

Ionis Pharmaceuticals announces private placement of \$507.5 million principal amount of 0.125% convertible senior notes due 2024

December 12, 2019

CARLSBAD, Calif., Dec. 12, 2019 /PRNewswire/ -- Ionis Pharmaceuticals, Inc. (Nasdaq: IONS) ("Ionis") announced today that it has entered into privately negotiated exchange and/or subscription agreements, with certain holders of its outstanding 1.00% Convertible Senior Notes due 2021 (the "2021 Notes") and certain new investors pursuant to which Ionis will issue \$398.0 million principal amount of 0.125% Convertible Senior Notes due 2024 (the "New Notes") in exchange for \$340.2 principal amount of the 2021 Notes (the "Exchange Transactions") and issue \$109.5 million principal amount of New Notes for cash (the "Subscription Transactions"). Following the closing of the Exchange Transactions, \$344.8 million in aggregate principal amount of 2021 Notes will remain outstanding with terms unchanged. The Exchange Transactions and the Subscription Transactions are expected to close concurrently on or about December 19, 2019, subject to customary closing conditions.

The New Notes will represent senior unsecured obligations of Ionis and will pay interest semi-annually in arrears on each June 15 and December 15, commencing on June 15, 2020, at a rate of 0.125% per annum. The New Notes will mature on December 15, 2024, unless earlier converted or repurchased. The New Notes will be convertible at the option of the holders in certain circumstances into cash, shares of Ionis' common stock or a combination of cash and Ionis' common stock, at Ionis' election. The initial conversion rate is 12.0075 shares of Ionis' common stock per \$1,000 principal amount of New Notes, which is equivalent to an initial conversion price of approximately \$83.28 per share, and will be subject to customary anti-dilution adjustments. Ionis may not redeem the New Notes prior to the maturity date.

Ionis will not receive any cash proceeds from the Exchange Transactions. In exchange for issuing the New Notes pursuant to the Exchange Transactions, Ionis will receive and cancel the exchanged 2021 Notes. Ionis estimates that net cash proceeds from the Subscription Transactions will be approximately \$99.2 million after deducting estimated offering expenses for both the Exchange Transactions and the Subscription Transactions. Ionis intends to use net cash proceeds from the Subscription Transactions to pay the cost of the convertible note hedge transaction described below and for general corporate purposes.

In connection with the exchange and/or subscription agreements, Ionis entered into convertible note hedge and warrant transactions with several financial institutions. These transactions may decrease or increase dilution of Ionis' stock based on several factors that are outlined in further detail in the Company's 8-K filing, which was filed contemporaneously with this press release.

The New Notes and any shares of common stock issuable upon conversion of the New Notes have not been registered under the Securities Act or under any state securities laws and may not be offered or sold without registration under, or an applicable exemption from, the registration requirements. This announcement does not constitute an offer to sell, nor is it a solicitation of an offer to buy, these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any state or any jurisdiction.

ABOUT IONIS PHARMACEUTICALS, INC.

As the leader in RNA-targeted drug discovery and development, Ionis has created an efficient, broadly applicable, drug discovery platform called antisense technology that can treat diseases where no other therapeutic approaches have proven effective. Our drug discovery platform has served as a springboard for actionable promise and realized hope for patients with unmet needs. We created the first and only approved treatment for both children and adults with spinal muscular atrophy as well as the world's first RNA-targeted therapeutic approved for the treatment of polyneuropathy in adults with hereditary transthyretin amyloidosis. Our sights are set on all the patients we have yet to reach with a pipeline of more than 40 novel medicines designed to treat a broad range of diseases including cardiovascular diseases, neurological diseases, infectious diseases, pulmonary diseases and cancer.

IONIS' FORWARD-LOOKING STATEMENT

This press release includes forward-looking statements regarding the expected closing and the terms of the Exchange Transactions, the Subscription Transactions and the New Notes. Any statement describing Ionis' goals, expectations, financial or other projections, intentions or beliefs is a forward-looking statement and should be considered an at-risk statement. Such statements are subject to certain risks and uncertainties, including the ability to satisfy closing conditions specified in the exchange and/or subscription agreements. Ionis' forward-looking statements also involve assumptions that, if they never materialize or prove correct, could cause its results to differ materially from those expressed or implied by such forward-looking statements. Although Ionis' forward-looking statements reflect the good faith judgment of its management, these statements are based only on facts and factors currently known by Ionis. As a result, you are cautioned not to rely on these forward-looking statements. These and other risks concerning Ionis' programs are described in additional detail in Ionis' annual report on Form 10-K for the year ended December 31, 2018 and its most recent quarterly report on Form 10-Q, which are on file with the SEC. Copies of these and other documents are available from the Company.

In this press release, unless the context requires otherwise, "Ionis," "Company," "we," "our," and "us" refers to Ionis Pharmaceuticals and its subsidiaries.

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