# Eupraxia Pharmaceuticals Completes C$14.7 million Overnight Marketed Offering

April 20, 2022

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VICTORIA BC, April 20, 2022 /CNW/ - Eupraxia Pharmaceuticals Inc. ("**Eupraxia**" or the "**Company**") (TSX: EPRX), a Phase 2 clinical-stage biotechnology company with an innovative drug delivery technology platform, today announced that it has closed its previously announced overnight marketed public offering of units ("**Units**") of the Company (the "**Offering**"). Pursuant to the Offering, Eupraxia issued 7,150,550 Units at a price of C$2.05 per Unit (the "**Offering Price**") and 181,000 Warrants (as defined below) at a price of C$0.30 per Warrant for aggregate gross proceeds of approximately C$14.7 million.

"Completion of this financing further strengthens the balance sheet and extends our cash runway to Q4, 2023," said Dr. James Helliwell, CEO of Eupraxia. "By raising this capital, we satisfied the requirement to raise an additional $10 million in net new capital under our contingent convertible debt agreement with Silicon Valley Bank ahead of the June 30, 2022 deadline. We are grateful for the strong investor support demonstrated in this financing."

Each Unit consists of one common share in the capital of the Company (each, a "**Common Share**") and one common share purchase warrant of the Company (each, a "**Warrant**"). Each Warrant entitles the holder thereof to acquire one Common Share at an exercise price of C$3.00 per Common Share for a period of 48 months following the closing date of the Offering, being April 20, 2022 (the "**Closing Date**"). The Warrants will commence trading today on the Toronto Stock Exchange under the symbol "EPRX.WT.A".

The Company granted to the Agents an option (the "**Over-Allotment Option**") to purchase up to an additional 944,550 Units, at the Offering Price. The Over-Allotment Option is exercisable in whole or in part to purchase Common Shares, Warrants, Units, or any combination thereof. The Agents partially exercised the Over-Allotment Option to purchase an additional 763,550 Units and 181,000 Warrants on the date hereof.

The Units were issued pursuant to an agency agreement (the "**Agency Agreement**") between the Company and Raymond James Ltd., as lead agent and sole bookrunner, BMO Capital Markets and Canaccord Genuity Corp. (collectively, the "**Agents**").

The Offering was completed in each of the provinces of Canada, except Québec, pursuant to a prospectus supplement dated April 14, 2022 (the "**Prospectus Supplement**").to the Company's base shelf prospectus dated January 10, 2022 (the "**Base Shelf Prospectus**") and in the United States on a private placement basis.

The Company intends to use the net proceeds from the Offering towards the Company's ongoing research & development activities including the clinical development of EP-104IAR, other preclinical and clinical targets as well as for working capital and general capital purposes.

Copies of the Prospectus Supplement, accompanying Base Shelf Prospectus and Agency Agreement relating to the Units are available under the Company's profile on SEDAR at www.sedar.com.

No securities regulatory authority has either approved or disapproved of the contents of this press release. This press release does not constitute an offer to sell or the solicitation of an offer to buy nor has there been any sale of the securities in the United States or in any other jurisdiction in which such offer, solicitation or sale would be unlawful. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States absent registration or an applicable exemption from the registration requirements thereunder.

**About Eupraxia Pharmaceuticals Inc.**

Eupraxia is a clinical-stage biotechnology company focused on the development of locally delivered, extended-release alternatives to currently approved drugs. Each of Eupraxia's product candidates has the potential to address therapeutic areas with high unmet medical need and strives to provide improved patient benefit by delivering targeted, long-lasting activity with fewer side effects.

Eupraxia's lead product candidate, EP-104IAR, is currently in Phase 2 development for the treatment of pain due to OA of the knee. In addition to EP-104IAR, Eupraxia is developing a pipeline of earlier-stage long-acting formulations. Potential pipeline candidates include a range of drugs for indications such as postsurgical pain (EP-105), and post-surgical site infections (EP-201), each designed to improve on the activity and tolerability of approved drugs. For further details about Eupraxia, please visit the Company's website at: www.eupraxiapharma.com.

**Forward-Looking Statements:**

Some statements in this release may contain forward-looking statement and forward looking information within the meaning of Canadian securities laws. All statements, other than of historical fact, that address activities, events or developments that the Company believes, expects or anticipates will or may occur in the future (including, without limitation, statements regarding to the Offering generally, and the use of the proceeds thereof, are forward-looking statements. Forward-looking statements are generally, but not always, identifiable by use of the words "may", "will", "should", "continue", "expect", "anticipate", "estimate", "believe", "intend", "plan" or "project" or the negative of these words or other variations on these words or comparable terminology. Forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company's ability to control or predict, that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements. Factors that could cause actual results or events to differ materially from current expectations include, among other things, without limitation, uncertainties related to the terms, the inability of the Company to obtain sufficient financing to execute the Company's business plan; competition; regulation and anticipated and unanticipated costs and delays, the success of the Company's research and development strategies, including the success of this product or any other product, the applicability of the discoveries made therein, the successful and timely completion and uncertainties related to the regulatory process, the timing of clinical trials, the timing and outcomes of regulatory or intellectual property decisions and other risks disclosed in the Company's public disclosure record on file with the relevant securities regulatory authorities on SEDAR at www.sedar.com. Although the Company has attempted to identify important factors that could cause actual results or events to differ materially from those described in forward-looking statements, there may be other factors that cause results or events not to be as anticipated, estimated or intended. Readers should not place undue reliance on forward-looking statements. The forward-looking statements and information included in this news release are made as of the date of this news release and the Company does not undertake an obligation to publicly update such forward-looking statements to reflect new information, subsequent events or otherwise unless required by applicable securities legislation.

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