2018

Potential approval of eravacycline in cIAI in US – 2H 2018

Potential approval of eravacycline in cIAI in Europe – 2H2018

Potential commercial launch of eravacycline in cIAI in the US – Q4 2018

Complete phase 1 MAD studies for TP-271 and TP-6076 – 2H 2018

Fourth Quarter and Recent Highlights

- Entered into an exclusive licensing agreement with Everest Medicines Limited, a biopharmaceutical company based in China, to develop and commercialize eravacycline for the treatment of cIAI and other indications in mainland China, Taiwan, Hong Kong, Macau, South Korea, and Singapore.

- Submitted a new drug application (NDA) to the U.S. Food and Drug Administration (FDA) for IV eravacycline for the treatment of cIAI. Notified of a Prescription User Fee Act (PDUFA) goal date of August 28, 2018 for the FDA’s completion of its review. The NDA submission includes data from the IGNITE1 and IGNITE4 phase 3 clinical trials, in which twice-daily IV eravacycline was well tolerated and achieved high clinical cure rates in patients with cIAI. Both studies demonstrated statistical non-inferiority of eravacycline to two widely used comparators – ertapenem in IGNITE1 and meropenem in IGNITE4 – for the primary efficacy endpoint of clinical response at the test-of-cure (TOC) visit.

- Announced top-line results from IGNITE3, the Company's phase 3 clinical trial evaluating the efficacy and safety of once-daily intravenous (IV) eravacycline compared to ertapenem for the treatment of patients with cUTI, in which eravacycline did not achieve statistical non-inferiority to ertapenem. The Company is fully analyzing the data to understand the outcome and will provide an update when more information is available. Based on the results of the study, the Company does not plan to further evaluate eravacycline in cUTI and has ceased its development of an oral formulation of eravacycline for the treatment of cUTI.

- Appointed Larry Tsai, M.D., Chief Medical Officer. Dr. Tsai joined Tetraphase in 2014 as senior medical director and became vice president, clinical development in 2015. He has nearly 20 years of experience in clinical practice and development. Dr. Tsai has provided significant expertise to the clinical team throughout the IGNITE phase 3 program for eravacycline, as well as in the early clinical development of the Company’s pipeline programs.

- Appointed Larry Edwards, Chief Operating Officer. Mr. Edwards joined Tetraphase in July 2015 as vice president, marketing, served as vice president, commercial operations from January 2016 to December 2016 and as senior vice president, chief commercial officer from December 2016 to February 2017. He has over 20 years of experience in the infectious disease area. Mr. Edwards is responsible for all phases of the launch of eravacycline, assuming regulatory approval.

Fourth Quarter and Full-Year 2017 Financial Results

As of December 31, 2017, Tetraphase had cash and cash equivalents of $136.4 million and 51.4 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 through the first half of 2019.

For the fourth quarter of 2017, Tetraphase reported a net loss of $23.5 million, or $0.46 per share, compared to a net loss of $22.5 million, or $0.61 per share, for the same period in 2016. Revenues were $2.5 million compared to $1.1 million for the same period in 2016. 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 increase in revenue was mainly due to scope and timing of activities related to our Biomedical Advanced Research and Development Authority (BARDA) Contract conducted during the fourth quarter of 2017. Research and development (R&D) expenses for the fourth quarter of 2017 were $18.5 million compared to $19.3 million for the same period in 2016. The decrease in R&D

expenses was primarily due to lower manufacturing costs in 2017 compared to the same period in 2016, offset, in part, by higher clinical costs related to our IGNITE3 clinical trial. General and administrative (G&A) expenses for the fourth quarter of 2017 were $7.9 million compared to $4.3 million for the same period in 2016. The increase in G&A was primarily due to pre-launch commercial investments, business development expenses and headcount related costs.

For the year ended December 31, 2017, Tetraphase reported a net loss of $114.8 million, or $2.63 per share, compared to a net loss of $77.5 million, or $2.11 per share, for the same period in 2016. Revenues were $9.7 million for the year ended December 31, 2017 compared to $5.1 million for the same period in 2016. As stated above, 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. This increase in 2017 was due to changes in the timing and scope of activities under the subcontract with respect to the BARDA and National Institute of Allergy and Infectious Diseases (NIAID) contracts and the addition of amounts received under the Combating Antibiotic Resistant Bacteria Biopharmaceutical Accelerator (CARB-X) award. R&D expenses were $101.7 million for the year ended December 31, 2017 compared to $63.8 million for the same period in 2016. The increase was mainly due to costs associated with conducting our IGNITE3 and IGNITE4 phase 3 clinical trials and an increase in regulatory costs associated with eravacycline related to our marketing authorization application (MAA) and NDA filing activities. G&A expenses were $23.7 million for the year ended December 31, 2017 compared to $19.2 million for the same period in 2016. This increase was primarily due to pre-launch commercial investments, business development and legal expenses and headcount related costs.

