# Supernus Announces Third Quarter 2021 Financial Results

November 3, 2021

- Total revenues for the first nine months of 2021 were $420.7 million; a 12% increase compared to $376.8 million in the first nine months of 2020
- Third quarter 2021 total revenues were $148.5 million, a 4% decrease compared to $155.1 million in third quarter 2020
- Strengthen Parkinson's disease portfolio and diversify revenue and cash flow with proposed acquisition of Adamas Pharmaceuticals, Inc., announced October, 2021
- Launch of Qelbree™ progressing well, with accelerated prescription growth in the back-to-school season
- Qelbree sNDA for adult ADHD accepted for review by FDA; PDUFA date of April 29, 2022
- SPN-830 (apomorphine infusion pump) NDA to be resubmitted to the FDA in November 2021
- Two internally discovered, novel CNS drug candidates (SPN-443 and SPN-446) nominated for development

ROCKVILLE, Md., Nov. 03, 2021 (GLOBE NEWSWIRE) -- Supernus Pharmaceuticals, Inc. (Nasdaq: SUPN), a biopharmaceutical company focused on developing and commercializing products for the treatment of central nervous system (CNS) diseases, today reported financial results for the third quarter of 2021, and associated Company developments.

**Net Product Sales**

For the first nine months of 2021, net product sales were $412.5 million, a 12% increase over $368.6 million in the same period in 2020. The increase was primarily due to the acquisition of the CNS portfolio of US WorldMeds in June 2020.

Third quarter 2021 net product sales were $145.5 million, compared to $152.1 million in the same period in 2020. The decrease was primarily due to a decrease in net product sales of APOKYN and Trokendi XR, partially offset by an increase in net product sales from other products, including Qelbree, which was launched in the second quarter of 2021.

| Net Product Sales | Three Months ended September 30, | | | Nine Months ended September 30, | | |
|---|---|---|---|---|---|---|
| ($ in millions) | 2021 | 2020 | Change % | 2021 | 2020 | Change % |
| Trokendi XR® | $ 80.9 | $ 82.9 | (2) % | $ 231.5 | $ 241.1 | (4) % |
| Oxtellar XR® | 29.7 | 28.3 | 5 % | 82.1 | 76.0 | 8 % |
| APOKYN® | 24.6 | 34.5 | (29) % | 73.3 | 43.1 | 70 % |
| MYOBLOC® | 4.6 | 4.1 | 12 % | 13.5 | 5.3 | ** |
| XADAGO® | 3.3 | 2.3 | 43 % | 9.4 | 3.1 | ** |
| Qelbree | 2.4 | — | ** | 2.7 | — | ** |
| Net Product Sales | $ 145.5 | $ 152.1 | (4) % | $ 412.5 | $ 368.6 | 12 % |

**Qelbree Launch Update**

- Qelbree's growth has accelerated with the arrival of the "back to school" season in the third quarter of 2021, reaching total monthly prescriptions in September of 7,132, an increase of 37% compared to August, and an increase of 118% compared to monthly average during the three months period prior to September. The latest weekly prescriptions data shows 2,248 prescriptions, an increase of 51% compared to the weekly average over the prior 12-week period.
- In addition, Qelbree's base of prescribers has increased by 340% during the third quarter of 2021 compared to the second quarter of 2021, with more than 3,470 physicians prescribing the product.

**Proposed Acquisition of Adamas Pharmaceuticals, Inc. (Adamas)**

- On October 11, 2021, the Company announced it entered into a definitive agreement to acquire Adamas, strengthening its Parkinson's disease portfolio with two marketed products, including GOCOVRI ® (amantadine) extended release capsules, the first and only FDA-approved medicine indicated for the treatment of both "off" episodes and dyskinesia in patients with Parkinson's disease receiving levodopa-based therapy. The acquisition, if completed, would strengthen Supernus' Parkinson's disease portfolio with GOCOVRI and diversify and increase its revenue base and cash flow.

