



Xeris Pharmaceuticals Reports Fourth Quarter and Full-year 2020 Financial Results and Recent Highlights

March 9, 2021

Gvoke® net sales of \$20.2 million for full-year 2020

Continued Gvoke prescription growth – over 350% in 2020

Strong cash position of \$133.8 million

Conference call and webcast today at 8:30 a.m. ET

CHICAGO--(BUSINESS WIRE)--Mar. 9, 2021-- Xeris Pharmaceuticals, Inc. (Nasdaq: XERS), a specialty pharmaceutical company leveraging its novel formulation technology platforms to develop and commercialize ready-to-use injectable and infusible drug formulations, today announced financial results for the fourth quarter and full-year 2020 and recent highlights.

"Despite the obvious challenges of 2020, I believe it was a very successful year for Xeris, and in particular, the fourth quarter. We saw continuous growth in demand for Gvoke throughout the year with quarter over quarter increases in prescriptions and market share, which was accelerated by the launch of Gvoke HypoPen in July, and we did so while operating our commercial organization virtually for 10 months of the year. We also reported positive clinical data in several clinical programs, we put more cash on the balance sheet, and equitized a large portion of our convertible debt," said Paul R. Edick, Chairman and CEO. "Looking ahead, we are poised to steadily grow Gvoke, advance partnership discussions for Ogluo in ex-US territories, find development and commercialization partners for select pipeline programs, and advance our technology platforms, XeriSol™ and XeriJect™, through internal development and external partnerships."

Fourth Quarter 2020 Highlights and Recent Events

Marketed and Approved Products

- Gvoke prescriptions grew approximately 11% quarter over quarter and over 350% in 2020.
- Ogluo®, Xeris' ready-to-use, room-temperature stable liquid glucagon for the treatment of severe hypoglycemia in pediatric and adult patients with diabetes ages 2 years and above, received a positive opinion from the European Medicines Agency's (EMA) Committee for Medicinal Products for Human Use (CHMP) in December 2020, and the European Commission (EC) granted the marketing authorisation in February 2021.
- The Company is actively seeking a partner to commercialize Ogluo in the EU and other regions, with a targeted fourth quarter 2021 launch in select EU countries.
- In December 2020, Xeris entered into an exclusive distribution agreement with Megapharm Ltd. ("Megapharm"), a leading Israel-based pharmaceutical company, for the commercialization of Gvoke in Israel and the Palestinian Authority.

Ready-to-use Glucagon Programs

- Xeris received feedback from FDA in late December and early January on mini/micro dose development programs in Exercise-Induced Hypoglycemia (EIH) and Post-Bariatric Hypoglycemia (PBH). The Company is currently finalizing expectations with the FDA for registration programs for both, including the study design for Phase 3 clinical trials, to support indications for its ready-to-use glucagon in the prevention of EIH and PBH. Based on the FDA feedback for each program, the Company anticipates advancing at least one of the glucagon mini/micro dose programs.

Other XeriSol™ Programs

- Xeris received feedback from the FDA and is finalizing expectations for a registration program for its XeriSol pramlintide-insulin co-formulation program, including a study design for a Phase 3 program. Based on the FDA feedback, the Company anticipates seeking a development and commercialization partner to advance the program.
- Xeris is seeking a partner to further develop and commercialize its XeriSol diazepam program.

Corporate Highlights

- To date, a total principal amount of \$39.1 million of Convertible Notes converted into 13,171,791 shares of the Company's common stock. As of December 31, 2020, the outstanding balance of Convertible Notes was \$47.2 million.

Fourth Quarter and Full-Year 2020 Financial Highlights

Net sales: Net sales for Gvoke for the fourth quarter of 2020 and full-year 2020 were \$7.1 million and \$20.2 million, respectively. Net sales for Gvoke pre-filled syringe (PFS) for both the fourth quarter of 2019 and full year 2019 were \$1.6 million.

