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Operator

Good day and thank you for standing by. Welcome to the Xeris Pharmaceuticals First Quarter Financial Results Conference Call. At this time, all participants are in a listen-only mode. After the speakers' presentation, there will be a question-and-answer session. [Operator Instructions] Please be advised that today's conference is being recorded. [Operator Instructions] I would now like to hand the conference over to Allison Wey, Senior Vice President of Investor Relations and Corporate Communications. Please go ahead.

Allison Wey

Thank you, Laurie. Good morning. And welcome to Xeris Pharmaceuticals first quarter 2021 financial results and corporate update conference call. A press release with the company's first quarter results was issued earlier this morning and can be found on our website.

We are joined this morning by Paul Edick, Chairman and CEO; and Barry Deutsch, CFO. Paul will provide opening remarks, Barry will provide details on our financial results and then we will open the line for Q&A.

Before we begin, I would like to remind you that this call will contain forward-looking statements concerning the impact of COVID-19 on Xeris' business practices, Xeris' future expectations, plans, prospects, clinical approvals, commercialization, corporate strategy and performance, which constitute forward-looking statements for the purposes of the Safe Harbor provision under the Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by these forward-looking statements, as a result of various important factors, including the effect of uncertainties related to the COVID-19 pandemic on U.S. and global markets, Xeris' business, financial condition, operations, clinical trials and third-party suppliers and manufacturers, and other risks factors including those discussed in our filings with the SEC.

In addition, any forward-looking statements represent our views only as of the date of this call and should not be relied upon as representing our views as of any subsequent date. We specifically disclaim any obligations to update such statements.

Now, I will turn the call over to Paul.

Paul Edick

Thank you, Allison, and good morning, and thanks to everyone for joining us today. I'm happy to report that we had a strong first quarter and we're off to a good start for 2021.

Our first quarter productivity puts us in an excellent position to have a very strong year. We've shown steady consistent growth in the first quarter, notwithstanding the fact that we face continued challenges created by the pandemic, with our commercial efforts for the first quarter having been remained predominantly virtual. I'll start out by hitting some of the highlights for the quarter. Demand for Gvoke steadily increased throughout the first quarter from January through March. We observed steady increases in prescription volume, wholesaler purchases and Gvoke share of the group of glucagon market. We believe this is impressive when you consider we face the continued market that is yet to return to pre-pandemic levels in terms of absolute prescriptions order growth rates. We recorded $8.1 million in net sales in the quarter, a 14% increase over the fourth quarter and a 380% increase from first quarter 2020.

Our first quarter net sales also benefited from an improvement in our gross-to-net, which Barry will discuss further in his remarks.

For those of you who follow IQVIA, you will note that there remains a gap between reported prescriptions and how that translates into unit sales.

As we have indicated in the past, we believe that reporting gap will narrow over time.

Our ready-to-use glucagon rescue product brand name Ogluo outside the U.S. received regulatory clearance in two additional important markets and EMEA approval in February for the EU countries and an MRA -- MHRA approval in the U.K. in April. Working as I said entirely virtually we advanced discussions with the FDA on three different clinical programs, which I'll discuss in more detail later in my remarks. We strengthened our cash position with -- through a $27 million registered direct offering by Deerfield in March.

In addition, last week, we successfully renegotiated the terms of our existing debt facility with Oxford/SVB for more flexible payment terms. This is very positive as it allows us to shift $17 million worth of principal payments for up to 12 months into the future without adding any additional debt.

With these initiatives, Deerfield and Oxford/SVB continue to show their long-term commitment to Xeris success and we sincerely appreciate it. Barry will discuss those events in more detail during his remarks.

So let me dive a little deeper into our results.

First, let me preface what I'm about to say with a few words about the continued effects of the COVID-19 pandemic. Like everyone on this call, we would like to stop talking about it and we'd like to see it behind us, as I'm sure everyone will.

