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# Recro Announces Amendment to Athyrium Credit Facility

## Reductions in Debt Principal and Interest Rate Further Strengthen Balance Sheet, Support Ongoing Efforts to Best Position Company for Significant CDMO Business Growth

MALVERN, Pa., Feb. 23, 2021 (GLOBE NEWSWIRE) -- Recro Pharma, Inc. ("Recro"; NASD: [REPH](#)), a contract development and manufacturing organization (CDMO) dedicated to solving complex formulation and manufacturing challenges for companies developing oral solid dose drug products, today announced the signing of an amendment to its existing credit facility with funds managed by Athyrium Capital Management, LP (Athyrium), a leading healthcare-focused investment firm. Under terms of the amendment, among other items, the credit facility's outstanding debt balance has been reduced from \$116 million to \$100 million and the interest rate governing the facility has been decreased by 1.5 percent. Furthermore, there will be no additional principal amortization during the remainder of the term of the facility, which runs through March 2023. Athyrium reduced interest and a portion of the principal under the credit agreement in exchange for \$9 million of shares of the Company's Common Stock priced at-the-market under Nasdaq rules. Through this credit facility amendment, along with other recent strategic financial activities, Recro has successfully de-levered a total of \$25 million of debt from its balance sheet over the past four months.

Other material terms related to the amendment can be found in the Company's current report on Form 8-K, which will be filed with the Securities and Exchange Commission on February 23, 2021.

"In recent months, we have worked diligently and thoughtfully to strengthen Recro in key areas to best position the company to take advantage of the rapidly expanding CDMO market. Whether it is enhancing our leadership team or fortifying the company's balance sheet, we have worked hard to establish the optimal framework to support the end-to-end, bench-to-commercialization CDMO offerings and deep proprietary formulation, delivery and manufacturing expertise that have long been strengths for Recro," said David Enloe, chief executive officer of Recro. "With many of these enhancements in place, we now turn our full attention to leveraging Recro's unique competitive advantages to address the growing CDMO service demands of drug developers around the world and drive significant business growth for the company and our shareholders."

"With this credit facility amendment, Recro has now successfully de-levered \$25 million of debt in the past four months, placing the company in a much stronger financial position. This has been made possible by the excellent relationship that we have with the team at Athyrium

and we want to express our gratitude to them for their partnership,” stated Ryan D. Lake, chief financial officer of Recro. “It is notable that Athyrium has elected to take an equity investment position in Recro as part of this transaction, which we believe highlights the confidence that their group has in the direction that the company is headed under our new leadership team.”

### **About Recro**

Recro (NASDAQ: [REPH](#)) is a revenue-generating contract development and manufacturing organization (CDMO) with capabilities from early feasibility to commercial manufacturing. With an expertise in solving complex manufacturing problems, Recro is a leading CDMO providing oral solid dosage form development, end-to-end regulatory support, clinical and commercial manufacturing, and packaging and logistics services to the global pharmaceutical market.

In addition to our experience in handling DEA controlled substances and developing and manufacturing modified release oral solid dosage forms, Recro has the expertise to deliver on our clients’ pharmaceutical development and manufacturing projects, regardless of complexity level. We do all of this in our best-in-class facilities, which total 120,000 square feet, in Gainesville, Georgia.

For more information about Recro’s CDMO solutions, visit [recrocdmo.com](http://recrocdmo.com).

### **Cautionary Statement Regarding Forward Looking Statements**

This press release includes forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These statements, among other things, relate to the Company’s ability to manage costs and to achieve its financial goals; to operate under increased leverage and associated lending covenants; to pay its debt under its credit agreement and to maintain relationships with CDMO commercial partners and develop additional commercial partnerships. The words “anticipate”, “believe”, “could”, “estimate”, “upcoming”, “expect”, “intend”, “may”, “plan”, “predict”, “project”, “will” and similar terms and phrases may be used to identify forward-looking statements in this press release. Our operations involve risks and uncertainties, many of which are outside our control, and any one of which, or a combination of which, could materially affect our results of operations and whether the forward-looking statements ultimately prove to be correct. Factors that could cause the Company’s actual outcomes to differ materially from those expressed in or underlying these forward-looking statements include the ongoing economic and social consequences of the COVID-19 pandemic, including any adverse impact on the customer ordering patterns or inventory rebalancing or disruption in raw materials or supply chain; demand for the Company’s services, which depends in part on customers’ research and development and the clinical plans and market success of their products; customers’ changing inventory requirements and manufacturing plans; customers and prospective customers decisions to move forward with the Company’s manufacturing services; the average profitability, or mix, of the products the Company manufactures; the Company’s ability to enhance existing or introduce new services in a timely manner; fluctuations in the costs, availability, and suitability of the components of the products the Company manufactures, including active pharmaceutical ingredients, excipients, purchased components and raw materials, or the Company’s customers facing increasing or new competition. These forward-looking statements should be considered together with the risks and uncertainties that may affect our business and future results

presented herein along with those risks and uncertainties discussed in our filings with the Securities and Exchange Commission at [www.sec.gov](http://www.sec.gov). These forward-looking statements are based on information currently available to us, and we assume no obligation to update any forward-looking statements except as required by applicable law.

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