Ardelyx Announces $27.5 Million Debt Financing Agreement with SLR Capital Partners

February 24, 2022

- Non-dilutive capital extends cash runway to further support launch of IBSRELA® (tenapanor)

WALTHAM, Mass., Feb. 24, 2022 /PRNewswire/ -- Ardelyx, Inc. (Nasdaq:ARDX), a biopharmaceutical company founded with a mission to discover, develop and commercialize innovative first-in-class medicines that meet significant unmet medical needs, today announced that it has entered into a debt financing agreement with investment affiliates managed by SLR Capital Partners ("SLR").

"We are pleased to enter into this agreement with SLR for non-dilutive capital ahead of an important catalyst for the company this year, namely the launch and commercialization of IBSRELA for the treatment of irritable bowel syndrome with constipation in adults," said Justin Renz, chief financial officer of Ardelyx. "This financing further strengthens our balance sheet and extends our cash runway offering operational flexibility to further support the launch of IBSRELA."

"SLR is excited to be a long-term partner with Ardelyx as they launch and commercialize IBSRELA," said Anthony Storino, Head of Life Science Finance at SLR. "We are delighted to partner with Ardelyx during this important time of transition to a commercial company, and this significant commitment of capital represents that belief and our commitment to financing life sciences companies across all stages of development."

The loan agreement provides for a senior secured term loan facility with a maturity date of March 1, 2027 and an interest only period through March 2024. Under the terms of the loan agreement, $27.5 million was drawn at closing, and will be used by the company to repay in full the 2018 term loan agreement with Solar Capital Ltd. and Western Alliance, under which the interest only period had expired. Ardelyx may also borrow an additional $22.5 million upon under the new facility with SLR on or prior to July 25, 2023; provided that the company has received approval by the U.S Food and Drug Administration ("FDA") for its New Drug Application ("NDA") for tenapanor for the control of serum phosphorus in adult patients with chronic kidney disease (CKD) on dialysis on or before December 31, 2022, and that the company has achieved certain product revenue milestones targets. The term loan has an interest rate of 7.95% plus the 30-day LIBOR. Additional information regarding the transaction can be found in the company's filing with the Securities and Exchange Commission ("SEC") on February 24, 2022, and in its future current and periodic reports to be filed with the SEC.

IMPORTANT SAFETY INFORMATION

WARNING: RISK OF SERIOUS DEHYDRATION IN PEDIATRIC PATIENTS
IBSRELA is contraindicated in patients less than 6 years of age; in nonclinical studies in young juvenile rats administration of tenapanor caused deaths presumed to be due to dehydration. Avoid use of IBSRELA in patients 6 years to less than 12 years of age. The safety and effectiveness of IBSRELA have not been established in patients less than 18 years of age.

CONTRAINDICATIONS

- IBSRELA is contraindicated in patients less than 6 years of age due to the risk of serious dehydration.
- IBSRELA is contraindicated in patients with known or suspected mechanical gastrointestinal obstruction.

WARNINGS AND PRECAUTIONS

Risk of Serious Dehydration in Pediatric Patients

- IBSRELA is contraindicated in patients below 6 years of age. The safety and effectiveness of IBSRELA in patients less than 18 years of age have not been established. In young juvenile rats (less than 1 week old; approximate human age equivalent of less than 2 years of age), decreased body weight and deaths occurred, presumed to be due to dehydration, following oral administration of tenapanor. There are no data available in older juvenile rats (human age equivalent 2 years to less than 12 years).
- Avoid the use of IBSRELA in patients 6 years to less than 12 years of age. Although there are no data in older juvenile rats, given the deaths in younger rats and the lack of clinical safety and efficacy data in pediatric patients, avoid the use of IBSRELA in patients 6 years to less than 12 years of age.

Diarrhea
Diarrhea was the most common adverse reaction in two randomized, double-blind, placebo-controlled trials of IBS-C. Severe diarrhea was reported in 2.5% of IBSRELA-treated patients. If severe diarrhea occurs, suspend dosing and rehydrate patient.

MOST COMMON ADVERSE REACTIONS
The most common adverse reactions in IBSRELA-treated patients (incidence ≥2% and greater than placebo) were: diarrhea (16% vs 4% placebo), abdominal distention (3% vs <1%), flatulence (3% vs 1%) and dizziness (2% vs <1%).

INDICATION
IBSRELA (tenapanor) is indicated for the treatment of Irritable Bowel Syndrome with Constipation (IBS-C) in adults.

Please see full Prescribing Information, including Boxed Warning, for additional risk information.

About Ardelyx, Inc.
Ardelyx was founded with a mission to discover, develop and commercialize innovative first-in-class medicines that meet significant unmet medical needs. Ardelyx received approval for IBSRELA (tenapanor) with plans to launch in the second quarter of 2022. Ardelyx is developing XPHOZAH (tenapanor), a novel product candidate to control serum phosphorus in adult patients with chronic kidney disease (CKD) on dialysis, which has completed three successful Phase 3 trials. Ardelyx is also advancing RDX013, a potassium secretagogue, for the potential treatment of elevated serum potassium, or hyperkalemia, a problem among certain patients with kidney and/or heart disease and has an early-stage program in metabolic acidosis, a serious electrolyte disorder in patients with CKD. Ardelyx has established agreements with Kyowa Kirin in Japan, Fosun Pharma in China and Knight Therapeutics in Canada for the development and commercialization of tenapanor in their respective territories.

About SLR Capital Partners

SLR Capital Partners, LLC ("SLR Capital Partners") is an SEC-registered investment adviser that primarily invests directly in leveraged, U.S. middle market companies in the form of cash flow and asset-based senior secured investments. SLR Capital Partners manages over $8 billion of investable capital, including serving as the investment adviser to two publicly-traded business development companies, SLR Investment Corp. and SLR Senior Investment Corp. The SLR Capital Partners Life Science Finance business provides financing solutions for later-stage bio-pharma, medical device, diagnostics, healthcare IT, and healthcare services companies, both venture-backed private and public, and from pre-revenue clinical to early commercial stage. For more information, please visit:
https://www.slrcapitalpartners.com/Financial-Solutions/Life-Science-Finance

Forward Looking Statements
To the extent that statements contained in this press release are not descriptions of historical facts regarding Ardelyx, they are forward-looking statements reflecting the current beliefs and expectations of management made pursuant to the safe harbor of the Private Securities Reform Act of 1995, including Ardelyx's plans to launch IBSRELA in the second quarter 2022; and Ardelyx's expectations regarding the impact that the execution of a new loan and security agreement with SLR will have on Ardelyx's cash position. Such forward-looking statements involve substantial risks and uncertainties that could cause Ardelyx's future results, performance or achievements to differ significantly from those expressed or implied by the forward-looking statements. Such risks and uncertainties include, among others, uncertainties associated with the commercialization of drugs. Ardelyx undertakes no obligation to update or revise any forward-looking statements. For a further description of the risks and uncertainties that could cause actual results to differ from those expressed in these forward-looking statements, as well as risks relating to Ardelyx's business in general, please refer to Ardelyx's Quarterly Report on Form 10-Q filed with the Securities and Exchange Commission on November 12, 2021, and its future current and periodic reports to be filed with the Securities and Exchange Commission.

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SOURCE Ardelyx

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