



Harmony Biosciences And Blackstone Enter Into Strategic Financing Collaboration

August 10, 2021 11:30 AM EDT

**Financing Strengthens Harmony's Balance Sheet
Provides Access to Additional Capital for Business Development Opportunities
Reduces Annual Interest Expense**

PLYMOUTH MEETING, Pa. and NEW YORK, Aug. 10, 2021 /PRNewswire/ -- Harmony Biosciences Holdings, Inc. ("Harmony") (Nasdaq: HRMY), a pharmaceutical company dedicated to developing and commercializing innovative therapies for patients with rare neurological diseases, and Blackstone (NYSE: BX) today announced that they have entered into a strategic financing collaboration where funds managed by Blackstone have agreed to provide Harmony with up to \$330 million of financing and growth capital.



"We are pleased to partner with Blackstone, one of the world's leading investment firms with strong transactional experience in life sciences and healthcare," said John C. Jacobs, President and Chief Executive Officer of Harmony Biosciences. "This financing provides us with further flexibility to grow our business by providing us with access to capital to expand our portfolio of assets in rare, neurological diseases while also reducing our annual interest expense."

Commenting on the arrangement, Craig Shepherd, Senior Managing Director with Blackstone Life Sciences, and Brad Marshall, Senior Managing Director with Blackstone Credit, said, "This transaction demonstrates our unique ability to combine deep domain expertise and flexible scale capital in the life sciences, helping to grow companies like Harmony as they optimize their capital structure and fund initiatives that develop important treatments for patients. We are strongly motivated by the Harmony team's track record of success in developing and commercializing its important medicine WAKIX[®] (pitolisant)."

The strategic financing collaboration with Blackstone includes up to \$300 million in debt capital and a \$30 million equity investment in Harmony common stock. The \$300 million of debt capital includes a senior secured term loan facility in aggregate original principal amount of \$200 million, and a \$100 million senior secured delayed draw term loan facility that is available to be drawn within 12 months of closing, subject to the terms of the facility. Substantially all of the proceeds from the initial \$200 million term loan and the related sale of Harmony's common stock were used to pay off Harmony's existing debt facility, together with the payment of fees and expenses, resulting in a significantly lower cost of capital.

Paragon Health Capital, Cantor Fitzgerald & Co., Oppenheimer & Co. Inc., and Raymond James served as financial advisors to Harmony. Hogan Lovells US LLP served as legal advisor to Harmony and Ropes & Gray LLP served as legal advisor to Blackstone.

About Blackstone Life Sciences

Blackstone Life Sciences is an industry-leading private investment platform with capabilities to invest across the life cycle of companies and products within the key life science sectors. By combining scale investments and hands-on operational leadership, Blackstone Life Sciences helps bring to market promising new medicines and medical technologies that improve patients' lives. More information is provided at www.blackstone.com/our-businesses/life-sciences/.

About Blackstone Credit

Blackstone Credit is one of the world's largest credit-focused asset managers, with \$174 billion in AUM. We seek to generate attractive risk-adjusted returns for our clients by investing across the entire corporate credit market, from public debt to private loans. Blackstone Credit capital supports a wide range of companies across sectors and geographies, enabling businesses to expand, invest, and navigate changing market environments. More information is provided at www.blackstone.com/our-businesses/credit/.

Blackstone is the world's largest alternative investment firm with \$684 billion of assets under management.

About Harmony Biosciences

Harmony Biosciences is a pharmaceutical company headquartered in Plymouth Meeting, PA. The Company was established by Paragon Biosciences, LLC, with a vision to provide novel treatment options for people living with rare neurological diseases who have unmet medical needs. For more information on Harmony, please visit the company's website: www.harmonybiosciences.com.

About WAKIX® (pitolisant) Tablets

WAKIX, a first-in-class medication, is approved by the U.S. Food and Drug Administration for the treatment of excessive daytime sleepiness or cataplexy in adult patients with narcolepsy and has been commercially available in the U.S. since Q4 2019. It was granted orphan drug designation for the treatment of narcolepsy in 2010, and breakthrough therapy designation for the treatment of cataplexy in 2018. WAKIX is a selective histamine 3 (H₃) receptor antagonist/inverse agonist. The mechanism of action of WAKIX is unclear; however, its efficacy could be mediated through its activity at H₃ receptors, thereby increasing the synthesis and release of histamine, a wake promoting neurotransmitter. WAKIX was designed and developed by Bioprojet (France). Harmony has an exclusive license from Bioprojet to develop, manufacture and commercialize pitolisant in the United States.

Cautionary Statement Regarding Forward Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this press release that do not relate to matters of historical fact should be considered forward-looking statements, including statements regarding the future growth of our business, availability of the delayed draw term loan, the use of proceeds, and our product WAKIX. These statements are neither promises nor guarantees, but involve known and unknown risks, uncertainties and other important factors that may cause our actual results, performance or achievements to be materially different from any future results. Each of the forward-looking statements is subject to change based on various important factors, many of which are beyond the company's control, including, but not limited to, the following: our commercialization efforts and strategy for WAKIX; the rate and degree of market acceptance and clinical utility of WAKIX, pitolisant in additional indications, if approved, and any other product candidates we may develop or acquire, if approved; our research and development plans, including our plans to explore the therapeutic potential of pitolisant in additional indications; our ongoing and planned clinical trials; our ability to expand the scope of our license agreement with Bioprojet; the availability of favorable insurance coverage and reimbursement for WAKIX; the impact of the COVID-19 pandemic; the timing of and our ability to obtain regulatory approvals for pitolisant for other indications as well as any other product candidates; our estimates regarding expenses, future revenue, capital requirements and needs for additional financing; our ability to identify additional products or product candidates with significant commercial potential that are consistent with our commercial objectives; our commercialization, marketing and manufacturing capabilities and strategy; significant competition in our industry; our intellectual property position; loss or retirement of key members of management; failure to successfully execute our growth strategy, including any delays in our planned future growth; our compliance with the terms of our credit facility; our failure to maintain effective internal controls; the impact of government laws and regulations; volatility and fluctuations in the price of our common stock; and the significant costs and required management time as a result of operating as a public company; the fact that the price of Harmony's common stock may be volatile and fluctuate substantially; and significant costs and required management time as a result of operating as a public company. These and other important factors discussed under the caption "Risk Factors" in our Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on March 25, 2021 and subsequent Forms 10-Q, and in our other filings with the SEC could cause actual results to differ materially from those indicated by the forward-looking statements made in this press release. The information in this press release should be read in conjunction with a review of our filings with the SEC including the information in our most recent Annual Report on Form 10-K, and subsequent Forms 10-Q, under the heading MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS. Any such forward-looking statements represent management's estimates as of the date of this press release. While we may elect to update such forward-looking statements at some point in the future, we disclaim any obligation to do so, even if subsequent events cause our views to change.

Harmony Biosciences Investor Contact:

Lisa Caperelli
484-539-9736
lcaperelli@harmonybiosciences.com

Harmony Biosciences Media Contact:

Nancy Leone
215-891-6046
nleone@harmonybiosciences.com

Blackstone Contact:

Paula Chirhart
+1-347-463-5453
paula.chirhart@blackstone.com

 View original content to download multimedia: <https://www.prnewswire.com/news-releases/harmony-biosciences-and-blackstone-enter-into-strategic-financing-collaboration-301351637.html>

SOURCE Harmony Biosciences