



Protara Therapeutics Announces Second Quarter 2020 Financial Results and Business Overview

August 3, 2020

NEW YORK, Aug. 03, 2020 (GLOBE NEWSWIRE) -- Protara Therapeutics, Inc. (Nasdaq: TARA), a development-stage company developing treatments for rare and specialty diseases with significant unmet needs, today announced financial results for the second quarter ended June 30, 2020.

"We are committed to advancing our pipeline of potentially transformative therapies in several areas of high unmet need," said Jesse Shefferman, Chief Executive Officer of Protara Therapeutics. "We recently received Rare Pediatric Disease Designation for TARA-002, our lead product candidate, for the treatment of Lymphatic Malformations. We look forward to working with the FDA to determine next steps for the program and we are continuing to evaluate its potential in oncologic indications."

Mr. Shefferman continued, "In addition, we recently announced receipt of Fast Track Designation for IV Choline Chloride for the treatment of IFALD, which we believe speaks to its potential to serve as a much-needed therapy for this patient population. With a resolve to improve the lives of the patients we serve, we expect the remainder of the year to be a productive time for Protara as we execute our strategy."

Recent Highlights

TARA-002

- **Received Rare Pediatric Disease Designation from FDA for TARA-002 for the Treatment of Lymphatic Malformations.** In July 2020, Protara announced that the U.S. Food and Drug Administration (FDA) granted Rare Pediatric Disease designation for TARA-002 for the treatment of Lymphatic Malformations (LMs). TARA-002 is an investigational cell-based therapy based on the broad immunopotentiator OK-432, which is approved in Japan and Taiwan for the treatment of LMs.

The FDA grants Rare Pediatric Disease designation for serious diseases that primarily affect children ages 18 years or younger and fewer than 200,000 persons in the United States. Under the FDA's Rare Pediatric Disease Priority Review Voucher program, a sponsor who receives an approval of a new drug application or biologics license application for a product for the prevention or treatment of a rare pediatric disease may be eligible for a voucher, which can be redeemed to obtain priority review for any subsequent marketing application or may be sold or transferred.

IV Choline Chloride

- **Received Fast Track Designation from FDA for Intravenous Choline Chloride for the Treatment of Intestinal Failure Associated Liver Disease.** In May 2020, Protara announced that the U.S. FDA granted Fast Track Designation to Intravenous (IV) Choline Chloride for the treatment of intestinal failure-associated liver disease (IFALD). IV Choline Chloride is Protara's Phase 3-ready investigational phospholipid substrate replacement therapy for patients receiving parenteral nutrition (PN) who have IFALD.

Company Updates

- **Appointed Barry P. Flannelly to the Board of Directors.** In July 2020, Protara announced the appointment of Barry P. Flannelly, Pharm.D, to its Board of Directors. Dr. Flannelly currently serves as Executive Vice President, General Manager, U.S. at Incyte, bringing over 20 years of commercial and business development leadership experience across numerous leading pharmaceutical and biotech companies.

Second Quarter 2020 Results from Operations

- Protara reported a net loss of \$7.1 million for the second quarter of 2020 as compared to a net loss of \$1.4 million for the three months ended June 30, 2019. The second quarter of 2020 included approximately \$1.8 million of stock-based compensation expense.
- Research and Development expenses were \$2.5 million for the second quarter of 2020, an increase of \$1.5 million as compared to the three months ended June 30, 2019. The increase was primarily associated with activities related to TARA-002.
- General and Administrative expenses were \$4.8 million for the second quarter of 2020, which represented an increase of \$4.4 million as compared to the three months ended June 30, 2019. The increase was primarily related to an increase in

stock-based compensation and professional fees associated with becoming a public company.

- As of June 30, 2020, cash, cash equivalents and restricted cash were \$30.0 million.

A Form 10-Q containing the full financial statements was filed this morning and is available for viewing on Protara's website at www.protaratx.com or www.sec.gov.

About Protara Therapeutics, Inc.

Protara is committed to identifying and advancing transformative therapies for people with rare and specialty diseases who have limited treatment options. Protara's portfolio includes its lead program, TARA-002, an investigational cell-based therapy being developed for the treatment of lymphatic malformations, and IV Choline Chloride, an investigational phospholipid substrate replacement therapy for the treatment of IFALD. For more information, visit www.protaratx.com.

