

Concert Pharmaceuticals Announces \$30 Million Venture Debt Financing from Hercules Capital

LEXINGTON, Mass.--(BUSINESS WIRE)-- [Concert Pharmaceuticals, Inc.](#) (NASDAQ: CNCE) today announced that it has entered into a \$30.0 million venture debt financing agreement with Hercules Capital, Inc.

"This non-dilutive financing further extends our existing cash runway. This financing ensures that we are fully capitalized for the meaningful milestones we anticipate in 2018 for our key pipeline product candidates - CTP-543 for alopecia areata and AVP-786 for Alzheimer's agitation. In addition, we continue to expect to realize \$160 million in connection with the closing of the CTP-656 asset purchase agreement with Vertex Pharmaceuticals," said Roger Tung, Ph.D., President and Chief Executive Officer of Concert. "Hercules has been a good partner for Concert and we're pleased to be working with them again."

"Hercules previously provided financing for Concert in 2011 and we are pleased to enter into this new financing arrangement," said Scott Bluestein, Chief Investment Officer at Hercules Capital. "This investment in Concert provides another example of our ability to custom tailor financing solutions that meet the needs of our borrowers and creatively finance life sciences companies through multiple stages of development and through various value inflection points."

The debt is in the form of a secured loan, secured by Concert's assets, excluding intellectual property, and bearing interest at a calculated prime-based variable rate currently at 8.55%. The full amount of the loan was funded upon closing. The loan will mature on June 1, 2021. Payments under the loan are interest-only for a period of 18 months, followed by equal monthly installments of principal and interest for 30 months thereafter. In addition, Concert has an option under the terms of the loan to pay off the loan within six months with a 50 percent reduction in the end of term charge and without a prepayment penalty following the closing of the Vertex transaction. In connection with the debt financing, Concert issued Hercules a warrant to purchase up to 61,273 of Concert's common shares at an exercise price of \$12.24 per share.

About Concert

[Concert Pharmaceuticals](#) is a clinical stage biopharmaceutical company focused on applying its [DCE Platform®](#) (deuterated chemical entity platform) to create novel medicines designed to address unmet patient needs. The Company's approach starts with approved drugs in which deuterium substitution has the potential to enhance clinical safety, tolerability or efficacy. Concert has a [broad pipeline](#) of innovative medicines targeting pulmonary diseases, including cystic fibrosis, autoimmune and inflammatory diseases and central nervous systems (CNS) disorders. For more information please visit www.concertpharma.com.

Cautionary Note on Forward Looking Statements

Any statements in this press release about our future expectations, plans and prospects, including statements about the sufficiency of cash to fund operating activities and other statements containing the words "anticipate," "believe," "continue," "could," "estimate," "expect," "intend," "may," "plan," "potential," "predict," "project," "should," "target," "would," and similar expressions, constitute forward-looking statements within the meaning of The Private Securities Litigation Reform Act of 1995. Actual results may differ materially from those indicated by such forward-looking statements as a result of various important factors, including factors discussed in the "Risk Factors" section of our most recent Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission and in other filings that we make with the Securities and Exchange Commission. In addition, any forward-looking statements included in this press release represent our views only as of the date of this release and should not be relied upon as representing our views as of any subsequent date. We specifically disclaim any obligation to update any forward-looking statements included in this press release.

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Investors:
Concert Pharmaceuticals, Inc.

Justine E. Koenigsberg, 781-674-5284
ir@concertpharma.com

or

Media:

The Yates Network

Kathryn Morris, 845-635-9828

kathryn@theyatesnetwork.com

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