

December 22, 2021



Achieve Life Sciences Announces \$25 Million Loan Facility from Silicon Valley Bank to Fund Cytisinicline Smoking Cessation Clinical Development

SEATTLE and VANCOUVER, British Columbia, Dec. 22, 2021 (GLOBE NEWSWIRE) -- Achieve Life Sciences, Inc. (Nasdaq: ACHV), a clinical-stage pharmaceutical company committed to the global development and commercialization of cytisinicline for smoking cessation and nicotine addiction, today announced that it has entered into a \$25 million debt agreement with Silicon Valley Bank and SVB Innovation Credit Fund VIII, L.P. ("SVB"). The proceeds and funds available under the debt agreement are expected to fund the completion of the cytisinicline smoking cessation clinical development program.

As part of the contingent convertible debt agreement, SVB will fund \$15 million in the form of convertible indebtedness to Achieve at closing on December 22, 2021. Subject to the terms and conditions of the debt agreement and upon Achieve's and SVB's mutual consent (including each Lender's receipt of all necessary internal and credit approvals), Achieve may borrow additional non-convertible term loans in an aggregate original principal amount of up to \$10 million.

"We are pleased to have entered into a financing agreement with Silicon Valley Bank," said John Bencich, Chief Executive Officer of Achieve Life Sciences. SVB has been a prominent bank in the life sciences sector, and their investment into Achieve Life Sciences further solidifies our ability to execute on the completion of our second Phase 3 clinical trial, ORCA-3."

Under the terms of the agreement, the outstanding loans mature December 22, 2023, and will accrue interest at the aggregate of (a) a floating rate per annum equal to the greater of (i) 2.25% and (ii) the prime rate minus 1.0%, which interest is payable in cash monthly in arrears, and (b) 7.0% per annum, which interest shall compound monthly.

Subject to certain terms and conditions, the outstanding convertible debt (principal and accrued and unpaid interest) may be converted into shares of Achieve's common stock at the election of such Lender or its assignee at any time prior to repayment of such debt, at a

conversion price equal to \$9.34 per share, subject to adjustment for stock splits, stock dividends, reorganizations, and recapitalizations. Additionally, all outstanding convertible debt will mandatorily convert into shares of Achieve's common stock, at the conversion price, on such date, if any, when the closing price per share of Achieve's common stock has been equal to or greater than \$24.00 for thirty consecutive trading days prior to such date. While the loan remains outstanding, SVB is not permitted to short sale 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 December 22, 2021.

About Achieve and Cytisinicline

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.^{1,2} 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.² Achieve's focus is to address the global smoking health and nicotine addiction epidemic through the development and commercialization of cytisinicline.

Cytisinicline is a plant-based alkaloid with a high binding affinity to the nicotinic acetylcholine receptor. It is believed to aid in smoking cessation by interacting with nicotine receptors in the brain by reducing the severity of nicotine withdrawal symptoms and by reducing the reward and satisfaction associated with smoking.

Cytisinicline is an investigational product candidate being developed for 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.

About Silicon Valley Bank

For nearly 40 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.

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 commercialization activities, the use of proceeds from the SVB debt facility, the potential market size for cytisinicline, the potential benefits of cytisinicline, the ability to discover and develop new uses for cytisinicline, including but not limited to as an e-cigarette cessation product, and the development and effectiveness of new treatments. 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 the COVID-19 pandemic or similar public health crises 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

¹ World Health Organization. WHO Report on the Global Tobacco Epidemic, 2019. Geneva: World Health Organization, 2017.

² U.S. Department of Health and Human Services. The Health Consequences of Smoking – 50 Years of Progress. A Report of the Surgeon General, 2014.



Source: Achieve Life Sciences