



BioCryst Announces Close of \$30 Million Financing Transaction Related to Future RAPIACTA® Payments

RESEARCH TRIANGLE PARK, N.C.--(BUSINESS WIRE)-- [BioCryst Pharmaceuticals](#), Inc. (NASDAQ:BCRX) today announced that it has closed a \$30 million financing transaction to monetize certain future RAPIACTA® ([peramivir](#)) payments from Shionogi & Co., Ltd. BioCryst intends to use its net proceeds received for general corporate purposes, primarily funding BioCryst's research and development efforts, including clinical development of [BCX4208](#) and pre-clinical development programs.

[Stuart Grant](#), Senior Vice President and Chief Financial Officer of BioCryst Pharmaceuticals said, "This non-dilutive financing significantly extends BioCryst's cash runway and it provides additional financial flexibility as BioCryst advances its pipeline toward important clinical milestones and other potential value creating events."

Under the terms of the transaction, BioCryst transferred to JPR Royalty Sub LLC ("JPR"), a newly-formed wholly-owned subsidiary of BioCryst, certain rights under BioCryst's license agreement with Shionogi, including the right to receive royalty payments from commercial sales of RAPIACTA® and future milestone payments. As part of the transaction, BioCryst also transferred to JPR the right to receive payments under a new Japanese yen/U.S. dollar foreign currency hedge arrangement put into place by BioCryst in connection with the transaction. BioCryst's collaboration with Shionogi remains unchanged as a result of the transaction.

As part of the transaction, JPR issued \$30 million in aggregate principal amount of its JPR Pharma Senior Secured 14% Notes due 2020 (the "Notes") in a private placement exempt from registration under the Securities Act of 1933, as amended (the "Securities Act"). The Notes bear an interest rate of 14.0%, with interest payable annually on September 1st of each year, beginning September 1, 2011, and on the final legal maturity date. The royalty and milestone payments, if any, that JPR will be entitled to receive under the license agreement with Shionogi, together with any payments made under the currency hedge arrangement, will be the primary source of payment of principal of, and interest and any premium on, the Notes. The Notes are secured by a security interest granted by JPR in its rights to receive payments under the Shionogi license agreement and the currency hedge arrangement, all of its other assets and a pledge by BioCryst of its equity ownership interest in JPR. The Notes are non-callable prior to the first anniversary of today's closing. After March 9, 2012, the Notes may be redeemed at any time prior to maturity, in whole or in part, at the option of JPR at specified redemption premiums.

The Notes have a final legal maturity of December 1, 2020. Under the terms of the Notes, when Shionogi payments, together with any payments made under the currency hedge arrangement, received by JPR exceed JPR's ongoing expenses and the interest payments due annually on the Notes, the excess will be applied to the repayment of principal of the Notes until they have been paid in full. Accordingly, depending on payments from Shionogi, the Notes may fully amortize and be repaid prior to the final legal maturity date. BioCryst remains entitled to receive any royalties and milestone payments related to sales of RAPIACTA® following repayment of the Notes. The Notes constitute obligations of JPR, and are intended to be non-recourse to BioCryst except to the extent of BioCryst's pledge of its equity interest in JPR as part of the collateral securing the Notes. The Notes are not convertible into BioCryst's equity.

BioCryst received net proceeds of approximately \$23 million from the transaction after transaction costs and establishment of a \$3 million interest reserve account by JPR which will be available to help cover any interest shortfalls on the Notes through September 1, 2013.

The Notes have not been and will not be registered under the Securities Act, and may not be offered or sold in the United States absent an applicable exemption from the registration requirements of the Securities Act.

Morgan Stanley & Co. Incorporated acted as placement agent for the transaction.

About RAPIACTA®

BioCryst and Shionogi & Co., Ltd. entered into an exclusive license agreement in March 2007 for the development and commercialization of i.v. peramivir in Japan and Taiwan. In January 2010, Shionogi received regulatory approval for i.v. peramivir in Japan for the treatment of adults with uncomplicated seasonal influenza and launched it under the commercial name RAPIACTA®. In October 2010, Shionogi received Japanese approval for an expanded use indication for RAPIACTA® for

the treatment of children and infants with influenza. RAPIACTA[®] has not yet been approved in Taiwan.

About BioCryst

BioCryst Pharmaceuticals, Inc. designs, optimizes and develops novel small-molecule pharmaceuticals that block key enzymes involved in infectious diseases, inflammatory diseases and cancer. BioCryst currently has three late-stage compounds in development: peramivir, a neuraminidase inhibitor for the treatment of influenza, BCX4208, a purine nucleoside phosphorylase (PNP) inhibitor for the treatment of gout, and forodesine, an orally-available PNP inhibitor for hematological malignancies. Utilizing crystallography and structure-based drug design, BioCryst continues to discover additional compounds and to progress others through pre-clinical and early development to address the unmet medical needs of patients and physicians. Peramivir was approved for commercial sale by Shionogi in Japan in January 2010. For more information, please visit the Company's website at www.biocryst.com.

Forward-Looking Statements

This press release contains forward-looking statements, including statements regarding future results, performance or achievements. These statements involve known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements to be materially different from any future results, performances or achievements expressed or implied by the forward-looking statements. These statements reflect our current views with respect to future events and are based on assumptions and subject to risks and uncertainties. Given these uncertainties, you should not place undue reliance on these forward-looking statements: JPR's ability to service its payment obligations in respect of the Notes, and BioCryst's ability to benefit from its equity interest in JPR, is subject to numerous risks. RAPIACTA[®] is a newly approved product in Japan, has not yet been approved for sale in Taiwan, and future sales of RAPIACTA[®] by Shionogi are very difficult to predict. Further, RAPIACTA[®] sales are expected to be highly seasonal and vary significantly from year to year, and the market for products to treat or prevent influenza is highly competitive. Under BioCryst's license agreement with Shionogi, Shionogi has control over the commercial process for RAPIACTA[®] in Japan and Taiwan. JPR's ability to service the Notes may be adversely affected by, among other things, changes in or any termination of BioCryst's relationship with Shionogi, reimbursement, regulatory, manufacturing and/or intellectual property issues, product recalls, product liability claims and allegations of safety issues. Additionally, BioCryst may be required to post cash for mark to market risk, and pay significant premiums or a termination fee, under the foreign currency hedge agreement entered into by the Company in connection with the issuance by Royalty Sub of the Pharma Notes. Please also refer to the documents BioCryst files periodically with the Securities and Exchange Commission, specifically BioCryst's most recent Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, and current reports on Form 8-K, all of which identify other important factors relating to BioCryst that could cause the actual results to differ materially from those contained in our projections and forward-looking statements.

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