Cost of goods sold: Cost of goods sold for the fourth quarter of 2020 and full-year 2020 were \$3.4 million and \$9.3 million, respectively. Cost of goods sold for both the fourth quarter of 2019 and full year 2019 were \$1.6 million.

Research and development (R&D) expenses: R&D expenses for the fourth quarter and full-year 2020 were \$5.1 million and \$20.9 million, respectively, compared to \$12.4 million and \$60.4 million for the same time periods in 2019.

Selling, general and administrative (SG&A) expenses: SG&A expenses for the fourth quarter and full year ended December 31, 2020 were \$18.0 million and \$73.7 million, respectively, compared to \$20.6 million and \$63.1 million for the same time periods in 2019.

Net loss: For the fourth quarter ended December 31, 2020, Xeris reported a net loss of \$21.9 million, or \$0.41 per share, compared to a net loss of \$33.1 million, or \$1.23 per share, for the same period in 2019. For the full year ended December 31, 2020, Xeris reported a net loss of \$91.1 million, or \$2.14 per share, compared to a net loss of \$125.6 million, or \$4.81 per share, for the same period in 2019.

Cash position: As of December 31, 2020, Xeris reported total cash, cash equivalents, and investments of \$133.8 million, compared to \$88.8 million at December 31, 2019. Total shares outstanding as of February 28, 2021 is 59,764,999.

Conference Call and Webcast Details

Xeris Pharmaceuticals will host a conference call and webcast today, Tuesday, March 9, 2021 at 8:30 a.m. Eastern Time. To register for this conference call, please use this link: <http://www.directeventreg.com/registration/event/7648057>. After registering, a confirmation email will be sent, including dial-in details and a unique code for entry. The Company recommends registering at minimum ten minutes prior to the start of the call. Following the conference call, a replay will be available at (800) 585-8367 or (416) 621-4642 Conference ID: 7648057.

About Xeris Pharmaceuticals, Inc.

Xeris (Nasdaq: XERS) is a specialty pharmaceutical company delivering innovative solutions to simplify the experience of administering important therapies that people rely on every day around the world.

With a novel technology platform that enables ready-to-use, room-temperature stable formulations of injectable and infusible therapies, the company is advancing a portfolio of solutions in various therapeutic categories, including its first commercial product, Gvoke® in the U.S. Its proprietary XeriSol™ and XeriJect™ formulation technologies have the potential to offer distinct advantages over conventional product formulations, including eliminating the need for reconstitution, enabling long-term, room-temperature stability, significantly reducing injection volume, and eliminating the requirement for intravenous (IV) infusion. With Xeris' technology, new product formulations are designed to be easier to use by patients, caregivers, and health practitioners and help reduce costs for payers and the healthcare system.

Xeris is headquartered in Chicago, IL. For more information, visit www.xerispharma.com, or follow us on [Twitter](#), [LinkedIn](#) or [Instagram](#).

Forward-Looking Statements

Any statements in this press release about future expectations, plans and prospects for Xeris Pharmaceuticals, Inc., including statements regarding the market and therapeutic potential of its products and product candidates, expectations regarding clinical data or results from planned clinical trials, the timing or likelihood of regulatory approval and commercialization of its product candidates, the timing or likelihood of expansion into additional markets, the timing or likelihood of identifying potential development and commercialization partnerships, the potential utility of its formulation platforms and other statements containing the words "will," "would," "continue," 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, without limitation, the impact of COVID-19 on its business operations, its reliance on third-party suppliers for Gvoke® and Ogluo®, the regulatory approval of its product candidates, its ability to market and sell its products, if approved, and other factors discussed in the "Risk Factors" section of the most recently filed Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission, as well as discussions of potential risks, uncertainties, and other important factors in Xeris' subsequent filings with the Securities and Exchange Commission. Any forward-looking statements contained in this press release speak only as of the date hereof, and Xeris expressly disclaims any obligation to update any forward-looking statements, whether as a result of new information, future events or otherwise.

