



Collegium Pharmaceutical, Inc. Prices \$125.0 Million Convertible Senior Notes Offering

February 11, 2020

STOUGHTON, Mass., Feb. 10, 2020 (GLOBE NEWSWIRE) -- Collegium Pharmaceutical, Inc. (NASDAQ: COLL) today announced the pricing of its offering of \$125,000,000 aggregate principal amount of 2.625% convertible senior notes due 2026 (the "notes") in a public offering registered under the Securities Act of 1933, as amended. Collegium also granted the underwriter of the notes a 30-day option to purchase up to an additional \$18,750,000 principal amount of notes solely to cover over-allotments.

The notes will be senior, unsecured obligations of Collegium and will accrue interest at a rate of 2.625% per annum, payable semi-annually in arrears on February 15 and August 15 of each year, beginning on August 15, 2020. The notes will mature on February 15, 2026, unless earlier repurchased, redeemed or converted. Before August 15, 2025, noteholders will have the right to convert their notes only upon the occurrence of certain events. From and after August 15, 2025, noteholders may convert their notes at any time at their election until the close of business on the scheduled trading day immediately before the maturity date. Collegium will settle conversions by paying or delivering, as applicable, cash, shares of its common stock or a combination of cash and shares of its common stock, at Collegium's election. The initial conversion rate is 34.2618 shares of common stock per \$1,000 principal amount of notes, which represents an initial conversion price of approximately \$29.19 per share of common stock. The initial conversion price represents a premium of approximately 35% over the last reported sale of \$21.62 per share of Collegium's common stock on February 10, 2020. The conversion rate and conversion price will be subject to adjustment upon the occurrence of certain events.

Except as described in the immediately following sentence, Collegium may not redeem the notes prior to February 15, 2023. If the asset purchase agreement for the Nucynta Transaction (as defined below) is terminated in accordance with its terms, or Collegium's board of directors determines that the Nucynta Transaction will not close or the Nucynta Transaction does not close by March 13, 2020, then the notes will be redeemable, in whole and not in part, at Collegium's option, on a redemption date occurring on or before May 29, 2020, at a cash redemption price equal to 101% the principal amount of the notes to be redeemed, plus accrued and unpaid interest, plus the "applicable premium" described in the preliminary prospectus supplement for the offering of the notes. In addition, the notes will be redeemable, in whole and not in part, for cash at Collegium's option at any time on or after February 15, 2023, but only if the last reported sale price per share of Collegium's common stock exceeds 130% of the conversion price for a specified period of time, at a redemption price equal to the principal amount of the notes to be redeemed, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

If a "fundamental change" (as defined in the indenture for the notes) occurs, then noteholders may require Collegium to repurchase their notes for cash. The repurchase price will be equal to the principal amount of the notes to be repurchased, plus accrued and unpaid interest, if any, to, but excluding, the applicable repurchase date.

Collegium estimates that the net proceeds from the offering will be approximately \$120.4 million (or approximately \$138.6 million if the underwriter fully exercises its option to purchase additional notes), after deducting the underwriting discounts and commissions and estimated offering expenses. Collegium intends to use the net proceeds from the sale of the notes, together with cash on hand and borrowings under its credit facility, to fund the purchase price of Collegium's previously announced acquisition of assets related to Nucynta ER and Nucynta from Assertio Therapeutics, Inc. (the "Nucynta Transaction"). Collegium intends to use the remaining net proceeds, if any, for general corporate purposes. The offering of notes is not contingent on the consummation of the Nucynta Transaction. If the Nucynta Transaction does not close and Collegium does not use the proceeds to redeem the notes, Collegium intends to use the net proceeds for general corporate purposes.

Jefferies LLC is acting as the sole book-running manager for the offering.

Collegium has filed a registration statement (including a prospectus), which was declared effective on November 6, 2019, and a preliminary prospectus supplement with the Securities and Exchange Commission (the "SEC") for the offering of the notes. You may get these documents free by visiting EDGAR on the SEC website at www.sec.gov or by contacting Jefferies LLC, Attention: Equity Syndicate Prospectus Department, 520 Madison Avenue, 2nd Floor, New York, NY 10022, or by telephone at 877-821-7388, or by email at Prospectus_Department@Jefferies.com.

This press release shall not constitute an offer to sell or the solicitation of an offer to buy the notes, nor shall there be any sale of the notes in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

About Collegium

Collegium is a specialty pharmaceutical company committed to being the leader in responsible pain management. Collegium's headquarters are located in Stoughton, Massachusetts.

Forward-Looking Statements

This press release includes forward-looking statements, including statements regarding the Nucynta Transaction, the financing for the Nucynta Transaction, the completion of the offering and the expected amount and intended use of the net proceeds. Collegium may, in some cases, use terms such as "predicts," "forecasts," "believes," "potential," "proposed," "continue," "estimates," "anticipates," "expects," "plans," "intends," "may," "could," "might," "should" or other words that convey uncertainty of future events or outcomes to identify these forward-looking statements. Forward-looking statements represent Collegium's current expectations regarding future events and are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those implied by the forward-looking statements. Among those risks and uncertainties are risks related to the Nucynta Transaction, market conditions, the satisfaction of the closing conditions related to the offering and risks relating to Collegium's

business, including those described under the heading "Risk Factors" in Collegium's Quarterly Report on Form 10-Q for the quarter ended September 30, 2019 and other filings with the SEC, and in the preliminary prospectus supplement related to the offering filed with the SEC on February 10, 2020. Collegium may not consummate the offering described in this press release and, if the offering is consummated, cannot provide any assurances regarding its ability to effectively apply the net proceeds as described above. Any forward-looking statements included in this press release speak only as of the date of this press release. Collegium does not undertake any obligation to update the statements included in this press release for subsequent developments, whether as a result of new information, future events or otherwise, except as may be required by law.

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Source: Collegium Pharmaceutical, Inc.