



Zevra Therapeutics Refinances Existing Debt with up to \$100M in Committed Capital under New Credit Facility

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CELEBRATION, Fla., April 10, 2024 (GLOBE NEWSWIRE) -- Zevra Therapeutics, Inc. (NasdaqGS: ZVRA) (Zevra, or the Company), a rare disease therapeutics company, today announced that it has entered into a new credit facility provided by leading biotech investors. Led by Perceptive Advisors and Healthcare Royalty, the new credit facility provides up to \$100M in committed capital in three tranches: an initial draw of \$60M at closing, a second tranche of up to \$20M available until October 5, 2025, and a third tranche of up to \$20M which becomes available upon approval of arimoclomol, the Company's product candidate for the treatment of Niemann Pick disease Type C (NPC), in each case subject to certain terms and conditions. As part of this transaction, the Company has retired its combined existing debt of approximately \$43.1M.

Net proceeds from the initial \$60M draw, after repayment of the existing debt, original issue discount, and fees and expenses associated with this transaction, are approximately \$14.0M.

The new five-year credit facility bears interest at the 3-month Secured Overnight Financing Rate (SOFR) (subject to a 4.00% per annum floor), plus 7.00% per annum, which all-in interest rate is currently 12.33% per annum. Zevra has the option to pay up to 25% of the interest on principal amounts outstanding in-kind through and including March 31, 2026, subject to certain terms and conditions. The facility is interest-only throughout the five-year term of the facility, with all outstanding principal due on the maturity date of April 5, 2029, and includes certain customary covenants and obligations.

"Entry into this new credit facility is another step in Zevra's execution of our strategic vision to become a leading rare disease company," said R. LaDuane Clifton, Zevra's Chief Financial Officer, Secretary and Treasurer. "By restructuring the amounts previously outstanding on two different facilities, we have simplified and extended the maturity while also providing additional non-dilutive capital flexibility to support our strategic priorities for 2024, which are (i) successfully launching OLPRUVA® and ensuring access for patients, (ii) preparing for the launch of arimoclomol, if approved, and (iii) advancing our KP1077 development program in sleep disorders. As a result of this transaction, and based on our current operating plan, available cash, cash equivalents and investments, we expect that our cash runway will be further extended into 2026."

"Zevra Therapeutics is in a unique position to build value through both its commercial and development assets," said Sam Chawla, Portfolio Manager of Perceptive Advisors' credit funds. "With multiple near-term catalysts, including a potential product approval later this year and upcoming development milestones, we are excited to support the Company and management team as they continue growing toward profitability."

Founded in 1999, Perceptive Advisors focuses on supporting progress in the life sciences industry by identifying opportunities and directing financial resources toward the most promising technologies in modern healthcare. Today, the firm manages approximately \$8 billion across their strategies.

HealthCare Royalty ("HCRx") is a leading royalty acquisition company focused on commercial or near-commercial stage biopharmaceutical products. HCRx has invested \$5+ billion in over 85 biopharmaceutical products since inception with offices in Stamford (CT), San Francisco, Boston and London. For more information, visit <https://www.hcrx.com/>. HEALTHCARE ROYALTY® and HCRx® are registered trademarks of HealthCare Royalty Management, LLC.

Armentum Partners served as exclusive financial advisor to Zevra on the transaction. Latham and Watkins acted as legal advisor to Zevra. Moore & Van Allen acted as legal advisor for the Lenders. For more information regarding the financing and the applicable terms and conditions, please refer to the Current Report on Form 8-K filed today by Zevra with the Securities and Exchange Commission (SEC).

About Zevra Therapeutics

Zevra Therapeutics is a rare disease company combining science, data, and patient needs to create transformational therapies for diseases with limited or no treatment options. Our mission is to bring life-changing therapeutics to people living with rare diseases. With unique, data-driven development and commercialization strategies, the Company is overcoming complex drug development challenges to make new therapies available to the rare disease community.

For more information, please visit www.zevra.com or follow us on [X](#) (formerly Twitter) and [LinkedIn](#).

Caution Concerning Forward-Looking Statements

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include all statements that do not relate solely to historical or current facts, including without limitation statements regarding the promise and potential impact of our preclinical or clinical trial data; the promise and potential impact of any of our products or product candidates for any specific disease indication or at any dosage; the potential approval and subsequent commercial launch of arimoclomol; the potential launch or commercialization of any of product candidates or products, including OLPRUVA, the sufficiency of our cash, cash equivalents and investments to fund our operating activities for any specific period of time, and our strategic and product development objectives, including with respect to becoming a leading, commercially focused rare disease company. Forward-looking statements are based on information currently available to Zevra and its current plans or expectations. They are subject to several known and unknown uncertainties, risks, and other important factors that may cause our actual results, performance, or achievements to be materially different from any future results, performance, or achievements expressed or implied by the forward-looking statements. These and other important factors are described in detail in the "Risk Factors" section of Zevra's Annual Report on Form 10-K for the year ended December 31, 2023, and Zevra's other filings with the Securities and Exchange Commission. While we may elect to update such forward-looking statements at some point in the future, except as required by law, we disclaim any obligation to do so, even if subsequent events cause our views to change. Although we believe the expectations reflected in such forward-looking statements are reasonable, we cannot assure that such expectations will prove correct. These forward-looking statements should not be relied upon as representing our views as of any date after the date of this press release.

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