However, the fact of the matter is, in the first quarter proved to be another quarter significantly challenged by the pandemic, particularly in January and February. In the quarter IQVIA reported that patient visits to endocrinology offices were only approximately 80% of pre-pandemic levels and total new-to-brand prescriptions were down more than 10% versus baseline. That reflects all companies inability to build awareness for their brands owing largely to inaccessible physician offices and to some extent digital fatigue. The glucagon market struggled as well, historically, the first quarter of the year is often flat to slightly down from the fourth quarter and since the introduction of the new ready-to-use glucagon products in a in a non-pandemic world, we would have expected 20% to 30% growth versus the same quarter in 2020.

However, the retail glucagon market in the first quarter of 2021 fell versus the fourth quarter by about 6%. The critical takeaway for everybody on this call is that against these headwinds, Gvoke grew steadily throughout the quarter. Gvoke share of the total glucagon market finished the quarter up 3% versus the fourth quarter in prescriptions, and perhaps, more importantly, Gvoke share of prescriptions grew to 14% and we did it with a commercial team that remained operating virtually. I believe that appreciation of the situation we're operating in or operated in during the first quarter makes our performance in the quarter even that much more impressive. And our momentum has definitely continued into April, with the most recent reported week setting both new prescription and new market share records for Gvoke.

For the week ending April 30th, Gvoke new prescription market share has grown to 8% to 15%. Excuse me, we're also seeing some positive leading indicators as we progress further into the second quarter. Units shipped to wholesalers remain strong, shipments from wholesalers to retailers are trending up and we're not seeing inventory build at wholesale or retail levels, which tells us that our unit sales are increasingly demand based.

We're also encouraged by what appears to be a more stability in the overall glucagon market and increasing size of normalcy we all are expecting and hoping for that I am sure, as we contact more of our endocrinology offices. Total April retail prescriptions are holding steady compared to March and are up 30% versus April of last year.

We're seeing more physician offices opening and beginning to see patients.

We're starting to see our field base sales people begin to get out and physically getting to visiting offices and more offices are opening to representative activity.

As a result, our growth momentum is continuing into second quarter, and as I said, with record scripts in April.

Given Gvoke's growth momentum and increased physical access to physician offices, we anticipate all of our field-based personnel should be back out visiting offices by the end of the second quarter. We don't anticipate all offices to be opening and allowing representatives, but we do anticipate the percentage to be considerably higher by the end of the second quarter. To be prepared to take advantage of this trend and to be prepared for what we believe will be a more normalized back-to-school period in the third quarter.

We're planning to expand our field sales team from 56 to 80 representatives at the beginning of the third quarter. Not only will this put us in position to be prepared for a more normal back-to-school season, we'll be better prepared to optimize our total prescription and market share momentum when the market returns to pre-pandemic growth levels.

Our decision to expand is also driven by several additional factors.

We expect continue -- continued rate of vaccination will spur a more open marketplace. We anticipate that the percentage of fully vaccinated people will be considerably higher by July.

Our healthcare customers we expect will be -- will all be fully vaccinated. And I expect with very few exceptions that all Xeris employees especially those who will be in contact with physician offices will be vaccinated in the coming weeks.

As I mentioned, physician offices are definitely opening up, we expect that to accelerate in the second quarter.

As a result, our sales team is increasingly seeing customers in person. In the most recent few weeks, more than 90% -- 95% of our field organization have been able to engage some customers face-to-face and we're now approaching 70% of our customer interactions in the last few weeks being face-to-face.

Additionally, our primary message of Gvoke should be prescribed for all insulin taking patients is increasingly taking hold with healthcare providers.

Now that patients can be served by ready-to-use products that they can easily use in crisis, with self-administration being an important new option, there's no reason for any insulin taking patient to be without some form of glucagon. Obviously, we believe that Gvoke HypoPen is the best option in case they need to treat a severe low. At the end of March, we had an inside sales organization of approximately 45 people and a field-based team of approximately 60 including managers. By June 30th, we expect to increase our field-based team including managers to approximately 90, bringing our total customer facing team to approximately 135 people covering approximately 20,000 target physicians.

