

# ZOGENIX

## Zogenix Announces Agreement to Refinance Debt, Further Increasing Company's Expected 2017 Cash Balance

June 21, 2016

- Interest-only repayment provision results in \$10 million increase to Zogenix's expected cash balance at the end of 2017 -

EMERYVILLE, Calif., June 21, 2016 (GLOBE NEWSWIRE) -- Zogenix, Inc. (Nasdaq:ZGNX), a pharmaceutical company developing therapies for the treatment of central nervous system (CNS) disorders, today announced that it has entered into an amendment to its existing term loan facility with Oxford Finance LLC and Silicon Valley Bank to provide for new term loans and partially refinance its existing long-term debt under the facility.

The new loan proceeds will increase the total amount of term loan principal outstanding to \$20 million. The term loan facility provides for interest-only payments through February 2018 followed by consecutive monthly payments of principal and interest until maturity on July 1, 2020. The agreement is expected to result in an increase of approximately \$10 million to Zogenix's expected cash balance at the end of 2017.

Zogenix continues to expect its cash runway to extend through the end of 2017. During this time, the Company anticipates multiple key inflection points, including the availability of Phase 3 data for ZX008, Zogenix's lead product candidate, which is currently being evaluated as an adjunctive treatment of seizures in children with Dravet syndrome.

As of March 31, 2016, Zogenix had approximately \$132 million in cash and cash equivalents.

Additional details of the term loan facility are outlined in the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 21.

### **About Zogenix**

Zogenix, Inc. (Nasdaq:ZGNX) is a pharmaceutical company committed to developing and commercializing CNS therapies that address specific clinical needs for people living with orphan and other CNS disorders who need innovative treatment alternatives to improve their daily functioning.

For more information, visit [www.zogenix.com](http://www.zogenix.com).

### **About Dravet Syndrome**

Dravet syndrome (also known as Severe Myoclonic Epilepsy of Infancy) is a rare, severe and therapy-resistant form of epilepsy most often caused by an identifiable gene defect that results in abnormal functioning of a sodium channel in the brain. Children with Dravet syndrome experience severe, long-lasting, fever-related seizures in the first year of life. Other seizures typically arise later, including myoclonus (involuntary muscle spasms) and status epilepticus (prolonged seizures), which often result in severe cognitive and developmental impairment. Episodes of status epilepticus require immediate emergency care and can be fatal.

Individuals with Dravet syndrome face a higher incidence of SUDEP (sudden unexplained death in epilepsy) and have associated conditions, which also require proper treatment and management. Children with Dravet syndrome do not outgrow this condition and it affects every aspect of their daily lives.

### **About Oxford Finance LLC**

Oxford Finance is a specialty finance firm providing senior secured loans to public and private life sciences and healthcare services companies worldwide. For over 20 years, Oxford has delivered flexible financing solutions to its clients, enabling these companies to maximize their equity by leveraging their assets. In recent years, Oxford has originated over \$3 billion in loans, with lines of credit ranging from \$500 thousand to \$75 million. Oxford is headquartered in Alexandria, Virginia, with additional offices in California and Massachusetts. For more information visit [www.oxfordfinance.com](http://www.oxfordfinance.com).

### **About Silicon Valley Bank**

For more than 30 years, Silicon Valley Bank (SVB) has helped innovative companies and their investors move bold ideas forward, fast. SVB provides targeted financial services and expertise through its offices in innovation centers around the world. With commercial, international and private banking services, SVB helps address the unique needs of innovators. Learn more at [svb.com](http://svb.com).

### **Forward Looking Statements**

Zogenix cautions you that statements included in this press release that are not a description of historical facts are forward-looking statements. Words such as "believes," "anticipates," "plans," "expects," "indicates," "will," "intends," "potential," "suggests," "assuming," "designed" and similar expressions are intended to identify forward-looking statements. These statements are based on the company's current beliefs and expectations. These forward-looking statements include statements regarding: the Company's cash position; the Company's financial guidance for 2017; the timing of results of Phase 3 clinical studies for ZX008; and ZX008's potential as a treatment option for seizures associated with Dravet syndrome. The inclusion of forward-looking statements should not be regarded as a representation by Zogenix that any of its plans will be achieved. Actual results may differ from those set forth in this release due to the risks and uncertainties inherent in Zogenix's business, including, without limitation: the uncertainties associated with the clinical development and regulatory approval of product candidates such as ZX008, including potential delays in enrollment and completion of clinical trials; the potential that earlier clinical trials may not be predictive of future results; Zogenix's reliance on third parties to conduct its clinical trials, enroll patients, manufacture its preclinical and clinical drug supplies and manufacture commercial supplies of its drug products, if approved; unexpected adverse side effects or inadequate therapeutic efficacy of ZX008 that could limit approval and/or commercialization, or that could result in recalls or product liability claims; Zogenix could spend its available financial resources faster than it currently expects and may be unable to raise additional capital if and when needed, on acceptable terms or at all; and other risks described in Zogenix's prior press releases as well as in public periodic filings with the Securities and Exchange Commission. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof, and Zogenix undertakes no obligation to revise or update this press release to reflect events or circumstances after the date hereof. All forward-looking statements are qualified in their entirety by this cautionary statement. This caution is made under the safe harbor provisions of Section 21E of the Private Securities Litigation Reform Act of 1995.

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