Forward-Looking Statements

Statements contained in this press release regarding matters that are not historical facts are "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Protara may, in some cases, use terms such as "predicts," "believes," "potential," "proposed," "continue," "designed," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "will," "should" or other words or expressions referencing future events, conditions or circumstances that convey uncertainty of future events or outcomes to identify these forward-looking statements. Such forward-looking statements include but are not limited to, statements regarding Protara's intentions, beliefs, projections, outlook, analyses or current expectations concerning, among other things: Protara's business strategy, Protara's development plans for its product candidates and related interactions with the FDA, Protara's financial footing, the impact of the COVID-19 pandemic and related governmental responses on Protara's business and clinical programs. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. Factors that contribute to the uncertain nature of the forward-looking statements include: risks that Protara's sales, revenue, expense and other financial guidance may not be as expected, as well as risks and uncertainties associated with: Protara's development programs, including the initiation and completion of non-clinical studies and clinical trials and the timing of required filings with the FDA and other regulatory agencies; the impact of the COVID-19 pandemic on Protara's business and the global economy; general market conditions; changes in the competitive landscape; changes in Protara's strategic and commercial plans; Protara's ability to obtain sufficient financing to fund its strategic plans and commercialization efforts; having to use cash in ways or on timing other than expected; the impact of market volatility on cash reserves; the loss of key members of management; and the risks and uncertainties associated with Protara's business and financial condition in general, including the risks and uncertainties described more fully under the caption "Risk Factors" and elsewhere in Protara's filings and reports with the United States Securities and Exchange Commission. All forward-looking statements contained in this press release speak only as of the date on which they were made and are based on management's assumptions and estimates as of such date. Protara undertakes no obligation to update any forward-looking statements, whether as a result of the receipt of new information, the occurrence of future events or otherwise, except as required by law.

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PROTARA THERAPEUTICS, INC. CONDENSED CONSOLIDATED BALANCE SHEETS

	As of June 30, 2020 (unaudited)	December 31, 2019
Assets		
Current assets:		
Cash and cash equivalents	\$ 29,970,617	\$ 564,124
Restricted cash	50,000	-
Deferred offering costs	-	121,712
Prepaid expenses and other current assets	2,828,556	78,057
Total current assets	32,849,173	763,893
Non-current assets:		
Property and equipment, net	655,495	458,591
Right-of-use asset	384,081	-
Goodwill	29,367,213	-
Total assets	\$ 63,255,962	\$ 1,222,484
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	\$ 915,206	\$ 715,653
Accrued expenses	1,575,068	2,634,790

Short-term debt	926,983	-
Right-of-use liability, current	29,287	-
Total current liabilities	3,446,544	3,350,443
Non-current liabilities:		
Right-of-use liability, long-term	378,885	-
Total liabilities	3,825,429	3,350,443

Commitments and Contingencies (Note 6)

Stockholders' Equity (Deficit)

Preferred Stock, \$0.001 par value, authorized 10,000,000 shares:

Series 1 Convertible Preferred Stock, 3,880 and 0 shares authorized at June 30, 2020 and December 31, 2019, respectively, 3,879 and 0 shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

Common Stock, \$0.001 par value, authorized 100,000,000 shares:

Common Stock, 5,843,203 and 2,627,533 common shares issued and outstanding as of June 30, 2020 and December 31, 2019, respectively.

Additional Paid in Capital	89,406,633	10,651,073
Accumulated Deficit	(29,981,947)	(12,781,660)
Total Stockholders' Equity (Deficit)	59,430,533	(2,127,959)
Total Liabilities and Stockholders' Equity (Deficit)	\$ 63,255,962	\$ 1,222,484

PROTARA THERAPEUTICS, INC.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

(unaudited)

	For the Three Months Ended June 30,		For the Six Months Ended June 30,	
	2020	2019	2020	2019
Operating expense:				
Research & development	\$ 2,469,720	\$ 986,716	\$ 5,534,513	\$ 2,064,562
General & administrative	4,796,155	441,959	11,890,987	892,169
Total operating expenses	7,265,875	1,428,675	17,425,500	2,956,731
Operating loss	(7,265,875)	(1,428,675)	(17,425,500)	(2,956,731)
Other (income) expense, net				
Interest (income) expense, net	(125,845)	-	(225,213)	-
Total other (income) expense, net	(125,845)	-	(225,213)	-
Net Loss	\$ (7,140,030)	\$ (1,428,675)	\$ (17,200,287)	\$ (2,956,731)
Weighted Average Shares Outstanding, basic and diluted	5,843,203	2,558,419	5,701,855	2,558,419
Net loss per share, basic and diluted	\$ (1.22)	\$ (0.56)	\$ (3.02)	\$ (1.16)



Source: Protara Therapeutics