Turning briefly to Europe, as I mentioned -- as previously announced in February and April, we received approval for Ogluo in the EU and in the U.K., respectively. Relative to our plan for EU launch, we have been watching Lily's launch of vaccine in Europe very closely. And giving this -- given the success that they had securing much better pricing than we had expected for their ready-to-use glucagon in select countries, our strategy for Europe commercialization has changed. Initially, we believe that focusing on select cash paying private markets only within key countries would be the best way to approach Europe and better pricing.

However, since vaccine you reimbursement is approximately $100 or more in most U.S. countries or EU countries, excuse me, the opportunity to pursue a broader commercialization strategy appears more attractive to us at this time. Not surprisingly, we've also seen a renewed interest from potential partners and we are at various stages of discussion with several. Should these discussions prove fruitful, we still expect that we could launch in our first European country before the end of the year? If not, we will coordinate the launch of Ogluo ourselves in select countries in a similar timeframe.

Let's move on to our pipeline.

For the past few months, we have held very productive discussions with the FDA regarding several of our most advanced clinical programs, including exercise-induced hyperglycemia, post-bariatric hyperglycemia and our combination pramlintide-insulin product targeted for mealtime use. From our interactions, all performed virtually, we have gained important clarity in our quest to establish and define the appropriate development pathway for each program.

Before I get into the weeds of the different programs and the FDA feedback, let me talk a little bit about why we believe this is important. Glucagon as a product, as a drug has historically been used only for rescue at relatively high doses.

Now that we have a liquid glucagon available, we believe that glucagon as a product has great utility and has shown potential utility in a lot of different areas, such as EIH and PBH.

So we believe there's definitely a market need.

However, there really is no historical defined regulatory pathway.

So we're working closely with the FDA to figure our way through this.

Now, regarding our microdose glucagon program for the prevention of Exercise-induced hypoglycemia, in the first quarter, we receive written feedback from the FDA regarding our proposed Phase 3 study program protocol, which we believe is adequate in design and scope to support filing an efficacy supplement to the Gvoke NDA for prevention indication.

As reported previously, we received and responded to some clarifying questions regarding our submission. The idea being that a little bit of glucagon before or after exercise can be more or equally effective as eating during exercise.

So we're approaching the exercise-induced indications from different directions. Last week, we received additional written feedback from the FDA. The bottomline is that in order to pursue a prevention indication, they're now asking us to do two very large double-blind placebo-controlled studies with at least one-year of follow up. The size and scope of such an extensive clinical program for Xeris at this time would be too costly for us to undertake.

So we're evaluating alternative clinical approaches to microdosing in exercise that we can discuss with the FDA at the earliest possible time. We remain committed to the concept of microdosing of are ready-to-use glucagon for those people on insulin who could benefit greatly by the opportunity to enable more frequent exercise and we'll work closely with the FDA to figure an appropriate clinical pathway. Similarly, for our mini-dose glucagon program, which uses 300 micrograms of glucagon for the prevention of postprandial hyperglycemia and PBH. Again, we received written feedback from the FDA in the first quarter to our proposed Phase 3 study, which we also believe is adequate design and scope to support a filing efficacy supplement for Gvoke NDA. We received written feedback on our proposal.

As requested by the FDA, we've submitted clarifying questions for feedback on the suitability of the patient population, dosing regimen, clinical endpoints, et cetera, for the Phase 3 program.

Given the scope of the questions and the dialogue we've had with the FDA, they've advised us to submit a formal meeting request to discuss these points further. We've done that and anticipate a Type C meeting to be held in early July.

As I mentioned, we remain very optimistic that we can find a reasonable path forward for one or both of these programs for an approved drug with a long history of safety.

We have to keep in mind that both of our ready-to-use mini and microdose glucagon programs have therapeutic goals that are uniquely different from historical use of glucagon for rescue, making the regulatory pathway less straightforward.

