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Achieve Life Sciences Announces \$20M Loan Refinancing with Silicon Valley Bank

SEATTLE and VANCOUVER, British Columbia, July 29, 2024 (GLOBE NEWSWIRE) -- Achieve Life Sciences, Inc. (Nasdaq: ACHV), a late-stage pharmaceutical company committed to the global development and commercialization of cytisinicline for smoking cessation and nicotine dependence, today announced that it has entered into a \$20 million debt refinancing agreement with Silicon Valley Bank (SVB), a division of First-Citizens Bank. The new loan agreement refinances the existing debt facility with SVB and SVB Capital and extends the maturity date from August 1, 2024 to December 1, 2027.

"We are pleased to continue our partnership with SVB and believe this refinancing further solidifies the firm's confidence in Achieve Life Sciences and the potential of cytisinicline to impact the nicotine addiction market," said John Bencich, CEO of Achieve Life Sciences. "This refinancing lowers our cost of capital, extends our cash runway and provides access to additional capital as we move cytisinicline through the regulatory approval process with FDA."

Under the terms of the new agreement, the \$20 million term loan facility is structured into three tranches, with the first tranche of \$10 million received at loan closing. The second tranche of \$5 million will be available upon the U.S. Food and Drug Administration's acceptance of filing the New Drug Application (NDA) for cytisinicline, and the final \$5 million tranche will be available at SVB's discretion and subject to SVB's credit committee approval.

Under the terms of the agreement, the outstanding principal will accrue interest at a floating rate per annum equal to the greater of 7.0% and the prime rate minus 1.0%. The loan facility includes an interest-only period through December 31, 2025, followed by 24 monthly payments of principal plus interest through the maturity date of December 1, 2027. Additional provisions include the option for a six-month extension to the interest-only period and maturity date upon achieving certain regulatory and financial milestones.

Subject to certain terms and conditions, the initial outstanding debt (principal and accrued and unpaid interest) may be converted into shares of Achieve's common stock at SVB's election at any time prior to repayment of such debt, at a conversion price equal to \$7.00 per share, subject to customary adjustment provisions. Subsequent tranches may be converted at a conversion price calculated based on a premium to the closing price of Achieve's stock

at the applicable time, with a minimum conversion price of \$4.854 per share. While the loan remains outstanding, SVB is not permitted to short sell or engage in any other hedging transaction with respect to Achieve's common stock.

Achieve has the right at any time to repay and retire all (but not less than all) of the outstanding convertible debt prior to its conversion by payment of a premium determined based on the date of such repayment.

Additional terms of the agreement can be found within the company's Form 8-K filing issued on July 29, 2024.

About Achieve and Cytisinicline

Achieve's focus is to address the global smoking health and nicotine addiction epidemic through the development and commercialization of cytisinicline. There are an estimated 28 million adults in the United States alone who smoke combustible cigarettes.¹ Tobacco use is currently the leading cause of preventable death that is responsible for more than eight million deaths worldwide and nearly half a million deaths in the United States annually.^{2,3} More than 87% of lung cancer deaths, 61% of all pulmonary disease deaths, and 32% of all deaths from coronary heart disease are attributable to smoking and exposure to secondhand smoke.³

In addition, there are over 11 million adults in the United States who use e-cigarettes, also known as vaping.¹ In 2023, approximately 2.1 million middle and high school students in the United States reported using e-cigarettes.⁴ Currently, there are no FDA-approved treatments indicated specifically as an aid to nicotine e-cigarette cessation.

Cytisinicline is a plant-based alkaloid with a high binding affinity to the nicotinic acetylcholine receptor. It is believed to aid in treating nicotine addiction for smoking and e-cigarette cessation by interacting with nicotine receptors in the brain, reducing the severity of withdrawal symptoms, and reducing the reward and satisfaction associated with nicotine products. Cytisinicline is an investigational product candidate being developed for the treatment of nicotine addiction and has not been approved by the Food and Drug Administration for any indication in the United States. For more information on cytisinicline and Achieve visit www.achievelifesciences.com.

Forward Looking Statements

This press release contains forward-looking statements within the meaning of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, including, but not limited to, statements regarding the timing and nature of cytisinicline clinical development and regulatory review and approval, data results and commercialization activities, the potential market size for cytisinicline, the potential benefits, efficacy, safety and tolerability of cytisinicline, the ability to discover and develop new uses for cytisinicline, including but not limited to as an e-cigarette cessation product, the development and effectiveness of new treatments and Achieve's access to capital under the terms of the term loan facility. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. Achieve may not actually achieve its plans or product development goals in a timely manner, if at all, or otherwise carry out its intentions or meet its expectations or projections disclosed in these forward-looking statements. These statements are based on management's current expectations and beliefs and are subject to a number of risks, uncertainties and assumptions that could cause actual results to differ materially from those described in the forward-looking statements, including, among others,

the risk that cytisinicline may not demonstrate the hypothesized or expected benefits; the risk that Achieve may not be able to obtain additional financing to fund the development of cytisinicline; the risk that cytisinicline will not receive regulatory approval or be successfully commercialized; the risk that new developments in the smoking cessation landscape require changes in business strategy or clinical development plans; the risk that Achieve's intellectual property may not be adequately protected; general business and economic conditions; risks related to the impact on our business of macroeconomic and geopolitical conditions, including inflation, rising interest rates, increased volatility in the debt and equity markets, actual or perceived instability in the global banking system, global health crises and pandemics and geopolitical conflict and the other factors described in the risk factors set forth in Achieve's filings with the Securities and Exchange Commission from time to time, including Achieve's Annual Reports on Form 10-K and Quarterly Reports on Form 10-Q. Achieve undertakes no obligation to update the forward-looking statements contained herein or to reflect events or circumstances occurring after the date hereof, other than as may be required by applicable.

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References

¹Cornelius ME, Loretan CG, Jamal A, et al. Tobacco Product Use Among Adults – United States, 2021. MMWR Morb Mortal Wkly Rep 2023;72:475–483.

²World Health Organization. WHO Report on the Global Tobacco Epidemic, 2019. Geneva: World Health Organization, 2017.

³U.S. Department of Health and Human Services. The Health Consequences of Smoking – 50 Years of Progress. A Report of the Surgeon General, 2014.

⁴Birdsey J, Cornelius M, Jamal A, et al. Tobacco Product Use Among U.S. Middle and High School Students — National Youth Tobacco Survey, 2023. MMWR Morb Mortal Wkly Rep 2023;72:1173–1182.



Source: Achieve Life Sciences