The Company intends to use the investor relations portion of its website as a means of disclosing material non-public information and for complying with disclosure obligations under Regulation FD.

XERIS PHARMACEUTICALS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except share and per share data)

| | Three Months Ended December 31, | | Twelve Months Ended December 31, | |
|-------------------------------------|------------------------------------|----------|-------------------------------------|-----------|
| | 2020 | 2019 | 2020 | 2019 |
| Net sales | \$ 7,089 | \$ 1,627 | \$ 20,155 | \$ 1,627 |
| Grant and other income | 83 | 237 | 280 | 1,095 |
| Cost of goods sold | 3,407 | 1,603 | 9,328 | 1,603 |
| Gross profit | 3,765 | 261 | 11,107 | 1,119 |
| Operating expenses: | | | | |
| Research and development | 5,110 | 12,420 | 20,921 | 60,438 |
| Selling, general and administrative | 17,998 | 20,642 | 73,732 | 63,061 |
| Total operating expenses | 23,108 | 33,062 | 94,653 | 123,499 |
| Loss from operations | (19,343) | (32,801) | (83,546) | (122,380) |

| | | | | |
|---|--------------------|--------------------|--------------------|---------------------|
| Other income (expense): | | | | |
| Interest and other income | 2,022 | 640 | 2,965 | 2,813 |
| Interest expense | (4,591) | (1,531) | (10,660) | (7,163) |
| Change in fair value of warrants | 55 | 152 | (9) | 692 |
| Total other income (expense) | (2,514) | (739) | (7,704) | (3,658) |
| Net loss before benefit from income taxes | (21,857) | (33,540) | (91,250) | (126,038) |
| Benefit from income taxes | - | 458 | 110 | 458 |
| Net loss | <u>\$ (21,857)</u> | <u>\$ (33,082)</u> | <u>\$ (91,140)</u> | <u>\$ (125,580)</u> |

Net loss per common share - basic and diluted \$ (0.41) \$ (1.23) \$ (2.14) \$ (4.81)

Weighted average common shares outstanding, basic and diluted 53,505,197 27,001,059 42,642,901 26,110,297

XERIS PHARMACEUTICALS, INC.
CONSOLIDATED BALANCE SHEETS
(in thousands)

December 31, 2020 December 31, 2019

Assets

Current assets:

| | | | | |
|---|----|----------------|----|----------------|
| Cash and cash equivalents | \$ | 37,598 | \$ | 19,519 |
| Short-term investments | | 96,190 | | 56,030 |
| Trade accounts receivable, net | | 6,875 | | 4,693 |
| Inventory | | 8,353 | | 2,176 |
| Prepaid expenses and other current assets | | 3,196 | | 5,065 |
| Total current assets | | <u>152,212</u> | | <u>87,483</u> |
| Investments | | - | | 13,231 |
| Property and equipment, net | | 6,707 | | 7,853 |
| Other assets | | 232 | | 420 |
| Total assets | \$ | <u>159,151</u> | \$ | <u>108,987</u> |

Liabilities and Stockholders' Equity

Current liabilities:

| | | | | |
|--|----|----------------|----|----------------|
| Accounts payable | \$ | 3,117 | \$ | 5,603 |
| Other accrued liabilities | | 15,895 | | 18,119 |
| Accrued trade discounts and rebates | | 5,984 | | 1,375 |
| Accrued returns reserve | | 2,889 | | 1,957 |
| Other current liabilities | | 322 | | 284 |
| Total current liabilities | | <u>28,207</u> | | <u>27,338</u> |
| Long-term debt, net of unamortized deferred issuance costs | | 87,021 | | 58,305 |
| Deferred rent | | 6,629 | | 7,076 |
| Other liabilities | | 3,533 | | 1,832 |
| Total liabilities | | <u>125,390</u> | | <u>94,551</u> |
| Total stockholders' equity | | <u>33,761</u> | | <u>14,436</u> |
| Total liabilities and stockholders' equity | \$ | <u>159,151</u> | \$ | <u>108,987</u> |

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