As of the fact that the FDA hasn't been able to do in-person meetings due to the pandemic, it has become increasingly difficult to have that dialogue on a -- on an as needed basis and many of the unique aspects of these programs are new. At this juncture, I can say that we would not anticipate beginning trials for either of these programs in calendar 2021, but we continue to pursue any avenue possible for mini and microdosing for the insulin taking population.

As for our other programs, including pramlintide-insulin co-formulation program, in the first quarter, we confirm that the FDA -- that the product falls in the 351(k) BLA A pathway and that the indications of this product is to improve glycaemic control in patients with diabetes.

As with our other programs, we received feedback from the FDA regarding our proposal for two Phase 3 studies to explore our co-formulation clinical effect in Type 1 and Type 2 patients with diabetes to support a broad glycaemic control indication. We submitted the request for follow-up meetings for further clarification and anticipate a response in the third quarter. Based on that feedback, we will initiate a process to out license the program as we've mentioned previously, as -- also as we've talked about previously, we're actively seeking an out license partner for our diazepam product.

Before I turn over to Barry for the financials, let me summarize briefly. We had a very successful first quarter and we believe we are --we have begun the second quarter in a very positive manner and we are set up well moving forward for the year and stay focused on our critical priorities.

First, continuing to steadily grow the demand for Gvoke, especially as the pandemic subsides, continuing to drive our Gvoke for all insulin taking patients with diabetes promotional message, expanding our commercial footprint commensurate with Gvoke growth momentum and an opening of the marketplace, aggressively seeking to out license select pipeline programs to development and commercialization partners, preparing for the launch of Ogluo in select countries in the EU in the fourth quarter, either with a partner or by ourselves, advancing our technology platform XeriSol and XeriJect through internal development and external partnerships and carefully managing our financials to fund the continued growth of our enterprise.

So with that, let me turn the call over to Barry to discuss our financial highlights.

Barry Deutsch

Thanks, Paul. I will focus on some of the key financial results, the details of which are in the press release issued this morning and our 10-Q that will be filed later today.

As Paul mentioned, we started the year with strong financial performance, reporting Gvoke net sales of $8.1 million, which is up approximately 14% from the prior quarter and 380% from the first quarter of 2020. Net sales represent gross product sales less estimated gross-to-net allowances, all of which are recorded at the time of sale to the pharmaceutical customer or other wholesaler.

During the first quarter, we made adjustments to rebate and patient assistance copay accruals, which were recorded in prior years, based on actual claims experience to-date. These adjustments increased revenue by $0.9 million for the quarter. Cost of goods sold for the first quarter 2021 was $1.8 million, which was unchanged from the same period in 2020, which included $1.2 million related to the establishment of a reserve for excess and obsolete inventory. Manufacturing costs for Gvoke incurred prior to approval and initial commercialization were previously expensed as R&D costs. Total operating expenses declined slightly in the first quarter of 2021 to $23.1 million, compared to $28.3 million for the same period in 2020. R&D expenses were $4 million in the first quarter of 2021 and $6.6 million in Q1 of 2020. The decrease of $2.6 million was primarily driven by a decline in expenses associated with our clinical trials. Selling, general and administrative expenses were $19.1 million for the quarter, a decrease of $2.5 million compared to Q1 2020. The decrease was primarily driven by a decrease in marketing and selling expenses of $4.9 million, part of which was due to the impact of the COVID-19 pandemic. This decrease was partially offset by an increase of $2 million in personnel related costs, which included an increase in our sales force. Interest expense increased by $0.3 million in comparison to the prior year first quarter, primarily due to interest on the convertible notes we issued in June 2020 of $0.6 million, partially offset by lower interest expense on our bank debt due to lower amounts on outstanding under our senior debt facility. At the end of the first quarter, we had debt totaling $90.7 million, consisting of $47.2 million of convertible debt and $43.5 million under our senior credit facility with Oxford and SVB. Last week, we announced that we amended the senior debt facility allowing for extensions of interest-only payments for up to 12 months to January 2023, subject to achievement of revenue milestones. The extensions allow us to delay principal payments of up to $17.4 million. We currently expect to achieve each revenue milestone and have therefore classified the amounts due as non-current on our balance sheet as of March 31, 2021. Net loss for the first quarter of 2021 was $18.4 million or $0.30 per share, compared to $29.2 million or $0.89 per share for the same period in 2020.