- Per the agreement, Supernus has offered to acquire all of Adamas' common stock through a tender offer for $8.10 per share in cash (or an aggregate of approximately $400 million) payable at closing, plus two non-transferrable and non-tradable contingent value rights collectively worth up to $1.00 per share in cash (or an aggregate of approximately $50 million), for a total consideration of up to $9.10 per share in cash (or an aggregate of approximately $450 million). The transaction is subject to customary closing conditions and is expected to close in late fourth quarter 2021 or in early first quarter 2022.

**Product Pipeline Update**

*Qelbree (viloxazine, extended-release capsules) - Novel non-stimulant for the treatment of ADHD in adults*

- The U.S. Food and Drug Administration (FDA) acknowledged it has received the supplemental new drug application (sNDA) for Qelbree for the treatment of ADHD in adult patients. The sNDA has a user fee goal date (PDUFA date) of April 29, 2022.

*SPN-830 (apomorphine infusion pump) - Continuous treatment of motor fluctuations ("on-off" episodes) in Parkinson's disease (PD)*

- The Company expects to resubmit the SPN-830 NDA to the FDA in November 2021.

*SPN-820 - Novel first-in-class activator of mTORC1*

- An Investigational New Drug (IND) application was submitted to the FDA in September 2021. Consequently, the randomized Phase II clinical study of SPN-820 in treatment-resistant depression is on track and expected to start by the end of 2021.

*SPN-817 – A novel product candidate for the treatment of epilepsy*

- A randomized Phase II clinical study of SPN-817 for the treatment of focal seizures is expected to start in the second half of 2022.

*SPN-443 and SPN-446 - Two novel CNS drug candidates nominated for development*

- The Company's internal research and development discovery program generated several new chemical entities (NCEs) including SPN-443 and SPN-446 that were nominated for development for various CNS indications including ADHD.

**Financial Highlights**

For the three months ended September 30, 2021, operating earnings, net earnings and diluted earnings per share were $32.6 million, $21.6 million and $0.40, respectively, as compared to $56.1 million, $40.0 million and $0.74, for the same period in 2020.

For the nine months ended September 30, 2021, operating earnings, net earnings and diluted earnings per share were $79.9 million, $51.0 million and $0.94, respectively, as compared to $130.7 million, $96.2 million and $1.79, for the same period in 2020.

Amortization of intangible assets expense for the three and nine months ended September 30, 2021 was $6.0 million and $18.0 million, respectively, compared to $6.1 million and $9.8 million, for the same periods in 2020.

As of September 30, 2021, the Company had $849.3 million in cash, cash equivalents, current and long-term marketable securities, compared to $772.9 million as of December 31, 2020.

**Full Year 2021 Financial Guidance**

For full year 2021, the Company increases its financial guidance for operating earnings, lowers its financial guidance for total combined R&D and SG&A expenses, and lowers the top end of its financial guidance range for total revenues as set forth below:

| | **Full Year 2021 Guidance** (excluding Adamas-related transaction costs) ($ in millions) | |
|---|---|---|
| | **Current** | **Prior** |
| Total revenues [1] | $550 - $570 | $550 - $580 |
| Combined R&D and SG&A expenses | $370 - $400 | $380 - $410 |
| Operating earnings [2] | $90 - $95 | $70 - $90 |
| Amortization of intangible assets | $24 | $24 |
| Effective tax rate [3] | 28% - 31% | 28% - 31% |

[1] Total revenues include net product sales and royalty revenue. Includes $10 million for Qelbree net product sales.

[2] Operating earnings include amortization of intangible assets and contingent consideration expense (gain).

[3] The full year 2021 effective tax rate guidance of 28% - 31% is above the normally expected range of 26% - 28% primarily due to the effect of a one-time tax item in the period.

**Conference Call Details**

Supernus will host a conference call and webcast today, November 3, 2021, at 4:30 p.m. Eastern Time to discuss these results.

Please refer to the information below for conference call dial-in information and webcast registration. Callers should dial in approximately 10 minutes prior to the start of the call.

| | |
|---|---|
| Conference dial-in: | (877) 288-1043 |
| International dial-in: | (970) 315-0267 |
| Conference ID: | 7595459 |
| Conference Call Name: | Supernus Pharmaceuticals Third Quarter 2021 Results Conference Call |

Following the live call, a replay will be available on the Company's website, www.supernus.com, under "Investor Relations".