About Eravacycline
Eravacycline is a novel, fully-synthetic fluorocycline antibiotic being developed for the treatment of cIAI and other serious infections, including those caused by MDR pathogens that have been highlighted as urgent public health threats by both the World Health Organization and the U.S. Centers for Disease Control & Prevention (CDC). In clinical trials, eravacycline has demonstrated potent activity against multidrug-resistant (MDR) pathogens, including carbapenem-resistant enterobacteriaceae (CRE), Acinetobacter baumannii, and colistin-resistant bacteria carrying the mcr-1 gene.

Eravacycline was investigated for the treatment of cIAI as part of the Company's IGNITE (Investigating Gram-negative Infections Treated with Eravacycline) phase 3 programs. In IGNITE1, a pivotal phase 3 trial in patients with cIAI, twice-daily IV eravacycline met the primary endpoint by demonstrating statistical non-inferiority of clinical response compared to ertapenem, was well tolerated, and achieved high cure rates in patients with Gram-negative pathogens, including resistant isolates. The IGNITE1 data is serving as the basis of the Marketing Authorization Application (MAA) for IV eravacycline for the treatment of patients with cIAI now under review by the European Medicines Agency (EMA). In IGNITE4, a second phase 3 clinical trial in patients with cIAI, twice-daily IV eravacycline met the primary endpoint by demonstrating statistical non-inferiority of clinical response compared to meropenem, was well tolerated, and achieved high cure rates. The Company has used the results from IGNITE1 and IGNITE4 to support a New Drug Application (NDA) submission for IV eravacycline in cIAI. To date, eravacycline has been administered to over 2,700 patients.

About Tetraphase Pharmaceuticals, Inc.
Tetraphase is a 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 MDR bacteria highlighted as urgent public health threats by the CDC. Tetraphase has created more than 3,000 novel tetracycline analogs using its proprietary technology platform. Tetraphase's pipeline includes three antibiotic clinical candidates: eravacycline, which has completed phase 3 clinical trials and is under review for potential approval in complicated intra-abdominal infections by the FDA and the EMA, and TP-271 and TP-6076, which are in phase 1 clinical trials. Eravacycline is an investigational product only and has not been approved for commercialization. Please visit www.tphase.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 the Company's regulatory submission will receive approval from the United States Food and Drug Administration or equivalent foreign regulatory agencies; whether, if any clinical candidate, including eravacycline obtains approval, it will be successfully distributed and marketed; and other factors discussed in the "Risk Factors" section of our annual report on Form 10-K, filed with the Securities and Exchange Commission on March 6, 2018. In addition, the forward-looking statements included in this press release represent our views as of March 6, 2018 . 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.

Tetraphase Pharmaceuticals, Inc.
Condensed Consolidated Statement of Operations (Unaudited)
(In thousands, except per share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2017	2016	2017	2016
Revenues	$ 2,528	$ 1,090	$ 9,666	$ 5,145
Operating expenses				
Research and development	18,468	19,305	101,706	63,764
General and administrative	7,878	4,341	23,675	19,211
Total operating expenses	26,346	23,646	125,381	82,975
Loss from operations	(23,818)	(22,556)	(115,715)	(77,830)
Other income (expense)				
Other income (expense), net	343	95	963	350
Net loss	$ (23,475)	$ (22,461)	$ (114,752)	$ (77,480)
Net loss per share-basic and diluted	$ (0.46)	$ (0.61)	$ (2.63)	$ (2.11)
Weighted-average number of common shares used in net loss per share applicable to common stockholders-basic and diluted	51,415	36,894	43,582	36,704

Tetraphase Pharmaceuticals, Inc.
Condensed Consolidated Balance Sheets (unaudited)
(In thousands)

	December 31, 2017	December 31, 2016
Assets		
Cash and cash equivalents	$ 136,411	$ 142,086
Accounts receivable	4,653	1,789
Prepaid expenses and other current assets	6,382	6,582
Property and equipment, net	1,395	1,054
Other assets, noncurrent	199	199
Total assets	$ 149,040	$ 151,710
Liabilities and Stockholders' equity		
Accounts payable and accrued expenses	$ 17,865	$ 10,240
Total deferred revenue	660	1,255
Other liabilities, noncurrent	105	162
Total stockholders' equity	130,410	140,053
Total liabilities and stockholders' equity	$ 149,040	$ 151,710

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