As of March 31, 2021, we had $135.9 million in cash, cash equivalents and investments, compared to $133.8 million as of December 31, 2020.

As you know, we completed a $27 million registered direct offering of 6 point -- of approximately 6.55 million shares of our common stock and appraise the $4.12 per share the funds managed by Deerfield, which are existing investors in our company. Based on our current operating plans and existing working capital at March 31, 2021, we believe our cash resources are sufficient to sustain operations and capital expenditure requirements for at least the next 12 months. Revenue from Gvoke will determine when we will be cash flow breakeven. I now will turn the call back to Paul.

Paul Edick

Thanks, Barry. In closing, I'd like to reiterate that we had a very good first quarter and the momentum continues into the second quarter.

We will be prepared as the country begins to open up and return to normal.

We will have a significantly stronger commercial team in place heading into what we believe will be a much more normal back-to-school period. We remain committed to advancing and adding to our pipeline, especially in the minidose and microdose area, and importantly, glucagon mini and microdose.

Importantly, we have very positive cash position. Thank you for joining us today and we'll turn it over to the Operator for Q&A.

Operator

Thank you. [Operator Instructions] Our first question comes from the line of David Amsellem of Piper Sandler.

Zach Sachar

Hey, everyone. This is Zach on for David. Thanks for taking my questions and congrats on the quarter. I was just hoping to get…

Paul Edick

Could you just speak up a little it would be great.

Zach Sachar

I was hoping just to get a little bit more color and if you could expand on the Xeris copay program? And to what extend do you expect the Gvoke program in place [ph] following normalization. And then on that front, how do you expect the easing of the pandemic to impact gross-to-net in the back half of 2021 and going forward? And then also if you could provide a little bit more color on the inventory buildup that you see now and if you expect some destocking over the next several quarters, that would be also helpful? Thank you.

Paul Edick

Okay.

Let me take those in reverse order. We don't see any inventory buildup.

So that's -- we had some of that in the third quarter and fourth quarter of last year, based on no history of ordering patterns with the wholesalers, that's pretty much cleared out. What we're seeing right now and as I tried to say in my remarks, maybe it wasn't clear enough. The movement of units from us to wholesalers and wholesalers to retailers is very reflective of demand.

So very little -- we don't -- we're seeing very little if any inventory build. Gross-to-net is going to continue to be a little bit of a moving target until we have more history.

We are reserving for potential return to the zero dollar copay, et cetera, and our reserves -- we take a pretty conservative approach to our reserves. And as we get actually, we can reverse some of that and take it as net income.

So -- but that'll start to normalize over time. And the zero dollar, we didn't expect to continue it as long as we have. We didn't expect a pandemic to last more than a year.

We're doing everything we possibly can to make sure that people with diabetes who are on insulin have access to glucagon. And as you all know, as we all know, even though things are starting to open up, people who are at higher risk are still staying home a lot. And the zero dollar copay makes it a little bit easier on financials and we're trying to get, make things as easy for people to access as they possibly can. When we may or may not end that? We haven't even -- that's on decision.

We're going to keep it going as long as we think it's critical to the business.

Zach Sachar

All right. Thank you.

Operator

Our next question comes from the line of Daniel Busby of RBC Capital Markets.

Daniel Busby

Good morning. I have a couple questions.

First, if we look at third-party prescription data, the legacy glucagon kits still account for nearly 60% of the market. Is that stickiness surprised you or is it in line with your expectations? How do you expect that number to trend over the next few years? You expect the next-generation products including Gvoke to keep steadily chipping away the legacy kits or there

are other factors that could potentially accelerate that shift? Second, based on the latest feedback from FDA on EIH and PBH? When is the earliest you believe you can bring a ready-to-use glucagon product to market in the U.S.? Thanks.

Paul Edick

Yeah. Dan, thanks for the questions.

