



## Teligent, Inc. Announces Second Quarter 2021 Earnings Report and Provides Business Update

August 16, 2021

- Update on FDA Inspection of Buena Facility
- Assessing New Growth Opportunities in Injectables
- Conference Call to Be Held on August 16, 2021 at 8:30 am Eastern Standard Time
- Dial in: (877) 407-0792 US Toll Free Number  
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BUENA, N.J., Aug. 16, 2021 (GLOBE NEWSWIRE) -- Teligent, Inc. (NASDAQ: TLGT), a New Jersey-based generics pharmaceutical company, today announced its financial results for the second quarter of 2021 and provided a business update.

"Product demand in our core business was impacted by a combination of factors, including remediation-related activities, the ongoing effects of the COVID-19 pandemic, and modest generic pricing erosion seen within the topicals segment," said Tim Sawyer, Teligent's President & Chief Executive Officer. "Looking ahead, we are assessing several new opportunities within the injectables segment of our end markets, which we believe will help strengthen the long-term growth prospects of our business. We look forward to providing further details on our assessment in our earnings call and updating our investors on these initiatives throughout the second half of 2021."

### Second Quarter 2021 - Financial Highlights

- Total revenues were \$10.4 million for the three-months ended June 30, 2021 versus \$13.6 million in Prior Period for 2020. The decrease was driven primarily by lost contract volume due to remediation-related activities, the continuing effects of the COVID-19 pandemic, and modest product price erosion due to generic competition.
- Cost of revenues increased \$2.1 million to \$13.1 million for the Current Period, versus \$11.1 million for the Prior Period mainly attributable to the cost of inventory reserves as well as the ongoing cost of remediation and period expenses combined with lower absorption.
- Selling, general and administrative expenses of \$5.7 million for the Current Period, increased from \$5.0 million for the Prior Period. The increase was primarily due to higher professional fees resulting from our debt restructuring, offset slightly by a decrease in personnel related costs.
- Product development and research expenses were \$2.2 million for the Current Period, versus \$1.9 million for the Prior Period. The increase was primarily due to API related expenses offset by decreases in personnel costs, outside testing and pilot batch expenses.
- Net loss attributable to common stockholders decreased by \$1.5 million, or 10%, to \$12.9 million for the Current Period, from \$14.3 million for the Prior Period. The decrease was primarily due to a decrease in interest and other expenses of \$4.5 million and a \$4.6 million decrease in change in the fair value of derivative liabilities. Operating loss has increased by \$6.3 million from period-to-period to \$10.7 million as a result of lower net product revenues and higher overall costs and expenses discussed above.

### Full Year 2021 Financial Guidance

As previously noted in our first quarter 2021 earnings release, the Company will not be providing financial guidance for the year ending December 31, 2021 at this time or in the immediate term. There are a number of factors which weigh on our inability to provide such financial guidance, including, but not limited to, the continuing macroeconomic volatility triggered by the COVID-19 global pandemic and its continued impact on the Company's business plans, our efforts to resolve the Warning Letter issued by the FDA in November 2019, as well as the currently on-going inspection and reinspection of our facilities and the unknown results from such inspection and reinspection. An additional factor contributing to this inability is the uncertainty regarding the timing for the FDA to conduct the pre-approval inspection of our newly constructed sterile injectable manufacturing facility in Buena, New Jersey. We do, however, look forward to a time in the future when we can provide such financial guidance.

### FDA Warning Letter Update

As previously reported, based on management's assessment of our remediation efforts at the Buena NJ manufacturing facility, the Company issued prior guidance stating that it believed it would be ready to inform the FDA of its inspection readiness during the third quarter of 2021.