**About Supernus Pharmaceuticals, Inc.**

Supernus Pharmaceuticals is a biopharmaceutical company focused on developing and commercializing products for the treatment of central nervous system (CNS) diseases.

Our diverse neuroscience portfolio includes approved treatments for epilepsy, migraine, ADHD, hypomobility in Parkinson's disease, cervical dystonia and chronic sialorrhea. We are developing a broad range of novel CNS product candidates including new potential treatments for hypomobility in Parkinson's disease, epilepsy, depression and rare CNS disorders.

For more information, please visit www.supernus.com.

**Forward-Looking Statements**

This press release includes forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements do not convey historical information but relate to predicted or potential future events that are based upon management's current expectations. These statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. In addition to the factors mentioned in this press release, such risks and uncertainties include, but are not limited to, the Company's ability to sustain and increase its profitability; the Company's ability to raise sufficient capital to fully implement its corporate strategy; the implementation of the Company's corporate strategy; the Company's future financial performance and projected expenditures; the Company's ability to increase the number of prescriptions written for each of its products; the Company's ability to increase its net revenue; the Company's ability to commercialize its products including Qelbree; the Company's ability to enter into future collaborations with pharmaceutical companies and academic institutions or to obtain funding from government agencies; the Company's product research and development activities, including the timing and progress of the Company's clinical trials, and projected expenditures; the Company's ability to receive, and the timing of any receipt of, regulatory approvals to develop and commercialize the Company's product candidates; the Company's ability to protect its intellectual property and operate its business without infringing upon the intellectual property rights of others; the Company's expectations regarding federal, state and foreign regulatory requirements; the therapeutic benefits, effectiveness and safety of the Company's product candidates; the accuracy of the Company's estimates of the size and characteristics of the markets that may be addressed by its product candidates; the Company's ability to increase its manufacturing capabilities for its products and product candidates; the Company's projected markets and growth in markets; the Company's product formulations and patient needs and potential funding sources; the Company's staffing needs; the risk that the proposed acquisition of Adamas by the Company may not be completed; the possibility that competing offers or acquisition proposals for Adamas will be made; the delay or failure of the tender offer conditions to be satisfied (or waived), including insufficient shares of Adamas common stock being tendered in the tender offer; the failure (or delay) to receive the required regulatory approvals of the proposed acquisition; the possibility that prior to the completion of the transactions contemplated by the acquisition agreement, the Company's or the Adamas's business may experience significant disruptions due to transaction related uncertainty; the effects of disruption from the transactions of Adamas's business and the fact that the announcement and pendency of the transactions may make it more difficult to establish or maintain relationships with employees, manufactures, suppliers, vendors, business partners and distribution channels to patients; the occurrence of any event, change or other circumstance that could give rise to the termination of the acquisition agreement; the risk that stockholder litigation in connection with the proposed transaction may result in significant costs of defense, indemnification and liability; the failure of the closing conditions set forth in the acquisition agreement to be satisfied or waived; the Company's ability to increase the number of prescriptions written for each of its products and products acquired through the acquisition of Adamas; the Company's ability to increase its net revenue from its products and products acquired through the acquisition of Adamas; and other risk factors set forth from time to time in the Company's filings with the Securities and Exchange Commission made pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934, as amended. The Company undertakes no obligation to update the information in this press release to reflect events or circumstances after the date hereof or to reflect the occurrence of anticipated or unanticipated events.

**Supernus Pharmaceuticals, Inc.**
**Condensed Consolidated Balance Sheets**
**(in thousands, except share data)**

| | September 30, 2021 (unaudited) | December 31, 2020 |
|---|---|---|
| **Assets** | | |
| Current assets | | |
| Cash and cash equivalents | $ 215,281 | $ 288,640 |
| Marketable securities | 228,571 | 133,893 |
| Accounts receivable, net | 133,676 | 140,877 |
| Inventories, net | 60,155 | 48,325 |