In terms of the legacy kits, the stickiness has been greater than we had anticipated without question. The pandemic has had a lot of -- a lot to do with that. And if you think about it, during my remarks, one of the things that we see in the marketplace for all pharmaceutical products is new-to-brand is just down and it's been down significantly over the course of the last year and more. Because physicians are focused on maintenance, they're focused on keeping people as steady as they possibly can, making sure they've got their pump making sure they've got their insulin.

So changing practice has been a very low priority for physicians, especially when -- at one point close to 40% of them were not even open.

As things open up, we're seeing a more rapid change in the legacy -- the cannibalization of the legacy kits.

We expect them to be down 30 to 50% over time. We've taken a chunk of that.

So as things open up, we expect the legacy kits to really start to decline more. How fast that's going to be? Who knows. But you will have three companies, Lily, Zealand, and us, all talking to endocrinologist and high prescribing primary care physicians about why people should have these new ready-to-use glucagon products if they're taking insulin.

So we would expect that to have a pretty significant impact on the stickiness of the legacy kits. And then in terms of EIH and PBH, like I said, EIH and PBH are potential regulatory pathways to getting a minidose or microdose capability into our label for patients who need it, okay? There's a lot of different ways people could potentially minidose and microdose. EIH, we know what they want us to do in order to pursue a prevention claim. We were surprised that they even would allow a prevention claim.

So that's a very, very good movement on the part of the FDA. The actual pathway to get there is a pretty extensive, pretty expensive program that we just can't afford at this time to do.

So we're looking at different alternatives and how we can either use exercise or some other minidose or microdose situation where we can go back to the FDA with alternatives. There's different ways we can approach exercise, either from a prevention or even from a rescue perspective to go back to the FDA with a more manageable potential Phase 3 program. They're working very hard with us to try to get us there. But we all have to remember, there's never been a regulatory pathway for glucagon other than for rescue.

So it's new ground for them. It's new ground for us.

We're very positive.

We're going to get to a clinical program that will work and we just need to pursue that continue the dialogue. PBH, similar situation, but we're -- it's in a better place. We've got relative agreement on a lot of the aspects of the program. There are some questions that they have that in written responses just hasn't been working very well.

So they've asked us to request the Type C meeting, which we have.

So we can get on the phone with them and just have a dialogue and just say, okay, what about this? What about that and come to agreement. And when we've had an opportunity to do that in the past, it's been very positive and work very well. And the FDA is -- has been very helpful in getting us what we need in order to continue to progress.

So we're optimistic. But like I said, it's -- we're covering new ground. Bottomline is the utility of a liquid glucagon is significant and we just need to keep at it until we and the FDA can get to a place where we can get something in the label for people on insulin who need to microdose or minidose. Hopefully -- that's a long answer, but hopefully, that explains the situation.

Daniel Busby

Yeah. That's very helpful. Thanks, Paul.

Paul Edick

The one thing I did make sure I pointed out in my remarks, even if we got agreement like next month on everything, getting studies up and running takes time, so we wouldn't anticipate we'd be able to start before the end of this calendar year. And then any of these programs are 18 months to 24 month programs.

So, you can kind of do the math on potential minidosing, microdosing indication in the label.

Daniel Busby

Got it. Thanks.

Operator

Our final question will come from the line of Difei Yang of Mizuho.

Dan Clark

Hi. Good morning. This is Dan Clark on for Difei. Thanks for taking our questions. Can you just talk about your primary sales strategy in the pandemic environment, as your sales message primarily been focused on expanding the market or

increasing your market share just given all that kind of puts and takes in the pandemic? And then do you have any plans to sort of change your sales message as the pandemic proceeds?

Paul Edick Yeah.