Prior to our informing the FDA of our inspection readiness, the Company was informed by the FDA that it would commence a periodic Current Good Manufacturing Practices ("CGMP") inspection and reinspection to follow-up on FDA Warning Letter remediation actions in mid-July. This inspection and reinspection remain ongoing and no formal communication from the FDA to the Company regarding the outcome or providing the final results of the inspection and reinspection has been issued, nor is the timing of such communications determinable at this time. Therefore, until such time as the results of the FDA's inspection and reinspection are formally made available to us and we have had ample opportunity to review and analyze the same with our consultants and advisors we will have no further comment on this matter.

## COVID-19 Response Summary

In alignment with the directives in the state of New Jersey, as a Pharmaceutical manufacturing facility, we are considered "essential". During the COVID-19 Public Health Emergency and State of Emergency in order to continue to supply our products to the patients that need them, we maintained our manufacturing operations and monitored conditions in order to maintain a safe workplace for our employees. The Company has taken several preventative measures to help ensure business continuity, while maintaining safe and stable operations. We have implemented social distancing measures on-site at our manufacturing facility to protect employees and our products. Our employees are provided daily personal protective equipment upon their arrival to the site and we have implemented temperature monitoring services at our newly established single point of entrance. We have also implemented a more frequent sanitization process of the facility. As the Public Health Emergency, State of Emergency and restrictions have abated, we have implementing a phased 'return to office' protocol under which we will maintain social distanced workspace and continue to sanitize our facilities.

## About Teligent, Inc.

Teligent is a specialty generic pharmaceutical company. Our mission is to be a leading player in the specialty generic prescription drug market. Learn more on our website [www.teligent.com](http://www.teligent.com).

## Forward-Looking Statements

This press release includes certain "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, plans, objectives, expectations and intentions, and other statements contained in this press release that are not historical facts and statements identified by words such as "plan," "believe," "continue," "should" or words of similar meaning. Factors that could cause actual results to differ materially from these expectations include, but are not limited to: our inability to meet current or future regulatory requirements in connection with existing or future ANDAs; our inability to achieve profitability; our failure to obtain FDA approvals as anticipated; our inability to execute and implement our business plan and strategy; the potential lack of market acceptance of our products; our inability to protect our intellectual property rights; changes in global political, economic, business, competitive, market and regulatory factors; and our inability to successfully complete future product acquisitions. These statements are based on our current beliefs or expectations and are inherently subject to various risks and uncertainties, including those set forth under the caption "Risk Factors" in Teligent, Inc.'s most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q and other periodic reports we file with the Securities and Exchange Commission. Teligent, Inc. does not undertake any obligation to update any forward-looking statements contained in this document as a result of new information, future events or otherwise, except as required by law.

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Source: Teligent, Inc.

## TELIGENT, INC. AND SUBSIDIARIES CONSOLIDATED BALANCE SHEETS (in thousands, except share and per share information)

	June 30, 2021 (Unaudited)	December 31, 2020 (Audited)
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 22,626	\$ 5,946
Restricted cash	206	206
Accounts receivable, net	9,849	11,257
Inventories	17,059	23,396
Prepaid expenses and other receivables	1,761	3,486
Total current assets	51,501	44,291
Property plant and equipment, net	15,928	16,131
Intangible assets, net	19,161	22,964
Goodwill	518	501
Other assets	3,311	3,901
Total assets	\$ 90,419	\$ 87,788
<b>LIABILITIES AND STOCKHOLDERS' DEFICIT</b>		
Current liabilities:		
Accounts payable	\$ 3,960	\$ 7,972
Accrued expenses	7,564	14,713
Customer deposits	568	-
Capital lease obligation, current	476	436
Total current liabilities	12,568	23,121
Series C Senior Secured Convertible Notes, net of debt discount and debt issuance costs (face of \$- and \$50,323 as of June 30, 2021 and December 31, 2020, respectively)	-	31,922
Series D Senior Convertible Notes, net of debt discount and debt issuance costs (face of \$277 and \$3,352 as of June 30, 2021 and December 31, 2020, respectively)	297	5,796