| | | |
|---|---|---|
| Prepaid expenses and other current assets | 30,692 | 18,682 |
| Total current assets | 668,375 | 630,417 |
| Long term marketable securities | 405,479 | 350,359 |
| Property and equipment, net | 16,471 | 37,824 |
| Intangible assets, net | 346,619 | 364,342 |
| Goodwill | 77,963 | 77,911 |
| Other assets | 40,133 | 43,249 |
| **Total assets** | $ 1,555,040 | $ 1,504,102 |
| | | |
| **Liabilities and stockholders' equity** | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | $ 72,286 | $ 78,934 |
| Accrued product returns and rebates | 132,048 | 126,192 |
| Contingent consideration, current portion | 23,570 | 30,900 |
| Other current liabilities | 6,807 | 9,082 |
| Total current liabilities | 234,711 | 245,108 |
| Convertible notes, net | 374,788 | 361,751 |
| Contingent consideration, long term | 45,480 | 45,800 |
| Operating lease liabilities, long term | 37,261 | 28,579 |
| Deferred income tax liabilities | 34,146 | 35,215 |
| Other liabilities | 18,186 | 42,791 |
| Total liabilities | 744,572 | 759,244 |
| | | |
| **Stockholders' equity** | | |
| Common stock, $0.001 par value; 130,000,000 shares authorized; 53,180,643 and 52,868,482 shares issued and outstanding as of September 30, 2021 and December 31, 2020, respectively | 53 | 53 |
| Additional paid-in capital | 428,726 | 409,332 |
| Accumulated other comprehensive earnings, net of tax | 4,209 | 8,975 |
| Retained earnings | 377,480 | 326,498 |
| **Total stockholders' equity** | 810,468 | 744,858 |
| **Total liabilities and stockholders' equity** | $ 1,555,040 | $ 1,504,102 |

**Supernus Pharmaceuticals, Inc.**
**Condensed Consolidated Statements of Earnings**
**(in thousands, except share and per share data)**

| | Three Months ended September 30, | | Nine Months ended September 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (unaudited) | | (unaudited) | |
| Revenues | | | | |
| Net product sales | $ 145,532 | $ 152,133 | $ 412,541 | $ 368,607 |
| Royalty revenues | 2,932 | 3,002 | 8,184 | 8,233 |
| Total revenues | 148,464 | 155,135 | 420,725 | 376,840 |
| | | | | |
| Costs and expenses | | | | |
| Cost of goods sold [(a)] | 18,085 | 21,388 | 58,067 | 33,926 |
| Research and development | 19,654 | 16,839 | 69,389 | 58,023 |
| Selling, general and administrative | 72,032 | 54,460 | 203,024 | 144,177 |
| Amortization of intangible assets | 6,009 | 6,108 | 17,964 | 9,814 |
| Contingent consideration expense (gain) | 80 | 200 | (7,650) | 200 |
| Total costs and expenses | 115,860 | 98,995 | 340,794 | 246,140 |
| | | | | |
| Operating earnings | 32,604 | 56,140 | 79,931 | 130,700 |
| | | | | |
| Other income (expense) | | | | |
| Interest expense | (5,925) | (6,088) | (17,489) | (17,658) |
| Interest and other income, net | 2,281 | 2,659 | 8,682 | 15,913 |
| Total other expense | (3,644) | (3,429) | (8,807) | (1,745) |
| | | | | |
| Earnings before income taxes | 28,960 | 52,711 | 71,124 | 128,955 |

| | | | | |
|---|---|---|---|---|
| Income tax expense | 7,398 | 12,714 | 20,142 | 32,773 |
| Net earnings | $ 21,562 | $ 39,997 | $ 50,982 | $ 96,182 |
| | | | | |
| Earnings per share | | | | |
| Basic | $ 0.41 | $ 0.76 | $ 0.96 | $ 1.83 |
| Diluted | $ 0.40 | $ 0.74 | $ 0.94 | $ 1.79 |
| | | | | |
| Weighted-average shares outstanding | | | | |
| Basic | 53,187,764 | 52,658,850 | 53,053,441 | 52,583,891 |
| Diluted | 54,334,794 | 53,762,642 | 54,301,461 | 53,663,273 |

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(a) Excludes amortization of acquired intangible assets

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