So there are several aspects of how we've been approaching things during the pandemic, without question, it's all been virtual, until recently. I mean, we've got people starting to get out, and like I said, we should be out almost 100% by the end of the quarter and seeing people mostly face-to-face. The -- our message, okay, is clearly, first and foremost, awareness of Gvoke, okay? Secondly, trying to expand the market. At the end of the day, the issue that exists, and I want to be very clear, patients who -- people who are diabetics, people with diabetes, who are on insulin therapy, are all at risk for a severe low at some point in time. And the real crux of the problem is, you don't know when or how or under what circumstances that can happen.

You can be on insulin for 10 years or 15 years and never have a severe low that makes you pass out or you have to go to the emergency room. But all of a sudden you do and we have -- there's -- everybody has instances where they can relate a friend or family member that had been just fine for years and years and then all of a sudden they're in the emergency room.

So very much like an EpiPen, you should have glucagon handy.

So our primary message to every one of the practicing physicians, healthcare practitioners, nurse practitioners, et cetera. If you're prescribing insulin, you should be co-prescribing glucagon of some form, so that it's available in case of an emergency. Obviously, we believe that Gvoke HypoPen is the easiest, fastest, simplest thing to use and it takes two steps, you pull the red cap off, you press the yellow cap down anywhere on your body, you wait for five seconds and within 10 minutes your symptoms begin to resolve. Having it available, staging it in your environment, in your nightstand, in your office, in your handbag, wherever, much like people do with EpiPens, we believe is critical and that's been our primary message.

If you're prescribing insulin, you should be prescribing glucagon. And clearly, if they do, if doctors and healthcare professionals do that, it doesn't matter at the end of the day, whether they prescribe the nasal or Zealand's new product or our product. If instead of having 600,000 people with glucagon, if we can get 3 million or 4 million people out of the 6 million or 7 million people who are on insulin to have glucagon handy, we will all have done the right thing for patients.

We will all have been successful with our products.

So long winded answer, but it's critical to our overall message.

Dan Clark Okay. Thank you. And then just one more from us, could you maybe talk about your expectations for this year's back-to-school sort of seasonal bump relative to 2019 and 2020? And how do you think about the relationship between in-school attendance and glucagon demand?

Paul Edick Clarify the second half of your question. I didn't quite understand the second half of the question in terms of in-school attendance.

Dan Clark Sure.

So having more students going back into the classrooms as a catalyst for glucagon demand versus what we saw last year when demand…

Paul Edick Yeah. Yeah. Yeah.

Dan Clark …were down and schools are remote?

Paul Edick Yeah.

So, first and foremost, as we all say, hope is not a strategy. But we hope and we're beginning to see the signs of a more normal back-to-school, okay? And when you look at the marketplace, what you see, historically, is from the July through early September period that third -- that chunk of the third quarter is historically considerably higher than any other period of the year. And like you said, that is driven by kids going back to school and being in the classroom, okay? Last year, 2020, it just wasn't there. I mean and kids didn't go back to the classroom and it was a very muted third quarter. In spite of that, as you remember, we had a hell of a third quarter with the launch of the diazepam. The -- what you -- what we're also working on.

So bottomline is, we're expecting a more normal back-to-school in 2021 than what we've saw in 2020, more reflective of what you might have seen in 2018 and 2019. And we're beginning to see more school systems and school nurses, et cetera, who are requiring patients reg or parents register their kids, if they're diabetics and that they have glucagon.

So we're seeing a little bit of momentum there.

So at the end of the day, we're hopeful that we're going to have -- I mean, I think, every parent in the country is hopeful that we're going to have a normal back-to-school.

So, we're hopeful that that's the case, and if that's the case, you would normally see an increase in the third quarter, so.

Dan Clark Okay. Great. Thank you.

Operator Thank you. That was our final question. I will now turn the call to Paul Edick for closing comments.

Paul Edick Thank you once again for everyone joining us today.

Our headlines are, we had a good quarter.

We're off to a great start to the year.

The second quarter is looking really good and we're making progress on our clinical programs, working hard with the FDA.

We have got a lot of cash. We think we're in pretty good shape.

So thank you for listening.

Operator Thank you. That does concludes the Xeris Pharmaceuticals first quarter financial results conference call.

You may now disconnect your lines and have a wonderful day.