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Adamas Signs \$100 Million Royalty-Backed Note Agreement with HealthCare Royalty Partners

EMERYVILLE, Calif., May 11, 2017 (GLOBE NEWSWIRE) -- Adamas Pharmaceuticals, Inc. (Nasdaq:ADMS) today announced that it has entered into a \$100 million royalty-backed note agreement with HealthCare Royalty Partners (HCR).

Under the terms of the transaction, Adamas will receive \$35 million at closing and an additional \$65 million upon U.S. Food and Drug Administration (FDA) approval and receipt of Orphan Drug exclusivity of ADS-5102 (amantadine) extended-release capsules for the treatment of levodopa-induced dyskinesia in people with Parkinson's disease. Adamas will use the proceeds from the royalty-backed note agreement for general corporate purposes, including the commercialization of ADS-5102 for the treatment of levodopa-induced dyskinesia in people with Parkinson's disease in the United States, for which a New Drug Application (NDA) is currently under review by the FDA with a Prescription Drug User Fee Act (PDUFA) date of August 24, 2017. The proceeds will also be used to advance the company's ongoing clinical development programs.

"We are thrilled to partner with HCR in this transaction, providing us with the resources to advance our business and commercialize ADS-5102, which we believe will create significant and sustainable value for all Adamas stakeholders," said Gregory T. Went, Ph.D., Chairman and Chief Executive Officer of Adamas Pharmaceuticals, Inc. "We look forward to bringing ADS-5102 to patients, which, if approved, will be the first and only FDA-approved medicine for the treatment of dyskinesia in people with Parkinson's disease, a debilitating consequence of levodopa therapy."

"We are very excited to partner with Adamas as the company commercializes ADS-5102," said Clarke Futch, Managing Partner and Chairman of HCR's investment committee. "ADS-5102 has the potential to be the first medication successfully developed to benefit Parkinson's patients with levodopa-induced dyskinesia."

Terms of the agreement with HCR include:

- 1 Adamas will pay 11 percent fixed interest on outstanding principal on a quarterly basis, and interest and principal will be payable from the proceeds of a 12.5 percent royalty on U.S. net sales of ADS-5102 and up to \$15 million annually of Adamas' royalties from Allergan on U.S. net sales of NAMZARIC[®] starting in May 2020.
- 1 Adamas may prepay 200 percent of the principal funded by HCR, at which time no further payment obligations will apply.
- 1 The royalty rate on net sales of ADS-5102 will drop to 6.25 percent after the principal amount of the note has been fully repaid, until Adamas has made total payments of 200 percent of the principal funded by HCR, and may increase up to 22.5 percent of U.S. net sales and other consideration received outside of the U.S. if total interest and principal payments have not reached minimum specified levels.
- 1 The HCR notes mature in December 2026, if not earlier prepaid.

About HealthCare Royalty Partners

HCR is a private investment firm that purchases royalties and uses debt-like structures to invest in commercial or near-commercial stage life science assets. HCR has \$3.5 billion in cumulative capital commitments with offices in Stamford (CT), San Francisco and Boston. Since 2003, HCR's senior professionals have completed more than 60 healthcare investments. For more information, visit www.healthcareroyalty.com.

About Adamas Pharmaceuticals, Inc.

Adamas develops new medicines to improve the daily lives of those affected by chronic neurologic disorders, including Parkinson's disease, multiple sclerosis, epilepsy, and Alzheimer's disease. Adamas has pioneered a platform to develop medicines for chronic neurologic disorders based on an understanding of the time-dependent biologic processes responsible for disease activity and drug response to potentially achieve symptomatic relief without tolerability issues. The company's most advanced product candidate, ADS-5102, is a high-dose amantadine, taken once daily at bedtime, in development for levodopa-induced dyskinesia in people with Parkinson's disease and walking impairment in people with multiple sclerosis. A New Drug Application supporting ADS-5102 for the treatment of levodopa-induced dyskinesia in people with Parkinson's disease is under review by the FDA with a PDUFA date of August 24, 2017. Adamas is exploring other indications for ADS-5102 for further development. Adamas is also investigating ADS-4101 for the treatment of partial onset seizures in patients with epilepsy. Additionally, Adamas' licensed assets, are currently marketed by Allergan under the brand names NAMENDA XR[®] and NAMZARIC[®], and Adamas is eligible to receive royalties on sales of these medicines beginning in June 2018 and May 2020, respectively. For more information, please visit www.adamaspharma.com.

NAMENDA XR[®] and NAMZARIC[®] are trademarks of Merz Pharma GmbH & Co. KGaA.

Forward-looking Statements

Statements contained in this press release regarding matters that are not historical facts are "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995, including but not limited to, statements contained in this press release regarding the potential approval of ADS-5102 for the treatment of levodopa-induced dyskinesia in people with Parkinson's disease. Words such as "expect," "anticipate," and similar expressions (as well as other words or expressions referencing future events, conditions, or circumstances) are intended to identify forward-looking statements. Because such statements are subject to risks and uncertainties, actual results may differ materially from those expressed or implied by such forward-looking statements. For a description of risks and uncertainties that could cause actual results to differ from those expressed in forward-looking statements, including risks relating to the timing and potential success of ADS-5102; Adamas' ability to successfully obtain approval and orphan drug designation and commercialize ADS-5102 in the U.S. and receive the full amount of the loan proceeds under the HCR agreement and the applicable interest and royalty payment rate applicable during the term of the loan agreement; Adamas' research, clinical, development and commercial activities relating to ADS-5102 and ADS-4101; the regulatory and competitive environment for products covered by patents with limited term and scope of exclusivity protection; and Adamas' business in general, see Adamas' Annual Report on Form 10-K filed with the Securities and Exchange Commission on February 28, 2017. Investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this release. Adamas undertakes no obligation to update any forward-looking statement in this press release.

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