



## Phathom Pharmaceuticals Secures \$200 Million Term Loan Facility from Hercules Capital

September 20, 2021

FLORHAM PARK, N.J., Sept. 20, 2021 (GLOBE NEWSWIRE) -- Phathom Pharmaceuticals, Inc. (Nasdaq: PHAT), a late clinical-stage biopharmaceutical company focused on developing and commercializing novel treatments for gastrointestinal diseases, today reported it has obtained a \$200 million term loan facility from Hercules Capital, Inc. (NYSE: HTGC), a leader in customized debt financing for companies in life sciences and technology-related markets. This additional capital further strengthens Phathom's balance sheet in advance of anticipated key catalysts, including data from the pivotal PHALCON-EE Phase 3 trial of vonoprazan for the treatment of erosive esophagitis in October 2021, data from the Phase 2 trial of vonoprazan for the treatment of non-erosive reflux disease in the first quarter of 2022, and FDA approval and commercial launch of vonoprazan-based regimens for the treatment of *H. pylori* in the second half of 2022. This non-dilutive financing extends Phathom's projected cash runway to mid-2023 based on the Company's current operating plans.

"Vonoprazan has the potential to become the first innovative treatment for patients with acid-related disorders approved in the US in more than thirty years," said Terrie Curran, President and Chief Executive Officer of Phathom. "This non-dilutive \$200 million term loan facility significantly strengthens our balance sheet ahead of vonoprazan's potential US commercial launch and provides Phathom with additional financial flexibility as we continue to work to change the landscape for patients with gastrointestinal diseases."

"Hercules is proud to partner with Phathom ahead of several important milestones as they advance their vonoprazan development programs and prepare for a potential commercial launch," said Bryan Jadot, Senior Managing Director and Life Sciences Group Head at Hercules Capital. "The substantial capital commitment from Hercules aims to help Phathom deliver on their important mission to improve the lives of people suffering from acid related gastrointestinal diseases and reflects our dedication to financing promising life science companies," added Lake McGuire, Managing Director at Hercules Capital.

Under the terms of the \$200 million term loan facility, \$100 million was drawn at closing, and an additional \$100 million becomes available in two tranches of \$50 million each. The first \$50 million tranche becomes available upon the receipt of positive data from the PHALCON-EE Phase 3 trial. The second \$50 million tranche becomes available upon the occurrence of both FDA approval of a vonoprazan-based regimen for the treatment of *H. pylori* and FDA acceptance of filing of a new drug application for vonoprazan for the treatment of erosive esophagitis. Approximately \$54 million of the initial \$100 million drawn down by the Company will be used to pay off the principal of the Company's existing outstanding term loan. The new facility provides for an interest-only period of three years, which is extendable based on the achievement of certain regulatory milestones. The loan facility is secured by the Company's assets.

Armentum Partners acted as the Company's exclusive financial advisor on this transaction.

Additional details of the loan agreement will be filed with the Securities and Exchange Commission on a Current Report on Form 8-K.

### **About Phathom**

Phathom Pharmaceuticals is a biopharmaceutical company focused on the development and commercialization of novel treatments for gastrointestinal diseases and disorders. Phathom has in-licensed the exclusive rights in the United States, Europe, and Canada to vonoprazan, a novel potassium competitive acid blocker (P-CAB) in late-stage development for the treatment of acid-related disorders. For more information about Phathom, visit the Company's website at [www.phathompharma.com](http://www.phathompharma.com) or follow the Company on social media: LinkedIn at [www.linkedin.com/company/phathompharma](https://www.linkedin.com/company/phathompharma) and Twitter [@PhathomPharma](https://twitter.com/PhathomPharma).

### **Forward Looking Statements**

Phathom cautions you that statements contained in this press release regarding matters that are not historical facts are forward-looking statements. These statements are based on the Company's current beliefs and expectations. Such forward-looking statements include, but are not limited to, statements regarding: the potential acceptance and approval by the FDA of our NDAs for vonoprazan; our plans to commercially launch vonoprazan in the second half of 2022; and our anticipated cash runway. The inclusion of forward-looking statements should not be regarded as a representation by Phathom that any of its plans will be achieved. Actual results may differ from those set forth in this press release due to the risks and uncertainties inherent in Phathom's business, including, without limitation: the FDA may disagree that the existing safety and efficacy data is sufficient to accept or approve the NDAs; the inherent risks of clinical development of vonoprazan; Phathom's dependence on third parties in connection with product manufacturing, research and preclinical and clinical testing; regulatory developments in the United States and foreign countries; unexpected adverse side effects or inadequate efficacy of vonoprazan that may limit its development, regulatory approval and/or commercialization, or may result in recalls or product liability claims; Phathom's ability to obtain and maintain intellectual property protection for vonoprazan; Phathom's ability to comply with its license agreement with Takeda; Phathom's ability to maintain uninterrupted business operations due to the COVID-19 coronavirus, including delaying or otherwise disrupting its clinical trials, manufacturing and supply chain; and other risks described in the Company's prior press releases and the Company's filings with the Securities and Exchange Commission (SEC), including under the heading "Risk Factors" in the Company's Annual Report on Form 10-K and any subsequent filings with the SEC. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and Phathom undertakes no obligation to update such statements to reflect events that occur or circumstances that exist after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement, which is made under the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

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