



Osmotica Pharmaceuticals plc Announces Debt Financing from Athyrium Capital Management of up to \$100 Million

October 7, 2021

BRIDGEWATER, N.J., Oct. 07, 2021 (GLOBE NEWSWIRE) -- Osmotica Pharmaceuticals plc (Nasdaq: OSMT) ("Osmotica" or the "Company"), a specialty pharmaceutical company, today announced that it has entered into a note purchase agreement for up to \$100 million of senior secured notes with funds managed by Athyrium Capital Management ("Athyrium").

"This financing provides the Company with additional cash to support the commercialization of Upneeq®," stated Brian Markison, Chief Executive Officer. "We are excited to have Athyrium, a leading health care investor, as our financial partner."

"We are thrilled to partner with the Osmotica team and to provide capital to support the commercial efforts around Upneeq," said Mark Kavulich, Partner, Athyrium Capital Management. "As a first-in-class treatment for acquired ptosis, Upneeq offers patients and clinicians a convenient non-surgical therapeutic option. We look forward to supporting management's growth initiatives."

Subject to the satisfaction of certain conditions, at closing of the agreement, Osmotica will issue \$55 million of senior secured notes. An additional \$20 million of notes will be available to Osmotica at its option by October 2022 subject to the achievement of minimum Upneeq revenues. An additional \$25 million of notes could be available to the Company at Athyrium's discretion. The notes mature in October 2026. Important information with respect to this financing, including a copy of the note purchase agreement, is set forth in a Current Report on Form 8-K filed by the Company with the Securities and Exchange Commission on October 6, 2021 and can be found at https://www.sec.gov/ix?doc=/Archives/edgar/data/1739426/000110465921123653/tm2129380d2_8k.htm.

IMPORTANT SAFETY INFORMATION

INDICATION

UPNEEQ® (oxymetazoline hydrochloride ophthalmic solution), 0.1% is indicated for the treatment of acquired blepharoptosis in adults.

WARNINGS AND PRECAUTIONS

- Ptosis may be associated with neurologic or orbital diseases such as stroke and/or cerebral aneurysm, Horner syndrome, myasthenia gravis, external ophthalmoplegia, orbital infection and orbital masses. Consideration should be given to these conditions in the presence of ptosis with decreased levator muscle function and/or other neurologic signs.
- Alpha-adrenergic agonists as a class may impact blood pressure. Advise UPNEEQ patients with cardiovascular disease, orthostatic hypotension, and/or uncontrolled hypertension or hypotension to seek medical care if their condition worsens.
- Use UPNEEQ with caution in patients with cerebral or coronary insufficiency or Sjögren's syndrome. Advise patients to seek medical care if signs and symptoms of potentiation of vascular insufficiency develop.
- UPNEEQ may increase the risk of angle closure glaucoma in patients with untreated narrow-angle glaucoma. Advise patients to seek immediate medical care if signs and symptoms of acute narrow-angle glaucoma develop.
- Patients should not touch the tip of the single patient-use container to their eye or to any surface, in order to avoid eye injury or contamination of the solution.

ADVERSE REACTIONS

Adverse reactions that occurred in 1-5% of subjects treated with UPNEEQ were punctate keratitis, conjunctival hyperemia, dry eye, blurred vision, instillation site pain, eye irritation and headache.

DRUG INTERACTIONS

- Alpha-adrenergic agonists, as a class, may impact blood pressure. Caution in using drugs such as beta-blockers, anti-hypertensives, and/or cardiac glycosides is advised. Caution should also be exercised in patients receiving alpha adrenergic receptor antagonists such as in the treatment of cardiovascular disease, or benign prostatic hypertrophy.
- Caution is advised in patients taking monoamine oxidase inhibitors which can affect the metabolism and uptake of circulating amines.

About Osmotica Pharmaceuticals plc

Osmotica Pharmaceuticals plc (Nasdaq: OSMT) is a specialty biopharmaceutical company focused on the development and commercialization of products that target markets with underserved patient populations. RVL Pharmaceuticals, Inc. is the Company's ophthalmic subsidiary supporting UPNEEQ®.

Osmotica has operations in the United States and Hungary.

About Athyrium Capital Management, LP

Athyrium Capital Management, LP is a specialized asset management company formed in 2008 to focus on investment opportunities in the global

healthcare sector. Athyrium advises funds with over \$4.8 billion in committed capital. The Athyrium team has substantial investment experience across a wide range of asset classes including public equity, private equity, fixed income, royalties, and other structured securities. Athyrium invests across all healthcare verticals including biopharma, medical devices and products, healthcare focused services, and healthcare information technology. The team partners with management teams to implement creative financing solutions to companies' capital needs.

Forward Looking Statements

This press release includes statements that express the Company's opinions, expectations, beliefs, plans, objectives, assumptions or projections regarding future events or future results and therefore are, or may be deemed to be, "forward-looking statements." The Company's actual results may vary significantly from the results anticipated in these forward-looking statements, which can generally be identified by the use of forward-looking terminology, including the terms "believes," "expects," "may," "will," "should," "seeks," "projects," "approximately," "intends," "plans," "estimates" or "anticipates," or, in each case, their negatives or other variations or comparable terminology. These forward-looking statements include all matters that are not historical facts, such as statements regarding our prospects, growth plan, strategies, trends and other events and the closing and terms of the financing. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. The Company may not achieve the plans, intentions or expectations disclosed in these forward-looking statements, and you should not place significant reliance on these forward-looking statements. Actual results or events could differ materially from the plans, intentions and expectations disclosed in the forward-looking statements the Company makes. Important factors that could cause actual results and events to differ materially from those indicated in the forward-looking statements include the following: our inability to satisfy the closing conditions under the note purchase agreement; our ability to obtain additional funding to continue our operations; our dependence on a limited number of products; the impact of legal proceedings; our ability to service our substantial debt; our ability to raise additional capital; the impact of competition from both brand and generic companies; any interruption at our warehouses or at facilities operated by third parties that we rely on for our products; our ability to develop and maintain our sales capabilities; the impact of any litigation related to allegations of infringement of intellectual property; the impact of any changes in the extensive governmental regulation that we face; quality control issues that we may face; and the risks and uncertainties described in the "Risk Factors" section of the Company's Current Report on Form 8-K, as filed with the Securities and Exchange Commission on September 8, 2021, and the other filings that the Company makes with the Securities and Exchange Commission. These forward-looking statements speak only as of the time of this release and the Company does not undertake to publicly update or revise them, whether as a result of new information, future events or otherwise, except as required by law.

Investor and Media Relations for Osmotica Pharmaceuticals plc

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