Revolver, net of debt issuance costs (face of \$25,000 and \$25,000 as of June 30, 2021 and December 31, 2020, respectively)	25,000	25,000
2023 Term Loan, net of debt issuance costs (face of \$86,605 and \$102,905 as of June 30, 2021 and December 31, 2020, respectively)	91,208	99,490
Derivative liabilities	-	7,507
Deferred tax liability	196	190
Other long term liabilities	4,663	4,914
	<u>133,932</u>	<u>197,940</u>
Mezzanine equity:		
Series D Preferred Stock, \$0.01 par value, 1,000,000 shares authorized, 85,412 shares issued and outstanding as of June 30, 2021	15,374	-
Stockholders' deficit:		
Common stock, \$0.01 par value, 100,000,000 shares authorized, 92,817,674 and 21,754,223 shares issued and outstanding as of June 30, 2021 and December 31, 2020, respectively	1,232	220
Additional paid-in capital	197,372	135,218
Accumulated deficit	(254,209)	(243,496)
Accumulated other comprehensive loss	(3,282)	(2,094)
Total stockholders' deficit	<u>(58,887)</u>	<u>(110,152)</u>
Total liabilities, mezzanine equity and stockholders' deficit	\$ 90,419	\$ 87,788

**TELIGENT, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in thousands, except shares and per share information)  
(Unaudited)

	Three months ended June 30,		Six months ended June 30,	
	2021	2020	2021	2020
Revenue, net	\$ 10,433	\$ 13,586	\$ 22,021	\$ 21,033
Costs and expenses:				
Cost of revenues	13,136	11,084	25,935	19,694
Selling, general and administrative expenses	5,735	4,989	12,007	11,706
Impairment charges	-	-	24	8,373
Product development and research expenses	2,227	1,880	3,690	3,680
Total costs and expenses	<u>21,098</u>	<u>17,953</u>	<u>41,656</u>	<u>43,453</u>
Operating loss	(10,665)	(4,367)	(19,635)	(22,420)
Other income expense:				
Foreign currency exchange gain (loss)	785	2,125	(1,307)	528
Interest and other expense, net	(2,989)	(7,520)	(7,108)	(13,396)
Gain on debt restructuring	-	-	22,439	-
Inducement loss	-	-	(1,889)	-
Change in fair value of derivative liabilities	-	(4,591)	(3,186)	(5,849)
Loss before income tax expense	<u>(12,869)</u>	<u>(14,353)</u>	<u>(10,686)</u>	<u>(41,137)</u>
Income tax (benefit) expense	<u>(3)</u>	<u>(21)</u>	<u>27</u>	<u>31</u>
Loss attributable to common shareholders	\$ (12,866)	\$ (14,332)	\$ (10,713)	\$ (41,168)
Loss per share				
Basic and diluted loss per share	\$ (0.14)	\$ (2.56)	\$ (0.14)	\$ (7.50)
Weighted average shares of common stock outstanding:				
Basic and diluted shares	93,410,017	5,593,557	76,037,735	5,491,554

**TELIGENT, INC. AND SUBSIDIARIES**  
**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(in thousands)  
(Unaudited)

	<b>Six months ended June 30,</b>	
	<b>2021</b>	<b>2020</b>
Cash flows from operating activities:		
Net loss	\$ (10,713)	\$ (41,168)
Non-cash expenses	(7,180)	30,110
Changes in operating assets and liabilities	478	(85)
Net cash used in operating activities	<u>(17,415)</u>	<u>(11,143)</u>
Net cash used in investing activities	(229)	(2,369)
Net cash provided by financing activities	<u>34,392</u>	<u>3,371</u>
Effect of exchange rate on cash and cash equivalents	(68)	484
Net increase (decrease) in cash, cash equivalents and restricted cash	16,680	(9,657)
Cash, cash equivalents and restricted cash at beginning of period	<u>6,712</u>	<u>16,182</u>
Cash, cash equivalents and restricted cash at end of period	\$ 23,392	\$ 6,525



Source: Teligent, Inc.